PRESS RELEASE

Paris, July 24, 2023, 7:00 a.m.

2023 HALF YEAR RESULTS

STRONGER BALANCE SHEET WITH AN LTV RATIO < 30%
GUIDANCE UNCHANGED AND PRESENTED ON A PRO FORMA* BASIS
STRATEGIC PLAN BEING PREPARED

Stronger balance sheet, sharp reduction in debt levels, very solid liquidity position:

- **Sale of 63% of Icade's stake in Icade Santé for €1.4bn, based on NAV as of December 31, 2022**
- **Effective deconsolidation** of the Healthcare business from the completion date of this first stage (July 5, 2023)
- **Significant drop in net debt to €2.9bn (vs. €6.6bn as of December 31, 2022)**
- **LTV (incl. duties) as of July 5: c. 29%[1], net debt-to-EBITDA: 6.5x**
- **On average, over 95% of debt is fixed rate or hedged up to the end of 2026**

Solid half-year results in a market affected by the new interest rate environment:

- **IFRS revenue at €697m (+1%)**
- **Pro forma* Group net current cash flow at €111.2m (+0.4%)** (€1.47 per share)
- **EPRA NTA of €79.3 per share; 23% of NTA crystallised in cash**

Commercial Property Investment:

- **Gross rental income of €181m,** up +2.2% like-for-like
- **Pro forma net current cash flow of almost €100m**, **+4%** excluding disposals in 2022 and 2023
- **Asset rotation: selective investments and disposals pending future opportunities**
- **Portfolio valued at €7.2bn (proportionate):** down -6.7% LFL vs. December 2022, reflecting the new interest rate environment; the portfolio's yield of 6.6% as of June 30 offered an attractive risk premium

Property Development:

- **Economic revenue at €583m, +1.7%** vs. June 2022
- **Operating margin at 5.7%** (+20 bps vs. June 2022)
- **Net current cash flow up +4.8% to €13.6m**

2023 outlook:

- **Pro forma 2023 Group net current cash flow of between €2.95 and €3.05 per share expected, including the impact of 2023 disposals**
- **2023 dividend policy** subject to approval by the 2024 General Meeting:
  - **Recurring dividend:** amount corresponding to the minimum legal distribution obligation[2]
  - **Minimum special dividend:** €2.54 per share (payment in 2024 of 50% of the SIIC distribution obligation with regard to capital gains on disposal generated by the completion of the first stage of the sale of the Healthcare Property Investment Division)
  - **FY 2023 dividend expected to be more than 10% higher than FY 2022 dividend**

Strategic plan being prepared:

- **Ongoing review of all businesses and assets** in view of new ways of working and living and the market environment
- **New roadmap to be announced in late 2023 or early 2024**

"In a challenging environment for the development and commercial property investment markets, the Group's operating and financial performance in the first half of the year, with a slight increase in net current cash flow, reflected its resilience and its strong fundamentals. In addition, the completion of stage one of the sale of our Healthcare business announced on July 5 means that Icade's financial structure and liquidity levels are now very solid, which should enable it to meet the new challenges it faces down the line. As we develop our new roadmap, which will allow us to provide medium-term visibility to shareholders, I can speak with confidence about the quality of our portfolio, the complementarity of our business lines and our leadership in CSR, all of which will be key competitive advantages for Icade going forward."

Nicolas Joly, CEO of Icade

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[1] *Calculation including the value of the remaining stake in Icade Santé in the denominator*

[2] *Calculated based on pro forma NCCF plus dividends received in 2023 from Icade Santé*

* The financial information presented in this press release is pro forma for the sale of Icade Santé for the financial years 2022 and 2023, i.e. adjusted for all financial flows relating to the Healthcare portfolio (P&L and balance sheet, intra-group transactions between Icade and Icade Santé).

As a reminder, the half-year financial statements as of June 30, 2023 still include the contribution of the Healthcare business to Group NCCF. Reconciliations are presented in the half-year financial report.

	06/30/2023	06/30/2022	Change (%)
Gross rental income from Commercial Property Investment (in €m)	**181.1**	**185.0**	**-2.1%**
Pro forma EPRA earnings from Commercial Property Investment (in €m)	**91.9**	**98.9**	**-7.0%**
Pro forma net current cash flow from Commercial Property Investment (in €m)*	**99.6**	**103.4**	**-3.7%**
Economic revenue from Property Development (in €m)	**583.4**	**573.6**	**+1.7%**
Net current cash flow from Property Development (in €m)	**13.6**	**12.9**	**+4.8%**
Net current cash flow – Other (in €m)	(2.0)	(5.6)	N/A
Pro forma Group net current cash flow (in €m)	**111.2**	**110.7**	**+0.4%**
Pro forma Group net current cash flow (in € per share)	1.47	1.46	+0.4%

	06/30/2023	12/31/2022	Change
EPRA NTA per share (in €)	**€79.3**	**€89.8**	**-11.8%**
EPRA NDV per share (in €)	**€87.9**	**€101.4**	**-13.3%**
Pro forma average cost of drawn debt	**1.59%**	**1.25%**	
LTV ratio (including duties)	**41.6%**	**39.3%**	
LTV ratio (including duties) after the July 5, 2023 Healthcare sale	**29.4%**		

** NCCF from Commercial Property Investment is equivalent to EPRA earnings adjusted for the depreciation of operating assets.*

1. Performance by business line

1.1. Commercial Property Investment

Solid leasing activity in H1, despite a slow market

Gross rental income from Commercial Property Investment amounted to €181m as of June 30, 2023, a slight decrease of -€4m compared with June 30, 2022, mainly due to asset disposals in 2022 (c. €600m) and in H1 2023 (c. €88m excluding preliminary agreements), representing annual rental income of around €28m (and an impact in H1 of c. -€9m).

