

ICADE AND PRIMONIAL REIM SIGN AN EXCLUSIVITY AGREEMENT FOR THE ACQUISITION OF ICADE'S STAKE IN ICADE SANTÉ

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Desirable places to live



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An exclusivity agreement signed between Icade, Icade Santé's minority shareholders and Primonial for (i) the acquisition of Icade's stake in Icade Santé (58%) and (ii) the sale of the asset portfolio owned by Icade Healthcare Europe (IHE)

Financial stakes for Icade

€2.6bn⁽¹⁾

value of the investments in the two entities:

Icade Santé: €2.3bn

IHE: €0.3bn

€0.4bn

in shareholder loan repayments

Structure of the proposed transaction

Stage 1 (by July 2023 at the latest)⁽²⁾:

- Sale of 64%⁽³⁾ of Icade's stake in Icade Santé for €1.4bn
- Repayment of Icade Santé's shareholder loan

Stage 2 (June 2023–Dec. 2025):

- Acquisition of Icade's remaining stake in Icade Santé through the collection of funds managed by Primonial REIM and the entry of new interested investors

Stage 3 (June–Dec. 2024):

- Sale of the IHE assets
- Repayment of IHE's shareholder loan

Icade's rationale

Successful completion of a **liquidity event**



Crystallising the value of the Healthcare Property Investment Division (one of the Group's priorities for 2023)



€710m in special dividends to be paid within 2 years of the sales (~ over a 4-year period)



A stronger balance sheet providing headroom to seize opportunities in the current market (at the bottom of a cycle)



Refocusing on Office Investment and Property Development, a more streamlined business model



(1) EPRA NTA as of December 31, 2022 on a proportionate consolidation basis

(2) Subject to the signing of the final agreements once the process of informing and consulting Icade's representative bodies has been completed and the customary regulatory conditions precedent have been met. These include confirmation by the AMF that the transaction will not give rise to a buyout offer with squeeze-out for Icade's share capital, pursuant to Article 236-6 of the AMF's general regulations

(3) After adjusting for the 2022 dividend

STRUCTURE OF THE PROPOSED TRANSACTION

The proposed transaction would enable Icade to realise the value of its investments in Icade Santé (“IS”) and Icade Healthcare Europe (“IHE”) in three stages (deconsolidation from June 2023)

Stage 1

Sale of **64%** of Icade’s stake in Icade Santé by July 2023 at the latest in line with EPRA NTA as of 12/31/2022 (**€1.4bn**)

Repayment of Icade Santé’s shareholder loan (**€50m**)



- **€1,450m of incoming cash-flows:**
 - **€1.1bn** in Icade Santé shares sold to Primonial
 - **€100m** in Icade Santé shares sold to Sogecap
 - **€200m** of shares cancellation for the sole benefit of Icade
- **Based on a valuation in line with EPRA NTA** as of December 31, 2022, after adjusting for the 2022 dividend.
- **Shareholder loan repaid for €50m**
- **€550m in bank financing secured**, covering the €200m capital reduction, the repayment of the €50m shareholder loan from Icade and the refinancing of the €300m bridge-to-bond facility
- As a result of this first stage, **the subsidiary would be deconsolidated** from the Icade Group’s consolidated financial statements

Stage 2

Acquisition of Icade’s **remaining stake** in Icade Santé by Primonial (and other investors) **based on Icade Santé’s most recently published EPRA NTA**



The sale of Icade's remaining stake in Icade Santé should occur:

- **By the end of 2025**
- Mainly through **funds managed by Primonial REIM**,
- Or **investors identified by Primonial REIM**
- In line with Icade Santé’s **most recently published EPRA NTA** on the sale date

Stage 3

Sale of the IHE assets in line with the latest EPRA NTA (**€336m**)
Repayment of IHE’s shareholder loan (**€327m**)



