

ICADE

A French public limited company (*société anonyme*, SA) with a Board of Directors
and a share capital of 112,966,652.03 euros

Registered office: 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France
Registered in the Nanterre Trade and Companies Register (RCS) under No. 582 074 944

REPORT OF THE BOARD OF DIRECTORS TO ICADE'S EXTRAORDINARY GENERAL MEETING TO BE HELD ON JUNE 29, 2018

Dear Shareholders,

We are pleased to invite you to the Extraordinary General Meeting in order to submit for your approval the proposed merger (the “**Merger**”) of ANF Immobilier, a French public limited company (*société anonyme*, SA) with an Executive Board and a Supervisory Board and a share capital of 19,009,271 euros, whose registered office is located at 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France, registered in the Nanterre Trade and Companies Register (RCS) under No. 568 801 377 (“**ANF Immobilier**”) into Icade, a French public limited company (*société anonyme*, SA) with a Board of Directors and a share capital of 112,966,652.03 euros, whose registered office is located at 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France, registered in the Nanterre Trade and Companies Register (RCS) under No. 582 074 944 (“**Icade**”).

Pursuant to Article R. 236-5 of the French Commercial Code, the objective of this report is to explain and justify the proposed Merger in a detailed manner, from both an economic and legal point of view.

Information on Icade’s business performance since the beginning of the financial year 2018 can be found in Appendix 1 hereof.

This report and a press release, which must be published in case of an exemption from issuing a Document E (document describing the merger), have been made available to shareholders at the Company’s registered office and on Icade’s website (www.icade.fr), in accordance with the provisions and within the time limits set out in Article R. 236-3 of the French Commercial Code.

Presentation of the proposed Merger

In connection with measures designed to streamline and simplify the structures of the group to which both companies belong and in line with transactions that occurred in 2017, including:

- (i) Icade’s acquisition on October 23, 2017 of the controlling interest held by Eurazeo, a European company whose registered office is located at 1, rue Georges Berger, 75017 Paris, France registered in the Paris Trade and Companies Register under No. 692 030 992 (“**Eurazeo**”), in ANF Immobilier (i.e. 50.48% of the share capital and 50.23% of the voting rights of ANF Immobilier) through an off-market acquisition of 9,596,267 shares, pursuant to a negotiation agreement entered into on July 22, 2017 and a share transfer agreement entered into on October 10, 2017;

- (ii) Icade's acquisition on November 13, 2017 of the stake held by Caisse d'Epargne CEPAC, a French public limited company (*société anonyme*, SA), whose registered office is located at Place Estrangin Pastré, BP 108, 13254 Marseille Cedex 06, France, registered in the Marseille Trade and Companies Register under No. 775 559 404, in ANF Immobilier (i.e. 6.42% of the share capital and 6.39% of the voting rights of ANF Immobilier) through an off-market acquisition of 1,219,914 shares, pursuant to a share transfer agreement entered into on November 10, 2017;
- (iii) a public tender offer resulting from Icade exceeding the thresholds of 30% and 50% of the share capital and the voting rights of ANF Immobilier in consequence of the transactions referred to in (i) and (ii) above, it being noted that Icade's stake in ANF Immobilier represented (a) before said offer, 56.90% of the share capital and 56.61% of the voting rights and (b) after the offer, 84.65% of the share capital and at least 84.28% of the voting rights of ANF Immobilier,

Icade's Board of Directors and ANF Immobilier's Executive Board and Supervisory Board approved the merger agreement (the "**Merger Agreement**") on May 16, 2018, which sets out the terms and conditions of the Merger, including the Merger's exchange ratio of three (3) Icade shares for eleven (11) ANF Immobilier shares, i.e. 0.273 Icade share for one ANF Immobilier share.

It should be noted that as part of the public tender offer, Icade had made clear its intention to merge ANF Immobilier into Icade in its offer prospectus approved by the French Financial Markets Authority ("**AMF**") under No. 17-587 on November 14, 2017.

The following is a summary of the Merger's key features.

(a) Merger motives and objectives

This Merger fits into the Icade Group's plan to streamline its organisational structure, the way it which it owns its real estate assets and simplify its commercial property investment structure. The Merger also makes it possible to create a key player dedicated to commercial real estate both inside and outside the Paris region.

(b) The Merger's legal framework

Pursuant to Articles L. 236-1 et seq. of the French Commercial Code, the Merger would (i) transfer all of ANF Immobilier's assets and liabilities to Icade on the Completion Date (as defined in Paragraph (d) below), including items not explicitly referred to in the Merger Agreement and (ii) entail the dissolution of ANF Immobilier, with the transfer of its assets and liabilities to Icade as a result of the Merger taking effect by operation of law on the Completion Date, without the need to carry out any liquidation procedures.

(c) Merger auditors

The Finexsi Audit firm acting through Mr Olivier Péronnet (14 rue de Bassano, 75008 Paris, France), and Mr Didier Kling (28 avenue Hoche, 75008 Paris, France), were appointed as merger auditors by order of the President of the Nanterre Commercial Court on February 14, 2018 upon the joint request of Icade and ANF Immobilier, having been tasked with examining the terms of the Merger and, in particular, with assessing the value of the contributions in kind and any special benefits that might have been granted and with verifying (i) that the relative values attributed to Icade and ANF Immobilier are relevant and (ii) that the share exchange ratio is fair.

The merger auditors' reports dated May 16, 2018 have been made available to shareholders on Icade's website (www.icade.fr).