Acquisitions (mainly Défense Parc in Nanterre, acquired at the end of 2022) generated rental income of €2.1m in H1 2023.

The asset management team signed or renewed more than 100,000 sq.m (46 leases), representing c. **€27m** in **annualised headline rental income** and a WAULT to break of **6.4 years**.

The **31 leases signed** with **new tenants** covered **nearly 41,000 sq.m**, with **€13m** in **annualised headline rental income** and a **WAULT to break of 7.5 years**, including:

- **A 14,200-sq.m lease** in the **Origine** building in Nanterre signed with EDF Renouvelables for a term of 9 years with no break option, bringing the occupancy rate for this 66,000-sq.m asset to 100%. Attracted in particular by the excellent environmental quality of the building, this new tenant will further strengthen Icade's "energy" portfolio alongside Technip Energies, a tenant in the Origine building since 2019, and Schneider Electric, the future tenant in the new Edenn building adjacent to Origine scheduled for completion in 2025.

  With this new lease, the assets held in the **Terrasses de Nanterre area, accounting for 19%** of the entire portfolio **on a proportionate consolidation basis**, are **now fully let.**
- **A pre-let on 7,500 sq.m** in the **Portes de Paris business park** agreed with Equinix, a data centre operator, for a 9-year term. Nearly 14,000 sq.m have already been leased to this company in the same business park. This pre-let deal with Equinix relates to a project to convert office premises and parking spaces into a data centre.
- **New leases covering more than 6,000 sq.m in the Paris Orly-Rungis business park**, including:
  - A pre-let on 3,000 sq.m signed with a subsidiary of Vinci Energies for a 9-year term;
  - A 9-year lease signed on 1,250 sq.m earmarked for One Place Rungis, a food hall featuring five new eateries.

Renewed leases (15) covered over **59,000 sq.m**, with **€14.3m in annualised headline rental income and a WAULT of 5.4 years. On average, these renewals were completed at rents 1.4% above the ERV, once again demonstrating the quality of Icade's first-class tenants, including**:

- Système U, which signed a lease with climate criteria covering almost 21,000 sq.m in the Paris Orly-Rungis business park, thus committing to help Icade set an example in terms of energy consumption in the property;
- Adecco for 13,300 sq.m in the New Way building in Lyon; and
- The French Ministry of the Interior for c. 9,600 sq.m in the Défense Parc building, acquired at the end of 2022.

These three tenants renewed their leases **without reducing the amount of space let**.

In 2022, we renewed the c. 45,000-sq.m lease with our third-largest tenant, Veolia, in the Millénaire area for a 9-year term, in addition to the c. 12,500-sq.m lease with Club Med in Pont de Flandre for a 3-year term. This demonstrates the Commercial Property Investment Division's ability to retain its tenants, thus ensuring rental income well into the future.

On a **like-for-like basis**, gross rental income was **up +2.2%** for the office and business park segments:

- With 100% of leases linked to indices (c. 80% to the ILAT index and c. 20% to the ICC and ILC indices), **the impact of index-linked rent reviews was around +4.7%** in H1;
- As in Q1, this impact was partially offset by rental reversion on a few strategic renewals, ensuring rental income from these properties over the medium to long term.

The **financial occupancy rate** stood at 86.5% as of June 30, 2023. At the end of June, this rate continued to be impacted by the robust disposals in 2022, which continued in H1 2023, since disposals related to mature assets that were fully let, and by the vacating of space in one building in Saint-Denis.

The **WAULT to first break** stood at 3.7 years as of June 30, 2023.

The **average annual rent collection rate** as of June 30 stood at **nearly 100%**, once again highlighting the strength and quality of the Commercial Property Investment Division's customers, 70% of which are CAC 40, SBF 120 and public sector companies.

Investments and pipeline: increased selectivity

Total investments as of June 30, 2023 amounted to **€122m** (stable vs. June 30, 2022), representing 38% of the annual volume for 2022, in line with the investment policy and increased selectivity pending future opportunities. The breakdown is as follows:

- Investments in **the development pipeline for €74m**, mainly relating to the following projects:
    - **Jump** in the Portes de Paris business park for €16.5m, a mixed-use project currently under development, the hotel part of which was handed over in Q1 2023 under a 12-year pre-let;
    - **The Athletes Village** (office space in Saint-Ouen) for €11.2m, **Next** in Lyon for €8.1m, **Grand Central and M Factory** in Marseille for €8.0m and €7.7m, respectively, and **Edenn** in Nanterre for €3.8m.
- **Operational capex** for c. €41m related to renovation work and improvements in buildings' technical and environmental quality.

As of June 30, 2023, the Commercial Property Investment Division had a **development pipeline** of projects started totalling **€676m, down -10% compared with December 2022**, and 113,000 sq.m, of which **62% had been pre-let (+8 pps** compared with December 31, 2022). In H1, two projects were launched at the Orly-Rungis business park for a total of €58m, **both of which were fully pre-let**:

- Cologne project: renovation under a 9-year lease with a subsidiary of Vinci Energies for the entire floor area;
- Helsinki Iéna: conversion of an office building into a hotel under two pre-let agreements[3] for a term of 12 years with no break option.

