PRESS RELEASE

Paris, February 19, 2024, 7:00 a.m.

2023 FULL YEAR RESULTS

NCCF FROM STRATEGIC OPERATIONS ABOVE GUIDANCE
RESILIENT BUSINESS PERFORMANCE DESPITE ADVERSE MARKET CONDITIONS
VERY SOLID BALANCE SHEET BOLSTERED BY THE DISPOSAL OF THE HEALTHCARE BUSINESS
DIVIDEND OF €4.84[1] PER SHARE

Commercial Property Investment: very strong leasing activity and adjustment in property values

- **Gross rental income of €363.9m, up +2.2% on a like-for-like basis**
- **Very strong leasing activity, with leases for c. 243,000 sq.m signed or renewed** (+20% vs. 2022)
- **Selective and diversified pipeline and launch of a new flagship project at 29-33 Champs-Élysées**
- **Portfolio valued at €6.5bn (proportionate)**: -17.5% LFL, portfolio yield of 7.5% (+150 bps vs. 2022)

Property Development: operational resilience and review of land portfolio amid significant market slowdown

- **Economic revenue at €1.29bn**, an increase of +3% vs. 2022
- **Orders** at €1,345m, a decrease of only -7% in value terms thanks to an increase in bulk sales, in a market down by -26%[2]
- **Review of land portfolio** to further secure future projects and rebuild margins
- **Margin down to 3.8%** from 6.2% in 2022
- **Backlog stable at €1.84bn**

Sale of Healthcare business

- **Sale of Healthcare Property Investment Division in three stages** and deconsolidation of the Healthcare business announced on July 5, 2023
- **€1.45bn in cash received for stage 1 and €132m[3] received in partial repayment of intercompany credit lines provided to IHE**
- Indicative targets for stages 2 and 3: completion of the sale for c. €1.3bn[4] over a proposed timeframe of 2024-2026

Financial indicators resilient but marked by lower property values

- **Group net current cash flow at €350.6m, i.e. €4.62 per share**
- **Net current cash flow from strategic operations[5] up +0.9% to €232.6m, i.e. €3.07 per share, above guidance of €[2.95-3.05] per share**
- EPRA NTA of €67.2 per share, -25.2% vs. 2022, IFRS net profit/(loss) attributable to the Group at -€1,250.3m[6]

Stronger balance sheet as a result of stage 1 of the sale of the Healthcare business

- **Improvement in debt KPIs: LTV ratio at 33.5%** (vs. 39.3% at the end of 2022), **net debt-to-EBITDA ratio at 7x** (vs. 10.1x at the end of 2022)
- **Very solid liquidity position of €2.9bn, refinancing of undrawn credit lines maturing in 2024 and 2025 (€755m)**
- **100% of estimated debt for the next three years is fixed rate or hedged**
- Net finance expense under control thanks to a prudent hedging policy and a **sharp increase in finance income**

CSR commitments: **score of A from the Carbon Disclosure Project**, results aligned with the Group's 1.5°C pathway approved by the SBTi

Governance: changes in the composition of the Board of Directors and Executive Committee

2023 dividend: **€4.84**[1] per share, up **+11.8%** vs. 2022

FY 2024 guidance: **Net current cash flow from strategic operations of between €2.75 and €2.90 per share**

Announcement of ReShapE, the new Strategic Plan for 2024–2028

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[1] In two payments of €2.42 per share, subject to approval at the General Shareholders' Meeting
[2] Source: FPI, February 2024
[3] Including €26.6m received in January 2024
[4] Amount estimated based on the appraised value of the Healthcare portfolio as of December 31, 2023
[5] Strategic operations comprise the Commercial Property Investment Division and the Property Development Division
[6] Including -€1,600.9m in non-current non-recurring items

"In a highly volatile macroeconomic and financial environment, marked by persistently high interest rates which have had a particularly strong impact on the real estate sector, Icade's operational performance has underlined the Group's resilience and the strength of its fundamentals. The completion of stage one of the sale of the Healthcare business in July 2023 has enabled Icade to strengthen its balance sheet in order to meet the challenges that lie ahead and seize new opportunities." **Nicolas Joly, CEO of Icade**

At its meeting held on Friday, February 16, 2024, Icade's Board of Directors chaired by Mr Frédéric Thomas approved the financial statements for the year 2023:

	12/31/2023	12/31/2022 restated (a)	Absolute change	Change (in %)
Gross rental income from Commercial Property Investment (in €m)	363.9	364.0	(0.0)	(0.0%)
EPRA earnings from Commercial Property Investment (in €m)	213.9	195.5	18.4	+9.4%
Net current cash flow from Commercial Property Investment (in €m) (1)	228.8	208.5	20.4	+9.8%
Economic revenue from Property Development (in €m)	1,293.9	1,256.7	37.2	+3.0%
Net current cash flow from Property Development (in €m) (2)	6.2	37.0	(30.8)	(83.3%)
Net current cash flow from intersegment transactions and other items (in €m) (3)	(2.4)	(14.9)	12.5	(83.9%)
(A) Net current cash flow from strategic operations (in €m) (1+2+3)	**232.6**	**230.6**	**2.0**	**+0.9%**
Net current cash flow from strategic operations (in € per share)	3.07	3.04	0.03	+0.8%
(B) Net current cash flow from discontinued operations (in €m)	**118.0**	**186.3**	**(68.3)**	**(36.7%)**
(B) Net current cash flow from discontinued operations (in € per share)	1.56	2.46	(0.90)	(36.7%)
Group net current cash flow (in €m) (A+B)	**350.6**	**416.8**	**(66.2)**	**(15.9%)**
Group net current cash flow (in € per share)	4.62	5.50	(0.88)	(15.9%)

(a) Reclassification of the Healthcare Property Investment Division as discontinued operations in accordance with IFRS 5.

As a result of changes to the Group's scope of consolidation, Icade now reports Group net current cash flow comprising (i) net current cash flow from strategic operations (called pro forma cash flow as of June 30, 2023), i.e. Commercial Property Investment and Property Development[7], and (ii) net current cash flow from discontinued operations, i.e. Healthcare.

	12/31/2023	12/31/2022 restated (a)	Absolute change	Change (in %)
EPRA NTA per share (in €)	**67.2**	**89.8**	**(22.6)**	**(25.2%)**
EPRA NDV per share (in €)	**73.3**	**101.4**	**(28.0)**	**(27.6%)**
Average cost of drawn debt	**1.56%**	**1.25%**	**+31 bps**	**N/A**
LTV ratio (including duties)	**33.5%**	**39.3%**	**-580 bps**	**N/A**

(a) Reclassification of the Healthcare Property Investment Division as discontinued operations in accordance with IFRS 5.

1. 2023 performance by business line

1.1. Commercial Property Investment: very strong leasing activity

From June 2023, Icade reviewed the segmentation of its portfolio based on use, identifying four main asset segments: **offices, light industrial, land and other assets**.

- **Office assets make up 82% of portfolio value[8], of which:**
  - **86% are considered well-positioned offices**, i.e. in line with tenant expectations, which Icade is confident will continue to be used as such in the long term;
  - **14% are classified as offices to be repositioned**, whose future as office space is in doubt in the medium term, mainly because of their location, and for which a change in use is envisaged.
- **The light industrial segment accounts for 11% of the portfolio**: this segment is made up of business premises, TV studios, data centers, wholesalers and warehouses.
- The other Commercial Property Investment assets segment makes up 5% of the portfolio and consists mainly of hotel and retail assets.
- Lastly, land, which accounts for only 2% of the portfolio's appraised value, represents a source of value creation.

[7] *Plus cash flow from intersegment transactions and other items*
[8] *On a proportionate consolidation basis, as of December 31, 2023*

Robust asset management activity in 2023

As of December 31, 2023, gross rental income from the Commercial Property Investment Division amounted to **€363.9m**, stable compared with 2022, despite a loss of rental income of €11.8m due to asset disposals in 2022 and 2023 and a reduction in early termination payments (-€2.2m).

In 2023, the Commercial Property Investment Division benefited from the full-year impact of the acquisition of Défense Parc in 2022 and the last building in the Ponant property complex in July 2023, representing cumulative additional revenue of €5.2m.

On a **like-for-like basis**, gross rental income **was up +2.2%** due to:

- **Index-linked rent reviews** for **+4.7%**[9];
- **The change in financial occupancy**, which contributed **+0.1%**;
- **Negative reversion on renewals** for **-2.6%**.

The asset management activity was especially strong in 2023 for Commercial Property Investment, **with almost 243,000 sq.m signed or renewed (130 leases), an increase of more than 20% compared with 2022.** These leases signed and renewed represent more than **€63m** in annualised **headline rental income** with a WAULT to break of **5.6 years.**

The breakdown is as follows:

- **New leases signed: over 100,000 sq.m, €29m in annualised headline rental income, WAULT to break of 6.4 years**;
- **Renewals: c. 143,000 sq.m, €34m in annualised headline rental income, WAULT to break of 4.9 years.**

New leases and renewals **in the office segment** represent **c. 181,000 sq.m, of which 73% relates to well-positioned assets**. These leases were signed at rents in line with market levels. The main leases signed include:

- **In the Terrasses de Nanterre area, 14,200 sq.m in Origine** with **EDF Renouvelables** for a term of **9 years with no break option** and **over 7,500 sq.m** in the **La Défense 4/5/6 buildings with Vinci and a public sector agency** for terms of 6 and 5 years, respectively, with no break option;
- **In Paris**, the remaining floor area in **Fresk** with **INSERM** (1,700 sq.m, 6-year term) and c. **800 sq.m in the building at 29-33 Champs-Élysées** with **Rituals**;
- **In the Paris Orly-Rungis business park, almost 49,000 sq.m of office space signed or renewed**, including the Cologne building, currently being renovated, and close to 21,000 sq.m in the Montréal building, renewed with Système U for 9 years with a break option after 6 years;
- **In Lyon, 13,300 sq.m** in the **New Way** building, renewed with **Adecco** for **9 years**, including 6 years with no break option.

Leases signed or renewed for light industrial and other assets in 2023 covered more than 62,000 sq.m, including in particular:

- **In the Portes de Paris business park**, the renewal of the lease with **AMP Visual TV** covering more than **27,000 sq.m for a term of 7 years** and a pre-let on 7,500 sq.m agreed with Equinix, a data center operator, for a 9-year term with no break option;
- **In the Paris Orly-Rungis business park**, leases covering 9,000 sq.m were signed, confirming the appeal of the area.

As of December 31, 2023, **the financial occupancy rate stood at 87.9%, a slight increase of +0.2 pps** vs. December 31, 2022. It was particularly **strong in the well-positioned offices and light industrial segments**.

- **Well-positioned offices had a financial occupancy rate of 91.0%, up +2.9 pps** thanks to new leases signed in Origine in Nanterre and Fresk in Paris.
- Offices to be repositioned had a financial occupancy rate of 71.4%, down almost -11.5 pps from 82.9% as of December 31, 2022.
- **Light industrial premises had a financial occupancy rate of 92.1%, an increase of +0.7 pps** compared with December 31, 2022.

The WAULT to break stood at **3.6 years as of December 31, 2023**.

Investments and a pipeline reflecting greater selectivity

Total investments for 2023 stood at **€259m**, down almost -20% compared to December 31, 2022, reflecting a more selective investment policy tailored to the new macroeconomic and financial environment.

The breakdown is as follows:

- **Acquisition of the Le Ponant B building (5,400 sq.m) in the 15th district of Paris for c. €49m including duties**. With this transaction, Icade has regained full ownership of the 33,000-sq.m Ponant II property complex and can now consider making value-adding improvements over the medium term;
- **Investments in the development pipeline for €125m**;
- **Operational capex for €85m** related to maintenance work and improvements in buildings' technical and environmental quality.

The pipeline of projects launched totalled €907m as of December 31, 2023, **representing future investments of €334m for €45m of additional rental income.**

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[9] 100% of leases are index-linked: c. 80% to the ILAT index and c. 20% to the ICC and ILC indices

Over the last number of months, the pipeline has been subjected to a **strict review** aimed at limiting investment to assets that reflect new tenant needs and news ways of living and working, and to projects with a satisfactory financial outlook. The pipeline is now **diversified in terms of asset class and geographic location** and **secure**, with four assets already fully leased (including Cologne and Next, completed in 2024).

During the financial year 2023, **three projects were launched and added to the development pipeline**:

- A project to develop the flagship building at 29-33 Champs-Élysées, for a total value of €404m, for which a building permit has been obtained;
- Two projects in the Paris Orly-Rungis business park for €56m:
  - Cologne: renovation of an office building under a 9-year lease signed with a subsidiary of VINCI Energies;
  - Helsinki-Iéna: conversion of two office buildings into a hotel and apartment hotel, following the signing of two pre-let agreements with 12-year terms and no break option.

2023 disposal plan: opportunistic approach

In 2023, a year marked by an agreement to sell the Group's entire Healthcare business, Icade significantly slowed the pace of disposals of its commercial property assets. Disposals were worth **€146m** vs. €600m in 2022 and related to:

- Office buildings Eko Active (8,200 sq.m) and Grand Central (8,500 sq.m) in Marseille, sold for c. €102m to a leading institutional investor and an occupant, respectively. These disposals were completed at prices in line with the appraised values as of December 31, 2022 for an average return of 4.2%. These two assets, acquired off-plan in 2017 and 2021 for a total of €60.8m, demonstrate the Group's ability to source and generate value through value-add properties, including outside the Paris region;
- The residual residential portfolio in the Paris region for c. €43m.

Adjustment in portfolio value

As of December 31, 2023, the Commercial Property Investment **portfolio** (excluding duties) **was worth €6.5bn** on a proportionate consolidation basis and €6.8bn on a full consolidation basis.

On a like-for-like basis, over 12 months, the portfolio fell in value by -17.5%, with a more pronounced decline in H2, illustrating that our valuers have taken into account the new interest rate environment. **Over an 18-month rolling period, the decrease in value was -22.9%.**

The year-on-year changes in value varied widely according to asset type:

- The value of well-positioned offices dropped by -16.8%, while offices to be repositioned contracted by -33%;
- Light industrial premises saw a limited decline of -3.1% year-on-year, supported by demand for this asset class and growth of +5.5% in estimated rental values year-on-year (including +13.4% in Rungis).

As of December 31, 2023, the **average yield on the Commercial Property Investment portfolio** was **7.5%, up 150 bps** compared with 2022: it stood at 7.3% for offices (6.7% for well-positioned offices and 10.9% for offices to be repositioned) and 7.9% for light industrial premises.

1.2. Property Development: resilience and adjustment amid a significant market slowdown

After strong sales momentum and a record number of orders in 2022, 2023 was marked by **a significant slowdown in the property development market as a whole, with orders down -26%[10] and new listings down by around -35%[11]** compared with 2022.

Against this backdrop, **bulk sales to institutional investors**, particularly intermediate housing providers, social landlords and operators of serviced apartments, have taken over demand from individual buyers, who have been affected by the rise in borrowing costs[12] and the phasing out of the Pinel tax incentive scheme.

Solid operating performance

Orders saw a slight decrease of -7% in value terms to €1,345m (-13% in volume terms), supported by **bulk sales, which were up by +18% in value terms vs. 2022**. In 2023, institutional investors accounted for 67% of total orders.

In addition, the Property Development Division has adapted its strategy for launching new projects in order to make them more secure and rebuild their margins. This involves:

- Greater security for projects by increasing the minimum sales threshold required to start construction (on average, projects were over 75%[13] pre-sold before being launched in 2023);
- An in-depth review of the land portfolio to re-examine the economic viability of projects, adjust their financial parameters and/or cancel certain projects: (i) renegotiation of land prices (down c. 10% for the projects concerned), (ii) rescheduling of payments and (iii) cancellation of projects three times greater than in 2022.

[10] Source: FPI, February 2024. Orders from individual buyers down -35%, according to Adéquation, December 2023.
[11] Source: Adéquation, December 2023
[12] Source: Observatoire Crédit Logement: up +189 bps from 2.35% at the end of December 2022 to 4.24% at the end of December 2023
[13] Including sales to both individual and institutional buyers

These precautionary measures explain **the -12% fall in construction starts in value terms and the -20% reduction in inventory of homes for sale** compared with 2022.

Although **the commercial segment saw a sharp decline, with sales down -50% in value terms** to €207m (vs. €413m in 2022), **Icade Promotion has nevertheless successfully closed several major deals**:

- A preliminary off-plan sale agreement signed with Crédit Mutuel for the construction of an office complex covering roughly 20,000 sq.m **in Strasbourg's Archipel Wacken business district**, representing revenue of over €90m;
- An off-plan sale agreement for 5,000 sq.m and a pre-let on 1,800 sq.m, both signed with Naval Group, for an office complex totalling 6,800 sq.m to be co-developed with Cogedim;
- Opportunistic sale of a 3,100-sq.m building at 43-45 rue Taitbout in the 9th district of Paris and the signing of a property development contract totalling €40m in revenue.

Revenue up slightly, margin down

Economic revenue amounted to €1,294m as of December 31, 2023, **up +3.0%** compared to 2022. It stems from a relatively modest decline in the residential segment and the increased contribution of the commercial segment.

- Revenue from the residential segment was down -4.0% to €999m (vs. €1,040m in 2022) due to the market slowdown.
- Revenue from the commercial segment[14] amounted to €295m, up +36% compared with 2022, thanks to (i) progress of works at the Envergure complex in Romainville and Audessa in Lyon, and (ii) the opportunistic sale of the building on rue Taitbout in Paris.

The current economic operating margin was 3.8%, down -240 bps from 6.2% in 2022. This drop was due to lower sale prices, particularly with the increase in bulk sales, and the impairment of land.

Net current cash flow fell to €6.2m, impacted by the rise in the cost of debt.

Leading indicators adjusted to the new environment

As of December 31, 2023, the Property Development Division's total **backlog stood at €1.84bn**, stable vs. the end of 2022. In particular, it reflects (i) a **+5.3% increase in the residential backlog**, boosted by orders from institutional investors in 2023, and (ii) a -23% decline in the commercial backlog.

The portfolio of residential land represented 12,980 units and potential revenue of **€2.8bn excluding taxes** (on a proportionate consolidation basis), down -13% in value terms compared to December 31, 2022. This decline was explained by greater project selectivity and the cancellation of projects no longer aligned with market demand.

Winner of several major mixed-use projects

In 2023, the Property Development Division once again demonstrated its expertise in mixed-use and sustainable development by winning several flagship projects, including:

- The construction of a **new district in Blagnac** for Klépierre and Cardif. Comprising housing, offices and local shops on a 3.2-hectare site, this project developed by Urbain des Bois and the CDC Habitat Group aims to achieve the highest standards for a low-carbon city;
- The development of landmark project **Inspir'Avignon**, including 463 housing units, 13,000 sq.m of office space and 4,300 sq.m of retail premises. Icade Promotion has been awarded the project alongside architects Leclercq and Primosud;
- A project[15] to refurbish the **Guillot-Bourdeix tower** in Lyon, featuring almost 13,500 sq.m of housing, offices, shops, health services as well as light industrial units dedicated to the social and solidarity economy;
- **The development of the Jallère district** in Bordeaux-Lac, a district adapted to the challenges of climate change that will serve as a **showcase for the low-carbon city**. The project will renovate and refurbish existing buildings (c. 50,000 sq.m) and develop around 100,000 sq.m of new buildings, exclusively on previously developed land.

These projects are in addition to the major projects won in 2022, namely:

- **The acquisition of 70 sites totalling 45 hectares of land from the ENGIE Group**, in partnership with other companies. Located in 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**;
- A mixed-use project covering more than 35,000 sq.m in the "Cœur de Carnolès" development zone in **Roquebrune-Cap-Martin** (Alpes-Maritimes), to be developed alongside Emerige. This project includes 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. It represents **revenue of almost €100m (excluding taxes) on a proportionate consolidation basis**.

[14] Commercial segment and others (land development, Public Amenities and Healthcare Property Development business)
[15] Jointly developed with Redman

1.3. Sale of Healthcare business: a strategic transaction for the Group

On July 5, 2023, following the signing of a sale and purchase agreement with Primonial REIM and the minority shareholders of both Icade Santé and Icade Healthcare Europe (IHE), **Icade announced the three-stage disposal of its Healthcare business**. On July 5, 2023, Primonial REIM took over the management of all property assets held by Icade Santé (now called Præmia Healthcare) and IHE. The sale of the Healthcare business resulted in its **deconsolidation from the Group**[16].

- **Stage 1**, completed on July 5, 2023, involved the sale of 63% of Icade's stake in Icade Santé to Primonial REIM and Sogecap. This transaction was worth **€1.45bn in total**, based on a valuation in line with EPRA NTA as of December 31, 2022 after adjusting for the 2022 dividend, and included the repayment of Icade Santé's €50m shareholder loan from Icade.

