

# Icade

March 2024

# CSR INVESTOR PRESENTATION



PARIS ORLY-RUNGIS BUSINESS PARK (Val-de-Marne)

# Icade at a glance

## A holistic business model



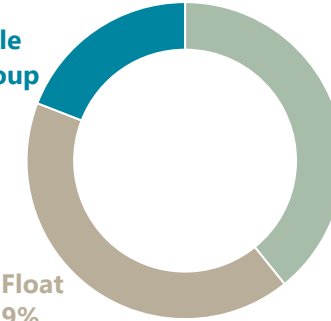
**Commercial Investment**



**Property Development**

## A supportive shareholding structure

**Crédit Agricole Assurances Group**  
18.9%  
**S&P Rating**  
A/Stable



**Caisse des Dépôts et Consignations**  
39.2%  
**S&P Rating**  
AA/Negative

Free Float  
41.9%

Gross Asset Value<sup>(1)</sup>

**€6.5bn**

2023 Group NCCF

**€350.6m**

Average net initial yield<sup>(2)</sup>

**7.5%**

Economic revenue in Property Development

**€1.29bn**

## Full national coverage



## A solid credit profile

BBB+ rating with **stable outlook** (S&P)

**33.5%**

**LTV<sup>(3)</sup>**  
as of 12/31/2023

## A strong CSR commitment

Group's **1.5°C** carbon reduction pathway validated against the SBTi Net-Zero Standard

Figures as of 12/31/2023

(1) Group share

(2) For operating properties, annualized net rental income from leased space plus potential net rental income from vacant space at estimated rental value, divided by the appraised value of leasable space including duties – Group share

(3) Including duties

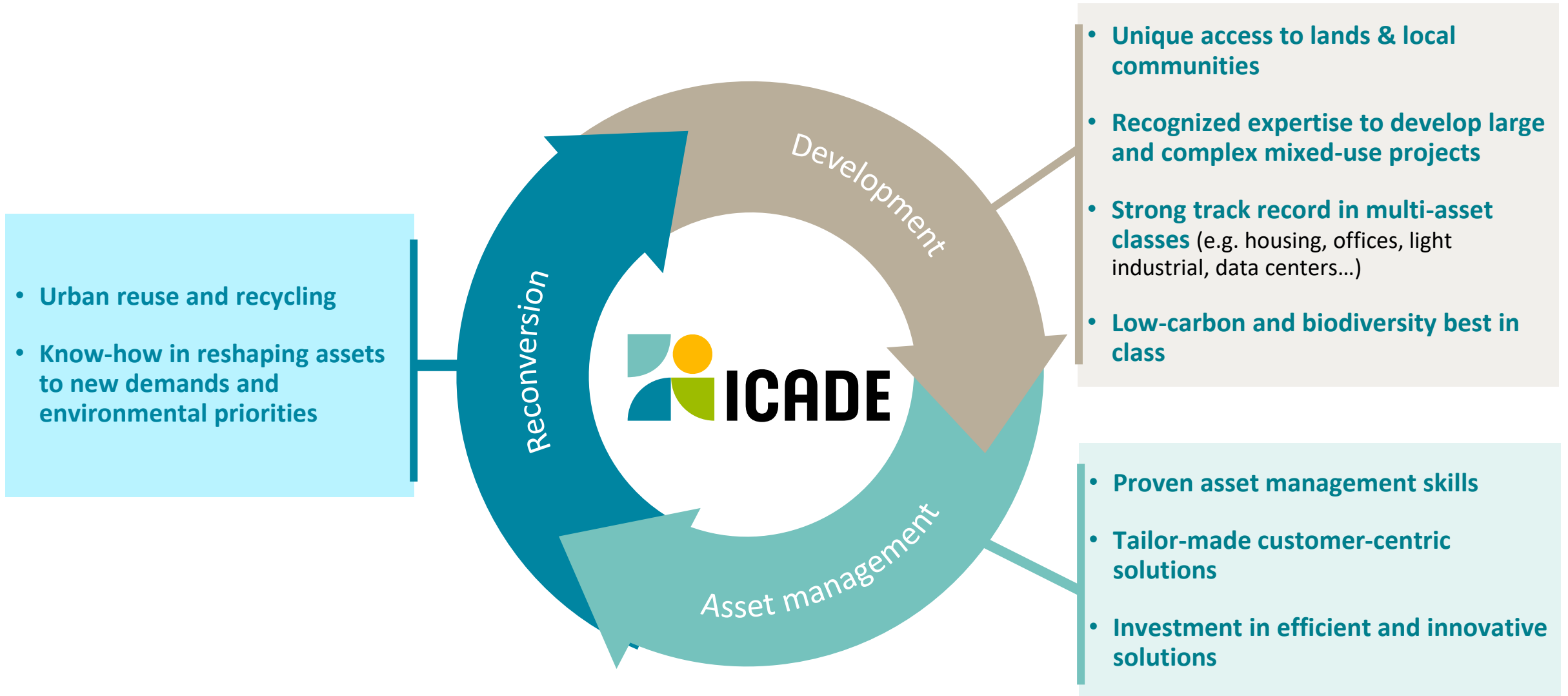
# AGENDA

Introduction: new strategic plan ReShapE 2024-2028

- 1.** CSR Strategy overview
- 2.** Low Carbon strategy
- 3.** Biodiversity strategy
- 4.** Other CSR Results
- 5.** Focus on sustainable finance
- 6.** Outlook

Appendices

# Acting as a responsible and integrated player throughout the value chain



# Icade 2024-2028 strategic plan

1

## Adapt office portfolio to new demands

- Assets and tailor-made offering suited to clients' needs
- Pipeline focused on selective projects
- Reconversion/sale of specific assets

2

## Accelerate diversification

- Light industrial
- Student housing
- Data Centers

3

## Develop and invest in 2050 city

- Holistic model to build the mixed-use districts
- Solutions to meet low carbon and biodiversity challenges
- Innovation at every scale

4

## Maintain solid financial policy

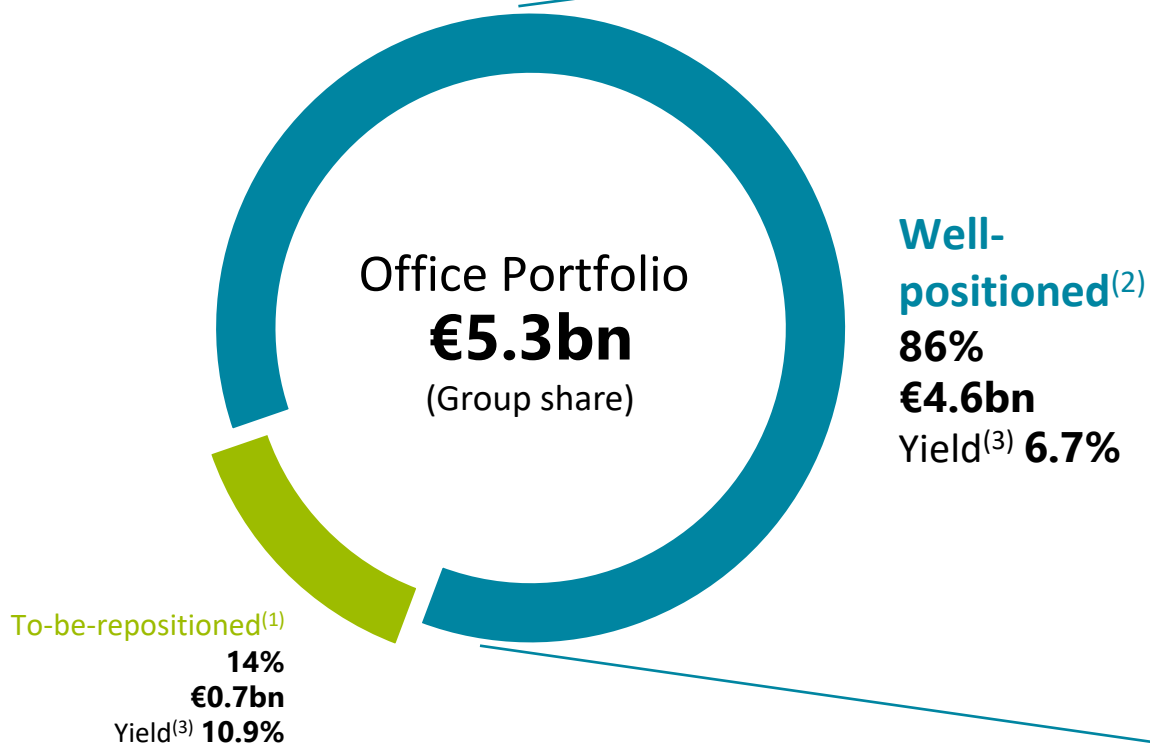
- Cautious debt management
- Well balanced capital reallocation between investment and debt repayment
- Focus on value accretive projects



