

PARK VIEW
Villeurbanne, Rhône



INVESTOR MEETING

Monday, November 23, 2020

DESIGNING, BUILDING, MANAGING AND INVESTING
*in cities, neighbourhoods and buildings that are innovative,
diverse, inclusive and connected with a reduced carbon footprint.
Desirable places to live and work.*

This is our ambition. This is our goal.

This is our Purpose.

DISCLAIMER

A solid green horizontal line underlining the word 'DISCLAIMER'.

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AGENDA

Introduction

- 1 **Our business lines are strong**
- 2 **Our balance sheet is sound**
- 3 **We are resilient and proactive**
- 4 **Our outlook is bright**

Introduction



INTRODUCTION

Investor Meeting goes forward despite the health crisis

Reaffirming the strength of our fundamentals

How do we plan to do business in the short term?

What is our medium-term outlook?

1.

Our business lines are strong

1.1.

Our business lines are strong Office Investment

HIGH-QUALITY TENANTS, RESILIENT LEASING ACTIVITY

88%

Rental income from solid tenants ⁽¹⁾

92.1%

Financial occupancy rate as of September 30, 2020

<10%

Rental income from tenants operating in the sectors most affected by the crisis



>130,000 sq.m

Total floor area of leases signed or renewed since January 1

+2.1%

LFL change in rental income as of the end of September

93%

Q3 rent collection rate as of mid-November, close to normative rates (Q2 rent collection rate: 98%)

<2%

Rent default rate as of October 30

► Highly resilient 2020 rental income: +4.5% ⁽²⁾, i.e. c. +€12m vs. 2019



PONT DE FLANDRE BUSINESS PARK
Paris, 19th district

⁽¹⁾ Proportion of rental income from large companies, listed companies, public sector companies, government agencies and middle-market companies
⁽²⁾ Growth on a reported basis as of the end of September

LIMITED IMPACT FROM THE CRISIS

		Support measures	Impact
Covid-19 crisis	Stage 1	<ul style="list-style-type: none"> • Monthly payments, deferrals, repayment plans • Q2 rents waived for small businesses closed by decree • Support measures with conditions attached in order to secure future rental income (11 leases renewed as part of Covid-related renegotiations) <p><u>Health measures implemented in all our properties as early as May</u></p>	<ul style="list-style-type: none"> ▶ Mainly affects cash flow ▶ H1 costs: -€2.2m (non-recurring) ▶ Lease term to first break extended by +2.6 years on average upon renewal ▶ <u>90% of our tenants had returned to their properties as of the end of September</u>
	Stage 2	<p>Case-by-case support:</p> <ul style="list-style-type: none"> • Repayment plans • Some rents waived in November ⁽¹⁾ 	<ul style="list-style-type: none"> ▶ Mainly affects cash flow ▶ Estimated to date: ~€2.0m ⁽²⁾ (non-recurring)