The merger auditors have drawn the following main conclusions:

- contributions in kind have not been overvalued and the net assets transferred by ANF Immobilier are at least equal to the amount of Icade's capital increase plus the merger premium; and
- the share exchange ratio is fair.

(d) Completion date and effective date

The completion of the Merger is subject to the fulfilment of the following conditions precedent:

- (i) decision by the French Financial Markets Authority (AMF) confirming that no compulsory buyout offer needs to be filed in relation to ANF Immobilier shares in accordance with Article 236-6 of the AMF General Regulation;
- (ii) approval of the Merger by the Extraordinary General Meeting of ANF Immobilier shareholders (including the approval of the dissolution without liquidation of ANF Immobilier and the transfer of all its assets and liabilities to Icade);
- (iii) approval of the Merger by ANF Immobilier's special meeting of shareholders with double voting rights pursuant to Article L. 225-99 of the French Commercial Code;
- (iv) approval of the Merger by the Extraordinary General Meeting of Icade shareholders (including approval of the net book value of the net assets transferred, the share exchange ratio and Icade's capital increase as consideration for the Merger).

The Merger and the resulting dissolution of ANF Immobilier would definitively be completed on the date of Icade's Extraordinary General Meeting having approved the Merger (the "**Completion Date**"), which should occur immediately following expiry of the creditors' objection period and, unless the parties agree otherwise in writing, on or before June 30, 2018. Failure to act by that date shall render the Merger Agreement null and void.

In accordance with Article L. 236-4-2 of the French Commercial Code, provisions have been made for the Merger to have a retroactive effect, from an accounting and tax standpoint, to the first day of the current financial year for the companies involved, i.e. January 1, 2018.

(e) Financial statements used for the Merger, valuation method for contributions in kind and assessment of the net assets transferred

The contribution values set out in the Merger Agreement were based on:

- (i) for Icade, its separate and consolidated financial statements as of December 31, 2017, which appear in its 2017 registration document filed with the AMF on March 29, 2018 under No. D.18-0218, as audited and certified by the Statutory Auditors and approved by Icade's Ordinary Annual General Meeting held on April 25, 2018; and
- (ii) for ANF Immobilier, its separate and consolidated financial statements as of December 31, 2017, which appear in its 2017 registration document filed with the AMF on March 30, 2018 under No. D.18-0230, as audited and certified by the Statutory Auditors and approved by ANF Immobilier's Ordinary Annual General Meeting held on April 24, 2018.

Pursuant to Articles 710-1 et seq. of the French General Chart of Accounts (*Plan Comptable Général*) in force as of January 1, 2018 relating to the accounting treatment of mergers and similar transactions and taking into account that Icade controls ANF Immobilier, the assets and liabilities transferred by ANF Immobilier to Icade as part of the Merger would be recognised in Icade's financial statements at their net book value as of December 31, 2017, i.e. the end of the reporting period of the most recent financial year.

On that basis, the net book value of the net assets transferred by ANF Immobilier would stand at 294,507,257 euros, determined as follows:

- Total assets transferred: 335,979,678 euros
- Total liabilities assumed: 22,357,276 euros

Before taking into account ANF Immobilier's dividend payout of 14,675,280 euros, net assets transferred would total 313,622,402 euros.

- Less the net book value of Other ANF Treasury Shares (as defined below): 4,439,865 euros as of May 15, 2018
- Less the dividend payout before completion of the Merger: 14,675,280 euros

Net assets transferred (less (i) dividend payout of 14,675,280 euros and (ii) the net book value of Other ANF Treasury Shares) would amount to 294,507,257 euros.

(f) Share exchange ratio and capital increase

Based on the estimated fair values of both Icade and ANF Immobilier, a share exchange ratio of three (3) Icade shares for eleven (11) ANF Immobilier shares, i.e. 0.273 Icade share for one ANF Immobilier share was proposed.

In accordance with the provisions of Article L. 236-3 of the French Commercial Code, the following shares would not be exchanged: neither ANF Immobilier shares held by Icade, i.e. 17,267,439 ANF Immobilier shares (including 1,000 shares loaned to some of ANF Immobilier's Supervisory Board members which will have been returned to Icade before the Completion Date), nor ANF Immobilier's treasury shares which are not used to satisfy ANF Immobilier's obligations in connection with (i) the 2014 and 2015 bonus share plans (the "**2014 ANF Bonus Share Plan**" and "**2015 ANF Bonus Share Plan**", and together the "**ANF Bonus Share Plans**") and (ii) stock option plans introduced by ANF Immobilier between 2008 and 2014 (the "**ANF Stock Option Plans**") (together the "**Other ANF Treasury Shares**"), i.e. 200,808 ANF Immobilier shares as of May 15, 2018, which will automatically be cancelled on the Merger's Completion Date.

In consideration for the transfer value received from ANF Immobilier, Icade would increase its capital on the Merger's Completion Date pursuant to the exchange ratio, for a nominal value of 640,568.91 euros, thus increasing share capital from 112,966,652.03 euros to 113,607,220.94 euros (excluding the possible exercise of Icade stock options that could result in an issue before the Merger's Completion Date, for a maximum of 24,800 Icade shares), by creating 420,242 new shares issued to ANF Immobilier shareholders excluding Icade (i.e. excluding ANF Immobilier shares held by Icade) and ANF Immobilier (for Other ANF Treasury Shares), and, as an exception to the provisions of Article 236-3 of the French Commercial Code, to Icade as regards ANF Immobilier treasury shares held by ANF Immobilier to satisfy ANF Immobilier's obligations in connection with ANF Bonus Share Plans and ANF Stock Option Plans, i.e. 464,183 ANF Immobilier shares as of May 15, 2018 (the "**ANF Treasury Shares Used to Satisfy Obligations**"), and based on the number of shares making up ANF Immobilier's share capital as of May 16, 2018; it being noted that (i) the final number of Company shares to be issued in consideration for the Merger and the corresponding final nominal amount of the Company's capital increase will be adjusted based on the exact number of ANF shares for which consideration is payable as part of the Merger, and that (ii) the final amount of the Company's share capital before the Merger's completion is subject to change due to the possible exercise of stock options issued by the Company.

