



Groupe ActionLogement

Investors presentation

[September 30th 2020]



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Agenda



1. in'li at a glance
2. Market overview and challenges
 1. in'li, a leading player in the intermediary housing
 2. in'li operates in Île-de-France, a tense market
3. in'li's portfolio
4. 2019-2020 key events
5. Historical financial performance
6. Perspectives & credit highlights

Today's speakers



Benoist Apparu

Chairman of the management Board

Benoist Apparu joined the government in 2009 as Secretary of State for Housing and Urban Planning⁽¹⁾, and then became Minister Delegate for Housing⁽²⁾ in 2012. He joined Action Logement Group in May 2017 to lead the project of Intermediary Housing in Île-de-France and becomes Chairman of the management board of in'li in October 2017.



Antoine Pinel

Member of the Management Board, CEO

Former Managing Director of OGIF, Antoine Pinel joined Action Logement Group in 2002 and began his career as an auditor and has held several positions in financial departments of major international groups.



Olivier Debost

CFO

Chief Financial Officer of OGIF since 2003, Olivier Debost started his career in audit and consulting. He became Financial Director of in'li in 2017, following the merger of Action Logement's 4 intermediary housing subsidiaries located in Île-de-France.

(1) Secrétaire d'État chargé du Logement et de l'Urbanisme

(2) Ministre délégué chargé du Logement



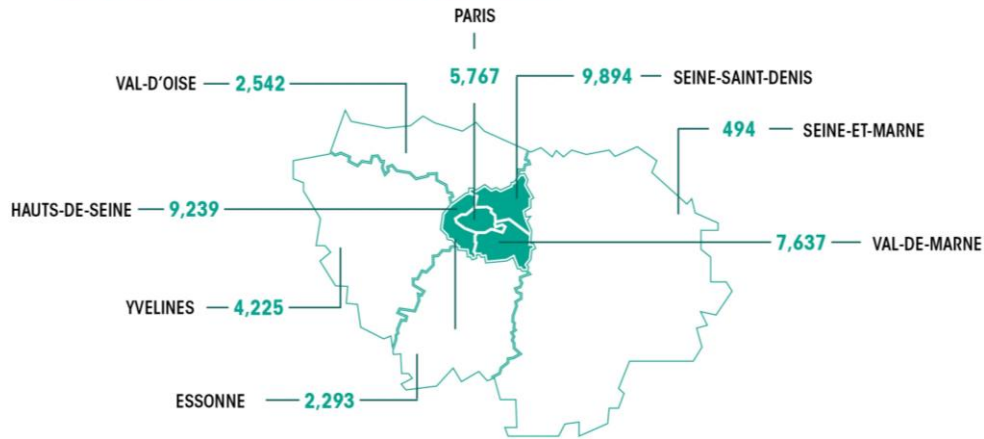
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in'li at a glance



in'li, leading player of the intermediary housing market in Île-de-France (1/2)

OUR ASSETS IN THE ÎLE-DE-FRANCE REGION



REST OF FRANCE: 658 housing units of which 522 in the Oise department

- ♥ 42,305 family housing units and 444 residence housings
- ♥ in'li's assets are almost exclusively located in the Île-de-France region where real estate properties are under pressure

8.3 Portfolio value⁽¹⁾ (€bn)

298 Net annual rent (€m)

97% Occupancy rate

7.2% Turnover rate

0.8% Unpaid rate

18.5% LTV⁽²⁾











in'li, a residential real estate property owner with a resilient profile located in one of the most dynamic region in Europe

Data as of 31/12/2019

(1) "portfolio block value (valeur en bloc), taking into account occupancy", valuation as of 31/12/2019, Crédit Foncier Expertise. in'li's portfolio value following "the "sale by lot" (vente par lot) approach, taking into account occupancy" is €9.3bn and in'li portfolio value following "the "sale by lot" (vente par lot) approach, assuming a lease at market rental value (valeur locative de marché)" is €10.7bn

(2) Adjusted LTV: Net financial debt / asset value, valued by Credit Foncier Expertise as of end December 2019 (block value (valeur en bloc), taking into account occupancy)

in'li, leading player of the intermediary housing market in Île-de-France (2/2)

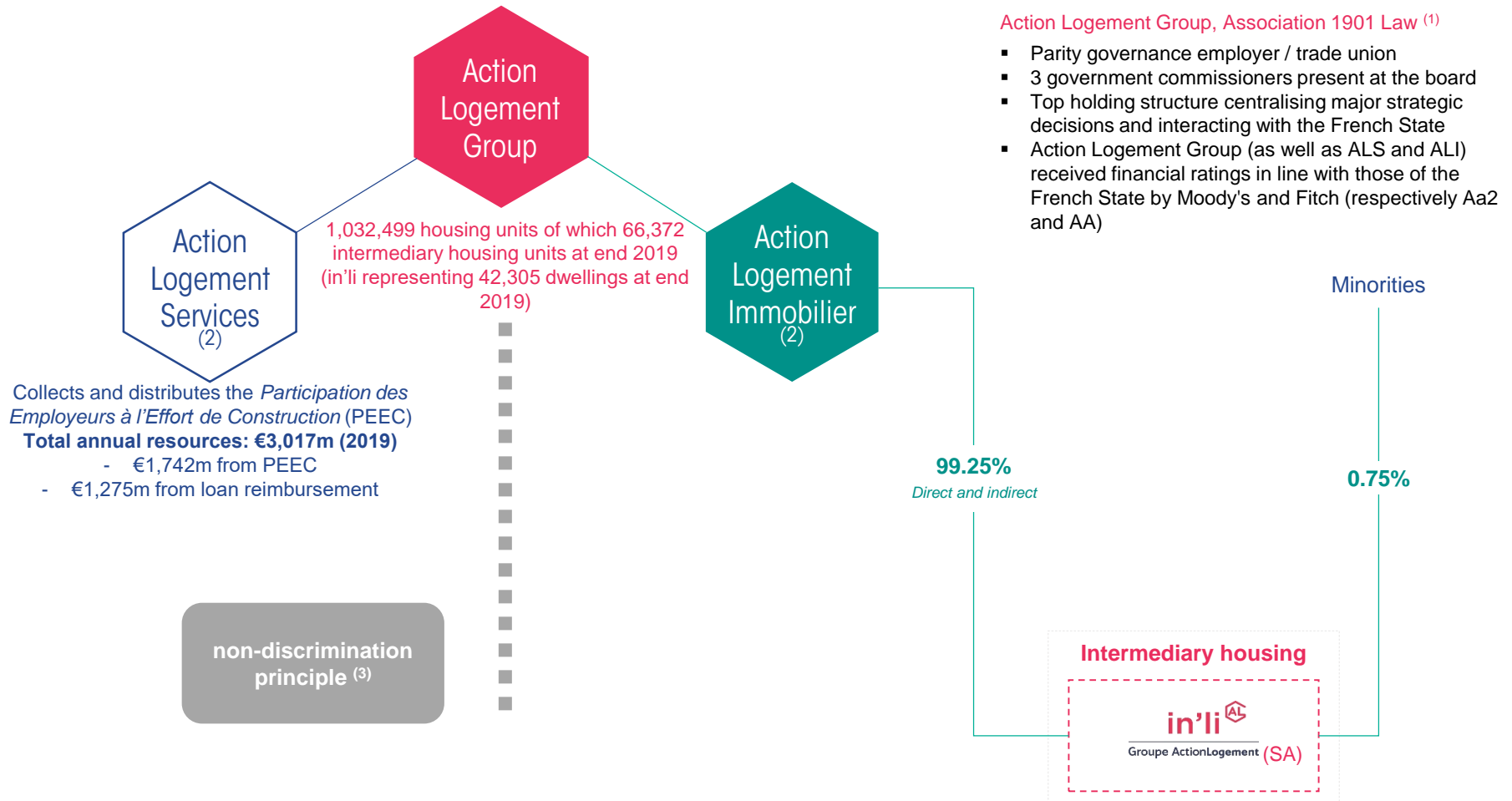
MAIN ACTORS OF INTERMEDIARY HOUSING		MOTHER COMPANY		
ACTORS	HOUSING NUMBER IN THE ÎLE-DE-FRANCE REGION	ACTORS	INTERMEDIARY HOUSING NUMBER IN FRANCE	SOCIAL HOUSING NUMBER IN FRANCE
 Groupe ActionLogement	42 305 ⁽¹⁾		66 372	966 127
	26 538		92 000	341 000
	10 088		10 088	125 238
	3 000		7 660	91 130
	1 000		1 080	163 318

More recently, different actors have entered the intermediary housing market like Group Arcade, Group Logement français, Vilogia, and RIVP. For the time being, the impact remains limited.

Source: websites and corporate brochures, Xerfi
 (1) including 658 housing units outside île-de-France

in'li, a subsidiary of Action Logement Group

A key player in the French housing policy



Action Logement Group, Association 1901 Law (1)

- Parity governance employer / trade union
- 3 government commissioners present at the board
- Top holding structure centralising major strategic decisions and interacting with the French State
- Action Logement Group (as well as ALS and ALI) received financial ratings in line with those of the French State by Moody's and Fitch (respectively Aa2 and AA)

(1) « Seule la loi peut prévoir sa dissolution, sa scission ou sa transformation. » (French Housing and Construction Code, Article L313-18)

(2) « Société par actions simplifiée » whose unique shareholder is Action Logement Group, French Housing and Construction Code, Article L313-19 et L313-20

(3) French Housing and Construction Code, Article L313-17-3

A Strong Investment Grade rating in line with Action Logement

Since its inaugural rating in May 2019, in'li has been upgraded twice by S&P

September / October 2019

Assigned Aa2 (Moody's) and AA (Fitch) ratings for the three entities ALG, ALS and ALI
Inaugural €1bn Sustainable bond issue by ALS



1



in'li 

Groupe ActionLogement

1

2

3

4

5

May 2019
Obtained BBB+ rating

June 2019
Inaugural bond issue

November 2019
Rating upgraded to A-

End 2019
Signature of a €250m financing package with the European Investment Bank (EIB) under the Juncker Plan

January 2020
PSPP Eligible⁽¹⁾
Rating upgraded to A

"in'li's strong business model should enable it to generate at least steady revenue in the next 24 months, maintain prudent leverage, and remain a strategically important subsidiary of ALI. Our stronger assessment of ALI's stand-alone credit quality leads us to upgrade in'li. We regard in'li as a strategically important subsidiary of Action Logement group via ALI"

S&P Global

"We believe that Action Logement Immobilier's (ALI's) creditworthiness has improved thanks to increased visibility on its multiyear financial planning and strategy that will sustain its strong financial profile over the medium term. Since we view in'li as a strategically important subsidiary of ALI, there is a resulting positive effect on in'li's creditworthiness."