- **Stage 2** consists of the **sale of Icade's remaining stake** in Præmia Healthcare. This sale was estimated to be worth **c. €0.8bn**[17] as of December 31, 2023. It may be done in stages as follows:
  - The acquisition of additional shares by Primonial REIM using the inflows into the CapSanté fund;
  - And/or the purchase of Icade's residual shares by third-party institutional investors.

  Primonial REIM has undertaken to allocate the CapSanté fund's inflows to the purchase of Icade's residual stake in Præmia Healthcare based on the most recently published EPRA NTA. It will receive fees as the sale is completed. The Group aims to complete stage 2 by 2025.

- **Stage 3** involves the **sale of IHE's international portfolio** (Italy, Portugal and Germany), which represents **c. €0.5bn**[18] in proceeds to be received by Icade based on its valuation as of December 31, 2023, including €194m for a shareholder loan between Icade and IHE. This shareholder loan, initially granted by Icade for €326m, was refinanced by all the shareholders in proportion to their holdings in IHE. As a result of this refinancing, Icade received €132m, including €106m in December 2023 and €26m in January 2024.

  Primonial REIM is responsible for disposing of IHE's assets. The proceeds from the sales will first be used to repay shareholder loans. The Group aims to complete stage 3 by 2026.

2. Strong commitments to a low-carbon pathway and the preservation of biodiversity, with solid results

2023 results in line with a 1.5°C pathway approved by the SBTi

In 2022, Icade stepped up its commitment to low-carbon transition by setting **objectives that align with the 1.5°C pathway which was approved by the SBTi in October 2022 based on the Net-Zero Standard framework**. These objectives include:

- Reducing the Group's emissions by -28% by 2030 and -90% by 2050 compared with 2019 levels[19];
- Reducing carbon intensity between 2019 and 2030 (in kg CO_2/sq.m) by -60% for Commercial Property Investment and -41% for Property Development[20].

With a **reduction in carbon intensity of -35% for Commercial Property Investment and -12% for Property Development** between 2019 and 2023, the Group's results are in line with this pathway:

- The **performance of the Commercial Property Investment Division** was due in particular to (i) **improved building efficiency and the decarbonisation of energy sources** as a result of past investments[21], (ii) **the implementation of the energy efficiency programme** (-20% reduction in energy consumption during the winter of 2022–2023 compared with the previous year) and (iii) **the rollout of environmental committees and leases with climate criteria**, thus involving tenants and giving them a lead role in reducing carbon emissions (200,000 sq.m of leases with climate criteria to date);
- The **reduction in carbon intensity of the Property Development business** was due to the use of **low-carbon energy** (79% of projects launched in 2023[22]) and the use of **hybrid wood and concrete structures in buildings** (17% of projects).

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[16] As of December 31, 2023, in accordance with IFRS 5, the Healthcare Property Investment Division's contribution to the income statement was classified under "Profit/(loss) from discontinued operations" in the Group's financial statements and the remaining interests (22.52% of the share capital of Icade Santé, renamed Præmia Healthcare, and 59.39% of IHE's portfolio) were measured at fair value through profit or loss and presented in the balance sheet under "Financial assets held for sale"

[17] Portfolio value down 3.3% vs. December 31, 2022

[18] Portfolio value down 6.3% vs. December 31, 2022

[19] In absolute terms, scopes 1, 2 and 3

[20] Carbon intensity reduction target of -30% for the Corporate scope. These emissions represent 1% of the Group total

[21] Totalling €66m between 2019 and 2023, of which €33m were invested in 2022/2023 out of the €100m provided for in the 2022–2026 Plan

[22] Renewable energy: solar thermal and solar photovoltaic panels, district heating, wind turbines, heat pumps, waste energy recovery, thermodynamic hot water tanks, etc.

In 2023, Icade **reduced its greenhouse gas emissions by more than 21% in absolute terms**, which was explained in part by the reduction in projects launched and in sq.m built by the Property Development Division.

Stronger commitments to biodiversity preservation and soil protection

With biodiversity preservation and soil protection among its key priority issues, Icade has made the following commitments:

- Rewilding 100% of the Property Development Division's new builds and the Commercial Property Investment Division's two business parks by 2030;
- Integrating nature-boosting solutions into 90% of buildings by 2026 (excluding business parks).

Icade took advantage of 2023 to (i) **create an in-house methodology for measuring biodiversity** alongside ecologists and using recognised benchmarks, (ii) **define concrete, measurable and ambitious** targets for the rewilding of the business parks by 2026 and 2030, and (iii) **measure for the first time the proportion of Property Development projects with a positive impact on nature** upon completion (**52% in 2023**).

Among industry leaders in ESG rating agencies' rankings

- **A**: This year, Icade joined the **Carbon Disclosure Project's (CDP) "A List", placing it among the industry leaders in terms of transparency and performance on climate change.** Icade is above the industry average of B and among the top 2% highest scoring companies worldwide.
- **88/100**: Icade increased its **Global Real Estate Sustainability Benchmark (GRESB) score by 5 points** vs. 2022 and has positioned itself as the leader in the European Diversified Listed Real Estate Investment Companies category.
- **7.1 (negligible risk)**: Icade has been ranked among the **top 3% highest scoring listed real estate investment companies** worldwide by Sustainalytics in terms of its exposure to ESG risk.
- **Gold Sustainability Award**: **EPRA** bestowed its award on Icade for the ninth year in a row for the quality and transparency of its CSR reporting. In 2023, Icade was one of the 86 companies to receive this distinction out of the 173 members assessed.

Continued involvement in major industry initiatives

In 2023, Icade reasserted its strong commitment to taking part in industry initiatives and continued working with tenants to speed up the decarbonisation of real estate and develop solutions to adapt to climate change and protect soil:

- By working alongside the French Energy Regulatory Commission, **Icade supports electrification, a pillar of France's low-carbon strategy, by**: (i) analysing and **adapting the electricity consumption profile** of tenants based upon the availability of national energy resources, (ii) **installing 5,000 charging stations for electric vehicles by 2030**, exceeding regulatory thresholds, and (iii) **ramping up the use of renewable energy** (placing photovoltaic panels on the roofs of commercial buildings, Icade Promotion's signing of new partnerships for the use of heat pumps in its new builds);
- **A forerunner in terms of adapting to climate change, Icade is working with the French Green Building Observatory (OID) to finance and scale up the Bat-Adapt tool,** a widely respected tool used to analyse the physical risks of climate change on buildings and propose adaptation solutions.

As part of its commitment to preserving biodiversity and soil, **Icade also took part, alongside the French Agency for Territorial Cohesion, in the creation of the Institute for Land Management Transition**, which aims to educate public and private players about issues relating to soil and bring about the profound changes needed in land development and management.

3. A robust financial structure

Icade strengthened its debt profile in 2023. The completion of stage one of the sale of the Healthcare Property Investment Division on July 5, 2023 generated proceeds of €1.45bn for Icade. As a result, Icade had a **net debt of €3.0bn** as of December 31, 2023, a **loan-to-value (LTV) ratio including duties of 33.5%** (vs. 39.3% as of December 31, 2022) and a **net debt-to-EBITDA ratio of 7.0x** (vs. 10.1x as of December 31, 2022).

The Group enhanced its liquidity position during the year: excluding NEU Commercial Paper, since it is a short-term source of financing, **liquidity amounted to €2.9bn** as of December 31, 2023 **and covered the Group's debt payments up to 2028**.

In H2, **Icade refinanced all its undrawn credit lines maturing in 2024 and 2025, totalling €755m**. These new credit lines, arranged on favourable terms (increase in non-use fee of less than 10 bps), have an average maturity of 6 years.

As of December 31, 2023, the Group's average cost of debt was 1.56%, with an average maturity of 4.6 years (vs. 1.25% and 5.3 years, respectively, as of December 31, 2022), **and its ICR was very solid at 5.59x** (vs. 6.42x as of December 31, 2022).

Despite rising interest rates over the last two years, **the increase in finance expenses was moderate** thanks to the historically prudent hedging policy and the decision to reduce outstanding NEU Commercial Paper (from €553m as of December 31, 2022 to €225m as of December 31, 2023). Furthermore, the Group's active management of its short-term investments led to a **notable increase in finance income**, offsetting the rise in finance expenses (average amount invested of c. €0.87bn at an average rate of 3.4%).

In terms of exposure to interest rate risk, Icade further strengthened its hedging with the entry into force in December 2023 of forward swaps worth €125m, taken out in 2021 at an average rate of 0.37%. **100% of estimated debt for the next three years is fixed rate or hedged.**

Lastly, **in 2023, Icade continued its commitment to sustainable finance** by converting its lines of credit, at the time of refinancing or otherwise, so that as of December 31, 2023, **100% of its bank financing and 65% of its total financing was sustainable**[23].

In July 2023, Standard & Poor's affirmed Icade's rating of BBB+ with a stable outlook. Having refocused its business on its Commercial Property Investment and Property Development Divisions, Icade still has a solid credit profile thanks to a strengthened debt structure and substantial liquidity.

4. Solid full year results marked by a sharp adjustment in property values

As of December 31, 2023:

- Group net current cash flow stood at €350.6m, i.e. €4.62 per share;
- Net current cash flow from strategic operations, consisting of the Commercial Property Investment Division and the Property Development Division, stood at €232.6m (+0.9% vs. 2022, i.e. €3.07 per share), above FY 2023 guidance of between €2.95 and €3.05 per share.

EPRA NTA per share was down -25.2% to €67.2 per share, due in particular to the -17.5% like-for-like decrease in property values for the Commercial Property Investment portfolio.

EPRA NDV per share fell by -27.6% to €73.3 per share, mainly for the same reasons, as well as the negative impact of remeasuring fixed rate debt.

5. 2023 dividend

The Board of Directors will ask the shareholders at the General Meeting to be held on April 19, 2024 to approve a dividend of €4.84 per share, **an increase of +11.8%** on the dividend for 2022.

The **dividend yield stood at 13.6%** based on the share price as of December 29, 2023.

The dividend will be paid in two instalments:

- 50% of the dividend will be paid in cash as an interim dividend of €2.42 per share on March 6, with the shares going ex-dividend on March 4;
- A final dividend will be paid in early July.

6. Governance

In 2023, the composition of the Board of Directors of Icade changed as follows:

- **Olivier Lecomte was co-opted as independent director** to replace Guillaume Poitrinal, who resigned on June 6, 2023, for the remainder of his predecessor's term of office, i.e. until the General Meeting to be held in 2026;
- **Nathalie Delbreuve was co-opted as independent director** to replace Marie-Christine Lambert, who resigned as she no longer qualified as independent after having served for the maximum 12-year period, for the remainder of her predecessor's term, i.e. until the General Meeting to be held in 2024;
- **Alexandre Thorel was appointed as permanent representative of Caisse des dépôts**, to replace Carole Abbey. It should be noted that he first had to resign as director;
- **Dorothée Clouzot was co-opted as director**, to replace Alexandre Thorel for the remainder of his term of office, i.e. until the General Meeting to be held in 2025.

The Board of Directors consists of 15 directors including 5 independent directors.

The Executive Committee changed in April 2023 with the appointment of Nicolas Joly as CEO of Icade and again in October 2023 with the appointment of Véronique Mercier who is in charge of Communications and Institutional Relations. In February 2024, Charles-Emmanuel Kühne became CEO of Icade Promotion, while Christelle de Robillard will take up her position as Group CFO in March 2024.

[23] *Earmarked for green assets, or tied to ESG goals*

7. 2024 outlook and 2024–2028 Strategic Plan

In a new interest rate environment, the property market is undergoing profound changes. As a result, asset values underwent a sharp correction in 2023, in line with the adjustment that began in H2 2022.

Leasing activity for the Property Investment business nonetheless remains solid, underlining the quality of its portfolio. The Property Development business has slowed sharply, despite a general increase in bulk sales, suggesting that a new financial equilibrium will be needed for future projects.

In an environment that remains uncertain, Icade expects net current cash flow from strategic operations to be between €2.75 and €2.90 per share in 2024. In addition, the unconsolidated remaining interests in the Healthcare business should, based on the current shareholding, generate an additional net current cash flow of c. €0.80 per share[24].

With the new challenges facing the city of tomorrow, Icade will today unveil ReShapE, its new 2024–2028 Strategic Plan. Thanks to its strong presence across a range of asset classes, its proven expertise as a developer and investor, and its long-standing commitment to environmental sustainability, Icade has positioned itself as a responsible, full-service real estate company able to design and build the city of 2050.

[24] *For dividends and finance income received*

FINANCIAL CALENDAR

Annual General Meeting: Friday, April 19, 2024
Q1 2024 financial data: Monday, April 22, 2024 before the market opens
2024 Half Year Results: Monday, July 22, 2024 before the market opens
Q3 2024 financial data: Monday, October 21, 2024 before the market opens

The consolidated financial statements as approved by the Board of Directors on February 16, 2024 have been audited. The Statutory Auditors' report will be issued after the Board of Directors meeting to be held to approve the draft resolutions submitted to the General Meeting.

The consolidated financial statements are available for **viewing or downloading on the Icade website** (www.icade.fr/en/), in the section:
In French: https://www.icade.fr/finance/resultats-financiers *(Résultats financiers _ FY 2023 _ Données)*
In English: https://www.icade.fr/en/finance/financial-results *(Keys figures _ FY 2023 _ Data)*

At Investor Day, to be held today at the Paris Orly-Rungis business park from 10:00 a.m. to 5:00 p.m. (CET), Frédéric Thomas, Chairman of the Board of Directors, and Nicolas Joly, CEO, will present Icade's 2023 full year results (10:00 a.m.) and the Group's new strategic plan (11:00 a.m.).

The slideshow presenting the 2023 full year results will be available on the website at 8:30 a.m. (Paris time):
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/20240219_1

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

France	+33 (0)1 70 37 71 66	Password: **ICADE**
UK (Standard International Access)	+44 (0)33 0551 0200	Password: **ICADE**
US	+1 786 697 3501	Password: **ICADE**

ABOUT ICADE
DESIRABLE PLACES TO LIVE

Icade is a full-service real estate company with expertise in both commercial property investment (portfolio worth €6.8bn on a full consolidation basis as of 12/31/2023) and property development (2023 economic revenue of €1.3bn) that operates throughout France. Icade has forged long-term partnerships to respond to emerging trends in the industry. It has made climate issues and the preservation of biodiversity central to its business model to reinvent real estate and contribute to more sustainable 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

December 31, 2023

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1. Group summary

1.1. Highlights of the financial year 2023

Appointment of a new CEO

On March 1, 2023, Icade's Board of Directors resolved to appoint Nicolas Joly as CEO of Icade effective April 21, 2023.

Nicolas Joly, 41, a CentraleSupélec graduate, had been Head of M&A at the Casino Group and Chairman of Casino Immobilier since 2016. He joined the Casino Group in 2008 as Head of Real Estate Investments before becoming Head of Real Estate in 2011, then Executive Vice-Chairman in charge of Real Estate in 2013. Nicolas Joly began his career in 2004 as an analyst at Unibail-Rodamco-Westfield, where he was appointed Deputy Head of Investments in 2006.

General Meeting and governance

Icade's Combined General Meeting was held on Friday, April 21, 2023 at the registered office of the Company, Immeuble Open, 27 rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France.

In particular, the General Meeting:

- Approved the separate and consolidated financial statements for the financial year ended December 31, 2022;
- Approved the distribution of a gross cash dividend of €4.33 per share for the financial year 2022. In accordance with the decision made by the Board of Directors on February 17, 2023, a gross interim dividend of €2.16 per share was paid on March 2, 2023, with shares having gone ex-dividend on February 28, 2023, and the remaining balance was paid in the form of a gross final dividend of €2.17 per share on July 6, 2023, with shares having gone ex-dividend on July 4, 2023;
- Approved the new regulated related party agreements mentioned in the Statutory Auditors' special report;
- Reappointed Caisse des Dépôts et Consignations, Emmanuel Chabas, Gonzague de Pirey and Antoine Saintoyant as directors;
- Approved the remuneration policies for directors, the Chairman of the Board of Directors and the Chief Executive Officer;
- Approved the elements of remuneration for the Chairman of the Board of Directors and the Chief Executive Officer for the 2022 and 2023 financial years;
- Issued a favourable opinion on Icade's goals and progress with respect to climate transition and biodiversity preservation;
- Renewed the financial authorisations and delegations to be given to the Board of Directors.

The composition of the Board of Directors changed in 2023 due to the resignation Guillaume Poitrinal, Marie-Christine Lambert and Carole Abbey as directors; the appointment of Alexandre Thorel as permanent representative of Board member Caisse des Dépôts, to replace Carole Abbey; and the co-option of Olivier Lecomte and Nathalie Delbreuve as directors. The number of directors is unchanged with 15 directors, including 5 independent directors.

The composition of the four committees of the Board of Directors also changed due to the departure of the above-mentioned resigning directors, the appointment of Emmanuel Chabas as a member of the Strategy and Investment Committee and the appointments of Olivier Lecomte and Nathalie Delbreuve as members of the Audit and Risk Committee.

Completion of the sale of Icade Santé, one of the Group's priorities in 2023

The first stage of the transaction was completed on July 5, 2023. It involved the sale of 63% of Icade's stake in Icade Santé for €1.4 billion, based on a valuation in line with EPRA NTA as of December 31, 2022, after adjusting for the 2022 dividend.

As a result of this disposal, the Healthcare Property Investment Division was deconsolidated on July 5, 2023. The profit/(loss) from this business for H1 2023 and the financial year 2022 is shown under "Profit/(loss) from discontinued operations". The remaining interests as of December 31, 2023 are measured at fair value through profit or loss and presented in the balance sheet under "Financial assets held for sale".

A new strategic plan

Nicolas Joly reviewed the Group's business activities following the disposal of the Healthcare business and provided an initial assessment in July 2023. In the current environment, the complementarity between the Commercial Property Investment and Property Development businesses is a clear advantage that lets us address the new challenges of creating the city of tomorrow.
New ways of working and living, a new financial environment and higher expectations in terms of environmental performance have all led us to rethink the Commercial Property Investment portfolio's segmentation.

As a result, the assets making up the business park portfolio (Portes de Paris, Rungis, Mauvin) have been segmented according to their specific use.
The portfolio is now broken down into four main segments: offices, light industrial, land and other assets.

- The **office** segment comprises two sub-categories:
    - **Well-positioned** offices are assets which Icade is confident will continue to be used as such in the long term. They are well located and meet new market demands;
    - Offices **to be repositioned** are assets whose future as office space is in doubt in the medium term, due to their location or a mismatch with current market demands, and for which a change in use is envisaged.

- The **light industrial** segment comprises business premises, TV and photo studios, data centers, wholesalers and warehouses.

- The Commercial Property Investment Division's **other assets** segment consists mainly of hotels leased to the B&B Group and retail assets.

Despite this, the business park segment has been maintained in parallel (under the heading "Business park segment reporting", supplemented by "Office segment reporting") and is used for certain indicators. This is done to provide information on business parks as they are mixed-use urban neighbourhoods consisting of clearly identifiable sets of land and buildings.

The Group's new roadmap was drawn up in H2 2023 in line with this review. It will be announced **on February 19, 2024** and will provide Icade's shareholders with an updated medium-term outlook.

Market conditions that remain challenging

2023 was marked by a highly volatile global macroeconomic and financial environment fuelled by a sustained increase in inflation and the end of central banks' easy money policies. This resulted in a sharp rise in key interest rates, which in turn triggered a rapid and steep rise across the yield curve.

Against this backdrop, **Group NCCF** at the end of 2023 stood at **€350.6 million**, down -15.9% compared with the end of 2022.

Commercial Property Investment: robust activity despite a slowing market

The Commercial Property Investment business proved resilient in 2023, with an NCCF of **€228.8 million**, up 9.8% compared with the end of 2022.

During the year, Commercial Property Investment **signed or renewed 130 leases covering almost 242,900 sq.m**, representing €63.2 million in headline rental income, with a WAULT to break of 5.6 years.

Furthermore, in 2023 Icade focused on its projects under development, which were worth €125 million, i.e. half of **total investments worth €259.1 million**, as of December 31, 2023 (down -€65.0 million on the previous year). This figure remains historically low and reflects the deliberate slowdown in the number of projects following the pipeline review, in a market undergoing change.
Other investments related to the acquisition in July 2023 of the remainder of the Le Ponant B building in the 15th district of Paris (5,400 sq.m) for €48.7 million and operational capex for €85.2 million including €17 million of renovation work and work to improve energy performance.

The volume of disposals totalled **€146.2 million**, including the sale of the Grand Central building (8,500 sq.m) in Marseille (Bouches-du-Rhône) for €53.0 million to a leading investor, and of the Eko Active building (8,230 sq.m), also located in Marseille, to Notapierre for €48.8 million.

In addition, Icade completed the sale of its portfolio of individual condominium housing units to the RLF Group for €42.5 million. This disposal was part of a plan to streamline assets considered non-strategic. It should be noted that these transactions were completed at prices in line with the most recent appraised values.