The description of the valuation methods used and the criteria selected to value both Icade and ANF Immobilier in order to calculate the exchange ratio are set out in [Appendix 2](#) hereof.

(g) Merger premium

The difference between (i) the net book value of the net assets transferred reflecting ANF Immobilier shares not held by Icade or ANF Immobilier (excluding ANF Treasury Shares used to Satisfy Obligations which are included in the net book value of the net assets transferred) i.e. 24,129,709.65 euros, and (ii) the nominal value of Icade's capital increase of 640,568.91 euros, i.e. 23,489,140.74 euros, would constitute the merger premium.

The merger premium may be appropriated in such manner as Icade's General Meeting decides in accordance with applicable requirements. In particular, the General Meeting will be asked to authorise the Board of Directors to deduct any amounts from the merger premium with a view to (i) offset some or all of the costs, expenses, duties, taxes and fees arising from the Merger, (ii) transfer to Icade's liabilities, where applicable, the untaxed portion of any investment grants, regulated reserves and provisions recognised by ANF Immobilier, (iii) have the Company assume ANF's liabilities, including those referred to in Section (h) below, (iv) restore, where applicable, any amounts allocated to the legal reserve and (v) deduct from the merger premium any liability which has been omitted or not disclosed relating to the transferred assets.

(h) Impact of the Merger on ANF Immobilier stock options and ANF Immobilier bonus shares

At the Merger's Completion Date, Icade will take over, by operation of law, °all liabilities incurred by ANF Immobilier for the benefit of (i) holders of ANF Immobilier stock options by virtue of ANF Stock Option Plans and (ii) beneficiaries of ANF Immobilier bonus shares by virtue of ANF Bonus Share Plans.

(i) Creditors' right to object

Pursuant to Articles L. 236-14 and R. 236-2-1 of the French Commercial Code, creditors other than bondholders of ANF Immobilier and Icade whose claims existed prior to the publication of the proposed Merger, are entitled to oppose the Merger within thirty (30) days from publication of this proposed Merger in the time and manner provided by Articles L. 236-14 and R. 236-8 of the French Commercial Code. In accordance with current legal and regulatory provisions, opposition from a creditor will not block the Merger.

(j) Press release drawn up in accordance with Article 17 of AMF Instruction No. 2016-04

An Icade-AMF Immobilier joint press release, which must be published in case of an exemption from issuing a "Document E" pursuant to Article 17 of AMF Instruction No. 2016-04, concerning the number and nature of financial securities to be issued by Icade and the motives and terms of the Merger, has been prepared and filed with AMF before its publication as set out in Article 221-5 of the AMF General Regulation and published as set out in Article 221-3 of the AMF General Regulation.

This press release can be found in [Appendix 3](#) hereof.

The press release includes (i) a description of the key features of the Merger, (ii) a section listing the assets and liabilities transferred by ANF Immobilier to Icade, (iii) a section on the share exchange ratio and the consideration for the Merger, and (iv) a section on the impact of the Merger on ANF Immobilier bonus shares and stock options.

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The draft resolutions which have been presented to you summarise this report's key points. We encourage you to vote on the draft resolutions that we have submitted for your approval.

Should you have any questions, please do not hesitate to contact us for any additional information.

For the Board of Directors
The Chairman

Appendix 1

Business performance since the beginning of the financial year

Any information relevant to the Company's year-to-date performance can be found on the Company's website (www.icade.fr) including in (i) Section 11.2 (Events after the balance sheet date) in the Company's consolidated financial statements included in its 2017 registration document filed with the French Financial Markets Authority (AMF) on March 29, 2018 under No. D.18-0218, (ii) the press release published on April 27, 2018 presenting the results as of March 31, 2018 and (iii) all the press releases published by the Company since the beginning of the year.

In addition, the Company's separate and consolidated financial statements as of December 31, 2017 have been audited and certified by the Statutory Auditors and approved by Icade's Ordinary Annual General Meeting held on April 25, 2018.

Following that meeting, the Company paid dividends in the amount of 318,678,099.80 euros.

Appendix 2

Valuation methods

The Merger's exchange ratio, i.e. 3 Icade shares for 11 ANF Immobilier shares, was determined based on a multi-criteria approach predicated on valuation methods which are both customary and appropriate for property investment companies.

1. Valuation methods not used to assess the Merger's exchange ratio

Analysis of the shares prices of Icade and ANF Immobilier before July 24, 2017. July 24, 2017 was the date on which Icade and ANF Immobilier published press releases announcing the main terms of the (i) sale of a portfolio of residential and retail properties mainly located in Marseille to Primonial (including the sale price of the properties involved) and (ii) the sale of Eurazeo's controlling interest in the share capital and voting rights of ANF Immobilier to Icade.

The ratio of dividends paid by Icade and ANF Immobilier, given that ANF Immobilier's dividend policy from 2013 to 2016 consisted in paying dividends in amounts greater than its current cash flow (attributable to the Group), in contrast to Icade's dividend policy and that of the largest property investment companies listed on Euronext Paris.