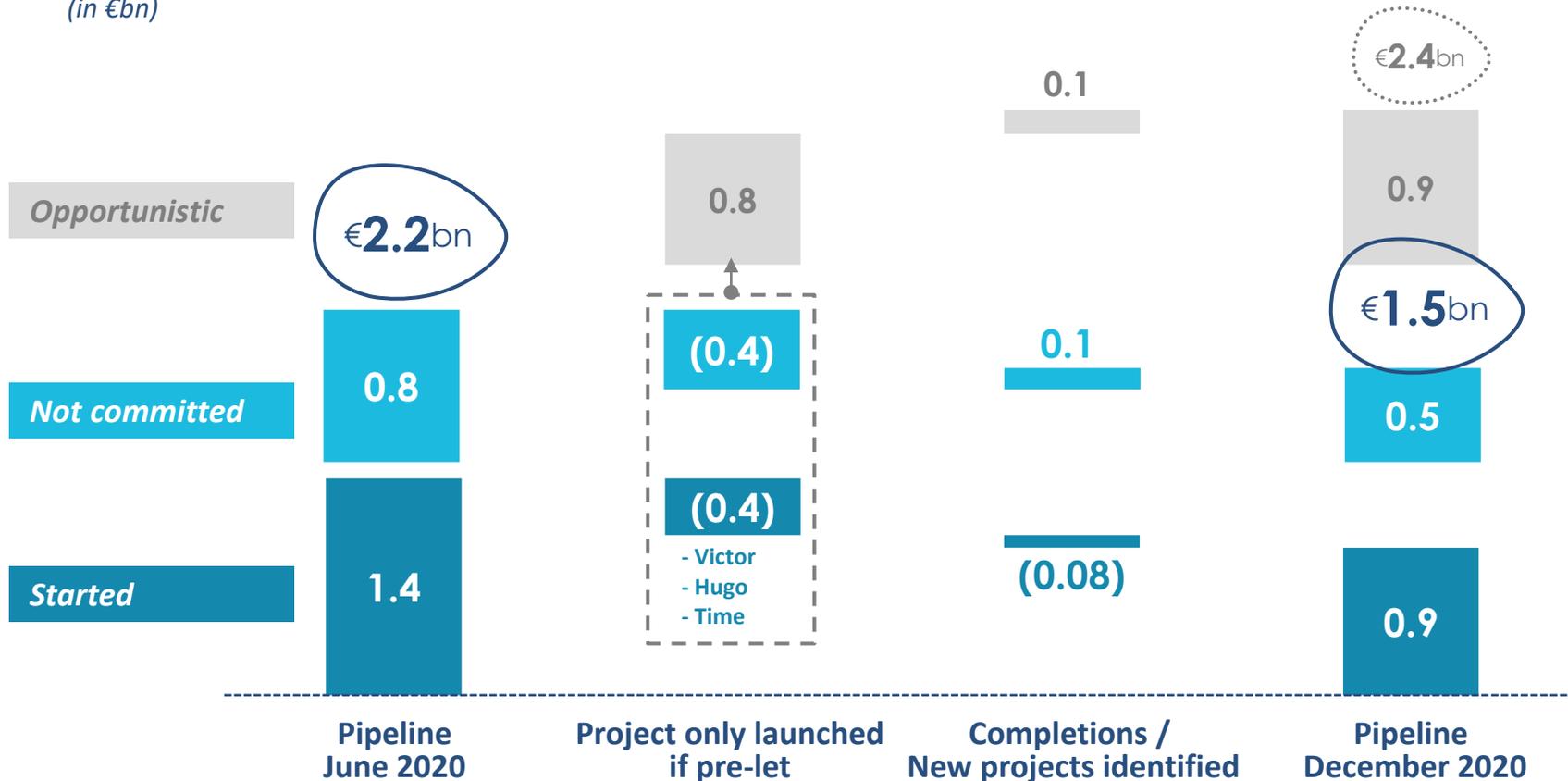
▶ Limited impact on 2020 NCCF: c. -€6m

▶ Reinforced rental situation: to date, 60% of 2021 break options have been managed and postponed

(1) In accordance with guidance from the French Ministry of Economy
 (2) After tax credits

DEVELOPMENT PIPELINE: ADAPTED TO THE RENTAL MARKET

(in €bn)



- **Confirmed pipeline: 1,5 Md€**
- **Projects to be completed by 2021 are 64% pre-let (€49m)**
- **Opportunistic management of our land bank: +/-€0.9bn (pre-let, turnkey,...)**



- ▶ **Limiting the number of speculative developments**
- ▶ **Getting ready for the upturn**
- ▶ **Partial conversion into housing**

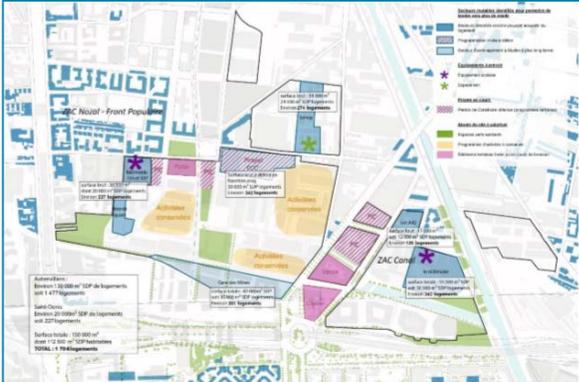
ADAPTABILITY OF OUR LAND BANK

Leveraging our land holdings in business parks to develop residential units



Project underway in the Orly-Rungis business park

“Expansion” project
180 housing units
Completion: Q2 2021



Opportunities Business parks on the doorstep of Paris

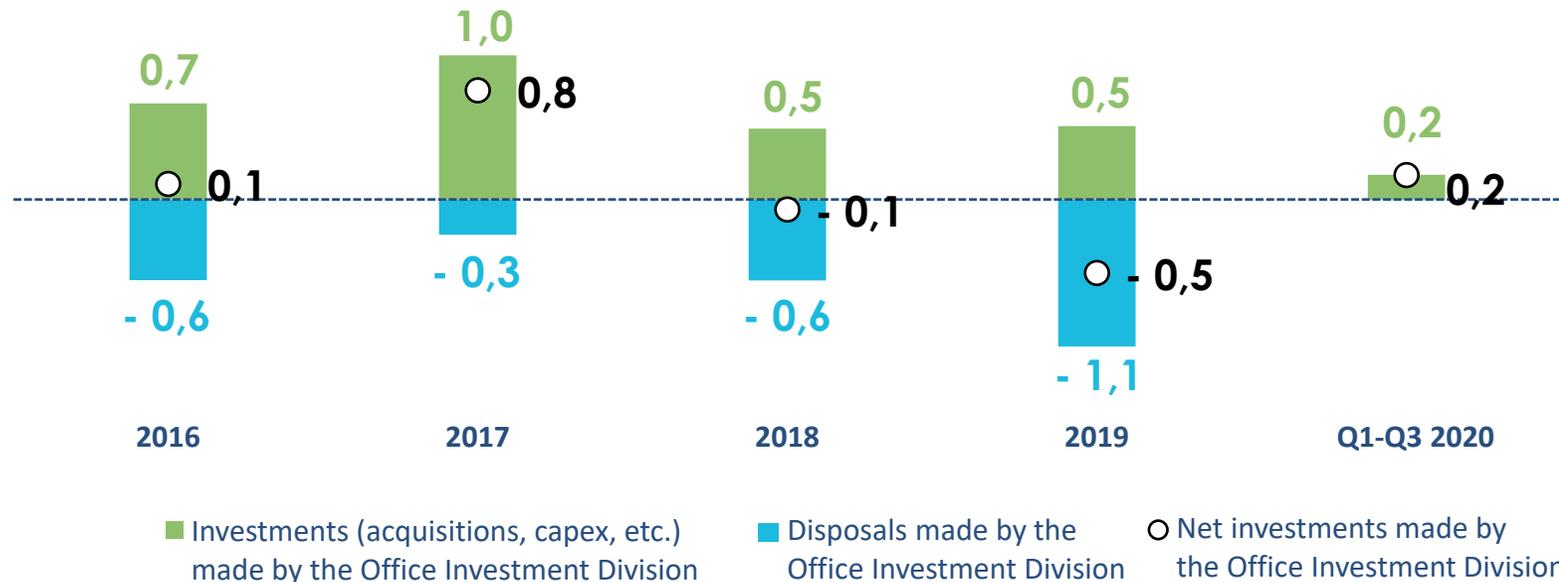
40 to 50% of the land bank could potentially be reallocated for housing
130,000 sq.m,
i.e. **1,700** housing units

