BUILDING
FOR EVERY FUTURE

ICADE

CONTENTS

ICADE
REGISTRATION DOCUMENT

2018

Including the annual financial report

This registration document was filed with the
French Financial Markets Authority ("AMF") on March 29, 2019,
in accordance with Article 212-13 of its General Regulation.
It may be used to support a financial transaction if it is accompanied
by an information memorandum approved by the AMF.

This document contains all the information required for the annual financial report.
It was drawn up by the issuer and its signatories are responsible for its content.

Pursuant to Article 28 of Regulation (EC) No. 809/2004,
the following information is incorporated
by reference in this registration document:

The consolidated financial statements as of December 31, 2016
and our Statutory Auditors' reports on these financial statements
are shown on pages 194 to 247, and 248, respectively,
of the registration document filed with the AMF on March 23, 2017.

The consolidated financial statements as of December 31, 2017
and our Statutory Auditors' reports on these financial statements
are shown on pages 180 to 235, and 236, respectively,
of the registration document filed with the AMF on March 29, 2018.

"THIS YEAR MORE THAN ANY OTHER, ICADE HAS TRANSFORMED ITSELF, WITHOUT EVER LOSING SIGHT OF ITS DNA."

Message from André Martinez

In July 2018, the Board of Directors unanimously approved Icade's new 2019-2022 strategic plan, as its 2015-2019 plan was completed one year ahead of schedule.

This year more than any other, Icade has transformed itself, without ever losing sight of its DNA—quite the contrary, it has taken advantage of these changes to ramp up its growth and has begun taking steps, alongside its employees, to reflect on the company's purpose.

Our customers—whether owners or tenants, with changing habits, lifestyles and needs—are central to these discussions. To meet this challenge, Icade is striving to become a service company based on its three business areas, namely office property investment, healthcare property investment and property development.

These transformations have been once again reflected in our teams' operational successes and taste for innovation, with new services such as Imagin'Home, the first home co-design platform created by a real estate developer, and Ambu'Stage, the first service for the geolocation of patients.

The year 2018 was marked by winning bids for major project contracts both inside and outside the Paris region. The Office Property Investment teams stepped up cooperation with Icade Promotion to launch, for instance, the Origine project in Nanterre. Icade Promotion has sold more than 6,000 residential units.

The Healthcare Property Investment Division has actively pursued its diversification and international expansion strategy through its first acquisitions in Italy.

As regards corporate governance, the Board of Directors has made every effort to improve its quality, by transforming the way in which the Company's governing bodies function in compliance with recommendations set out in the Afep-Medef code. These initiatives include committees being chaired by independent directors, better prevention of conflicts of interest, transparency of information and responsiveness to the challenges facing the Company to support its profitable growth.

Lastly, in 2018 the Board of Directors approved the creation of a fourth Board committee dedicated to innovation and CSR which lie at the heart of Icade's growth strategy.

ANDRÉ MARTINEZ,
CHAIRMAN OF THE BOARD OF DIRECTORS

Interview with Olivier Wigniolle

"AFTER AN EXCEPTIONAL 2018, WE NOW HAVE TO IMPLEMENT OUR 2019–2022 PLAN, WITH A CLEAR ROADMAP FOR EACH ONE OF OUR BUSINESS DIVISIONS."

OLIVIER WIGNIOLLE,
CEO

What in your opinion were Icade's major successes in 2018?

O.W.: 2018 was characterised by great operational success. For the Office Property Investment Division, I would first mention the signing of a memorandum of understanding for a "Partnership Urban Project" (PUP) to develop the Portes de Paris business park with Plaine Commune and the cities of Saint-Denis and Aubervilliers. We also entered into a lease agreement with TechnipFMC for close to 60,000 sq.m of offices in our Origine project. For Icade Santé, 2018 was an exceptional year with the completion of three new healthcare facilities. We have also completed our first deal allowing us to diversify into the nursing home segment and signed a memorandum of understanding to ultimately acquire our first nursing home portfolio in Italy.
For the Property Development Division, in addition to a record number of homes sold, we were awarded major contracts in Paris, such as Quai Bercy in Paris, the Versailles-Pion district in Versailles and the international business district Archipel Wacken in Strasbourg. The year was also busy due to the completion of nine large-scale office buildings. Lastly, I would mention the merger with ANF Immobilier which enabled us to acquire assets worth €700 million fully in line with our strategy to diversify into major French cities.

2019 will reflect our corporate purpose, what are your ideas on the subject?

O.W.: Our purpose will be to prove that we can conduct real estate activities in an exemplary manner in terms of CSR, not at the expense of economic performance but, on the contrary, in favour of growth and profitability. Icade's purpose is the same as that of its employees, shareholders, directors, customers, local authorities and suppliers. One point of view is not more important than another. Once we have defined it, we will have to express it in operational terms for all of our operations and then implement it in our business lines.

What are our priorities for 2019?

O.W.: Our priority in 2019 will be to implement our 2019–2022 plan with a clear roadmap for each one of our business lines. For the Office Property Investment Division, we intend to take advantage of market conditions to capitalise on the development pipeline and launch new projects. For the Healthcare Property Investment Division, our priority in 2019 will be to ramp up its international expansion to replicate in the eurozone the success Icade Santé has had in France. The Property Development Division's priorities are twofold: on the one hand, to replenish the Office Property Investment pipeline and backlog and, on the other hand, to start construction on the major contracts awarded in 2018.
At the same time, we will have to continue optimising our liabilities by securing the financial resources needed to support our growth. In terms of CSR, the carbon footprint of construction is an issue that is transforming our industry. In 2019, the carbon-neutral projects that we are developing with Icade Promotion will be extremely ambitious and cutting edge

1. OVERVIEW OF THE GROUP AND STRATEGY

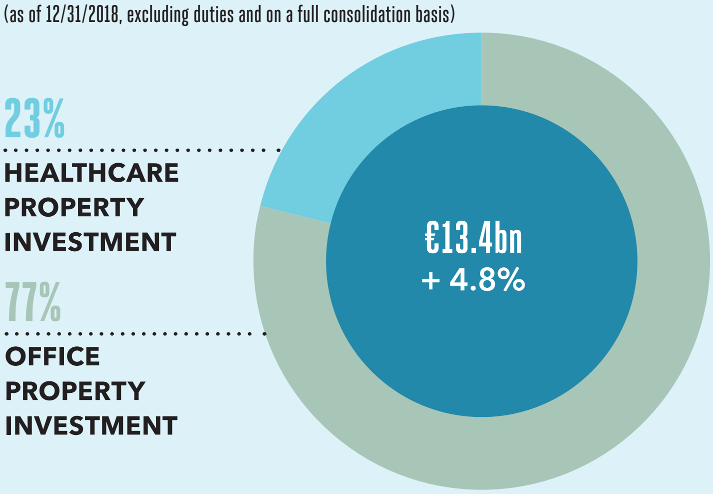
1. Key indicators

Strong increase in key performance indicators in 2018

OFFICE PROPERTY INVESTMENT	PROPERTY DEVELOPMENT	HEALTHCARE PROPERTY INVESTMENT
€8.9bn portfolio value (excluding duties, on a full consolidation basis) +1.8%	€1.3bn economic revenue +7.8%	€4.5bn portfolio value (excluding duties, on a full consolidation basis) + 11.1%
€3.11 per share EPRA EARNINGS FROM PROPERTY INVESTMENT +2.4%	€0.60 per share NCCF + 74.4%	€1.46 per share EPRA EARNINGS FROM PROPERTY INVESTMENT + 12.6%
€2.5bn pipeline	6,346 housing units sold +15%	€255m pipeline

DISTRIBUTION OF THE PROPERTY INVESTMENT PORTFOLIO

(as of 12/31/2018, excluding duties and on a full consolidation basis)



GROUP

€5.15 per share NCCF + 8.9%*	€89.8 per share EPRA TRIPLE NET ASSET VALUE + 5.9%	40.0% LTV ratio	1.55% Average cost of debt 6.4 years Average debt maturity	PROPERTY PORTFOLIO €11.3bn (excluding duties, on a proportionate consolidation basis) €13.4bn (excluding duties, on a full consolidation basis)

* vs. 2017 restated NCCF.

Icade, a socially responsible player

BEST-IN-CLASS INNOVATION AND CSR

- 34% in CO_2 emissions of the Office Property Investment Division between 2011 and 2018	100% of major new projects of the Healthcare Property Investment Division with HQE certification	100% of major construction projects of the Property Development Division including professional integration commitments

INNOVATION AT THE HEART OF ICADE'S STRATEGY

An innovation fund of €2m per year	An ecosystem of 700 start-ups	1 Graduate Programme

GRESB

82/100

1,127

EMPLOYEES

(average number of staff as of 12/31/2018)

2. Overview of the Group

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.

Icade makes a positive contribution in the cities where it operates, both in the Paris region and elsewhere. More than ever, the company is playing a role in the emergence of tomorrow's greener, smarter and more responsible cities.

Placing corporate social responsibility (CSR) and innovation at the centre of its strategy, Icade creates value for its stakeholders across all of its business lines.

Since 2015, Icade has refocused its business activities on its three main divisions:

- **Office Property Investment Division:** a major office property investor in the Paris region and in other major French cities such as Lyon, Toulouse or Marseille.

€402m
Gross rental income

€231m
EPRA earnings

5.9%
Average net initial yield *(excluding duties)*

- **Healthcare Property Investment Division:** the leading investor in private healthcare property in France, currently diversifying into nursing homes, both in France and internationally. The Healthcare Property Investment Division operates through a 56.77% owned dedicated subsidiary of Icade.

€241m
Gross rental income

€108m
EPRA earnings

5.8%
Average net initial yield *(on a proportionate consolidation basis, excluding duties)*

- A nationwide **property developer** for third parties with a strong local presence throughout the country thanks to its 19 local offices, active in both the residential and office segment, having the necessary expertise to meet all its customers' needs by offering innovative real estate solutions with a strong CSR focus.
  The Property Development Division operates through a wholly-owned subsidiary of Icade.

€1.3bn
Economic revenue

€88m
Current economic operating profit/(loss)*

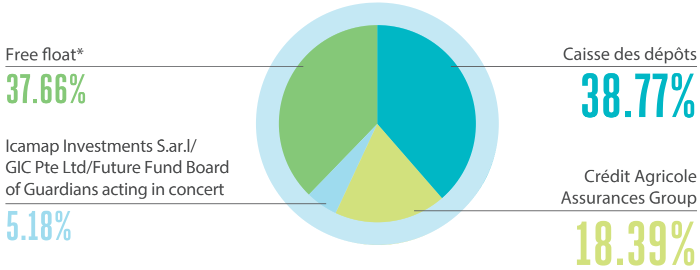
€1.2bn
Backlog

** Current economic operating profit/(loss) including entities accounted for using the equity method, adjusted for trademark royalties and holding company costs.*

3. Share performance and shareholding structure

Shareholding structure

Icade has a solid ownership structure. The Company is listed on Euronext Paris and the Caisse des dépôts group is the leading shareholder, with a nearly 39% stake, while the Crédit Agricole group is a major minority shareholder as it holds over 18% of the share capital.



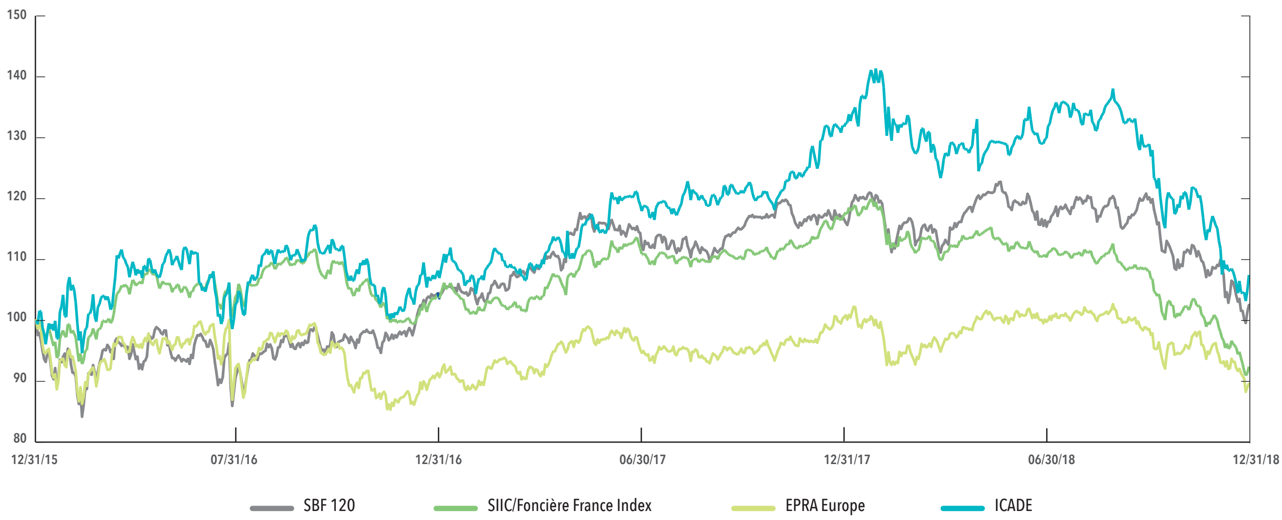
* Including 0.26% for Icade's "FCPE" employee-shareholding fund and 0.65% of treasury shares.

Share performance

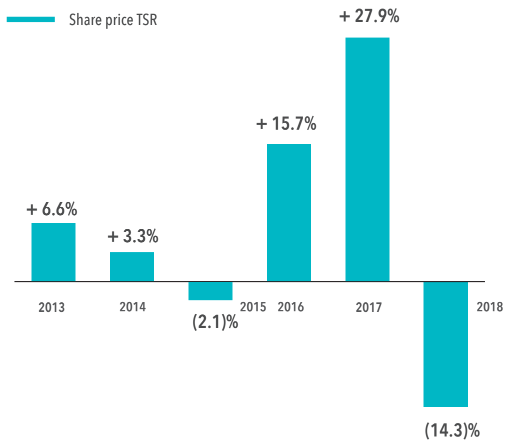
With market capitalisation of €5 billion at the end of December 2018 and a trading volume of 20,662,870 shares over the course of the year, Icade's share price amounted to €66.50 at December 31, 2018—down -18.83% compared to the end of 2017.

The share price was up +20% over the past three years.

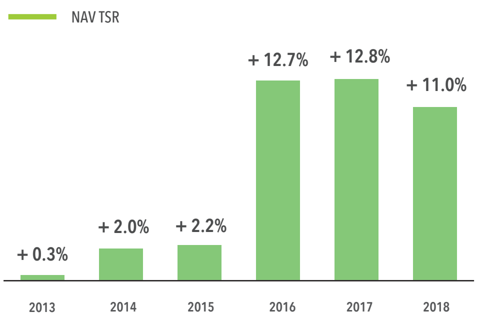
Icade's share price vs. EPRA Europe, SBF 120 and SIIC France from 12/31/2015 to 12/31/2018 *(rebased to 100 at 12/31/2015)*



The share price TSR [(1)] was down -14.3% against the backdrop of a sharp downturn across all indices and, in particular, real estate indices (with the EPRA Europe index down -21%).



For the third year running, the NAV TSR [(2)] grew by double digits in 2018, with +11%, reflecting the Company's ability to consistently create value.



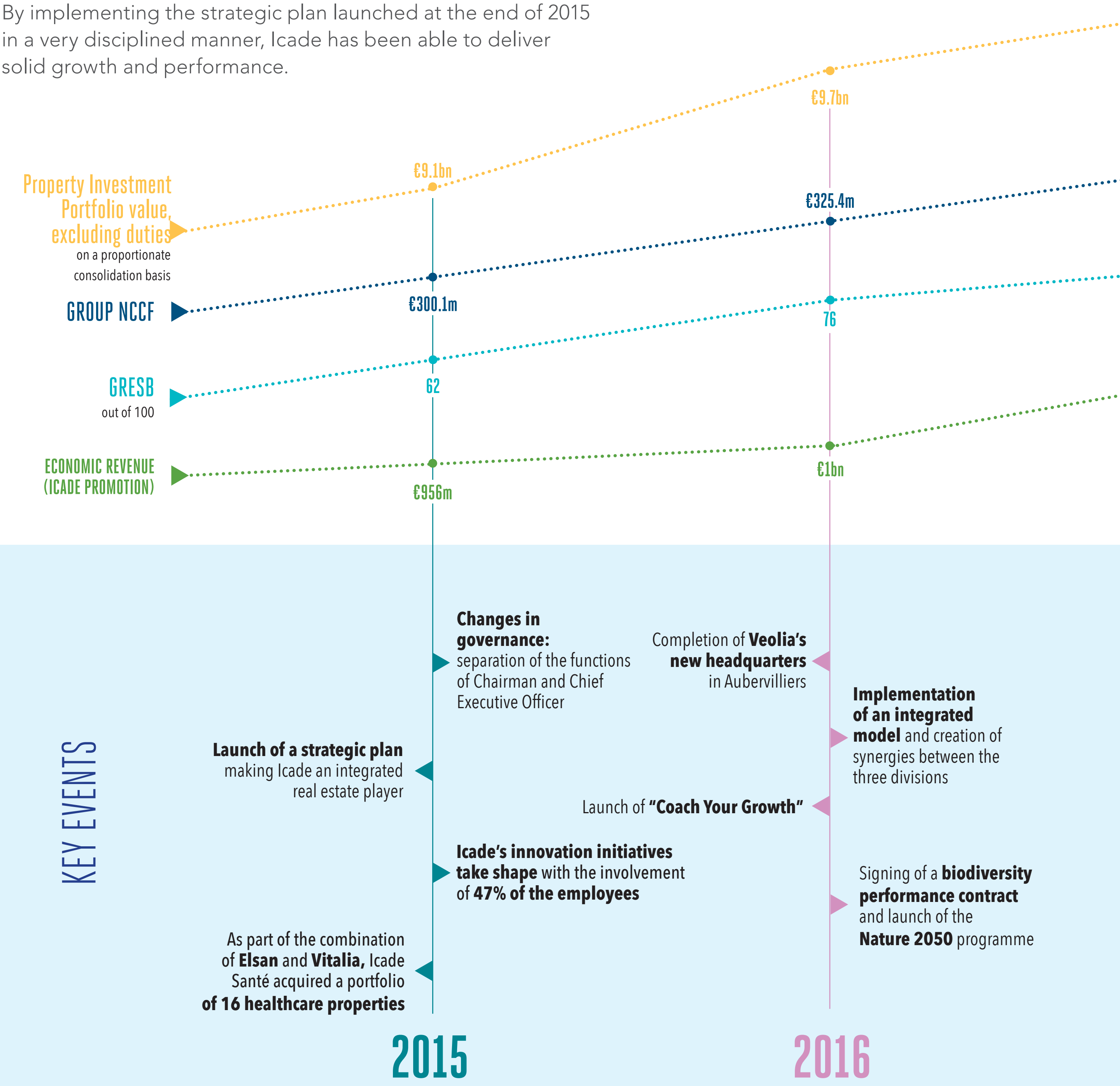
(1) The share price TSR is calculated as the difference between the share price at the end of the previous reporting period (€81.9 as of 12/31/2017) and the share price at the end of the reporting period under consideration (€66.5 as of 12/31/2018) (assuming that all dividends paid out are reinvested in shares at the share price as of the ex-dividend date; for the purpose of calculating 2018 TSR, €4.30 is assumed to be reinvested at the closing share price of May 2, 2018), divided by the share price at the end of the previous reporting period.

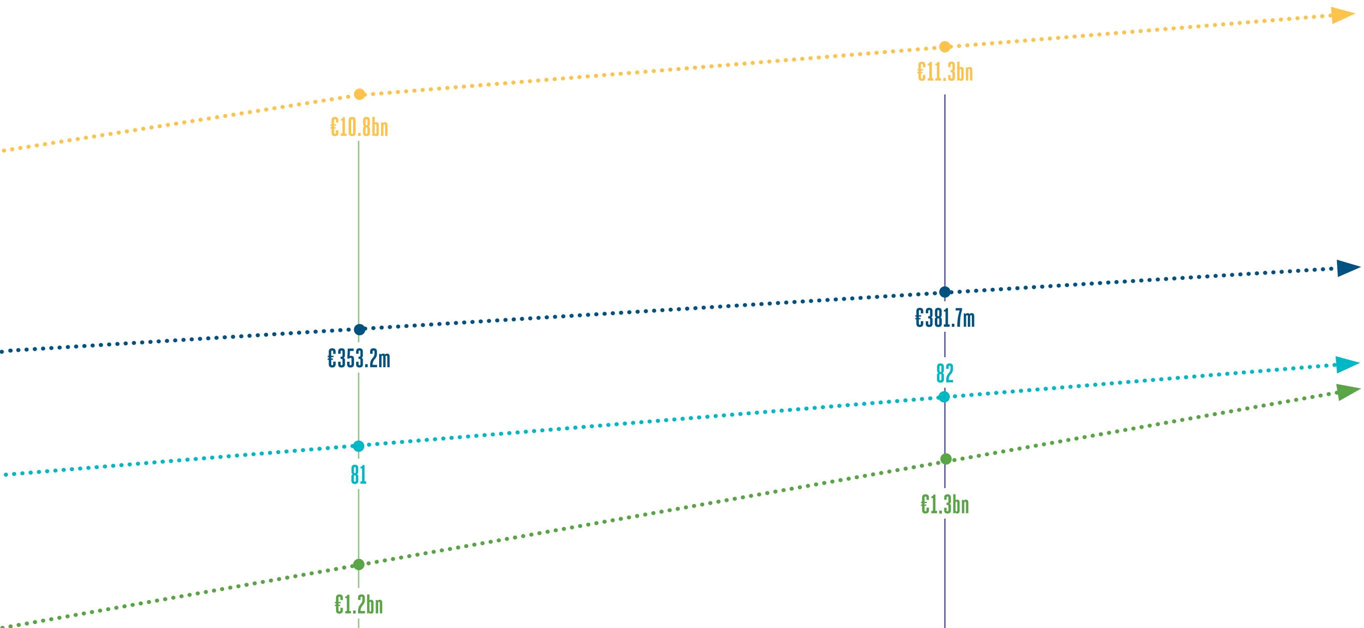
(2) The NAV TSR is calculated as the difference between the triple net asset value per share at the end of the previous reporting period and that recorded at the end of the reporting period under consideration (including, for the purpose of calculating 2018 TSR, the €4.30 dividend paid during the period). divided by the triple net asset value per share at the end of the previous reporting period.