S&P Global

Source: S&P

(1) Public sector purchase programme – in'li being a subsidiary of Action Logement

An experienced management team with a clear long-term vision

An enlarged Management Board compounded of real estate professionals

BOARD



Benoist APPARU

Chairman of the Management Board

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Antoine PINEL

Member of the Management Board, CEO

Former Managing Director of OGIF, **Antoine Pinel joined Action Logement Group in 2002** and began his career as an auditor and has held several positions in financial departments of major international groups.

ENLARGED MANAGEMENT BOARD



Stéphanie CAULET

Deputy CEO – Clients & Portfolio



Romain CREPEL

Deputy CEO – Investments & Construction



Emmanuelle ROBIN-TEINTURIER

Deputy CEO – Resources



Barbara GRIZELJ

Deputy CEO – Job Transformation



Stephan REIZER

Deputy CEO – Digital Transformation and Data Management



Eric LASCROMPES

Development Department Director



Olivier DEBOST

Chief Financial Officer



Marie LEFEBVRE-SOUCÉ

In'li PM President

(1) *Secrétaire d'État chargé du Logement et de l'Urbanisme*

(2) *Ministre délégué chargé du Logement*

A social mission re-affirmed (1/2)

in'li, partner in value creation for all its stakeholders



CHALLENGES

ENVIRONMENTAL

- Target : Thermal-regulation 2012 -10%
- Energy consumption : 186 kwh ep/m2
- Carbon footprint : 35,4 kg eq co2/m2

SOCIÉTAL

- Meet the need for intermediate housing units in the Île-de-France region
- Improve the quality of buildings and the quality of life
- Promote our tenants' residential experience
- Boost the local economy
- Encourage technical and social innovation
- Contribute to urban renewal

SOCIAL

- Adapt our activities for tomorrow's challenges
- Develop relevant skills and career paths
- Work well together



HOME OWNERSHIP

- ♥ 90 housing units sold to their occupants in 2019, for an average unit value of €267,300
- ♥ Nearly 8,000 additional housing units being prepared (co-ownership, implementation of the procedure known as collective agreements, etc.) for a first sales campaign during 2021.

NATURAL AND MATERIAL RESOURCES

- ♥ Buildings: thermal isolation 10 to 20% higher than the thermal regulations. In addition, half of the new programs are labelled NF Habitat or NF Habitat HQE or BEE+.
- ♥ Earth: Experimenting with the use of raw earth in our new direct project management programs.



BEE +

A social mission re-affirmed (2/2)

in'li, partner in value creation for all its stakeholders



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GENDER EQUALITY

- ♥ Gender equality index of 94/100 in 2019, making in'li one of the leaders in this matter
- ♥ Equal access to managerial positions (more than one in'li manager out of two is a woman)
- ♥ Feminisation of technical functions (operations manager, computer expert, supervisory guard, ...)

SKILLS AND CAREER DEVELOPMENT

- ♥ Ease of functional and geographical mobility
- ♥ Promoting and reinforcing competencies through training: 73% of employees received at least one training session in 2019



2.1

Market overview and challenges

**IN'LI, A LEADING
PLAYER IN
INTERMEDIARY
HOUSING**

**in'li operates in Île-de-
France, a tense market**

The intermediary housing aims to meet employees' demand in areas under pressure

The rental intermediary housing park is estimated at around 200,000 units in Île-de-France



Defined by ordinance (2014) to promote the employment-housing link, facilitate professional mobility and thus contribute to enhance the attractiveness of territories:

Access to rental housing for middle-class employees and young workers excluded from social housing due to the level of their income

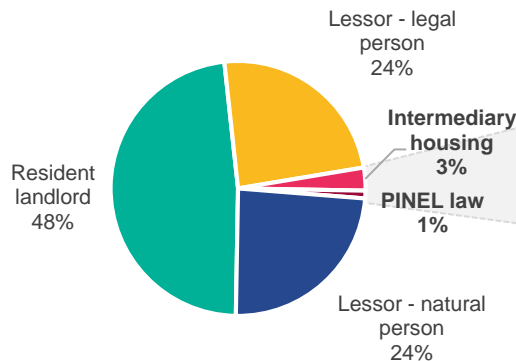
Focus on areas under pressure, especially in Île-de-France

Level of rents between those of the social park and those of the private park. Cap at 15 or 20% below market price

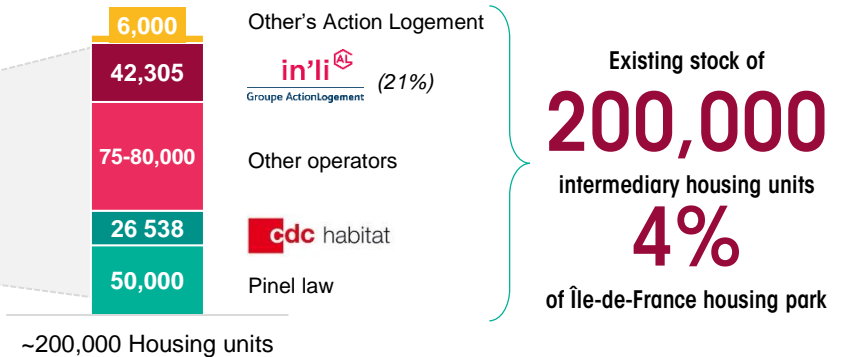
The existing intermediary housing units do not represent more than 0.7% of the French market, itself consisting of approximately 29.6 million housing units in 2017.

PRINCIPAL RESIDENCES PARK IN ÎLE-DE-FRANCE

BREAKDOWN BY TYPE OF 5.1M HOUSING UNITS



FOCUS ON INTERMEDIARY HOUSING

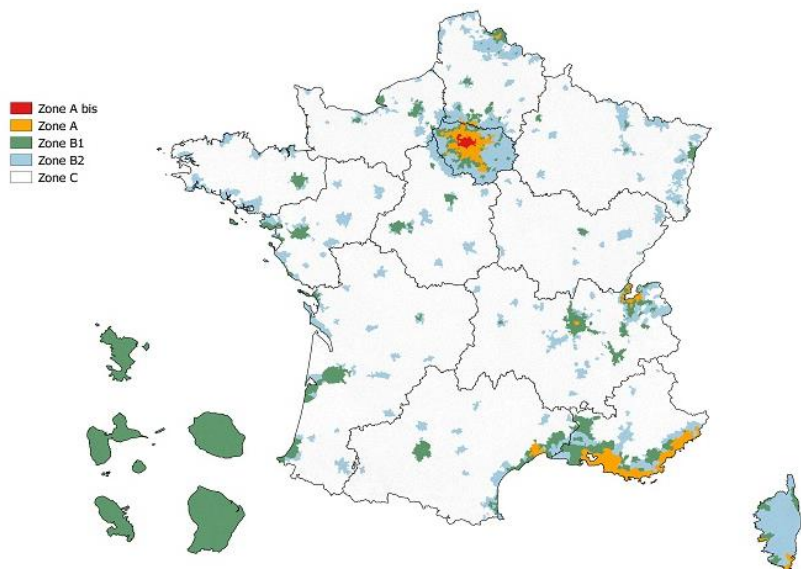


Source: Insee, Enquête Nationale Logement 2013, social rental park as of January 1st 2017, CFE

The intermediary housing only concerns dynamic residential markets

Favorable tax regime related to the status of intermediary housing concerns areas under pressure

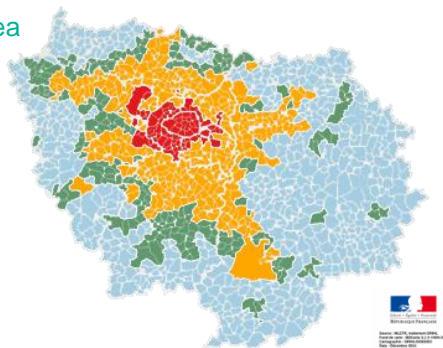
HOUSING POLICY ZONES



Since 2003, the government has defined five zones under pressure according to the local real estate market ⁽¹⁾:

- **Zone A bis**: Paris and 76 communes of Yvelines, Hauts-de-Seine, Seine-St-Denis, Val-de-Marne and Val-d'Oise
- **Zone A**: Parisian urban area, the French Riviera, the French part of the Geneva urban area, certain zones in Marseille, Montpellier, Lyon and Lille
- **Zone B1**: the central part of the other urban areas and French overseas
- **Zone B2**: other urban areas and Corsica
- **Zone C**: Rest of France