- Land bank totalling: **877,000** sq.m
- Value as of June 30, 2020 as reflected in the NAV: **€105.3m**
- Synergies with Icade Promotion

ASSET ROTATION: RECYCLING CAPITAL

Resumption of opportunistic disposals in 2021

(in €bn)



- Record disposal volume in 2019 at €1.1bn
- Disposals have averaged €0.6bn per year since 2016

- From land bank to Core buildings: our DNA
- Realising capital gains and recycling capital: our business model

1.2.

Our business lines are strong
Healthcare Investment

HIGHLY RESILIENT RENTAL INCOME, FIRST-CLASS TENANTS

90%

Rental income from short- and medium-term care facilities in France

~85%

Rental income from healthcare providers with revenue in excess of €500m

7.3 years

Weighted average unexpired lease term

100%

Financial occupancy rate

>97%

Q3 rent collection rate close to normative rates

+14.8%

Change in rental income as of September 30, 2020 (~+€29m)

- A solid and long term tenant base
- Healthcare accounts for 40% of 2020 Group NCCF



HEALTHCARE IS A CORE PRIORITY: GROWTH OUTLOOK

ACUTE CARE

Unwavering support of the French government

- Financial assistance and support measures adopted by decree and in effect until December 31, 2020
- Increase of public funds to support healthcare providers: 2021 ONDAM ⁽¹⁾ **+3.5%**

LONG-TERM CARE

The health crisis has bolstered the industry

-  Plan to create a Loss of Independence branch: increase in public funds allocated to advanced old age
-  Current reform on reducing the out-of-pocket expense paid by patients in long-term care
-  Possible stricter regulations on existing facilities which would promote the development of new ones
-  Expected change in the funding of long-term care refocused on the patient aimed at providing a broader range of services

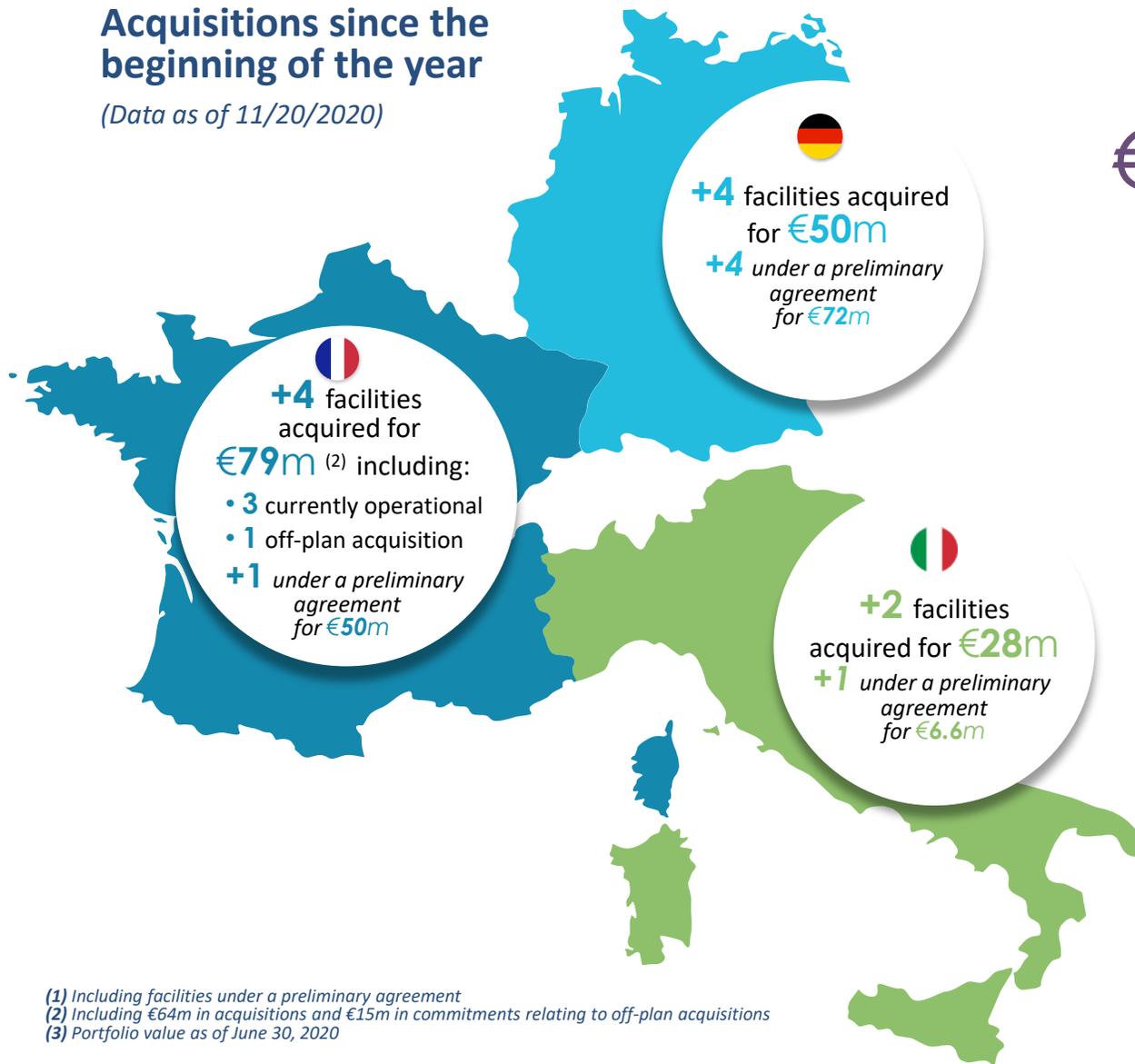
- Our healthcare partners will emerge stronger from the crisis
- A more and more appealing asset class