# 86% of our offices are well-positioned to changing uses and expectations

## Valuation as of December 31, 2023

(in €bn, Group share)



### High quality and resilient assets fitted to new demands

- Good business centrality
- ESG best-in-class
- Flexibility
- Service-oriented
- Affordable price



**ORIGINE**  
Nanterre Préfecture (Hauts-de-Seine)



**LE V**  
Aubervilliers (Seine-St-Denis)



**NEXT**  
Lyon CBD (Part-Dieu, Rhône)

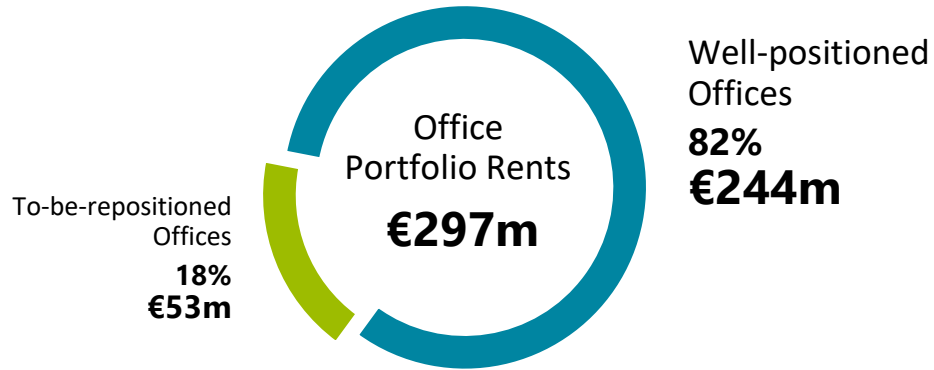
(1) Stand alone offices: €0.5bn (70%) / Business Park offices €0.2bn (30%)

(2) Stand alone offices: €4.0bn (87%) / Business Park offices €0.6bn (13%)

(3) Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, divided by the appraised value of leasable space including duties (Group share)

# Solid operational KPIs for well-positioned offices, limited downside on future renewals

€244m IFRS annualized rents<sup>(1)</sup> from well-positioned assets...



As of December 31, 2023  
for well-positioned offices

Financial occupancy rate

>90%

Reversionary potential<sup>(2)</sup>

-8.7%

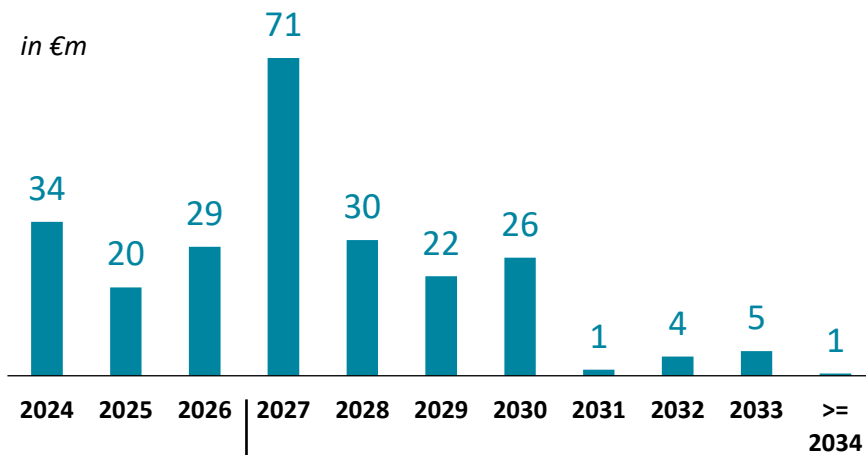
WALB<sup>(3)</sup>

4.1 years

Tenant relationship length<sup>(4)</sup>

8.9 years

... thereof 66% potential breaks beyond 2026



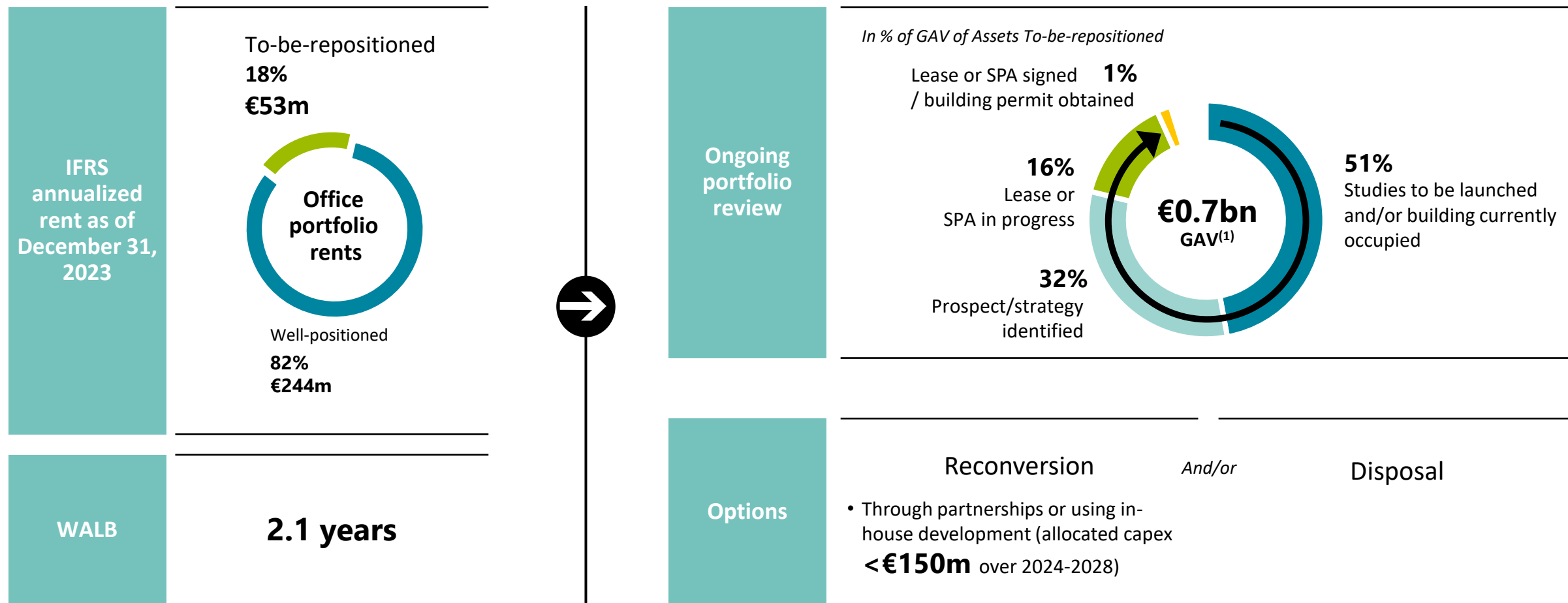
(1) As of December 31, 2023

(2) Market rent vs in-place rent as at December 2023

(3) Including termination compensation owned by tenants in the event of departure

(4) Average number of years the tenants have been present in their premises for

# A limited portfolio of assets to-be-repositioned in the mid-term



(1) Group share



# Further diversification through three priority growth segments



## Light industrial

- **Fast-growing market** (+7% average annual increase in rents in Paris region)
- **Diversified portfolio** (€703m GAV, Group share) **attracting international players**



LENÔTRE CULINARY SCHOOL (Paris Orly-Rungis Business Park)



## Student housing

- **Structurally undersupplied** market with > **95% occupancy rates**
- **Solid track-record as a property developer** (16 properties delivered since 2015: 4,057 units)



CITYPARK (Levallois-Perret)



## Data Centers

- **Strong absorption capacity** (63 MW new supply for 46 MW take-up in Paris region in 2022)
- **Track record with 5 operational data centers (18 MW capacity)**