Property Development: A challenging economic and financial environment

After a strong sales performance in 2022 with Icade Promotion taking a record number of orders, 2023 was marked by a significant slowdown in the property development market overall, under the impact of rising interest rates. Against this backdrop, Icade Promotion posted a fall in its NCCF (on a proportionate consolidation basis) to **€6.2 million**, including a drop in its current economic operating profit/(loss) to €49 million (-37% compared with the end of 2022) and a higher cost of debt resulting from the slowdown in the absorption of sales and the rise in interest rates.

The Property Development Division's total backlog was stable at **€1,842.0 million** as of December 31, 2023, compared with €1,841.4 million as of December 31, 2022.

In total, Icade Promotion's potential revenue is expected to amount to **€7.5 billion excluding taxes** (on a proportionate consolidation basis) in the coming years. This is -13% lower than as of December 31, 2022 (€8.7 billion). It represents over 21,000 units for the residential segment and more than 194,000 sq.m for the commercial segment.

This sales volume includes potential revenue from major projects won in 2022 and 2023 which highlights the teams' expertise in large-scale mixed-use projects and low-carbon construction, including:

- Icade and the Duval Group won the "Ambition Maritime et Littorale" tender to develop the Gavy site in Saint-Nazaire with this large-scale mixed-use project on a plot of almost 8.1 hectares which includes 340 housing units, office space, a sports campus, a health and sports training centre, and a hotel complex. Work is scheduled to begin in 2025;
- Icade Promotion was chosen 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.
- Architecture firm Leclercq and the property developers Icade Promotion and Primosud were chosen to develop the Inspir'Avignon project in the new Confluence area in Avignon. The project involves the construction of 463 housing units, 13,000 sq.m of offices and 4,300 sq.m of retail space, including a 1,500-sq.m food hall.

- Klépierre and Cardif chose a consortium made up of Urbain des Bois, a subsidiary of Icade Promotion, and the CDC Habitat Group to develop a new district close to Toulouse in Blagnac. In addition to the existing businesses and shopping centre, the 3.2-hectare site will feature housing units, offices, local shops as well as an abundance of green space.
- At the public presentation of the project at the Urban Projects Forum in Paris, Bordeaux Métropole, the City of Bordeaux and Urbain des Bois signed an agreement for the development of the Jallère district in Bordeaux-Lac. This urban development project aims to create a new 35-hectare district adapted to the challenges of climate change that will serve as a showcase for the low-carbon city. The project will renovate and refurbish existing buildings (floor area of c. 50,000 sq.m) and develop around 100,000 sq.m of new buildings, exclusively on previously developed land, by converting existing multi-storey car parks. Parking needs will be met by multi-storey car parks located at the entrances to the site.

Further optimisation of our debt structure and use of green finance

Despite a very difficult market environment in 2023, characterised by a continued rise in interest rates, the increase in the Group's 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.

The completion of the first stage of the sale of the Healthcare Property Investment Division on July 5, 2023 generated proceeds of €1.450 billion for Icade and strengthened the Group's debt profile at the end of 2023, with net debt of €3.0 billion and a **loan-to-value (LTV) ratio including duties of 33.5%.**

In 2023, Icade also continued its commitment to sustainable finance by converting its credit lines, at the time of refinancing or otherwise, so that as of December 31, 2023, 100% of bank financing was sustainable or green. As of December 31, 2023, **65% of the Group's financing was sustainable** (earmarked for green or socially responsible assets, or tied to ESG goals), compared with 43% at the end of 2022.

After its annual review, in July 2023, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A-2. Having refocused its business on its Commercial Property Investment and Property Development Divisions, Icade still has a solid credit profile thanks to a strengthened debt structure and substantial liquidity.

CSR policy

Icade Promotion has stepped up its decarbonisation efforts by signing three new partnership agreements with Groupe Atlantic, Intuis and Piveteaubois at the Low Carbon Real Estate Fair (SIBCA) on September 22, 2023. Icade Promotion's low-carbon strategy, aligned with a 1.5°C pathway and approved by the SBTi, is based on four pillars: energy reduction, the production of renewable energy and recovery of waste energy, energy efficiency and the use of low-carbon materials. As part of a concurrent engineering approach, Icade Promotion is creating partnerships with key suppliers involved with each of these four pillars.

On April 17, 2023, the establishment of the 'Ecorce' Industry Chair was announced at Forum International Bois Construction, a timber construction forum in Lille, by École Supérieure du Bois (ESB), Icade Promotion and its subsidiary Urbain des Bois, Eiffage Construction and Saint-Gobain Solutions France. This Industry Chair aims to optimise, both technically and economically, multi-material solutions for timber construction with the goal of scaling them up in the property development sector and decarbonising construction.

1.2. The Group's key indicators

KEY FIGURES AS OF DECEMBER 31, 2023:

	12/31/2023	12/31/2022 restated (a)	Absolute change	Change (in %)
Gross rental income from Commercial Property Investment (in €m)	363.9	364.0	(0.0)	(0.0%)
EPRA earnings from Commercial Property Investment (in €m)	213.9	195.5	18.4	+9.4%
Net current cash flow from Commercial Property Investment (in €m) (1)	228.8	208.5	20.4	+9.8%
Economic revenue from Property Development (in €m)	1,293.9	1,256.7	37.2	+3.0%
Net current cash flow from Property Development (in €m) (2)	6.2	37.0	(30.8)	(83.3%)
Net current cash flow from intersegment transactions and other items (in €m) (3)	(2.4)	(14.9)	12.5	(83.9%)
(A) Net current cash flow from strategic operations (in €m) (1+2+3)	**232.6**	**230.6**	**2.0**	**+0.9%**
Net current cash flow from strategic operations (in € per share)	3.07	3.04	0.03	+0.8%
(B) Net current cash flow from discontinued operations (in €m)	**118.0**	**186.3**	**(68.3)**	**(36.7%)**
(B) Net current cash flow from discontinued operations (in € per share)	1.56	2.46	(0.90)	(36.7%)
Group net current cash flow (in €m) (A+B)	**350.6**	**416.8**	**(66.2)**	**(15.9%)**
Group net current cash flow (in € per share)	4.62	5.50	(0.88)	(15.9%)

(a) Reclassification of the Healthcare Property Investment Division as discontinued operations in accordance with IFRS 5.

	12/31/2023	12/31/2022 restated (a)	Absolute change	Change (in %)
EPRA NTA per share (in €)	**67.2**	**89.8**	**(22.6)**	**(25.2%)**
EPRA NDV per share (in €)	**73.3**	**101.4**	**(28.0)**	**(27.6%)**
Average cost of drawn debt	**1.56%**	**1.25%**	**+31 bps**	**N/A**
LTV ratio (including duties)	**33.5%**	**39.3%**	**-580 bps**	**N/A**

(a) Reclassification of the Healthcare Property Investment Division as discontinued operations in accordance with IFRS 5.

Net current cash flow from strategic operations was stable at €232.6 million (€3.07 per share, +0.8%) as of December 31, 2023, compared with €230.6 million as of December 31, 2022 (€3.04 per share), slightly above the updated guidance announced to the market in the summer of 2023. It should be noted that total net current cash flow was €350.6 million (€4.62 per share, -15.9%), compared with €416.8 million as of December 31, 2022 (€5.50 per share).

EPRA NTA per share (see section 1.3.1) was down -25.2% to €67.2 per share, due in particular to the -17.5% decrease in property values on a like-for-like basis for the Commercial Property Investment portfolio. It should be noted that the Commercial Property Investment business represents 45% of the Group's total NAV and the value to be crystallised by the disposal of the Healthcare business almost 50% of the Group's NAV.

EPRA NDV per share (see section 1.3.1) fell by -27.6% to €73.3 per share, mainly for the same reasons, in addition to the negative impact of remeasuring fixed rate debt. It should be noted that the Commercial Property Investment business represents 50% of the Group's total NAV and the value to be crystallised by the disposal of the Healthcare business almost 45% of the Group's NAV.

Lastly, the **LTV ratio** (the Group's debt ratio) stood at 33.5% on a full consolidation basis, up 580 bps year-on-year, mainly due to the deconsolidation of the healthcare portfolio.

1.2.1. Summary IFRS consolidated income statement

The income statement as of December 31, 2023, which was also published in the IFRS financial statements along with the notes that accompany them, is presented below. In addition to the current items set out in the previous section, it includes non-current items and the H1 profit/(loss) of the Healthcare business (in "Profit/(loss) from discontinued operations" under IFRS 5).

It should also be noted that IFRS financial statements are prepared on a fair value basis and that, as a result, net profit/(loss) attributable to the Group includes changes in the portfolio's value from one financial year to another (non-current portion).

(in millions of euros)	2023	2022 Restated (a)	Change (in €m)	Change (in %)
Gross rental income	363.9	364.0	(0.0)	0.0%
Income from construction and off-plan sale contracts	1,073.9	1,059.3	14.6	1.4%
Income from services provided	89.8	31.6	58.2	N/A
Other income from operating activities	129.3	113.6	15.7	13.8%
Income from operating activities	**1,656.9**	**1,568.5**	**88.5**	**5.6%**
Expenses from operating activities	**(1,376.5)**	**(1,254.4)**	**(122.1)**	**9.7%**
EBITDA	**280.4**	**314.1**	**(33.7)**	**(10.7%)**
OPERATING PROFIT/(LOSS)	**(1,268.8)**	**(79.8)**	**(1,189.0)**	**N/A**
FINANCE INCOME/(EXPENSE)	**(69.4)**	**(100.7)**	**31.3**	**(31.1%)**
Tax expense	9.2	(22.2)	31.5	N/A
Net profit/(loss) from continuing operations	(1,329.0)	(202.7)	(1,126.3)	N/A
Profit/(loss) from discontinued operations	38.4	424.6	(386.2)	(91.0%)
NET PROFIT/(LOSS)	**(1,290.6)**	**221.9**	**(1,512.5)**	**N/A**
Including net profit/(loss) attributable to the Group	**(1,250.3)**	**54.1**	**(1,304.4)**	**N/A**

(a) Reclassification of the Healthcare Property Investment business as discontinued operations in accordance with IFRS 5.

Net profit/(loss) attributable to the Icade Group, which also includes the year's non-current items for the three business lines and changes in asset values over the year, was down sharply compared to the financial year 2022. This was mainly due to the change in fair value of Property Investment assets which represented an expense of -€1,466 million in 2023 vs. an expense of -€387.3 million in 2022. This change is linked to the decline in value of the Commercial Property Investment Division's assets in 2023, which, like the market as a whole, was affected by the new interest rate environment.

1.3. EPRA reporting as of December 31, 2023

Icade presents below all its performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations. These are all leading indicators for the property investment industry.

Note: Group net current cash flow by business line is not an EPRA indicator. However, the Icade Group uses it as a single performance indicator for its two business lines.

1.3.1. EPRA net asset value metrics as of December 31, 2023

Net asset value (NAV) measures the value of the Company based on changes in equity and changes in value of asset portfolios, liabilities and property development companies.

EPRA recommends the use of three NAV metrics:

- A NAV metric that represents the net asset value under a disposal scenario: EPRA Net Disposal Value (NDV), which includes the fair value of fixed rate debt;
- A NAV metric which focuses on real estate activities: EPRA Net Tangible Assets (NTA), which excludes the fair value of fixed rate debt;
- A reinstatement NAV: EPRA Net Reinstatement Value (NRV), a NAV including duties.

The Group's EPRA NDV stood at **€5,566 million** (€73.3 per share), down -27.6% compared to December 31, 2022 (€7,689 million), mainly due to the combined effects of the following:

- The -€451 million (-€4.0 per share) negative impact of the fair value of fixed rate debt during the period;
- A decrease in the Property Investment Division's portfolio value on a like-for-like basis (-€1,328 million on a proportionate consolidation basis, i.e. -€17.5 per share);
- A dividend payment (-€328.1 million, i.e. -€4.33 per share); offset by
- Net current cash flow for the period at €350.6 million (€4.62 per share).

The **Group's EPRA NTA** amounted to **€5,098 million** (€67.2 per share), down -25.2% compared to December 31, 2022, mainly due to the decreased value of office assets.

Lastly, the Icade Group's EPRA NRV stood at €5,447 million as of December 31, 2023 (€71.8 per share), following the same downward trend for the same reasons with -26.1% year-on-year.

EPRA NAV metrics for the last two periods

(in millions of euros)		12/31/2023	12/31/2022
Consolidated equity attributable to the Group	(1)	**4,985.9**	**6,587.9**
Unrealised capital gains on property assets and property development companies	(2)	134.9	213.1
Tax on unrealised capital gains	(3)	(5.0)	(9.9)
Other goodwill	(4)	-	(2.9)
Remeasurement gains or losses on fixed rate debt	(5)	449.8	900.9
EPRA NDV (Net Disposal Value)	**(6) = (1)+(2)+(3)+(4)+(5)**	**5,565.5**	**7,689.0**
EPRA NDV per share (in €)	***(6)/N***	***73.3***	***101.4***
Year-on-year change		***(27.6%)***	
Adjustment for tax on unrealised capital gains	(7)	5.0	9.9
Deferred tax on investment property	(8)	0.0	2.1
Intangible fixed assets	(9)	(31.5)	(29.4)
Optimisation of transfer tax on the fair value of property assets	(10)	68.2	164.8
Adjustment for remeasurement gains or losses on fixed rate debt	(11)	(449.8)	(900.9)
Adjustment for remeasurement gains or losses on interest rate hedges	(12)	(59.4)	(122.3)
EPRA NTA (Net Tangible Assets)	**(13) = (7)+(8)+(9)+(10)+(11)+(12)**	**5,098.0**	**6,813.2**
EPRA NTA per share (in €)	***(13)/N***	***67.2***	***89.8***
Year-on-year change		***(25.2%)***	
Other goodwill	(14)	0.0	2.9
Adjustment for intangible fixed assets	(15)	31.5	29.4
Adjustment for the optimisation of transfer tax on the fair value of property assets	(16)	(68.2)	(164.8)
Transfer tax on the fair value of property assets	(17)	385.9	685.4
EPRA NRV (Net Reinstatement Value)	**(18) = (14)+(15)+(16)+(17)**	**5,447.3**	**7,366.1**
EPRA NRV per share (in €)	***(18)/N***	**71.8**	**97.1**
Year-on-year change		***(26.1%)***	
NUMBER OF FULLY DILUTED SHARES [(a)]	*N*	75,891,439	75,861,406

(a) Stood at 75,891,439 as of December 31, 2023, after cancelling treasury shares (-456,244 shares) and the positive impact of dilutive instruments (+113,138 shares).

1.3.2. EPRA earnings from Commercial Property Investment

EPRA earnings from Property Investment measure the performance of the recurring operations of the Commercial Property Investment Division.

	(in millions of euros)	12/31/2023	12/31/2022 restated (a)	Change 2023 vs. 2022 restated (%)
	NET PROFIT/(LOSS)	(1,290.6)	221.9	
	Net profit/(loss) from other operations (b)	(28.6)	446.6	
(1)	NET PROFIT/(LOSS) FROM COMMERCIAL PROPERTY INVESTMENT	(1,262.0)	(224.7)	
(i)	Changes in value of investment property and depreciation charges	(1,466.2)	(387.3)	
(ii)	Profit/(loss) on asset disposals	1.5	(0.9)	
(iii)	Profit/(loss) from acquisitions			
(iv)	Tax on profits or losses on disposals and impairment losses			
(v)	Negative goodwill / goodwill impairment	(2.9)		
(vi)	Changes in fair value of financial instruments and restructuring of financial liabilities	(6.0)	(15.1)	
(vii)	Acquisition costs on share deals			
(viii)	Tax expense related to EPRA adjustments	(0.1)	(13.9)	
(ix)	Adjustment for equity-accounted companies	(9.6)	(7.2)	
(x)	Non-controlling interests	9.0	8.4	
(xi)	Other non-recurring items	(1.4)	(4.1)	
(2)	TOTAL ADJUSTMENTS	(1,475.8)	(420.2)	
(1-2)	**EPRA EARNINGS FROM COMMERCIAL PROPERTY INVESTMENT**	**213.9**	**195.5**	**9.4%**

(a) Reclassification of the Healthcare Property Investment Division as discontinued operations in accordance with IFRS 5.
(b) "Other operations" include property development, discontinued operations as well as "Intersegment transactions and other items" .

EPRA earnings from Property Investment totalled €213.9 million as of December 31, 2023 (up €18.4 million, i.e. +9.4%), as a result of:

- Stable gross rental income of €364 million;
- An improvement in the net finance expense, mainly due to the impact of higher finance income, which offset the increase in the cost of gross debt resulting from the rise in interest rates.

1.3.3. EPRA LTV ratio

The table below presents a reconciliation of the LTV ratio (value including duties) based on Icade's historical calculation method to the EPRA LTV ratio on a full and proportionate consolidation basis.

As of December 31, 2023, the EPRA LTV ratio on a proportionate consolidation basis stood at 32.7% including duties vs. 43.2% as of December 31, 2022. This 10.5-pp drop is due to the sale of 63% of Icade's stake in Icade Santé on July 5, 2023 (€1.4 billion).

It should be noted that EPRA elected not to align this indicator with the three EPRA NAV metrics that it had also defined.

EPRA LTV ratio as of 12/31/2023		LTV bank covenant As reported in the IFRS consolidated financial statements (full consolidation)	Adjustments EPRA LTV ratio on a full consolida-tion basis	EPRA LTV ratio Before the share of joint ventures and adjustment for non-controlling interests	Share of joint ventures and adjustment for non-controlling interests	EPRA LTV ratio on a proportio-nate consolida-tion basis
		(1)	(2)	(1)+(2)	(3)	(1)+(2)+(3)
Bonds		3,550		3,550	2	3,552
Borrowings from credit institutions		1,199		1,199	(159)	1,040
NEU Commercial Paper		225		225	0	225
Net payables			194	194	(24)	170
Interest accrued and amortised issue costs		4		4	1	6
Payables associated with equity investments		89		89	25	115
Derivative instruments		(62)		(62)	2	(60)
Excluding:						
Financial assets		(369)	369	0	(406)	(406)
Cash and cash equivalents		(1,620)		(1,620)	(35)	(1,656)
NET FINANCIAL LIABILITIES	(a)	3,016	563	3,579	(594)	2,985
VALUE OF THE PROPERTY PORTFOLIO AND OTHER ASSETS	(b)	8,593	280	8,872	(130)	8,742
VALUE OF THE PROPERTY PORTFOLIO (INCLUDING DUTIES) AND OTHER ASSETS	(c)	9,000		9,279	(151)	9,128
LTV ratio excluding duties	(a)/(b	35.1%		40.3%		34.1%
LTV ratio including duties	(a)/(c)	33.5%		38.6%		32.7%

1.3.4. EPRA yield – Commercial Property Investment

The table below presents a reconciliation of Icade's net yield to EPRA yields. The calculation takes into account all Commercial Property Investment properties in operation. It is presented on a proportionate consolidation basis for the Icade Group.

Icade's net yield (including duties) stood at 7.5%, up 150 bps compared to December 31, 2022.

Using the EPRA calculation method, the Group's EPRA net initial yield stood at 5.6%, up 110 bps compared to December 31, 2022.

These two indicators were impacted by the slowdown in the real estate investment market and higher finance costs.

(operating assets, on a proportionate consolidation basis)	12/31/2023	06/30/2023	12/31/2022
ICADE NET YIELD – Including duties [(a)]	**7.5%**	**6.6%**	**6.0%**
Adjustment for potential rental income from vacant space	(0.9)%	(0.9)%	(0.7)%
EPRA TOPPED-UP NET INITIAL YIELD [(b)]	**6.6%**	**5.7%**	**5.2%**
Inclusion of rent-free periods	(1.0)%	(0.8)%	(0.7)%
EPRA NET INITIAL YIELD [(c)]	**5.6%**	**5.0%**	**4.5%**

(a) Annualised net rental income from leased space plus potential net rental income from vacant space based on estimated rental value, excluding lease incentives, divided by the appraised value (including duties) of operating properties.
(b) Annualised net rental income from leased space, excluding lease incentives, divided by the appraised value (including duties) of operating properties.
(c) Annualised net rental income from leased space, including lease incentives, divided by the appraised value (including duties) of operating properties.