2023 disposal plan: opportunistic approach for the rest of the year

The volume of disposals, worth more than €1.1bn in 2021 and 2022, slowed to a total of c. €180m in H1 2023, including preliminary sale agreements. Of particular note were:

- The sale of three office buildings for c. €140m: Eko Active (8,200 sq.m) and Grand Central (8,500 sq.m) in Marseille and Nautilus (13,000 sq.m) in Bordeaux. These disposals were completed at prices **in line with the appraised values** as of December 31, 2022 for an **average return of 4.7%;**
- And the completion of the sale of the residual residential portfolio in the Paris region for €40m.

With an even stronger balance sheet, Icade will continue to take an **opportunistic approach** and does not expect any further disposals in 2023, in an investment market that, like the leasing activity, was still in a wait-and-see mode in H1.

Portfolio valuation

As of June 30, 2023, the Commercial Property Investment **portfolio was worth €7.2bn on a proportionate consolidation basis**.

On a like-for-like basis, the value of the portfolio fell by -6.7%, mainly reflecting the fact that appraisals took into account the general rise in interest rates, against a backdrop of very limited transaction volumes over the period. It should be noted that changes in appraised values ranged from -2% to -14% depending on the geographic location and the operational characteristics of the submarkets.

The Commercial Property Investment portfolio's average yield was **6.6% as of June 30, 2023**, up +60 bps, implying an attractive risk premium of more than 360 bps compared with risk-free rates.

On a full consolidation basis, the portfolio was valued at **€7.7bn**.

[3] *Signed or under an exclusivity agreement*

Helping our customers deal with volatile energy costs

In H1 2023, the Commercial Property Investment Division remained very active and continued to support its tenants on energy issues, notably through the following initiatives:

- **Energy efficiency programme** which contributed to **reducing** the Commercial Property Investment portfolio's **energy consumption** by **c. 20% in the winter of 2022-2023 year-on-year** thanks to the active involvement of our customers.
- **Strong commitment to optimising energy consumption**: Icade has been recognised three times for its performance and the demand response support it provides customers as part of the first Cube Flex challenge (Origine, Eqho Tower and Quebec assets).
- **Continued rollout of Leases with Climate Criteria**: launched in October 2022, Icade's leases with climate criteria put climate concerns at the heart of contractual relationships between landlords and tenants. Nearly **200,000 sq.m[4]** of Icade's assets are now covered by leases with climate criteria.
- **Energy procurement:** the procurement policy has already made it possible to lock in the price of electricity and gas for the buildings' common areas in 2023 and 2024. It should be noted that this energy comes from guaranteed renewable sources.

1.2. Property Development

Icade Promotion proactive in a slowing market

After a year of strong sales momentum and a record number of orders for Icade Promotion in 2022, sales performance remained positive overall in H1 2023, boosted in particular by the sale of an office building (Taitbout transaction), which offset the downturn in the residential segment.

The property development market has slowed significantly since the beginning of 2023, with orders down c. -40%[5] for individual buyers and c. -8% for institutional investors. This was due in particular to the sharp and sustained rises in interest rates over the last 18 months, which have impacted households' borrowing capacity and led to a more selective approach on the part of institutional investors.

Against this backdrop, Icade Promotion has taken a proactive approach and continues to implement measures to adjust to the economic climate:

- **Focus on bulk sales**: orders for bulk sales in the residential segment up +19% in volume terms to 1,066 units in H1 2023;
- **A higher minimum sales threshold required to start construction in order to preserve profit margins** and further improve working capital management: now 40% (for units sold individually) vs. 30% previously, and a 13% decrease in the volume of projects started;
- **Review of projects in the portfolio, both in terms of their financial structure and marketing.**

As of June 30, 2023, operational indicators for Icade Promotion's **residential segment** were resilient, with orders **down moderately compared with the market** (-14% in value terms to €582m), supported by orders for bulk sales, which were up +4% over the half-year.

For the **office segment**, Icade Promotion also adapted its strategy to a market at the bottom of the cycle, in particular by completing the sale of a 3,100-sq.m building at 43-45 rue Taitbout, 75009 Paris and through the signing of a property development contract for the same building.

- ♦ **Economic revenue** amounted to €583m in H1, **up by +1.7%** compared with June 30, 2022:
  - Revenue from the residential segment fell -11% to €425m mainly due to the market slowdown.
  - Revenue from the office segment totalled €156m (vs. €97m as of June 30, 2022), bolstered by the progress of works at the Envergure complex in Romainville (Seine-Saint-Denis) and the sale of the building on rue Taitbout in Paris.
- ♦ **The current economic operating margin** was 5.7% (up 0.2 pps from 5.5% as of June 30, 2022).

  It should be noted that the margin for the residential segment has shown the first signs of prices going down on certain projects and the impact of higher bulk sales.
- ♦ **Net current cash flow** was **up by 4.8% to €13.6m**.

In H2, Icade Promotion will continue to proactively manage project margins and adjust its business to the new market conditions (price lists and focus on bulk sales).