(1) ONDAM = Maximum Target for National Healthcare Spending

EUROPEAN GROWTH OBJECTIVES CONFIRMED

Acquisitions since the beginning of the year

(Data as of 11/20/2020)



166 facilities⁽³⁾
€5.3bn (100% basis)

>€280m
YTD investments⁽¹⁾

55%
invested abroad

>€15m
Additional annual rental income



RADENSLEBEN
Germany

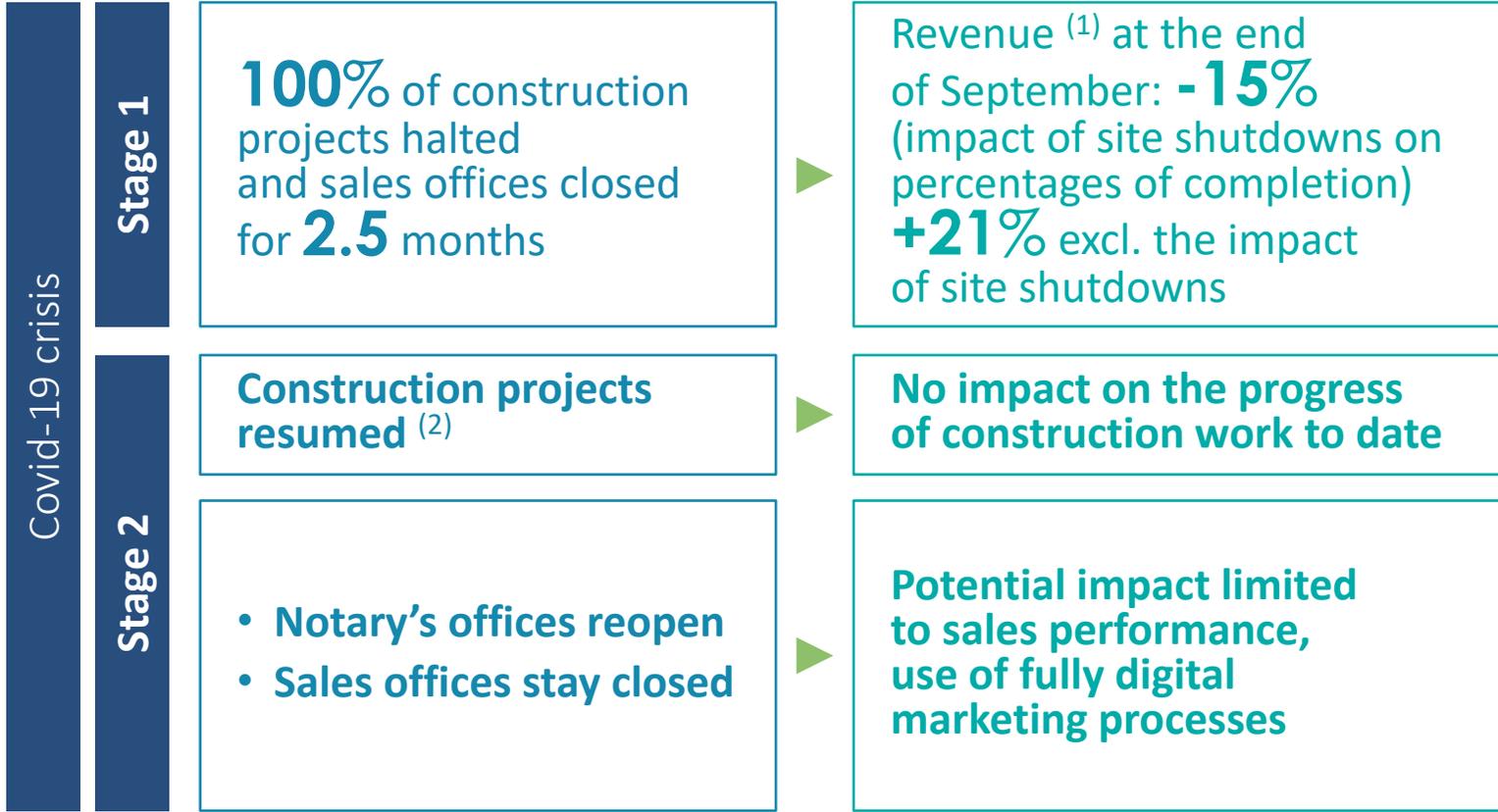
Continued growth in 2020 despite the health crisis