(On a proportionate consolidation basis)		TOTAL AS OF 12/31/2023	Commercial Property Investment						TOTAL AS OF 12/31/2022
			Offices – Well-positioned	Offices – To be repositioned	Subtotal offices	Light industrial	Land	Other	
VALUE EXCLUDING DUTIES		**6,469**	**4,592**	**750**	**5,341**	**703**	**119**	**306**	**7,726**
including equity-accounted assets		*91*	*75*	-	*75*	-	-	*17*	*101*
Adjustment for non-operating assets and other [(1)]		726	466	32	498	33	119	76	685
VALUE (EXCLUDING DUTIES) OF OPERATING ASSETS [(2)]		**5,744**	**4,126**	**717**	**4,843**	**670**	-	**230**	**7,042**
Duties		354	242	49	292	48	-	14	421
VALUE (INCLUDING DUTIES) OF OPERATING ASSETS [(2)]	A	**6,097**	**4,368**	**767**	**5,135**	**718**	-	**244**	**7,463**
Annualised IFRS gross rental income		345	224	53	277	48	-	20	341
Non-recoverable property expenses		(4)	(1)	-	(2)	(1)	-	(2)	(3)
ANNUALISED IFRS NET RENTAL INCOME	B	**341**	**223**	**53**	**276**	**48**	-	**18**	**338**
Additional rental income at the expiry of rent-free periods or other lease incentives		60	45	8	53	5	-	1	53
TOPPED-UP ANNUALISED NET RENTAL INCOME	C	**400**	**268**	**61**	**329**	**52**	-	**19**	**391**
EPRA NET INITIAL YIELD	B/A	**5.6%**	**5.1%**	**6.9%**	**5.4%**	**6.6%**	**N/A**	**7.3%**	**4.5%**
EPRA TOPPED-UP NET INITIAL YIELD	C/A	**6.6%**	**6.1%**	**8.0%**	**6.4%**	**7.3%**	**N/A**	**7.9%**	**5.2%**

(1) Properties under development, land bank and floor space awaiting refurbishment. Includes an adjustment for residential properties (condominium units subject to a preliminary sale agreement) and assets treated as financial receivables (PPPs).
(2) Excluding residential properties (condominium units subject to a preliminary sale agreement) and assets treated as financial receivables (PPPs).

1.3.5. EPRA vacancy rate – Commercial Property Investment

The EPRA vacancy rate is defined as the ratio between the estimated rental value of vacant space and the estimated rental value of the whole portfolio. It was calculated based on operating assets as of December 31, 2023.

Below are detailed figures on the vacancy rate for the Commercial Property Investment portfolio, on a proportionate consolidation basis.

EPRA vacancy rate *(operating assets, on a proportionate consolidation basis)*	12/31/2023	06/30/2023	12/31/2022
Offices – Well-positioned	9.0%	12.2%	11.4%
Offices – To be repositioned	34.2%	27.8%	19.0%
Subtotal offices	**13.8%**	**15.3%**	**12.9%**
Light industrial	7.7%	8.1%	10.4%
Other	12.8%	15.1%	15.9%
TOTAL PROPERTY INVESTMENT [(a)]	**12.9%**	**14.4%**	**12.7%**

[(a)] *Excluding residential properties and PPPs, including "Other assets"*

(For leasable space in operating assets, on a proportionate consolidation basis)	Estimated rental value of vacant space (in millions of euros) (A)	Estimated rental value of the whole portfolio (in millions of euros) (B)	EPRA vacancy rate as of 12/31/2023 (= A/B)
Offices – Well-positioned	24.6	274.3	9.0%
Offices – To be repositioned	22.1	64.7	34.2%
Subtotal offices	**46.7**	**339.1**	**13.8%**
Light industrial	4.4	56.5	7.7%
Other	2.7	21.0	12.8%
TOTAL PROPERTY INVESTMENT (a)	**53.8**	**416.6**	**12.9%**

[(a)] *Excluding residential properties and PPPs, including "Other assets"*

The EPRA vacancy rate for the Commercial Property Investment portfolio rose slightly year-on-year to 12.9%, up +20 bps compared to December 31, 2022. Over six months, the EPRA vacancy rate improved by 144 pps, thanks mainly to the lease signed with EDF Renouvelables for more than 14,000 sq.m in the Origine building, which largely explains the sharp improvement in the vacancy rate for well-positioned offices over the same period.

1.3.6. EPRA cost ratio – Commercial Property Investment

Detailed figures on the EPRA cost ratio for the Commercial Property Investment portfolio are presented below.

	(in millions of euros)	12/31/2023	12/31/2022 restated (a)
	Including:		
	Structural costs and other overhead expenses	(93.5)	(88.7)
	Service charges net of recharges to tenants	(32.0)	(21.6)
	Other recharges intended to cover overhead expenses	44.5	33.9
	Share of overheads and expenses of equity-accounted companies	(4.8)	(4.5)
	Share of overheads and expenses of non-controlling interests	3.1	3.1
	Excluding:		
	Ground rent costs	(0.5)	0.0
	Other service charges recovered through rents but not separately invoiced	(0.3)	(0.1)
(A)	EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(81.8)	(77.6)
	Vacancy expenses	(29.7)	(26.5)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(52.2)	(51.2)
	Gross rental income less ground rent costs	363.4	364.0
	Share of gross rental income less ground rent costs of equity-accounted companies	7.6	7.0
	Share of gross rental income less ground rent costs of non-controlling interests	(17.0)	(16.4)
(C)	GROSS RENTAL INCOME	354.0	354.7
(A/C)	EPRA COST RATIO – COMMERCIAL PROPERTY INVESTMENT (INCL. DIRECT VACANCY COSTS)	23.1%	21.9%
(B/C)	EPRA COST RATIO – COMMERCIAL PROPERTY INVESTMENT (EXCL. DIRECT VACANCY COSTS)	14.7%	14.4%

(a) Reclassification of the Healthcare Property Investment Division as discontinued operations in accordance with IFRS 5.

As of December 31, 2023, and adjusted for the Healthcare Property Investment business, the **EPRA cost ratio** excluding vacancy costs **was broadly stable year-on-year at 14.7%**. Including vacancy costs, the EPRA cost ratio was up 1.1 pps compared to 2022.

Icade's EPRA cost ratio is one of the lowest in the real estate sector and reflects how well it manages its operations.

1.3.7. EPRA capex – Commercial Property Investment

Investments are presented as per EPRA recommendations for the Commercial Property Investment Division.

	2023		2022		Chg.	
(in millions of euros)	**Full**	**Proportionate**	**Full**	**Proportionate**	**Full**	**Proportionate**
Acquisitions	48.7	48.7	68.7	68.7	(20.0)	(20.0)
Developments	125.1	103.9	165.1	149.7	(40.0)	(45.8)
Including capitalised finance costs	5.4	3.8	1.2	1.1	4.3	2.7
Operational capex	85.3	82.9	90.3	88.1	(5.0)	(5.2)
Including no incremental lettable space	53.8	51.4	86.0	83.8	(32.1)	(32.4)
Including lease incentives	31.5	31.4	4.4	4.3	27.1	27.1
TOTAL CAPEX	**259.1**	**235.5**	**324.1**	**306.5**	**(65.0)**	**(71.0)**

Asset acquisitions fell to €48.7 million in 2023 from €68.7 million in 2022.

At €125.1 million, investments in the development pipeline were down compared to 2022.
Operational capex, totalling €85.3 million in 2023, mainly included maintenance costs for properties in operation and tenant improvements in line with market practices.

1.4. Financial resources

Icade strengthened its debt profile in 2023. The completion of the first stage of the sale of the Healthcare Property Investment Division on July 5, 2023 generated proceeds of €1.450 billion for Icade. As a result, Icade had a net debt of €3.0 billion as of December 31, 2023, a **loan-to-value (LTV) ratio including duties of 33.5%** (vs. 39.3% as of December 31, 2022) and a **net debt-to-EBITDA ratio of 7.0x** (vs. 10.1x as of December 31, 2022).

The Group enhanced its liquidity position during the year: excluding NEU Commercial Paper, since it is a short-term source of financing, liquidity amounted to €2,870.6 million as of December 31, 2023 and covered the Group's debt payments up to 2028.

- In H2, Icade **refinanced all its undrawn credit lines maturing in 2024 and 2025**, totalling €755 million. These new credit lines, arranged on favourable terms (increase in non-use fee of less than 10 bps), have an average maturity of 6 years. At €1,680.0 million, the amount of undrawn credit lines remained stable compared with December 31, 2022, excluding Icade Santé.
- In addition, the proceeds from the sale of the Healthcare Property Investment Division have already enabled the Group to reduce its short-term debt (reduction in the outstanding amount of NEU Commercial Paper and repayment of debt maturing in 2024).

The Group's average cost of debt was 1.56% as of December 31, 2023, with an average maturity of 4.6 years (vs. 1.25% and 5.3 years respectively as of December 31, 2022) **and a very solid ICR of 5.59x** (vs. 6.42x as of December 31, 2022).

Despite rising interest rates over the last two years, **the increase in finance expenses was moderate** thanks to the historically prudent hedging policy and the decision to reduce outstanding NEU Commercial Paper (from €553 million as of December 31, 2022 to €225 million as of December 31, 2023). Furthermore, the Group's active management of its short-term investments led to a **notable increase in finance income**, offsetting the rise in finance expenses (average amount invested of c. €0.87 billion at an average rate of 3.4%).

In terms of exposure to interest rate risk, Icade further strengthened its hedging with the entry into force in December 2023 of forward swaps worth €125 million, taken out in 2021 at an average rate of 0.37%. **100% of estimated debt for the next three years is fixed rate or hedged.**

Lastly, **in 2023, Icade continued its commitment to sustainable finance** by converting its lines of credit, at the time of refinancing or otherwise, so that as of December 31, 2023, **100% of bank financing was sustainable or green**. In particular, Icade's financing includes environmental objectives associated with (i) reducing the carbon intensity of the Group's businesses, aligned with the pathway approved by the SBTi[25], and (ii) with its performance in terms of biodiversity. It also provides for a bonus-malus mechanism on the margin depending on whether these annually reviewed objectives are achieved. In line with its long-standing commitment to solidarity, Icade and some of its banking partners have decided to allocate the bonus and malus from c. 40% of this funding to charitable organisations.

As of December 31, 2023, **65% of the Group's financing was sustainable** (earmarked for green assets or tied to ESG goals), compared with 44%[26] as of December 31, 2022.

In July 2023, Standard & Poor's affirmed Icade's rating of BBB+ with a stable outlook. Having refocused its business on its Commercial Property Investment and Property Development Divisions, Icade still has a solid credit profile thanks to a strengthened debt structure and substantial liquidity.

1.4.1. Liquidity

Thanks to its solid fundamentals (short-term rating A2/long-term rating BBB+) and close long-term banking relationships, Icade has easy and reliable access to liquidity.

Despite a highly volatile market, Icade continued to benefit from the short-term liquidity provided by NEU Commercial Paper. Nevertheless, given the very sharp rise in short-term rates, the Group has decided to reduce the outstanding amount of its NEU Commercial Paper in order to limit the impact on its financial expenses. As of December 31, 2023, this amount stood at €225 million (vs. €553 million as of December 31, 2022). The average rate of NEU Commercial Paper in 2023 was 3.15%, with an average maturity of 3 months.

As of December 31, 2023, **Icade had a very solid liquidity position of €3,095.6 million with gross debt of €5,067.3 million** (vs. €3,046.5 million as of December 31, 2022 with gross debt of €7,960.0 million, including the Healthcare Property Investment Division).

- The Group's liquidity position improved thanks to **the increase in its cash position** following the completion of the first stage of the sale of the Healthcare Property Investment Division: closing net cash of €1,415.6 million, compared with €966.5 million as of December 31, 2022.
- The Group also had **an undrawn amount of €1,680.0 million from credit lines** (excluding credit lines for property development projects), **of which €755.0 million was refinanced in H2 2023**. The amount of undrawn credit lines remained

[25] *Science Based Targets initiative.*

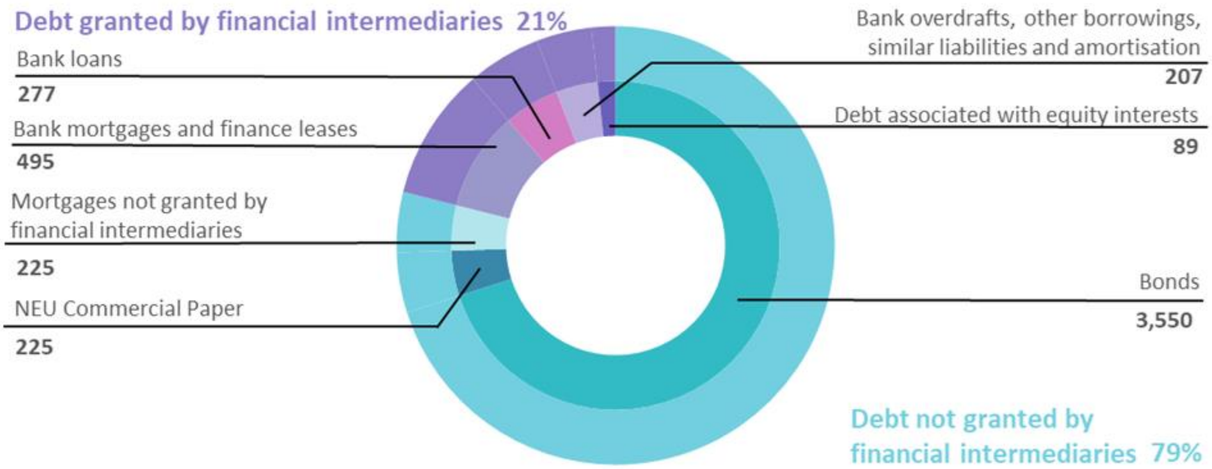
[26] *Figure restated based on the methodology for calculating the "sustainable financing" KPI detailed on page 168 of the CSR reporting policy, excluding from the calculation overdrafts, interest accrued but not due and debt associated with equity interests, which are not included in this category.*

stable compared with December 31, 2022, excluding Icade Santé. In 2023, Icade did not draw down these credit lines and thus still has the entire undrawn amount at its disposal.

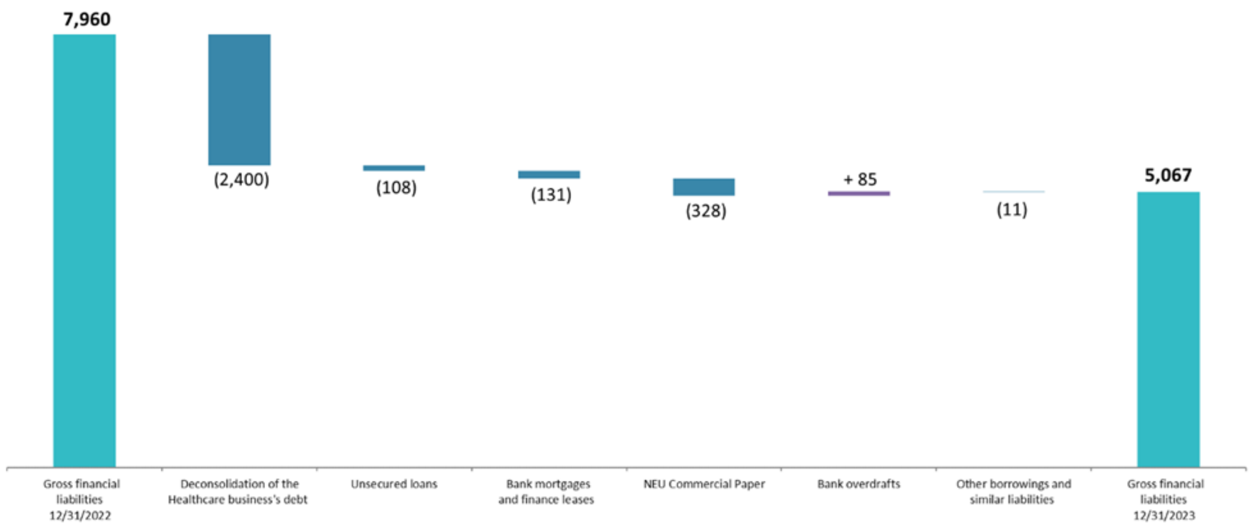
1.4.2. Debt structure as of December 31, 2023

1.4.2.1. Debt by type

As of December 31, 2023, gross financial liabilities stood at €5,067.3 million and broke down as follows:



Icade had a well-balanced and diversified debt structure as of December 31, 2023, 79% of which was non-bank debt and 21% bank debt, enabling the Group to optimise and secure its financing.



As of December 31, 2023, gross debt amounted to €5,067.3 million (vs. €7,960.0 million as of December 31, 2022). This change mainly related to:

(i) the deconsolidation of Icade Santé's debt following the disposal (reduction in total debt of €2,399.6 million[27]),
(ii) the reduction in the outstanding amount of NEU Commercial Paper (-€328 million),
(iii) the prepayment of credit lines (in particular a €100.0 million bank loan maturing in 2024 and a €67.8 million mortgage maturing in 2026 related to SAS Tour Eqho).

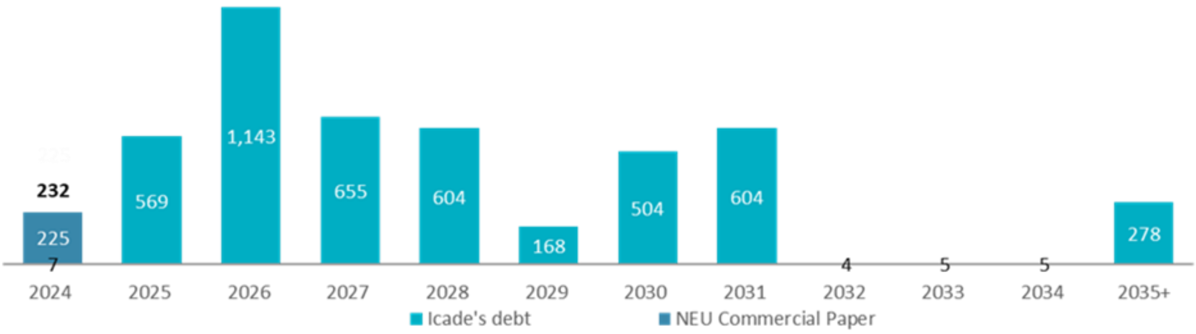
[27] *Deconsolidation of the Healthcare business's debt after repayment of the amounts due under the cash pooling arrangement*

1.4.2.2. Debt by maturity

The maturity schedule of Icade's drawn debt (excluding overdrafts) as of December 31, 2023 was as follows:

MATURITY SCHEDULE OF DRAWN DEBT FOR ICADE SA

(December 31, 2023, in millions of euros)



The Group has no debt maturities in 2024 (excluding NEU Commercial Paper). The next significant debt maturity is a €500.0 million bond maturing in November 2025.

BREAKDOWN OF DEBT BY MATURITY

(December 31, 2023)

The average debt maturity as of December 31, 2023 was 4.6 years (excluding NEU Commercial Paper), compared with 5.3 years as of December 31, 2022.

1.4.2.3. Average cost of drawn debt

Thanks to a robust hedging policy and a reduction in the outstanding amount of NEU Commercial Paper, **the impact of rising interest rates on the Group's average cost of debt was limited. In 2023, the average cost of debt was 1.81% before hedging and 1.56% after hedging**, compared with 1.21% and 1.25%, respectively, in FY 2022.

1.4.2.4. Interest rate risk management

Icade's exposure to interest rate risk remains limited and the Group benefits from the prudent hedging policy it has followed for a number of years.

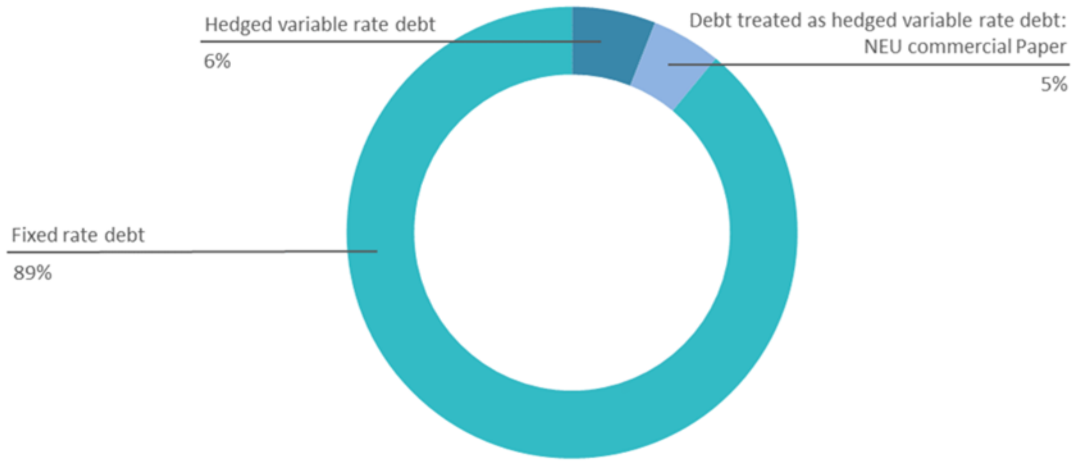
- In 2023, Icade enhanced its short-term hedging strategy by taking out options, reaching a notional value of €90.0 million to hedge the overdrafts of Icade Promotion and its subsidiaries.
- In addition, at Group level, the entry into force on December 29, 2023 of forward swaps worth €125.0 million, taken out in 2021 at an average rate of 0.37%, will help keep the average cost of debt down over the coming months.

Variable rate debt represented 11% of total debt as of December 31, 2023 (excluding payables associated with equity interests and bank overdrafts). It is fully hedged by vanilla derivatives (swaps and options).

As of December 31, 2023, the estimated debt for the next three years is fully hedged against a rise in interest rates.