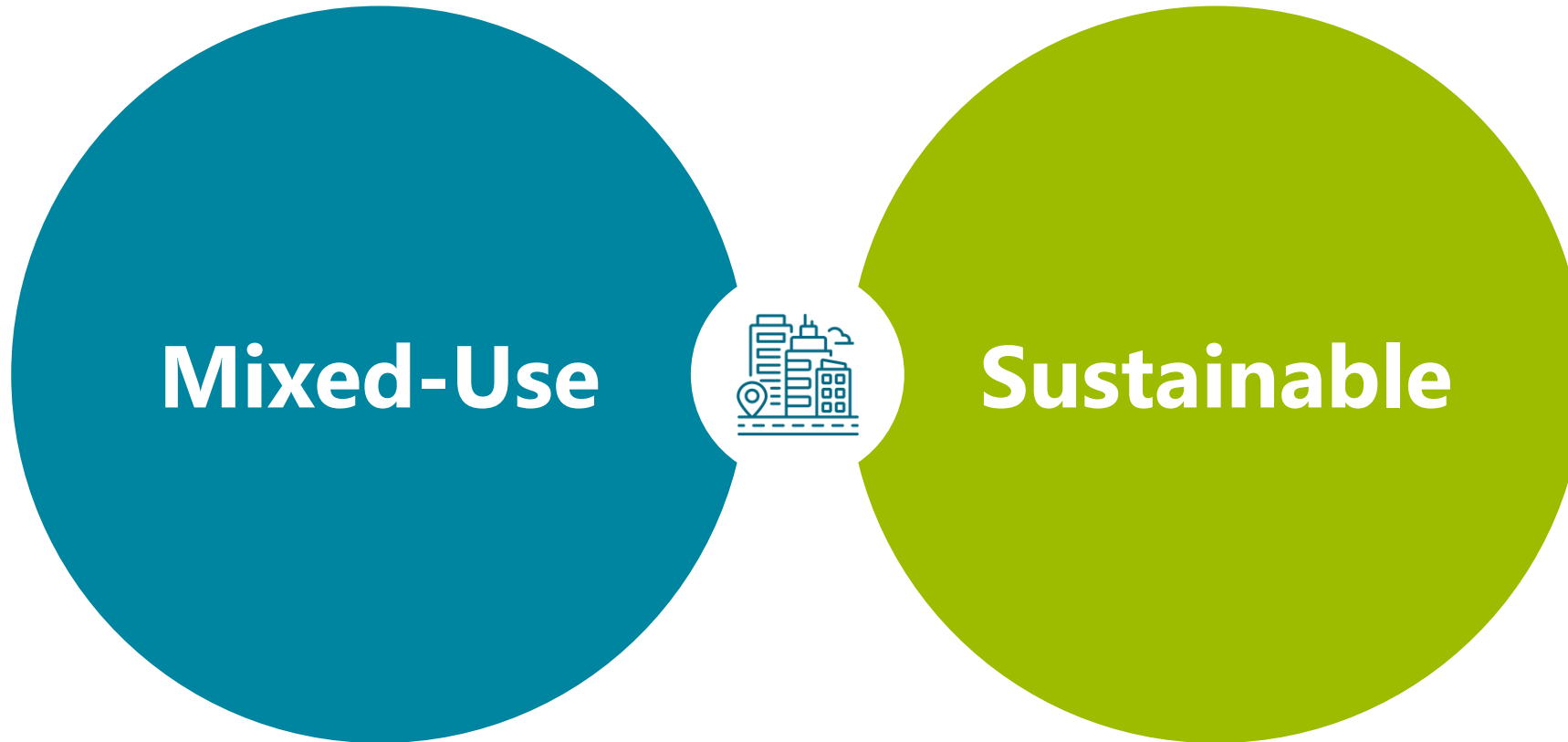


EQUINIX (Portes de Paris Business Park)

- ✓ **Development potential on Icade's land banks**
- ✓ **Decrease in the proportion of offices in the portfolio**
- ✓ **Possible partnerships for additional equity contributions**

# Our conviction: the 2050 mixed-use and sustainable city

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# Esterel Nord – A residential/industrial project lead as both a developer and an investor



From 4 single-use buildings of **20,947 sq.m**  
to a mixed-use district of **38,400 sq.m**

No demolition

Increase of green spaces from **9,700 sq.m (23%)**  
to **13,500 sq.m (31%)**<sup>(1)</sup>

**11,000 sq.m**  
light industrial

Capex **€11m**

Annualized rent **c.€2m**

YoC **>7%**

~ **600** residential units  
*(incl senior housing, coliving, etc)*

Turnover **€100m**<sup>(2)</sup>

Margin **€8m**<sup>(2)</sup>

**IRR > 11%**

(1) Relative to total surface area

(2) Est. Group share

# Maintaining a solid balance sheet...

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## Debt ratios

- 
- LTV ratio including duties **[30-35]%**
  - Robust ICR level > **c.4x**
  - Low Net debt / EBITDA < **c.9x**
- 
- 

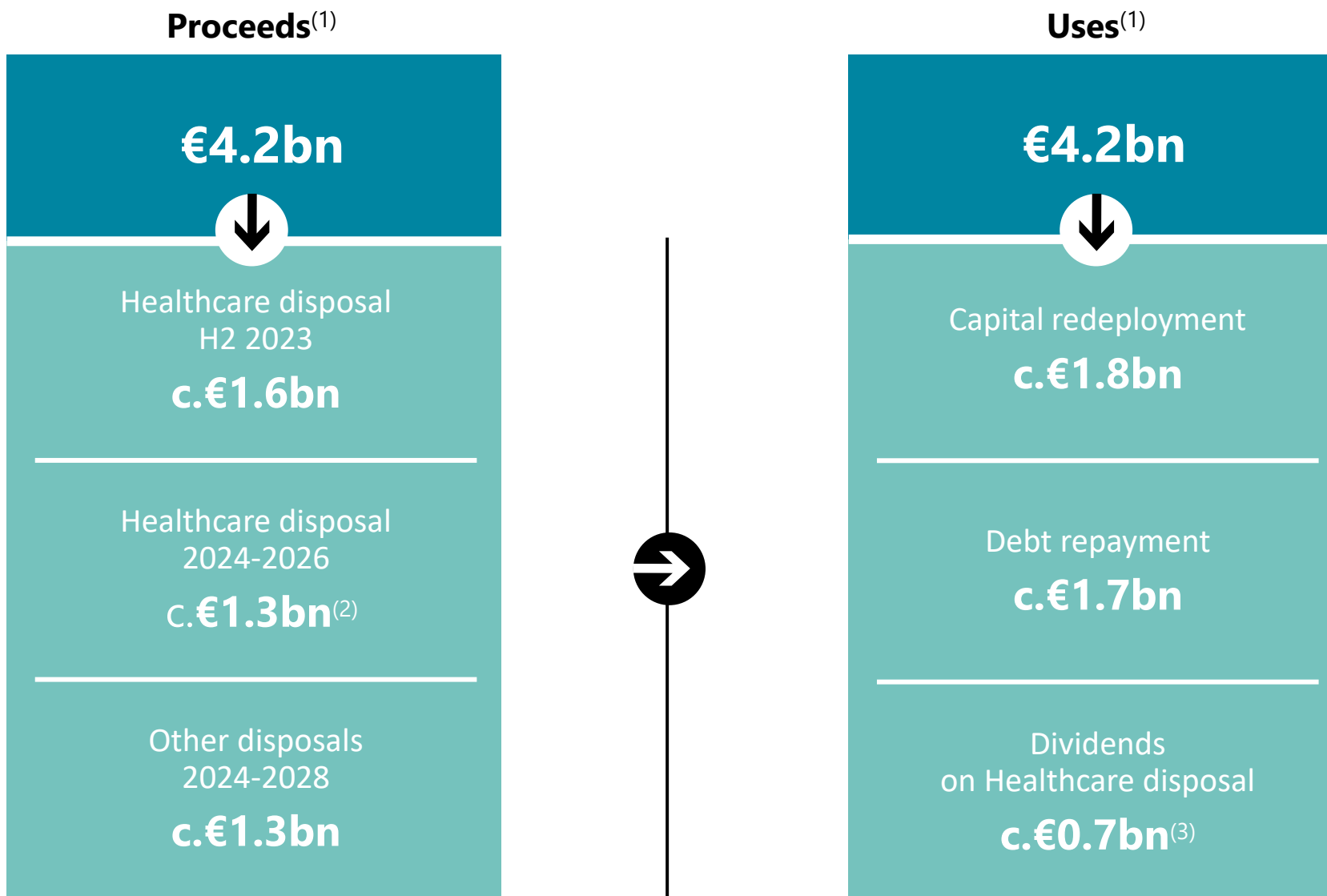
## Liquidity

- 
- Large amount of undrawn credit lines
  - Proactive management of debt maturities
  - Diversified funding structure
- 
- 