(1) Including facilities under a preliminary agreement
(2) Including €64m in acquisitions and €15m in commitments relating to off-plan acquisitions
(3) Portfolio value as of June 30, 2020

1.3.

Our business lines are strong
Property Development

STRONG SALES INDICATORS DESPITE CONSTRUCTION SITES HAVING BEEN CLOSED FOR 2.5 MONTHS (ACCOUNTING IMPACT)



- ▶ A quick return to normal post-lockdown
- ▶ Construction projects operating normally during the second lockdown
- ▶ 2020 sales likely to be higher than in 2019

(1) Economic revenue
(2) To date

A POSITIVE MEDIUM-TERM OUTLOOK

A residential market underpinned by strong fundamentals **Strong interest from institutional investors** **Opportunity: Icade's low-carbon expertise**

strengthen Icade Promotion's growth potential

€1.3bn

Backlog,
incl. residential **+5%**

€7bn

5-year revenue potential from land
and projects controlled by Icade

> **20,000** residential units

- Interest-free loans and Pinel tax incentive scheme extended until 2022
- Ambitious roadmap unchanged (economic revenue target: €1.4bn)
- Pushed back one year due to the crisis



2.

Our balance sheet is sound

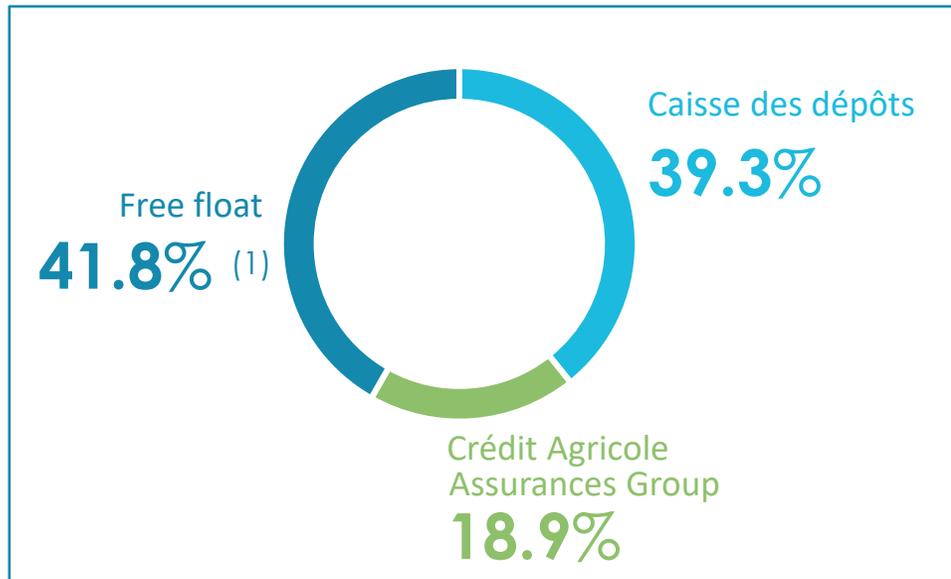
AA SHAREHOLDING STRUCTURE AND INVOLVED GOVERNANCE

A strong and stable shareholding structure

Governance in line with the Afep-Medef Code

Shareholding structure as of June 30, 2020

Board of Directors



15
members

40%
of women

1/3
of independent directors

4
specialised committees,
3 of them chaired
by independent directors

1
independent Vice-Chairwoman

- Two major long-term shareholders
- Governance structure meeting the best standards

(1) Including ICAMAP and other entities acting in concert (4.93%)

A VERY SOUND BALANCE SHEET

Solid debt ratios

- **LTV ratio incl. duties: 39.3%**
Covenants: 60% ⁽¹⁾
- **ICR: 5.2x**
Comfortably within covenants x2
- **Net debt-to-EBITDA ratio: 11.5x**

Improved liquidity position

- **€2.1bn** in RCFs
- **>€900m** in cash holdings at the end of October
- RCFs remained undrawn (even at the peak of the crisis)

- ▶ A very comfortable and strengthened liquidity position
- ▶ Debt ratios *far* below covenants
- ▶ Liquidity covering nearly 5 years of principal and interest payments

(1) Increased from 52% to 60% since June

OFFICE VALUATIONS: RESILIENT INDICATORS

A resilient LTV ratio and NAV



Trading at a -30%⁽¹⁾ discount to NAV

€64.5

Share price
as of 11/19/20



Valuation discount ⁽²⁾ on the Office segment

-41%

- ▶ • Capacity to absorb any market fluctuations
- Resilient LTV ratio vs. covenants
- Excessive valuation discount on the Office segment?