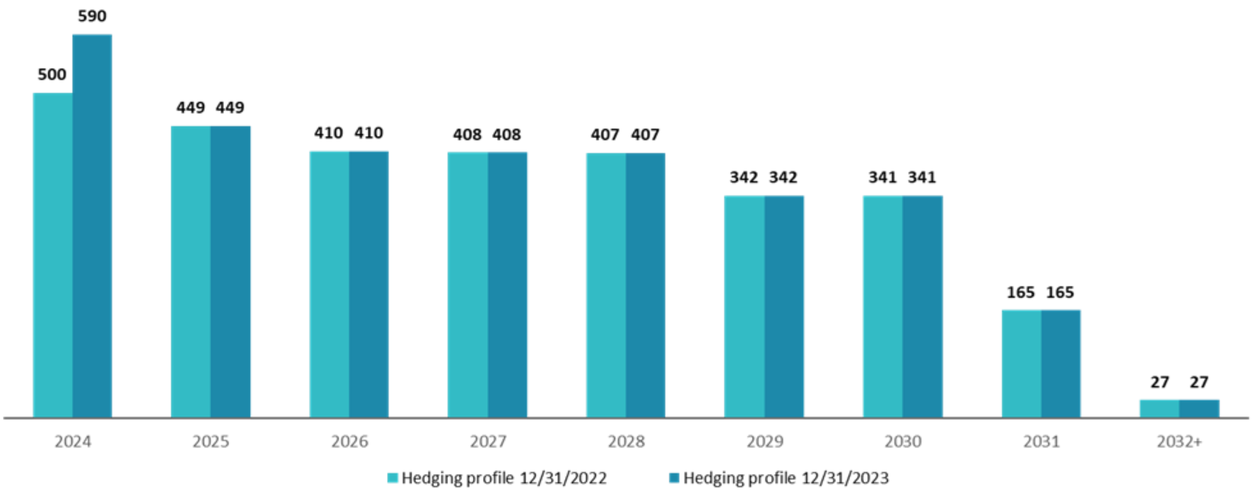
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING PAYABLES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(December 31, 2023)



OUTSTANDING HEDGING POSITIONS

(December 31, 2023, in millions of euros, excluding Icade Santé)



The average maturity was 4.4 years for variable rate debt and 5.5 years for the associated hedges.

1.4.3. Icade's credit rating

Icade has been rated by the Standard & Poor's rating agency since September 2013.

After its annual review, in July 2023, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A-2. Having refocused its business on its Commercial Property Investment and Property Development Divisions, Icade still has a solid credit profile thanks to a strengthened debt structure and substantial liquidity.

1.4.4. Commitment to sustainable finance products

Icade, committed to promoting sustainable finance products

Icade plays an active role in the green finance market, which it considers essential to directing investments towards projects that contribute to achieving the goals of the Paris Agreement on climate change and the UN's Sustainable Development Goals, as well as responding to investors' desire to finance "green" activities.

Sustainable financing initiatives are in line with EU Taxonomy reporting, which reflects the new European framework for sustainable finance (see chapter 3, section 1.5).

For a number of years, **Icade has followed a rigorous and innovative sustainable finance policy that meets the industry's highest standards**.

Icade has put in place a Green Financing Framework aligned with best practices and covering €1.7 billion in green bonds.

Since 2020, Icade has also secured sustainable credit facilities from its banks. Since 2022, Icade has furthered its commitment to sustainable finance by planning to systematically include ESG criteria in all of its new banking agreements. In particular, Icade's financing includes environmental objectives associated with reducing the carbon intensity of the Group's businesses, aligned with the pathway approved by the SBTi[1], and with its performance in terms of biodiversity. It also provides for a bonus-malus mechanism on the margin depending on whether these annually reviewed objectives are achieved.

In 2023, Icade completed the conversion, at the time of refinancing or otherwise, of **100% of its bank financing into sustainable financing** (tied to ESG goals or earmarked for eligible buildings and/or capex). **The proportion of the Group's financing that is sustainable was 65%**, a significant increase from 44% as of December 31, 2022.

It should be noted that the Group is also working with some of its banking partners **to introduce a solidarity-based component into its financing** by donating the bonus and malus on margins to charitable organisations: as of December 31, 2023, c. 40% of the Group's sustainable unsecured financing included such a mechanism.

A rigorous selection process for assets and projects

In November 2021, Icade published an update of the Green Financing Framework initially drawn up in 2017 in order to set more ambitious eligibility criteria for buildings and/or capex financed by green debt instruments, enhancing them with the criteria included in the EU Taxonomy as of the reporting date.

[1] Science Based Targets initiative

The proceeds from Icade's green financial instruments are used to finance or refinance eligible buildings and/or capex for the Commercial Property Investment Division selected based on stringent criteria over a building's entire life cycle:

- Eligible buildings must have at least HQE Excellent and/or BREEAM Excellent and/or LEED Platinum certification, and/or an energy consumption at least 10% below regulatory thresholds (NZEB regulation[2]), and/or a 30% reduction in their carbon footprint after renovation;
- Eligible capex should aim at improving energy efficiency, increasing renewable energy capacity or developing sustainable mobility.

This framework has been reviewed by ESG rating agency Sustainalytics which confirmed its compliance with Green Bond Principles (published by the International Capital Market Association) and Green Loan Principles (published by the Loan Market Association).

The Green Financing Report on green debt instruments as of December 31, 2022 was published on June 28, 2023. In line with the industry's highest standards, it details the allocation of proceeds from green financial instruments during the past financial year:

As of December 31, 2022, the Icade Group had €1.75 billion in outstanding green financial instruments including three green bonds totalling €1.7 billion and a €50 million green term loan. Icade uses these funds to finance an identified portfolio of close to €3.2 billion in eligible buildings in operation or under development, remaining able to raise more funds in the future if necessary.

All documentation relating to Icade's sustainable financing is available on its website:

https://www.icade.fr/en/finance/financing/sustainable-financing.

Cross-functional approach and reporting commitments

The Green Committee is composed of several Executive Committee members including the Group's CFO, the divisional managers and other representatives of the divisions and departments involved (Finance and Investor Relations, CSR, Commercial Property Investment, Portfolio Management, Investments and Legal). They meet once a year to select the eligible buildings and/or capex financed by green bonds and green term loans.

PricewaterhouseCoopers, as Statutory Auditor, certifies the information relating to the allocation of the proceeds from green bonds and green term loans in dedicated reports. These reports include the environmental benefits of the eligible buildings and/or capex financed, measured by output and impact indicators, in addition to a methodological guide for calculating avoided emissions.

The main results described in the Green Financing Report published in June 2023 were as follows:

- As of December 31, 2022, the proceeds from the €1.75 billion green bond portfolio had been fully allocated;
- Close to €3.2 billion in eligible buildings and/or capex had been identified;
- CO_2 emissions avoided by eligible capex and/or buildings financed in 2022 totalled 3,072 tonnes of CO_2e.

1.4.5. Financial structure

1.4.5.1. Financial structure ratios

1.4.5.1.1. Loan-to-value (LTV) ratio

The LTV ratio is the ratio of the Group's consolidated net financial liabilities to the sum of (i) the latest valuation of the property portfolio (including duties), (ii) equity-accounted investments (including duties), (iii) the value of property development companies, and (iv) financial assets at fair value through profit or loss (on a full consolidation basis).

It stood at 33.5 % as of December 31, 2023, showing a clear improvement compared to December 31, 2022 (39.3%) **following the sale of the Healthcare Property Investment Division.**

Based on the latest valuation of the portfolio excluding duties, the LTV ratio was 35.1% as of December 31, 2023 (vs. 41.5% as of December 31, 2022). **This ratio, calculated for the purposes of bank agreements, remained well below the covenant of 60%.**

1.4.5.1.2. Interest coverage ratio (ICR)

The ICR ratio is the ratio of (i) EBITDA plus the share of profit/(loss) of equity-accounted companies to (ii) the cost of net financial liabilities. It was **5.59x for the financial year 2023, down year-on-year** (6.42x in 2022) due to the deconsolidation of the Healthcare Property Investment business which had a positive impact on this ratio.

[2] Nearly Zero Energy Building

1.4.5.1.3. Net debt-to-EBITDA ratio

Even though it is not subject to a covenant in the bank agreements, the net debt-to-EBITDA ratio is closely monitored. It stood at 7.0x as of December 31, 2023, down from 10.1x at the end of 2022.

	12/31/2023	12/31/2022
Ratio of net financial liabilities/latest portfolio value excl. duties (LTV)	35.1%	41.5%
Net debt-to-EBITDA ratio	7.0x	10.1x
Interest coverage ratio (ICR) based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies	5.59x	6.42x

1.4.5.2. Summary table of covenants

		Covenants	12/31/2023
LTV bank covenant	Maximum	< 60%	35.1%
"Bank" ICR	Minimum	> 2	5.59x
CDC's stake	Minimum	34%	39.2%
Value of the property portfolio	Minimum	> €5bn	€6.8bn
Security interests in assets	Maximum	< 25% of the property portfolio	8.4%

It should be noted that the minimum value of the property portfolio was lowered to €5 billion in all bank agreements following the sale of the Healthcare Property Investment Division.

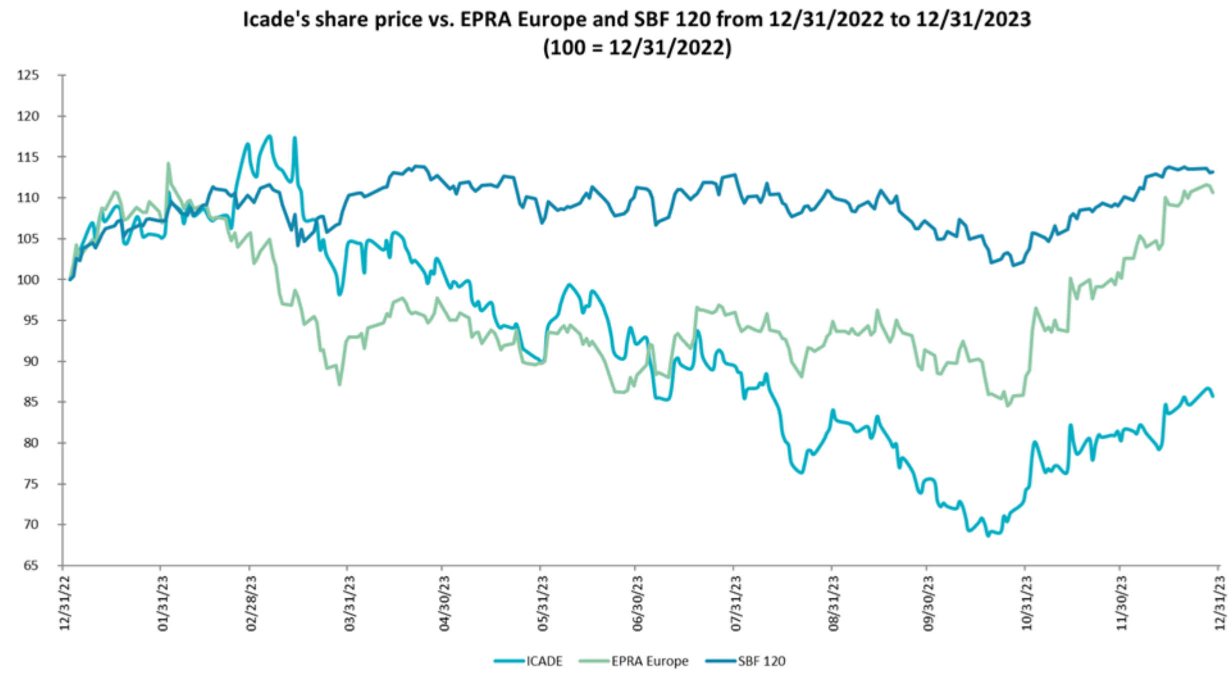
All covenant ratios were met as of December 31, 2023 and remained very comfortably within the limits.

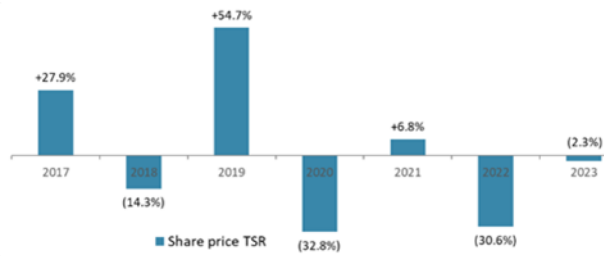
1.5. Share and NAV performance

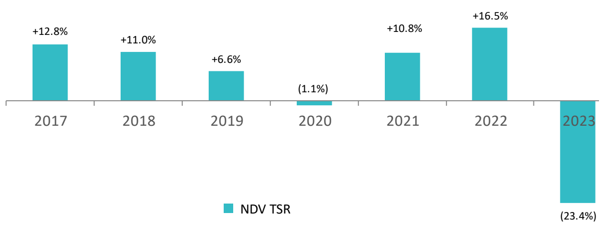
Like 2022, 2023 was characterised by high financial market volatility amid a challenging geopolitical and macroeconomic environment (soaring inflation and rising interest rates) that had a negative impact on property values.

The sectoral index underperformed the CAC 40 index in this volatile environment:

- +17.25% for the EPRA Europe index, mainly impacted by the logistics, retail and German residential segments;
- Icade's share price stood at €35.54 as of December 31, 2023, i.e. -2.31% with dividends reinvested in 2023.







1) *The share price TSR is calculated as the difference between the share price at the end of the reporting period under consideration and at the end of the previous reporting period (assuming that all dividends paid out are reinvested in shares at the closing share price as of the ex-dividend date; for the purpose of calculating 2023 TSR, the €2.16 interim dividend is assumed to be reinvested at the closing share price of February 28, 2023 and the €2.17 final dividend at the closing share price of July 4, 2023), divided by the share price at the end of the previous reporting period.*
2) *The NAV TSR is calculated as the difference between EPRA NDV per share at the end of the reporting period under consideration and at the end of the previous reporting period (including, for the purpose of calculating 2023 TSR, the €4.33 dividend paid during the period), divided by the EPRA NDV per share at the end of the previous reporting period.*

The NDV TSR dropped sharply in 2023 to -23.4%, impacted in particular by the decrease in asset values in the Commercial Property Investment portfolio.
The share price TSR was down -2.31% in line with the downward trend in financial markets in 2023 marked by high volatility and closely correlated with the macroeconomic (inflation / rising interest rates) and geopolitical environment.

1.6. 2023 dividend

The Board of Directors will ask the shareholders at the General Meeting to be held on April 19, 2024 to approve a dividend of €4.84 per share for the financial year 2023, an increase of +11.8% on the dividend for 2022.

The dividend yield stood at 13.6% based on the share price as of December 29, 2023.

The dividend will be paid **in two instalments:**

- 50% of the dividend will be paid in cash as an interim dividend of €2.42 per share on March 6, with the shares going ex-dividend on March 4;
- A final dividend will be paid in early July.

1.7. Outlook

In a new interest rate environment, the property market is undergoing profound changes. As a result, asset values underwent a sharp correction in 2023, in line with the adjustment that began in H2 2022.

Leasing activity for the Property Investment business nonetheless remains solid, underlining the quality of its portfolio. The Property Development business has slowed sharply, despite a general increase in bulk sales, suggesting that a new financial equilibrium will be needed for future projects.

In an environment that remains uncertain, Icade expects net current cash flow from strategic operations to be between €2.75 and €2.90 per share in 2024. In addition, the unconsolidated remaining interests in the Healthcare business should, based on the current shareholding, generate an additional net current cash flow of c. €0.80 per share[28].

[28] *For dividends and finance income received*

2. Commercial Property Investment Division

2.1. Changes in value of the Commercial Property Investment portfolio on a proportionate consolidation basis

Portfolio value excl. duties on a proportionate consolidation basis, in 2023	12/31/2023 (in €m)	12/31/2022* (in €m)	Change (in €m)	Change (in %)	Like-for-like change [a] (in €m)	Like-for-like change [a] (in %)	Price [b] (in €/sq.m)	Net initial yield incl. duties [c] (in %)	EPRA vacancy rate [d] (in %)
COMMERCIAL PROPERTY INVESTMENT									
OFFICES – WELL-POSITIONED									
Paris	1,131.2	1,215.8	(84.6)	(7.0%)	(143.1)	(11.8%)	6,527	5.7%	6.0%
La Défense/Nanterre-Préfecture [e]	1,692.8	2,072.7	(379.8)	(18.3%)	(409.1)	(19.7%)	4,930	6.8%	9.3%
Other Western Crescent	264.7	294.1	(29.4)	(10.0%)	(36.8)	(12.5%)	10,947	5.1%	1.6%
Inner Ring	613.7	758.6	(144.8)	(19.1%)	(152.4)	(20.1%)	2,069	7.7%	13.4%
Outer Ring	361.0	380.0	(19.0)	(5.0%)	(41.5)	(10.9%)	1,260	7.9%	13.7%
TOTAL PARIS REGION	4,063.5	4,721.1	(657.6)	(13.9%)	(782.9)	(16.6%)	3,472	6.7%	9.6%
France outside the Paris region	528.4	708.9	(180.5)	(25.5%)	(117.0)	(18.8%)	3,369	6.5%	4.3%
TOTAL Offices – Well-positioned	**4,591.9**	**5,430.0**	**(838.1)**	**(15.4%)**	**(900.0)**	**(16.8%)**	**4,702**	**6.7%**	**9.0%**
TOTAL Offices – To be repositioned	**749.5**	**1,066.0**	**(316.5)**	**(29.7%)**	**(351.4)**	**(33.0%)**	**2,276**	**10.9%**	**34.2%**
TOTAL OFFICES	**5,341.4**	**6,496.0**	**(1,154.6)**	**(17.8%)**	**(1,251.4)**	**(19.5%)**	**4,061**	**7.3%**	**13.8%**
Light industrial									
Inner Ring	471.4	480.6	(9.1)	(1.9%)	(22.9)	(4.8%)	2,110	8.0%	3.3%
Outer Ring	231.7	224.2	+7.6	+3.4%	+1.1	+0.5%	1,496	7.7%	14.6%
TOTAL LIGHT INDUSTRIAL	**703.2**	**704.7**	**(1.6)**	**(0.2%)**	**(21.8)**	**(3.1%)**	**1,851**	**7.9%**	**7.7%**
TOTAL LAND	118.6	164.9	(46.3)	(28.1%)	(24.6)	(14.9%)	-	-	-
TOTAL OTHER [f]	306.2	360.7	(54.5)	(15.1%)	(29.8)	(9.4%)	1,780	9.0%	12.8%
TOTAL COMMERCIAL PROPERTY INVESTMENT ASSETS	**6,469.4**	**7,726.3**	**(1,257.0)**	**(16.3%)**	**(1,327.6)**	**(17.5%)**	**3,411**	**7.5%**	**12.9%**
including operating assets	*5,813.4*	*6,954.5*	*(1,141.2)*	*(16.4%)*	*(1,204.4)*	*(17.5%)*	*3,411*	*7.5%*	*12.9%*
including non-operating assets	*656.0*	*771.8*	*(115.8)*	*(15.0%)*	*(123.1)*	*(16.8%)*	-	-	-

**Adjusted for the asset reclassifications made between the two periods, including reclassifications from "Projects under development" to the "Operating" category upon completion of a property.*

(a) Change net of disposals and investments for the period, changes in value of assets treated as financial receivables (PPPs) and tax changes during the period.
(b) Established based on the appraised value excluding duties for operating properties.
(c) Annualised net rental income from leased space plus potential net rental income from vacant space based on estimated rental value, divided by the appraised value including duties (operating properties).
(d) Calculated based on the estimated rental value of vacant space in operating assets divided by the estimated rental value of the whole portfolio.
(e) Also includes an asset located in Peri-Défense.
(f) Mainly includes hotel, retail and residential assets.
Indicators (price in €/sq.m, net initial yield including duties, and EPRA vacancy rate) are presented excluding PPPs and residential properties and only for operating properties.

On a proportionate consolidation basis (in €m)	Fair value as of 12/31/2022	Fair value of assets sold as of 12/31/2022 (a)	Investments and other (b)	Like-for-like change	Like-for-like change (%)	Fair value as of 12/31/2023
Offices – Well-positioned	5,430.0	(84.9)	146.8	(900.0)	(16.8%)	4,591.9
Offices – To be repositioned	1,066.0	-	34.9	(351.4)	(33.0%)	749.5
SUBTOTAL OFFICES	6,496.0	(84.9)	181.7	(1,251.4)	(19.5%)	5,341.4
Light industrial	704.7	-	20.2	(21.8)	(3.1%)	703.2
Land	164.9	-	(21.7)	(24.6)	(14.9%)	118.6
Other (c)	360.7	(42.2)	17.5	(29.8)	(9.4%)	306.2
TOTAL	**7,726.3**	**(127.1)**	**197.7**	**(1,327.6)**	**(17.5%)**	**6,469.4**
including office segment reporting	*5,641.2*	*(84.9)*	*116.4*	*(1,079.6)*	*(19.4%)*	*4,593.1*
including business park segment reporting	*1,802.9*	*-*	*78.8*	*(236.8)*	*(13.1%)*	*1,644.8*

(a) Includes bulk sales and partial sales (unit sales or assets for which Icade's ownership interest decreased during the period).