## Hedging policy

- 
- **Debt fully hedged** until 2026
  - > **85%** over the plan horizon
-

# ... by well balancing investment and debt repayment



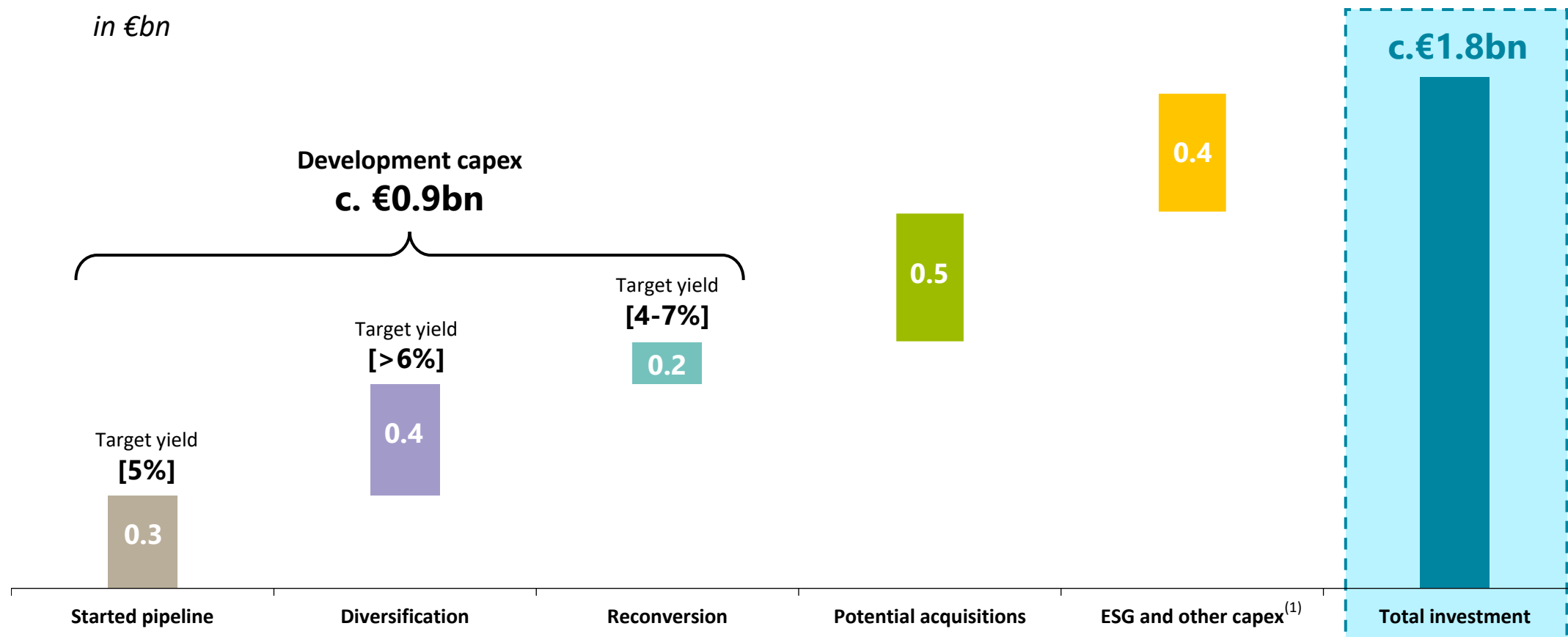
Average financial ratios over 2024-2028 period, for indicative purposes only

(1) Excluding annual cash flows and recurring dividends

(2) Amount estimated as of December 31, 2023, assuming completion of stages 2 and 3 of Healthcare disposal

(3) Including €0.4bn from stage 1 of Healthcare disposal completed in H2 2023

# €1.8bn redeployment plan over 2024-2028 to generate €120m of additional revenues



(1) ESG capex count for €130m. Other capex are related to (i) major maintenance and repair expenses and (ii) restoration expenses



1.

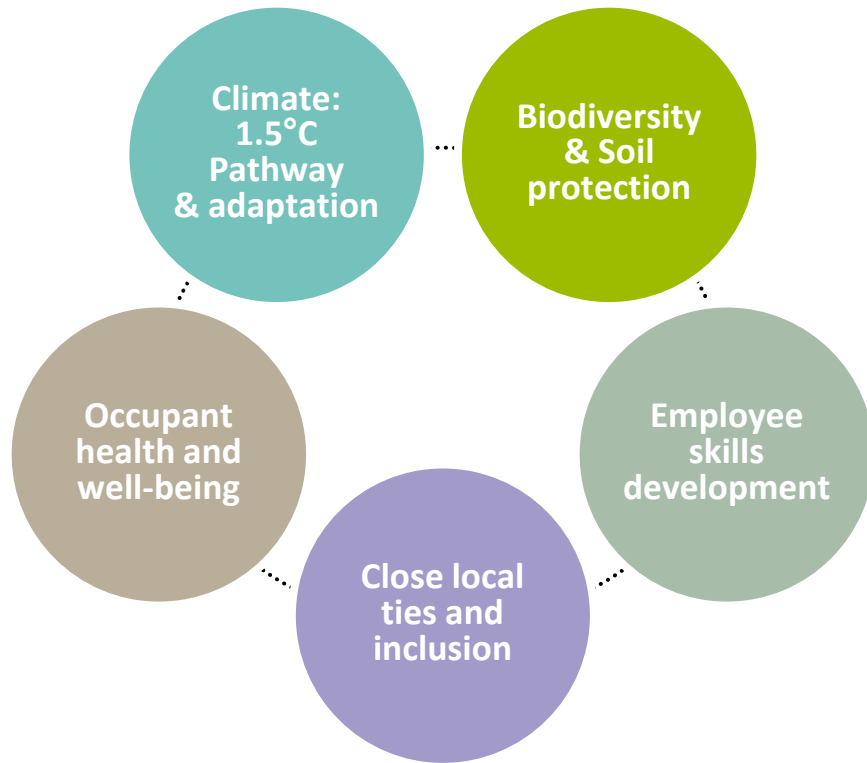
CSR STRATEGY  
OVERVIEW





# CSR at the core of our strategy

## 5 CSR priorities



<p><b>Climate</b> A 1.5°C-aligned carbon reduction pathway validated by the SBTi against the Net-Zero Standard</p>	<p>High goals for its two business lines and Corporate, covering scope 1, 2 and 3 emissions</p>	<p>Net-zero carbon emissions by 2050</p>	<p>A <b>€145m</b> investment plan for 2024–2030</p>
<p><b>Biodiversity</b> Reinforced commitments</p>	<p>Internal advanced method established in 2023 with ecologists and based on recognized standards</p>	<p>High goals for rewilding existing urbanized areas and new constructions</p>	

# A dedicated and supportive governance (1/2)



## A dedicated and supportive governance (2/2)

CSR Commitments involve **the entire management structure** and are **incorporated in the company's overall strategy**, with innovation as a cross-cutting issue



**15%** of ExCo members' variable compensation is based on CSR objectives



**83%** of managers and **67%** of employees have an individual CSR and innovation objective



Launch of **Icade Climate School**, a wide-ranging training programme dedicated to environmental issues  
**82%** of employees received CSR training in 2023



CSR objectives as a **selection criteria** for the Commitments Committees



An Innovation Commitments Committee with a **budget of €1.6m/year**, supporting CSR objectives