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[4] *Leases with climate criteria signed or soon to be signed*
[5] *Source: FPI as of Q1 2023*

Leading indicators

As of June 30, 2023, the **backlog** stood at **€1.8bn**, down slightly (-3.7%) compared with December 31, 2022.

While this level **ensures that the expected revenue target (stable) for 2023 is met**, it also reflects the policy of adjusting to the new market environment, i.e. greater selectivity in launching new projects in order to maintain profitability levels and preserve balance sheet strength.

Icade Promotion will nonetheless benefit from the major projects won in 2022 and 2023 which highlight the **teams' expertise in large-scale mixed-use projects and low-carbon construction**, and ensure future revenue and margins:

- **The acquisition of 70 sites totalling 450,000 sq.m of land from the ENGIE Group**, in partnership with other companies. Located throughout metropolitan France, the sites are destined to be regenerated into housing, offices, light industrial units and shops. A total floor area of over 200,000 sq.m, including more than 100,000 sq.m of residential space, will be developed by 2027. This represents **potential revenue in excess of €160m** on a proportionate consolidation basis;
- Icade and Emerige were chosen to develop a **large-scale mixed-use project covering more than 35,000 sq.m** in the "Cœur de Carnolès" development zone in Roquebrune-Cap-Martin (Alpes-Maritimes). This project includes a total of 405 housing units, nearly 1,500 sq.m of office space and 3,100 sq.m of retail premises, all of which meet the highest environmental standards, with the first homes scheduled for completion in Q4 2025. The project represents **revenue of almost €200m excluding taxes on a full consolidation basis**;
- **Urbain des Bois**, a subsidiary of Icade Promotion specialising in low-carbon timber construction, was chosen to develop an innovative residential project in the French department of Ain. This project made mostly **(c. 75%) from timber** will involve the construction of 130 homes covering nearly 7,200 sq.m for **revenue of €38m.** It is scheduled for completion in Q2 2025.

In addition, in July 2023, Icade Promotion was chosen[6] for a **project** to refurbish the Guillot-Bourdeix tower in Lyon. Featuring almost 13,500 sq.m of housing, offices, shops as well as light industrial units dedicated to the social and solidarity economy and health services, this project is a showcase for a low-carbon and inclusive city (see dedicated press release).

1.3. Sale of the Healthcare Property Investment Division: a strategic shift for Icade

Completion of the first stage on July 5, 2023

On June 13, 2023, Icade signed the sale and purchase agreement with Primonial REIM and the minority shareholders of both Icade Santé and Icade Healthcare Europe (IHE) setting out how the entire Healthcare portfolio will be sold by 2025. On July 5, 2023, Icade announced the **completion of the transaction's first stage, i.e. the sale of 63% of its stake in Icade Santé for a total of €1.4bn.**

As agreed and planned, this first stage was completed based on a valuation **in line with EPRA NTA as of December 31, 2022** after adjusting for the 2022 dividend and includes the repayment of Icade Santé's €50m shareholder loan from Icade.

As part of this transaction, Primonial REIM took over management of Icade Santé's property assets as well as IHE's portfolio.

Stages two and three to be completed by the end of 2025

Pursuant to the agreements, Icade's remaining stake in Icade Santé is scheduled to be acquired by 2025 by funds managed by Primonial REIM France using their inflows (earmarking of inflows for the Healthcare business provided for in the agreements) and/or by new institutional investors identified by the management company. These new investors might even acquire shares before the end of 2023.

In addition, Primonial is responsible for selling the assets owned by IHE (valued at €850m as of December 31, 2022) by the end of 2024 at times that optimise their value. An incentive scheme for the asset manager also ensures that interests are aligned so that the disposal plan can be carried out swiftly and correctly.

It should be noted that the Healthcare assets were valued at €7.0bn on a full consolidation basis as of June 30, 2023, up very slightly vs. December 31, 2022, illustrating the resilience of the asset class which continues to attract investors.

Icade will continue to receive dividends with respect to its remaining stake until all the Healthcare Property Investment assets are sold. These dividends will total c. €0.8 per share in 2024 (based on Icade's percentage ownership of Icade Santé and IHE as of July 5).

Impact on the financial statements of the sale of the Healthcare business

In the IFRS financial statements as of June 30, 2023, and in accordance with IFRS 5, the Healthcare business was reclassified as "Profit/(loss) from discontinued operations" in the income statement.

Further information on the Healthcare Property Investment Division in H1 is available in section 4 of the half-year financial report: "Discontinued operations under IFRS: Healthcare Property Investment Division".

As stated at the beginning of this press release, Icade is reporting pro forma information (excluding Icade Santé) to improve medium-term visibility. The Healthcare business was deconsolidated on July 5, 2023.

[6] *Jointly developed with Redman*

2. Higher low-carbon and biodiversity goals

Since 2010, Icade has been strongly committed to fighting climate change and reducing the carbon footprint of its assets. At the end of 2022, it announced that the SBTi had approved its +1.5°C pathway.

As a result, Icade now has:

- Higher goals for its three business lines and Corporate covering scope 1, 2 and 3 emissions in line with a +1.5°C pathway;
- An objective to achieve net-zero carbon emissions by 2050;
- A €100m investment plan for 2022–2026 for the Commercial Property Investment Division to help achieve these goals.