4. Recent achievements

A culture of success

By implementing the strategic plan launched at the end of 2015 in a very disciplined manner, Icade has been able to deliver solid growth and performance.





2017

Acquisition of ANF Immobilier: reinforced Icade's presence in large French cities

New identity with a new logo and a new slogan: "Building for every future"

Acquisition of a 100th healthcare facility by Icade Santé

Inaugural Green Bond (€600m)

Creation of Arkadea, a property development company, by Icade and Poste Immo

Launch of Open ID, Icade's transformation project

2018

Expansion of Icade Santé into international markets with the signing of a memorandum of understanding to invest in the construction of seven nursing homes in Italy

Successful implementation of the 2015-2019 plan one year ahead of schedule and launch of the new 2019–2022 plan

Diversification of Icade Santé with the acquisition of 14 nursing homes

Launch of Origine, an office development with services of about 69,000 sq.m in Nanterre and signing of a lease with TechnipFMC

Partnership with Ceebios (the European Centre of Excellence in Biomimetics of Senlis): "Bio-inspired real estate by Icade"

Completion of 3 new healthcare facilities by Icade Santé: the Reims-Bezannes polyclinic, the Croix du Sud private hospital in Quint-Fonsegrives and the Bromélia private hospital in Saint-Herblain

5. 2019 strategy and outlook

5.1 Strategy as an integrated real estate player

Ahead of schedule in carrying out its previous 2015 plan, Icade announced **its new 2019–2022 strategic plan** in July 2018. This new plan reaffirms Icade's ambition to be a leading player **in four key areas**.

VALUE CREATION AT THE HEART OF OUR 2019-2022 PLAN

1
Leading player in the **office market** in the Greater Paris area & major cities outside Paris

2
European leader in **healthcare real estate**

3
Key player in **property development**

Office Property Investment: 70 to 75% of assets
- Focus on the development pipeline
- Opportunistic asset rotation and extraction of value from the land bank
- Towards more diversified, more service-oriented office solutions

Healthcare Property Investment: 25 to 30% of assets
- Continued growth in France and diversification into the nursing home sector
- International expansion: ambition to reach 25% to 30% of the portfolio
- Liquidity of Icade Santé by 2020-2022

Property Development: attractive ROE (2) and limited exposure
- Significant expansion in the office segment
- Target ROE of around 15%
- Contribution to Group NCCF > 10% over the course of the plan
- Exposure capped at 10% of Icade's equity
- Potential opportunities to be seized in a sector undergoing significant changes

Icade's new plan reaffirms its business model as an integrated real estate company which designs innovative real estate products and services adapted to new urban lifestyles and habits. Placing corporate social responsibility and innovation at the centre of its strategy, Icade creates value for its stakeholders across all of its business lines.

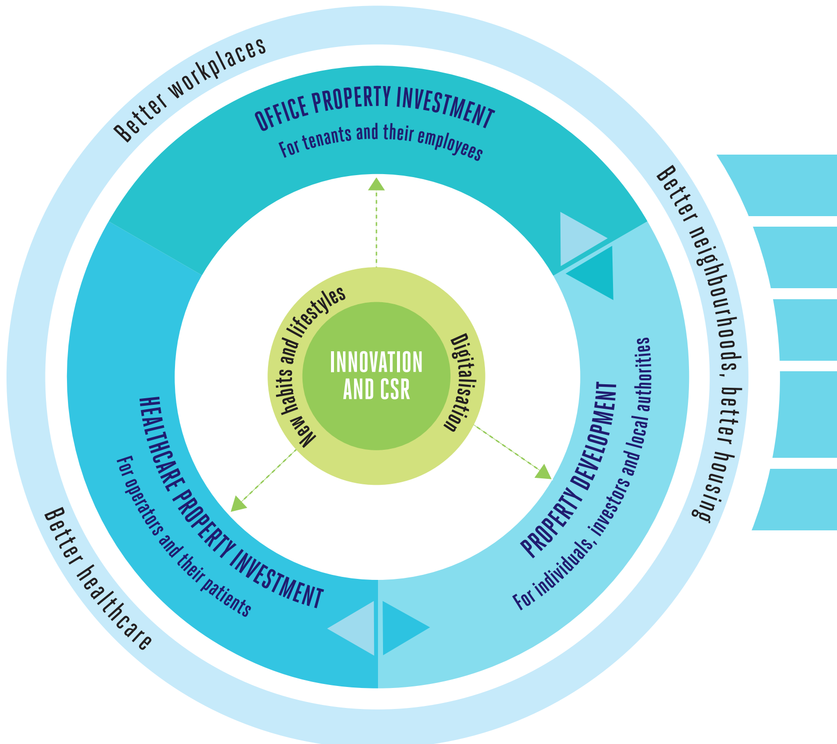
RESOURCES
As of 12/31/2018

FINANCIAL RESOURCES
- €3.2bn in consolidated equity (on a proportionate consolidation basis)
- €6.3bn in financial liabilities

ECONOMIC AND SOCIAL RESOURCES
- 900,000-sq.m land bank (Office Property Investment)(1)
- 837 Office Property Investment tenants and 11 Healthcare Property Investment partner operators
- Project pipeline totalling €2.7bn on a full consolidation basis

HUMAN AND INTELLECTUAL RESOURCES
- 1,127 employees
- 1 in 3 employees involved in innovative projects
- 100% of employees received training in 2018

ENVIRONMENTAL RESOURCES
- A leader in certifications and labels
- A pioneer in the reuse of materials
- An energy efficiency improvement plan of €50 million between 2017 and 2019



(1) New construction less demolition.

(2) ROE (return on equity): net profit attributable to the Group/average allocated capital over the period.

4 Best-in-class CSR and innovation

Priorities

- 2019 CSR priority: low-carbon
- 5 CSR priority issues: climate change; biodiversity; materials reuse; territorial cohesion and inclusion; and employee engagement, agility and collaboration
- 3 innovation priorities: data, services for our customers and local development

ICADE GROUP GUIDANCE

- LTV ratio around 40%
- Hedging policy: > 90% of total debt
- NCCF average annual rate of growth: + 4.5%
- Stable dividend policy

VALUE CHAIN

- DEVELOPMENT
- INVESTMENT
- MARKETING
- PROPERTY MANAGEMENT & ASSET MANAGEMENT
- NEW PROPERTIES

VALUE CREATED

As of 12/31/2018

FINANCIAL IMPACT

- NAV: + 5.9%
- Property Development ROE [(2)] : + 17.4%
- Group NCCF in €m: + 9.1%
- NAV TSR up + 11%

ECONOMIC AND SOCIAL IMPACT

- 100% of business parks have received the "Business Park of Excellence" label
- 20,840 beds and places in healthcare facilities
- 100% of Icade's significant construction projects include a professional integration commitment

HUMAN AND INTELLECTUAL IMPACT

- 28% of positions are filled internally
- 15 employee-led innovation projects
- Innovation and CSR objectives for 71% of employees and 91% of managers

ENVIRONMENTAL IMPACT

- 34% reduction in CO_2 intensity for the Office Property Investment Division between 2011 and 2018
- 24 tonnes of waste and 125 tonnes of CO_2 emissions avoided through the Cycle Up platform
- 80% of new builds located less than 500 metres from public transport

5.2. 2019 outlook

2019 PRIORITIES

- ▶ **Office development pipeline and "opportunistic" disposals of core offices**
- ▶ **International expansion of Icade Santé**
- ▶ **Icade Promotion: launch of large projects won in 2018**
- ▶ **2019 CSR priority: low-carbon**
- ▶ **Continued liability optimisation (LTV ratio, maturity)**

2019 GUIDANCE

2019 Group NCCF per share	**Stable** excluding the impact of any opportunistic disposals to be completed in 2019
Dividend policy	**2019 dividend forecast[1]: c. + 4.5%** *in line with NCCF CAGR over the course of the plan* **90% of NCCF** and, as the case may be, distribution of part of the capital gains realised on disposals *NB: **70%** of gains on disposals must be paid out in the following 2 years*

(1) Starting in the financial year 2019, the dividend will be paid in two instalments, one in May and one in September, in particular to provide shareholders with more regular income streams.

2. PERFORMANCE OF THE GROUP'S BUSINESS ACTIVITIES

1. Group

1.1. Highlights of the financial year 2018

Changes in governance: appointment of the following directors:

- Ms Carole Abbey, to replace Ms Marianne Laurent, appointed on a proposal from Caisse des dépôts;
- Ms Sophie Quatrehomme, to replace Mr Franck Silvent, appointed on a proposal from Caisse des dépôts;
- Mr Jean-Marc Morin, to replace Ms Cécile Daubignard, appointed on a proposal from Caisse des dépôts; and
- Mr Guillaume Poitrinal as independent Director.

Thus, as of December 31, the composition of the Board of Directors was in accordance with the Afep-Medef Code, with 50% of women and 35.7% of independent Directors.

Property Investment Divisions: an active year 2018, particularly with stepped up asset rotation in the office portfolio and the first investments in the nursing home segment and internationally in the healthcare portfolio

Office Property Investment

- merger with ANF Immobilier effective since June 30, 2018: as of December 31, 2018, on a proportionate consolidation basis, 7.7% of Icade's portfolio was located in major French cities other than Paris (Lyon, Bordeaux, Marseille and Toulouse among others).
- end of the refurbishment works for the Millénaire 1 project and completion of the project (23,715 sq.m). The building was leased to BNP Paribas.
- acceleration of disposals in H2 2018:
  - the Paris-Nord 2 and Colombes business parks, and the Axe Seine building for a total of €434 million excluding duties;
  - its headquarters building located in Issy-les-Moulineaux (Open building) for a total of €98.8 million excluding duties. Icade will remain the building's sole tenant under a lease that was signed at the same time as the sale.

  Disposals were carried out on favourable terms for Icade with an aggregate selling price +9.0% (€48.8 million) above appraised values as of December 31, 2017 and capital gains totalling €91 million;
- on December 6, 2018, Icade, Plaine Commune and the municipalities of Saint-Denis and Aubervilliers signed a new memorandum of understanding for the urban development of Icade's Portes de Paris business park. This memorandum of understanding details the development of a genuine urban neighbourhood that combines office space and business premises on land owned by Icade and provides for nearly 200,000 sq.m of new construction in the coming years. Projects already under development represent 167,000 sq.m and over €800 million Icade investments.

Healthcare Property Investment

The Healthcare Property Investment Division continues to consolidate its leading position in healthcare property investment:

- acquisitions for a total of €211.5 million, relating primarily to a portfolio of 14 nursing homes acquired in July 2018 for €189 million from the Residalya group, which will remain the tenant and operator of these facilities under new 12-year leases with no break options. Through this transaction, Icade Santé has implemented its strategy to diversify into long-term care facilities;
- during financial year 2018, completion of three assets representing €13 million in additional rental income including Reims-Bezannes (30,000 sq.m) which has obtained HQE Excellent certification, with a lease that started on April 1, 2018 (12-year off-plan lease entered into with Courlancy Santé), and Bromélia in Saint-Herblain (16,000 sq.m) with a 12-year lease with no break option having started in May 2018;
- in addition, Icade signed its first international investment in October 2018 for €112 million to acquire, upon completion of the facilities, seven nursing homes to be built in northern Italy.

Also significant for the Healthcare Property Investment Division were two construction projects for post-acute care facilities (PAC) in the Paris and Nouvelle-Aquitaine regions, which were signed by Icade and Korian. These projects emerged from the partnership [1] started with Korian in 2017. These facilities are scheduled to open by 2021: Livry-Gargan (Seine-Saint-Denis) and Saintes (Charente-Maritime).

Property Development Division: several large-scale projects won

Terres de Versailles:

- in March 2018, Icade Promotion was awarded the concession to plan and develop the new "Terres de Versailles" neighbourhood, located on the site of the former Pion barracks. This project covers 51,250 sq.m and includes housing units, a hotel, a childcare centre, shops, space dedicated to social economy initiatives, as well as public facilities. The entire project is scheduled to be carried out between 2019 and 2026. In addition to the planning involved, Icade Promotion will carry out 65% of the construction work included in the overall project apart from the public facilities, representing potential revenue of €157 million excluding taxes.

Bercy Charenton:

- in April 2018, Icade, Sogaris and Poste Immo were awarded a contract as part of the "Inventing the Greater Paris Metropolis" call for projects on the site located in the 12th district of Paris. This project encompasses a 50,000-sq.m mixed-use complex including a 15,000-sq.m office building which will be built under a delegated project management agreement by Icade Promotion with the Office Property Investment Division as investor. In addition, Icade Promotion will develop 18,000 sq.m as part of an off-plan sale, including a hotel, a co-living apartment hotel and shops as well as event and sports areas.

  The potential revenue from this project, which will be developed between 2020 and 2023, is €42 million excluding duties.

International Archipel Wacken:

- in October 2018, Icade's application was selected following a call for projects launched by the City of Strasbourg and led collaboratively with the Strasbourg Eurometropolis, the Bas-Rhin Departmental Council and the Grand-Est Region, for the construction of a European office development of about 40,000 sq.m in the Archipel Wacken international business district in Strasbourg. The Osmose project presented by Icade provides for the development of a major European business district in the immediate vicinity of the European Parliament, with the objective of making it the most important office district in Strasbourg. The scheme is scheduled for completion by the end of 2020.

(1) *Under this partnership, Icade Promotion will be in charge of developing an initial set of 15 new facilities (nursing homes and post-acute care facilities) in France. Korian and Icade Santé retain the option to act as investors, on a case-by-case basis.*

University of Chicago's Centre in Paris:

- On December 7, 2018, the City of Paris, the city council of the 13th district, Semapa and the University of Chicago chose the project led by Icade and designed by the Franco-American architects Studio Gang and Parc Architectes (Paris) to build "Best of Both", an ambitious mixed-use project representing nearly 9,500-sq.m.

Liabilities: continued optimisation

The average cost of debt continued its downward slide to 1.55% while the average debt maturity remained stable at 6.4 years (*for further information, see § 1.4 of this chapter*).

On August 30, 2018, Standard & Poor's affirmed Icade's long-term rating of BBB+, stable outlook and short-term rating of A-2. This rating comes after the agency's annual review.

1.2. Income and cash flow statements

1.2.1. Summary IFRS consolidated income statement

The 2017 figures ("12/31/2017 Restated") presented hereafter have been restated for the impact of applying IFRS 15 "Revenue from contracts with customers", and for the reclassification of the Company value-added contribution (CVAE), whose impact is detailed in note 1 "Accounting principles" to the consolidated financial statements.

KEY FIGURES AS OF DECEMBER 31, 2018

	12/31/2018	12/31/2017 Restated	12/31/2017 Reported	Change 2018 vs. 2017 Restated *(in %)*	Change 2018 vs. 2017 *(in %)*
EPRA earnings from Property Investment *(in €m)*	**338.9**	**320.8**	**319.1**	**+5.7%**	**+6.2%**
EPRA earnings from Property Investment per share	4.57	4.34	4.31	+5.5%	+6.0%
Net current cash flow from Property Investment *(in €m)*	**347.1**	**329.1**	**327.4**	**+5.5%**	**+6.0%**
Net current cash flow from Property Investment per share	4.68	4.45	4.43	+5.3%	+5.8%
Net current cash flow from Property Development *(in €m)*	**44.4**	**25.4**	**30.4**	**+74.7%**	**+46.2%**
Net current cash flow from Property Development per share	0.60	0.34	0.41	+74.4%	+45.9%
Other *(in €m)*	**(9.9)**	**(4.6)**	**(4.6)**	**+114.5%**	**+114.5%**
Group net current cash flow *(in €m)*	**381.7**	**349.9**	**353.2**	**+9.1%**	**+8.1%**
Group net current cash flow per share	5.15	4.73	4.77	+8.9%	+7.9%
Net profit/(loss) attributable to the Group *(in €m)*	**154.9**	**165.5**	**170.3**	**(6.4)%**	**(9.0)%**

	12/31/2018	12/31/2017 Restated	Change *(in %)*
EPRA triple net asset value per share	€89.8	€84.8	+5.9%
Average cost of drawn debt	1.55%	1.59%	(4) bps
LTV ratio	40.0%	41.0%	(94) bps
Property Development ROE [(a)]	17.4%	10.5%	+690 bps

(a) Property Development ROE = Net profit/(loss) attributable to the Group excluding income from the refund of the 3% tax/Average allocated capital (on a proportionate consolidation basis and excluding profit/(loss)).

In 2018, IFRS net profit/(loss) attributable to the Group stood at €154.9 million, up +€24.5 million, i.e. +18.8% from 2017 IFRS net profit/(loss) restated for extraordinary income of €35 million from the refund relating to the 3% tax paid on dividends:

- a significant improvement in operating activities across the three business lines;
- rising income from asset disposals;
- rising depreciation charges (full-year impact of the merger with ANF Immobilier).

The following presentation of the income statement, with a breakdown between current and non-current items, makes it possible to identify the amount resulting from current items (Group net current cash flow) as of December 31, 2018, for which a detailed analysis is shown in § 1.2.2, and the other non-current items.

	12/31/2018			12/31/2017 Restated			
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total	Change
REVENUE	1,771.5		1,771.5	1,620.0		1,620.0	9.4%
EBITDA	594.8	(4.7)	590.1	537.4	(1.6)	535.8	10.1%
OPERATING PROFIT/(LOSS)	611.4	(270.0)	341.4	553.8	(230.6)	323.2	5.6%
FINANCE INCOME/(EXPENSE)	(107.3)	(16.2)	(123.5)	(92.7)	(34.0)	(126.7)	2.5%
NET PROFIT/(LOSS)	471.2	(285.8)	185.4	427.5	(229.2)	198.3	(6.5)%
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	381.7	(226.7)	154.9	349.9	(184.4)	165.5	(6.4)%
Average number of diluted shares outstanding used in the calculation			74,114,657			73,971,634	
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP *(in euros per share after dilution)*	**5.15**	**(3.06)**	**2.09**	**4.73**	**(2.49)**	**2.24**	

1.2.2. Group net current cash flow

Group net current cash flow reflects the operating and financial performance of the Office Property Investment, Healthcare Property Investment and Property Development Divisions. The Group's dividend policy is based on this indicator. It primarily comprises the following two items:

- "EPRA earnings from Property Investment" which represents the income from office property investment and healthcare property investment activities in accordance with EPRA recommendations (European Public Real Estate Association); and
- "Net current cash flow from Property Development" which measures the cash flow from property development activities.

Group net current cash flow increased by as much as 9.1% to €381.7 million (€5.15 per share) as of December 31, 2018, from €349.9 million as of December 31, 2017 (€4.73 per share).

(in millions of euros)	12/31/2018	12/31/2017 Restated	Change 2018-2017
GROUP NCCF	381.7	349.9	9.1%
TOTAL GROUP *(in € per share)*	**5.15**	**4.73**	**8.9%**

1.2.3. Segment reporting

As of December 31, 2018, segment reporting is divided into four main categories: Office Property Investment, Healthcare Property Investment, Property Development and "Other" operations.

	12/31/2018				12/31/2017 Restated				Change 2018-2017	
(in millions of euros)	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	%	NCCF	%	EPRA earnings from Property Investment	NCCF
Office Property Investment	230.7	68.1%	238.9	62.6%	224.8	70.1%	233.1	66.6%	2.6%	2.5%
Healthcare Property Investment	108.2	31.9%	108.2	28.4%	96.0	29.9%	96.0	27.4%	12.8%	12.8%
TOTAL PROPERTY INVESTMENT [a]	338.9	100.0%	347.1	90.9%	320.8	100.0%	329.1	94.0%	5.7%	5.5%
Property Development			44.4	11.6%			25.4	7.3%		74.7%
Other [b]			(9.9)	(2.6)%			(4.6)	(1.3)%		NA
TOTAL GROUP			381.7	100.0%			349.9	100.0%		9.1%
TOTAL GROUP *(in € per share)*	4.57		5.15		4.34		4.73		5.5%	8.9%

(a) "EPRA earnings" includes the depreciation of operating assets which are excluded from net current cash flow.
(b) "Other" includes "Intersegment transactions and other items", as well as discontinued operations.