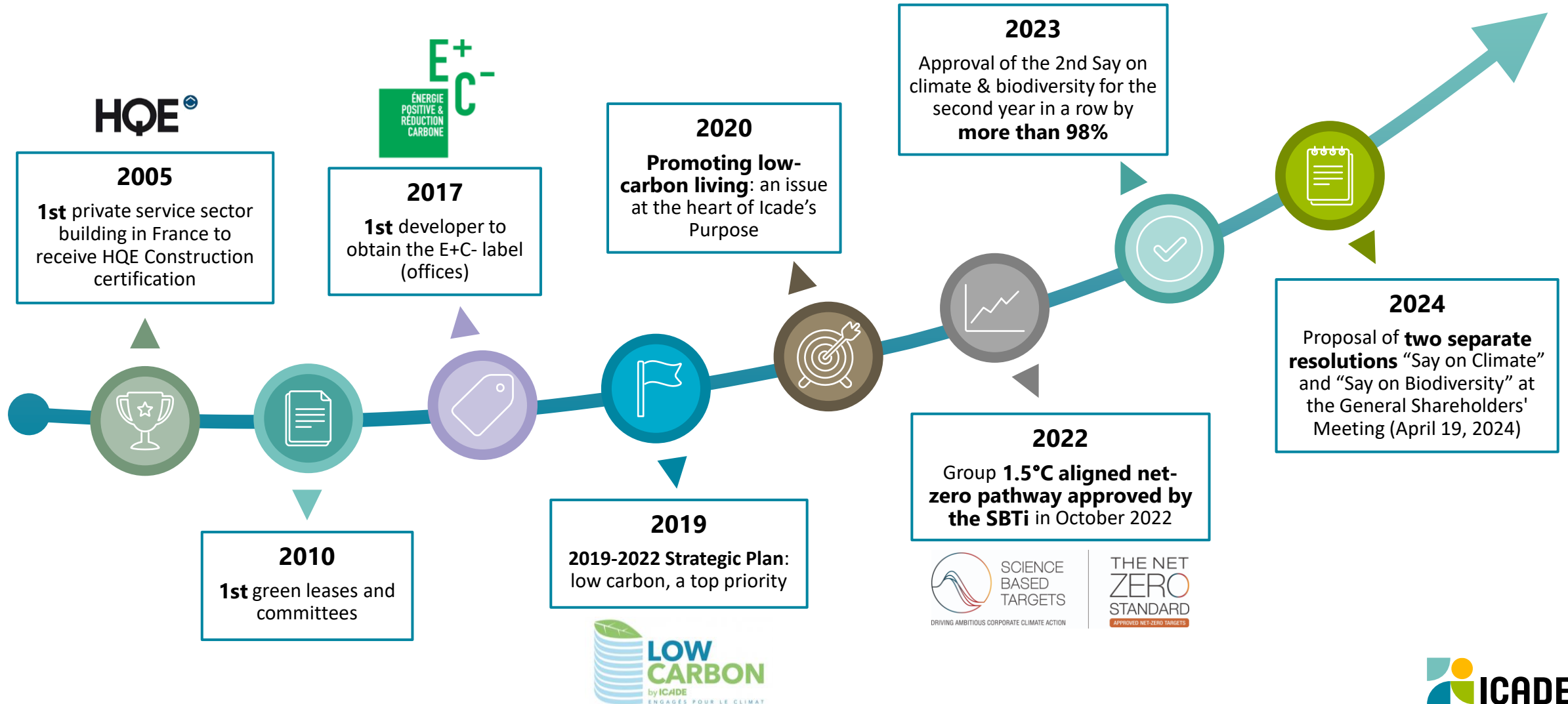


# 2.

## LOW CARBON STRATEGY

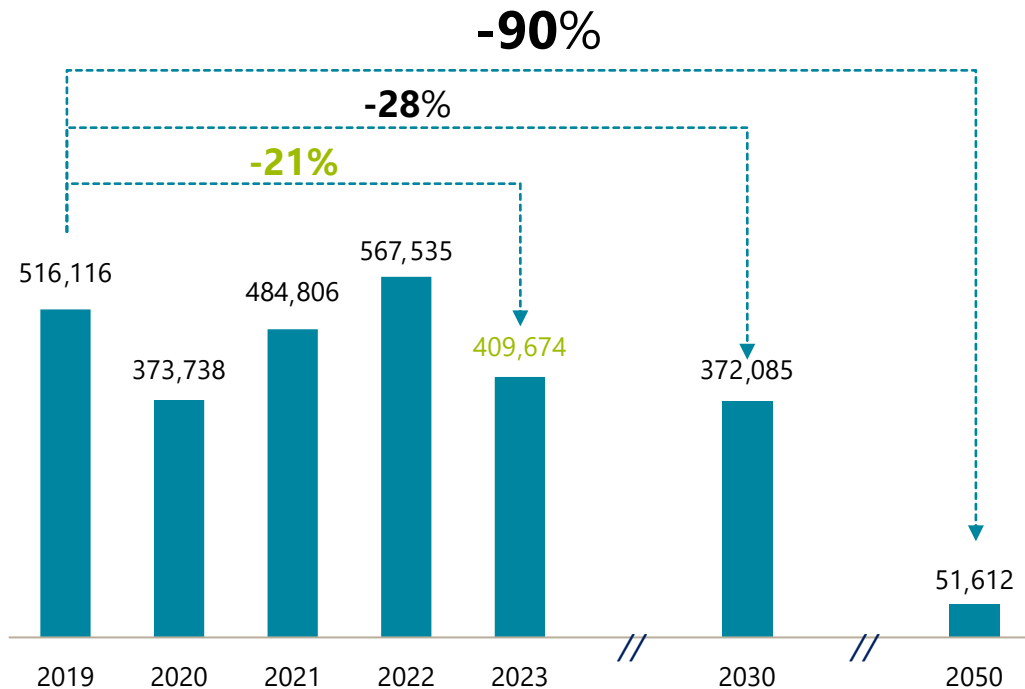


# A well-established low-carbon track record, a top priority for almost 20 years



# A low carbon strategy aligned with a 1.5°C pathway

## Ambitious goals over the medium term and a sharp drop in GHG emissions in 2023



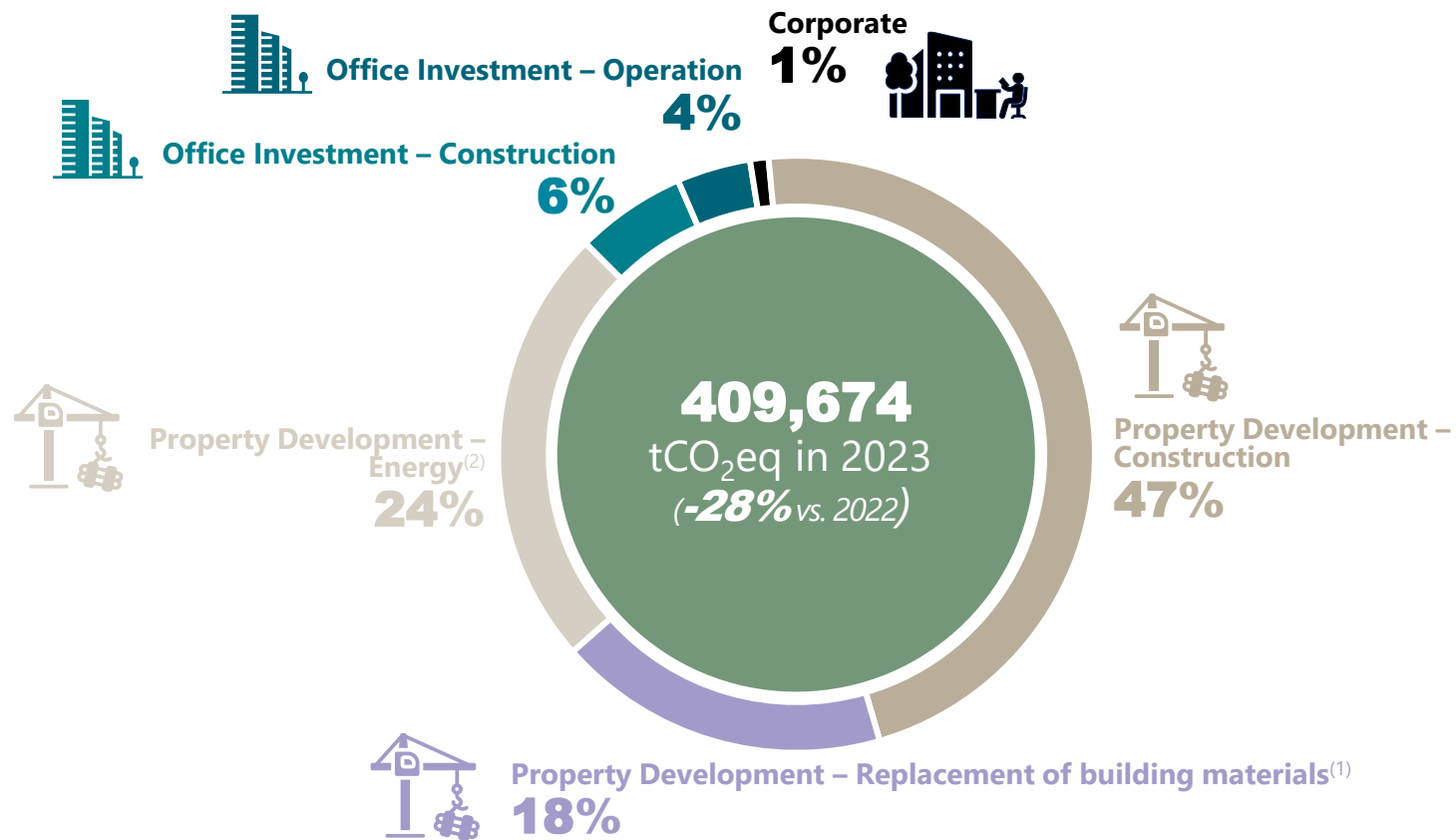
## Results at the end of 2023 in line with objectives

	Target reductions in GHG emissions between 2019 and 2030 <sup>(1)</sup>	Results 2019-2023
Commercial Investment	-60%	-35%
Property Development	-41%	-12%
Corporate	-30%	-8%

(1) Carbon reduction targets for 2019–2030 for Icade’s two divisions (in kg CO2eq/sq.m) and Corporate (in tCO2eq)