Icade has also maintained its ambitious strategy to preserve biodiversity which led to concrete results in 2022 and new strong commitments:

- Rewilding 100% of the Property Development Division's new builds and the Commercial Property Investment Division's business parks by 2030;
- Implementing solutions to support biodiversity in 90% of the Commercial Property Investment Division's buildings;
- Voluntarily contributing to the restoration or conservation of ecosystems through carefully selected projects.

All of these items were included in the "Say on Climate and Biodiversity" resolution approved by 98.33% of the shareholders at the General Meeting held on April 21, 2023. The Biodiversity Report and the Climate section of the CSR Chapter of the Universal Registration Document are available on Icade's website.

In addition, Icade's firm commitment to the fight against climate change has been recognised by a number of organisations including the **Financial Times which ranked it 2nd in its list of Europe's Climate Leaders** (out of 27 real estate companies).

Icade also published its Green Financing Report as of December 31, 2022, available via this link.

3. An even stronger balance sheet

In an environment still marked by rising interest rates and significant volatility on the financial markets, **Icade showed excellent resilience in its debt indicators and kept its net finance expenses under control**. In particular, the increase in finance expenses was moderate thanks to the **prudent hedging policy applied over the last number of years and the decision to reduce outstanding NEU Commercial Paper** (from €553m as of December 31, 2022 to €368m as of June 30, 2023).

Furthermore, **the Group's active management of its short-term investments** led to a **sharp increase in finance income**, partly offsetting the rise in finance expenses.

Current finance income/(expense) therefore improved slightly in H1 2023 compared with the previous year.

In addition, the sale of the Healthcare Property Investment Division, announced in H1 and completed on July 5, has further significantly strengthened the Group's balance sheet:

- **Improvement in the Group's debt profile**: as of June 30, 2023, the pro forma average cost of debt was 1.59%, for an average maturity of 5 years (vs. 1.66% and 4.8 years excluding the disposal);
- **The Group's protection against interest rate risk strengthened**: fixed rate or hedged debt represented 97% of estimated debt for 2023 and over 95% of estimated debt up to the end of 2026 on average (vs. 90% prior to the deconsolidation of the Healthcare business).
  It should be noted that the interest coverage ratio remained solid at 4.1x, well above the bank covenant limit of 2x. The increase in finance income from the dividends to be received from the Healthcare Property Investment Division from 2024 and the investment of the proceeds from the disposal of the Healthcare business, in addition to debt repayments, will help **improve this ratio over the coming months, returning it to a level close to 5x;**
- **Stronger liquidity position** of €3.2bn (excluding NEU Commercial Paper), consisting of €1.3bn[7] in undrawn credit lines and €1.9bn in cash. This liquidity covered 5.6 years of debt principal and interest payments;
- **Reduction in the Group's net debt**, which stood at almost €2.9bn as of July 5, with a very positive impact on the Group's balance sheet ratios. As of July 5, 2023, the **LTV ratio (including duties)** had fallen significantly to **29.4%** (vs. 39.3% as of December 31, 2022) and the **net debt-to-EBITDA** ratio (excluding Healthcare Property Investment) stood at **6.5x** (vs. 10.1x as of December 31, 2022).

Icade is rated BBB+ with a stable outlook by S&P, with this rating affirmed in the July 2023 annual review.

4. Solid H1 results

IFRS revenue totalled €697m, up +1% vs. June 2022:

- A slight decrease of -2.1% in gross rental income from the Commercial Property Investment Division due to substantial disposals in 2022;
- Slight increase in economic revenue for the Property Development Division of +1.7%.

[7] *€1.7bn in undrawn RCFs less outstanding NEU Commercial Paper (€0.4bn as of June 30, 2023)*

Pro forma Group net current cash flow stood at €111.2m (€1.47 per share), up a modest +0.4%:

- Commercial Property Investment NCCF: €99.6m, down by only 3.7% as a result of:
    - The impact of 2022 and 2023 disposals (-€9m in gross rental income). Excluding disposals, Commercial Property Investment NCCF rose by +4%,
    - A slight rise in vacancy costs (inflation, partly from higher energy costs),
    - Operating costs kept down,
    - Net finance expenses under control (thanks in part to the hedging policy and income from short-term investments).
- Property Development NCCF: €13.6m, up +4.8%.

EPRA NTA[8] amounted to **€6,011m**, i.e. **€79.3 per share**, down -11.8% in connection with the lower value of Commercial Property Investment assets.

It should be noted that the first stage of the sale of the Healthcare business completed on July 5, 2023 **crystallised 23% of EPRA NTA as of June 30, 2023 (€18.5 per share)**. In addition, the unsold portion of the Healthcare business in the NTA represented €15.1 per share. Taken together, the unsold portion and the proceeds from the sold portion of the Healthcare business totalled €33.6 per share vs. a share price of €38.2 as of June 30, 2023.

5. 2023 dividend

The General Meeting held on April 21, 2023 unanimously approved a dividend of €4.33 per share for the financial year 2022, an increase of +3.1% on the dividend paid in 2022.

The Group paid an interim dividend of **€2.16 per share on March 2, 2023 and a final dividend of €2.17 per share on July 6, 2023** (with an ex-dividend date on July 4).

6. Governance

The Board of Directors noted that Mr Guillaume Poitrinal resigned as director for personal reasons.

The Appointments and Remuneration Committee chaired by Ms Marie-Christine Lambert is currently conducting a selection process to appoint a new independent director to maintain the proportion of independent directors on the Board of Directors at 33%, in compliance with the requirements set out in the Afep-Medef Code.