The improvement in Group net current cash flow results from the performance of all business activities. The Office Property Investment Division, the Healthcare Property Investment Division and the Property Development Division all posted growing NCCF – 2.5%, 12.8% and 74.7%, respectively.

As of December 31, 2018, the contribution to Group net current cash flow of the Office Property Investment Division was 62.6%, that of the Healthcare Property Investment Division was 28.4%, and that of the Property Development Division was 11.6%.

1.3. EPRA reporting as of December 31, 2018

Icade presents below all its performance indicators as defined by the European Public Real Estate Association (EPRA) and as calculated in accordance with its recommendations. They are all leading indicators for the property investment industry.

EPRA earnings from Property Investment include the Office and Healthcare Property Investment segments. The net asset value (NAV) is estimated based on all of the Group's assets (including the value of Property Development companies).

1.3.1. EPRA net asset value as of December 31, 2018

The NAV is an indicator of the Group's value creation. It measures Icade's value, after distribution of dividends, based on two parameters: on the one hand, changes in Icade's equity, and on the other hand, changes in value of asset portfolios, liabilities and Icade Promotion.

On a proportionate consolidation basis, the Icade group's triple net asset value stood at €6,656.3 million as of December 31, 2018 (€89.8 per share, on a fully diluted basis), a significant improvement of +5.9% compared to December 31, 2017.

(in millions of euros)		12/31/2018	06/30/2018	12/31/2017
Consolidated equity attributable to the Group	(1)	3,185.2	3,076.0	3,336.3
Impact of dilution from securities convertible or exchangeable into Icade shares [(a)]	(2)	0.3	3.8	0.0
Unrealised capital gains on property assets and property development companies	(3)	3,464.4	3,456.6	3,098.7
Tax on unrealised capital gains	(4)	(12.5)	(18.1)	(16.5)
Revaluation of fixed-rate debt	(5)	18.9	(82.6)	(144.7)
EPRA TRIPLE NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(6) = (1) + (2) + (3) + (4) + (5)	6,656.3	6,435.7	6,273.8
(in € per share)	(6)/N	89.8	86.6	84.8
Year-on-year change		*5.9%*		
Adjustment for tax on unrealised capital gains	(7)	12.5	18.1	16.5
Adjustment for revaluation of fixed-rate debt	(8)	(18.9)	82.6	144.7
Adjustment for revaluation of interest rate hedges	(9)	8.2	0.9	(7.5)
EPRA NET ASSET VALUE ATTRIBUTABLE TO THE GROUP	(10) = (6) + (7) + (8) + (9)	6,658.2	6,537.2	6,427.5
(in € per share)	(10)/N	89.8	88.0	86.9
Year-on-year change		*3.4%*		
NUMBER OF FULLY DILUTED SHARES [(b)]	N	74,109,000	74,291,564	73,978,328

(a) Dilution related to stock options which had the effect of increasing consolidated equity and the number of shares. This increase can be up to the number of shares that can be obtained from the stock options exercisable at the end of the period.
(b) Stood at 74,109,000 as of December 31, 2018, after cancelling treasury shares (-488,116 shares) and the positive impact of dilutive instruments (+61,375 shares).

The change in triple net asset value over the period is detailed in the table below.

EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2017 *(in € per share)*	84.8
Dividends paid in H1	(4.3)
Group net current cash flow	+5.2
Change in fair value of assets	+2.3
Impact of debt restructuring and changes in fair value	+1.8
EPRA TRIPLE NAV ATTRIBUTABLE TO THE GROUP AS OF 12/31/2018 *(in € per share)*	**89.8**

The favourable trend in EPRA triple net asset value results mainly from:

- the performance of the different business lines with a significant increase in Group net current cash flow;
- the strong increase in value of the property assets of the Office and Healthcare Property Investment Divisions.

It should also be noted that the change in equity includes the payment of a dividend of €4.30 per share, i.e. 90.1% of 2017 Group net current cash flow (reported).

1.3.2. EPRA earnings from Property Investment

EPRA earnings from Property Investment measure the performance of the recurring (current) operations of the Office Property Investment and Healthcare Property Investment Divisions.

(in millions of euros)		12/31/2018	12/31/2017 Restated	% change 2018/2017
	NET PROFIT/(LOSS) [(a)]	185.4	198.3	
	Net profit/(loss) from other activities [(b)]	36.9	39.3	
(A)	NET PROFIT/(LOSS) FROM PROPERTY INVESTMENT	148.5	159.0	
(i)	Changes in value of investment properties and depreciation charges	(334.6)	(282.6)	
(ii)	Profit/(loss) on asset disposals	90.7	75.1	
(iii)	Profit/(loss) from acquisitions	(1.3)	(7.0)	
(iv)	Tax on profits or losses on disposals and impairment			
(v)	Negative goodwill/goodwill impairment		0.1	
(vi)	Changes in fair value of financial instruments and restructuring of financial liabilities	(16.2)	(34.2)	
(vii)	Acquisition costs on share deals			
(viii)	Tax expense related to EPRA adjustments	0.8	20.5	
(ix)	Adjustment for equity-accounted companies	(15.1)	(7.2)	
(x)	Other non-recurring items	(1.7)	(1.6)	
(xi)	Non-controlling interests	87.1	75.2	
(B)	TOTAL ADJUSTMENTS	(190.3)	(161.7)	
(A-B)	**EPRA EARNINGS FROM PROPERTY INVESTMENT**	**338.9**	**320.8**	**5.7%**
	Average number of diluted shares outstanding used in the calculation	74,114,657	73,971,634	
	EPRA EARNINGS FROM PROPERTY INVESTMENT *(in € per share)*	**€4.57**	**€4.34**	**5.5%**

(a) In 2017, net profit/(loss) attributable to the Group includes income of €35.0 million, including penalty interest relating to the refund claims submitted to the tax administration with regard to the 3% contribution paid on dividends distributed from 2014 to 2017.

(b) Other activities include Property Development, intersegment transactions and other items, as well as discontinued operations.

EPRA earnings from Property Investment totalled €338.9 million as of December 31, 2018, up by as much as +5.7% year-on-year. This significant increase was driven by strong operational performance in both Office and Healthcare Property Investment.

1.3.3. EPRA yield

The table below presents the adjustments to Icade's net yields that are required to obtain EPRA yields. The calculation includes Icade's three types of assets: offices, business parks and healthcare property assets. It is carried out after adjustment for non-controlling interests in Icade.

	12/31/2018	06/30/2018	12/31/2017
ICADE NET YIELD [(a)]	**5.9%**	**6.0%**	**6.1%**
Impact of estimated duties and fees	(0.3)%	(0.3)%	(0.3)%
Adjustment for potential rental income from vacant properties	(0.3)%	(0.3)%	(0.3)%
EPRA TOPPED-UP NET INITIAL YIELD [(b)]	**5.2%**	**5.3%**	**5.4%**
Inclusion of rent-free periods	(0.5)%	(0.4)%	(0.4)%
EPRA NET INITIAL YIELD [(c)]	**4.8%**	**4.9%**	**4.9%**

(a) Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, excluding lease incentives, divided by the appraised value (excluding duties) of operating properties.

(b) Annualised net rental income from leased space, excluding lease incentives, divided by the appraised value (including duties) of operating properties.

(c) Annualised net rental income from leased space, including lease incentives, divided by the appraised value (including duties) of operating properties.

The compression in EPRA net initial yield, which was down 0.2 pp compared to December 31, 2017, was mainly due to a like-for-like increase in appraised values of €261.9 million (+2.5% for the entire portfolio).

1.3.4. EPRA vacancy rate

The EPRA vacancy rate is defined as the ratio between the estimated rental value of vacant space and the estimated rental value of the whole portfolio. It is calculated based on operating assets as of December 31, 2018, excluding the residential property portfolio and PPPs.

Below are detailed figures concerning the vacancy rate, in accordance with the definition recommended by EPRA, for both Property Investment portfolios, on a proportionate consolidation basis.

(operating assets)	12/31/2018	12/31/2017 Restated [(a)]
Offices	4.7%	3.9%
Business parks	10.7%	14.3%
OFFICE PROPERTY INVESTMENT DIVISION [(b)]	**6.5%**	**7.7%**
HEALTHCARE PROPERTY INVESTMENT DIVISION (ON A PROPORTIONATE CONSOLIDATION BASIS)	**0.0%**	**0.0%**
TOTAL PROPERTY INVESTMENT [(b)]	**4.9%**	**6.1%**

(a) After transfer of (i) the Pont de Flandre and Millénaire business parks to the office segment and (ii) the Millénaire shopping centre and the Fresnes retail and business park to "Other Office Property Investment assets".
(b) Excluding residential properties and PPPs, including "Other Office Property Investment assets".

On a like-for-like basis, the EPRA vacancy rate declined by 1.2 pp in 2018, due to the impact of changes in scope of consolidation—in particular the acquisition of the fully leased Residalya nursing home portfolio—and strong leasing activity in the Portes de Paris and Rungis business parks.

1.3.5. EPRA cost ratio for the Property Investment Division

Below are detailed figures concerning the cost ratio for the Office Property Investment portfolio (excluding Residential Property Investment) including overhead costs, and for the Healthcare Property Investment portfolio (after adjustment for non-controlling interests).

(in millions of euros)		12/31/2018	12/31/2017 Restated
	Including:		
(i)	Structural costs and other overhead costs	(111.8)	(103.8)
(ii)	Service charges net of recharges to tenants	(22.3)	(23.3)
(iii)	Management fees net of actual/estimated profit element		
(iv)	Other recharges intended to cover overhead expenses	42.4	44.3
(v)	Share of overheads and expenses of equity-accounted companies	(3.7)	(3.9)
(vi)	Share of overheads and expenses of non-controlling interests	8.8	6.7
	Excluding:		
(vii)	Depreciation of investment properties	-	-
(viii)	Ground rent costs	(2.2)	(2.2)
(ix)	Other service charge costs recovered through rents but not separately invoiced	(0.2)	(0.2)
(A)	EPRA COSTS (INCLUDING DIRECT VACANCY COSTS)	(84.1)	(77.7)
(x)	Less: direct vacancy costs	(14.9)	(21.0)
(B)	EPRA COSTS (EXCLUDING DIRECT VACANCY COSTS)	(69.3)	(56.6)
(xi)	Gross rental income less ground rent costs	628.1	574.2
(xii)	Other service charge costs recovered through rents but not separately invoiced		
(xiii)	Plus: share of rental income less ground rent costs of equity-accounted companies	8.6	9.6
(xiv)	Share of rental income less ground rent costs of non-controlling interests	(110.7)	(95.2)
(C)	GROSS RENTAL INCOME	526.0	488.6
(A/C)	**EPRA cost ratio – Property Investment (incl. direct vacancy costs)**	**16.0%**	**15.9%**
(B/C)	**EPRA cost ratio – Property Investment (excl. direct vacancy costs)**	**13.2%**	**11.6%**

In 2018, Icade's vacancy costs continued to go down, reaching -€14.9 million vs. -€21.0 million in 2017 (-29.3%).

Nevertheless, the EPRA cost ratio increased between December 31, 2017 and December 31, 2018:

- +0.1 pp including vacancy costs;
- +1.6 pp excluding vacancy costs.

This change is due in particular to:

- the non-recurring costs for studies relating to discontinued projects;
- the non-recurring costs in projects under development;
- an extraordinary tax relief obtained in 2017 in respect of previous years for some asset refurbishments.

Thus, after adjustment for non-recurring items, the EPRA cost ratio shows a decrease of -0.4 pp compared to December 31, 2017, including vacancy costs.

In addition, 2018 was characterised by the integration of ANF's cost structure following the merger of the Company at the end of 2017.

2

1.4. Financial resources

Against a backdrop of market volatility, Icade continued to optimise its financial resources.

In February 2018, the Icade group issued a 10-year, €600 million euro-denominated bond, with a margin of 65 bps, the historically lowest level for this maturity (i.e. a 1.625% coupon). This new issue was substantially oversubscribed and taken up by both French and international investors, confirming their confidence in the credit quality of Icade.

Over the course of 2018, the Group also carried out a number of major financial transactions:

- bonds repurchased for a total of €200 million;
- Icade Santé raised new debt facilities, €200 million in Corporate financing over seven and eight years, and €31 million in the form of finance leases;
- active management of Icade's interest rate hedging portfolio through the unwinding of €300 million of fixed rate swaps with a positive termination payment exceeding €7 million and through the purchase of €200 million in long-term forward swaps. Also, new medium- and long-term fixed-rate swaps for a total of €250 million were added to Icade Santé's portfolio of derivatives;

All these transactions allowed the Group to continue to implement an appropriate and optimised funding policy, by lowering the average cost of debt, maintaining its average debt maturity above six years and diversifying its funding sources.

As of December 31, 2018, the average cost of debt stood at a historical low of 1.55% (after hedging), with average debt maturity nearly constant at 6.4 years.

At year-end, the loan-to-value (LTV) ratio stood at 40.0%, its target level, after Icade stepped up its strategic plan. The Group normalised its LTV ratio one year ahead of schedule.

The interest coverage ratio (ICR) based on EBITDA remained at a high level of 6.00x.

Icade's balance sheet fundamentals have remained strong.

1.4.1. Cash

In 2018, Icade's financial resources were adapted to meet the Group's needs by renewing existing credit lines and by actively using the outstanding amount of NEU Commercial Paper. The main financing transactions were as follows:

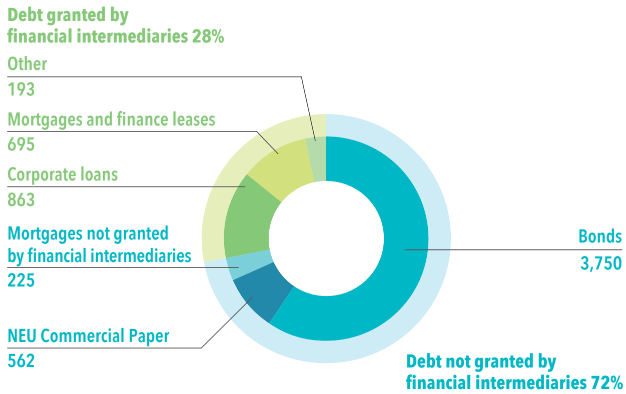
- cancellation of €355 million in short-term revolving credit lines and new revolving credit lines set up for €355 million with an average debt maturity of six years;
- one-year extension of a €150 million revolving credit line;
- issue of NEU Commercial Paper to reach an outstanding amount of €562.4 million at year-end (€132.6 million decrease between December 31, 2017 and December 31, 2018).

Icade now has fully-available undrawn amounts from short- and long-term credit lines of €1,763 million compared with €1,750 million as of December 31, 2017. These undrawn amounts as of December 31, 2018 cover more than two years and nine months of debt principal and interest payments.

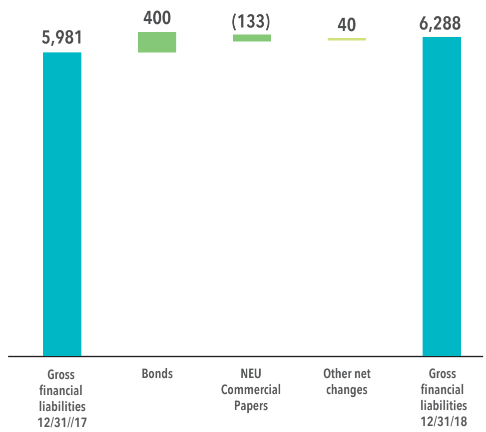
1.4.2. Debt structure as of December 31, 2018

1.4.2.1. Debt by type

As of December 31, 2018, gross financial liabilities stood at €6,287.8 million and broke down as follows:



The net increase of +€306.7 million stems primarily from the change in the outstanding amount of bonds:



Net financial liabilities amounted to €5,592.8 million as of December 31, 2018, representing an increase of €121.8 million compared to December 31, 2017.

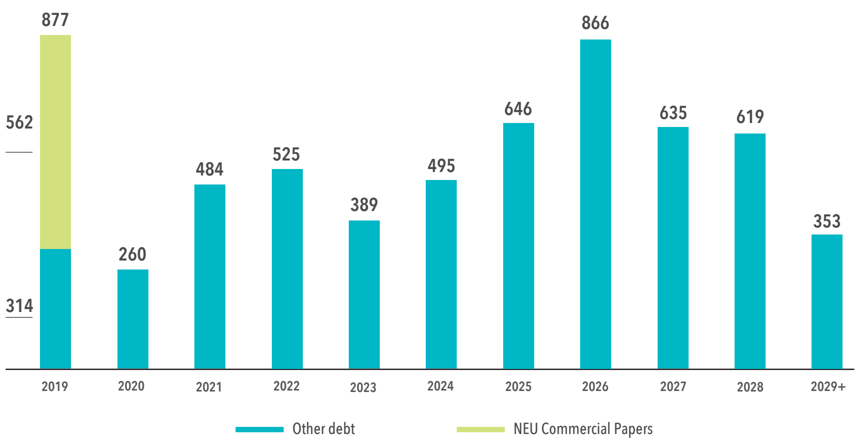
The new debt facilities secured in 2018 have an average credit margin of 72 bps with an average maturity of 9.2 years and represent a total of €831 million (excluding NEU Commercial Paper and revolving credit).

1.4.2.2. Debt by maturity date

The maturity schedule of debt drawn by Icade (excluding overdrafts) as of December 31, 2018 is as follows:

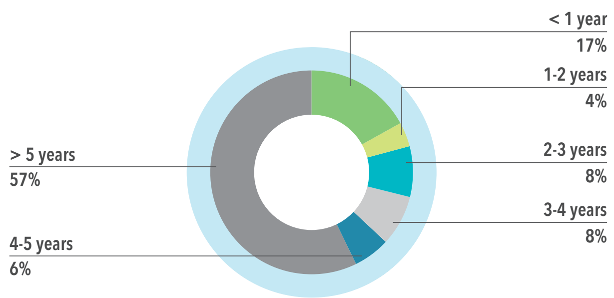
MATURITY SCHEDULE OF DRAWN DEBT

(December 31, 2018, in millions of euros)



BREAKDOWN OF DEBT BY MATURITY

(December 31, 2018)



The average debt maturity was 6.4 years as of December 31, 2018 (excluding NEU Commercial Paper), nearly stable compared to December 31, 2017.

1.4.2.3. Debt by division

After allocation of intra-group financing, almost 97% of the Group's debt is used by the Office and the Healthcare Property Investment Divisions.

1.4.2.4. Average cost of drawn debt

In 2018, the average cost of debt was 1.42% before hedging and 1.55% after hedging, reaching a new historical low, compared with 1.50% and 1.59% in 2017, respectively.

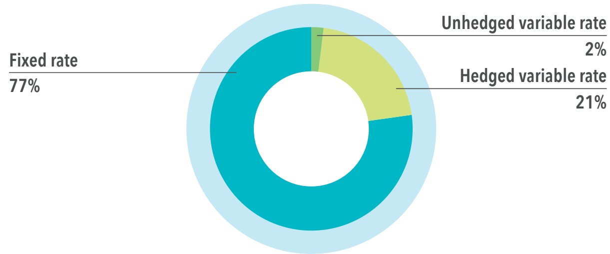
This decrease in the average cost of debt between 2017 and 2018 was achieved through the proactive management of existing debt and interest rate hedges.

1.4.2.5. Management of interest rate risk exposure

Variable rate debt represented nearly 23% of the Group's total debt as of December 31, 2018 (excluding debt associated with equity interests and bank overdrafts), with a high percentage of debt hedged (91% of variable rate debt).

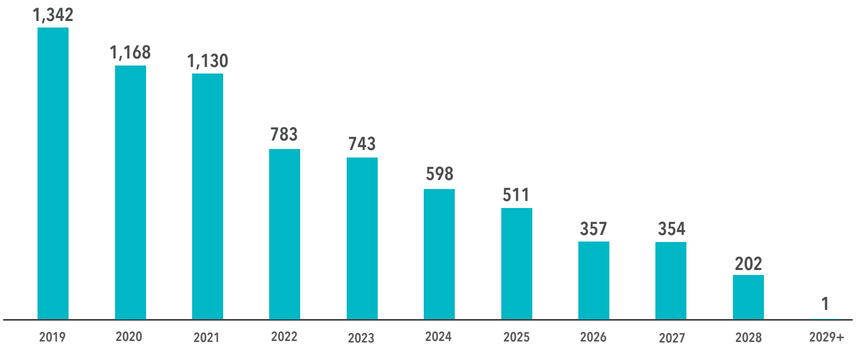
BREAKDOWN OF DEBT BY TYPE OF RATE (EXCLUDING LIABILITIES ASSOCIATED WITH EQUITY INTERESTS AND BANK OVERDRAFTS)

(December 31, 2018)



OUTSTANDING HEDGING POSITIONS

(December 31, 2018, in millions of euros)



Most of the debt (98%) is protected against an increase in interest rates (fixed rate debt or variable rate debt hedged by interest rate swaps or options). A detailed analysis of the notional amounts of hedging instruments is shown in the notes to the consolidated financial statements.

In 2018, Icade continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps). Out of a total of €450 million of new swaps entered into, €200 million are forward-start swaps.

