

PRESS RELEASE

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ICADE SANTÉ – 2022 FULL YEAR RESULTS

STRONG GROWTH IN LEASING ACTIVITY (+9.4%) AND VERY SOUND BALANCE SHEET (LTV AT 31%) AGAINST A BACKDROP OF INCREASED INVESTMENT SELECTIVITY

Introduction

As of December 31, 2022, Icade Santé SA operates as a property investor, assisting healthcare and senior services providers with the ownership and development of healthcare properties in France and, since 2021, elsewhere in Europe. Icade Santé's consolidated financial statements for 2022 are available on the Company's website.

The Icade Group's Healthcare Property Investment business is operated in France and abroad by Icade Santé SA and its subsidiaries, 58.30% owned by Icade SA, and via Icade Healthcare Europe ("IHE") and its subsidiaries, 59.39% owned by Icade SA. The combined financial statements of the Icade Group's Healthcare Property Investment Division are available on the website of Icade.

The Icade Santé Group's financial statements as of December 31, 2022 have not been significantly impacted by the current inflationary environment and higher government bond yields during the year.

The resilience of the Group's business, its high percentage of fixed rate and hedged debt as well as its lack of exposure to Russia and Ukraine enabled it to successfully deal with this situation in 2022.

However, the Group is paying particular attention to the short- and medium-term outlook for construction costs, pressure on the energy markets and rising interest rates in the financial markets and their impact on the Group's financing and investment costs.

In 2022, the Icade Santé Group continued to consolidate its leading position in the French healthcare property market as well as its growth in Europe, while showing greater selectivity for its projects in light of the new interest rate environment.

The Group recorded a significant +9.4% increase in gross rental income as well as a +2.6% increase in EPRA earnings:

Key figures are as follows:

<i>(in millions of euros)</i>	12/31/2022	12/31/2021	Change	Change (%)
Gross rental income	323.1	295.4	27.7	+9.4%
EPRA earnings	250.4	244.1	6.3	+2.6%
EPRA earnings per share (in €)	6.3	6.4	(0.1)	-1.2%
Consolidated net profit/(loss) attributable to the Group	378.4	490.7	(112.3)	-22.9%
EPRA NDV per share	€109.2	€95.1		+14.8%
EPRA NTA per share	€100.3	€95.8		+4.6%
LTV ratio including duties	30.7%	32.6%		-192 bps
ICR	9.36x	8.91x		5.0%

Icade Santé's IFRS consolidated financial statements for the year ended December 31, 2022 were approved by the Company's Board of Directors on February 16, 2023. The audit procedures have been completed on these accounts, and the certification report is being issued.

It should be noted that the Group has elected to apply the fair value model for the measurement of investment property for the first time in the financial statements for the year ended December 31, 2021, believing that this change in policy provides more relevant information on the value of its property assets and aligns the Group with the main real estate companies.

Strong growth in leasing activity, driven by acquisitions in 2021 and index-linked rent reviews

- **Leasing activity was strong, with gross rental income of €323.1m**, up €27.7m on 2021, i.e. **+9.4% on a reported basis**, driven in particular by acquisitions in 2021 and 2022 in France and internationally, and by completions.
- **On a like-for-like basis**, gross rental income was up by **+2.3%** (mainly due to index-linked rent reviews).
- As in previous years, in 2022 the rent collection rate stood at nearly 100%.
- **The financial occupancy rate of the portfolio** as of December 31, 2022 remained unchanged at **100%**.
- EPRA earnings stood at **€250.4m**, up **+€6m**, i.e. **+2.6%**, compared with **2021**, mainly due to increases in rental income.
- **EPRA NTA for 2022 amounted to €100.3 per share, up €4.4 (i.e. +5%)** compared to 2021, mainly due to the increase in EPRA earnings during the year.