7. 2023 outlook

Nicolas Joly, Icade's new CEO since April 21, 2023, reviewed all of the Group's business activities and provides an initial assessment below:

♦ **Commercial Property Investment: Icade is well positioned in an office market that is currently recovering from the Covid crisis.**

Due to new ways of working and living, a new financial environment and higher expectations in terms of environmental performance, the portfolio's segmentation has to be rethought:

- **Stage 1: A new approach to business parks**
    - Office assets in business parks are now included in the "office" segment while the former "light industrial" sub-segment is now a separate segment (9% of the portfolio).
- **Stage 2: An in-depth analysis of the outlook for all of the office assets** (85% of the portfolio) in view of new ways of working and living. The Commercial Property Investment Division's office portfolio can now be broken down into three categories:
    - ***Well-positioned offices* (73%)**: high-quality assets adapted to future expectations (central locations, environmental criteria, amenities and flexibility), with confidence in the long-term relevance of brick-and-mortar offices (financial occupancy rate above 90%, good central locations, etc.);
    - ***Assets to be repositioned (13%)***: conversion or disposal currently being considered;
    - ***Business park offices* (14%)**: assets with a well-established demand for office space and solid tenants; some assets are nonetheless in oversupplied office markets and are currently being reviewed in order to reclassify them as either "Well-positioned" or "To be repositioned".

    The remaining assets[9] of the Commercial Property Investment Division include a land bank which has strong potential. **It only represents 2% of the portfolio value with 500,000 sq.m of space that could potentially be developed** (review underway).

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[8] EPRA NTA: Net Tangible Assets

[9] The remaining assets account for 6% of portfolio value, comprising the land bank for 2% and "other" for 4% including retail and hotel assets.

- **Property Development: Icade Promotion, the 6th largest property developer in France[10],** has a proven capacity to adapt to the new environment. In addition, the Icade Group allocates up to 10% of its equity to Icade Promotion and, as such, provides this subsidiary with a supportive and secure framework.
- In addition, in the current environment, **the complementarity between our Property Investment and Property Development businesses is an undeniable advantage allowing us to address the new challenges of creating the city of tomorrow.**

In light of the above, the Group will draw up a new roadmap in the coming months to provide Icade shareholders with an updated medium-term outlook.

Lastly, based on a solid H1 performance, **Icade has kept its full-year guidance unchanged and now presents it on a pro forma basis** following the deconsolidation of the Healthcare business, which took effect after completion of the sale's first stage:

- **Pro forma 2023 Group net current cash flow of between €2.95 and €3.05 per share expected, including the impact of 2023 disposals.**

As announced, the Board of Directors has provided further information about its **dividend policy** for 2023 which is subject to shareholder approval at the General Meeting:

- **Recurring dividend**: amount corresponding to the minimum legal distribution obligation[11];
- **Minimum special dividend:** €2.54 per share in 2024 (i.e. 50% of the SIIC distribution obligation with regard to capital gains on disposal generated in the first stage of the Healthcare sale);
- **FY 2023 dividend more than 10% higher than 2022 dividend.**

The strategic plan currently being prepared is expected to be announced in late 2023 or early 2024.

[10] *In terms of 2022 revenue (source: annual report)*
[11] *Calculated based on pro forma NCCF plus dividends received in 2023 from Icade Santé*

FINANCIAL CALENDAR

Q3 financial data: Monday, October 23, 2023 before the market opens.
Investor Day: Monday, November 27, 2023 (to be confirmed).

The Statutory Auditors issued their review report on the half-year financial information on July 21, 2023, after conducting:

- A limited review of the condensed half-year consolidated financial statements of the company Icade SA for the period from January 1, 2023 to June 30, 2023, which were prepared under the responsibility of the Board of Directors at its meeting held on July 21,
- A verification of the information contained in the half-year management report.

The Half-Year Financial Report as of June 30, 2023 can be **viewed or downloaded from the website** (**www.icade.fr/en/**), in the section:
In French: https://www.icade.fr/finance/resultats-financiers *(Résultats financiers _ HY 2023 _ Données)*
In English: https://www.icade.fr/en/finance/financial-results *(Keys figures _ HY 2023 _ Data)*

Nicolas Joly, CEO, and Victoire Aubry, Executive Committee member in charge of Finance, will present the 2023 Half Year Results today at 10:00 a.m. (CET).

The slideshow will be available on the website (in English only):
In French: https://www.icade.fr/finance/resultats-financiers
In English: https://www.icade.fr/en/finance/financial-results

A live webcast in English only with synchronised slides will be accessible on the website via the following link:

Direct access to the webcast: https://channel.royalcast.com/icadeen/#!/icadeen/20230724_1

Access to the audio-only version (questions may be asked verbally):

France, Paris	+33 (0) 1 70 37 71 66
United Kingdom (Standard International Access)	+44 (0) 33 0551 0200
United States, New York	+1 786 697 3501

Conference ID: Icade

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ABOUT ICADE

Desirable places to live

As a commercial property investor (portfolio worth €7.7bn on a full consolidation basis as of 06/30/2023) and a developer of homes, offices and public amenities (2022 economic revenue of €1.3bn), Icade designs, builds, manages and invests in cities, neighbourhoods and buildings that are innovative, diverse, inclusive and connected, with a reduced carbon footprint. Desirable places to live and work. In collaboration with its stakeholders, Icade has made low carbon a strategic priority in order to reinvent real estate and create cities that are healthier, happier and more hospitable. Icade is a key player in Greater Paris and major French cities. It is listed as a "SIIC" on Euronext Paris and its leading shareholder is the Caisse des Dépôts group.