⁽¹⁾ Share price as of 11/19/20 to NAV as of June 30
⁽²⁾ Healthcare based on NAV as of June 30

FINANCIAL STRENGTH CONFIRMED

Rating agency

Ratings affirmed by S&P at BBB+, stable outlook

for Icade and its subsidiary Icade Santé in July 2020

Bank partners

RCFs strengthened in H1

€750m in new credit lines (net new lines: +€350m); long maturities (**6 years**)

Prioritising sustainable finance

A Social Bond issue met with great success ⁽²⁾

€600m, 10 years
1.375% coupon

c. 10x oversubscribed

5-year, €150m solidarity-based RCF

€300k donated to Institut Pasteur for research on Covid-19 vaccines

7-year, €300m green RCF

If this goal is not met ⁽¹⁾, the additional cost will be paid to an association having a positive impact on the environment

- Recognised financial strength that attracts investors
- Credit spread reflecting our strong credit profile

⁽¹⁾ Goal to reduce the carbon intensity of the Office Investment Division by 45% between 2015 and 2025
⁽²⁾ For the Healthcare segment

3.

We are resilient and proactive

2020 RESULTS HAVE SHOWN RESILIENCE

Key indicators as of the end of September

- **Rental income from Investment Divisions up +6.9%**
+4.5% for offices, +14.8% for healthcare
- **Property Development revenue down 15%**
2.5 months' worth of revenue not recognised
(percentage of completion method)
- **Impact of the health crisis on NCCF:**
-€30m on NCCF
2/3 of the amount to be recovered in 2021 and
the following years (Property Development revenue)

2020 Outlook

NCCF expected at **€4.8** per share

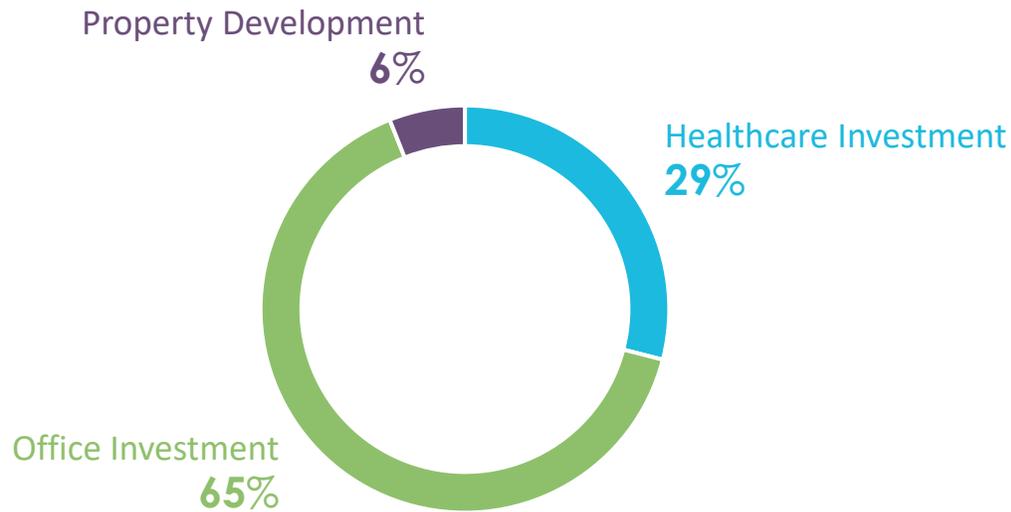
- In line with guidance issued in February 2020, excluding Covid impact
- **+5%** vs. 2019 excluding the impact of disposals and Covid

► • Resilient results despite the crisis

OUR DIVERSIFIED BUSINESS MODEL IS A REAL ADVANTAGE AT THIS TIME

A business model combining reliable cash flows and value creation...

Capital allocation as of 12/31/19 ⁽¹⁾



... allowing us to deliver an attractive TSR

2019 EPRA NAV TSR: +10.8%
2019 EPRA NNAV TSR: +6.6% ⁽²⁾



- A business mix that can be adapted based on market cycles
- An adjustable risk profile (pre-lets, residential, development, etc.)