The ratio of estimated current cash flows prepared by financial analysts covering both companies, in consequence of ANF Immobilier's lack of coverage by financial analysts.

The ratio of the valuations of Icade and ANF Immobilier arising from transaction multiples, given that no transaction to acquire a majority stake in Icade occurred.

The ratio of the price targets of Icade and ANF Immobilier given ANF Immobilier's lack of coverage by financial analysts.

2. Valuation methods used to assess the Merger's exchange ratio

2.1. Primary methods used

Analysis of the share prices of Icade and ANF Immobilier since December 6, 2017, the closing date of the simplified public tender offer filed by Icade for ANF Immobilier shares on October 25, 2017 (the "**Simplified Public Tender Offer**").

The shares of both ANF Immobilier and Icade are listed in France on the regulated Euronext Paris market: Compartment B under ISIN code FR0000063091 and Compartment A under ISIN code FR0000035081, respectively.

Analysis of the EPRA triple net asset value as of December 31, 2017 reported by Icade and ANF Immobilier on February 12, 2018. Under the **Adjusted Net Asset Method**, the equity is adjusted for the conversion to market value of the assets and liabilities of the Company. This method is relied upon most often for the valuation of property investment companies. Icade and ANF Immobilier both follow the recommendations of the European Public Real Estate Association ("**EPRA**") and thus show EPRA NAV and EPRA triple NAV separately. EPRA triple net asset value is the key value indicator for property investment companies since it includes not only the fair value of assets (based on a multi-

criteria approach) but also the fair value of hedging instruments (which represents either a receivable or a payable at the Company's reporting date) in addition to any deferred tax.

2.2. Method selected for illustrative purposes

Comparable companies analysis applied to Icade and ANF Immobilier. The comparable company analysis method consists in applying the multiples observed in a peer group of listed companies to a selection of financial metrics from both Icade and ANF Immobilier. In addition, in line with Icade's prospectus prepared as part of the simplified public tender offer and approved by the French Financial Markets Authority on November 14, 2017, the peer group selected to value ANF Immobilier is made up of the following listed French real estate investment companies (SIICs): Foncière des Régions, Société de la Tour Eiffel, Foncière INEA and Affine RE. For Icade's valuation, only Foncière des Régions was identified as a comparable company.

The most relied upon multiples for the real estate industry are mainly (i) the ratio between share price and the latest reported EPRA triple net asset value per share, (ii) the ratio between EPRA earnings per share and share price and (iii) the ratio between the dividends paid for the year and the share price.

Due to the fact that ANF Immobilier is not widely covered by market analysts, it was not possible to develop a consensus forecast of the company's EPRA earnings and dividends. As a result, only the multiple arising from the ratio of the share price and latest reported EPRA triple net asset value was used. To ensure consistency, only the EPRA triple net asset value was used for Icade's valuation.

Companies	Reference share prices as of May 11, 2018	EPRA triple net asset value per share as of December 31, 2017	Share price / EPRA triple net asset value
Foncière des Régions	96,0	86.3	11.2%
Société de la Tour Eiffel	54.2	58.3	(7.0%)
Foncière INEA	41.2	45.8	(10.0%)
Affine RE*	17.3	22.7	(23.6%)
Average premium / (discount) of the peer group			(7.4%)
ANF's EPRA triple net asset value		21.8	
Resulting valuation of ANF cum dividend**			€20.2/share
Resulting valuation of ANF ex dividend**			€ 19.4/share

Sources: Companies, Factset.

*Reflects Affine share price as of May 11, 2018 of €16.3 per share to which the 2018 dividend of €1 was added back in order to calculate the ratio of the share price to the EPRA triple net asset value as of December 31, 2017 on a cum dividend basis.

**ANF dividend of €0.8 per share paid on May 2, 2018.

Companies	Reference share prices as of May 11, 2018	EPRA triple net asset value per share as of December 31, 2017	Share price / EPRA triple net asset value
Foncière des Régions	96.0	86.3	11.2%
Icade		84.8	-
Resulting valuation of Icade cum dividend*			€94.3/share
Resulting valuation of Icade ex dividend*			€90.0/share

Sources: Companies, Factset.

*Icade dividend of €4.3 per share paid on May 2, 2018.

(in euros per share)	ANF	Icade	Resulting exchange ratio
Resulting valuation using comparable companies analysis	19.4	90.0	0.22

3. Summary of the methods used to assess the Merger's exchange ratio

<i>(in euros per share)</i>	ANF	Icade	Resulting exchange ratio
Main methods			
Closing price as of May 11, 2018	20.7	80.0	0.26
One-month volume weighted average price	20.2	76.7	0.26
Three-month volume weighted average price	20.9	76.1	0.27
Volume weighted average price since December 6, 2017	21.0	77.3	0.27
EPRA triple net asset value (excluding duties) as of December 31, 2017 cum dividend*	21.8	84.8	0.26
EPRA triple net asset value (excluding duties) as of December 31, 2017 ex dividend*	21.0	80.5	0.26
Illustrative method			
Comparable companies analysis	19.4	90.0	0.22

Note: Market data as May 11, 2018, on an ex-dividend basis for Icade and ANF.

* Dividends: Icade, €4.3 per share, and ANF, €0.8 paid on May 2, 2018.

The primary methods used resulted in an exchange ratio varying between 0.26 and 0.27, in line with the narrowed range reported by Icade and ANF Immobilier on April 25, 2018. It was thus decided to choose an exchange ratio of 3 Icade shares for 11 ANF Immobilier shares, i.e. about 0.273 Icade shares for 1 ANF Immobilier share.