Investments slow in 2022, greater selectivity

Against a macroeconomic and financial backdrop marked by a sharp rise in interest rates since the beginning of 2022, and following a very significant volume of investments in 2021, Icade Santé slowed the pace of investment in 2022, showing greater selectivity. In 2022, the Group invested **€177m**¹:

- **In France, investments totalled €93m in 2022**, including:
 - **Acquisitions worth €16m**, including the property assets of the Les Jardins de Sophia facility in Castelnau-le-Lez (Hérault) for €11m;
 - **Investments in the development pipeline worth €58m**, relating in particular to projects under development (construction of the Salon-de-Provence PAC facility under a property development contract, extension of the Saint-Augustin private hospital in Bordeaux, etc.) or completed in 2022 (extension of the Pic Saint Loup PAC facility, construction of a nursing home in Bellerive-sur-Allier under an off-plan sale contract);
 - **Other capex** during the year **worth €18m**.
- **Outside France, investments totalled €84m**, including:
 - **Spain**: continued growth with the acquisition of a portfolio of five long-term care facilities for people with disabilities operated by the Colisée Group for €56m and an eye clinic in Madrid operated by the Miranza Group for €13m;
 - **Germany**: acquisition of a nursing home operated by Medicare/Orpea in Wathlingen for €15m.

€51m worth of new projects were committed in 2022 and remain to be paid for, mainly relating to projects to extend existing assets, including:

- Extension of the Clinique de Flandre private hospital in Coudekerque-Branche (Nord): creation of operating suites and outpatient surgery units worth €30m (completion scheduled for 2025);
- Extension of the Clinique d'Occitanie private hospital in Muret (Haute-Garonne): creation of a medical centre for €10m (completion scheduled for 2024).

As regards disposals, Icade Santé sold four healthcare properties in France to a French institutional investor for €78.3m. This sale is part of the optimisation of Icade Santé's portfolio. Gains on disposal for the period, mainly relating to this transaction, amounted to €6.0m. In addition, Korian acquired a project for a PAC facility in Blagnac for €13.2m in February 2022 after exercising its purchase option in October 2021.

Balance sheet still very strong, debt indicators even more solid and 88% of debt at a fixed rate or hedged

Icade Santé's gross financial liabilities outstanding as of December 31, 2022 amounted to €2,452m, up €320m compared to December 31, 2021, due in particular to the arrangement of a bridge-to-bond facility worth €300m in February 2022, which has been fully drawn down.

Icade Santé's net financial liabilities outstanding as of December 31, 2022 amounted to €2,018m, down €46m compared to December 31, 2021 due to the positive impact of derivatives.

As of December 31, 2022, the Group's total debt consisted of 55% fixed rate debt and 45% variable rate debt, with **fixed rate and hedged debt representing 88% of the total**.

The loan-to-value (LTV) ratio including duties² stood at 30.7%, a 1.9-pp improvement compared to 2021 due to the increase in value of the portfolio during the year and the decrease in net debt over the same period.

The interest coverage ratio (ICR)³ also improved to 9.4x vs. 8.9x in 2021.

Lastly, in its report dated December 16, 2022, S&P affirmed Icade Santé SA's rating of **BBB+ with a stable outlook**.

¹ On a full consolidation basis

² LTV ratio including duties: the ratio of net financial liabilities to the latest valuation of the property portfolio including duties

³ ICR ratio: the ratio of EBITDA to the interest expense for the period

Property portfolio

As of December 31, 2022, Icade Santé owned **159 healthcare facilities** (vs. 155 at the end of 2021):

- in France, 148 healthcare facilities, including 81 acute care facilities, 29 medium-term care facilities and 38 nursing homes;
- outside France, a portfolio of 4 private hospitals in Portugal, 5 long-term care facilities and an eye clinic in Spain, and a nursing home in Germany.

As of December 31, 2022, Icade Santé's portfolio was worth €6.1bn (excluding duties, on a full consolidation basis).

Changes in Icade Santé's share capital

At the end of 2022, Icade Santé carried out a capital increase through the issue of 429,561 new shares for a total of €44.0m including €6.6m of share capital and €37.4m of share premium.

ABOUT ICADÉ SANTÉ PLACES THAT CARE FOR PEOPLE

Icade Santé is the leading investor in private healthcare facilities in France. A 58.30%-owned subsidiary of the Icade Group, Icade Santé is dedicated to helping healthcare and senior services providers successfully execute their sale-and-leaseback and property development strategies. Icade Santé's teams have wide-ranging expertise in real estate investment and complex project management, and in-depth knowledge of the challenges facing the healthcare sector. As of December 31, 2022, Icade Santé held a portfolio of 159 healthcare facilities in France, 4 in Portugal, 6 in Spain and 1 in Germany, representing assets worth €6.1 billion (excluding duties, on a full consolidation basis).