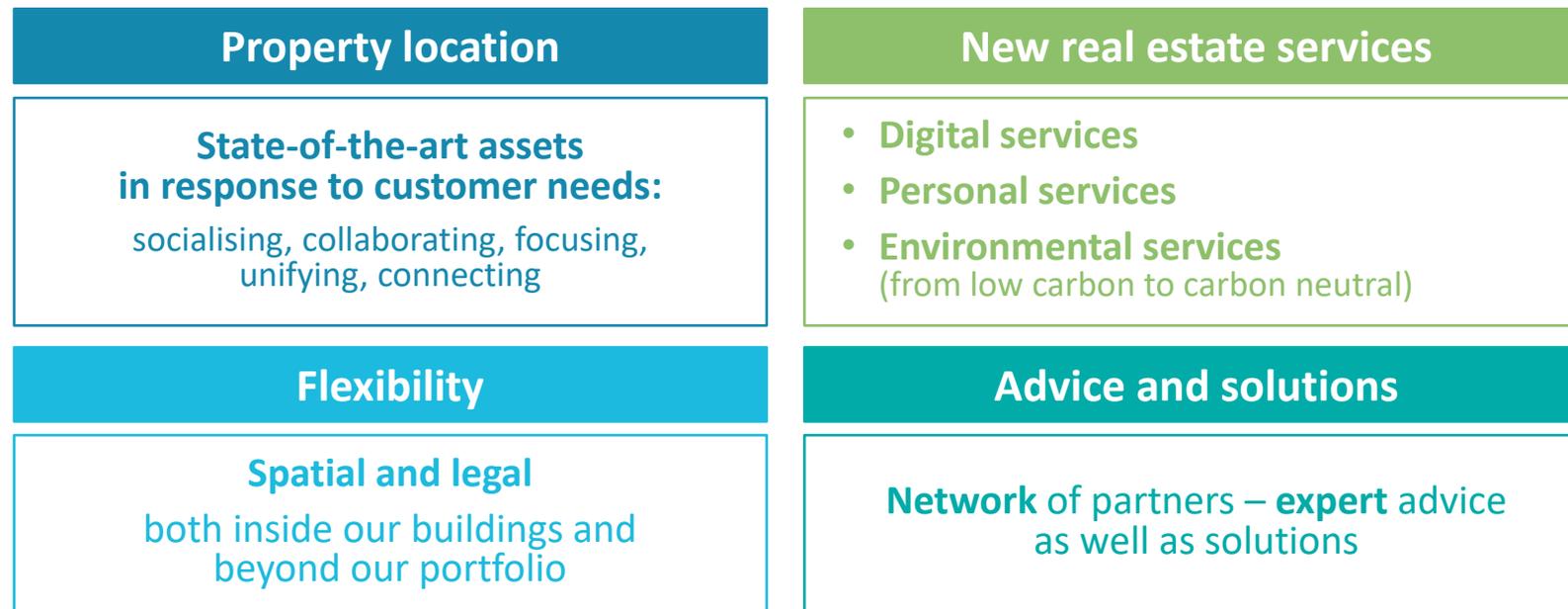
⁽¹⁾ Based on revalued equity
⁽²⁾ Impact of the fair value of debt

THE OFFICE OF TOMORROW BY ICADE: WE'RE READY

Our customers' key priorities...



... with solutions already in place across our portfolio



▶ • The office of tomorrow by Icade: smart, cost efficient, flexible and safe (“OaaS” ⁽¹⁾)

(1) Office as a Service

3. WE ARE RESILIENT AND PROACTIVE

IMAGIN'OFFICE: FLEXIBILITY FOR OUR TENANTS



“A new generation of offices for companies on the move”

- Fully equipped and turnkey workspaces
- Office management solutions
- Flexible contracts
- A number of additional services
- Contents and events



Two first achievements



Imagin'Office *Neuilly-sur-Seine*

62 desks in private offices
5 conference rooms



Imagin'Office *Lyon*

85 desks in private offices
9 conference rooms

• Icade's proposal to meet companies' new needs in terms of location, agility and flexibility

HEALTHCARE: GROWTH & FINANCIAL DISCIPLINE

Strong partnerships

- 1st transaction kicking off a long-term partnership with ORPEA for €145m ⁽¹⁾
- Transactions in acute care facilities in France with 2 regional players, new tenants for Icade Santé (€85m ⁽³⁾)
- Further investments with Korian, including development projects and sale-and-leaseback transactions (€22m)
- Upgrade of facilities operated by Elsan (€34m)

Growth prospects

- c. €426m invested or under a preliminary agreement as of 11/20/2020 ⁽²⁾
- €23m in additional future annual rents

Stringent investment criteria

- Market depth and the quality of the French healthcare and social security system
- Facilities that best meet local medical needs
- Leases signed with major healthcare providers
- Opportunities to forge long-term partnerships

- €2.5bn Investment Plan for 2019-2022 (50% already invested) unchanged
- Continued expansion of a European platform
- Liquidity by the end of 2022

⁽¹⁾ Including 5 facilities already acquired as of November 20 for €73m and 4 facilities remaining to be acquired for €72m on a Group share basis

⁽²⁾ Work undertaken or assets under a preliminary agreement including €347m in investments remaining to be made

⁽³⁾ Including €50m under a preliminary agreement

LOW CARBON: A MATTER OF CORPORATE RESPONSIBILITY & A GROWTH OPPORTUNITY

Meeting the climate emergency challenge

1.5°C

Paris Agreement target

Accepting our responsibility as a real estate player

25%

CO₂ emissions in France attributable to the real estate sector

Anticipating new regulations ⁽¹⁾

-49%

National emissions reduction objective for the real estate sector by 2030

Responding to increasingly high public expectations

- Environmental challenges firmly embedded in our strategy
- In line with our Purpose
- Turning our CSR commitments into business opportunities

(1) 2020 French Environmental Regulations; French service sector property decree; EU Taxonomy