Appendix 3

Press release



MERGER OF ANF IMMOBILIER INTO ICADE

This release (exemption from registered document) has been issued in accordance with Article 17 of the Instruction of the French Autorité des marchés financiers DOC-2016-04 dated 21 October 2016, as amended.

1. BACKGROUND OF AND REASONS FOR THE MERGER

At the date hereof, Icade holds 17,267,439 shares of ANF Immobilier, accounting for 90.84% of the stock and 90.56% of the votes in that company (including 1,000 shares lent by Icade to certain members of the Supervisory Board of ANF Immobilier which will be returned to Icade prior to the completion date of the Merger).

Further to the announcements made on 12 February 2018 of a proposed merger by absorption of ANF Immobilier into Icade (the "**Merger**") and on 25 April 2018 relating to the narrowing of the indicative exchange ratio range, the Board of Directors of Icade and the Supervisory Board and Management Board of ANF Immobilier dated 16 May 2018 unanimously approved the final terms of this proposed Merger and authorized the execution of a Merger agreement.

The Merger agreement was signed on 16 May 2018. The Merger agreement and the Merger notice have been, in accordance with Articles R. 236-2 and R. 236-2-1 of the French Commercial Code, made available on the websites of Icade and ANF Immobilier on 17 May 2018. The Merger notice will also be published in the *Bulletin des Annonces Légales Obligatoires* and in the *Bulletin Officiel des Annonces Civiles et Commerciales*.

This transaction is part of the simplification of the structure of the Icade group and in line with the transactions performed in 2017, namely, Icade's acquisition of the controlling interest held by Eurazeo in ANF Immobilier on 23 October 2017 and the related take-over bid issued by Icade for ANF Immobilier and closed on 6 December 2017.

The sole Employee Representative Committee (*Délégation Unique du Personnel*) of ANF Immobilier and the Works Council of Icade, respectively, issued an unfavourable opinion and a favourable opinion regarding the proposed Merger on 14 May 2018 and 16 May 2018.

The proposed Merger shall be submitted for approval to the extraordinary meetings of shareholders of ANF Immobilier (including the special meeting of holders of shares carrying double voting rights) and of Icade to be held on 28 June 2018 and 29 June 2018, respectively. The agenda and draft resolutions for the meeting of shareholders of Icade shall be published shortly in the *Bulletin des Annonces Légales Obligatoires*.

The main features of the Merger, its valuation and the related consideration are summarised below.

2. MAIN FEATURES OF THE MERGER

Surviving company	Icade , a public limited company (<i>société anonyme</i>) managed by a Board of Directors, with a share capital of EUR 112,966,652.03, having its registered office at 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, identified with the Nanterre Registry of Commerce and Companies under number 582 074 944. Icade shares are listed for trading in Compartment A of Euronext Paris under ISIN code FR0000035081.
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Merged company	<p>ANF Immobilier, a public limited company (<i>société anonyme</i>) managed by a Management Board and Supervisory Board, with a share capital of EUR 19,009,271, having its registered office at 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, identified with the Nanterre Registry of Commerce and Companies under number 568 801 377.</p> <p>ANF Immobilier shares are listed for trading in Compartment B of Euronext Paris under ISIN code FR0000063091.</p>	
Ownership connections between the companies	<p>At the date hereof, Icade holds 17,267,439 shares of ANF Immobilier, accounting for 90,84% of the stock and 90,56% of the votes in that company.</p> <p>Among the 17,267,439 shares of ANF Immobilier held by Icade, 1,000 shares have been lent by Icade to certain members of the Supervisory Board of ANF Immobilier under simple loans of shares which will be terminated prior to the Completion Date.</p>	
Shared officers	<p>Mr. Olivier Wigniolle is the Chief Executive Officer of Icade and Chairman of the Supervisory Board of ANF Immobilier.</p> <p>Ms. Emmanuelle Baboulin, Chairperson of the Management Board of ANF Immobilier, is also a member of the Icade Executive Committee.</p> <p>Ms. Victoire Aubry, member of the Supervisory Board of ANF Immobilier, is also a member of the Icade Executive Committee.</p> <p>Mr. Antoine de Chabannes, member of the Supervisory Board of ANF Immobilier, is also a member of the Icade Executive Committee.</p>	
DESCRIPTION AND VALUATION OF THE ASSETS AND LIABILITIES TRANSFERRED		
Items transferred	Transfer to Icade, subject to satisfaction of the conditions precedent specified hereinafter, of all of the assets and liabilities of ANF Immobilier in their condition at the Completion Date (as hereinafter defined).	
Accounts used to determine the terms of the Merger	The accounts used to determine the terms of the Merger are the corporate accounts and consolidated accounts as of 31 December 2017 of ANF Immobilier and of Icade, as included in their registration documents for 2017 filed with the French <i>Autorité des marchés financiers</i> (" AMF ") on 30 March 2018 under number D.18-0230 and on 29 March 2018 under number D.18-0218, respectively, as audited and certified by the statutory auditors of each company and approved by the annual ordinary meetings of shareholders of ANF Immobilier and Icade held on 24 April 2018 and 25 April 2018, respectively.	
Valuation method	In accordance with Articles 701-1 <i>et seq.</i> of the French <i>Plan Comptable Général</i> in force as of 1 January 2018 relating to the accounting treatment of mergers and similar transactions, since Icade controls ANF Immobilier, the assets and liabilities transferred by ANF Immobilier to Icade pursuant to the Merger will be booked in Icade's accounts for their net book value as of 31 December 2017, the closing date of the latest financial year.	
Total amount of assets transferred	Gross value	EUR 368,309,629
	Amortisation and depreciation	EUR 32,329,951
	Net value	EUR 335,979,678
Total amount of liabilities assumed	EUR 22,357,276	
Value of net assets transferred	The net book value of the net assets transferred by ANF Immobilier to Icade pursuant to the Merger at the Completion Date (the " Net Assets Transferred ") amounts to :	