Icade and Icade Santé are rated BBB+ with a stable outlook by the rating agency S&P.

The text of this press release and Icade Santé's consolidated financial statements prepared in accordance with IFRS are available on the Company's website: <https://icade-sante.eu>

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APPENDICES

Consolidated income statement

<i>(in millions of euros)</i>	2022	2021 (a)
Revenue	325.1	297.9
Other operating income	30.1	27.8
Income from operating activities	355.2	325.7
Outside services	(55.3)	(51.7)
Taxes, duties and similar payments	(0.8)	(0.6)
Staff costs, performance incentive scheme and profit sharing	(7.7)	(1.6)
Other operating expenses	(1.9)	0.2
Expenses from operating activities	(65.7)	(53.7)
EBITDA	289.6	272.0
Change in fair value of investment property	122.3	253.9
Profit/(loss) from acquisitions	(0.3)	(0.5)
Profit/(loss) on asset disposals	6.0	(0.0)
OPERATING PROFIT/(LOSS)	417.5	525.3
Cost of gross debt	(30.6)	(28.3)
Net income from cash and cash equivalents, related loans and receivables	(0.3)	(2.2)
Cost of net financial liabilities	(30.9)	(30.5)
Other finance income and expenses	(2.6)	(2.9)
FINANCE INCOME/(EXPENSE)	(33.6)	(33.4)
Tax expense	(2.7)	(1.3)
NET PROFIT/(LOSS)	381.3	490.6
- Including net profit/(loss) attributable to the Group	378.4	490.7
- Including net profit/(loss) attributable to non-controlling interests	2.9	(0.1)
Net profit/(loss) attributable to the Group per share (in €)	€9.59	€12.92
Diluted net profit/(loss) attributable to the Group per share (in €)	€9.59	12.92

(a) Under IFRS 15, income from service charges recharged to tenants was reclassified from "Outside services" to "Other operating income" (see note 8.1).

Consolidated balance sheet

ASSETS

<i>(in millions of euros)</i>	12/31/2022	12/31/2021
Net intangible fixed assets	0.1	-
Investment property	6,180.4	5,968.7
Financial assets at fair value through profit or loss	0.1	0.1
Financial assets at amortised cost	39.2	13.1
Derivative assets	65.6	0.3
Deferred tax assets	0.1	-
NON-CURRENT ASSETS	6,285.4	5,982.1
Accounts receivable	6.8	7.0
Tax receivables	6.0	5.3
Miscellaneous receivables	11.6	5.8
Derivative assets	0.1	-
Cash and cash equivalents	365.5	81.2
CURRENT ASSETS	390.0	99.2
TOTAL ASSETS	6,675.5	6,081.4

LIABILITIES

<i>(in millions of euros)</i>	12/31/2022	12/31/2021
Share capital	607.6	601.1
Share premium	780.8	865.1
Revaluation reserves	65.9	(15.2)
Other reserves	2,216.7	1,814.1
Net profit/(loss) attributable to the Group	378.4	490.7
Equity attributable to the Group	4,049.5	3,755.8
Non-controlling interests	101.6	100.0
EQUITY	4,151.1	3,855.8
Provisions	0.9	0.9
Financial liabilities at amortised cost	2,106.5	2,042.2
Lease liabilities	1.8	1.8
Tax liabilities	7.8	8.5
Deferred tax liabilities	3.6	3.1
Other financial liabilities	10.6	8.7
Derivative liabilities	0.8	15.3
NON-CURRENT LIABILITIES	2,132.0	2,080.4
Financial liabilities at amortised cost	341.4	86.3
Lease liabilities	0.0	0.0
Tax liabilities	6.3	11.6
Accounts payable	8.9	13.4
Miscellaneous payables	35.6	32.6
Derivative liabilities	0.1	1.3
CURRENT LIABILITIES	392.3	145.2
TOTAL LIABILITIES AND EQUITY	6,675.5	6,081.4