# Icade's carbon footprint in 2023

## Breakdown of Icade's GHG emissions in 2023<sup>(1)</sup>



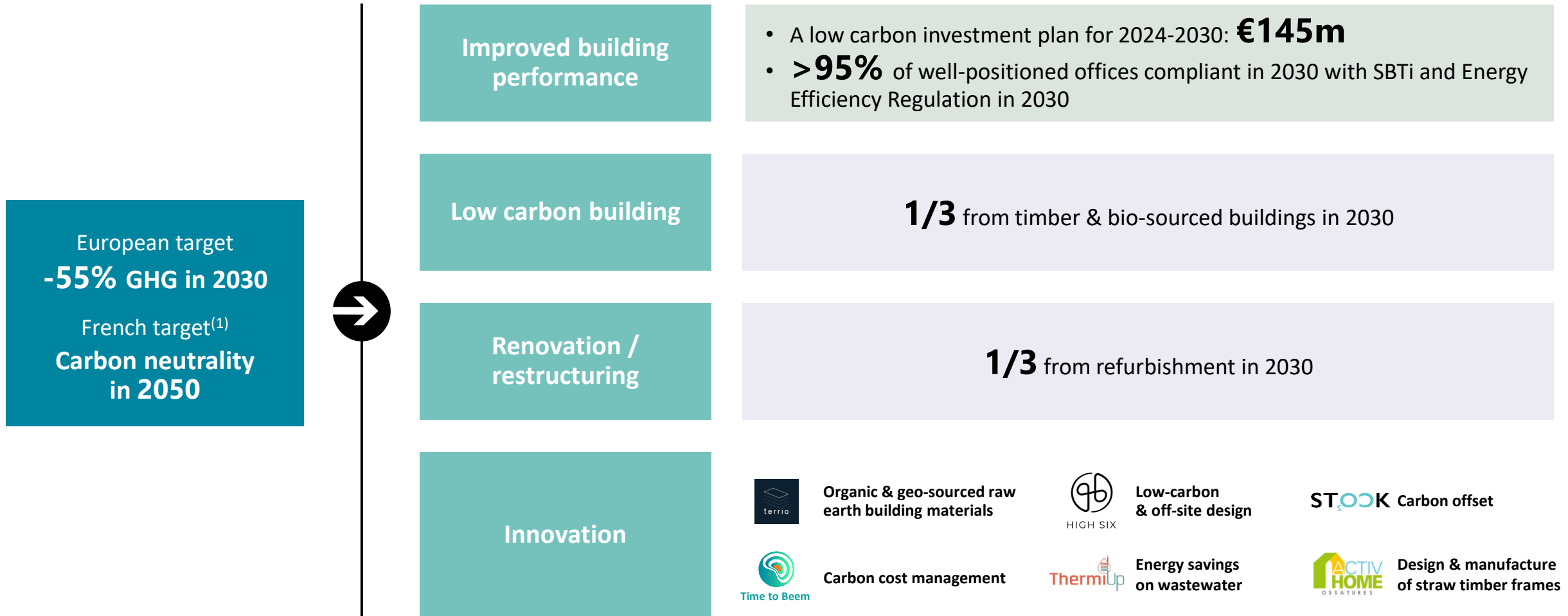
Property development is the **main contributor** to Icade's carbon footprint



**99%** of scope 3 and **1%** of scope 1 and 2

(1) On the SBTi commitment perimeter  
(2) Over a 50-year horizon

# Building a low carbon city with strong 2030 commitments



(1) For cities

COMMERCIAL INVESTMENT

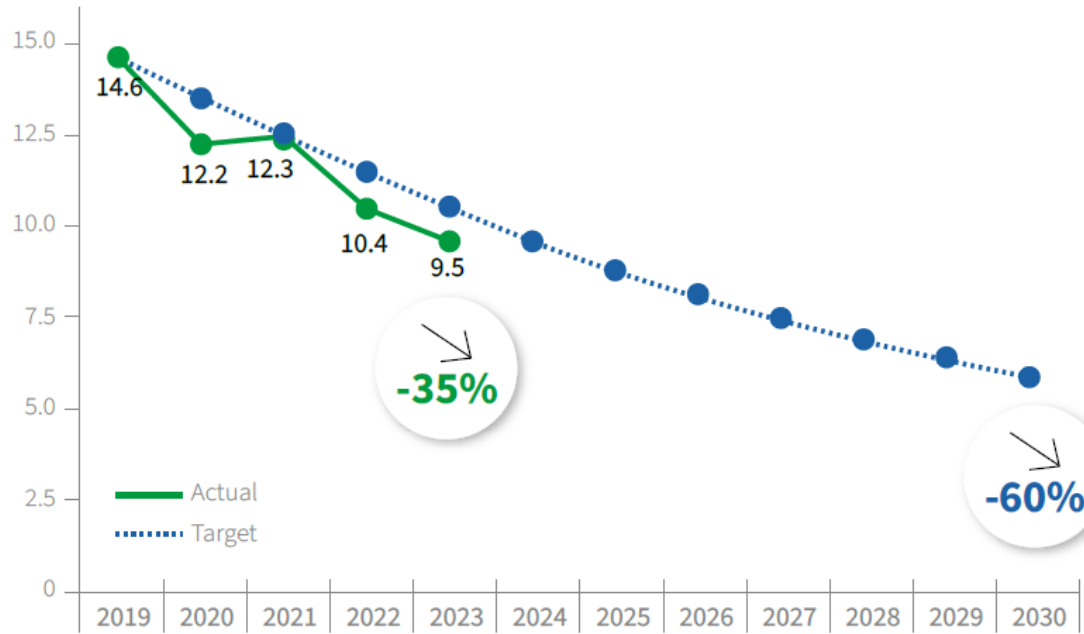
PROPERTY DEVELOPMENT



# Commercial investment – *Committed with our tenants*

## Commercial investment division’s carbon intensity and objective

In kg CO<sub>2</sub>eq / sq.m



**€66m**

Capex invested over 2019-2023



**€145m**

Capex planned for 2024-2030



**200,000 sq.m**

Covered by leases with climate criteria signed with our tenants



**95%**

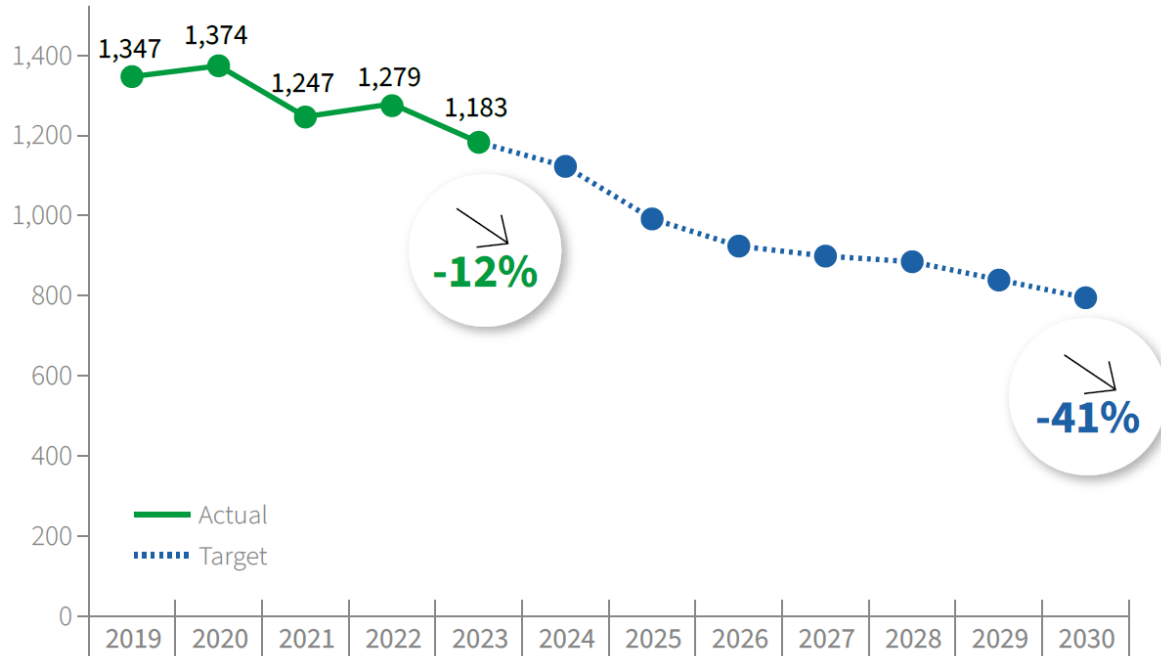
of well-positioned offices compliant with SBTi and Energy Efficiency Regulation in 2030

# Property development – Ramp up low-carbon construction

## Property development division’s carbon intensity and objective

(based on a life-cycle assessment over a 50-year horizon)

In kg CO<sub>2</sub>eq / sq.m



**79%**

Of projects used low-carbon energy in 2023  
(vs 64 % in 2022)



**17%**

Of projects launched in 2023 had a hybrid timber and concrete structure (vs 8% in 2022)

**Target: 1/3 by 2030**

**URBAIN  
des BOIS**

A subsidiary specialised in low-carbon and bio-based construction

# Projects involving start-ups, a differentiating factor in tender process

## Guillot-Bourdeix building (ex-CIRC) – Lyon

A co-development (Icade and Redman) of a **8,000 sq.m** building, using Terrio and Activ Home as low carbon solutions



**RE2031 target on new building**



## Bellecombe tertiary building – Lyon

An office building of **5,000 sq.m** – using Terrio as low carbon solution



**RE2025 target**



## Inspir'Avignon mix uses district – Avignon

A **43,000 sq.m** mixed-use project won by Icade and PrimoSud in 2023, using High Six solution to reach its low carbon objectives & achieve the best labels and regulatory standards

**RE2025/28 target**



## Arcade – Le Plessis-Robinson

A large-scale conversion project using ThermiUp's solution (recovery of fatal energy from gray water) and reusing materials from office buildings



# An ambitious and responsible carbon offsetting policy

## Key figures



Started in 2019 – **114,000** tonnes <sup>(1)</sup> of CO<sub>2</sub>



**€3.3m** allocated since 2019 to carbon sinks in France

## An unwavering approach

- **Complementary:** carbon offsetting<sup>(2)</sup> in addition to reduction efforts
- **Reliable:** projects with best labels & standards sourced from rigorously selected partners
- **Local:** projects carried out throughout France
- **With both social and environmental benefits:** positive impact on biodiversity, socio-economic, water and soil

## Committed partners and innovative tools



## Labarthe Bleys (81) – Afforestation of agricultural land



- Afforestation of 5.5 ha
- **2,780** trees (poplars, cedars)
- Label “*bas carbone*”
- Forest-certified PEFC
- **1,094** tons of CO<sub>2</sub> offset
- **12** local jobs

(1) Offset of the emissions from the Commercial Investment Division calculated from 2019 to 2023, and for the Corporate scope in 2022 and 2023. Expanding this initiative to include the Property Development division will also be examined.