	NET VALUE (EUR)
Total amount of assets contributed	335,979,678
Total amount of liabilities assumed	22,357,276
Net Assets Contributed before payment by ANF Immobilier of dividends in an amount of EUR 14,675,280 (the "Payment")	313,622,402
Deduction of net book value of the 200,808 ANF Immobilier treasury shares held by ANF Immobilier and not used to cover the commitments of ANF Immobilier under the ANF Free Share Plans and ANF Option Plans (as hereinafter defined) - together the "Other ANF Treasury Shares"	4,439,865
Deduction of the amount of Payment before completion of the Merger	14,675,280
Net Assets Transferred (after deduction (i) of the amount of the Payment and (ii) of the net book value of Other ANF Treasury Shares)	294,507,257

EXCHANGE RATIO AND CONSIDERATION FOR THE MERGER

Exchange ratio	<p>3 Icade shares for 11 ANF Immobilier shares (the "Exchange Parity"), i.e., an exchange ratio of 0.273 Icade share for one ANF Immobilier share (the "Exchange Ratio")</p> <p>The Exchange Parity was set on 16 May 2018 and determined on the basis of a multi-criteria approach relying on customary valuation methods suited to the property company sector.</p> <p>Main methods used</p> <ul style="list-style-type: none"> - analysis of the share prices of Icade and ANF Immobilier since 6 December 2017, the date of close of the simplified take-over bid issued by Icade for the shares of ANF Immobilier on 25 October 2017, and - analysis of the triple net EPRA net asset values of Icade and ANF Immobilier as of 31 December 2017, published by Icade and ANF Immobilier on 12 February 2018. <p>Method used for information</p> <ul style="list-style-type: none"> - trading multiples of companies comparable to Icade and ANF Immobilier.
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Summary of the methods used to assess the Exchange Parity of the Merger

(in € per share)	ANF	Icade	Implied exchange ratio
Primary methods			
Closing price as of May 11 th , 2018	20.7	80.0	0.26
1-month volume-weighted average price	20.2	76.7	0.26
3-month volume-weighted average price	20.9	76.1	0.27
Volume-weighted average price since December 6 th , 2017	21.0	77.3	0.27
EPRA Triple net NAV per share (excluding rights) as of December 31 st , 2017 before dividend payment*	21.8	84.8	0.26
EPRA Triple net NAV per share (excluding rights) as of December 31 st , 2017 after dividend payment*	21.0	80.5	0.26
Illustrative method			
Trading comparables approach	19.4	90.0	0.22

Note : Market data as of May 11th, 2018 after payments of Icade's and ANF's dividends.

* Dividend of €4.3 per share for Icade and €0.8 per share for ANF, paid on May 2nd, 2018.

<p>Consideration for the Merger</p>	<p>In accordance with Article L. 263-3 of the French Commercial Code, the ANF Immobilier shares held by Icade, i.e., 17,267,439 shares of ANF Immobilier, will not be exchanged, and the 200,808 Other ANF Treasury Shares will not be exchanged, and they will be cancelled as of right at the Completion Date.</p> <p>By way of consideration for the contribution resulting from the merger of ANF Immobilier, Icade would perform, at the Completion Date, in accordance with the Exchange Parity, an increase in its capital with a face value of EUR 640,568.91, in order to raise the corporate capital from EUR 112,966,652.03 to EUR 113,607,220.94 (exclusive of any exercise of options to subscribe for Icade shares that could result in the issuance, prior to the Merger Completion Date, of up to 24,800 Icade shares), by means of creation of 420,242 new shares, allotted to the shareholders of ANF Immobilier other than Icade (as regards the ANF Immobilier shares held by Icade) and ANF Immobilier (as regards the Other ANF Treasury Shares), and, by way of exception from Article L. 236-3 of the French Commercial Code, to Icade as regards the ANF Immobilier treasury shares held by ANF Immobilier and used to cover the commitments of ANF Immobilier pursuant to the ANF Free Share Plans and the ANF Option Plans as of 15 May 2018, on the basis of the number of shares making up the stock of ANF Immobilier as of 16 May 2018. Such capital increase would represent a dilution of 0.57% of the corporate capital of Icade.</p> <p>Issuance of the new Icade shares by way of consideration for the Merger would be decided upon by the extraordinary meeting of shareholders of Icade to be held on 29 June 2018. Subject (i) to the residual holding period applicable to the Vested ANF Free Shares (as hereinafter defined) and (ii) the lock-up period applicable to ANF Immobilier shares acquired or that may be acquired pursuant to the ANF Options (as hereinafter defined) awarded on 12 November 2014, such new Icade shares will carry dividend immediately and enjoy the same rights and be treated in all respects <i>pari passu</i> with shares of common stock previously issued and making up the corporate capital of Icade. They will be (i) fully paid-in, (ii) free of any encumbrance, and (iii) admitted for trading in Compartment A of Euronext Paris, as soon as possible after issuance (i.e., beginning of July), under the same identification number as the shares of common stock previously issued and making up the corporate capital of Icade (ISIN code FR0000035081).</p> <p>If the ANF Immobilier Shares held by Icade and/or the number of shares making up of the corporate capital of Icade are modified, the number of Icade shares to be issued by way of consideration for the Merger and, correlatively, the face value of the subsequent share capital increase, will consequently be adjusted as of right.</p>
<p>Treatment of fractional shares</p>	<p>If any shareholders of ANF Immobilier do not hold the number of ANF Immobilier shares required to obtain, pursuant to the Exchange Parity, a whole number of Icade shares, the shareholders concerned would be responsible for acquisition or sale of the fractional shares.</p> <p>However, if, at the Completion Date, any shareholders of ANF Immobilier do not hold the number of ANF Immobilier shares required to obtain, pursuant to the Exchange Parity, a whole number of Icade shares, the intermediaries mentioned under paragraphs 2° to 7° of Article L. 542-1 of the French Monetary and Financial Code (i) would sell on the Euronext Paris market the unallotted Icade shares relating to the fractional rights in the manner provided for under Articles L. 228-6-1 and R. 228-12 of the French Commercial Code, and (ii) would allot the proceeds thereof among the holders of fractional rights in proportion of their rights.</p>
<p>Merger premium</p>	<p>The difference between (i) the amount of the portion of the net book value of the Net Assets Transferred that relates to the ANF Immobilier shares not held by Icade or by ANF Immobilier (other than ANF Immobilier treasury shares used to cover the commitments of ANF Immobilier under the ANF Free Share Plans and ANF Option Plans (as hereinafter defined) and accordingly taken into account in the net book value of the Net Assets Transferred) and (ii) the face value of the increase in Icade's capital, shall constitute a merger premium (the "Merger Premium").</p> <p>The Merger Premium shall amount to EUR 23,489,140.74 on the basis of the number of shares making up the stock of ANF Immobilier exclusive of Other ANF Treasury Shares as of 15 May 2018, calculated as follows:</p>