The average maturity is 4.8 years for variable rate debt and 5.9 years for related hedges, reflecting Icade's policy of anticipating coverage of future financing needs.

Finally, Icade favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; this involves recognising changes in fair value of these instruments in equity (for the effective part), rather than in the income statement.

1.4.3. Credit rating

Icade has been rated by the Standard & Poor's rating agency since September 2013.

After its annual review, in August 2018, Standard & Poor's affirmed Icade's long-term rating at BBB+ with a stable outlook and its short-term rating at A2.

1.4.4. Financial structure

1.4.4.1. Financial structure ratios

1.4.4.1.1. LTV (loan-to-value) ratio

The LTV ratio, which is the ratio of net financial liabilities and the latest valuation of the property portfolio excluding duties (on a full consolidation basis) plus the value of property development companies, stood at 40.0% as of December 31, 2018 (compared with 41.0% as of December 31, 2017).

The level reported as of December 31, 2018 is in line with Icade's financial policy and enables the Company to drive its expansion in a secure way.

If the value of the portfolio used for its calculation was including duties and if the fair value of interest rate derivatives was not included in net debt, the adjusted LTV ratio would be 39.2% as of December 31, 2018.

The LTV ratio calculated as part of bank covenants stood at 41.7%, well below the maximum level of 52%.

1.4.4.1.2. ICR (interest coverage ratio)

The interest coverage ratio based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 6.00x for the financial year 2018 (6.53x in 2017). The ratio remains at a high level, demonstrating the Company's ability to comfortably comply with its bank covenants (*see table in § 1.4.4.2*).

	12/31/2018	12/31/2017 Restated
Ratio of net financial liabilities/asset value (LTV) [(a)]	40.0%	41.0%
Interest coverage ratio (ICR) based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies	6.00x	6.53x

(a) Includes the balance sheet value of property development companies.

1.4.4.2. Table of covenants

		Covenants	12/31/2018
LTV bank covenant	Maximum	< 52%	41.7%
ICR	Minimum	> 2	6.00x
CDC's stake	Minimum	34%	38.8%
Value of Property Investment assets [(a)]	Minimum	from > €1.7bn to > €7bn	€13.4bn
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	0.8%
Security interests in assets	Maximum	< 20% of property investment assets	6.9%

(a) Around 6% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €1.7 billion, 13% of the debt has a limit of €2 billion, 11% of the debt has a limit of €5 billion and the remaining 70% has a limit of €7 billion.

All covenants were met as of December 31, 2018 and remain comfortably within the limits.

2. Property Investment Divisions

2.1. Income statement and valuation of property assets for the Property Investment Divisions (EPRA indicators)

Icade's Property Investment segment covers the following business activities:

- the Office Property Investment Division's portfolio consists primarily of office assets located in the Paris region but also, since 2017, as a result of acquiring ANF Immobilier, of office buildings in the major cities outside the Paris region. The whole portfolio is valued at €8.7 billion on a proportionate consolidation basis (€8.9 billion on a full consolidation basis). It breaks down between office assets valued at €6.6 billion and business parks (mainly composed of office assets) valued at €1.7 billion. It also includes a portfolio of hotels and a portfolio of residual assets made up of retail, housing and non-strategic assets (worth €394.9 million as of December 31, 2018, i.e. 4.5% of the Office Property Investment Division's portfolio);
- the Healthcare Property Investment Division, whose activities are carried out through 56.77% owned dedicated subsidiary Icade Santé (and its subsidiaries). The other shareholders are French banks and insurance companies. This portfolio valued at €2.6 billion on a proportionate consolidation basis (€4.5 billion on a full consolidation basis) is mainly made up of private healthcare properties such as medicine, surgery and obstetrics (MSO) facilities, post-acute care (PAC) facilities and, since 2018, 14 nursing homes.

2.1.1. EPRA income statement for the Property Investment Divisions

The following table summarises the reconciliation between the IFRS income statement for the Office and Healthcare Property Investment Divisions and the EPRA earnings from Property Investment, which is the main indicator used to analyse the financial results of these two divisions.

EPRA earnings attributable to the Group stood at €338.9 million as of December 31, 2018, a significant increase of 5.7% compared to 2017 *(see the analysis for each Property Investment Division in the following pages)*.

(in millions of euros)	12/31/2018 EPRA earnings from Property Investment (recurring)	Non-recurring [a]	Total Property Investment	12/31/2017 Restated EPRA earnings from Property Investment (recurring)	Non-recurring [a]	Total Property Investment
GROSS RENTAL INCOME	643.4	-	643.4	590.2	-	590.2
NET RENTAL INCOME	614.8	-	614.8	558.3	-	558.3
MARGIN RATE (NET RENTAL INCOME/GROSS RENTAL INCOME)	95.6%	-	95.6%	94.6%	-	94.6%
Net operating costs	(74.5)	(1.7)	(76.2)	(60.2)	(1.6)	(61.8)
Profit/(loss) from other activities	(0.2)	-	(0.2)	(1.1)	-	(1.1)
EBITDA	540.1	(1.7)	538.5	497.1	(1.6)	495.4
Depreciation and impairment	(8.1)	(334.6)	(342.7)	(8.3)	(282.6)	(290.9)
Profit/(loss) from acquisitions	-	(1.3)	(1.3)	-	(6.9)	(6.9)
Profit/(loss) on asset disposals	-	90.7	90.7	-	75.1	75.1
Share of profit/(loss) of equity-accounted companies	4.6	(15.1)	(10.5)	5.3	(7.2)	(1.9)
OPERATING PROFIT/(LOSS)	536.6	(262.0)	274.6	494.0	(223.2)	270.8
Cost of net debt	(96.3)	-	(96.3)	(82.3)	-	(82.3)
Other finance income and expenses	(6.9)	(16.2)	(23.1)	(5.2)	(34.2)	(39.4)
FINANCE INCOME/(EXPENSE)	(103.2)	(16.2)	(119.4)	(87.5)	(34.2)	(121.7)
Corporate tax [b]	(7.4)	0.8	(6.6)	(10.6)	20.5	10.0
NET PROFIT/(LOSS)	426.0	(277.5)	148.5	395.9	(236.9)	159.1
Net profit/(loss) attributable to non-controlling interests	87.1	(59.1)	28.0	75.2	(44.3)	30.9
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**338.9**	**(218.4)**	**120.5**	**320.8**	**(192.6)**	**128.2**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.
(b) Including, as of December 31, 2017, €20.4 million recorded for the refund request relating to the 3% tax on dividends, including penalty interest.

Net current cash flow from Property Investment is equal to EPRA earnings adjusted for €8.1 million of depreciation.

2.1.2. Valuation of the Property Investment Divisions' property assets

The valuation methods used by the property valuers are described in the notes to the consolidated financial statements, section 4.1 "Valuation of the property portfolio: methods and assumptions" of note 4 "Portfolio and fair value".

It should be noted that, in their valuations, the property valuers use the reduced rates for transfer duties which are applicable for five years from completion of new construction or refurbishments. Beyond five years, they use the full rates for transfer duties. Values as of December 31, 2018 reflect the potential impact of changes in these rates.

Assets are classified as follows:

- offices and business parks of the Office Property Investment Division;
- other Office Property Investment assets, which consist of housing units, hotels, warehouses, public-sector properties and projects held as part of public-private partnerships ("PPPs"), the Millénaire shopping centre and Fresnes business park;
- the assets of the Healthcare Property Investment Division.

Note: Following the conversion of certain assets, the decision was made to transfer the Millénaire and Pont de Flandre business parks (both located on the doorstep of Paris, in Aubervilliers and Paris, respectively) to "Office assets". Similarly, PPPs, the Millénaire shopping centre and the Fresnes business park were transferred to "Other Office Property Investment assets", which previously consisted of housing units, hotels and warehouses. Data and analyses presented hereinafter take into account these transfers.

Furthermore, the value of the assets from the Healthcare portfolio is shown in proportion to Icade's stake in Icade Santé (i.e. 56.77%), and in those assets from the ANF Immobilier portfolio which are not fully owned by Icade.

As of December 31, 2018, the aggregate value of the property portfolios of the two Property Investment Divisions stood at €11,291.0 million on a proportionate consolidation basis.

On a full consolidation basis, Icade's portfolio is worth €13,397.1 million excluding duties vs. €12,786.9 million at the end of 2017.

Unless otherwise stated, Icade does not present values including duties.

(value of the property portfolio excl. duties on a proportionate consolidation basis)	12/31/2018 (in €m)	12/31/2017 Restated* (in €m)	Change (in €m)	Change (in %)	Like-for-like change (in €m) (a)	Like-for-like change (in %) (a)	Total floor area on a proportionate consolidation basis (in sq.m)	Price (b) (in €/sq.m)	Net initial yield excl. duties (in %) (c)	EPRA vacancy rate (in %) (d)
OFFICES										
Paris	1,462.8	1,397.6	+65.2	+4.7%	+42.0	+3.0%	182,715	8,006	4.7%	7.2%
La Défense/Peri-Défense	1,966.6	2,037.0	(70.4)	(3.5)%	(45.9)	(2.3)%	282,365	6,965	5.6%	4.5%
Other Western Crescent	787.3	854.1	(66.8)	(7.8)%	+0.6	+0.1%	66,759	11,793	5.1%	2.7%
Inner Ring	1,092.2	1,093.8	(1.6)	(0.1)%	(3.3)	(0.3)%	167,831	6,508	5.0%	0.4%
Outer Ring	2.9	3.0	(0.1)	(3.3)%	(0.1)	(3.3)%	6,341	457	28.9%	63.3%
TOTAL PARIS REGION	5,311.9	5,385.6	(73.7)	(1.4)%	(6.7)	(0.1)%	706,010	7,524	5.2%	4.3%
Outside the Paris region	428.1	322.0	+106.0	+32.9%	+15.0	+4.7%	136,007	3,148	6.2%	8.7%
TOTAL OPERATING OFFICE PROPERTIES	**5,739.9**	**5,707.6**	**+32.3**	**+0.6%**	**+8.3**	**+0.1%**	**842,017**	**6,817**	**5.3%**	**4.7%**
Land bank and floor space awaiting refurbishment (not leased) (e)	24.5	27.4	(3.0)	(10.8)%	+0.8	+3.5%				
Projects under development	467.2	204.2	+263.0	+128.8%	+114.5	+56.1%				
Off-plan acquisition	376.2	155.9	+220.2	+141.2%	+55.8	+35.8%				
TOTAL OFFICES	**6,607.7**	**6,095.2**	**+512.6**	**+8.4%**	**+179.5**	**+3.0%**	**842,017**	**6,817**	**5.3%**	**4.7%**
BUSINESS PARKS										
Other Western Crescent	0.0	134.0	(134.0)	(100.0)%	-	-	NA	NA	NA	NA
Inner Ring	718.8	702.9	+15.9	+2.3%	(0.5)	(0.1)%	310,191	2,317	7.7%	4.7%
Outer Ring	740.9	941.9	(201.0)	(21.3)%	+12.1	+1.7%	379,465	1,952	8.4%	16.5%
TOTAL PARIS REGION	1,459.7	1,778.8	(319.1)	(17.9)%	+11.6	+0.8%	689,656	2,117	8.1%	10.7%
Land bank and floor space awaiting refurbishment (not leased) (e)	113.1	128.6	(15.5)	(12.0)%	(7.6)	(6.2)%				
Projects under development	169.7	86.9	+82.8	+95.2%	+22.3	+25.6%				
TOTAL BUSINESS PARKS	**1,742.5**	**1,994.3**	**(251.8)**	**(12.6)%**	**+26.3**	**+1.6%**	**689,656**	**2,117**	**8.1%**	**10.7%**
TOTAL OFFICES AND BUSINESS PARKS	**8,350.2**	**8,089.5**	**+260.8**	**+3.2%**	**+205.8**	**+2.7%**	**1,531,673**	**4,700**	**5.8%**	**6.4%**
Other Office Property Investment assets (f)	394.9	440.5	(45.6)	(10.4)%	(25.1)	(6.0)%	120,043	1,811	8.3%	9.3%
TOTAL OFFICE PROPERTY INVESTMENT ASSETS	**8,745.1**	**8,530.0**	**+215.1**	**+2.5%**	**+180.8**	**+2.3%**	**1,651,716**	**4,491**	**5.9%**	**6.5%**
HEALTHCARE PROPERTY INVESTMENT										
Paris region	390.1	370.6	+19.5	+5.3%	+6.0	+1.6%	103,959	3,752	5.7%	0.0%
Outside the Paris region	2,147.7	1,907.9	+239.8	+12.6%	+75.1	+3.9%	805,826	2,665	5.8%	0.0%
TOTAL	**2,537.8**	**2,278.4**	**+259.3**	**+11.4%**	**+81.1**	**+3.6%**	**909,784**	**2,789**	**5.8%**	**0.0%**
Projects under development	8.1	2.1	+6.0	+284.1%	-	+0.2%				
TOTAL HEALTHCARE PROPERTY INVESTMENT	**2,545.9**	**2,280.6**	**+265.4**	**+11.6%**	**+81.1**	**+3.6%**	**909,784**	**2,798**	**5.8%**	**0.0%**
GRAND TOTAL	**11,291.0**	**10,810.6**	**+480.5**	**+4.4%**	**+261.9**	**+2.5%**	**2,561,501**	**3,890**	**5.9%**	**4.9%**
Including assets consolidated using the equity method	*131.2*	*144.0*	*(12.8)*	*(8.9)%*	*(14.1)*	*(9.8)%*				

* *After the asset transfers referred to above and the asset reclassifications made between the two periods, including reclassifications from "Projects under development" to the "Operating" category upon completion of a property.*

(a) *Net change in disposals for the period, investments and changes in the values of assets treated as financial receivables (PPP).*

(b) *Established based on the appraised value excluding duties.*

(c) *Annualised net rental income from leased space plus potential net rental income from vacant space at estimated rental value, divided by the appraised value (excluding duties) of leasable space.*

(d) *Calculated based on the estimated rental value of vacant space divided by the overall estimated rental value.*

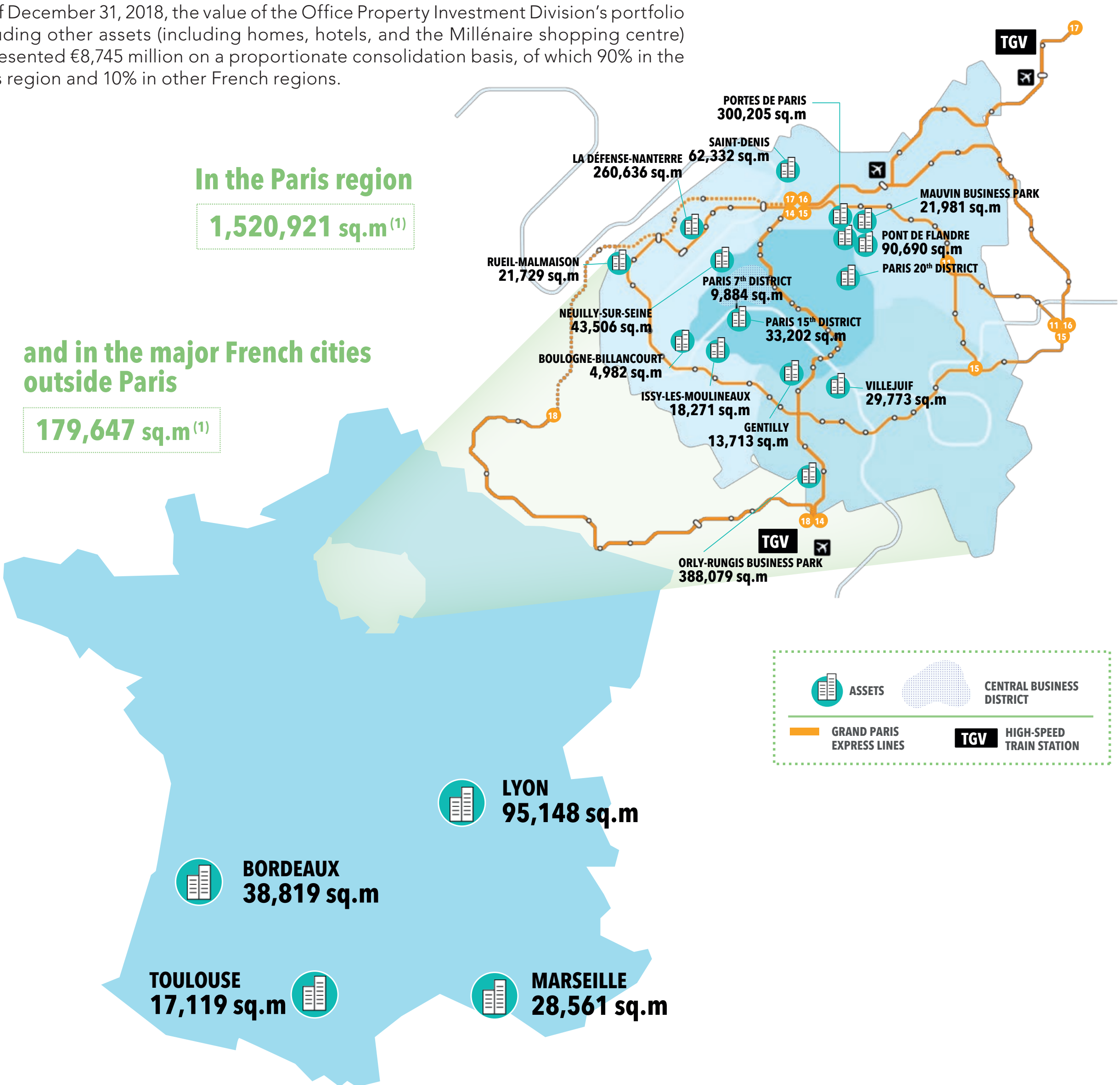
(e) *Properties that are completely vacant, held for sale, or due to be refurbished or demolished.*

(f) *Indicators (total floor area, price in €/sq.m, EPRA net initial yield excluding duties, and EPRA vacancy rates) are presented excluding PPPs and residential properties.*

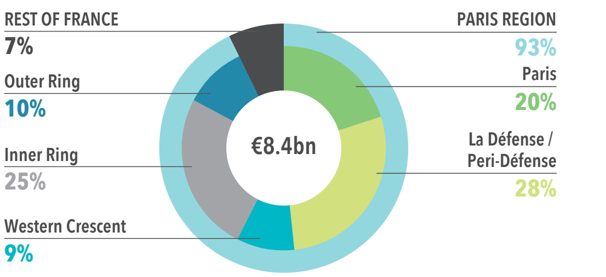
2.2. Office Property Investment Division

PROPERTY PORTFOLIO AS OF 12/31/2018

As of December 31, 2018, the value of the Office Property Investment Division's portfolio including other assets (including homes, hotels, and the Millénaire shopping centre) represented €8,745 million on a proportionate consolidation basis, of which 90% in the Paris region and 10% in other French regions.



GEOGRAPHIC DISTRIBUTION OF THE OFFICE AND BUSINESS PARK PORTFOLIO (IN %) (2)



(1) *Total floor area excluding housing units, hotels and PPPs.*

(2) *On a proportionate consolidation basis.*

2.2.1. Market update and competitive position

Market update

The office rental market in the Paris region
(Source: ImmoStat/JLL)

In 2018, leasing activity was strong in the office segment in the Paris region with nearly 2.5 million sq.m taken up. Despite a 5% decrease compared to 2017 which coincided with the downturn in the French economy, this figure stood at an excellent level as it was 10% higher than the ten-year average. It should remain stable in 2019 thanks to continuing economic growth in France (Oxford Economics forecast in January at 1.6%).

After an active start to the year driven by major deals in the Western Crescent (such as Technip, Vinci or Nestlé), transactions over 5,000 sq.m were less significant during H2. **SMEs were very active in transactions for less than 5,000 sq.m, resulting in 1.5 million sq.m taken up in 2018 (+2%), while the coworking concept continued to boom and began to play a significant role in the small office unit market.**

Take-up remained very strong in Paris, amounting to 1 million sq.m, but it went down 6% over the year as a result of availability rates at a historically low level of 2.3%, or even 1.4% in the Paris CBD area. **Just as in 2017, companies shifting to the suburbs continued to favour the Western Crescent and the Inner Ring.** These two segments still showed significant take-up with 607,000 sq.m (active take-up in the Peri-Défense area limited the decline to 7% year-on-year) and 380,000 sq.m taken up (-10% year-on-year), respectively. The La Défense market did not exceed 135,000 sq.m taken up in 2018 (-28% year-on-year), as the supply is mostly under development and likely be put on the market in 2019, since speculative supply decreased drastically in Paris.

Leasing activity showed a stronger trend in the Outer Ring, with **+26%** over the year, boosted by sales to users which represented 29% of transactions. **2018 was the best year in the past five years for the Orly-Rungis area with 20,250 sq.m of new leases.** This was the result of 14 transactions, including two for more than 5,000 sq.m each (i.e. the local planning and development authority for Orly-Rungis (EPA ORSA) for the Askia building in H1, and the ESI group for the Séville building in H2), and the fact that new companies made their entry into the market, including Bridgestone, which decided to relocate its headquarters from Massy to the Québec building in the Rungis business park.