LOW CARBON: A KEY PRIORITY FOR OUR THREE BUSINESS LINES

Clear and ambitious objectives

Strategies identified and used

Tangible results

OFFICE INVESTMENT	HEALTHCARE INVESTMENT	PROPERTY DEVELOPMENT
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<p>-45% Reduction in carbon intensity of buildings between 2015 and 2025 (in kg CO₂/sq.m/year)</p>	<p>Assisting healthcare providers in implementing the service sector property decree in line with a 1.5°C target⁽¹⁾</p>	<p>50% of housing and 100% of office ⁽²⁾ projects to be started in 2021 will have the E2C1 label</p>
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<ul style="list-style-type: none"> • Renovations • Energy-efficient equipment, renewable energy • Carbon performance criteria for new projects 	<ul style="list-style-type: none"> • Retrofit building envelopes to improve their energy performance • HQE certification for new-build projects ⁽³⁾ • E+C- label for pilot projects 	<ul style="list-style-type: none"> • Retrofit building envelopes, bioclimatic architecture • Reused, biosourced materials • Renewable energy and energy-efficient equipment (heating, air treatment, etc.) • New BU: wood-based construction
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<p>-27% Reduction in CO₂ emissions between 2015 and 2019</p>	<p>100% of retrofitting work on building envelopes contributed to improving energy performance in 2019</p>	<p>> 320,000 sq.m of wood-based projects completed or under development</p>
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- Low-carbon construction expertise already integrated/mastered at Icade
- A real competitive advantage

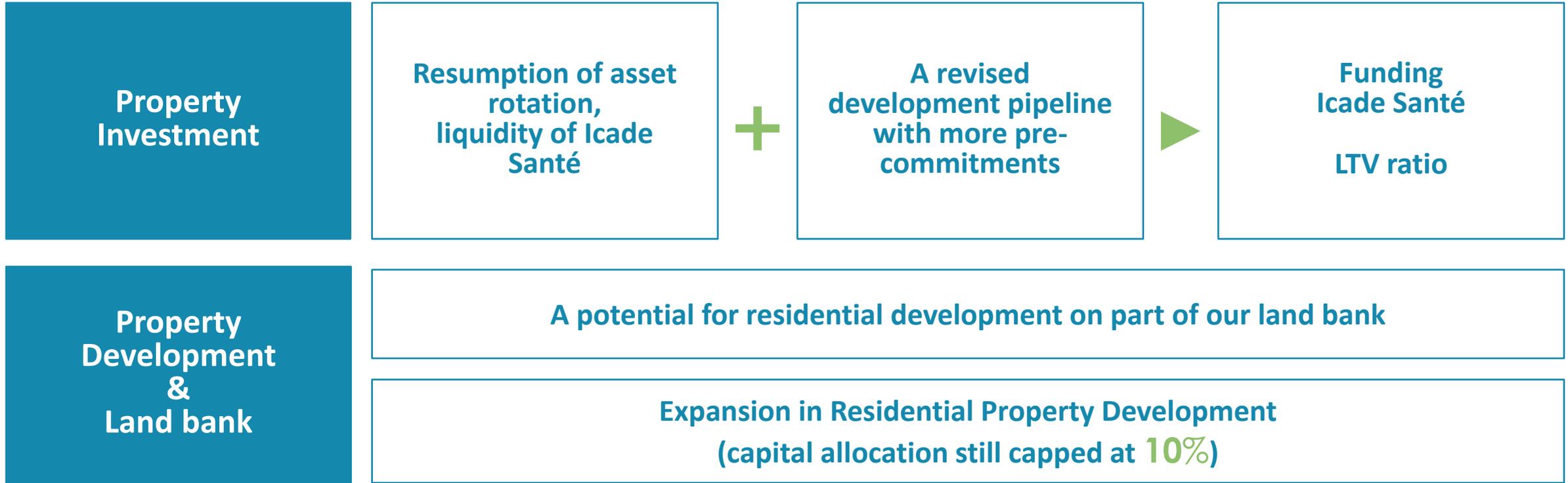
⁽¹⁾ Service sector property decree aligned with a 1.5°C pathway: 60% reduction in the energy consumption of office buildings by 2050
⁽²⁾ Over 5,000 sq.m
⁽³⁾ All new-build projects with a floor area above 7,500 sq.m

4.

Our outlook is bright



SHORT-TERM OUTLOOK: 2021/2023



- ▶ • Adapting strategy, business mix and risk profile to the current situation

OUR FINANCIAL POLICY REMAINS DISCIPLINED

Target LTV ratio at **36%/37%** as of the end of 2023

2020 dividend stable compared to 2019 at €4.0 per share
(subject to approval at the General Meeting)

Option to receive part of the dividend in the form of shares

~83%

2020 dividend payout ratio

6.1%

Dividend yield
(based on share price as of 11/18/2020)

- Taking into account the current economic environment
- Continuing to deliver attractive returns

CONCLUSION

Icade confident

**Fine-tuning our strategy, no major shift:
our business lines and balance sheet are strong**

A business mix and risk profile that meet the moment

Our strategic objectives for 2021–2023:

- **European leader in healthcare real estate**
- **Leader in “the office of tomorrow” in Greater Paris**
- **Key player in residential property development**
- **Best-in-class for low-carbon construction**

- ▶ **• Clear ambitious goals despite the current uncertainty**
- Being ready to seize the opportunities deriving from the crisis**



“Life isn’t about waiting for the storm to pass...
It’s about learning to dance in the rain.”

Seneca