Île-de-France area

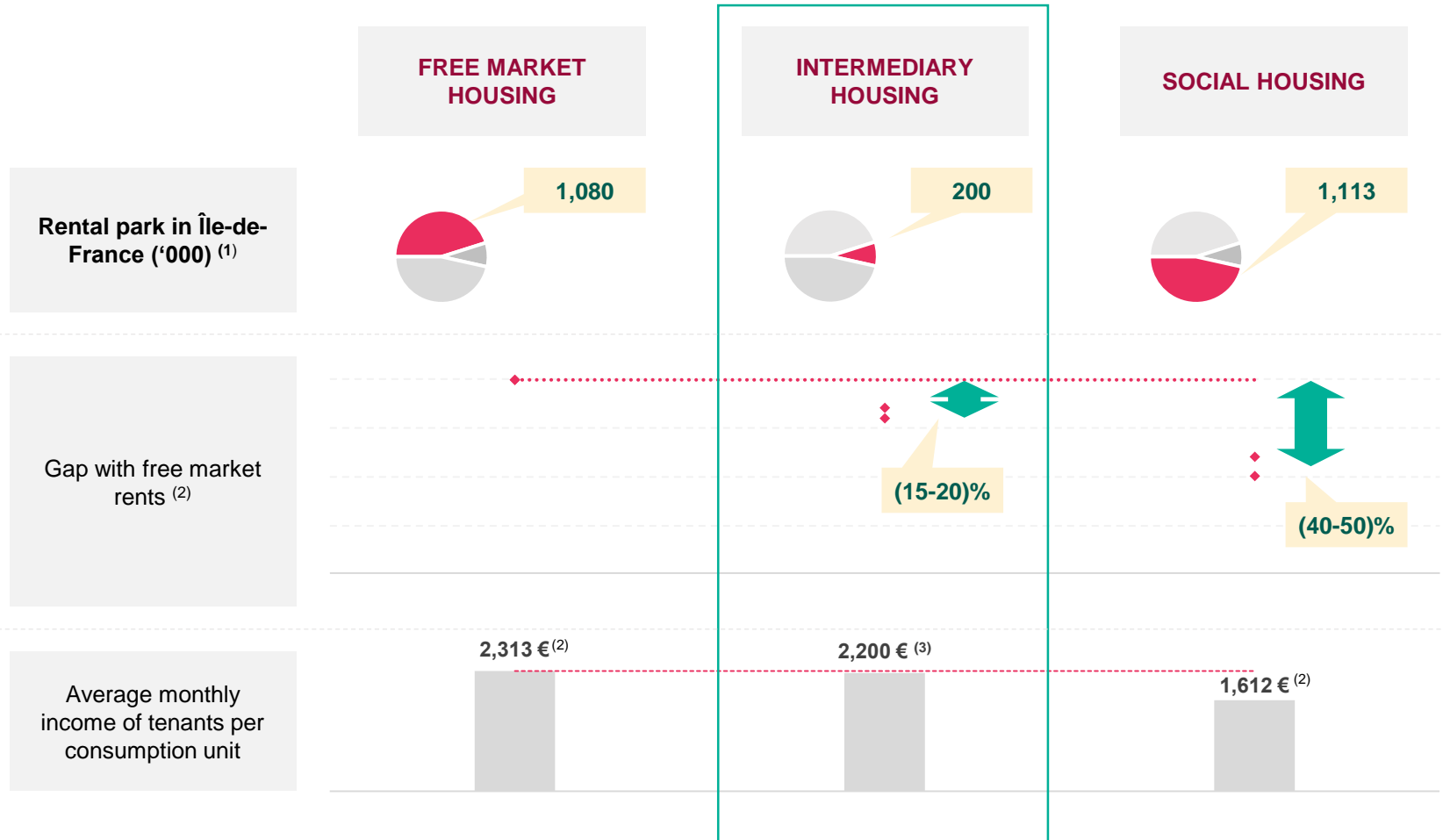


Only housing units located in zones A bis, A and B1 are eligible for the middle-income tax regime (see slide 17)

Source: Ministère de la cohésion des territoires
(1) Last update in 2014

The intermediary housing combined strengths of the social housing and the free market

Rents are lower than market prices for tenants better-off than those in social housing



(1) INSEE, IAU Île-de-France, March 2019, in'Ii estimations and Crédit Foncier Expertise for free market and intermediary housing. The intermediary housing includes the Pinel law (loi Pinel)

(2) Les conditions de logement en Île-de-France, 2017 edition from the survey Logement 2013, Institut d'aménagement et d'urbanisme Île-de-France

(3) Territoires stratégiques pour le développement du segment intermédiaire en Île-de-France 2019 (data extracted from INSEE, declared revenues, 2015)

The intermediary housing: an attractive market for investors

FAVORABLE TAX SYSTEM

- ♥ Depending on the type of housing, the operation and the zone,
 - ♥ The VAT tax is 10% for PLS⁽²⁾ and for LLI⁽³⁾
 - ♥ Exemption of property tax for a period of 20 years

ATTRACTIVE YIELD / RISK RATIO, ESPECIALLY FOR THE RESIDENTIAL IN ÎLE-DE-FRANCE

- ♥ Attractive yield
- ♥ Low rate of vacancy
- ♥ No technological risk identified in the medium term (unlike offices or stores)
- ♥ Resilience demonstrated during the Covid-19 health crisis

Source: Crédit Foncier Expertise

(1) Art 126 from the law n° 2017-1837 as of December 30th 2017

(2) PLS: Prêt Locatif Social / Rental housing loans

(3) LLI: Logement Locatif Intermédiaire / intermediary housing



2.2

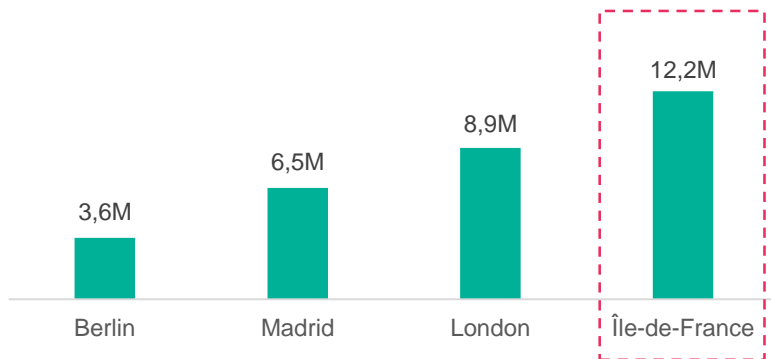
Market overview and challenges

in'li, a leading player in
intermediary housing

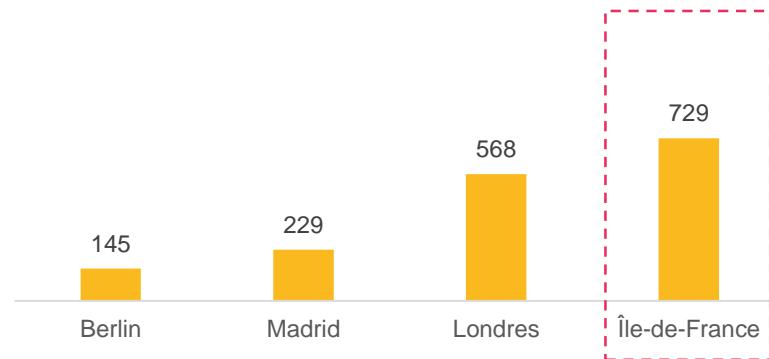
**IN'LI OPERATES IN ÎLE-
DE-FRANCE, A MARKET
UNDER PRESSURE**

Île-de-France, one of the richest regions in Europe

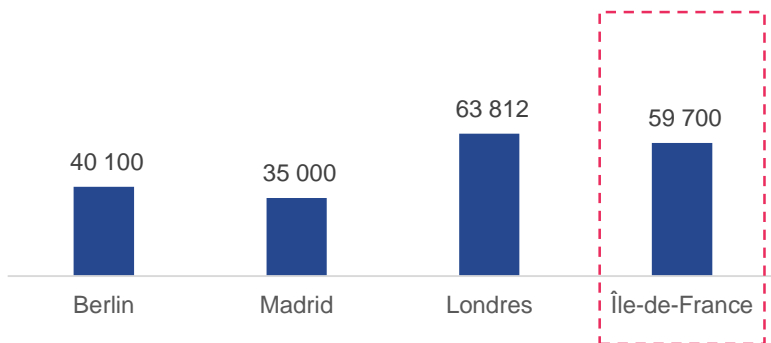
POPULATION - 2018



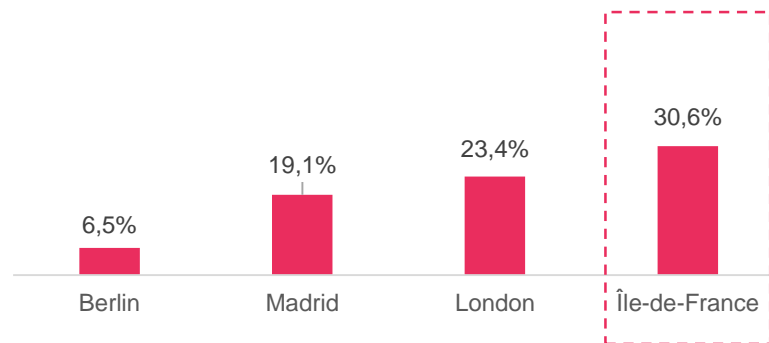
GDP (€BN)



GDP PER CAPITA (€)



WEIGHT IN THE NATIONAL GDP

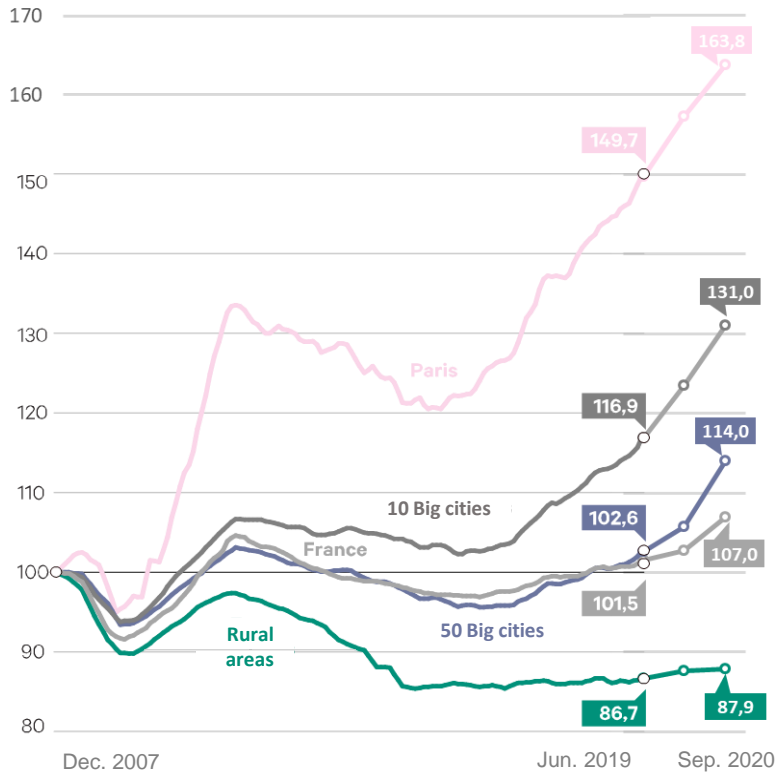


Source: Eurostat data at the end of 2018 (published in February 2019), section « Regions and Cities Illustrated » (Madrid : Comunidad de Madrid & London: Inner London East and West, Outer London East, West, South and North).