(b) Includes capex, the amounts invested in 2023 in off-plan acquisitions, and acquisitions. Also includes the adjustment for transfer duties and acquisition costs, changes in value of assets acquired during the period, works to properties sold, changes in transfer duties and changes in value of assets treated as financial receivables.

(c) Mainly includes hotel, retail and residential assets.

On a proportionate consolidation basis, the overall value of the Commercial Property Investment Division's portfolio was €6,469.4 million excluding duties as of December 31, 2023 vs. €7,726.3 million at the end of 2022, i.e. a €1,257.0 million decrease (-16.3%) in portfolio value. In addition to the effects of changes in the market as detailed below, disposals in 2023 of assets worth €127.1 million on a proportionate consolidation basis as of December 31, 2022 also had an impact on portfolio value.

On a like-for-like basis, the change in value of Commercial Property Investment assets was -€1,327.6 million, i.e. -17.5% over 12 months, reflecting a rapid and substantial rise in property yields. Changes in asset values by segment are detailed below.

On a full consolidation basis, the Commercial Property Investment portfolio was worth €6,846.9 million vs. €8,201.0 million as of December 31, 2022.

OFFICES

As of December 31, 2023, the office portfolio was valued at €5,341.4 million vs. €6,496.0 million at the end of 2022, a decrease of €1,251.4 million (including assets sold in 2023 worth €84.9 million at the end of 2022).

For all office properties, the property valuers raised the yields and discount rates used in their valuations, with the net initial yield (including duties) for offices up by 160 bps year-on-year to 7.3%. This rise in yields, which began in H1 2023, intensified in H2.

The value of well-positioned offices thus fell by 16.8% (-€900.0 million) on a like-for-like basis, with most of this decline linked to market conditions.

On a like-for-like basis, the value of offices to be repositioned contracted by 33.0% (-€351.4 million) year-on-year. Changes in the investment market for this asset segment were amplified by falls in market rents following an increase in available supply in the areas concerned.

On a full consolidation basis, the office portfolio was worth €5,697.4 million vs. €6,949.1 million as of December 31, 2022.

LIGHT INDUSTRIAL

As of December 31, 2023, the value of the light industrial portfolio stood at €703.2 million vs. €704.7 million as of the end of 2022, a decrease of €1.6 million (-0.2%). On a like-for-like basis, the change in value of the light industrial portfolio was -€21.8 million over the year, i.e. -3.1%.

Although this asset class was also affected by the rise in market yields, the impact was less severe and was mitigated by the strong rental performance of these properties. There is strong demand for light industrial premises on the outskirts of Paris, resulting in an increase in estimated rental value of around +5.5% over the year. This increase was particularly marked in Rungis, with a rise of +13.4%.

LAND AND OTHER COMMERCIAL PROPERTY INVESTMENT ASSETS

As of December 31, 2023, the other Commercial Property Investment assets segment was valued at €306.2 million (€325.7 million on a full consolidation basis) vs. €360.7 million as of the end of 2022 (€380.9 million on a full consolidation basis), down -€29.8 million like-for-like (-9.4%).

The land held by Icade in the inner and outer rings of Paris was worth €118.6 million, compared with €164.9 million at the end of 2022, a decrease of €24.6 million on a like-for-like basis (-14.9%).

2.2. Investments

As of December 31, 2023, investments on a full consolidation basis totalled **€259.1 million** vs. €324.1 million* in 2022, i.e. a decrease of €65.0 million.

Most of these investments, i.e. **€125.1 million**, were earmarked for **development projects** including:

- Edenn (Nanterre-Préfecture) for €23.6 million (scheduled for completion in Q4 2025, 58% leased);
- Next (Lyon) for €22.9 million (scheduled for completion in Q3 2024, 100% leased);
- Jump (Portes de Paris business park) for €20.1 million (completed in Q4 2023, 19% leased);
- Athletes Village (Saint-Ouen) for €18.8 million (offices) (scheduled for completion in Q1 2026);
- Grand Central and M Factory in Marseille for €15.0 million and €9.7 million, respectively (completed in Q4 2023, fully leased);
- Reimbursement requests for local planning taxes and contributions to development zones (ZAC) following the cancellation of the B2 and B32 projects in the Portes de Paris business park for -€22.1 million.

Other investments related to the acquisition in July 2023 of the remainder of the Le Ponant B building in the 15th district of Paris (5,400 sq.m) for €48.7 million and operational capex for €85.3 million including €17.7 million of renovation work and work to improve energy performance.

On a proportionate consolidation basis, 2023 investments totalled €235.5 million.

(*) €355 million including the acquisition of a €31 million stake in Orianz

(in millions of euros)	12/31/2023		12/31/2022		Chg.	
	Full consolidation	Proportionate consolidation	Full consolidation	Proportionate consolidation	Full consolidation	Proportionate consolidation
Acquisitions	**48.7**	**48.7**	**68.7**	**68.7**	**(20.0)**	**(20.0)**
Developments	**125.1**	**103.9**	**165.1**	**149.7**	**(40.0)**	**(45.8)**
Including capitalised finance costs	5.4	3.8	1.2	1.1	4.3	2.7
Operational capex	**85.3**	**82.9**	**90.3**	**88.1**	**(5.0)**	**(5.2)**
Including no incremental lettable space	53.8	51.4	86.0	83.8	(32.1)	(32.4)
Including lease incentives	31.5	31.4	4.4	4.3	27.1	27.1
TOTAL CAPEX	**259.1**	**235.5**	**324.1**	**306.5**	**(65.0)**	**(71.0)**
Including offices	170.6	146.9	204.4	228.3	(33.8)	(81.4)
Including business parks	83.5	83.5	81.6	71.1	1.9	12.3
Including other	5.1	5.1	38.1	7.1	(33.0)	(2.0)

(in millions of euros, on a full consolidation basis)	Acquisitions	Developments	Operational capex	Total 2023	Total 2022
Offices – Well-positioned	48.7	92.5	55.1	196.3	222.7
Offices – To be repositioned		39.8	3.7	43.5	61.4
Subtotal offices	**48.7**	**132.3**	**58.9**	**239.8**	**284.1**
Light industrial	-	9.7	11.5	21.2	15.5
Land	-	-22.0	0.0	-22.0	1.0
Other (1)	-	5.2	15.0	20.2	23.5
Total Commercial Property Investment capex	**48.7**	**125.1**	**85.3**	**259.1**	**324.1**
including office segment reporting	*48.7*	*79.8*	*42.1*	*170.6*	*204.4*
including business park segment reporting	*-*	*45.3*	*38.2*	*83.5*	*81.6*

(1) Mainly includes hotel and retail assets.

Development projects

Icade has adapted its development pipeline so that its projects meet market expectations. As of December 31, 2023, the development pipeline totalled €1.16 billion and over 128,000 sq.m, including €907.2 million already started (92,071 sq.m) and €247.4 million (36,737 sq.m) uncommitted.

Projects started are 39% pre-let. They include four fully pre-let projects covering 36,758 sq.m.

The expected yield on cost of projects started was 5.0%.

Project name [a]	Location	Type of works	Property type	Estimated date of completion	Floor area on a full consolida-tion basis	Expected rental income (€m)	Yield on cost [b]	Total investment (€m) [c]	Remain-ing to be invested > 2023 (€m)	% pre-let
COLOGNE	RUNGIS	Refurbishment	Office	Q2 2024	2,927			11	3	100%
NEXT	LYON CBD	Refurbishment	Office	Q3 2024	15,763			97	18	100%
DATA CENTER	PORTES DE PARIS	Construction	Data center	Q3 2025	7,490			36	32	100%
EDENN	NANTERRE	Construction	Office	Q4 2025	30,587			254	144	58%
HELSINKI	RUNGIS	Refurbishment	Business parks	Q4 2025	10,578			45	41	100%
ATHLETES VILLAGE	SAINT-OUEN	Construction	Office/ Light industrial	Q1 2026	12,404			61	9	0%
29-33 CHAMPS ELYSEES	PARIS CBD	Refurbishment	Mixed-use (office/retail)	Q3 2027	12,322			404	88	0%
TOTAL PROJECTS STARTED					**92,071**	**45**	**5.0%**	**907**	**334**	**39%**
TOTAL UNCOMMITTED PROJECTS					**36,737**	**16**	**6.3%**	**247**	**162**	-
TOTAL PIPELINE					**128,808**	**61**	**5.3%**	**1,155**	**496**	**-**

Notes: on a full consolidation basis and on a proportionate consolidation basis

(a) Pipeline of projects started: projects currently under construction on good financial terms, for which a lease has been signed or a building permit issued.

Pipeline of uncommitted projects: projects having obtained a building permit and which may require pre-letting or optimisation before being started.

(b) YoC = headline rental income / cost of the project as approved by Icade's governance bodies (as defined in (c)).

(c) Total investment includes the fair value of land (or building), cost of works, tenant improvements, finance costs and external costs and excludes rent-free periods and intra-group costs.

2.3. Asset disposals

The volume of disposals completed by the Commercial Property Investment Division during the financial year totalled €146.2 million, including the sale of the Grand Central building (8,500 sq.m) in Marseille (Bouches-du-Rhône) for €53.0 million to a leading investor, and of the Eko Active building (8,230 sq.m), also located in Marseille, to Notapierre for €48.8 million.

These disposals were completed at prices in line with the appraised values as of December 31, 2022 for an average return of 4.2% and significantly higher than those as of December 31, 2021. These two assets, acquired off-plan as speculative developments in 2017 and 2021 for a total of €60.8 million, demonstrate the Group's ability to source and generate value through value-add properties, including outside the Paris region.

In addition, in accordance with the preliminary agreement signed on May 12, 2022, Icade completed the sale of its portfolio of individual condominium housing units to the RLF Group for €42.5 million. This disposal was part of a plan to streamline assets considered non-strategic.

It should be noted that the Bordeaux asset currently under a preliminary agreement has yet to be sold to date.

2.4. EPRA earnings from Commercial Property Investment as of December 31, 2023

(in millions of euros)	12/31/2023	12/31/2022	Change	Change (%)
Recurring items:				
GROSS RENTAL INCOME	363.9	364.0	(0.0)	(0.0%)
NET RENTAL INCOME	332.0	342.4	(10.4)	(3.0%)
NET TO GROSS RENTAL INCOME RATIO	***91.2%***	***94.1%***	***-285.2%***	
Net operating costs	(48.9)	(54.8)	5.9	
RECURRING EBITDA	283.0	287.6	(4.5)	(1.6%)
Depreciation of operating assets	(14.7)	(12.7)	(2.0)	
Share of profit/(loss) of equity-accounted companies	1.8	2.0	(0.2)	
RECURRING OPERATING PROFIT/(LOSS)	270.1	276.9	(6.8)	(2.4%)
Cost of net debt	(40.5)	(64.1)	23.6	
Other finance income and expenses	(6.8)	(7.5)	0.6	
RECURRING FINANCE INCOME/(EXPENSE)	(47.3)	(71.5)	24.2	(33.9%)
Tax expense	(0.0)	(1.5)	1.5	
EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	**213.9**	**195.5**	**18.4**	**9.4%**
Non-current recurring items (a)	15.0	13.0	2.0	
NET CURRENT CASH FLOW ATTRIBUTABLE TO THE GROUP	**228.8**	**208.5**	**20.4**	**9.8%**
Non-current non-recurring items (b)	(1,381.1)	(428.4)	(952.7)	
IFRS NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(1,152.3)**	**(219.9)**	**(932.4)**	

(a) "Non-current recurring items" relate to the depreciation of operating assets.

(b) "Non-current items" include the change in fair value of investment property, gains or losses on disposals, fair value adjustments to financial instruments, and other non-current items.

Net profit/(loss) attributable to the Group from Commercial Property Investment was a negative -€1,152.3 million as of December 31, 2023, down €932.4 million compared to December 31, 2022 (-€219.9 million).

Net current cash flow from Commercial Property Investment totalled €228.8 million, up €20.4 million compared to December 31, 2022 (€208.5 million). It is equal to EPRA earnings attributable to the Group adjusted for non-recurring items of €15.0 million (depreciation charges on operating assets).

EPRA earnings attributable to the Group stood at €213.9 million, up €18.4 million, i.e. +9.4%, compared to December 31, 2022.

They included:

- Net rental income of €332 million, down €(10.4) million (see section 2.2.7 below);
- Net operating costs from the Commercial Property Investment Division amounted to €(48.9) million, down €5.9 million, thanks to strict control of operating expenses;
- The cost of net debt amounted to €(40.5) million as of December 31, 2022 vs. €(64.1) million as of December 31, 2022. This €23.6 million decrease, i.e. or -36.8%, is primarily explained by income from short-term investments for 2023 which totalled €27.4 million vs. €2.1 million for 2022.

2.5. Rental income from Commercial Property Investment as of December 31, 2023

(in millions of euros, on a full consolidation basis)	12/31/2022	Asset acquisitions	Asset disposals	Completions/ Developments/ Refurbishments	Leasing activity and index-linked rent reviews	Penalties	12/31/2023	Total change (%)	Like-for-like change (%)
Offices – Well-positioned	239.2	5.2	(10.5)	(0.1)	5.6	(1.7)	237.6	(0.6%)	2.5%
Offices – To be repositioned	61.7	-	-	0.7	(1.3)	(0.2)	60.8	(1.4%)	(2.1%)
SUBTOTAL OFFICES	**300.8**	**5.2**	**(10.5)**	**0.7**	**4.2**	**(2.0)**	**298.4**	**-0.8%**	**1.5%**
Light industrial	44.4	-	-	-	2.9	(0.3)	47.0	5.9%	6.6%
Other	20.9	-	(1.3)	0.6	0.4	0.0	20.6	(1.1%)	2.1%
Intra-group transactions from Property Investment	(2.1)	-	-	-	(0.0)	-	(2.1)	2.0%	
GROSS RENTAL INCOME	**364.0**	**5.2**	**(11.8)**	**1.3**	**7.5**	**(2.2)**	**363.9**	**0.0%**	**2.2%**
including office segment reporting	*251.2*	*5.2*	*(10.5)*	*0.6*	*4.4*	*(2.1)*	*248.7*	*(1.0%)*	*1.9%*
including business park segment reporting	*95.8*	*-*	*-*	*0.7*	*2.7*	*0.2*	*99.5*	*3.8%*	*2.9%*

As of December 31, 2023, **gross rental income** from the Commercial Property Investment Division stood at €363.9 million, stable compared with the same period in the previous year (€364.0 million).

On a **reported basis**, additional rental income from acquisitions (+€5.2 million), completions (+€1.3 million) and leasing activity (+€7.5 million) was offset by losses of rental income due to disposals (-€10.5 million) and a decrease in early termination fees (-€2.2 million).

Gross rental income rose by +2.2% **on a like-for-like basis**, including +1.5% for offices (+2.5% for well-positioned offices and -2.1% for offices to be repositioned) and +6.6% for light industrial premises.

Rental income growth reflected rises in the main indices (ILAT and ICC), which resulted in strong index-linked rent reviews of +4.7% during the year. This mechanism provides solid support for rental income in a still challenging rental market characterised by much longer times needed to find tenants.

Gross rental income from Commercial Property Investment by location

(in millions of euros, on a full consolidation basis)	12/31/2022	12/31/2023	Reported basis		Like-for-like basis	
			in value terms	in %	in value terms	in %
Paris	45.7	45.0	-0.7	-1.5%	4.7	12.0%
La Défense/Peri-Défense	91.0	93.6	2.5	2.8%	3.5	4.1%
Other Western Crescent	9.1	11.8	2.7	29.6%	2.7	29.6%
Inner Ring	41.8	36.5	-5.3	-12.6%	-6.1	-14.6%
Outer Ring	21.6	20.4	-1.2	-5.5%	-0.6	-2.8%
France outside the Paris region	29.9	30.2	0.4	1.2%	1.3	4.7%
Offices – Well-positioned	**239.2**	**237.6**	**-1.6**	**-0.6%**	**5.6**	**2.5%**
Offices – To be repositioned	**61.7**	**60.8**	**-0.8**	**-1.4%**	**-1.3**	**-2.1%**
SUBTOTAL OFFICES	**300.8**	**298.4**	**-2.4**	**-0.8%**	**4.3**	**1.5%**
Inner Ring	31.5	33.9	2.4	7.7%	2.4	7.8%
Outer Ring	12.9	13.1	0.2	1.5%	0.4	3.6%
SUBTOTAL LIGHT INDUSTRIAL	**44.4**	**47.0**	**2.6**	**5.9%**	**2.9**	**6.6%**
SUBTOTAL OTHER	**20.9**	**20.6**	**-0.2**	**-1.1%**	**0.4**	**2.1%**
Intra-group transactions from Commercial Property Investment	-2.1	-2.1	0.0	2.0%	0.0	2.1%
GROSS RENTAL INCOME FROM COMMERCIAL PROPERTY INVESTMENT	**364.0**	**363.9**	**0.0**	**0.0%**	**7.5**	**2.2%**
including office segment reporting	*251.2*	*248.7*	*-2.5*	*-1.0%*	*4.4*	*1.9%*
including business park segment reporting	*95.8*	*99.5*	*3.6*	*3.8%*	*2.7*	*2.9%*

The change on a reported basis is determined by comparing rental income between two periods from all the properties in the portfolio.

The like-for-like change is determined by comparing rental income between two periods from assets that were operating (properties leased or partially leased not undergoing major refurbishments) in both periods.

Net rental income in millions of euros and net to gross rental income ratio

	12/31/2023		12/31/2022	
(in millions of euros, on a full consolidation basis)	Net rental income	Net to gross ratio	Net rental income	Net to gross ratio
Offices – Well-positioned	213.8	90.0%	221.4	92.6%
Offices – To be repositioned	51.0	83.8%	53.8	87.2%
SUBTOTAL OFFICES	264.8	88.7%	275.2	91.5%
Light industrial	40.1	85.4%	42.1	95.0%
Land	(0.0)	N/A	0.0	N/A
Other	19.8	96.2%	18.0	86.1%
Intra-group transactions from Commercial Property Investment	7.2	N/A	7.1	N/A
NET RENTAL INCOME FROM COMMERCIAL PROPERTY INVESTMENT	332.0	91.2%	342.4	94.1%
including office segment reporting	*225.5*	*90.7%*	*233.5*	*93.0%*
including business park segment reporting	*83.1*	*83.6%*	*84.9*	*88.6%*

In 2023, **net rental income** from Commercial Property Investment totalled €332.0 million, down -€10.4 million compared to 2022 (-3.0%) due to higher provisions for customer risks (-€6.3 million) and property and office taxes (-€2.4 million on recurring operations).

The net to gross rental income ratio fell by -2.9 pps to 91.2% (vs. 94.1% in 2022), including a -5.0-pp decrease for business parks and a -2.3-pp decrease for offices.

Lastly, the rent collection rate at the end of 2023 stood at 97%, compared with 99% at the end of 2022.

2.6. Leasing activity of the Commercial Property Investment Division

	12/31/2022	Changes in 2023			12/31/2023	New leases signed				12/31/2023
Asset classes On a full consolidation basis	Leased floor area	Additions	Exits	Floor area adjustments (a)	Leased floor area	Leases starting in 2023	Leases starting after 2023	Total new leases signed	Renewals	Total leases signed and renewed
	(sq.m)	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*	*(sq.m)*
Offices – Well-positioned	783,180	49,967	(36,180)	4,093	801,059	33,916	20,770	54,686	69,676	124,362
Offices – To be repositioned	214,868	4,445	(25,282)	(0)	194,032	3,948	1,930	5,878	32,020	37,898
Total Offices	**998,048**	**54,412**	**(61,461)**	**4,093**	**995,091**	**37,864**	**22,700**	**60,564**	**101,696**	**162,260**
Light industrial	311,624	10,229	(9,901)	(1,088)	310,862	2,617	8,381	10,998	40,428	51,426
Other	144,228	10,319	(8,645)	45	145,947	10,499	-	10,499	282	10,781
LIKE-FOR-LIKE SCOPE (A)	1,453,899	74,959	(80,007)	3,049	1,451,900	50,979	31,081	82,061	142,406	224,467
Offices – Well-positioned	12,686	16,340	(2,683)	(0)	26,342	941	6,728	7,669	-	7,669
Offices – To be repositioned	24,672	3,634	(24,312)	367	4,362	-	10,760	10,760	-	10,760
Total Offices	**37,358**	**19,974**	**(26,996)**	**367**	**30,704**	**941**	**17,488**	**18,429**	**-**	**18,429**
Light industrial	9,252	-	(282)	(0)	8,970	-	-	-	-	-
Other	-	4,878	-	-	4,878	-	-	-	-	-
ACQUISITIONS / COMPLETIONS / REFURBISHMENTS (B)	46,610	24,852	(27,278)	367	44,552	941	17,488	18,429	-	18,429
								-		-
SUBTOTAL (A+B)	1,500,510	99,811	(107,285)	3,416	1,496,453	51,920	48,570	100,490	142,406	242,896
Offices – Well-positioned	7,845	383	(8,228)	-	-	-	-	-	-	-
Offices – To be repositioned	-	-	-	-	-	-	-	-	-	-
Total Offices	**7,845**	**383**	**(8,228)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Light industrial	-	-	-	-	-	-	-	-	-	-
Other	1,076	-	(1,076)	-	-	-	-	-	-	-
DISPOSALS (C)	8,921	383	(9,304)	-	-	-	-	-	-	-
COMMERCIAL PROPERTY INVESTMENT (A)+(B)+(C)	1,509,431	100,194	(116,589)	3,416	1,496,453	51,920	48,570	100,490	142,406	242,896

(a) Change in floor areas as a result of a new survey by a licensed surveyor, change of use (common/private), etc.

