Oxford Properties and Novaxia plan €1 billion investment in French life sciences development

PARIS – 16 May 2022: Oxford Properties Group ("Oxford"), a leading global real estate investor, asset manager and business builder, and Novaxia, a leading French urban investor and developer, have entered into a long-term strategic partnership (the "Partnership") to invest in and, primarily, develop much needed new supply of life science real estate in France. Novaxia will act as development manager and co-asset manage alongside Oxford with the Partnership targeting approximately €1 billion (C$1.4 billion) of investment over the next few years.

The fast growth of France's life sciences sector has accelerated further following the COVID-19 pandemic, and become a key priority for the French government, but there is a critical lack of specialist technical real estate infrastructure to support this growth. The Partnership aims to bring forward new supply of space to help meet that demand and is already in active discussions with local regulators. It will announce its first investments in the near future, which are focused on the development of lab and research centres for biotech and medtech companies.

The first phase of the Partnership's investment activity will focus on Paris, which is experiencing an acute supply shortage of lab and life sciences incubator space. Paris attracts 80% of all biotech venture capital funding in France, which doubled between 2020 and 2021 to €1.6 billion and is expected to underpin growing demand for life sciences space. The Partnership will invest across France and is exploring other emerging markets such as Lyon and Strasbourg.

Combining the expertise of two pioneering players in a burgeoning asset class

Both Oxford and Novaxia entered the life sciences asset class in 2017 and have subsequently each built substantial expertise and leadership in the sector. The Partnership accelerates their respective strategies and brings Oxford's international life sciences platform to the French market, combining with Novaxia's deep local market expertise.

Oxford and its portfolio companies manage approximately C$80 billion (€58 billion) of assets worldwide. The company has grown its life science business across 10 strategic North American markets as well as in Cambridge and London in the UK. Since the start of 2021, Oxford has completed almost US$2.5 billion of life sciences investment across R&D labs and GMP facilities and has identified a further US$3.5 billion of follow-on development opportunities. This has created substantial momentum behind Oxford's stated objective to build a dedicated and market leading US$15 billion global life science real estate business.

Oxford's ambition is to create an end-to-end real estate ecosystem for life science firms, whereby companies can be incubated, research and develop life-saving therapeutics and, ultimately, manufacture products all within its real estate infrastructure. One existing example is Navy Yards in Philadelphia, US, where Oxford recently broke ground on the speculative development of a 12,000 sqm R&D lab space and GMP facility to support early-stage gene and cell therapy companies. It represents the first phase in Oxford's plans to, over time, own and develop up to 280,000 sqm of research, incubation and manufacturing space at Navy Yards to create a world-class life science innovation hub in Philadelphia.

Since entering the sector in 2017, Novaxia has established a formidable ecosystem of partners and projects throughout France. In 2019, it was selected following a competitive process to develop one of Europe's largest life sciences incubator in Central Paris. In July 2021, in partnership with Biolabs, it launched an accelerator for digital health start-ups, supported at the launch by Olivier Véran, Minister of Social Affairs and Health. Recognised as one of the top 300 fastest growing companies in France over the past three years, Novaxia currently manages nearly 100 urban regeneration projects nationally.

Joachim Azan, President and founder of Novaxia, said: "*Novaxia is opening up to partnerships and breaking new ground by adding another string to its urban recycling bow. Following housing, Novaxia will recycle obsolete buildings into places of innovation in the life sciences. Following on from the project to install one of the largest incubators in Europe at the Hotel-Dieu Paris, Novaxia is developing the means to deploy suitable sites for the entire life sciences value chain throughout France (research laboratories, incubators, accelerators and production plants). Real estate will thus be the starting point for scientific innovation so that France retains its best researchers, its best companies and strengthens its scientific sovereignty."*

Pierre Leocadio, Head of Investment, Europe at Oxford Properties, commented: "*Building a global life sciences business of scale remains one of Oxford's highest priority investment strategies and France is one of our strongest conviction markets in Europe for growth. Having undertaken significant investment into strategic life science markets in North America and UK in recent years, our sights are firmly set on replicating those successes in France. Historically, France has been at the forefront of R&D in the fields of medicine and pharmaceuticals, it is therefore well-positioned to maintain this leadership position as technology continues to disrupt and accelerate new innovations in this sector. It boasts leading academic institutions, university hospitals and research institutes, plus robust access to financing—particularly from venture capital funds.*

"We are aiming to invest approximately €1 billion over the next few years to create highly-technical real estate infrastructure which can support the country's fast-growing biotech and medtech industries. Alongside Novaxia, we want to be a leader in life sciences real estate investment in France. Powered by a shared vision, we have moved quickly to identify and evaluate several potential life science sites that are adaptable to the wide range of uses required by a rapidly growing life sciences ecosystem."