In 2018, immediate supply in the Paris region decreased for the fourth year in a row to 2.9 million sq.m, a 10% decline over the year, and the vacancy rate stood at 5.4% at the end of the year. The decrease was particularly substantial for second-hand properties, which were down by 12%, particularly in Paris and La Défense. On the other hand, new office supply increased by 2% (443,000 sq.m at the end of 2018) but remained significantly low at 15% of immediate supply, against the backdrop of strong pre-letting activity (44% of the 2 million sq.m currently under construction is pre-let and even 62% of the 735,000 sq.m completed in 2018).

The Paris market is nearing the end of a period of particularly significant replenishment of the office supply. The series of projects launched over the past few years has made it possible to meet office demand and even increased new supply to 110,000 sq.m at the end of 2018, i.e. nearly 28% of the capital city's immediate office supply. However, after accounting for 58% and 41% of future supply under construction in 2016 and 2017, **the Paris market is about to be overtaken by other markets** as it now only represents 18% of the speculative supply.

Construction in La Défense should benefit from this momentum since the vacancy rate went down by 2.5 pps over the year to only 4.9% (164,000 sq.m), and future supply under construction continued to increase rapidly with 243,000 sq.m available on the market (+34% over 2018). **The Western Crescent also showed a significant volume of construction projects** with 494,000 sq.m under construction (67% in Peri-Défense), **although investors appeared to be more cautious** by maintaining a substantial pre-letting rate of about 46%.

Driven by the Greater Paris and the 2024 Paris Olympics effect, the Inner Ring saw more intense construction activity with an increase of 165,000 sq.m in construction projects in 2018 to a total of 387,000 sq.m under construction, of which only 24% is already pre-let. Robust leasing activity in southern Paris caused the vacancy rate to pull back slightly to 7.6% at the end of 2018 (597,000 sq.m). This lower vacancy rate added to a proportion of new build office space that remained low at 12% likely contributed to the strength of these project launches. **In the Outer Ring, the vacancy rate continued to decrease to reach 5.4% (991,000 sq.m)** as leasing activity eventually reached a normal level and more construction projects were pre-let (53% in 2018 vs. 49% on average over the previous five years).

While supply has been decreasing over the past four years, strong occupier demand now results in a significant rental growth. Prime rents increased not only in Paris CBD (€880/sq.m, i.e. +€80/sq.m in three years), but also in the rest of the city (€720/sq.m in Paris 3rd, 4th, 10th and 11th districts), and also outside the capital city for very high quality assets (€660/sq.m in Neuilly-Levallois, €440/sq.m in Peri-Défense, and €430/sq.m in Inner Ring South). **Over the past three years, new build average rents followed a similar trend across all markets** and particularly in Paris (+16% in the capital city, excluding the CBD), but also in La Défense (+6%) where new or refurbished supply is likely to continue the upward trend. **Paris stood out as second-hand rents continued to rise, a phenomenon that was specifically observed in the capital city** (+20% in three years in the CBD, and 14% in the rest of Paris).

Lease incentives showed a sharp downward trend in the capital city (11% in 2018 compared to 16% in 2017), whereas the rest of the markets in the Paris region stood at more than 20% and should remain at this level due to higher immediate and future supply.

Office rental market outside the Paris region
(Source: BNP Paribas Real Estate)

In 2018, leasing activity in the six largest French cities outside Paris (Lille, Lyon, Marseille, Toulouse, Bordeaux and Nantes) remained solid with take-up amounting to 1.2 million sq.m (equivalent to 47% of the Paris region leasing activity). It represented a 9% increase in one year that exceeded by 25% the average volume for the past five years, as a result of employment growth (+260,000 jobs in 2017 and +160,000 expected for 2018).

Increased take-up resulted from renewed momentum in the most developed markets such as Lyon (331,000 sq.m taken up in 2018, i.e. +22%) **and Lille** (280,000 sq.m, i.e. +32% including 66,000 sq.m of own account transactions). Each city reached a symbolic milestone in terms of leasing activity (300,000 sq.m in Lyon and 250,000 sq.m in Lille).

The other French regional markets were more in line with the pre-existing trend: in Toulouse, leasing activity slightly exceeded the 2016 record, while it remained similar to the average for the past five years in Nantes (+4%) and Aix/Marseille (-4%). In Bordeaux, leasing activity fell sharply following an exceptional 2017 which showed a vacancy rate of only 3.5%.

The supply available within one year amounted to 1.56 million sq.m at the end of 2018 (+3% year-on-year), with a stock of second-hand space now stable (office space in very good condition or renovated is becoming scarce), and new build supply went up 13%, mainly located in the Lille market (approximately 50,000 sq.m of additional floor space).

Rental values are bolstered by the long-term trend of increased concentration of the French population in metropolitan areas, leading the main regional cities to focus increasingly on office assets. The emergence of high rents for high-rise buildings in Lyon (€325/sq.m) and Marseille (€320/sq.m) can however be directly explained by the difficulty to find quality locations in city centres. In line with this, the emerging market in Bordeaux continued to grow with a top rent of €250/sq.m as of the end of 2018.

Investors (mainly domestic) showed a growing interest in the office market outside the Paris region since their acquisitions reached the record amount of €3.4 billion in 2018 (+33% year-on-year).

The French commercial property investment market
(Source: BNP Paribas Real Estate)

In France, office property investment has been growing rapidly since 2014 and achieved a record-breaking year in 2018 (including diversification assets), with a very active Q4 increasing the annual volume to €32.8 billion. This underlying positive trend can be explained by abundant liquidity which is heavily invested in property assets as they are attractive relative to low-yielding bonds.

Compared to 2017, investment volumes rose across all market segments. **However, as the rental market continued to perform well, office assets accounted for as much as 70% of investments,** a 18% increase compared to 2017 (€23.0 billion in 2018).

Office investments in Paris recorded a historic year, totalling €9.5 billion. This appeal can be explained by increasing rents in the capital city. **Stimulated by the upcoming transformation process in the Greater Paris area (especially in the north), the Inner Ring also displayed solid investment activity** with at least €2 billion per year since 2013, and a record 2018 with €2.5 billion. **In La Défense, 2018 was the third best year for investments with €2.4 billion,** confirming its appeal and ability to find buyers among big international investors, despite a 30% decline compared to 2017 (boosted by the sale of Cœur Défense). Similarly, the Western Crescent remained a deep market with nearly €4 billion per year since 2015, despite a 14% decrease over the year. **Outside the Paris region, office investments have been steadily growing** with volume up 33% in 2018 to €3.4 billion, following a strong increase of 25% in 2017.

In a context of heightened uncertainty, the French market is more attractive than ever, in particular to foreign investors whose activity represented 26% of the volume in 2017 before jumping to 37% in 2018. This upturn, which was mainly seen in the Paris region, was especially strong as competition from SCPI and OPCI property funds sharply declined in 2018, as a result of a slowdown in their inflows. North-American funds accounted for 21% of the activity with a focus on "value-add" projects, whereas German as well as Asian funds, more interested in "core/core+" assets, represented 6% and 3%, respectively.

Investors' capacity to acquire large units remained unchanged since acquisitions of more than €100 million made up 60% of the market, just like in the previous year. Security of investments seems to have become a priority again with the proportion of "core" assets back up to 68% according to CBRE from 49% last year.

The office prime yield in Paris CBD remained flat at 3.0% throughout the year, just as in 2017. As French 10-year government bond yields remained stable in 2018, the risk premium of office property stood at 220 bps. In the Paris region, significant prime yield compression was only recorded in the Inner Ring (-25 bps to 3.8%), with the acquisition of the Dock-en-Seine complex in Saint-Ouen. Most major cities outside Paris followed the footsteps of Lyon's strong yield compression from 2017, reaching 4.15% in Lille (-35 bps), 4.7% in Marseille (-50 bps), 4.75% in Nantes (-135 bps), 4.95% in Bordeaux (-15 bps) and 5% in Toulouse (-40 bps).

Competitive position of the Office Property Investment Division

A leading player in the office segment, Icade is one of the few integrated property companies in France, combining investment and development activities. With a strong presence in the Paris region, the Group has a very significant organic growth potential thanks to a 900,000-sq.m land bank primarily located in the Portes de Paris (north of Paris) and Rungis business parks (south of Paris). Situated in the heart of the Greater Paris area, these parks offer a unique range of real estate services adapted to new ways of working.

Icade also benefits from the strong presence of its development teams spread across France to expand its national coverage, targeting in particular major French cities outside Paris. The takeover of property investor ANF Immobilier in 2017 has helped step up this expansion through the acquisition of property assets mainly located in the city centres of Lyon, Marseille, Bordeaux, as well as Toulouse.

In France, the main listed real estate companies competing with Icade in the office segment are Gecina, Covivio, Altarea Cogedim and Société Foncière Lyonnaise, while Unibail-Rodamco-Westfield's and Klépierre's portfolios consist primarily of retail units. As of the end of December 2018, Icade ranked fifth in terms of market capitalisation among these companies, with €5 billion. In terms of portfolio value, Icade is the 5th largest listed property investor in France and the 3rd largest in the office segment.

2.2.2 Property portfolio as of December 31, 2018

The portfolio of Icade's Office Property Investment Division was valued at €8,745.1 million as of December 31, 2018, of which €6,607.7 million for the office portfolio, and €1,742.5 million for the business park portfolio. The "Other Office Property Investment assets" portfolio, which is worth a total of €394.9 million, now comprises retail assets (Millénaire shopping centre and Fresnes business park) as well as residential, PPP, and hotel assets, and one warehouse.

Geographic distribution of the property portfolio by type of asset

AS OF DECEMBER 31, 2018

In value terms (on a proportionate consolidation basis) (in millions of euros)	Offices	Business parks	Subtotal offices and business parks	Other Office Property Investment assets	TOTAL	%
PARIS REGION	6,054	1,743	7,796	279	8,075	92.3%
% of total	*91.6%*	*100.0%*	*93.4%*	*70.7%*	*92.3%*	
incl. Paris	1,707	-	1,707	0	1,708	
incl. La Défense/Peri-Défense	2,363	-	2,363	-	2,363	
incl. Western Crescent	787	-	787	-	787	
incl. Inner Ring	1,190	927	2,117	98	2,215	
incl. Outer Ring	6	816	821	181	1,002	
OUTSIDE THE PARIS REGION	554	-	554	116	670	7.7%
% of total	*8.4%*	*0.0%*	*6.6%*	*29.3%*	*7.7%*	
GRAND TOTAL	**6,608**	**1,743**	**8,350**	**395**	**8,745**	
% OF TOTAL PORTFOLIO VALUE	75.6%	19.9%	95.5%	4.5%	100.0%	100%

Description of the portfolio

The tables below show leasable floor areas for office and business park properties between December 31, 2017 and December 31, 2018. Leasable floor space relates to leasable units in portfolio assets (excluding car parks). It is shown on a full consolidation basis.

Offices

During the year, Icade sold the Axe Seine (Nanterre) and Open buildings (the Group's headquarters building in Issy-les-Moulineaux) representing a total floor area of 33,400 sq.m, continuing its policy of selective asset disposals.

	12/31/2017	Changes in 2018			12/31/2018
Asset classes (a) On a full consolidation basis	Leasable floor area *(in sq.m)*	Acquisitions/ completions *(in sq.m)*	Asset disposals *(in sq.m)*	Developments/ refurbishments *(in sq.m)*	Leasable floor area *(in sq.m)*
PARIS REGION	704,280	32,946	(33,439)	(5,686)	698,102
% of total	*82.6%*	*61.3%*	*99.4%*	*111.5%*	*80.5%*
incl. Paris	158,131	24,188	-	(2,817)	179,502
incl. La Défense/Peri-Défense	303,521	519	(24,207)	(2,162)	277,670
incl. Western Crescent	68,196	7,794	(9,231)	-	66,759
incl. Inner Ring	168,092	446	-	(707)	167,831
incl. Outer Ring	6,341	-	-	-	6,341
OUTSIDE THE PARIS REGION	148,370	20,778	(218)	585	169,515
% of total	*17.4%*	*38.7%*	*0.6%*	*(11.5)%*	*19.5%*
TOTAL OFFICES	**852,650**	**53,724**	**(33,657)**	**(5,101)**	**867,617**

(a) After transfer of the Millénaire shopping centre, the assets from the Fresnes business park and PPPs to "Other assets" , and transfer of the Millénaire assets (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment.

Business parks

Icade owns business parks in Saint-Denis, Aubervilliers and Rungis which are mainly composed of offices and business premises.

The overall leasable floor area of the business parks totalled 661,070 sq.m as of December 31, 2018.

As part of its asset rotation policy, Icade has sold two business parks on the Paris-Nord 2 and Colombes sites representing a combined floor area of about 210,000 sq.m.

	12/31/2017	Changes in 2018			12/31/2018
	Leasable floor area	Acquisitions/ completions	Asset disposals	Developments/ refurbishments	Leasable floor area
Asset classes [a] On a full consolidation basis	(in sq.m)	(in sq.m)	(in sq.m)	(in sq.m)	(in sq.m)
PARIS REGION	895,019	2,430	(212,151)	(24,227)	661,070
% of total	100.0%	100.0%	100.0%	100.0%	100.0%
incl. Paris	-	-	-	-	-
incl. La Défense/Peri-Défense	-	-	-	-	-
incl. Western Crescent	62,746	-	(62,746)	-	-
incl. Inner Ring	313,932	390	-	(18,832)	295,489
incl. Outer Ring	518,340	2,040	(149,405)	(5,395)	365,580
OUTSIDE THE PARIS REGION	-				-
% of total	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL BUSINESS PARKS	**895,019**	**2,430**	**(212,151)**	**(24,227)**	**661,070**

(a) After transfer of the Millénaire shopping centre, the assets from the Fresnes business park and PPPs to "Other assets" , and transfer of the Millénaire assets (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment.

2.2.3. Changes in value of the Office Property Investment Division's portfolio on a proportionate consolidation basis

(on a proportionate consolidation basis)	Fair value as of 12/31/2017	Fair value as of 12/31/2017 of assets sold	Investments and other [a]	Like-for-like change (in €m)	Like-for-like change (in %)	Fair value as of 12/31/2018
Offices	6,095.2	(140.6)	473.6	+179.5	+3.0%	6,607.7
Business parks	1,994.3	(364.7)	86.6	+26.3	+1.6%	1,742.5
Other Office Property Investment assets	440.5	(29.5)	8.9	(25.1)	(6.1)%	394.9
TOTAL	**8,530.0**	**(534.8)**	**569.1**	**180.8**	**+2.3%**	**8,745.1**

Note: The above-mentioned values take into account the transfer of the Millénaire and Pont de Flandre assets to office assets, as well as the transfer of PPPs, the Fresnes business park and the Millénaire shopping centre to "Other Office Property Investment assets".

(a) Includes capex (€307.8 million on a proportionate consolidation basis), the amounts invested in 2018 in off-plan acquisitions (€179.4 million on a proportionate consolidation basis), as well as Icade's increased stake in the portfolio resulting from the merger with ANF as of June 30, 2018 (€93.2 million in H1 2018). Also includes the restatement of transfer duties and fees, changes in the values of assets acquired during the financial year, works to properties sold and changes in the values of assets treated as financial receivables (-€11.3 million).

The year 2018 was characterised by the ongoing asset rotation achieved through a large volume of disposals representing €534.8 million (fair value as of December 31, 2017 of assets sold), offset by significant investments in the development pipeline (€487.2 million in capex and amounts invested in 2018 in off-plan acquisitions).

Excluding the impact of disposals and investments completed in 2018, the like-for-like change in value of Office Property Investment assets was +2.3% (i.e. +€180.8 million).

Offices

As of December 31, 2018, the office portfolio represented €6,607.7 million vs. €6,095.2 million as of the end of 2017, an increase of +€512.6 million (+8.4%).

Excluding the impact of disposals and investments completed during the period, the value of the office portfolio was up +€179.5 million (i.e. +3.0%). On a full consolidation basis, the office portfolio was worth €6,758.6 million vs. €6,289.1 million as of December 31, 2017.

In the office portfolio, value creation was mainly driven by the development pipeline and the projects completed in 2018, which accounted for more than 98% of the like-for-like value increase, i.e. nearly €176 million.

Major cities other than Paris continue to be attractive markets, greatly benefiting assets located in these cities which act as a complementary growth driver for Icade, totalling more than 14% of the portfolio's value creation (i.e. nearly €25 million).

Business parks

As of December 31, 2018, the business park portfolio represented €1,742.5 million vs. €1,994.3 million as of the end of 2017, i.e. a decrease of -€251.8 million (-12.6%). Excluding the impact of disposals and investments completed during the period, the value of the business park portfolio was up +€26.3 million (i.e. +1.6%).

Other Office Property Investment assets

As of December 31, 2018, the "Other Office Property Investment assets" portfolio represented €394.9 million vs. €440.5 million as of the end of 2017, a decrease of -€45.6 million (-10.4%). In 2018, the portfolio saw the sale of a hotel located in Marseille and ongoing disposals of non-strategic assets (housing units and warehouses).

Excluding the impact of disposals and investments completed during the period, the value of the portfolio declined by -€25.1 million (i.e. -6.1%).

2.2.4. Investments

Investments are presented as per EPRA recommendations: tenant improvements, broker fees and capitalised finance costs are grouped under the heading "Other".

(in millions of euros)	Investments in off-plan projects	Projects under development	Other capex	Other	Total
Offices	192.1	160.0	51.6	14.5	418.2
Business parks	-	59.1	29.0	4.7	92.8
OFFICES & BUSINESS PARKS	192.1	219.0	80.6	19.2	511.0
Other Office Property Investment assets	1.4	-	2.9	0.1	4.4
OFFICE PROPERTY INVESTMENT	**193.5**	**219.0**	**83.5**	**19.3**	**515.3**

Total investments over the period amounted to **€515.3 million**. This amount breaks down as follows according to the recommendations of EPRA:

- investments in off-plan projects for a total of €193.5 million, which mainly included the following projects:
  - Go Spring in Nanterre (Hauts-de-Seine) for €58.7 million. This is the second phase (18,500 sq.m), which is scheduled for completion in Q2 2019 and is 74.0% pre-let,
  - Gambetta (20th district of Paris) for €56.4 million. This project is already 97.0% pre-let and will be completed in Q1 2019,
  - the remainder (€78.3 million) consists of projects located outside the Paris region, including Orianz (Bordeaux), which was completed in 2018;
- projects under development (€219.0 million), including €160.0 million for offices and €59.1 million for business parks, with €109.2 million invested in the Origine project in Nanterre and €53.4 million in the Pulse project in Saint-Denis;
- other capex (€83.5 million): these include primarily the renovation costs of the business parks and offices (major maintenance and repairs and restoration work on premises);
- other investments (€19.3 million): these include lease incentives (tenant improvements), broker fees and capitalised finance costs of projects under development.

Development projects

The Office Property Investment pipeline represented 425,000 sq.m (including 315,000 sq.m already started) and projected investments of €2.5 billion, a €0.2 billion rise compared to December 31, 2017. Most projects are in the Greater Paris area, and the related value creation is estimated at €0.7 billion, 60% of which remains to be captured in the NAV. The amount remaining to be invested in this development pipeline is €1.3 billion.

In 2018, Icade completed the following projects:

- the Armagnac project in Bordeaux including the Orianz office building (20,778 sq.m, of which 68% is pre-let) and the B&B hotel with a 12-year lease with no break option;
- the Millénaire 1 building located in the 19th district of Paris, which has been fully renovated to house BNP Paribas over more than 23,000 sq.m.

In addition, all office space in the Gambetta office building (20th district of Paris) has been pre-let (about 20,000 sq.m). It will be completed in Q1 2019.

Lastly, all conditions precedent in the off-plan lease agreement signed with Technip FMC for the Origine building in Nanterre (51,000 sq.m) have been satisfied.

Project name	Location	Type of works	Type of property	Estimated date of completion	Floor area	Expected rental income	Yield on cost [b]	Total investment [c]	Remaining to be invested > 2018	% pre-let or pre-sold
Paris – Avenue Gambetta	Paris	Construction	Offices	Q1 2019	20,000			154	17	97%
Pulse	Portes de Paris	Construction	Offices	Q1 2019	28,695			128	18	0%
Go Spring – Building A	Nanterre	Construction	Offices	Q2 2019	18,507			123	14	74%
Factor E	Bordeaux	Construction	Offices	Q2 2019	10,922			33	2	53% [d]
Le Castel	Marseille	Construction	Offices	Q2 2019	5,960			20	6	0%
EKO Active	Marseille	Construction	Offices	Q3 2019	8,300			31	12	0%
Lafayette B-C	Lyon	Refurbishment	Offices	Q3 2019	7,115			30	9	0%
Monaco	Rungis	Refurbishment	Offices	Q3 2019	4,628			18	8	100%
19 Quai Rive Neuve	Marseille	Redevelopment	Offices	Q3 2019	3,112			14	7	100%
B007 (Urssaf)	Pont de Flandre	Construction	Offices	Q4 2019	8,443			44	19	100%
Park View	Lyon	Construction	Offices	Q2 2020	22,800			82	44	0%
Latécoère	Toulouse	Construction	Offices	Q2 2020	12,717			39	25	100%
Origine	Nanterre	Redevelopment	Offices	Q4 2020	65,000			500	234	79%
Fontanot	Nanterre	Redevelopment	Offices	Q4 2020	15,756			117	41	100%
B034	Pont de Flandre	Refurbishment	Hotel	Q4 2020	4,850			27	20	100%
Block B32	Millénaire	Construction	Offices	Q2 2021	27,695			148	116	0%
Pôle Numérique	Portes de Paris	Construction	Offices/ business centre	Q2 2021	9,444			40	32	0%
Block B2	Millénaire	Construction	Offices	Q3 2022	40,582			233	194	0%
TOTAL PROJECTS STARTED					314,526	107.4	6.0%	1,780	819	47%
TOTAL PROJECTS NOT COMMITTED					110,049	44.2	6.0%	735	482	0%
TOTAL PIPELINE [a]					**424,575**	**151.6**	**6.0%**	**2,514**	**1,301**	-

Notes: on a full consolidation basis.
(a) Includes identified projects on secured plots of land, which have started or will start within 24 months.
(b) YoC = headline rental income/cost of the project as approved by Icade's governance bodies. This cost includes the appraised value of land, cost of works, carrying costs and any lease incentives.
(c) Total investment includes the fair value of land, cost of works, lease incentives and finance costs.
(d) Off-plan lease signed after the reporting period ended 12/31/2018.