(2) Consists of financing projects conducted by third parties whose activities reduce or sequester CO<sub>2</sub> emissions in France or abroad. (1 tonne of CO<sub>2</sub> offset = 1 credit)

# 3.

## BIODIVERSITY STRATEGY

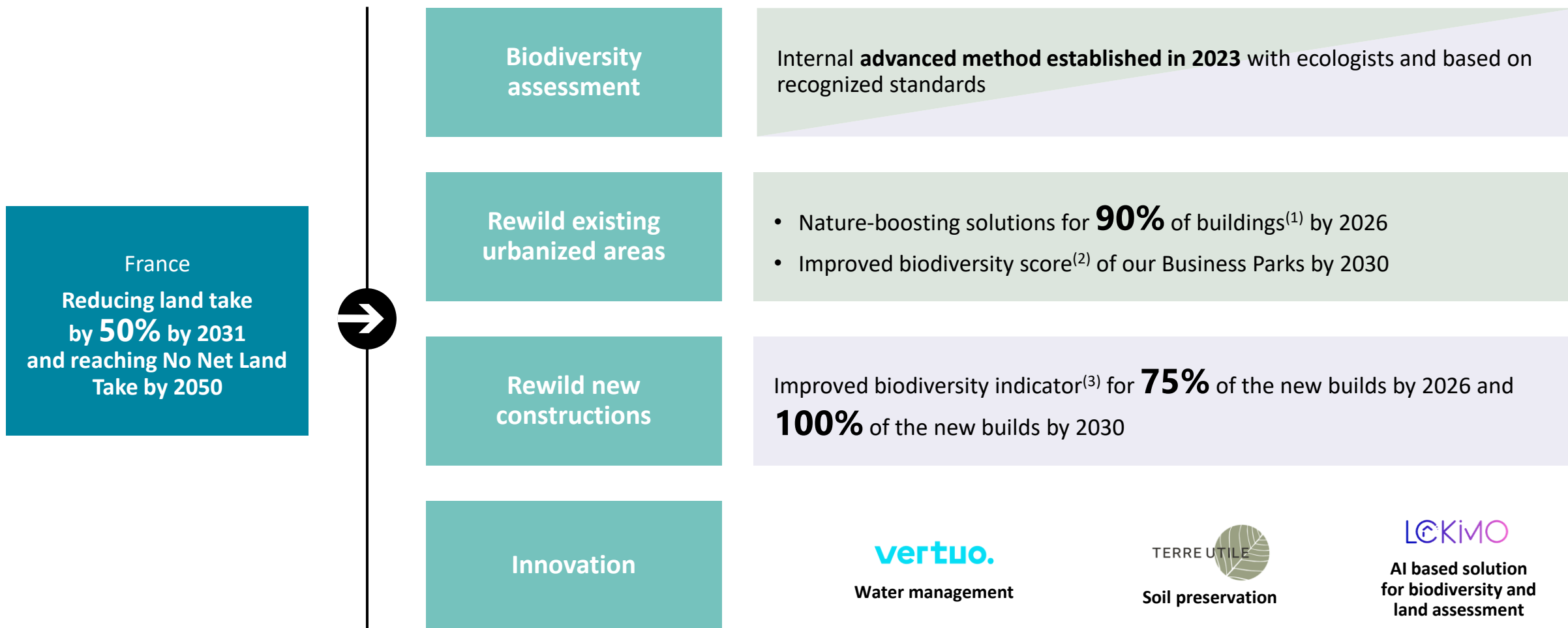


# Our approach

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- 1** Measuring the impact
- 2** Avoiding, reducing & rewilding
- 3** Contributing to restoring the most fragile ecosystems

# Building a city promoting nature and biodiversity, with strong 2030 commitments



(1) Excluding the scope of Business Parks  
 (2) According to the internal methodology defined in 2023  
 (3) Harmonised Biotope Area Factor

# Our achievements on biodiversity

## Property Development - New construction rewilding

Biodiversity indicator<sup>(1)</sup> :  
already **52%** in 2023



## Commercial Investment – Business Parks’ rewilding

### PARIS ORLY-RUNGIS BUSINESS PARK

Average level of rewilding indicators



## Ecosystem restoration

### Partnership with Nature 2050

- **1 sq.m** of land developed for the Commercial Investment Division’s construction projects = **1 sq.m** of natural habitat restored
- **216,000 sq.m** of ecosystems restored since 2016 thanks to Icade’s contribution, including **4,500 sq.m** in 2023



**€1m** allocated  
between  
2016 and 2023



CREATION OF ECOLOGICAL PONDS  
AND SMALL FAUNA PASSAGES  
(Rueil-Malmaison, Hauts-de-Seine)

(1) Harmonised Biotope Area Factor

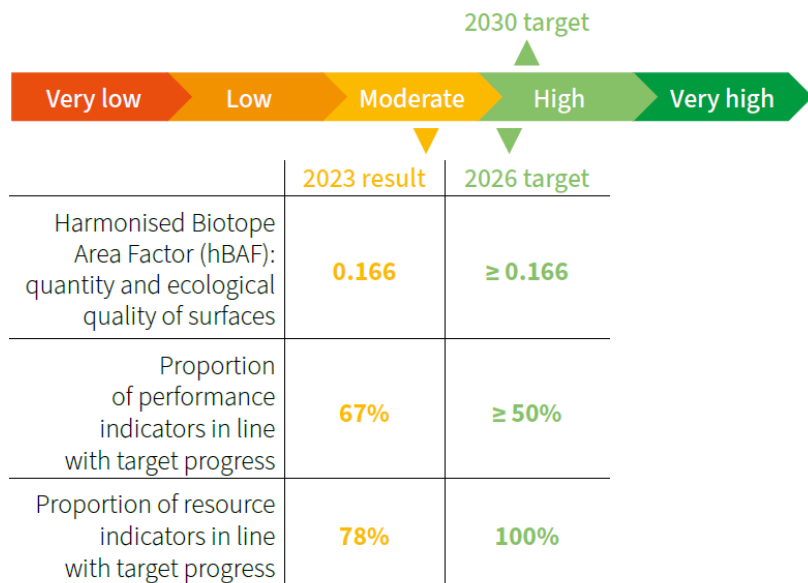


# Biodiversity preservation and soil protection strategy – Commercial investment

## Rewilding our business parks by 2026, with higher goals in 2030

Biodiversity performance contract: **19** indicators, including **1** preliminary indicator, **7** performance indicators, **9** resource indicators and **2** experimental indicators

### Paris Orly-Rungis Business Park Average level of rewilding indicators



**-40%**

Reduction in water consumption between 2015 and 2023 (m<sup>3</sup>/sq.m)



**100%**

Proportion of landscape maintenance contractors trained in sustainable practices



**Solutions to get tenants involved**  
Participatory science programmes

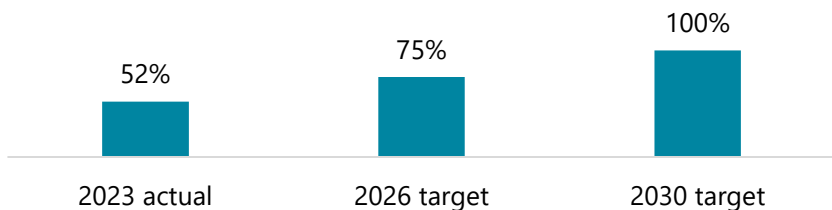


# Biodiversity preservation and soil protection strategy – Property development

## Property Development



**Goal:** rewilding **75%** of new builds by 2026 and **100%** by 2030



## Our solutions that promote urban regeneration



Refurbishing and converting offices into housing, etc.