Aude Landy-Berkowitz, Executive Director of Novaxia Développement explains: "*The development of Life Sciences requires a suitable real estate that meets the technical needs and uses of a community. Real estate in France today is not designed with this in mind. For example, there is a significant lack of L1 to L3 type laboratories and their development requires specific expertise. There are multiple and specific needs for water, air, overhead room or even in safety. This partnership will work on their future-proofed design and operating modes, imagining reversibility between laboratory and office. We will develop a real estate that is complementary and synergistic, adaptable with closed and shared spaces in the service of research and innovation. This partnership is a tremendous step forward for the Life Sciences community in France. The need is urgent, and we need to be able to develop innovation and research hubs that offer a real-estate pathway from small start-ups to large enterprises."*

Abby Shapiro, Senior Vice President & Head of Office, Retail and Life Sciences, Europe at Oxford Properties, added: *"This strategic partnership with Novaxia will enable us to develop a large scale, dedicated life sciences portfolio in France. Novaxia has an excellent track record in real estate investment and development, taking a responsible and innovative approach to each of their projects, underpinned by a deep understanding of local market needs.*

"Through this partnership, we will look to capitalise on our complementary skill sets. Oxford has a committed and permanent source of capital as well as a global viewpoint on best practices within the life sciences sector. Combined with Novaxia's deep local market knowledge and relationships with local life science firms and key stakeholders, we believe we can offer a compelling solution to deliver the critically needed real estate infrastructure to help ensure France remains a leader in life sciences."

While France has historically been an international leader in pharmaceutical and medicine R&D, with a highly talented workforce, the life science sector is changing across the globe due to technological disruption. The pace of innovation has dramatically shortened the time and resources required for companies to research, develop and introduce new life-changing therapeutics. This is leading to new company formation and growth, and these startups require access and support from the right ecosystems and funding sources. Combined with the need in France for greater healthcare sovereignty, accentuated by the pandemic, the French government is increasingly making targeted investments to support life science 'clusters' with existing universities, research institutes, clinical hospitals and sources of private capital:

- The France Recovery plan targets the deployment of €6 billion in support of France's healthcare system
- While the France 2030 plan earmarks €7.5 billion for the health sector, including the production of biopharmaceuticals

This increased governmental backing, plus delivery of new infrastructure for life science clusters and rising levels of venture capital funding, provides additional support for innovative healthcare firms to stay and grow France versus relocating to more established global life science markets in the US. The new partnership between Novaxia and Oxford aims to be an early mover to help support this transition by developing the required, and highly technical, real estate infrastructure that is in critically short supply.

Antoine Papiernik, Chairman & Managing Partner of Sofinnova, a world leader in investment in life sciences firms (start-ups, SMEs and ETIs) **remarked,** "*Novaxia and Oxford's partnership confirms France as a key hub of the future for developing biotech and medtech innovations, and positions the country as a leader in Europe. This exciting partnership will grow the number of cutting-edge firms in France, allowing the country to reach the scale needed to attract much-needed international investment."*

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A propos de Novaxia :

Joachim Azan, Président et Fondateur du Groupe : « Le recyclage urbain est notre savoir-faire et l'obsolescence notre gisement de valeur. Nous visons à concilier investissement responsable et rentabilité au service de nos investisseurs. »

Novaxia est une entreprise d'investissement dans le recyclage urbain. Née de la rencontre de l'immobilier et de l'épargne, Novaxia associe deux expertises au service de ses investisseurs : la gestion d'épargne immobilière et le développement de projets urbains.

Osant l'inhabituel, Novaxia développe des fonds et des projets immobiliers innovants qui répondent aux enjeux de la ville durable en alignant les intérêts de tous. Première société à mission du secteur immobilier, Novaxia vise à développer l'investissement dans le recyclage urbain au bénéfice du plus grand nombre. Novaxia s'est placée parmi les 300 entreprises françaises ayant eu la plus forte croissance depuis 2013. www.novaxia.fr.

About Oxford Properties Group

Oxford Properties Group ("Oxford") is a leading global real estate investor, asset manager and business builder. It builds, buys, and grows defined real estate operating business with world-class management teams. Established in 1960, Oxford and its portfolio companies manage approximately C$80 billion of assets across four continents on behalf of their investment partners. Oxford's owned portfolio encompasses office, logistics, retail, multifamily residential, life sciences, hotels and credit in global gateway cities and high-growth hubs. A thematic investor with a committed source of capital, Oxford invests in properties, portfolios, development sites, debt, securities and real estate businesses across the risk-reward spectrum. Together with its portfolio companies, Oxford is one of the world's most active developers with over 100 projects currently underway globally across all major asset classes. Oxford is owned by OMERS, the Canadian defined benefit pension plan for Ontario's municipal employees.

Oxford Properties began investing in Paris in 2014 and has built a real estate portfolio valued at more than C$1 billion. The portfolio includes two office buildings and a retail building, all located in central Paris: 32 Rue Blanche, Paris Bastille and 273 rue Saint Honoré. Oxford aims to more than double its investments in France over the next few years, focused on new and emerging sectors, particularly Life Sciences.

For more information on Oxford, visit www.oxfordproperties.com