Île-de-France: solid fundamentals of the residential real estate market

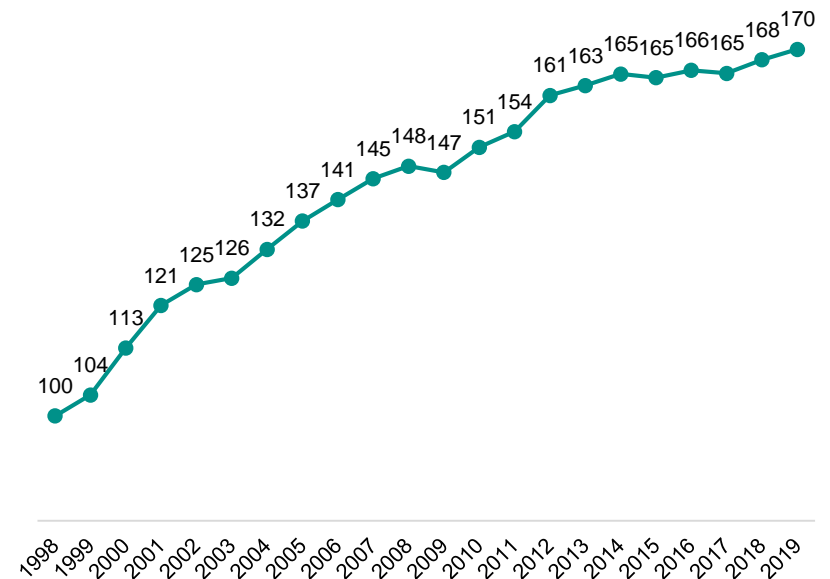
PRICE EVOLUTION OF OLD HOMES

IPI, base 100 as of January 1st 2008



EVOLUTION OF THE MARKET RENT

Basis 100 = 1998



✓ Rents have been rising steadily since 1998 despite periods of economic turmoil

Source : Les Echos, Clameur

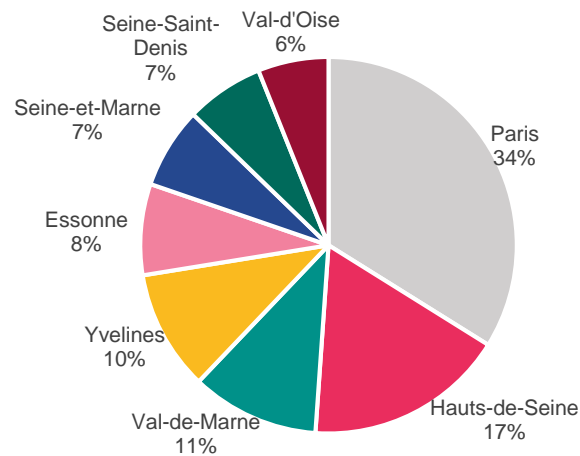
A potential of over 280,000 households in Île-de-France

1,626,923 HOUSEHOLDS
tenants single persons, couples with or without children

281,031 HOUSEHOLDS
with revenues corresponding to the "core target"
of Intermediary Rental Housing

i.e.
17% 
of the market

BREAKDOWN OF THE POTENTIAL MARKET BY DEPARTMENT



The distribution of households with incomes in the LLI "core target" reflects the distribution of the rental market in general

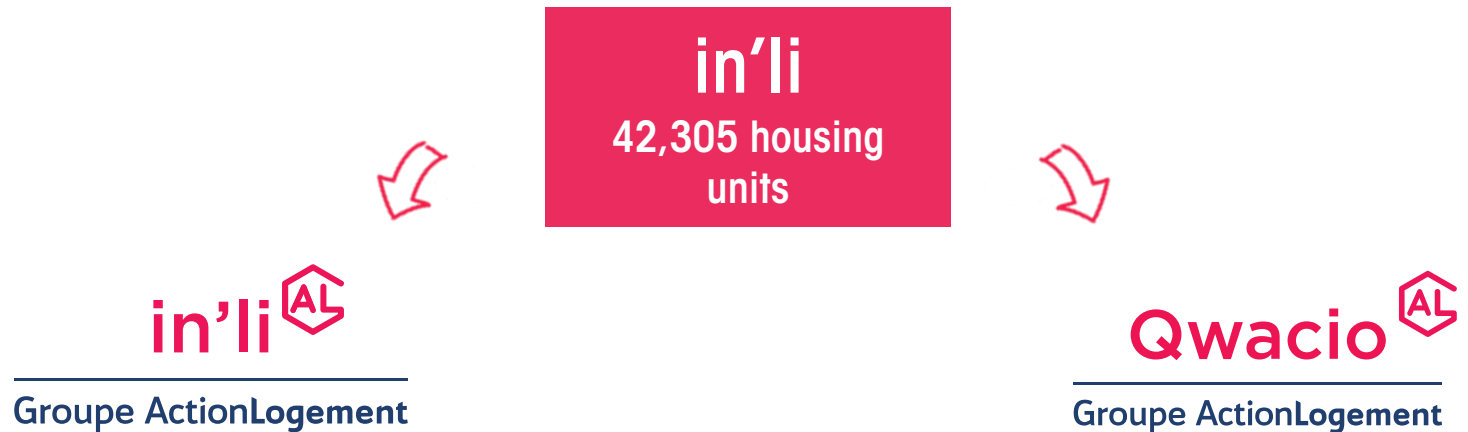
The highest concentrations are located in the heart of the Paris agglomeration (95,206 households)

3

in'li's portfolio



A portfolio of 42,305 housing units operating under two brands



- ♥ in'li: core brand corresponding to the strategic positioning of the Group
- ♥ Dedicated to young working people and middle income households
- ♥ Housing units: **30,097** (housing stock average age: **35 years**)

- ♥ in'li brand comprising large buildings in areas that are not a priority in in'li's development strategy
- ♥ These assets, similar to social housing assets, are located in non-priority areas for in'li and are kept as it is a good source of cash flow
- ♥ Housing units: **12,208** (housing stock average age: **52 years**)

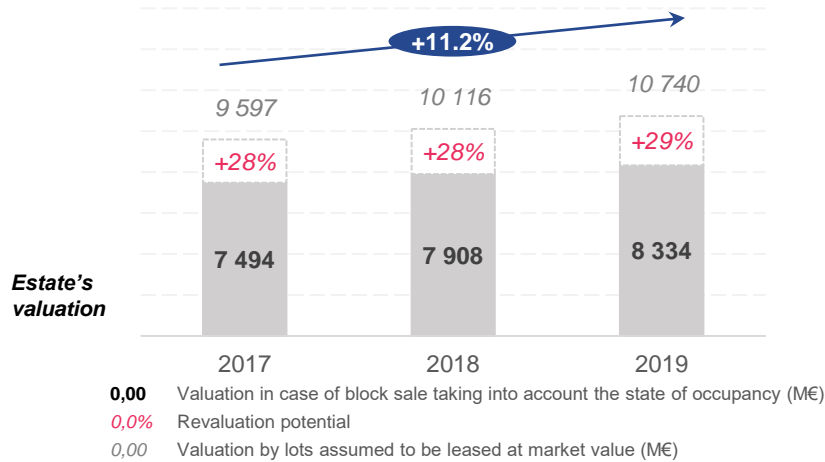
 Only the in'li brand will continue to extend in the following years

Source: in'li, data as of end December 2019

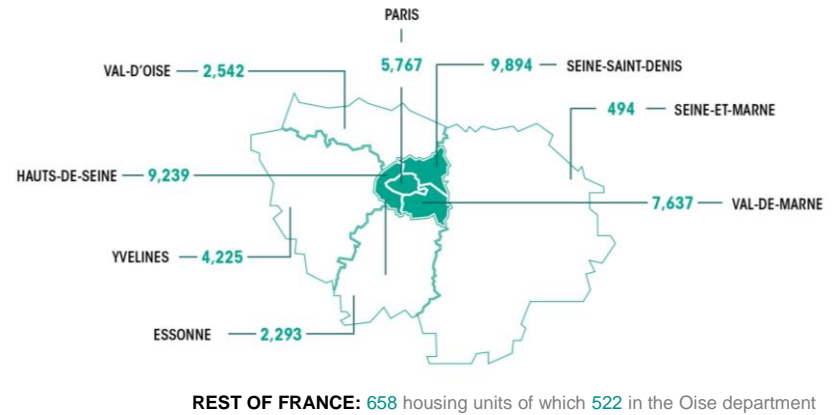
Housing park growth and rejuvenation

Valuation up +11.2% over two years, +4.4% growth at constant scope in 2019

EVOLUTION OF THE ASSETS' VALUATION

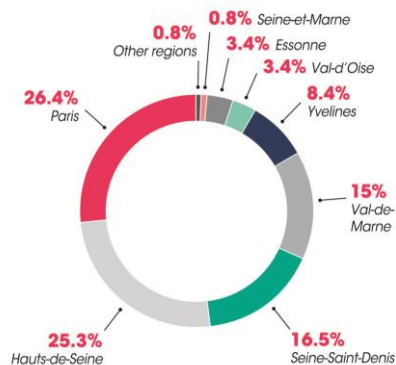


DISTRIBUTION OF THE HOUSING PARK



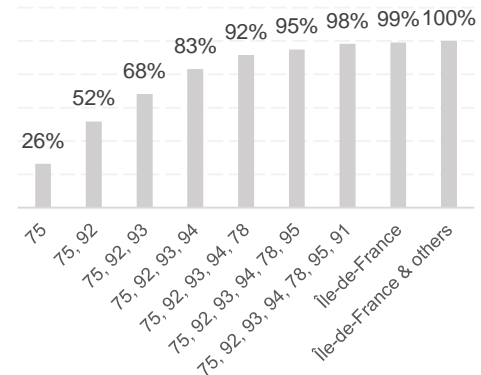
VALUATION OF THE ASSETS BY DEPARTMENT

% BY DEPARTEMENT



* Source: CFE appraisal value as of 31 December 2019.