The text of this press release is available on the Icade website: www.icade.fr/en

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APPENDICES

Appendix 1: Consolidated income statement and balance sheet – Icade Group

Appendix 2: The Icade Group’s segmented income statement

Appendix 1: Consolidated income statement and balance sheet – Icade Group

Consolidated income statement

	06/30/2023	06/30/2022 restated (a) (b)	12/31/2022 restated (a)
Revenue	**696.6**	**692.6**	**1,454.9**
Other operating income	90.5	82.8	113.6
Income from operating activities	**787.1**	**775.4**	**1,568.5**
Purchases used	(414.6)	(402.9)	(861.1)
Outside services	(142.9)	(130.8)	(213.4)
Taxes, duties and similar payments	(3.6)	(2.7)	(5.0)
Staff costs, performance incentive scheme and profit sharing	(73.7)	(74.8)	(147.7)
Other operating expenses	2.4	(6.4)	(27.3)
Expenses from operating activities	**(632.3)**	**(617.5)**	**(1,254.4)**
EBITDA	**154.8**	**157.9**	**314.1**
Depreciation charges net of government investment grants	(12.0)	(9.1)	(21.8)
Change in fair value of investment property	(565.2)	103.9	(387.3)
Charges and reversals related to impairment of tangible, financial and other current assets	(0.6)	1.0	3.0
Profit/(loss) from acquisitions	(0.1)	(1.0)	(0.7)
OPERATING PROFIT/(LOSS) EXCLUDING THE SHARE OF NET PROFIT/(LOSS) OF EQUITY-ACCOUNTED COMPANIES	(442.8)	241.7	(93.7)
Share of net profit/(loss) of equity-accounted companies	1.7	10.6	14.0
OPERATING PROFIT/(LOSS)	**(441.1)**	**252.3**	**(79.8)**
Cost of gross debt	(46.3)	(36.7)	(75.9)
Net income from cash and cash equivalents, related loans and receivables	8.2	0.1	3.3
Cost of net financial liabilities	**(38.2)**	**(36.6)**	**(72.7)**
Other finance income and expenses	(6.4)	(23.6)	(28.0)
FINANCE INCOME/(EXPENSE)	**(44.6)**	**(60.1)**	**(100.7)**
Tax expense	(1.2)	(4.1)	(22.2)
Net profit/(loss) from continuing operations	(486.8)	188.1	(202.7)
Profit/(loss) from discontinued operations	39.9	292.9	424.6
NET PROFIT/(LOSS)	**(447.0)**	**481.0**	**221.9**
Including net profit/(loss) attributable to the Group	**(475.4)**	**350.8**	**54.1**
- Including continuing operations	(440.2)	187.3	(178.7)
- Including discontinued operations	(35.2)	163.4	232.7
Including net profit/(loss) attributable to non-controlling interests	**28.4**	**130.3**	**167.8**
Basic earnings per share attributable to the Group (in €)	**(€6.27)**	**€4.63**	**€0.71**
- Including continuing operations per share	(€5.80)	€2.47	(€2.36)
- Including discontinued operations per share	(€0.46)	€2.16	€3.08
Diluted earnings per share attributable to the Group (in €)	**(€6.27)**	**€4.63**	**€0.71**
- Including continuing operations per share	(€5.80)	€2.47	(€2.36)
- Including discontinued operations per share	(€0.46)	€2.16	€3.07

Consolidated balance sheet

ASSETS

(in millions of euros)	06/30/2023	12/31/2022
Goodwill	38.3	54.9
Other intangible fixed assets	27.4	29.4
Tangible fixed assets	59.7	53.6
Net investment property	7,418.2	14,834.4
Equity-accounted investments	119.0	128.3
Financial assets at fair value through profit or loss	21.7	23.0
Financial assets at amortised cost	16.2	82.0
Derivative assets	83.8	155.1
Deferred tax assets	11.0	11.0
NON-CURRENT ASSETS	**7,795.3**	**15,371.8**
Inventories and work in progress	928.5	816.2
Contract assets	133.7	122.7
Accounts receivable	179.5	173.5
Tax receivables	6.9	9.8
Miscellaneous receivables	354.7	377.8
Financial assets at amortised cost	126.7	114.1
Derivative assets	0.0	0.1
Cash and cash equivalents	667.2	1,084.6
Assets held for sale – Healthcare Property Investment	7,226.3	-
Assets held for sale – Other	111.9	147.5
CURRENT ASSETS	**9,735.5**	**2,846.4**
TOTAL ASSETS	**17,530.9**	**18,218.2**