		NET VALUE (EUR)									
	Amount of portion of Net Assets Transferred by ANF Immobilier to Icade that relates to the ANF Immobilier shares not held by Icade or by ANF Immobilier	24,129,709.65									
	Face value of increase in Icade's capital	640,568.91									
	= Amount of Merger Premium	23,489,140.74									
Merger loss	<p>The difference between the net book value of the ANF Immobilier shares held by Icade and the amount of the Net Assets Transferred by ANF Immobilier relating to the ANF Immobilier shares held by Icade shall constitute a merger loss (the "Merger Loss").</p> <p>The Merger Loss shall amount to EUR 111,866,106.55 on the basis of the number of shares making up the stock of ANF Immobilier exclusive of Other ANF Treasury Shares as of 15 May 2018, calculated as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">NET VALUE (EUR)</th> </tr> </thead> <tbody> <tr> <td>Net book value of ANF Immobilier shares held by Icade</td> <td style="text-align: right;">382,243,654.09</td> </tr> <tr> <td>Amount of portion of Net Assets Transferred relating to the ANF Immobilier shares held by Icade</td> <td style="text-align: right;">270,377,547.54</td> </tr> <tr> <td>= Amount of Merger Loss</td> <td style="text-align: right;">111,866,106.55</td> </tr> </tbody> </table>				NET VALUE (EUR)	Net book value of ANF Immobilier shares held by Icade	382,243,654.09	Amount of portion of Net Assets Transferred relating to the ANF Immobilier shares held by Icade	270,377,547.54	= Amount of Merger Loss	111,866,106.55
	NET VALUE (EUR)										
Net book value of ANF Immobilier shares held by Icade	382,243,654.09										
Amount of portion of Net Assets Transferred relating to the ANF Immobilier shares held by Icade	270,377,547.54										
= Amount of Merger Loss	111,866,106.55										
EFFECT OF MERGER ON THE ANF IMMOBILIER OPTIONS AND ANF IMMOBILIER FREE SHARES											
Principle	<p>At the Completion Date, all of the commitments made by ANF Immobilier in favour of (i) the holders of options to acquire ANF Immobilier shares (the "ANF Options") pursuant to the stock-option plans set up by ANF Immobilier between 2009 and 2014 (the "ANF Option Plans") and (ii) the beneficiaries of awards of ANF Immobilier free shares pursuant to the free share award plans granted in 2015 (the "ANF 2014 AGA Plan") and 2016 (the "ANF 2015 AGA Plan" and, together with the ANF 2014 AGA Plan, the "ANF Free Share Plans"), would be transferred to Icade as of right.</p>										
Effect of Merger on the stock options of ANF Immobilier	<p>The ANF Options would be shifted to the Icade shares, and the total number of shares subject to ANF Options and the strike price thereof would be adjusted, in accordance with the following terms, to take account of the Exchange Parity:</p> <ul style="list-style-type: none"> - the number of Icade shares that each holder of ANF Options may acquire would be the number of ANF Immobilier shares that he or she could have acquired pursuant to the ANF Option Plans, multiplied by the Exchange Ratio, and the number so determined being rounded to the nearest inferior whole number; - the acquisition price per Icade share would be equal to the acquisition price per ANF Immobilier share divided by the Exchange Ratio, provided that (i) the acquisition price so determined would be rounded to the nearest euro cent and (ii) the other terms of the ANF Option Plans would remain unchanged. 										
Effect of Merger on ANF Immobilier free shares to be acquired	<p>In accordance with Article L. 225-197-1, III of the French Commercial Code, Icade would be substituted as of right on the Completion Date for ANF Immobilier in its obligations to the beneficiaries of awards of ANF Immobilier free shares to be acquired pursuant to the ANF 2015 AGA Plan (the "Unvested ANF Free Shares").</p>										