Transforming city fringes into mixed-use, low-carbon, rewilded neighbourhoods promoting soft mobility

## Improving the hBAF<sup>(1)</sup>, an indicator that assesses biodiversity potential



## Innovations from Icade's start-up studio Urban Odyssey



Recycling excavated soil into topsoil



Landscape furniture/ rainwater recycling

(1) hBAF: harmonised Biotope Area Factor

## Parc des Arts (Marseille) – Significant improve in the rewilding indicator



Improvement of the rewilding indicator  
hBAF from **0.12** pre-project to **0.46**  
planned post-project

On a **12,000 sq.m** plot of land








- Over **50%** of green areas vs. **20%** initially
- **450** trees including **85** preserved
- **Semi-permeable** paths

# 4.

## OTHER CSR RESULTS



# Solid 2023 results on environmental and social issues

	Indicator	Results 2023	Target 2023	
Best certification and labelling standards	Proportion of homes covered by an environmental certification or label	42 %	35 %	
	Proportion of offices over 1,000 sq.m covered by an environmental certification or label	100 %	100 %	
Close local ties and inclusion	Proportion of affordable or inclusive housing	50 %	30 %	
Occupant health and well-being	Tenant Net Promoter Score (NPS) – Commercial Investment	+14 <sup>(1)</sup>	Positive and improving	
	Buyer Net Promoter Score (NPS) on project completion – Property Development	Positive	Positive	
Employee skills development	Proportion of employees having received CSR training, on average over the 2023-2026 period	82 %	90 % <sup>(2)</sup>	
Diversity	Proportion of women managers	36 %	40 % <sup>(2)</sup>	

(1) +6 in 2022  
(2) Target in 2026



Target achieved



In progress

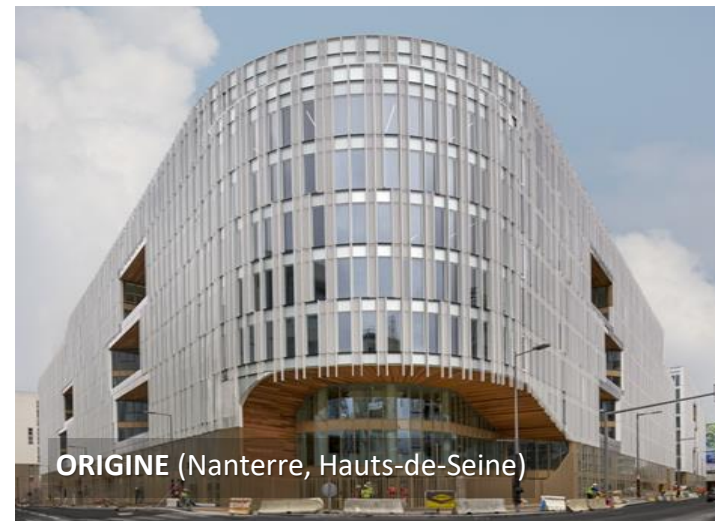
# 5.

FOCUS ON  
SUSTAINABLE FINANCE



# A continuous focus on sustainable financing

- ▶ **New Green Financing framework** in Nov. 2021 . More ambitious eligibility criteria<sup>(1)</sup> for buildings and/or capex financed by green debt instruments, enhancing them with the criteria included in EU Taxonomy
- ▶ **65%** of the Group's total financing is **sustainable: +21 bps** vs. Dec 22
  - **100%** of sustainable **bank financing** as of Dec. 2023
  - Green bonds: **€1.75bn** for a total of **c.€3.2bn** identified eligible assets<sup>(2)</sup>



**E3C2 rating, HQE Excellent, BBKA V3, LEED Gold & BREEAM Excellent**

(1) 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 regulation29), and/or a 30% reduction in their energy consumption after renovation. Eligible capex should aim at improving energy efficiency, increasing renewable energy capacity or developing sustainable mobility

(2) In operation or under development



# 6.

## OUTLOOK





## Conclusion – CSR strategy

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1

**A low carbon Capex plan for 2024-2030 of €145m**

2

**2 separate resolutions : The Say on Climate and Say on Biodiversity on the Group's progress**

3

**Solid low carbon and biodiversity performance on both Icade's division**

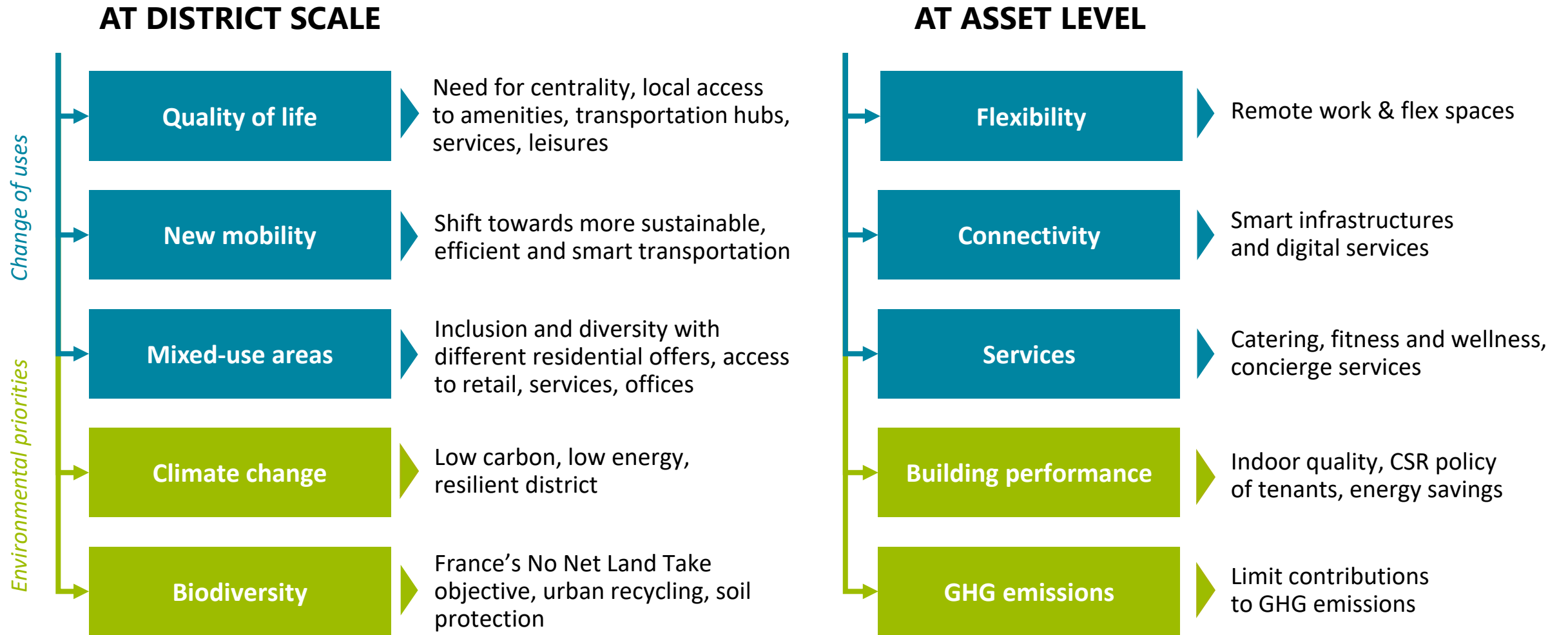
4

**Innovation helps us to achieve our CSR objectives and brings real coherence to our approach**

# APPENDICES



# Reinventing the city in response to new needs and challenges



# Leading position confirmed in 2023 by CSR rating agencies and rankings

## CLIMATE CHANGE



**A rating on climate**  
In the **top 2%**  
of scored companies



**A LIST**  
**2023**  
**CLIMATE**

## NON-SPECIALISED

Ranked **9<sup>th</sup> out of 443** listed real estate companies worldwide

Score: **7.1/100** (inverted scale)



Score: **A**  
(on a scale ranging from CCC to AAA)



**"Prime" status**  
in the top 10% of real estate companies worldwide



Score: **63/100**  
well above the average of 41/100 for the real estate sector in Europe



## REAL ESTATE

**"Sector leader"** status in the Western Europe Diversified Listed Real Estate Investment Companies

Score: **88/100**



**GRESB**  
REAL ESTATE  
sector leader 2023

**"Gold" rating** for the quality of non-financial reporting since 2015



Ranked **1<sup>st</sup>** most committed REIT against global warming



# EU Taxonomy reporting: alignment between financial and non-financial reporting

	Scope	Total IFRS as of 12/31/2023 (in €bn)	Eligible activities as of 12/31/2023 (in %)	Aligned activities as of 12/31/2023 (in %)
<b>Revenue</b>	Rental income from investment property and revenue based on the POC method (off-plan sale or property development agreement)	<b>1.5</b>	<b>95%</b>	<b>36%</b>
<b>Opex</b>	Purchases used and outside services	Non-material impact in 2023, based on the taxonomy's current definition		
<b>Capex</b>	Acquisition cost of investment property and construction costs capitalised during the period	<b>0.3</b>	<b>91%</b>	<b>51%</b>