LIABILITIES

(in millions of euros)	06/30/2023	12/31/2022
Share capital	116.2	116.2
Share premium	2,387.4	2,514.3
Treasury shares	(34.2)	(33.9)
Revaluation reserves	118.9	125.7
Other reserves	3,665.5	3,811.5
Net profit/(loss) attributable to the Group	(475.4)	54.1
Equity attributable to the Group	**5,778.4**	**6,587.9**
Non-controlling interests	2,033.3	2,096.6
EQUITY	**7,811.7**	**8,684.5**
Provisions	19.0	22.2
Financial liabilities at amortised cost	4,692.9	6,815.4
Lease liabilities	53.4	54.2
Tax liabilities	-	7.8
Deferred tax liabilities	27.1	28.6
Other financial liabilities	55.4	74.6
Derivative liabilities	-	0.8
NON-CURRENT LIABILITIES	**4,847.8**	**7,003.5**
Provisions	51.0	59.9
Financial liabilities at amortised cost	698.3	1,144.6
Lease liabilities	12.3	8.7
Tax liabilities	1.4	11.4
Contract liabilities	56.0	69.4
Accounts payable	760.3	680.8
Miscellaneous payables	660.1	549.9
Other financial liabilities	0.7	3.1
Derivative liabilities	0.0	0.1
Liabilities held for sale	2,631.3	2.3
CURRENT LIABILITIES	**4,871.4**	**2,530.1**
TOTAL LIABILITIES AND EQUITY	**17,530.9**	**18,218.2**

Appendix 2: The Icade Group's segmented income statement

The Icade Group's segmented income statement

(in millions of euros)		Commercial Property Investment	Healthcare Property Investment	Property Development (economic basis*)	Total intersegment and other	Total Icade Group (economic basis*)	IFRS adjustments (Property Development, jointly controlled entities)	Total Icade Group
Current items:								
Revenue	(a)=(b)+(c)+(d)	**198.6**	**-**	**583.4**	**(9.3)**	**772.7**	**(76.1)**	**696.6**
Including revenue from: Gross rental income from Property Investment	(b)	181.1	-			181.1		181.1
Including Property Development revenue (POC method)	(c)			576.0		576.0	(75.6)	500.4
Including other revenue	(d)	17.5	-	7.4	(9.3)	15.6	(0.4)	15.2
Service charges not recovered from tenants and other expenses	(e)	(20.1)	-		(0.0)	(20.1)		(20.1)
Net rental income from Property Investment	(f)=(b)+(e)	161.0	-		(0.0)	161.0		161.0
Net to gross rental income ratio for Property Investment	*(f)/(b)*	***88.9%***						
Cost of sales and other expenses	(g)			(479.2)	0.8	(478.5)	67.5	(411.0)
Net property margin from Property Development	(h)=(c)+(g)			96.8	0.8	97.5	(8.1)	89.4
Property margin rate (net property margin / revenue (POC method))	*(h)/(c)*			***16.8%***				
Operating costs and other costs	(i)	(31.9)	-	(73.7)	(1.6)	(107.2)	0.7	(106.5)
Share of profit/(loss) of equity-accounted companies	(j)	0.7		0.4		1.1	4.4	5.5
CURRENT OPERATING PROFIT/(LOSS)	(m)=(d)+(f)+(h)+(i)+(j)	147.4	-	30.8	(10.1)	168.1	(3.5)	164.6
Cost of net debt	(n)	(30.6)	-	(9.0)	(1.0)	(40.6)	2.4	(38.2)
Other finance income and expenses	(o)	(3.5)	(0.0)	(1.4)	(0.3)	(5.2)	0.5	(4.7)
CURRENT FINANCE INCOME/(EXPENSE)	(p)=(n)+(o)	(34.1)	(0.0)	(10.4)	(1.3)	(45.8)	2.9	(42.9)
Tax expense	(q)	(0.3)	-	(5.1)		(5.4)	0.5	(4.8)
Profit/(loss) from discontinued operations	(aba)		147.0		9.5	156.5		156.5
NET CURRENT CASH FLOW	(r)=(m)+(p)+(q)+(aba)	112.9	147.0	15.4	(2.0)	273.4	-	273.4
NET CURRENT CASH FLOW ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(s)	(3.8)	(61.5)	(1.8)		(67.1)	-	(67.1)
NET CURRENT CASH FLOW ATTRIBUTABLE TO THE GROUP	(t)=(r)+(s)	109.2	85.6	13.6	(2.0)	206.3	-	206.3
Depreciation and impairment of operating assets	(u)	(7.6)						
Depreciation of operating assets of equity-accounted companies	(um)	(0.1)						
PROPERTY INVESTMENT: EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	(v)=(t)+(u)+(um)	101.5	85.6					
Non-current items:								
Change in fair value of investment property – depreciation and impairment charges		(572.9)	-	(22.5)	1.2	(594.2)	(0.2)	(594.5)
Profit/(loss) on asset disposals		0.2	-	(3.2)		(3.0)		(3.0)
Non-current finance income/(expense)		(1.5)	-	(0.2)		(1.7)		(1.7)
Non-current corporate tax			-	3.7		3.7		3.7
Other non-current expenses, profit/(loss) from acquisitions, discontinued operations		(9.1)	(108.0)	(4.8)	0.9	(121.0)		(121.0)
Share of profit/(loss) of equity-accounted companies		(4.0)		(0.0)	(0.1)	(4.1)	0.2	(3.8)
Non-current portion of net profit/(loss) attributable to non-controlling interests		42.0	(4.1)	0.7		38.6		38.6
Total non-current items	(ab)	(545.3)	(112.1)	(26.3)	1.9	(681.7)	-	(681.7)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(ac)=(t)+(ab)	(436.1)	(26.5)	(12.7)	(0.0)	(475.4)	-	(475.4)

** Income statement items include controlled entities and joint ventures on a proportionate consolidation basis.*