CUMULATIVE % INCREASE



Source: in'li's portfolio evaluation as of 31/12/2019, Crédit Foncier Expertise

Rental investments in 2019 in line with in'li's development policy



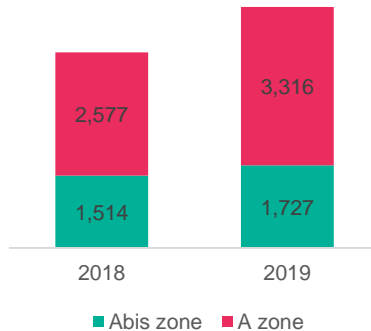
€400m

of investment in new construction

- ♥ 3,515 housing started
- ♥ 5,043 housing units committed
- ♥ 696 new homes delivered, including 653 in French Forward Sale Agreement Framework (VEFA) (93.8%)
- ♥ 100% in Île-de-France

DETAILS OF COMMITMENTS

In number of dwellings



€46m

investments in maintenance and improvement work on existing assets

- ♥ €31.8m of improvement and rehabilitation work
- ♥ €14.2m of maintenance and renovation work on housing units

Plumbing and sanitation: 724 housing units

Continued deployment of CMV: 484 units equipped

Insulation work: 365 housing units

Electrical refurbishment: 150 housing units

in'li's investments

Some emblematic operations



*February 2019,
Issy-les-Moulineaux
rue des Peupliers*



*April 2019,
Montreuil
rue Edouard-Vaillant*



*December 2019,
Paris 15^e,
Bains Douches
Castagnary*



*October
2019,
Villejuif,
Avenue de
Paris*



4

2019-2020
key events

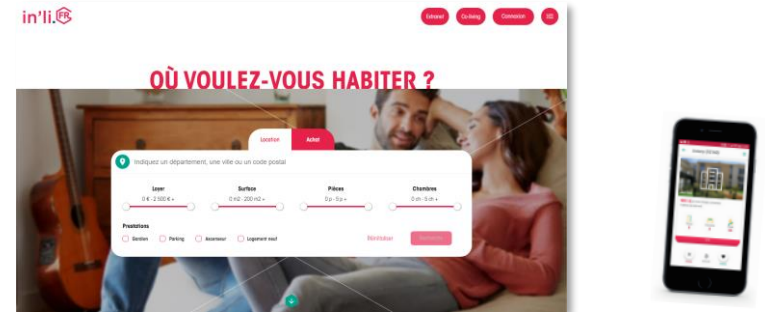
2019 overview

Pursuing the strategic plan and maintaining a strong balance sheet

5% GROWTH IN RENTAL INCOME IN 2019

- ♥ 1/3 from rent increases and vacancy reduction
- ♥ 2/3 from new deliveries in 2019 and the full-year effect of deliveries in 2018

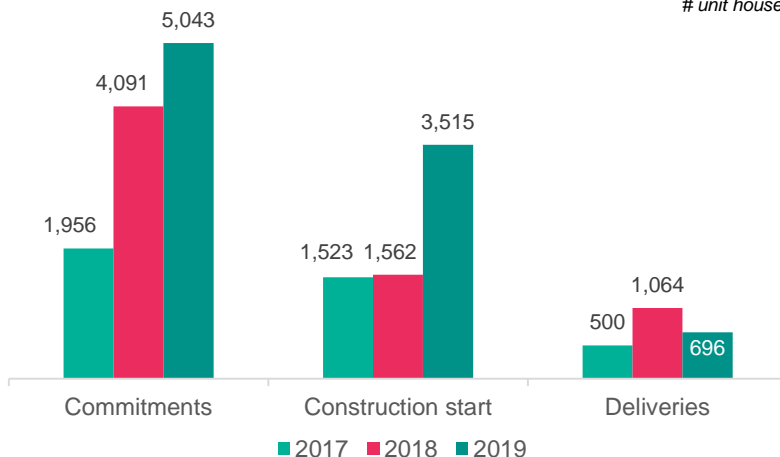
DIGITAL MARKETING PLATFORM INLI.FR



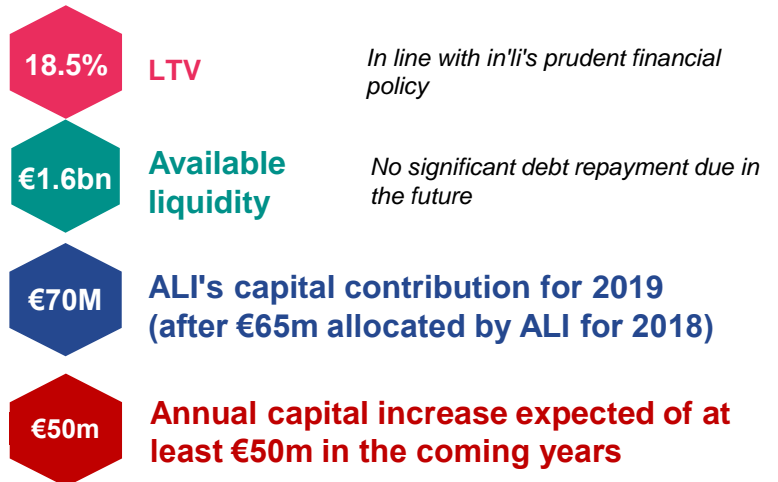
- ♥ Reduction of vacancy from 3.9% to 3.1%.
- ♥ Allocations of the number of housing units up 17% compared to 2018

EXCEEDING THE TARGET OF 4,500 COMMITMENTS

unit households



A STRONG FINANCIAL STRUCTURE⁽¹⁾



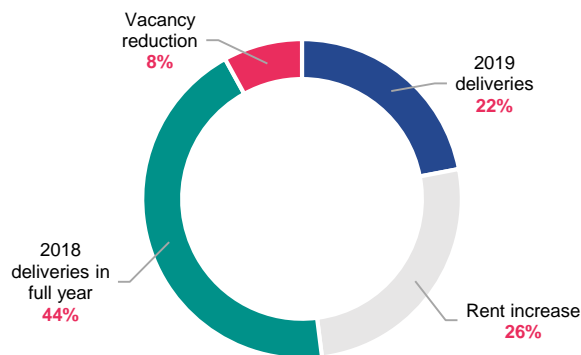
(1) Data as of 31/12/19

Evolution of rental income

Increase driven by the improvement of the park and the revaluation of rents

RISING RENTAL REVENUES IN 2019

Contribution to the 2018-2019 increase in rental income

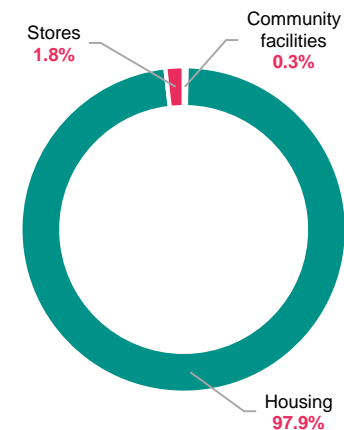


Between 2018 and 2019, rents increased by €14m, i.e. +5%. This increase is mainly explained by:

- ♥ The 1.25% indexation of existing rents and the revaluation of rents on re-renting
- ♥ A decrease in vacancy from 3.9% to 3.1%
- ♥ New deliveries rented on average €14 per month per m2 compared to an average of €10.50 for the existing one (excluding Qwacio)

SALES BREAKDOWN IN 2019

Revenue breakdown by activity



in'li remains an essentially property company:

- ♥ 98% of the income comes from residential activity
- ♥ Commercial activity remain limited to ground floor retail units, and their number is insignificant compared to the rest of the assets.

Dynamic rental activity in 2019

KEY OPERATIONAL STATISTICS

Rental management
42,749*
units under management



99.2%
recovery ratio



7.2%
rotation ratio

Park maintenance and rehabilitation
€46m



3.1%
vacancy rate



4,093
tenant entrances



PARK TENANTS

Number of persons housed:
Nearly 100,000 tenants

7,724 NEW RESIDENTS IN 2019

◆ New entrants :
55% of executives & 47% of -30 years

Over the year 2019, 7,724 new occupants entered in'li' housing facilities (4,093 families including 1,693 children) :

- ♥ 50 % are couples,
- ♥ 43 % are alone,
- ♥ 5 % are single-parent families,
- ♥ 2 % are flatmates,
- ♥ 55 % of new entrants have a job with managerial status,
- ♥ 41 % of new entrants have an employee status,
- ♥ 85 % of assignments to employees of companies contributing to the PEEC,
- ♥ 47 % of the new entrants are under 30 years old.

Nearly 100,000 accounts have been created on the digital marketing platform inli.fr by the end of 2019 (cf slide 28), of which more than 17,000 are permanently active.

- ♥ Reduction of delays for the applications' selection,
- ♥ Reduction of vacancy to 3.1% (compared to 3.9% in 2018),
- ♥ Nearly 700 new housings available in 2019.

* Of which 42,305 are family housing units and 444 are in residences.

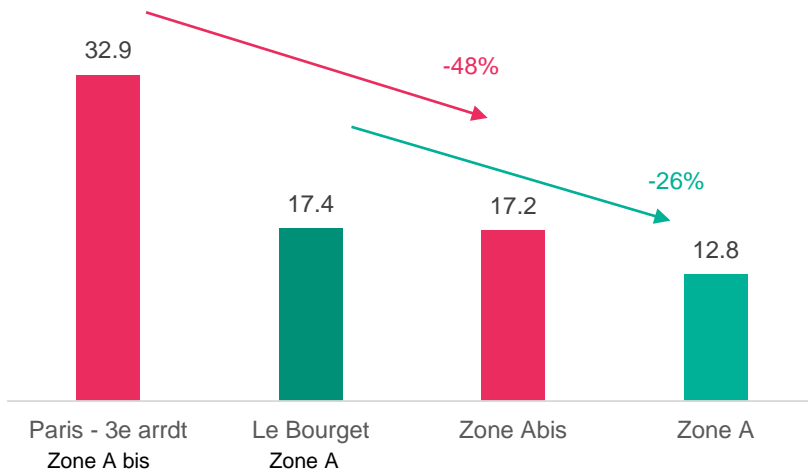
A steadily growing rental market for intermediary housing

Rental differentials make intermediary housing particularly attractive in a tense market

MONTHLY RENTALS € PER M2

Rental market
Rents 2019

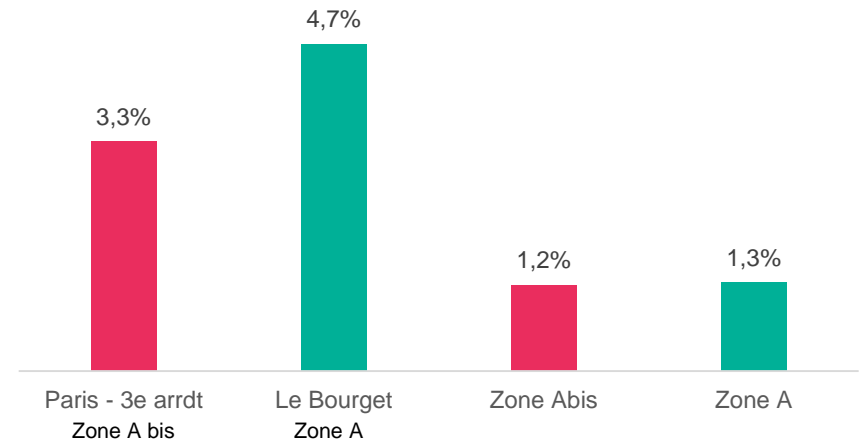
Intermediary Housing
Upper threshold 2019