	<p>Accordingly, the rights of beneficiaries of awards of Unvested ANF Free Shares would be shifted to Icade shares on the basis of the Exchange Parity. As a result, the number of Icade shares to which each beneficiary of awards of Unvested ANF Free Shares would be entitled pursuant to the ANF 2015 AGA Plan would be the number of ANF Immobilier shares to which he or she would have been entitled under such plans multiplied by the Exchange Ratio, provided that (i) the number so determined would be rounded to the nearest inferior whole number and (ii) the other terms of the ANF 2015 AGA Plan would remain unchanged, subject to the analysis criteria of the condition of share price performance on which the final vesting of the free shares in favour of certain beneficiaries is contingent, which will be adapted by Icade due to the Merger and in the context of the assumption of the ANF 2015 AGA Plan.</p>
Effect of Merger on the vested ANF Immobilier free shares	<p>The new Icade shares issued in consideration of the Merger and exchanged for the ANF Immobilier free shares acquired pursuant to the ANF 2014 AGA Plan but remaining subject to a lock-up period for the purposes of tax and welfare charges at the Completion Date (the "Vested ANF Free Shares"), and, together with the Unvested ANF Free Shares, the "ANF Free Shares") would be, in accordance with Article L. 225-197-1, III, of the French Commercial Code, subject to their residual holding period, i.e., until 16 March 2019.</p>
CONDITIONS PRECEDENT TO THE COMPLETION OF THE MERGER	
	<p>Completion of the Merger and of the related increase in Icade's capital shall be subject to satisfaction of the following conditions precedent:</p> <ul style="list-style-type: none"> - decision by the AMF finding that there is no need to issue a compulsory buy-out bid for the ANF Immobilier shares on the basis of Article 236-6 of the AMF General Regulations; - approval of the Merger by the extraordinary meeting of shareholders of ANF Immobilier (including in particular approval of its dissolution without liquidation and transfer of all of its assets and liabilities to Icade); - approval of the Merger by the special meeting of holders of double-voting rights shares of ANF Immobilier in accordance with Article L. 225-99 of the French Commercial Code; and - approval of the Merger by the extraordinary meeting of shareholders of Icade (including in particular approval of the net book value of the Net Assets Transferred, the Exchange Parity and the increase in Icade's capital by way of consideration for the Merger).
COMPLETION DATE AND EFFECTIVE DATE OF THE MERGER	
Completion date and effective date of the Merger	<p>The Merger and the resulting dissolution of ANF Immobilier will be finally completed on the date of approval of the Merger by the extraordinary meeting of shareholders of Icade, which is scheduled for 29 June 2018 (the "Completion Date").</p> <p>In accordance with Article L. 236-4 2° of the French Commercial Code, the Merger will be effective, for accounting and tax purposes, retroactively on the first day of the current financial year of the companies involved, i.e., 1st January 2018.</p>
AUDITING OF THE MERGER	
Merger auditors	<p>The Merger has been reviewed in two reports dated 16 May 2018 by Mr. Didier Kling and Finexsi Audit firm, acting through Mr. Oliver Péronnet, both appointed as merger auditors by order of the President of the Nanterre Commercial Court on 14 February 2018. Such reports show that:</p> <ul style="list-style-type: none"> - the value of the contributions is not over-estimated and the Net Assets Transferred by ANF Immobilier are no less than the amount of the increase in Icade's capital plus the Merger Premium; and - the Exchange Parity is fair. <p>The reports of the merger auditors are available to Icade's shareholders at the registered office of Icade and with BNP Paribas Securities Services, 9 rue du Débarcadère, 93761 Pantin. They are available on Icade's website (www.icade.fr). The report on valuation of the contributions shall be filed with the Registry of the Nanterre Commercial Court within the period required by law.</p>

DOCUMENTS PROVIDED TO THE SHAREHOLDERS

The Merger agreement, the report by the Board of Directors to the meeting of shareholders of Icade on 29 June 2018, the reports of the merger auditors dated 16 May 2018, the annual accounts approved by the meetings of shareholders and the annual reports for the past three financial years of the companies involved in the Merger, and all of the documents to be disclosed pursuant to the shareholders' right to ongoing disclosure, shall be made available to the shareholders at the registered office of Icade and with BNP Paribas Securities Services, 9 rue du Débarcadère, 93761 Pantin.

In addition, the Merger agreement and the reports of the merger auditors are available on Icade's website (www.icable.fr) and on ANF Immobilier's website (www.anf-immobilier.com).

The documents intended for the shareholders of ANF Immobilier for the purposes of the Merger shall also be made available to them within the period and in the manner required by the applicable legislation.

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ABOUT ICADE

Building for every future

As an investor and a developer, Icade is an integrated real estate player which designs innovative real estate products and services adapted to new urban lifestyles and habits. By placing corporate social responsibility and innovation at the core of its strategy, Icade is closely involved with stakeholders and users in the cities— local authorities and communities, companies and employees, institutions and associations... As a commercial and healthcare property investor (portfolio value of €10.8bn as of 12/31/17) and as a property developer (2017 economic revenues of €1,209m), Icade has been able to reinvent the real estate business and foster the emergence of tomorrow's greener, smarter and more responsible cities. Icade is a significant player in the Greater Paris area and major French cities. Icade is listed on Euronext Paris as a French Listed Real Estate Investment Company (SIIC). Its leading shareholder is the Caisse des Dépôts Group.

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