2.2.5. Asset disposals

In line with its asset management policy, Icade made disposals totalling €588.4 million in the financial year 2018, including:

- the disposal of the Paris-Nord 2 and Colombes business parks and the Axe Seine building for a combined amount of €434 million excluding duties;
- the sale of the Open building in Issy-les-Moulineaux (Icade's current headquarters) for €98.8 million excluding duties.

The remainder (€55.6 million) includes the sale of other assets (hotels, warehouses, homes, etc.).

In 2018, disposals were carried out on very favourable terms for Icade with an aggregate selling price +9.0% (€48.8 million) above appraised value as of December 31, 2017.

Asset disposals generated a net capital gain of €90.7 million.

2.2.6. EPRA earnings from Office Property Investment as of December 31, 2018

(in millions of euros)	12/31/2018 EPRA earnings from Office Property Investment (recurring)	12/31/2018 Non-recurring [a]	12/31/2018 Total Office Property Investment	12/31/2017 Restated EPRA earnings from Office Property Investment (recurring)	12/31/2017 Restated Non-recurring [a]	12/31/2017 Restated Total Office Property Investment
GROSS RENTAL INCOME	402.4	-	402.4	375.4	-	375.4
NET RENTAL INCOME	378.9	-	378.9	347.0	-	347.0
MARGIN RATE (NET RENTAL INCOME/GROSS RENTAL INCOME)	94.2%	0.0%	94.2%	92.4%	0.0%	92.4%
Net operating costs	(62.0)	(1.7)	(63.6)	(49.2)	(1.6)	(50.8)
Profit/(loss) from other activities	(0.2)	-	(0.2)	(1.1)	-	(1.1)
EBITDA	316.7	(1.7)	315.1	296.7	(1.6)	295.1
Depreciation and impairment	(8.1)	(219.1)	(227.3)	(8.3)	(184.3)	(192.6)
Profit/(loss) from acquisitions	-	-	-	-	(6.8)	(6.8)
Profit/(loss) on asset disposals	-	90.7	90.7	-	74.9	74.9
Share of profit/(loss) of equity-accounted companies	4.6	(15.1)	(10.5)	5.3	(7.2)	(1.9)
OPERATING PROFIT/(LOSS)	313.2	(145.2)	168.0	293.7	(124.9)	168.8
Cost of net debt	(66.7)	-	(66.7)	(53.9)	-	(53.9)
Other finance income and expenses	(6.3)	(6.2)	(12.4)	(4.8)	(33.8)	(38.6)
FINANCE INCOME/(EXPENSE)	(72.9)	(6.2)	(79.1)	(58.7)	(33.8)	(92.5)
Corporate tax [b]	(5.3)	0.1	(5.1)	(8.8)	20.5	11.7
NET PROFIT/(LOSS)	235.0	(151.3)	83.7	226.1	(138.2)	88.0
Net profit/(loss) attributable to non-controlling interests	4.3	(4.3)	(0.1)	1.4	(1.4)	(0.0)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**230.7**	**(146.9)**	**83.8**	**224.8**	**(136.9)**	**88.0**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.
(b) Including, as of December 31, 2017, €20.4 million recorded for the refund request relating to the 3% tax on dividends, including penalty interest.

Net current cash flow from Office Property Investment is equal to EPRA earnings adjusted for €8.1 million of depreciation.

Gross rental income from Office Property Investment totalled €402.4 million, a significant increase compared to 2017.

Net operating costs from the Office Property Investment Division stood at -€63.6 million, an increase compared to 2017 *(see section 1.3.5 "EPRA reporting – EPRA cost ratio from Property Investment")*. It should be borne in mind that they include holding company costs.

The recurring portion of finance income/(expense) from the Office Property Investment Division amounted to -€72.9 million as of December 31, 2018 vs. -€58.7 million a year earlier.

This variation is due to the combination of the following factors:

- the continued decrease in the average cost of debt (1.55% as of December 31, 2018 vs. 1.59% as of December 31, 2017), which was associated with lower loan interest rates for the period;
- an increase in Icade's gross debt since December 31, 2017, which was needed, in particular, to fund investments in the development pipeline.

Thus, after taking into account the items above, EPRA earnings from Office Property Investment reached €230.7 million (€3.02 per share) as of December 31, 2018 vs. €224.8 million (€2.78 per share) as of December 31, 2017, i.e. a 2.6% year-on-year increase.

2.2.7. Rental income from Office Property Investment as of December 31, 2018

(in millions of euros)	12/31/2017	Asset acquisitions	Asset disposals	Completions/ Developments/ Refurbishments	Leasing activity and rent escalation	12/31/2018	Total change	Like-for-like change
Offices (a)	234.2	25.6	(6.3)	1.9	4.2	259.5	25.3	2.2%
Business parks (a)	119.0	-	(1.7)	(1.5)	0.9	116.7	(2.3)	1.0%
OFFICES & BUSINESS PARKS	353.2	25.6	(8.0)	0.3	5.1	376.2	23.0	1.8%
Other Office Property Investment assets (a)	28.4	4.0	(1.4)	-	0.2	31.2	2.8	0.9%
Intra-group transactions from Property Investment	(6.2)	-	0.0	1.5	(0.2)	(5.0)	1.3	NA
GROSS RENTAL INCOME	**375.4**	**29.6**	**(9.4)**	**1.8**	**5.1**	**402.4**	**27.0**	**1.7%**

(a) *After transfer of the assets from the Millénaire business park (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment, and transfer of the Fresnes business park and public-private partnerships to "Other Office Property Investment assets".*

Gross rental income from Office Property Investment amounted to €402.4 million for the financial year 2018, an increase of as much as €27.0 million compared to 2017 (+7.2%).

In 2018, the Group benefited from the full-year impact of integrating ANF Immobilier, acquired in 2017.

On a reported basis, rental income increased by +10.8% in the office segment and was down -2.0% in the business park segment, due in particular to the disposal of the Paris-Nord 2 and Colombes business parks.

On a like-for-like basis, rental income went up by 1.7% thanks to favourable conditions in the office and business park segments, which showed increases of +2.2% and +1.0%, respectively.

Changes recorded during the period included:

- asset acquisitions: +€29.6 million, corresponding mainly to income generated by the integration of ANF Immobilier;
- asset disposals: -€9.4 million, relating primarily to the disposals of the office buildings located in Villejuif (-€6.4 million) in 2017 and the sale of the Colombes and Paris-Nord 2 business parks in 2018 (-€1.5 million);
- completions/developments/refurbishments: +€1.8 million, of which +€3.0 million for the Millénaire 1 building renovated in 2018 and -€1.0 million for the Brabant building, which is to be renovated;
- leasing activity and rent escalation: +€5.1 million due to the positive impact of rent indexation and the positive performance of operating activities, especially in the office segment.

Net rental income from Office Property Investment totalled €378.9 million for the year 2018, a sharp rise compared to 2017 (+9.2%). The margin rate stands at 94.2%, up 1.8 pp from 2017.

(in millions of euros)	12/31/2018		12/31/2017 Restated	
	Net rental income	Margin	Net rental income	Margin
Offices (a)	245.1	94.4%	221.3	94.5%
Business parks (a)	106.2	91.0%	102.4	86.0%
OFFICES & BUSINESS PARKS	351.3	93.4%	323.7	91.6%
Other Office Property Investment assets (a)	22.6	72.5%	19.8	69.7%
Intra-group transactions from Office Property Investment	5.0	NA	3.5	NA
NET RENTAL INCOME	**378.9**	**94.2%**	**347.0**	**92.4%**

(a) *After transfer of the assets from the Millénaire business park (excluding shopping centre) and the assets from the Pont de Flandre business park to the office segment, and transfer of the Fresnes business park and public-private partnerships to "Other Office Property Investment assets".*

2.2.8. Leasing activity of the Office Property Investment Division

	12/31/2017 (a)	Changes in 2018				12/31/2018	New leases		12/31/2018
Asset classes On a full consolidation basis	Leased floor area *(in sq.m)*	Additions *(in sq.m)*	Exits *(in sq.m)*	Exits due to disposals *(in sq.m)*	Floor area adjustments (b) *(in sq.m)*	Leased floor area *(in sq.m)*	Impact in 2018 *(in sq.m)*	Leases starting after 2018 *(in sq.m)*	Total *(in sq.m)*
Offices	741,504	21,340	(24,557)	-	(1,671)	736,615	15,424	2,591	18,015
Business parks	564,901	46,229	(26,605)	-	(2,512)	582,013	19,866	3,403	23,269
Other Office Property Investment assets	144,359	1,812	(503)	-	-	145,668	1,653	-	1,653
LIKE-FOR-LIKE SCOPE (A)	1,450,764	69,380	(51,665)	-	(4,183)	1,464,296	36,943	5,993	42,936
Offices	47,760	43,539	(9,417)	-	(663)	81,218	2,997	34,959	37,956
Business parks	28,903	3,783	(18,613)	-	-	14,074	2,113	557	2,670
Other Office Property Investment assets	-	2,854	-	-	-	2,854	-	-	-
ACQUISITIONS/COMPLETIONS/ REFURBISHMENTS (B)	76,663	50,176	(28,030)	-	(663)	98,146	5,110	35,516	40,626
SUBTOTAL (A) + (B)	1,527,427	119,556	(79,695)	-	(4,846)	1,562,442	42,053	41,509	83,562
Offices	22,807	4,538	-	(27,331)	(14)	0	4,538	5,192	9,730
Business parks	179,710	10,545	(10,198)	(180,056)	-	-	9,362	713	10,075
Other Office Property Investment assets	31,814	9,673	(9,673)	(31,814)	-	0	4,854	-	4,854
DISPOSALS (C)	234,331	24,756	(19,871)	(239,202)	(14)	0	18,754	5,905	24,659
OFFICE PROPERTY INVESTMENT (A) + (B) + (C)	**1,761,758**	**144,312**	**(99,566)**	**(239,202)**	**(4,860)**	**1,562,442**	**60,807**	**47,414**	**108,221**

(a) After transfer of the assets from the Millénaire business park (excluding shopping centre) and the assets from the Pont de Flandre business park to the office segment, and transfer of the Fresnes business park and public-private partnerships to "Other Office Property Investment assets".
(b) Change in floor areas as a result of a new survey by a licensed surveyor.

As of December 31, 2018, leased floor area in the Office Property Investment portfolio reached 1,562,442 sq.m, down 199,316 sq.m from December 31, 2017 due to the disposals made during the financial year, in particular the sale of the Colombes and Paris-Nord 2 business parks.

New leases for operating properties totalled 69,380 sq.m, including mainly 18,903 sq.m in the Portes de Paris business park, 24,978 sq.m in the Rungis business park, 4,600 sq.m in the PB5 tower, and 2,268 sq.m in Go Spring B.

Space vacated in operating properties during the period represented 51,665 sq.m, relating primarily to business parks, buildings located in La Défense and Peri-Défense, and the Maine-Montparnasse tower.

New leases signed for newly completed properties came in at 50,176 sq.m, and included primarily 23,715 sq.m for the fully-leased Millénaire 1 building, and 12,750 sq.m for the Orianz building (Bordeaux), which is over 60% leased.

In the financial year 2018, 137 **new leases** were signed, representing a total floor area of 108,220 sq.m and €30.2 million of annualised headline rental income, including 65,700 sq.m in the office segment (€24.0 million), 36,015 sq.m in business parks (€5.7 million) and 6,500 sq.m for other Office Property Investment assets (€0.5 million).

The most significant **new leases** were:

- 16,000 sq.m signed with the Publicis advertising agency in the Gambetta building (9-year off-plan lease with no break option);
- 4,653 sq.m signed with the company Estée Lauder in the Crystal Park building in Neuilly;
- 8,400 sq.m in the Brabant building situated in the Pont de Flandre business park (9-year lease with no break option);
- 4,830 sq.m signed with Naos Hôtel Groupe for its location in Paris La Villette (12-year off-plan lease with no break option) in the PAT034 building situated in Pont de Flandre (19th district of Paris).

In 2018, 70 leases were **renewed,** representing a combined floor area of 156,230 sq.m and annualised headline rental income of €33.4 million.

The weighted average unexpired lease term of all these renewed leases stood at 5.4 years.

As of December 31, 2018, the ten largest tenants (excluding government agencies) generated a combined annual rental income of €131.2 million (34.8% of the IFRS annualised rental income of the Office Property Investment portfolio).

FINANCIAL OCCUPANCY RATE AND WEIGHTED AVERAGE UNEXPIRED LEASE TERM

The **financial occupancy rate** stood at 93.4% as of December 31, 2018, up 0.9 pp year-on-year, thanks to strong leasing activity, especially in the Portes de Paris and Rungis business parks.

On a like-for-like basis, financial occupancy was up +1.2 pp.

	Financial occupancy rate (in %) [a]			Weighted average unexpired lease term (in years) [a]	
Asset classes [c]	12/31/2018	12/31/2017	Like-for-like change [b]	12/31/2018	12/31/2017
Offices [b]	95.1%	96.1%	0.1 pp	5.2	5.4
Business parks [b]	89.1%	85.4%	4.1 pps	2.9	3.0
OFFICES & BUSINESS PARKS	93.5%	92.5%	1.3 pp	4.6	4.6
Other Office Property Investment assets [b]	92.9%	93.7%	-0.3 pp	6.7	7.1
OFFICE PROPERTY INVESTMENT	93.4%	92.5%	1.2 pp	4.7	4.8

(a) *Change between December 31, 2017 and December 31, 2018, excluding completions, acquisitions and disposals for the period.*
(b) *After transfer of the Millénaire assets (excluding the shopping centre) and the assets from the Pont de Flandre business park to the office segment, and transfer of the Fresnes business park, the Millénaire shopping centre and public-private partnerships to "Other Office Property Investment assets".*
(c) *On a full consolidation basis, except for equity-accounted assets which are included on a proportionate consolidation basis.*

In 2018, service charges not recovered from tenants due to vacancy amounted to €14.9 million, a decline of as much as -29% from 2017 (€21.0 million).

LEASE EXPIRY SCHEDULE BY SEGMENT IN TERMS OF IFRS ANNUALISED RENTAL INCOME

(in millions of euros and on a full consolidation basis)

	France offices	Business parks	Other	Total	Share of total
2019	39.0	20.8	5.0	64.8	17.2%
2020	17.2	18.1	4.8	40.1	10.6%
2021	26.9	25.6	1.6	54.1	14.3%
2022	9.3	6.6	1.0	16.9	4.5%
2023	14.9	5.6	0.3	20.8	5.5%
2024	39.8	10.9	0.0	50.8	13.5%
2025	33.0	1.0	1.8	35.8	9.5%
2026	6.8	3.6	0.3	10.6	2.8%
2027	36.5	2.3	1.3	40.1	10.6%
2028 and beyond	37.3	0.4	5.6	43.3	11.5%
TOTAL	**260.6**	**95.0**	**21.7**	**377.3**	**100.0%**

Beyond 2021, 58% of rental income is secure (48% beyond 2023).

BREAKDOWN OF RENTAL INCOME BY RENT REVIEW INDEX – ICC, ILAT AND ILC

(based on IFRS current rental income)

(in %)	2017	2018
Cost-of-construction index (ICC)	34.3%	26.2%
Tertiary activities rent index (ILAT)	60.3%	67.6%
Commercial rent index (ILC)	2.3%	4.3%
Other	3.1%	1.8%
TOTAL	**100.0%**	**100.0%**

The portion of leases subject to the Tertiary Activities Rent Index (ILAT) and Commercial Rent Index (ILC) increased in the portfolio between 2017 and 2018, owing in particular to:

- leases renewed this year which are now subject to the ILAT or ILC index while they were previously subject to the Cost-of-Construction Index (ICC);
- disposals of business parks carried out in the financial year, which included a high proportion of leases subject to the ICC.

2.2.9. List of property assets

2.2.9.1. Office portfolio

AS OF DECEMBER 31, 2018

Office portfolio as of December 31, 2018	Municipality	Department No.	Floor area *(in sq.m)* Total	Office floor area (leasable)	Retail floor area (leasable)	Other floor area (leasable)	Floor space awaiting development, disposal or refurbishment (non-leasable)	Acquisition date [(a)]	Construction or renovation date	Ownership %
PARIS REGION			713,778	653,219	9,157	35,726	15,674			
SUBTOTAL PARIS			187,437	164,686	3,717	11,099	7,934			
Le Marignan – 29,31,33, avenue des Champs-Élysées	Paris 8th district	75	9,884	3,198	3,717	73	2,896	2004	1950	100%
Montparnasse tower – 1, rue de l'Arrivée	Paris, 15th district	75	5,739	5,351	-	388	-	2017	1973	100%
Arc Ouest 19-29, rue Leblanc	Paris, 15th district	75	27,463	26,541	-	922	-	2016		100%
94, avenue Gambetta [(b)]	Paris 20th district	75	-	-	-	-	-	2017	1985-1989-2016	100%
Pont de Flandre – PAT007 [(b)]	Paris, 19th district	75	-	-	-	-	-	2002		100%
Pont de Flandre – Artois	Paris, 19th district	75	20,066	18,942	-	1,124	-	2002		100%
Pont de Flandre – Le Brabant	Paris, 19th district	75	8,400	8,400	-	-	-	2002		100%
Pont de Flandre – PAT025	Paris, 19th district	75	12,489	12,489	-	-	-	2002		100%
Pont de Flandre – PAT026	Paris, 19th district	75	7,751	6,441	-	1,310	-	2002		100%
Pont de Flandre – Le Beauvaisis	Paris, 19th district	75	12,006	10,791	-	1,214	-	2002		100%
Pont de Flandre – PAT029	Paris, 19th district	75	10,696	10,379	-	-	317	2002		100%
Pont de Flandre – PAT030	Paris, 19th district	75	945	-	-	945	-	2002		100%
Pont de Flandre – PAT031	Paris, 19th district	75	616	616	-	-	-	2002		100%
Pont de Flandre – PAT032	Paris, 19th district	75	12,956	12,956	-	-	-	2002		100%
Pont de Flandre – PAT034	Paris, 19th district	75	4,721	-	-	-	4,721	2002		100%
Millénaire 1 – 35, rue de la Gare	Paris, 19th district	75	29,045	26,224	-	2,821	-	2002		100%
Millénaire 4 – 35, rue de la Gare	Paris, 19th district	75	24,615	22,358	-	2,257	-	2016		100%
SUBTOTAL LA DÉFENSE/PERI-DÉFENSE			282,364	258,680	2,114	16,876	4,695			
Initiale tower – 1, terrasse Bellini	Puteaux	92	10,268	9,568	-	416	284	2004	2003	33%
Eqho tower – 2, avenue Gambetta	Courbevoie	92	78,974	73,856	-	4,517	601	2004-2007	2013	100%
PB5 tower – 1, avenue du Général-de-Gaulle	Paris – La Défense	92	30,209	26,049	-	2,158	2,003	2009	0	100%
H2O – 2, rue des Martinets	Rueil-Malmaison	92	21,729	21,609	-	120	-	2007	2008	100%
Étoile Park – 123, rue Salvador-Allende	Nanterre	92	5,606	5,484	-	122	-	2009	-	100%
Défense 2 – 25, boulevard des Bouvets	Nanterre	92	15,306	11,154	-	4,152	-	2013	1982	100%
Défense 456 – 7-11, boulevard des Bouvets	Nanterre	92	15,853	13,737	-	2,116	-	2013	2005	100%
Fontanot – 21-29, rue des Trois-Fontanot	Nanterre	92	13,808	10,261	-	1,740	1,807	2013	2010	100%
Origine – Boulevard des Bouvets [(b)]	Nanterre	92	-	-	-	-	-	2013	-	100%
Axe 13 – Les Terrasses de l'Arche	Nanterre	92	16,831	16,432	399	-	-	2013	2010	100%
Axe 14 – Les Terrasses de l'Arche	Nanterre	92	20,956	19,584	-	1,372	-	2013	2006	100%
Axe 15 – Les Terrasses de l'Arche	Nanterre	92	19,722	18,858	864	-	-	2013	2006	100%
Axe 16 – Les Terrasses de l'Arche	Nanterre	92	18,979	17,965	851	163	-	2013	2006	100%
Go Spring – first phase	Nanterre	92	14,123	14,123	-	-	-	2017	2017	100%
Go Spring – second phase [(b)]	Nanterre	92	-	-	-	-	-			100%

(a) Date of inclusion of the asset and/or entity in the Icade group.
(b) Property under development.