DYNAMIC

Annual evolution of
rents (2018-2019)

Revaluation of upper
threshold (2018-2019)



- ♥ Intermediary housing upper limits are significantly below market prices in tense areas
- ♥ in'li rents in 2019 are around €10.50 per month per m2 (excluding Qwacio), which leaves a potential for revaluation

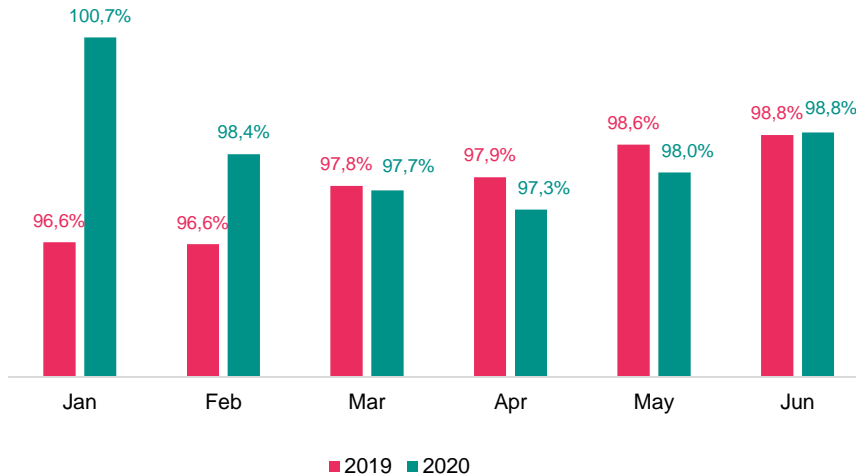
- ♥ Despite the increase in the caps for intermediary housing, the gap with market prices is widening, making it even more attractive
- ♥ The revaluations of the thresholds in the Abis and A zones were more dynamic between 2019 and 2020: +1.5% and +1.6% respectively

Source : in'li, Clameur, Crédit Foncier Expertise

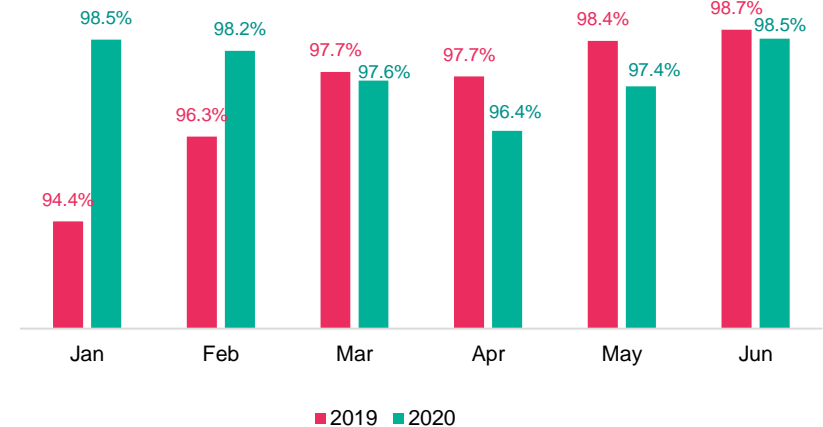
Low impact of the covid crisis in 2020

The Covid crisis has mainly affected stores, a non-core activity of in'li

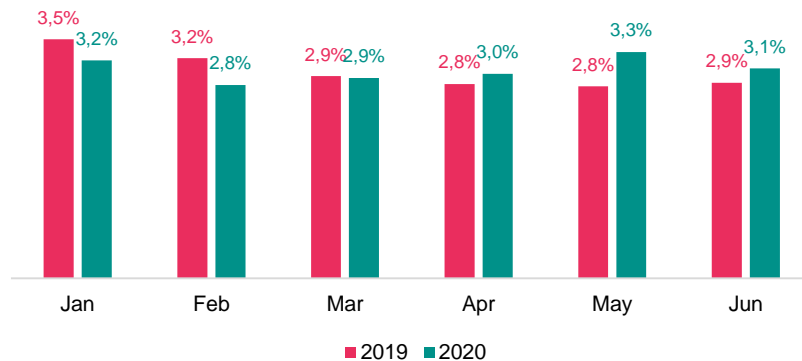
CUMULATIVE COLLECTION RATE EXCLUDING TRADE



CUMULATIVE RECOVERY RATE (INCL. TRADES)



VACANCY RATE



- ♥ Low impact of the crisis on the housing activity except a slowdown in the entry and exit of tenants and some logistical delays in payment collections (delays in payments sent by letter)
- ♥ The crisis mainly affects stores, some of which were closed during the confinement period

Cronos, a structuring operation for future development in line with in'li's mission (1/2)

C. 20,000 new homes developed over 10 years, managed by in'li



in'li, reference shareholder of the Property Company

A development tool for in'li

Operational management ensured by in'li

A project in line with in'li's mission

1

A DEVELOPMENT PROPERTY COMPANY COMMITTED TO IN'LI'S AMBITIONS

- ✓ In'li has been assigned by Action Logement the mission to produce 80,000 new intermediary housing units (€18bn investment) in Île-de-France to house young working people and middle class employees
- ✓ Within this framework, in'li is working on the creation of the Development Property Companies to:
 - ✓ Mobilise external capital to finance part of new in'li production
 - ✓ Enhance part of in'li's existing assets
 - ✓ While retaining the operational management of the housing units of these Development Property Companies

Cronos, a tool for the development of c.20,000 new housing units over the next 10 years, serving in'li 's ambitions

- ✓ A major operation aimed to structure the French residential landscape through a long-term partnership with Axa, a leading institutional player in real estate asset management.
 - ✓ Objective: 26,000 housing units within 10 years
 - ✓ c.6,000 existing in'li housing units transferred to Cronos
 - ✓ c.20,000 new housing units developed, i.e. +3x housing units developed for every 1 housing unit transferred (including 4,000 as of the creation of the Property Company & 1,500 housing units per year)
- ✓ The most important residential operation for the year 2020
 - ✓ Secured portfolio of 10,000 housing units as soon as it was set up
 - ✓ Solid and long-term partnership between two complementary players - Axa (75%) and in'li (25%)



25% of the total in'li production ambition over 10 years via Cronos with AXA, a solid, long-term partner with real social convictions

Cronos, a structuring operation for future development in line with in'li's mission (2/2)

c. 20,000 new homes developed over 10 years, managed by in'li



in'li, reference shareholder of the Property Company

A development tool for in'li

Operational management by in'li

A project in line with in'li's mission

2 FOLLOWING THE FOUNDING PRINCIPLES OF ACTION LOGEMENT

3 ESSENTIAL BRICK FOR THE GLOBAL AMBITION OF IN'LI / ACTION LOGEMENT

Balanced and secure governance

- ✔ Ownership by in'li of 25% of the Property Company
- ✔ Majority rules according to the importance of decisions

A rental management policy in adequation with in'li's DNA

- ✔ Conservation of sourcing / property management activities by in'li (7-year contracts)
- ✔ Compliance with rent & resource thresholds
- ✔ Priority given to employees of PEEC-contributing companies for rentals

Investment and sales policy compliant with in'li

- ✔ Development: A & Abis zones in Île-de-France
- ✔ No time off for sales

1

Cronos: 25% of the in'li development target
(80,000 units)

2

The success of Cronos should largely condition the success of other property companies

3

Significant multiplier effect
1 housing transfer + 3 developed housing units

4

Preservation of management by in'li and rental allocations by in'li / Action Logement

Aside from Cronos operation, in'li is currently working on the operation of another development Property Company, with top tier investors. This operation should be finalised in the coming months.



5

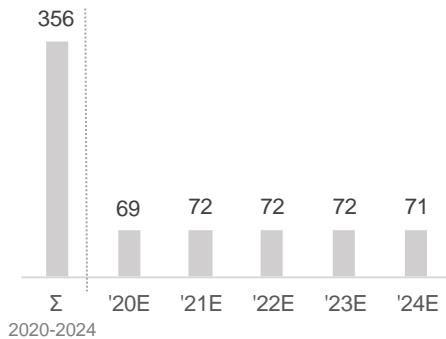
Historical financial performance

Prudent financial policy

OVERVIEW OF DEBT AS OF 31/12/2019

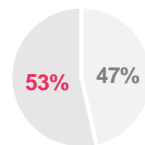
€m	31/12/2018	31/12/2019
Bond debt	-	500
Bank Debt	1,632	1,482
Other debt	34	34
Total gross financial debt	1,666	2,016
Cash & equivalents	(380)	(475)
Net financial debt	1,286	1,541
<i>Main available confirmed credit lines :</i>		
RCF	675	800
EIB credit	-	250

More than 35% of the debt is due in more than 10 years and only €356m maturing in the next 5 years.

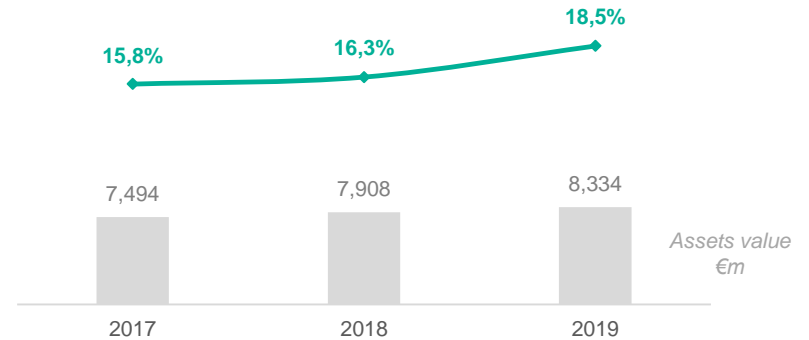


1.8% Average rate

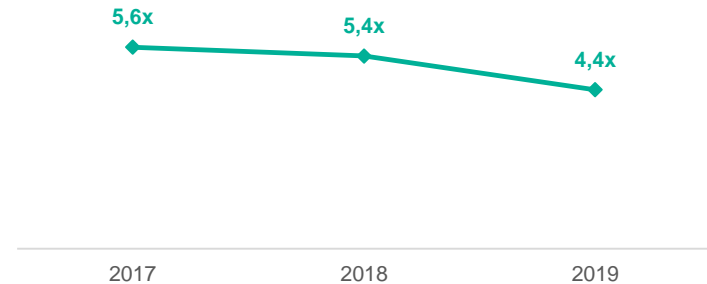
Unsecured debt



EVOLUTION OF THE LTV RATIO



EVOLUTION OF THE ICR RATIO



Income statement summary (2017-2019)

in'li - Income Statement			
€m	2017A	2018A	2019A
Net turnover	340	352	387
<i>Growth (%)</i>	60%	3%	10%
o/w Rental income	271	284	298
o/w Recovery of rental charges	68	57	87
EBITDA	127	137	137
<i>EBITDA margin (%)</i>	47%	48%	46%
Reversals of depreciations and provisions, transfers of expenses	10	1	3
Provisions for depreciations and provisions	(74)	(82)	(89)
EBIT	63	56	50
<i>EBIT margin (%)</i>	19%	16%	13%
Financial result	(23)	(11)	(31)
Extraordinary profit and loss	12	25	78
Income taxes	(19)	(25)	(34)
Result	33	45	63