In 2023, the Commercial Property Investment Division **signed or renewed 130 leases totalling 242,896 sq.m** and €63.2 million in annualised headline rental income with a WAULT to break of 5.6 years. These transactions included:

- **89 new leases signed totalling 100,490 sq.m** and €28.8 million in annualised headline rental income with a WAULT to break of 6.4 years;
- **41 leases renewed totalling 142,405 sq.m** and €34.4 million in annualised headline rental income with a WAULT to break of 4.9 years at rents in line with market levels.

Office leases signed or renewed represented **180,690 sq.m** and €52.1 million in annualised headline rental income, of which **73%** on **well-positioned** assets, including:

- A lease signed with EDF Renouvelables for the Origine building in the Terrasses de Nanterre area for a term of 9 years with no break option on 14,208 sq.m, i.e. the space that remained to be leased in the building, bringing its occupancy rate to 100%;
- A lease signed with Inserm for the Fresk building in the 15th district of Paris on 1,681 sq.m for a term of 6 years with no break option, bringing its occupancy rate to 100%;
- Leases signed or renewed in the Paris Orly-Rungis business park on 48,617 sq.m, including the Cologne (2,927 sq.m) building currently being renovated and the Montréal building for which a lease was renewed with Système U on close to 21,000 sq.m for 9 years with a break option after 6 years;
- 11,758 sq.m in the Portes de Paris business park;
- Leases signed or renewed outside the Paris region totalling 16,052 sq.m, including 13,275 sq.m in the New Way building in Lyon, renewed with Adecco for 9 years with a break option after 6 years.

Light industrial leases signed or renewed represented **51,426 sq.m** and €9.4 million in annualised headline rental income, including AMP Visual TV's lease renewed on 27,476 sq.m in the Portes de Paris business park for a term of 7 years with no break option and a pre-let on 7,500 sq.m in the same business park agreed with Equinix, a data center operator, for a 9-year term with no break option.

Space totalling 107,285 sq.m (123 leases) with annualised headline rental income of €29.7 million was vacated (excluding properties sold).

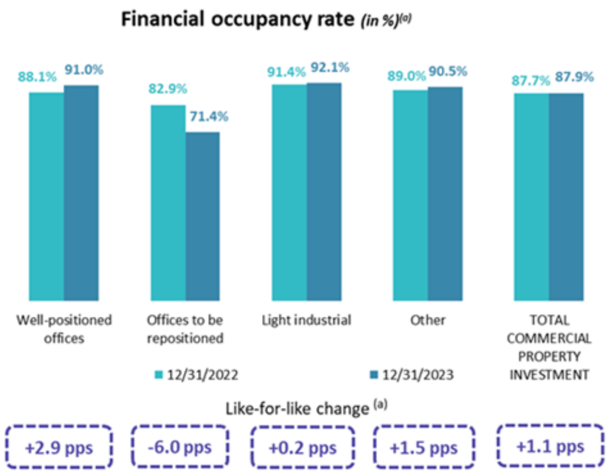
Nearly half of this newly vacated space related to offices to be repositioned totalling 49,594 sq.m, with 23,936 sq.m in the Arcade building in Le Plessis-Robinson, on whose land a residential development project will be built starting in 2024.

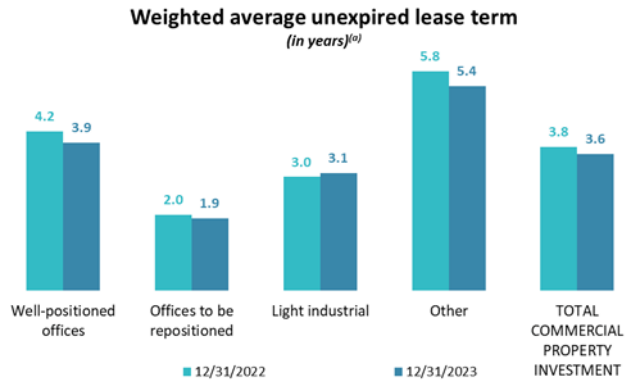
Space vacated in well-positioned offices represented 38,863 sq.m, with 11,463 sq.m vacated by Groupama Campus in the Défense 4/5/6 building, a large portion of which has already been re-let.

Taking all these changes into account, the **WAULT to break** of the portfolio was **3.6** years as of December 31, 2023 vs. 3.8 years as of December 31, 2022.

As of December 31, 2023, the ten largest tenants represented a combined annualised rental income of €126.6 million and had a WAULT to break of 3.7 years (around 34% of the annualised rental income of the Commercial Property Investment portfolio).

Financial occupancy rate





(a) On a full consolidation basis, except for equity-accounted assets which are included on a proportionate consolidation basis.

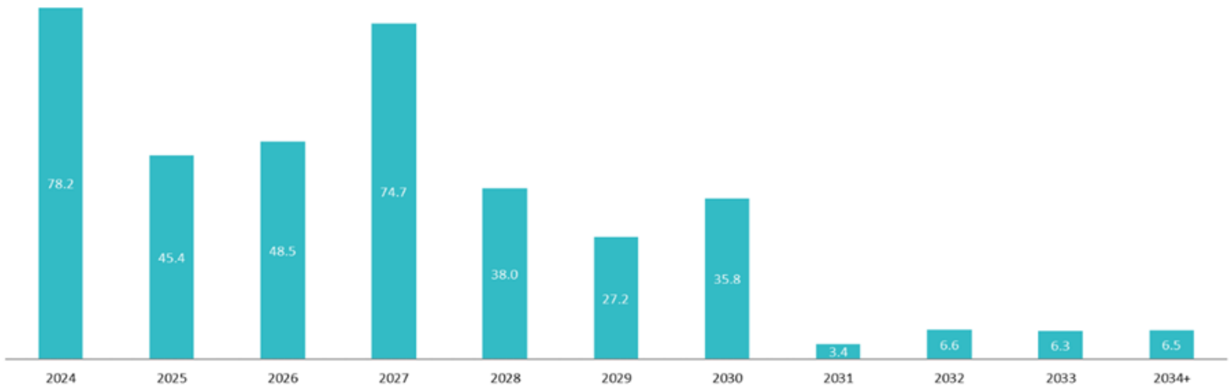
As of December 31, 2023, **the financial occupancy rate** stood at 87.9%, a slight increase of +0.2 pps on a reported basis and +1.1 pps like-for-like compared to December 31, 2022, including:

- 91.0% for well-positioned offices, an increase of +2.9 pps on a like-for-like basis thanks to the commencement of the lease with EDF Renouvelables in the Origine building, the arrival of Inserm at Fresk and positive net lettings in the Eqho Tower;

- 71.4% for offices to be repositioned, down -6.0 pps on a like-for-like basis, mainly due to space vacated in the Sisley building in Saint-Denis (16,605 sq.m);
- 92.1% for light industrial premises, up slightly compared to December 31, 2022 (+0.2 pps on a like-for-like basis);
- 90.5% for other assets (+1.5 pps on a like-for-like basis).

The WAULT to break was 3.6 years vs. 3.8 years in 2022.

Lease expiry schedule for the Commercial Property Investment Division in terms of IFRS annualised rental income (in millions of euros, on a full consolidation basis)



It should be noted that in 2023, among all leases at risk of break or expiry, which totalled €67.2 million in rental income, 72% were renewed or not terminated (excluding disposals/refurbishments and tenants relocating to other Icade properties). This percentage was stable compared to 2022.

Leases having a break or expiry in 2024 represent €78.2 million, i.e. 21.1% of the portfolio's IFRS rental income. As of December 31, 2023, tenants having given notice to vacate in 2024 represented total rental income of around €40.0 million.

3. Property Development Division

3.1. Income statement and performance indicators

Property Development business

After a strong sales performance in 2022 with the Property Development Division taking a record number of orders, 2023 was marked by a significant slowdown in the property development market overall. **At the end of December 2023, orders in the market were down c. -26%[29],** mainly due to the sustained rise in interest rates for over 24 months, which impacted the borrowing capacity of households and led to a more selective approach on the part of institutional investors.

Drawing on its agility and ability to adapt, the Property Development Division adjusted its business to these new market conditions by implementing the following measures:

- Priority given to bulk sales in the residential segment;
- Greater selectivity in launching new projects with a higher minimum sales threshold required to start construction in order to limit changes in WCR: projects launched since January 1 over 75% pre-sold[30] on average;
- Inventory of units for sale and unsold completed units remain under control;
- Systematic renegotiation of land prices for upcoming projects.

Residential

Housing orders received by the Property Development Division dropped by only -7% in value terms compared to December 31, 2022 to 5,256 units, totalling €1,345 million, thanks to an +18% increase in bulk sales. Orders from institutional investors accounted for 67% of the total as of December 31, 2023 vs. 53% at the end of December 2022. The Property Development Division took part in the support plan launched by CDC Habitat, responded to the call for expressions of interest for the purchase of projects organised by Action Logement and approached investors operating in the serviced residence segment.

The high level of orders thus achieved lifted the residential backlog by 5% to €1,573 million by the end of 2023, with more than 50% already sold.

This adaptation to market conditions and greater selectivity in launching new projects led to a -12% reduction in construction starts in value terms and a slowdown in development, with the portfolio of residential land falling by -13% in value terms on a proportionate consolidation basis.

Commercial

Although **the commercial segment** was down sharply in 2023 (sales worth €207 million in 2023 vs. €413 million in 2022), **the Property Development Division still sold a number of major projects**:

- Opportunistic sale of a 3,100-sq.m building at 43-45 rue Taitbout in the 9th district of Paris and the signing of a property development contract;
- An off-plan sale agreement for 5,000 sq.m and a pre-let on 1,800 sq.m both signed with Naval Group for an office complex totalling 6,800 sq.m to be co-developed with Cogedim;
- A preliminary off-plan sale agreement signed with Crédit Mutuel for the construction of offices covering roughly 20,000 sq.m in Strasbourg's Archipel Wacken business district (representing revenue of over €90 million).

Disposal of the Project Management Support and Healthcare Expertise business

On June 30, 2023, the Property Development Division sold its Project Management Support and Healthcare Expertise business to Oteis. The sale of this engineering business was part of a strategic refocus on the development business and also enabled a team of recognised experts to join a company with strong roots in its sector.

Financial information

Economic revenue amounted to €1,294 million as of December 31, 2023, **up +3%** compared to December 31, 2022. It stems from the commercial segment's higher contribution and the relatively modest decline in the residential segment.

Revenue from the residential segment fell by -4.0% compared with December 31, 2022 (€999 million vs. €1,040 million as of December 31, 2022), due to the slowdown in the property market since the beginning of 2023.

Revenue from the commercial segment rose sharply by +39% (€286.8 million at the end of 2023 vs. €206.3 million at the end of 2022). This change mainly related to revenue from the progress of works at the Envergure complex in Romainville (Seine-Saint-Denis) and the sale of the building renovated by AfterWork by Icade on rue Taitbout in Paris.

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[29] *Source: FPI, February 2024*

[30] *Including sales to both individual and institutional buyers*

The current economic operating margin at the end of 2023 **was 3.8% (down 2.4 pps from 6.2% as of December 31, 2022).**

The fall in profitability in the residential segment was due to a downward revision of selling prices for projects under development in order to encourage sales and the conversion of a significant proportion of the individual housing stock into bulk sales (with a lower margin).

Profitability in the commercial segment was up, with a current economic operating margin of 8.7% (vs. 6.2% as of December 31, 2022), thanks to the significant proportion of high-margin projects.

As a result, net current cash flow **fell to €6.2 million**, taking into account the higher cost of debt resulting from the slowdown in the absorption of sales and the rise in interest rates.

Summary income statement for the Property Development Division on an economic basis

The table below shows the income statement on an economic basis, after taking into account the Group's ownership interest in joint ventures over which the Group exercises joint control.

(in millions of euros)	**12/31/2023**	**12/31/2022**	**Change**	**Change (%)**
Revenue	**1,293.9**	**1,256.7**	**37.2**	**3.0%**
Including Property Development revenue (POC method)	*1,276.6*	*1,244.1*	*32.5*	
Cost of sales and other expenses	*(1,108.1)*	*(1,035.8)*	*(72.2)*	
Net property margin from Property Development	**168.6**	**208.3**	**(39.7)**	**-19.1%**
Property margin rate (net property margin / revenue (POC method))	***13.2%***	***16.7%***	***(3.5) pps***	
Including other revenue	17.3	12.6	4.7	
Operating costs and other costs	(144.4)	(148.3)	4.0	
Profit/(loss) on asset disposals	1.9	-	1.9	
Share of profit/(loss) of equity-accounted companies	0.4	0.4	(0.1)	
CURRENT ECONOMIC OPERATING PROFIT/(LOSS) (a)	**49.0**	**78.3**	**(29.3)**	**-37.4%**
Current economic operating margin (current economic operating profit or loss/revenue) (a)	***3.8%***	***6.2%***	***(2.4) pps***	
Cost of net debt	(20.1)	(9.6)	(10.5)	
Other finance income and expenses	(7.2)	(6.4)	(0.8)	
Corporate tax	(5.1)	(12.6)	7.5	
NET CURRENT CASH FLOW	**11.3**	**44.4**	**(33.0)**	**-74.4%**
NET CURRENT CASH FLOW ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	5.2	7.4	(2.2)	
NET CURRENT CASH FLOW ATTRIBUTABLE TO THE GROUP	**6.2**	**37.0**	**(30.8)**	**-83.3%**
Non-current items (b)	(88.2)	(10.8)	(77.5)	N/A
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(82.0)**	**26.3**	**(108.3)**	**N/A**

(a) Adjustment for trademark royalties and holding company costs.

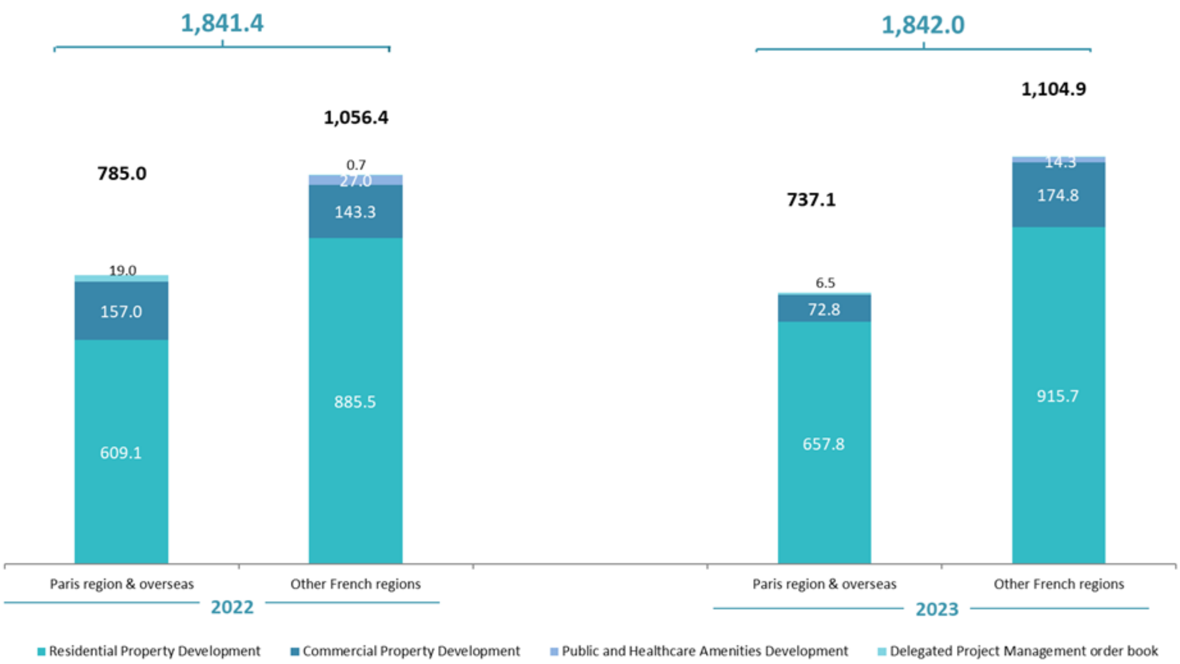
(b) "Non-current items" include depreciation charges and other non-current items.

3.1.1. Property Development backlog and service order book

For property development projects, the backlog represents revenue under contract (excluding taxes) that has not yet been recognised based on the stage of completion of the projects.

The service order book represents service contracts (excluding taxes) that have been signed but have not yet been executed.

(in millions of euros)



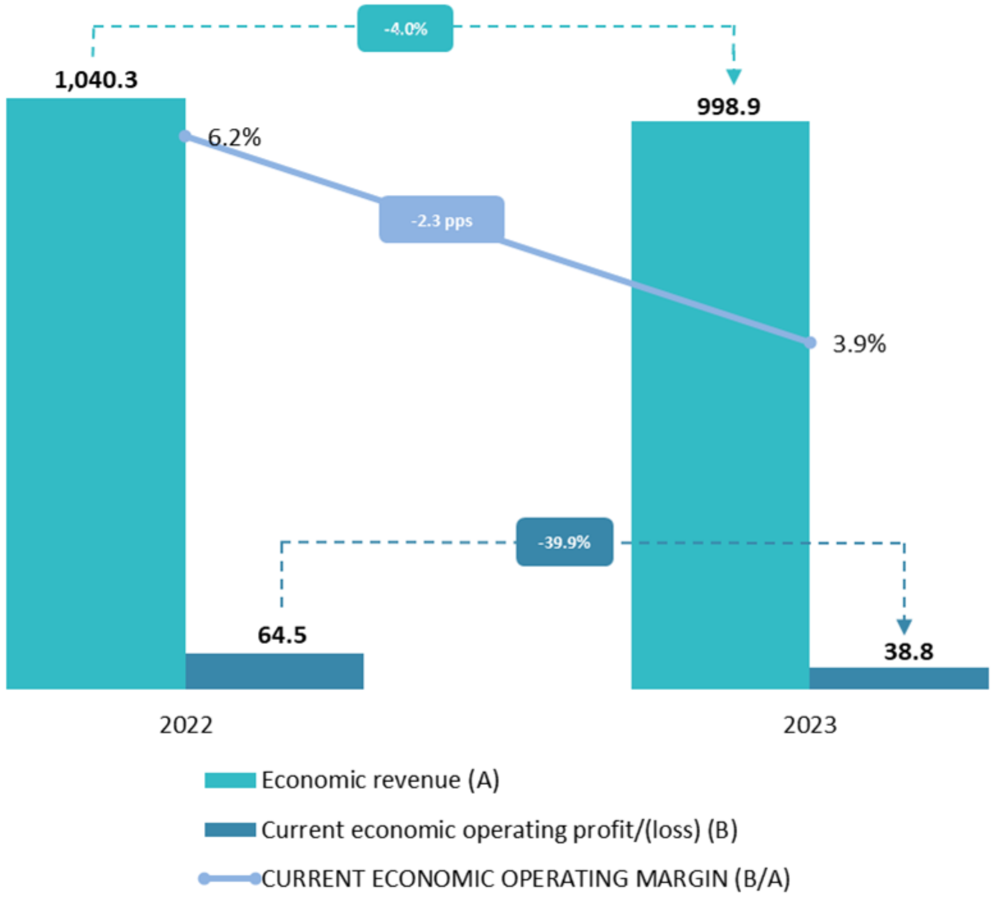
The Property Development Division's total backlog was stable at €1,842.0 million as of December 31, 2023 vs. €1,841.4 million as of December 31, 2022.

This resulted from:

- A 5.3% increase in the Residential Property Development backlog resulting from the significant level of orders from institutional investors in 2023;
- A -20% decline in the Commercial Property Development and Public and Healthcare Amenities Development backlog due to the recognition of part of the revenue from the Envergure property complex project in Romainville and fewer sales signed in this segment in 2023;
- The disposal of the Project Management Support and Healthcare Expertise business as of June 30, 2023 which resulted in an €8 million drop in the services backlog.