Office portfolio as of December 31, 2018	Municipality	Department No.	Floor area (in sq.m) Total	Office floor area (leasable)	Retail floor area (leasable)	Other floor area (leasable)	Floor space awaiting development, disposal or refurbishment (non-leasable)	Acquisition date [a]	Construction or renovation date	Ownership %
SUBTOTAL WESTERN CRESCENT			**66,759**	**65,191**	**-**	**1,568**	**-**			
11-15, avenue Morizet	Boulogne-Billancourt	92	4,982	4,982	-	-	-	2004	2000	100%
Parissy 1-5, rue Jeanne-d'Arc	Issy-les-Moulineaux	92	18,271	17,235	-	1,036	-	2016	1997-2008	100%
Crystal Park – 62-64, boulevard Victor-Hugo	Neuilly-sur-Seine	92	39,909	39,723	-	186	-	2009	2018	100%
Charles de Gaulle – 93, avenue Charles-de-Gaulle	Neuilly-sur-Seine	92	1,792	1,446	-	346	-	2009	-	100%
Dulud – 22, rue Jacques-Dulud	Neuilly-sur-Seine	92	1,805	1,805	-	-	-	2009	-	100%
SUBTOTAL INNER RING			**170,877**	**159,458**	**2,235**	**6,138**	**3,045**			
Block 3 Loire – 32-36, avenue de Paris	Villejuif	94	19,805	19,361	444	-	-	2010	-	100%
Block 5 Seine – 10-12, avenue de Paris	Villejuif	94	9,968	8,726	328	914	-	2008	-	100%
Orsud 3-5, rue Gallieni	Gentilly	94	13,713	12,251	-	1,462	-			100%
Cézanne – 30, avenue des Fruitiers	Saint-Denis	93	21,160	18,492	697	1,971	-	2013	2011	100%
Sisley 40, avenue des Fruitiers	Saint-Denis	93	20,606	19,839	767	-	-	2013	2014	100%
First Landy/Monet	Saint-Denis	93	20,567	18,775	-	1,791	-	2012	2015	100%
Block B2 – Rue Madeleine-Vionnet	Aubervilliers	93	3,045	-	-	-	3,045			100%
Le V – 30, rue Madeleine-Vionnet	Aubervilliers	93	44,908	44,908	-	-	-		2,016	100%
Block B32 – Rue Madeleine-Vionnet [b]	Aubervilliers	93	-	-	-	-	-			100%
Millénaire 5 – 23, rue Madeleine-Vionnet	Aubervilliers	93	17,106	17,106	-	-	-		2,011	100%
SUBTOTAL OUTER RING			**6,341**	**5,204**	**1,091**	**45**	**-**			
Mozart – 39-41, rue Paul-Claudel	Évry	91	6,341	5,204	1,091	45	-	2009	-	100%
Centaure – 10, avenue du Centaure	Cergy-Saint-Christophe	95	-	-	-	-	-	2013	-	100%
OUTSIDE THE PARIS REGION			**178,679**	**162,741**	**5,153**	**1,620**	**9,164**			
2, rue Jean-Artus	Bordeaux	33	1,203	956	247	-	-	1978	1978	100%
Orianz – 200, boulevard Albert-1er	Bordeaux	33	20,778	19,399	1,379	-	-	2017	2018	65%
Factor E – Rue d'Armagnac, boulevard Albert-1er [b]	Bordeaux	33	-	-	-	-	-	2017	-	65%
Nautilus – 118-122, quai de Bacalan	Bordeaux	33	13,124	12,502	442	180	-	2017	2012-2014	100%
La Fabrique – 1-13, rue de Gironde	Bordeaux	33	3,714	3,714	-	-	-	2017	2014	100%
Centreda TR1 – 4, avenue Didier-Daurat	Blagnac	31	12,001	12,001	-	-	-	2017	1974	100%
Centreda TR2 – 4, avenue Didier-Daurat	Blagnac	31	4,150	4,150	-	-	-	2017	1989	100%
Latécoère – 135, rue Périole [b]	Toulouse	31	-	-	-	-	-			100%
Eko Active – 174, boulevard de la Villette [b]	Marseille	13	-	-	-	-	-	2017	-	100%
Le Castel – 22, rue Jean-François-Leca [b]	Marseille	13	-	-	-	-	-	2017	-	100%
40, rue Fauchier	Marseille	13	8,077	8,077	-	-	-	2017	2010	100%

(a) Date of inclusion of the asset and/or entity in the Icade group.
(b) Property under development.

Office portfolio as of December 31, 2018	Municipality	Department No.	Floor area (in sq.m) Total	Office floor area (leasable)	Retail floor area (leasable)	Other floor area (leasable)	Floor space awaiting development, disposal or refurbishment (non-leasable)	Acquisition date [(a)]	Construction or renovation date	Ownership %
19, quai de Rive-Neuve	Marseille	13	3,112	-	69	67	2,976	2017	-	100%
23, quai de Rive-Neuve	Marseille	13	-	-	-	-	-	2017	2007	100%
1, rue de Suez	Marseille	13	134	-	-	-	134	2017	-	100%
42, rue de Ruffi	Marseille	13	8,008	7,849	159	-	-	2017	2013	100%
44, rue de Ruffi 44 (PKG)	Marseille	13	-	-	-	-	-	2017	2013	100%
4, place Sadi-Carnot	Marseille	13	5,936	3,690	925	1,321	-	2017	-	100%
5, place de la Joliette	Marseille	13	3,294	2,620	622	52	-	2017	-	100%
38, rue de Forbin (DESBIEF)	Marseille	13	-	-	-	-	-	2017	-	100%
Silky Way – Rue Alfred-de-Musset	Villeurbanne	69	36,593	36,593	-	-	-	2017	2015	70%
Park View – 2, boulevard du 11 novembre 1918 [(b)]	Villeurbanne	69	-	-	-	-	-	2017	-	51%
Milky Way – 42, cours Suchet	Lyon	69	4,475	4,059	416	-	-	2017	2013	100%
Stratège – 12-22, rue Juliette-Récamier	Lyon	69	16,515	16,515	-	-	-	2017	1993	55%
Lafayette – Building A – 10, rue Récamier	Lyon	69	8,727	8,727	-	-	-	2017	1976	55%
Lafayette – Buildings B-C – 10, rue Récamier	Lyon	69	5,220	-	-	-	5,220	2017	1976	55%
Lafayette – Building D – 10, rue Récamier	Lyon	69	8,272	8,272	-	-	-	2017	1976	55%
Lafayette – Building E – 10, rue Récamier	Lyon	69	2,071	343	894	-	835	2017	1976	55%
Lafayette – Building F – 10, rue Récamier	Lyon	69	-	-	-	-	-	2017	1976	55%
New Way – 2-4 et 4bis, rue Legay	Villeurbanne	69	13,275	13,275	-	-	-	2017	2016	100%
GRAND TOTAL			**892,457**	**815,960**	**14,311**	**37,346**	**24,839**			

(a) Date of inclusion of the asset and/or entity in the Icade group.
(b) Property under development.

2.2.9.2. Business park portfolio

AS OF DECEMBER 31, 2018

Business park portfolio as of December 31, 2018	Municipality	Department No.	Floor area (in sq.m) Total	Business premises floor area (leasable)	Office floor area (leasable)	Warehouse floor area (leasable)	Misc. floor area (leasable)	Floor space awaiting development, disposal or refurbishment (non-leasable)	Acquisition date [(a)]	Ownership %
SUBTOTAL INNER RING			322,186	163,296	91,373	39,829	991	26,697		
Portes de Paris business park – Saint-Denis	Saint-Denis	93	67,189	40,852	18,998	2,549	-	4,790	2002	100%
Portes de Paris business park – Batigautier LEM	Aubervilliers	93	10,327	5,732	4,595	-	-	-	2002	100%
Portes de Paris business park – Aubervilliers Gardinoux	Aubervilliers	93	131,682	51,563	40,686	25,635	991	12,808	2002	100%
Portes de Paris business park – Pilier Sud	Aubervilliers	93	21,369	20,793	-	576	-	-	2002	100%
Portes de Paris business park – Parc CFI	Aubervilliers	93	69,638	41,949	22,660	2,647	-	2,382	2002	100%
Portes de Paris business park – Le Mauvin	Aubervilliers	93	21,981	2,407	4,434	8,423	-	6,717	2011	100%
SUBTOTAL OUTER RING			388,079	95,590	264,232	-	5,758	22,499		
Orly-Rungis business park	Rungis	94	392,436	93,908	270,976	-	5,758	21,793	2013	100%
GRAND TOTAL			**710,265**	**258,886**	**355,605**	**39,829**	**6,749**	**49,195**		
Including operating properties			688,682							

(a) Date of inclusion of the asset and/or entity in the Icade group.

2.2.9.3. Other Office Property Investment assets portfolio

AS OF DECEMBER 31, 2018

Other assets portfolio as of December 31, 2018	Municipality	Department No.	Floor area (in sq.m) Total	Floor space awaiting development, disposal or refurbishment (non-leasable)	Acquisition date [(a)]	Construction or renovation date	Ownership %
PARIS REGION			105,235				
SUBTOTAL INNER RING			31,224	-			
Le Millénaire shopping centre	Aubervilliers	93	29,031	-	2002		50%
B&B Hotel Bobigny – 6, rue René-Goscinny	Bobigny	93	2,193	-	2017	2016	77%
SUBTOTAL OUTER RING			74,011	351			
BSP Pontoise – CH René Dubos – 8, avenue de l'Île-de-France	Pontoise	95	5,086	-	2007	2009	100%
10, rue Denis-Papin	Chily-Mazarin	91	10,890	-	2009		100%
La Cerisaie business park	Fresnes	94	56,959	351	2013		100%
B&B Hotel Saclay – 9002, chemin du Plateau du Moulon	Gif-sur-Yvette	91	1,076	-	2017	1984	100%
OUTSIDE THE PARIS REGION			52,848	-			
Crèche de Blagnac – 4, allée Saint-Exupéry	Blagnac	31	968	-	2008		100%
University hospital (CHU) of Nancy – Site de Brabois – 5, allée du Morvan	Nancy	54	26,645	-	2007	2010	100%
B&B Hotel Vélodrome – 6, allée Marcel-Leclerc	Marseille	13	3,089	-	2017	2016	77%
B&B Hotel Forbin Joliette – 52-54, rue de Forbin	Marseille	13	2,975	-	2017	2010	77%
B&B Hotel Ilôt 34 – 44, rue de Ruffi	Marseille	13	3,864	-	2017	2013	77%
B&B Hotel Allar Euromed – 7, rue André-Allar	Marseille	13	1,983	-	2017	2015	77%
B&B Hotel Saint-Victoret – ZAC des Cascades Rue René-Cailloux	Marseille	13	2,114	-	2017	2013	77%
B&B Hotel Bègles – 1, rue des Terres-Neuves	Bègles		2,988	-	2017	2015	77%
B&B Hotel Armagnac Euratlantique – Rue d'Armagnac 200, boulevard Albert-1er	Bordeaux	33	2,854	-	2017	-	77%
B&B Hotel Perpignan – 3429, avenue Julien-Panchot	Perpignan	66	1,926	-	2017	2013	77%
B&B Hotel Quimper – 131, route de Bénodet	Quimper	29	3,442	-	2017	1995	77%
GRAND TOTAL			**158,083**	**351**			

(a) Date of inclusion of the asset and/or entity in the Icade group.

AS OF DECEMBER 31, 2018

Residential portfolio as of December 31, 2018	Municipality	Department No.	Habitable floor area (in sq.m)	Acquisition date [(a)]	Ownership %	No. of housing units Total	No. of housing units Incl. subsidised
RESIDENTIAL ASSETS							
SUBTOTAL PARIS			178			2	-
Porte de Vincennes vente	Paris	75	178	1968	100%	2	
SUBTOTAL INNER RING			4,915			81	-
Eluard	Bagneux	92	91	1972	100%	1	
Galilée	Bagneux	92	126	1959	100%	1	
Pont de Pierre	Bobigny	93	1,891	1957	100%	34	
Cachan I	Cachan	94	44	1957	100%	1	
Cachan II	Cachan	94	399	1957	100%	6	
Rodin	Villejuif	94	283	1957	100%	4	
Rembrandt	Villejuif	94	154	1957	100%	2	
10-16, rue Léon-Moussinac	Villejuif	94	695	1954	100%	11	
Karl Marx	Villejuif	94	1,232	1954	100%	21	

(a) Date of inclusion of the asset and/or entity in the Icade group.

Residential portfolio as of December 31, 2018	Municipality	Department No.	Habitable floor area *(in sq.m)*	Acquisition date [(a)]	Ownership %	No. of housing units Total	No. of housing units Incl. subsidised
SUBTOTAL OUTER RING			151,821			2,706	354
Gémeaux	Les Mureaux	78	176	1977	100%	2	
Sorrières	Montigny-le-Bretonneux	78	839	1979	100%	12	
Romarins	Montigny	78	83	1977	100%	1	
Corniche	Poissy	78	187	1954	100%	3	
Côte tower	Poissy	78	152	1958	100%	2	
6-16 Montaigne	Poissy	78	1,124	1954	100%	24	
78-88 Maladrerie (Clos Céleste)	Poissy	78	1,033	1954	100%	22	
6 to 16, rue de Montaigne-Lyautey	Poissy	78	621	1954	100%	19	
Square Cocteau	Trappes	78	223	1974	100%	3	
2-6 d'Orbay	Draveil	91	64	1957	100%	1	
Colombes	Épinay-sous-Sénart	91	210	1967	100%	4	
1, rue Weber	Épinay-sous-Sénart	91	522	1967	100%	6	
11, rue du Petit-Pont	Épinay-sous-Sénart	91	622	1967	100%	8	
5 France	Épinay-sous-Sénart	91	328	1967	100%	4	
Saint-Marc vente (Massy)	Massy	91	136	1960	100%	2	
Toulouse-Lautrec (Massy)	Massy	91	347	1960	100%	7	
12-16 Mogador	Massy	91	446	1968	100%	9	
2-8 Lisbonne (Louisiades)	Massy	91	396	1968	100%	8	
Thorez	Massy	91	156	1968	100%	2	
Blum	Massy	91	61	1968	100%	1	
Blum II	Massy	91	511	1968	100%	7	
2bis Herriot (Aigue Marine)	Massy	91	797	1968	100%	11	
4 Herriot	Massy	91	619	1968	100%	7	
1 to 5, rue Julian-Grimaud	Sainte-Geneviève-des-Bois	91	1,212	1954	100%	16	
Vaux Germains Vente	Châtenay-Malabry	92	107	1959	100%	2	
La Roue vente	Fontenay	92	160	1958	100%	3	
Voltaire	Rueil	92	53	1956	100%	1	
Arthur Rimbaud	Rueil	92	175	1957	100%	3	
Gibets II	Rueil	92	233	1957	100%	5	
Pasteur	Bondy	93	177	1955	100%	3	
Jannin/Bouin	Gagny	93	2,970	1959	100%	41	
Dumas	Gagny	93	450	1959	100%	7	
Jean Bouin	Gagny	93	607	1959	100%	9	
Moulin vente II	Gagny	93	563	1957	100%	10	
Couperin	Rosny	93	55	1983	100%	1	
Herodia	Rosny	93	208	1960	100%	4	
108-112 Alsace	Rosny	93	336	1960	100%	10	
10-14 Couperin-Blérioz	Rosny	93	609	1960	100%	11	
6-8 De la Lande	Rosny	93	918	1976	100%	13	
2-4 Couperin	Rosny	93	744	1960	100%	13	
2-4 Franck	Rosny	93	342	1975	100%	5	
5 Ampère	Tremblay-en-France	93	48	1967	100%	1	
7 Ampère	Tremblay-en-France	93	71	1967	100%	1	
1 Ampère	Tremblay-en-France	93	367	1967	100%	5	
Orgemont	Épinay-sur-Seine	93	120,789	1957	100%	2,214	354
Plumerette	Créteil	94	56	1961	100%	1	
Mermoz	Créteil	94	56	1961	100%	1	
Savignat	Créteil	94	148	1961	100%	3	
1-3 Arcos	Créteil	94	526	1958	100%	9	
1-5 Timons	Créteil	94	357	1958	100%	7	

(a) Date of inclusion of the asset and/or entity in the Icade group.

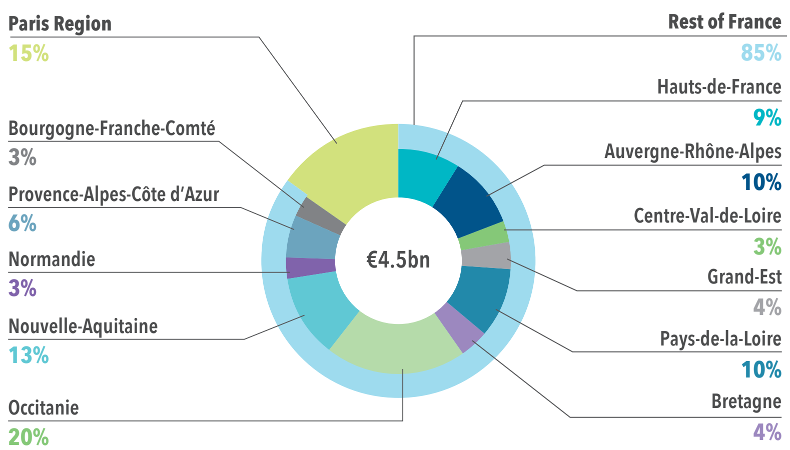
Residential portfolio as of December 31, 2018	Municipality	Department No.	Habitable floor area (in sq.m)	Acquisition date [(a)]	Ownership %	No. of housing units Total	Incl. subsidised
8-12 Vildrac	Créteil	94	1,836	1958	100%	27	
Roussel	Créteil	94	1,321	1961	100%	18	
Col Rivière (Fresnes)	Fresnes	94	112	1957	100%	2	
Poètes (Haÿ)	L'Haÿ-les-Roses	94	337	1957	100%	5	
Peintres (Haÿ)	L'Haÿ-les-Roses	94	259	1957	100%	4	
Château de Sucy vente	Sucy	94	57	1954	100%	1	
Cytises	Sucy	94	590	1965	100%	8	
Parc Leblanc	Villeneuve-le-Roi	94	71	1957	100%	1	
Justice	Cergy	95	4,378	1983	100%	64	
Hauts de Cergy	Cergy	95	193	1983	100%	1	
Cergy Pissaro	Cergy	95	135	1983	100%	2	
Van Gogh	Ermont	95	136	1961	100%	2	
Orme Saint-Edme vente	Franconville	95	181	1967	100%	3	
Sainte-Honorine	Taverny	95	66	1975	100%	1	
Pompon	Villiers-le-Bel	95	60	1965	100%	1	
Lalo	Villiers-le-Bel	95	59	1965	100%	1	
Varagne	Villiers-le-Bel	95	40	1958	100%	1	
SUBTOTAL OUTSIDE THE PARIS REGION			304			4	-
SCI Grande Terre des Vignes	Vénissieux	69	304	1966	100%	4	
TOTAL RESIDENTIAL			157,218			2,793	354
OTHER ASSETS							
Retail and office assets			3,100		100%		
Homes and residences for the elderly			3,328		100%		
TOTAL OTHER OFFICE PROPERTY INVESTMENT ASSETS			6,428			-	-
GRAND TOTAL			**163,646**			**2,793**	**354**
Land bank			1,335,742		100%		

(a) Date of inclusion of the asset and/or entity in the Icade group.

2.3. Healthcare Property Investment Division

The value of the Healthcare Property Investment portfolio was €2,546 million on a proportionate consolidation basis, i.e. €4,484 million on a full consolidation basis.

GEOGRAPHIC DISTRIBUTION OF THE HEALTHCARE PORTFOLIO IN FRANCE (IN %) [4]



(1) MSO: Medicine, Surgery, Obstetrics.
(2) PAC: Post-Acute Care.
(3) MHE: Mental Health Establishments.
(4) On a proportionate consolidation basis.

2.3.1. Market update and competitive position

Market update

(source: Drees Santé, Investirlmnp.fr, JLL, Cushman & Wakefield)

Assets with attractive features

The healthcare sector represents a promising market that is less cyclical than the rest of the economy, thanks to underlying fundamentals such as the ageing of population in Europe and improved medical care techniques. Healthcare property assets are single-use properties with long-term leases that can be divided into two main categories:

- **healthcare facilities** including, for short-term stays, medicine, surgery and obstetrics (MSO) facilities with extensive space dedicated to medical technology equipment, or for medium-term stays, psychiatric (PSY) or post-acute care (PAC) facilities. 85 to 90% of tenant operators' revenues come from the French national health insurance (Assurance Maladie);
- **medical-social facilities** with predominant accommodation structures, i.e. nursing homes (accommodation facilities for dependent elderly persons, EHPAD) and retirement homes (accommodation facilities for the elderly, EHPA). Nursing home operators derive their revenue from the French national health insurance (Assurance Maladie), Departmental Councils (housing assistance and assistance to dependent persons), and the residents themselves or their families.