NB: Audited financial statements - French GAAP - data at historical cost

Main comments

- 1 The 10% increase in revenues between 2018 and 2019 is mainly due to the increase in rental income due to the application of the 1.25% rent review index to the existing portfolio, the delivery of 696 new housing units in 2019 and the full-year rental impact of housing units delivered in 2018 and for which marketing was completed in 2019
- 2 Extraordinary income, up by €78m in 2019, is driven by capital gains on the disposal of 653 housing units and the former in'li headquarters

Cash flow statement summary (2017-2019)

in'li - Cash flow statement				
€m		2017A	2018A	2019A
Net income		33	45	63
D&A		69	78	85
Other		(17)	(34)	(56)
Gross self-financing margin		85	90	92
Change in WCR		(13)	21	0
Cash flow from operating activities		73	111	92
CAPEX ⁽¹⁾	1	(434)	(344)	(499)
Disposals ⁽²⁾		35	62	96
Impact of merger transactions		107	16	-
Cash flow from investing activities		(292)	(265)	(403)
Share capital increase	2	0	75	-
Advances received		-	-	65
Issuances of loans	3	309	447	634
Loan repayments		(93)	(116)	(268)
Distributed dividends		-	(13)	(8)
Other		(1)	1	0
Cash flow from financing activities		214	393	423
Change in net cash position		(5)	239	113
Opening cash position		129	124	362
Closing cash position		124	362	475

NB: Audited financial statements - French GAAP - data at historical cost

Sources : in'li, audited accounts

(1) Including acquisitions of securities, loans and advances granted & other financial fixed assets

(2) Including disposals of securities and Reduction and disposals of other financial assets

Main comments

- 1 The increase in CAPEX (+€155m) for 2019 is in line with in'li's development policy, while the disposals mainly reflect the sale of 653 housing units (these sales generated proceeds of €78.9m)
- 2 In 2018, a €75m capital increase was made to support in'li's development (including €65m in equity and €10m in dividend). At the end of 2019, Action Logement Immobilier paid an advance on the capital increase of €65m
- 3 Loan issuance include the €500m bond issue issued on July 2, 2019. The increase in loan repayments during 2019 is due to the repayment of the €125m outstanding of the €800m syndicated loan signed in 2018

Balance sheet structure (2017-2019)

in'li - Balance sheet			
€m	2017A	2018A	2019A
Intangible fixed assets	1	8	8
Tangible fixed assets	① 2,644	2,934	3,299
Financial assets	129	151	154
Fixed assets	2,773	3,093	3,461
Inventories and work in progress	26	15	18
Receivables	59	92	87
Marketable securities	135	380	475
Prepayments	3	3	3
Current assets	223	491	584
Loan repayment premiums	0	0	1
Total assets	2,996	3,584	4,046
Equity capital	1,561	1,745	1,797
Provisions for liabilities and charges	30	34	33
Financial debts	② 1,316	1,666	2,016
Other debts	78	120	182
Prepaid income	11	19	18
Total liabilities	2,996	3,584	4,046

NB: Audited financial statements - French GAAP - data at historical cost

Main comments

- ① The increase in tangible assets (+€365m in 2019 vs. 2018) was mainly due to the development of the real estate park
- ② Financial debt was up €450m in 2019 (vs. 2018), mainly due to the €500m bond issued on July 2, 2019



6

Perspectives & credit highlights

Perspectives and main outlook

A SUPERVISED AND CONTROLLED DEVELOPMENT PLAN

- ♥ An ambition of 80,000 new intermediary housing units over the next decade
- ♥ This development will respect a strict financial framework aiming at maintaining good financial structure needed to preserve in'li's current rating

A STRONG SUPPORT OF ACTION LOGEMENT IN THE LONG TERM

- ♥ in'li has the support of Action Logement over time (equity contribution of at least €50m as part of the *convention quinquennale*)

A STRONG COMMITMENT ON THE INVESTMENT GRADE RATING

- ♥ A rating Strong Investment Grade reflecting the quality of in'li's credit profile
- ♥ Strengthening of the credit profile with a two-fold increase in ratings

FINANCIAL GUIDANCE BASED ON A BALANCED DEVELOPMENT APPROACH

- ♥ Diversification of the debt

35-40%
Objective LTV

Key investment highlights

2 AN IDEAL POSITIONING ON THE INTERMEDIARY HOUSING MARKET IN ÎLE-DE-FRANCE

- Portfolio located in **Île-de-France**
- **Low vacancy rates** and prices that resist to cyclical fluctuations
- **200,000 to 300,000 homes missing** to satisfy demand for intermediary housing

3

A STRONG PORTFOLIO

- ~ **42,305 housing units** in the dynamic areas of Paris agglomeration, and a **portfolio valued at €8.3bn** ⁽¹⁾
- **Vacancy rate of 3.1% - unpaid rate of 0.8%** (as of 31/12/2019)
- **A solid tenant base** (average incomes close to medians and rental duration of around 10 years)

1

A KEY PLAYER IN PUBLIC HOUSING POLICY

- **in'li is more than 99% owned by Action Logement**, an association created by law managing both quasi-fiscal revenue collection and a park of c.20% of the social housing park in France
- **in'li pillar of Action Logement** in intermediary housing
- Action Logement : **Aa2 rating** (Moody's) and **AA rating** (Fitch), in line with the French State



Groupe ActionLogement

4

A CONTROLLED DEVELOPMENT POLICY, SUPPORTED BY AN EXPERIENCED MANAGEMENT

- **Target of 80,000 new housing units over 10 years**, which will, however, be adapted to the absorption capacities of the market
- **Limited property development risk**: 80% of acquisitions under the French Forward Sale Agreement Framework (VEFA) and contractual agreements with major French property developers
- **Financing of the program** through the sale of assets, the creation of funds to third-party investors and the equity financing of Action Logement
- **An experienced governance** with a long-term vision

5

A SOLID FINANCIAL SITUATION WITH CONSERVATIVE OBJECTIVES

- **LTV of 18.5%** as of 31/12/2019 - **Objective: 35-40%**
- A strong liquidity⁽²⁾: available credit line of more than €1bn - €475m cash & equivalent (including investments)
- **Debt duration > 10 years** (no significant maturity over the next 5 years)
- **Strong Investment Grade** rating (A by S&P)

(1) in'li's portfolio evaluation as of 31/12/2019, Crédit Foncier Expertise

(2) Data as of 31/12/2019



7

Appendix

An experienced management team with a long-term strategic vision

The Supervisory Board brings together a wide range of skills

Pierre Brajeux, Chairman
Chairman of Medef 92

Action Logement Immobilier
Representated by Pascal Landrin

Jean-Jacques Denizard, Vice Chairman
CFDT

Hervé Morel
CFE-CGC

Sandra Bues-Piquet
Executive Officer at Veolia

Jackie Troy
CPME Île-de-france

Philippe Thel
Senior Advisor BNP Paribas Real Estate

Xavier Hesse
CPME Île-de-France

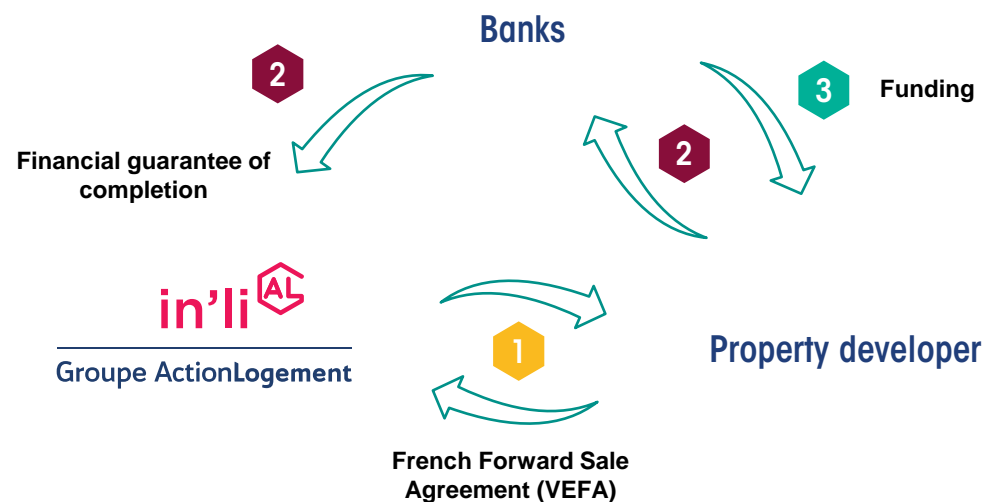
Marie-Pierre Huré
General secretary of Medef 92

Bruno Caneparo
Executive officer at Aliasol

Patricia Gomez-Talimi
Manager of companies

- ✔ **Permanent monitoring and supervision of the management of the Company by the Supervisory Board**
- ✔ Assisted by 3 standing committees:
 - ✔ The audit committee
 - ✔ The appointments and compensation committee
 - ✔ The investment committee
- ✔ The Supervisory Board issues a preliminary opinion for the main decisions:
 - ✔ Operations that may affect the Company's strategy and change its financial structure or scope of activity
 - ✔ Issues of securities giving immediate or future access to the share capital of the Company
 - ✔ Disposals of buildings
 - ✔ Acquisitions, extensions or transfer of stakes in all companies created or to be created, exchanges, with or without cash, on goods, shares or securities, excluding treasury transactions
 - ✔ In case of disputes, treaties, compromises or transactions
- ✔ 3 year-term for members
 - ✔ Renewal by third every year

The French environment of the property development limits the risks related to the acquisition of assets



1 French Forward Sale Agreement (« *Vente en l'état futur d'achèvement* ») 80% of the assets will be acquired through this agreement

- Property developer commitment to deliver the assets at a specified date and price
- No property development risk or construction risk for in'li**

2 Financial guarantee of completion

- Obligation for property developer to obtain from banks or insurers a commitment to replace the developer in case of financial difficulty
- No risk for in'li to be affected in case of difficulty of the property developer**
- Moreover, in'li benefits from the ten-year completion guarantee (*Garantie Financière d'Achèvement*) against hidden defect

3 Prudential rules of banks

- French banks ask property developer for a pre-marketing rate of at least 50% to grant their guarantee
- in'li is able to buy programs from property developer with a significant discount (10% currently observed) because its bookings allow property developers to obtain funding and guarantees required to launch programs**

Limited property development risk

80% of housing units will be produced in VEFA⁽¹⁾

FRENCH FORWARD SALE AGREEMENT FRAMEWORK (VEFA)

80%

DIRECT PROJECT MANAGEMENT (MAÎTRISE D'OUVRAGE DIRECTE)

20%

- ✓ Conclusion of **framework agreements with the property developers** and **development of specific partnerships** with the subsidiaries of construction companies



- ✓ **Capacity improvement projects** of existing properties
- ✓ **Transformation of offices into housing**
- ✓ **Large landowners**
- ✓ Other (call for tenders, co-promotion, participation in development projects, ...)