3.2. Residential Property Development

(in millions of euros)



As of December 31, 2023, revenue from Residential Property Development totalled €999 million, down -4.0% compared to December 31, 2022. This change is explained by a -14% fall in notarised sales in value terms (€1,282 million in 2023 vs. €1,493 million in 2022) due to the slowdown in the market since the beginning of 2023. It is also due to a -12% decline in the volume of construction starts (€1,492 million in 2023 vs. €1,704 million in 2022) as a higher minimum sales threshold is now required to start construction.

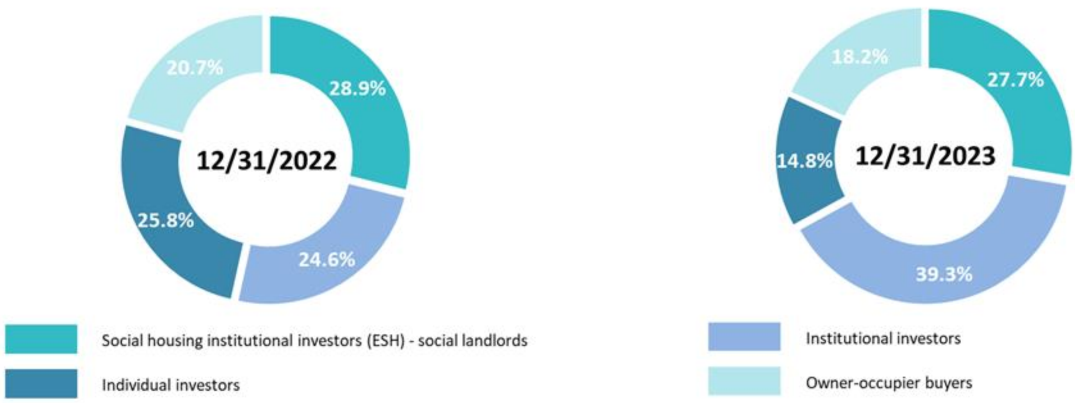
As a result of lower revenue, the erosion of margins on projects due to price cuts, the provisions made for study costs and the decrease in value of land acquired for projects proving difficult to sell, current economic operating profit from Residential Property Development came in at €38.8 million as of December 31, 2023, down from €64.5 million as of December 31, 2022.

Main physical indicators as of December 31, 2023

	12/31/2023	12/31/2022	Change
Inventory of units for sale			
Paris region & Overseas France	1,893	2,278	(16.9%)
Other French regions	4,002	4,495	(11.0%)
TOTAL UNITS [(a)]	**5,895**	**6,773**	**(13.0%)**
Paris region & Overseas France	584.1	864.3	(32.4%)
Other French regions	1,062.2	1,062.3	(0.0%)
TOTAL REVENUE *(potential in millions of euros)*	**1,646.3**	**1,926.6**	**(14.5%)**
Projects started			
Paris region & Overseas France	1,854	2,758	(32.8%)
Other French regions	3,406	3,522	(3.3%)
TOTAL UNITS	**5,260**	**6,280**	**(16.2%)**
Paris region & Overseas France	654.2	962.2	(32.0%)
Other French regions	837.7	741.6	13.0%
TOTAL REVENUE *(potential in millions of euros)*	**1,491.9**	**1,703.8**	**(12.4%)**
Net housing orders			
Housing orders *(in units)*	5,256	6,014	(12.6%)
Housing orders *(in millions of euros including taxes)*	1,344.6	1,439.3	(6.6%)
Housing order cancellation rate *(in %)*	22%	17%	4.9 pps
Average sale price and average floor area based on housing orders			
Average price including taxes per habitable sq.m *(in €/sq.m)*	5,115	4,439	15.2%
Average sale price including taxes per housing unit *(in €k)*	258.0	240.8	7.1%
Average floor area per housing unit *(in sq.m)*	50.4	54.3	(7.2%)

(a) "Units" means the number of residential units or equivalent residential units (for mixed-use developments) of any given development. The number of equivalent residential units is determined by dividing the floor area for each property type (light industrial, retail, office) by the average floor area of residential units calculated as of December 31 of the preceding year.

Breakdown of orders by type of customer



As expected, amid higher inflation and rising interest rates, the Property Development Division recorded -13% fewer orders in volume terms and -7% in value terms compared to the end of 2022. This drop was less than the decrease recorded on the market.

Orders from institutional investors increased in 2023 (67% as of the end of 2023 vs. 53% as of the end of 2022), up +7% in volume terms and +18% in value terms. The strategy pursued by the Property Development Division consists in selling a significant portion of its housing stock to institutional investors in order to maintain a sufficient volume of activity and increase its absorption rate prior to completion.

The Property Development Division has been able to keep its housing stock at a reasonable level by implementing sales measures adapted to the market and selectively marketing projects. The inventory of units for sale decreased by -20% compared with 2022, and the inventory of unsold completed units was kept down to €19 million. The Property Development Division aims to adapt its solutions by taking into consideration the financial circumstances of its customers and their evolving expectations.

Orders from individuals were down -37% in volume terms and -28% in value terms. This decrease was especially pronounced for individual investors (14.8% at the end of 2023 vs. 25.8% at the end of 2022) due to higher home loan interest rates and tax incentive schemes being discontinued.

The total order cancellation rate increased from 17% in 2022 to 22% in 2023. This is primarily due to the difficulties involved in obtaining home loans (order cancellation rate for units sold individually at 37.4% at the end of 2023 vs. 28.5% at the end of 2022).

The average price (including taxes) per habitable sq.m increased by 15% to €5,115 at the end of 2023 (vs. €4,439/sq.m at the end of 2022) due to the concentration of orders on developments with high appeal (town centres, sea views, serviced residences) and thus prices per sq.m above the national average.

Construction starts were down -16% in volume terms and -12% in value terms as of December 31, 2023 compared to December 31, 2022. This change can be explained by the slowdown in sales and higher minimum sales threshold required in order to start construction on projects where units are sold individually (40% vs. 30% historically) in order to de-risk these projects.

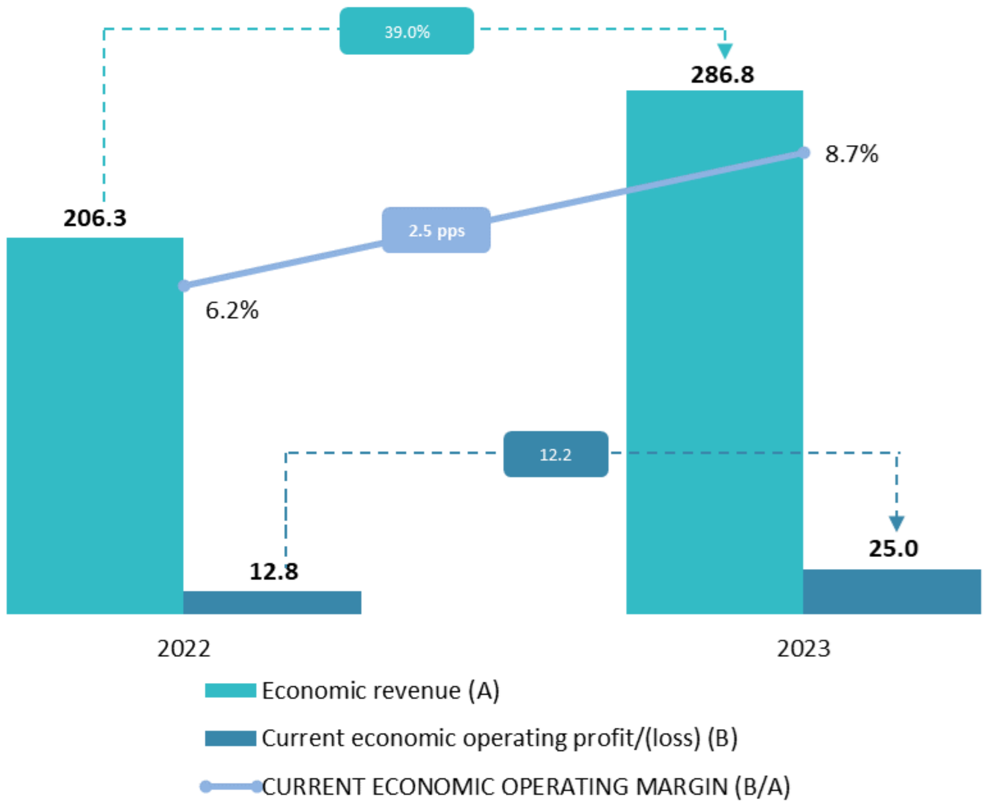
Notarised sales were down -13% in volume terms and -14% in value terms due to the higher number of sales made at the end of 2022 and the slowdown in the market since early 2023.

Land portfolio

The portfolio of residential land represented 12,980 units on a proportionate consolidation basis and potential revenue of €2.8 billion (excluding taxes, on a proportionate consolidation basis), down 13% in value terms compared to December 31, 2022 (14,684 units for €3.3 billion). This decline was explained by the need to adapt to changes in the market leading to greater selectivity and the cancellation of projects that were no longer aligned with market demand.

3.3. Commercial Property Development

(in millions of euros)



As of December 31, 2023, Commercial Property Development and Public and Healthcare Amenities Development revenue rose sharply by 39% (€286.8 million at the end of 2023 vs. €206.3 million at the end of 2022). This increase stemmed from revenue recognised in 2023 from projects that were in the backlog at the end of 2022 such as the Envergure complex in Romainville and the "Odessa" project in Lyon. It was also due to the sale of an office building located on rue Taitbout in the 9th district of Paris and the sale of the Osmose 2 building in Strasbourg signed in November 2023.

As a direct result of higher revenue and healthy profits from commercial property development projects, current economic operating profit/(loss) from Commercial Property Development and Public and Healthcare Amenities Development came in at €25 million as of December 31, 2023, an improvement compared to December 31, 2022 (€12.8 million).

Public and Healthcare Amenities Development

As of December 31, 2023, the portfolio of Public and Healthcare Amenities Development projects covered a floor area of 36,018 sq.m (35,223 sq.m as of December 31, 2022), including 14,944 sq.m under construction (9,401 sq.m as of December 31, 2022). Most projects in this portfolio were located in metropolitan France outside the Paris region and in Overseas France.

Office, Hotel and Retail Property Development

As of December 31, 2023, the Property Development Division had a portfolio of projects in the Office, Hotel and Retail Property Development segment covering roughly 501,367 sq.m (478,846 sq.m as of December 31, 2022), including 198,384 sq.m under construction (187,625 sq.m as of December 31, 2022). In 2023, completions totalled 39,617 sq.m.

3.4. Pipeline and growth potential

In total, the Property Development Division's potential revenue is expected to amount to €7.5 billion (excluding taxes, on a proportionate consolidation basis) in the coming years. This is 13% lower than as of December 31, 2022 (€8.7 billion). It represents over 21,000 units for the residential segment and more than 194,000 sq.m for the commercial segment.

This sales volume includes potential revenue from major projects won in 2022 and 2023 which highlights the teams' expertise in large-scale mixed-use projects and low-carbon construction, including:

- Icade and the Duval Group won the "Ambition Maritime et Littorale" tender to develop the Gavy site in Saint-Nazaire with this large-scale mixed-use project on a plot of almost 8.1 hectares which includes 340 housing units, office space, a sports campus, a health and sports training centre, and a hotel complex. Work is scheduled to begin in 2025;
- The Property Development Division was chosen for a project[31] 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;
- Architecture firm Leclercq and the property developers Icade and Primosud were chosen to develop the Inspir'Avignon project in the new Confluence area in Avignon. This project involves the construction of 463 housing units, 13,000 sq.m of offices and 4,300 sq.m of retail space including a 1,500-sq.m food hall;
- Klépierre and Cardif chose a consortium made up of Urbain des Bois, a subsidiary of the Property Development Division, and the CDC Habitat Group to develop a new district close to Toulouse in Blagnac. In addition to the existing businesses and shopping centre, the 3.2-hectare site will feature housing units, offices, local shops as well as an abundance of green space.

[31] *Jointly developed with Redman*

3.5. Working capital requirement and debt

(in millions of euros, on an economic basis)	12/31/2023 (a)	12/31/2022 (a)	Change
Residential Property Development	(430.7)	(265.5)	(165.2)
Commercial Property Development	27.8	27.6	0.3
NET WORKING CAPITAL REQUIREMENT – PROPERTY DEVELOPMENT (b)	**(402.9)**	**(237.9)**	**(164.9)**
NET DEBT – PROPERTY DEVELOPMENT (b)	**221.8**	**78.1**	**143.7**

(a) A negative number is a net asset, while a positive number is a net liability.

(b) The Property Development Division's WCR and net debt are presented excluding urban development projects and land for which a building permit has not been obtained or is still appealable.

The working capital requirement (WCR) for Property Development stood at €403 million as of December 31, 2023, up €165 million compared to the end of 2022. It was impacted by the slowdown in sales and the start of the large-scale AfterWork by Icade project in the Paris region.

Net debt was up €143.7 million in line with a higher WCR.

4. The Icade Group’s segmented income statement

Segmented income statement as of December 31, 2023

(in millions of euros)		Commercial Property Investment	Property Development (economic basis*)	Intersegment transactions & other items	Non-core operations	Total Icade Group (economic basis)	IFRS adjustments (Property Development, jointly controlled entities)	Total Icade Group
Current items:								
Gross rental income from Commercial Property Investment	(b)	363.9				363.9		363.9
Property Development revenue (POC method)	(c)		1,276.6			1,276.6	(158.6)	1,118.0
Other services	(d)	29.4	17.3	(11.2)	12.1	47.6	(1.8)	45.8
Service charges not recovered from tenants and other expenses	(e)	(32.0)		-		(32.0)		(32.0)
Net rental income from Property Investment	(f)=(b)+(e)	332.0		-		332.0		332.0
Net to gross rental income ratio for Property Investment	*(f)/(b)*	***91.2%***						
Cost of sales and other expenses	(g)		(1,108.1)	0.1		(1,108.0)	148.7	(959.2)
Net property margin from Property Development	(h)=(c)+(g)		168.5	0.1		168.6	(9.9)	158.8
Property margin rate (net property margin / revenue (POC method))	*(h)/(c)*		***13.2%***					
Operating costs and other costs	(i)	(78.3)	(144.4)	0.5	0.2	(222.0)	1.2	(220.8)
Other operating income and expenses	(j)	**2.0**	**2.3**			**4.3**	**2.6**	**6.9**
CURRENT OPERATING PROFIT/(LOSS)	(m)=(d)+(f)+(h)+(i)+(j)	285.1	43.7	(10.6)	12.3	330.5	(7.9)	322.6
Cost of net debt	(n)	(40.5)	(20.1)	(1.0)	6.8	(54.7)	5.0	(49.7)
Other finance income and expenses	(o)	(6.8)	(7.2)	(0.3)	13.3	(1.0)	1.5	0.5
CURRENT FINANCE INCOME/(EXPENSE)	(p)=(n)+(o)	(47.3)	(27.2)	(1.3)	20.1	(55.7)	6.5	(49.2)
Tax expense	(q)	-	(5.1)			(5.1)	1.4	(3.7)
Profit/(loss) from discontinued operations	(aba)			9.5	147.0	156.5		156.5
NET CURRENT CASH FLOW	(r)=(m)+(p)+(q)+(aba)	237.8	11.3	(2.4)	179.4	426.2	-	426.2
NET CURRENT CASH FLOW ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(s)	(9.0)	(5.2)		(61.5)	(75.6)		(75.6)
NET CURRENT CASH FLOW ATTRIBUTABLE TO THE GROUP	(t)=(r)+(s)	228.8	6.2	(2.4)	118.0	350.6	-	350.6
Depreciation and impairment of operating assets	(u)	(14.7)						
Depreciation of operating assets of equity-accounted companies	(um)	(0.2)						
PROPERTY INVESTMENT: EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	(v)=(t)+(u)+(um)	213.9						
Non-current items:								
Change in fair value of investment property – depreciation and impairment charges		(1,484.0)	(62.0)	2.3		(1,543.8)		(1,543.8)
Profit/(loss) on asset disposals		1.5	(2.3)			(0.8)	-	(0.8)
Non-current finance income/(expense)		(6.0)	(0.3)		(13.9)	(20.2)	-	(20.2)
Non-current corporate tax		(0.1)	13.1			12.9		12.9
Other non-current expenses, profit/(loss) from acquisitions, discontinued operations		(1.4)	(38.0)	(125.4)	9.8	(155.1)		(155.1)
Share of profit/(loss) of equity-accounted companies		(9.6)	-	(0.2)		(9.9)	-	(9.9)
Non-current portion of net profit/(loss) attributable to non-controlling interests		118.6	1.4		(4.1)	115.9		115.9
Total non-current items	(ab)	(1,381.1)	(88.2)	(123.3)	(8.2)	(1,600.9)		(1,600.9)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(ac)=(t)+(ab)	(1,152.3)	(82.0)	(125.7)	109.8	(1,250.3)	-	(1,250.3)

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

Segmented income statement as of December 31, 2022

(in millions of euros)		Commercial Property Investment	Property Development (economic basis**)	Intersegment transactions & other items	Non-core operations*	Total Icade Group (economic basis)	IFRS adjustments (Property Development, jointly controlled entities)	Total Icade Group
Current items:								
Gross rental income from Commercial Property Investment	(b)	364.0				364.0		364.0
Property Development revenue (POC method)	(c)		1,244.1			1,244.1	(179.5)	1,064.6
Other services	(d)	16.1	12.6	(17.6)	15.4	26.5	(0.1)	26.4
Service charges not recovered from tenants and other expenses	(e)	(21.6)		(0.1)		(21.6)		(21.6)
Net rental income from Property Investment	(f)=(b)+(e)	342.4		(0.1)		342.3		342.3
Net to gross rental income ratio for Property Investment	*(f)/(b)*	***94.1%***						
Cost of sales and other expenses	(g)		(1,035.8)	1.7		(1,034.2)	155.2	(879.0)
Net property margin from Property Development	(h)=(c)+(g)		208.3	1.7		210.0	(24.3)	185.6
Property margin rate (net property margin / revenue (POC method))	*(h)/(c)*		***16.7%***					
Operating costs and other costs	(i)	(70.9)	(148.3)	(14.2)	-	(233.4)	1.5	(231.9)
Other operating income and expenses	(j)	**2.3**	**0.4**			**2.7**	**18.9**	**21.6**
CURRENT OPERATING PROFIT/(LOSS)	(m)=(d)+(f)+(h)+(i)+(j)	289.8	73.0	(30.2)	15.4	348.1	(4.0)	344.1
Cost of net debt	(n)	(64.1)	(9.6)	(8.6)	8.6	(73.6)	1.0	(72.7)
Other finance income and expenses	(o)	(7.5)	(6.4)	(1.6)	1.7	(13.7)	0.9	(12.8)
CURRENT FINANCE INCOME/(EXPENSE)	(p)=(n)+(o)	(71.5)	(16.0)	(10.2)	10.2	(87.4)	1.9	(85.5)
Tax expense	(q)	(1.5)	(12.6)			(14.2)	2.1	(12.0)
Profit/(loss) from discontinued operations	(aba)			25.4	274.4	299.8		299.8
NET CURRENT CASH FLOW	(r)=(m)+(p)+(q)+(aba)	216.8	44.4	(14.9)	300.0	546.3	-	546.3
NET CURRENT CASH FLOW ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(s)	(8.4)	(7.4)		(113.7)	(129.5)		(129.5)
NET CURRENT CASH FLOW ATTRIBUTABLE TO THE GROUP	(t)=(r)+(s)	208.5	37.0	(14.9)	186.3	416.8	-	416.8
Depreciation and impairment of operating assets	(u)	(12.7)						
Depreciation of operating assets of equity-accounted companies	(um)	(0.2)						
PROPERTY INVESTMENT: EPRA EARNINGS ATTRIBUTABLE TO THE GROUP	(v)=(t)+(u)+(um)	195.5						
Non-current items:								
Change in fair value of investment property – depreciation and impairment charges		(400.2)	(8.4)	2.4		(406.2)	0.1	(406.1)
Profit/(loss) on asset disposals		(0.9)	-			(1.0)		(1.0)
Non-current finance income/(expense)		(15.1)	(0.1)	(0.4)	0.4	(15.2)		(15.2)
Non-current corporate tax		(13.9)	3.7			(10.2)		(10.2)
Other non-current expenses, profit/(loss) from acquisitions, discontinued operations		(4.1)	(6.7)	2.1	124.4	115.6	0.1	115.7
Share of profit/(loss) of equity-accounted companies		(7.2)	-	(0.2)		(7.5)	(0.2)	(7.7)
Non-current portion of net profit/(loss) attributable to non-controlling interests		13.2	0.8		(52.3)	(38.3)		(38.3)
Total non-current items	(ab)	(428.4)	(10.8)	3.9	72.5	(362.8)		(362.8)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	(ac)=(t)+(ab)	(219.9)	26.3	(11.0)	258.8	54.1	-	54.1

** Healthcare business reclassified as discontinued operations in accordance with IFRS 5 in the "Non-core operations" column.*

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