Primonial has been tasked with selling the assets of IHE

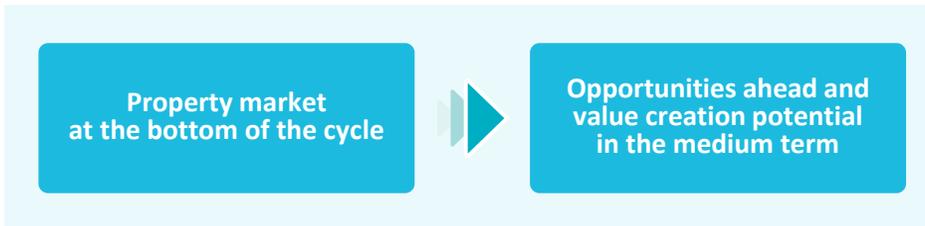
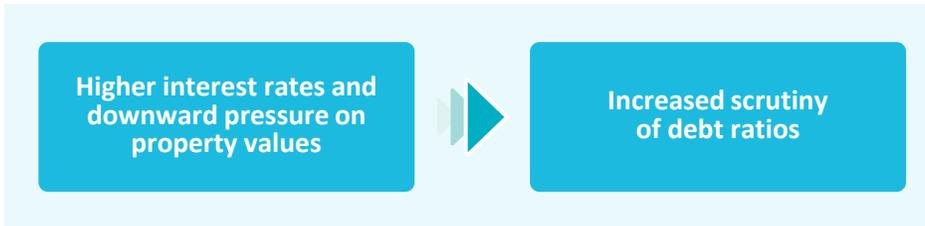
- **By the end of 2024**
- **The proceeds from the sale will first be used to repay the shareholder loan** from Icade for €327m
- **The balance will be distributed to IHE’s shareholders**, including €336m to Icade in line with IHE’s EPRA NTA as of 12/31/2022

A TRANSACTION TO GENERATE UP TO €3BN OF LIQUIDITY

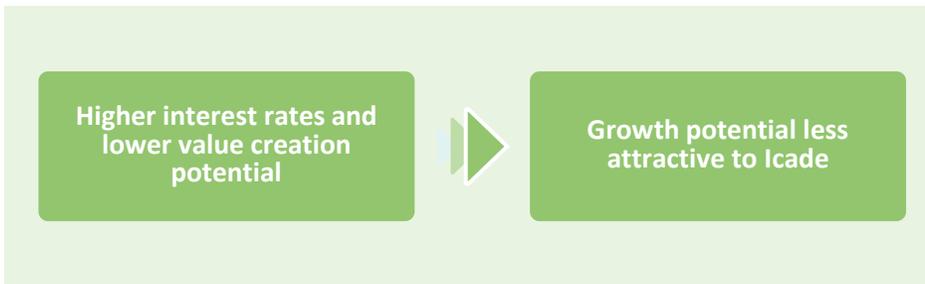
A significantly stronger balance sheet and liquidity to support the new strategy enabling Icade to seize opportunities

Current situation

ICADE
Office
Investment
and Property
Development



**Healthcare
Investment**



Benefits of the transaction

- **Significant deleveraging** and strengthening the **BBB+ rating**
- **More headroom and agility** to anchor a new strategy and seize opportunities
- **A streamlined business model:** refocusing on Office Investment and Property Development
 - Opportunistic acquisitions and optimised use of our land bank to develop projects in line with a post-Covid office market undergoing significant changes
 - Increased agility for large-scale Property Development projects
 - New strategy to be defined by the end of 2023
- New **long-term sources of capital** allowing the Healthcare Property Investment Division to further expand
- Current minority shareholders **able to sell** and/or to strengthen their position
- Icade Santé teams transferred **to form a best-in-class team and undisputed leader in the management of the asset class**

AN ATTRACTIVE TRANSACTION FOR ICADE AND ITS SHAREHOLDERS

Finexsi reported on its work and conclusions to Icade's Board of Directors on March 10, 2023, confirming the fairness of the terms and conditions of the transaction for Icade and its shareholders⁽¹⁾



A stronger, less leveraged balance sheet

- Incoming cash-flows of up to ~€3.0bn
- Realization of a significant capital gain with €1.2bn
- Strengthened credit profile in line with a BBB+ rating ⁽²⁾
- Significantly improved debt ratios as early as 2023



Greater market appeal

- Crystallising the value of the Healthcare business close to its EPRA NTA
- Highlighting the highly “excessive” discount at which Icade shares are trading (Icade currently trading at a ~48% discount to EPRA NTA)
- Securing and reinforcing the dividend policy: up to ~€710m in special dividends, payable in the two years following the sales (SIIC tax regime)

⁽¹⁾ In accordance with AMF recommendation 2015-05 on significant asset disposals
⁽²⁾ Focus on a S&P ratio (net debt / (net debt + revalued equity) towards 35%

FY 2023: NCCF GUIDANCE AND DIVIDEND POLICY

Guidance announced on February 20, 2023

**2023
Group NCCF
per share**

Stable to slightly up
Excluding impact
of 2023 disposals



Updated guidance

Unchanged

NCCF to be confirmed in July 2023
according to the effective date of the transaction

**2023
dividend
policy**

**In line with
the change in NCCF
80% payout ratio**



**Dividend policy unchanged,
in line with the pro forma change in NCCF**

+

**Impact of special dividends
to be confirmed in July 2023**