(1) Vente en Etat Futur d'Achèvement / French forward sale agreement framework

Recent acquisition examples through VEFA show the relevance of the model

VILLEMOMBLE



- ✔ Property developer : Pierre Promotion
- ✔ City : Villemomble (Abis zone)
- ✔ 96 intermediary housing units
- ✔ Target rent : €12.5 / m² / month (discount of 25% compared to market rent)
- ✔ Purchase price : €3,600 HT / m² (discount of 12% compared to the free market price⁽¹⁾)
- ✔ Booking contract : H2 2019
- ✔ VEFA certificate : H1 2020
- ✔ Estimated delivery date : Q4 2023

CHAMPIGNY SUR MARNE



- ✔ Property developer : COOPIMMO
- ✔ City : Champigny sur Marne (A zone)
- ✔ 47 intermediary housing units
- ✔ Target rent : €11 / m² / mois (discount of 30% compared to market rent)
- ✔ Purchase price : €3,150 HT / m² (discount of 12.5% compared to the free market price⁽¹⁾)
- ✔ Booking contract : H1 2019
- ✔ VEFA certificate : H2 2020
- ✔ Estimated delivery date : Q3 2022

IVRY SUR SEINE



- ✔ Property developer : Sogeprom
- ✔ City : Ivry sur Seine (Abis zone)
- ✔ 39 intermediary housing units
- ✔ Target rent : €14 / m² / month (discount of 13% compared to market rent)
- ✔ Purchase price : €4,300 HT / m² (discount of 2% compared to the free market price⁽¹⁾)
- ✔ Booking contract : H2 2018
- ✔ VEFA certificate : H1 2020
- ✔ Estimated delivery date : Q3 2023

In'li observes an average rental yield rate on acquired transactions of 3.7%

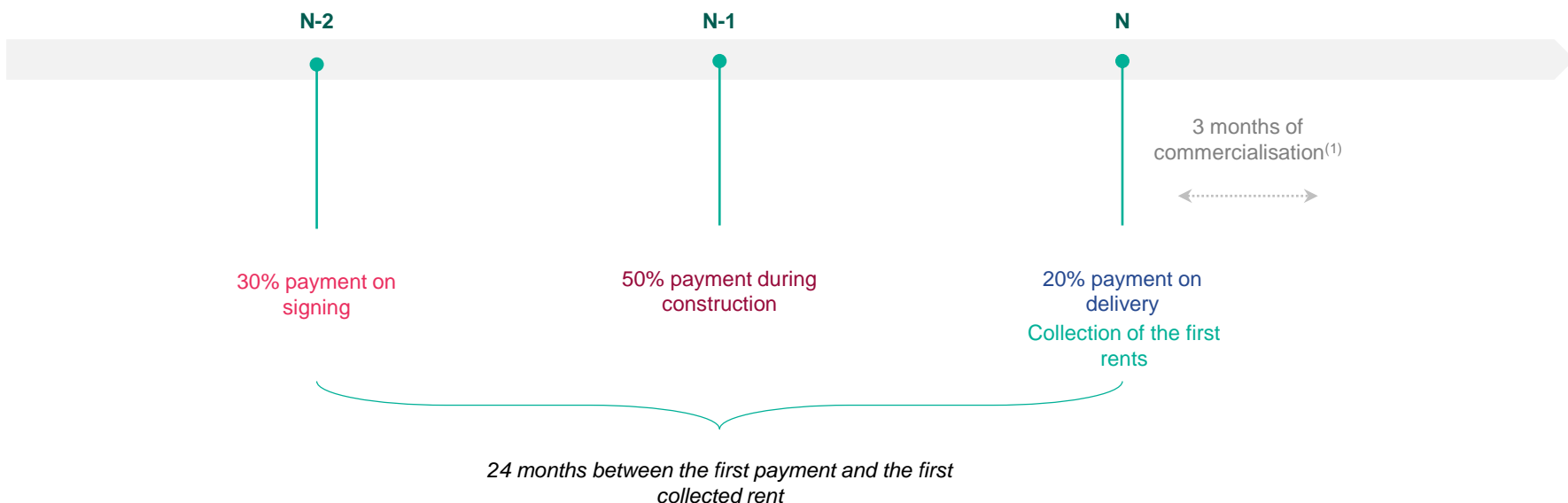
(1) Source: GRECAM

Payments are spread across the construction phase

CLASSIC CALENDAR OF A FRENCH FORWARD SALE AGREEMENT



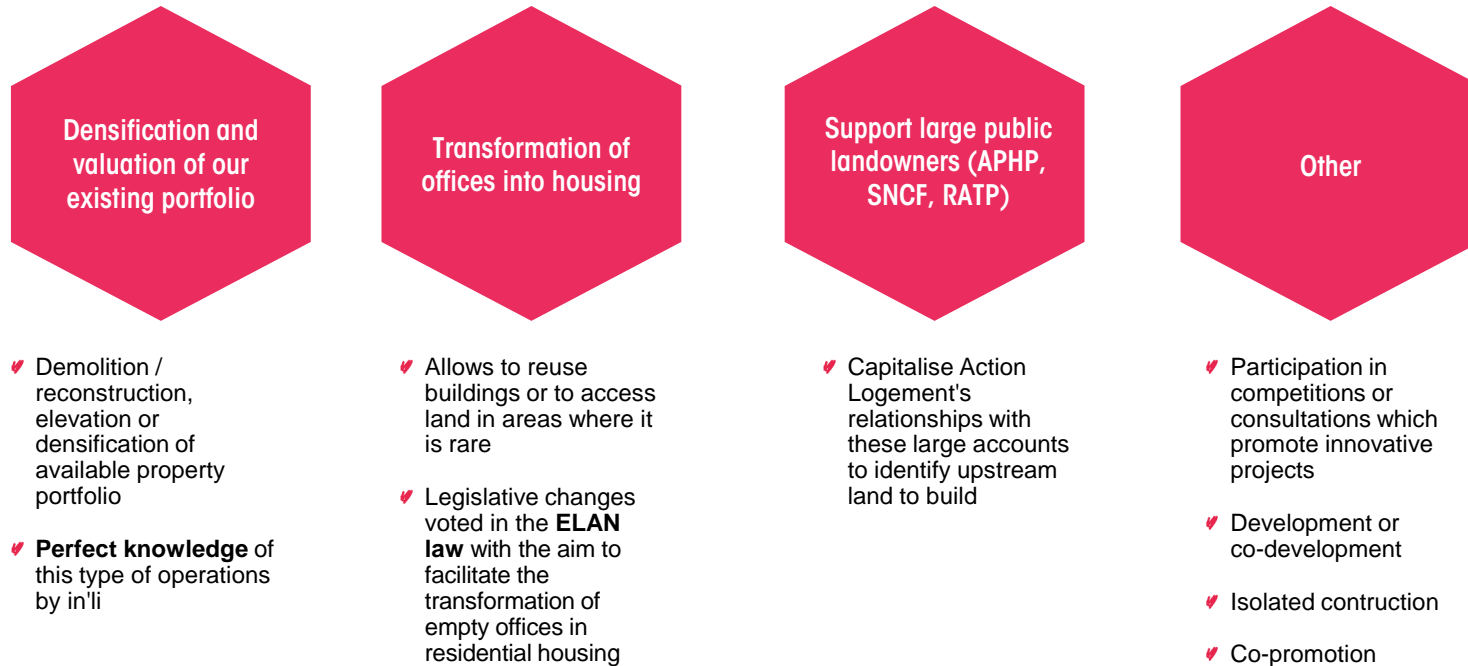
PAYMENT SCHEDULE



(1) Objective of commercialisation of 80% of housing in two months / 100% in three months

20% of production is provided by project management

Targeted operations with limited property development risk



Capitalise on the historical know-how of in'li for this type of operations

Capitalise on the strong relationships of in'li and Action Logement with local representatives to contribute to the development of their territories as illustrated recently

Some examples of direct project management operations

MONTREUIL



- ♥ City: Montreuil (zone A bis)
- ♥ Adress: 24 rue de la Demi-Lune
- ♥ Construction of 40 housing units
- ♥ Architect: PETIT DIDIER -PRIOUX
- ♥ Submission of the building licence: December 2018
- ♥ Cost price LLI: €5,028€ TTC / m²
- ♥ Cost price PLS: €4 642 TTC / m²
- ♥ Rent LLI: €13.75 / m²
- ♥ Rent PLS: €10.92 / m²

VILLENEUVE LA GARENNE



- ♥ City: Villeneuve-la-Garenne (zone A)
- ♥ Adress: 59-61 Quai d'Asnières
- ♥ Construction of 74 housing units
- ♥ Architect: AUP Architectes
- ♥ Submission of the building licence: June 202
- ♥ Cost price LLI: €4,048 TTC / m²
- ♥ Rent LLI: €12.70 / m²

CHATOU



- ♥ City: Chatou (zone A bis)
- ♥ Adress: Route du Vésinet / Rue des Landes
- ♥ Construction of 33 housing units
- ♥ Architect: Sud Architectes
- ♥ Submission of the building licence: July 2020
- ♥ Cost price LLI: €3,582 TTC / m²
- ♥ Rent LLI: €12/m²