In France, leases are predominantly for a term of 12 years with no break clause and all service charges are recoverable from the tenants, excluding major works falling within the scope of Article 606 of the French Civil Code, which are now at the expense of property owners in new leases signed or renewed on or after November 5, 2014 (following the decree establishing rules for allocation of service charges under Law No. 2014-626 dated June 18, 2014 for commercial leases, known as the "Pinel law"). As part of sales of properties by their operators (sale and leaseback transactions), commitments to perform works and warranties are often provided by the sellers.

In the rest of Europe, leases have even longer terms with no break option: from 15 years in Italy up to 20-25 years in Germany. In Germany, the medical-social market is deep with a strong level of sale-and-leaseback activity. In Italy and Spain, it is still a medium-sized market with attractive growth prospects.

Concentration continues to rise among French healthcare operators, which are now expanding abroad

Reforms in **the French health sector** have led operators to start a major process of consolidation in order to become more efficient and thus preserve historical margins. In 2017, the top three operators (Elsan, Ramsay Générale de Santé and Capio) represented 36% of private healthcare facilities, compared to 21% in 2011.

After the merger of Médipôle Partenaires into Elsan in 2017, Ramsay Générale de Santé also completed large-scale acquisitions in 2018 by filing a public tender offer for the Capio group (22 facilities in France), which was accepted in October. This new structure will be the second largest Group in private healthcare in Europe, with a presence in six different countries. Vivalto, C2S and Almaviva carried out a large number of acquisitions of healthcare facilities throughout the year.

Following three years of substantial decline, healthcare operators benefited from near stable official hospital fees in 2018 (-0.2% for MSO facilities, -0.4% for PAC facilities and +0.3% for PSY facilities). In addition, the National Healthcare Spending Limit (ONDAM) has been revised upward in 2019 (+2.5% instead of +2.3%).

Since 2011, consolidation in **the medical-social sector** has been driven by a decreasing number of building authorisations granted for these facilities. As a result, the Korian, Orpea and DomusVi groups are the main private nursing home operators, each counting more than 15,000 beds and places in France. Besides, they have become key players in the industry by substantially increasing their portfolio across Europe.

Real estate investors have played an active role in the growth strategy of these groups, allowing them to free up capital for their core businesses through sale-and-leasebacks.

A full-fledged asset class attracting investors

Healthcare property has long been a niche with few investors and tightly controlled by healthcare operators. Icade Santé started expanding in healthcare property in 2007 and quickly acquired a leading position.

Attractive yields based on long-term, secure rental income have attracted an increasing number of players. Like the Belgian REIT Cofinimmo, which primarily owns nursing home properties, several asset management firms have been raising funds specifically to invest in this segment since 2014 by creating dedicated investment vehicles, initially invested in nursing homes but soon ready to be invested in international and healthcare assets, despite their greater specificity.

In 2018, Primonial holds a portfolio of healthcare assets in Europe representing c. €5.2 billion (42% in France), whereas BNP Paribas REIM manages a portfolio of nearly €500 million in France. In France, Swiss Life REIM, Euryale AM (SCPI Pierval), Axa IM, as well as Batipart have created other dedicated vehicles. In 2017, the Batipart group bought the Lagune company (leisure and healthcare real estate) from Eurosic.

Limited supply of properties that attract strong interest, leading to value increases

The healthcare property market is now characterised by increased demand from investors. Transactions used to be only related to properties sold by their operators (in order to finance their acquisitions) and to doctors selling their properties and practices (primary market). There is now an active secondary market for transactions between investors, capable of dealing with major portfolios such as Vitalia's or Gecimed's.

In France, after two record years in 2015 and 2016 (respectively €1.2 billion and €1.6 billion), the investment market normalised with a few transactions in 2017 (≈ €400 million attributable to investors) and stronger activity in 2018 with €730 million. **The most significant transactions of 2018 were the acquisitions of two nursing home portfolios** (Icade Santé purchased 14 facilities from Residalya and Axa IM acquired eight facilities from GDP Vendôme).

Over the past few years, French investors have diversified their investment strategy either by signing development partnerships (like the framework agreement signed by Korian, Icade Santé and Icade Promotion at the end of 2017) or by expanding into other European countries. As a result, the investment market saw two major transactions (> €500 million) in Germany – 50% of the Medical Properties Trust (REIT) portfolio acquired by Primonial and a portfolio of 30 nursing homes acquired by the property investor Deutsche Wohnen.

Competition remains strong between specialised investors, in a context of strong capital flows into all real estate markets. The current prime yield (new facilities or facilities in excellent condition, with 12-year leases, very well located in dynamic areas outside Paris and operated by a leading company) is around 4.25%-4.50% for nursing homes (Ehpad) (vs. 4.50% at the end of 2017), 4.50% for post-acute care (PAC) and psychiatric (PSY) facilities (vs. 4.75% at the end of 2017) and 5.0% for medicine, surgery and obstetrics (MSO) facilities (vs. 5.25% at the end of 2017) *(Source: JLL)*.

Competitive position of the Healthcare Property Investment Division

Yield-hungry institutional investors have been diversifying their real estate investments for several years. Until recently considered alternative, healthcare real estate has become a full-fledged asset class. Competition between investors has increased since 2014, especially in 2015 and 2016, when two significant portfolios were put on the market: Vitalia, won by Icade Santé in a tender process, and Gecimed, won by Primonial.

New investors such as Primonial (Primovie), BNP Paribas (Health Property Fund 1 and 2), Swiss Life REIM as well as Eurosic, Euryale and Axa RE have also engaged in a number of transactions both in France and in other European countries. These competitors are active in the secondary market, where investors trade among themselves, but also, in the traditional sale and leaseback market.

By developing strong partnerships with major national healthcare operators such as Ramsay Générale de Santé, Elsan or Capio, and other regional groups, at the end of 2018 Icade Santé was still the undisputed leader in the private healthcare property market, with a portfolio of nearly €4.5 billion (excluding duties, on a full consolidation basis).

Icade Santé is known for the expertise of its teams and its integrated, high-quality solutions which cover both property investment and construction thanks to the synergies developed with the Group's Property Development Division. Over the years, it has been able to build close-knit relationships with healthcare operators and to support them in their projects. This has given Icade Santé access to investment opportunities, often off-market.

With the diversification process into the nursing home segment and the main European markets that started in 2018, Icade Santé will develop new growth drivers and will be able to pursue its strategic goal of becoming the leading healthcare REIT in Europe.

2.3.2 Property portfolio as of December 31, 2018

The property portfolio of Icade's Healthcare Property Investment Division represents nearly 1.6 million sq.m of operating floor area (0.9 million sq.m on a proportionate consolidation basis). It is mainly comprised of medicine, surgery and obstetrics (MSO) facilities, and post-acute care (PAC) facilities and nursing homes (Ehpad).

As the leader in its market, Icade has become a major player in the healthcare sector by building, between 2007 and 2018, a portfolio of 115 healthcare facilities, featuring:

- assets that start generating cash flows immediately;
- initial lease terms of 12 years with no break clause and a weighted average unexpired lease term of 7.4 years as of December 31, 2018;
- a high margin rate (net rental income/gross rental income);
- a financial occupancy rate of 100%.

The healthcare property portfolio is spread across the whole of France.

AS OF DECEMBER 31, 2018

In terms of total portfolio value and total floor area	Asset value (full consolidation basis) In millions of euros	% of total portfolio value	Total floor area (full consolidation basis) floor area *(in sq.m)*	% of total floor area of the portfolio *(in sq.m)*
PARIS REGION	687	15%	183,113	11%
Occitanie	916	20%	360,546	22%
Nouvelle-Aquitaine	566	13%	242,787	15%
Auvergne-Rhône-Alpes	447	10%	155,701	10%
Pays de la Loire	436	10%	174,804	11%
Hauts-de-France	385	9%	138,917	9%
Provence-Alpes-Côte d'Azur	291	6%	71,421	4%
Bretagne	168	4%	72,256	5%
Grand-Est	161	4%	51,233	3%
Normandie	152	3%	45,409	3%
Centre-Val de Loire	141	3%	57,601	4%
Bourgogne-Franche-Comté	135	3%	48,707	3%
OUTSIDE THE PARIS REGION	3,797	85%	1,419,382	89%
GRAND TOTAL	**4,484**	**100%**	**1,602,495**	**100%**

As of December 31, 2018, Icade held a 56.77% stake in Icade Santé.

During the financial year, Icade Santé started to diversify its portfolio into a new segment (nursing homes) and internationally (focusing on the major European markets), by acquiring a portfolio of 14 nursing homes from the Residalya network in France and securing a construction project for seven nursing homes in Italy.

On a proportionate consolidation basis, portfolio value jumped 11.6% like-for-like.

(in millions of euros, on a proportionate consolidation basis)	Fair value as of 12/31/2017	Fair value as of 12/31/2017 of assets sold	Investments and other [(a)]	Like-for-like change *(in €m)*	Like-for-like change *(in %)*	Fair value as of 12/31/2018
HEALTHCARE	**2,280.6**	**(0.6)**	**184.8**	**81.1**	**+3.60%**	**2,545.9**

(a) Includes capex and the change in Icade's stake in Icade Santé. Also includes the restatement of transfer duties and fees, changes in the values of assets acquired during the financial year, and works to assets sold.

The year 2018 also saw Icade Santé begin to diversify into new segments with the acquisition of a portfolio of 14 nursing homes. In 2018, the Healthcare Property Investment Division also continued to invest, with a total of €58.8 million, most of which was invested in four healthcare facilities under development. Three of these were completed during the year, representing nearly 10% of value creation generated by the Healthcare Property Investment Division. Like-for-like value increases (+€81.1 million, i.e. +3.6%) were also driven by yield compression, mainly in H1, reflecting a premium over French 10-year government bonds and other asset classes that remained attractive.

2.3.3. Investments

(in millions of euros)	Asset acquisitions	Projects under development	Other capex	Other	Total
HEALTHCARE PROPERTY INVESTMENT	**211.5**	**47.9**	**50.5**	**1.5**	**311.4**

Investments made in 2018 added up to **€311.4 million**. The volume of acquisitions over the period (€211.5 million) related principally to the following transactions:

- acquisition of a portfolio of 14 nursing homes for €189 million;
- acquisition of a post-acute care (PAC) facility located in Montévrain (Seine-et-Marne) for a total of €17.7 million.

This is in addition to €47.9 million in investments made during the financial year in the development pipeline as part of the following projects:

- Courlancy polyclinic in Bezannes for €4.0 million (completed in 2018);
- La Croix du Sud polyclinic in Quint-Fonsegrives for €12.6 million (completed in 2018);
- Elsan Stoa project in Saint-Herblain for €7.5 million (completed in 2018);
- project for the construction of the Greater Narbonne private hospital, which is scheduled for completion in 2020, for €10.6 million;
- the extension project for the Atlantique polyclinic in Puilboreau for €13.2 million.

Other works and other investments during the financial year totalled €52.0 million.

DEVELOPMENT PIPELINE

Project (in millions of euros)	Estimated date of completion	Operator	Number of beds and places	Rental income	Yield on Cost [(a)]	Total cost of project	Remaining to be invested > 2018
Italy – 7 facilities	2020-2021	Gheron	1,020			113.0	113.0
Greater Narbonne private hospital – Montredon-des-Corbières	Q4 2020	Elsan	283			47.8	33.4
SSR Jonc Marins – Le Perreux-sur-Marne	Q3 2021	Korian	136			21.9	21.9
Clinique de l'Atlantique private hospital – Puilboreau	Q3 2019 – Q4 2019	Ramsay GDS (formerly Capio)	100			20.0	4.6
Le Parc polyclinic – Caen	Q1 2021	Elsan	288			19.6	19.6
Saint-Charles private hospital – La Roche-sur-Yon	Q1 2022	Sisio	210			14.1	14.1
Mornay post-acute care facility – Saintes	Q1 2021	Korian	82			10.2	10.2
Atlantique medical hub (Bromélia) – Saint-Herblain	Q4 2019	Elsan	169			8.2	5.4
TOTAL PIPELINE			**2,288**	**14.1**	**5.7%**	**254.8**	**222.2**

(a) YoC = headline rental income/cost of the project as approved by Icade's governance bodies. This cost includes the carrying amount of land, cost of works (excluding internal costs), carrying costs and any lease incentives.

The total cost of projects in Icade Santé's development pipeline is estimated at €254.8 million, including €112.0 million of investments in developments in Italy.

The average yield on cost expected for these projects is 5.7%.

2.3.4. Asset disposals

The value of asset disposals completed during the year was not significant, at €1.5 million.

2.3.5. EPRA earnings from Healthcare Property Investment as of December 31, 2018

	12/31/2018			12/31/2017 Restated		
(in millions of euros)	EPRA earnings from Healthcare Property Investment (recurring)	Non-recurring [a]	Total Healthcare Property Investment	EPRA earnings from Healthcare Property Investment (recurring)	Non-recurring [a]	Total Healthcare Property Investment
GROSS RENTAL INCOME	241.0	-	241.0	214.9	-	214.9
NET RENTAL INCOME	235.9	-	235.9	211.3	-	211.3
Margin rate (net rental income/gross rental income)	97.9%	0.0%	97.9%	98.3%	0.0%	98.3%
Net operating costs	(12.5)	-	(12.5)	(11.0)	-	(11.0)
Profit/(loss) from other activities	-	-	-	-	-	-
EBITDA	223.4	-	223.4	200.3	-	200.3
Depreciation and impairment	-	(115.4)	(115.4)	-	(98.3)	(98.3)
Profit/(loss) from acquisitions	-	(1.3)	(1.3)	-	(0.2)	(0.2)
Profit/(loss) on asset disposals	-	-	-	-	0.2	0.2
Share of profit/(loss) of equity-accounted companies	-	-	-	-	-	-
OPERATING PROFIT/(LOSS)	223.4	(116.8)	106.6	200.3	(98.3)	102.0
Cost of net debt	(29.6)	-	(29.6)	(28.4)	-	(28.4)
Other finance income and expenses	(0.6)	(10.1)	(10.7)	(0.4)	(0.4)	(0.8)
FINANCE INCOME/(EXPENSE)	(30.2)	(10.1)	(40.3)	(28.8)	(0.4)	(29.2)
Corporate tax	(2.1)	0.6	(1.5)	(1.7)	-	(1.7)
NET PROFIT/(LOSS)	191.0	(126.2)	64.8	169.8	(98.7)	71.1
Net profit/(loss) attributable to non-controlling interests	82.8	(54.7)	28.1	73.8	(42.9)	30.9
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**108.2**	**(71.5)**	**36.7**	**96.0**	**(55.8)**	**40.2**

(a) The "Non-recurring" column includes depreciation charges for investment properties, profit/(loss) from disposals, fair value adjustments to financial instruments, and other non-recurring items.

Net current cash flow from Healthcare Property Investment is equal to EPRA earnings.

Gross rental income from Healthcare Property Investment totalled €241 million, a 12.1% increase compared to December 31, 2017.

The recurring portion of **finance income/(expense)** from Healthcare Property Investment as of December 31, 2018 amounted to -€30.2 million, up by -€1.4 million compared to December 31, 2017.

Net profit/(loss) attributable to non-controlling interests from Healthcare Property Investment stood at -€28.1 million vs. -€30.9 million thanks to an improvement in net profit. This corresponds to non-controlling interests (43.23% of capital) in Icade Santé as of December 31, 2018.

2.3.6. Rental income from Healthcare Property Investment as of December 31, 2018

(in millions of euros)	12/31/2017	Asset acquisitions	Asset disposals	New builds/ Refurbishments	Leasing activity and rent escalation	12/31/2018	Total change	Like-for-like change
HEALTHCARE PROPERTY INVESTMENT	**214.9**	**14.3**	**(0.4)**	**8.8**	**3.4**	**241.0**	**26.1**	**1.8%**

In 2018, the sharp increase in rental income from Healthcare Property Investment resulted from:

- acquisitions for €14.3 million, including the first nursing home portfolio for €4.4 million over six months;
- completions of extension works and development projects (Courlancy, Saint-Herblain and Quint-Fonsegrives) for €8.8 million;
- impact of rent escalation and asset management for €3.1 million.

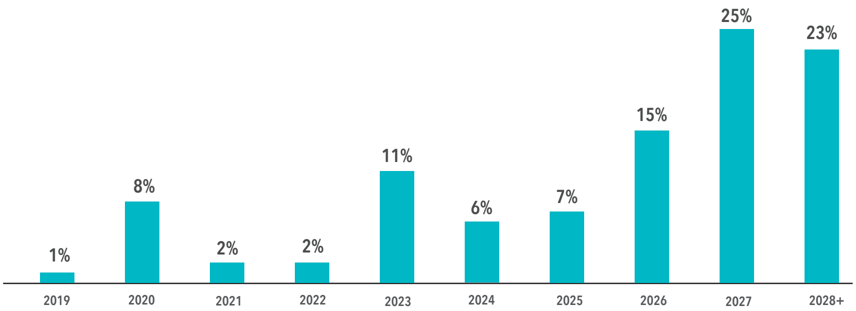
Net rental income from Healthcare Property Investment for the year 2018 totalled €235.9 million, implying a margin rate of 97.9%, almost the same level as in 2017.

	12/31/2018		12/31/2017 Restated	
(in millions of euros)	Net rental income	Margin	Net rental income	Margin
HEALTHCARE PROPERTY INVESTMENT	**235.9**	**97.9%**	**211.3**	**98.3%**

2.3.7. Leasing activity of the Healthcare Property Investment Division

As of December 31, 2018, the financial occupancy rate remained unchanged compared to December 31, 2017, at 100%. The weighted average unexpired lease term was 7.4 years, down 0.2 year compared to 2017. The table below shows the lease expiry schedule in terms of IFRS annualised rental income.

(in millions of euros) On a full consolidation basis	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 and beyond	Total
HEALTHCARE PROPERTY INVESTMENT	**2.0**	**21.8**	**5.5**	**5.4**	**29.0**	**14.4**	**17.2**	**37.9**	**64.5**	**59.4**	**257.0**



2.3.8. List of property assets

AS OF DECEMBER 31, 2018

Healthcare portfolio as of December 31, 2018	Municipality	Department No.	Floor area *(in sq.m)* Total	Floor area *(in sq.m)* (leasable)	Other floor area (leasable)	MSO facilities floor area (leasable)	PAC facilities floor area (leasable)	Number of beds	Acquisition date[(a)]	Construction or renovation date	Ownership %	Operator
SUBTOTAL PARIS REGION			183,113	183,113	-	156,844	26,269	2,856				
Pasteur private hospital – 22, rue de la Petite-Saussaie	Vitry-sur-Seine	94	6,120	6,120	-	6,120	-	109	2011	1992	56.77%	Elsan
Saint-Louis private hospital – 1, rue Basset	Poissy	78	13,396	13,396	-	13,396	-	171	2013	2007	56.77%	Elsan
L'Estrée private hospital – 35, rue d'Amiens	Stains	93	26,418	26,418	-	26,418	-	368	2015	2005	56.77%	Elsan
Medical-surgical centre of Parly II – 21, rue Moxouris	Le Chesnay	78	15,818	15,818	-	15,818	-	280	2008	1997	56.77%	Ramsay Générale de Santé
Ouest Parisien private hospital – 14, avenue Castiglione	Trappes	78	21,058	21,058	-	21,058	-	274	Before 2011	2000	56.77%	Ramsay Générale de Santé
Paul d'Égine private hospital – 4, avenue Marx-Dormoy	Champigny-sur-Marne	94	14,270	14,270	-	14,270	-	233	Before 2011	2006	56.77%	Ramsay Générale de Santé
Armand Brillard private hospital – 3, avenue Watteau	Nogent-sur-Marne	94	13,170	13,170	-	13,170	-	240	Before 2011	2009	56.77%	Ramsay Générale de Santé
Marne-la-Vallée private hospital – 33, rue Léon-Menu	Bry-sur-Marne	94	12,737	12,737	-	12,737	-	190	Before 2011	2009	56.77%	Ramsay Générale de Santé
La Muette private hospital – 46/48, rue Nicolo	Paris	75	4,149	4,149	-	4,149	-	80	2014	1978	56.77%	Ramsay Générale de Santé
Bois d'Amour private hospital – 19-21, avenue Bois-d'Amour	Drancy	93	6,457	6,457	-	-	6,457	131	Before 2011	2009	56.77%	Ramsay Générale de Santé
Monet private hospital – 34, rue de Verdun	Champigny-sur-Marne	94	6,177	6,177	-	-	6,177	130	2011	2011	56.77%	Ramsay Générale de Santé
Le Bourget PAC facility – 7, rue Rigaud	Le Bourget	93	7,893	7,893	-	-	7,893	150	Before 2011	2010	56.77%	Ramsay Générale de Santé
Claude Bernard private hospital – 9, avenue Louis-Armand	Ermont	95	20,475	20,475	-	20,475	-	280	2014	2014	56.77%	Capio
Domont private hospital – Place called "Le Ru de Vaux d'Ézanville"	Domont	95	3,324	3,324	-	3,324	-	28	2015	-	56.77%	Capio
Bercy private hospital – 9, quai de Bercy	Charenton-le-Pont	94	5,909	5,909	-	5,909	-	80	2011	2005	56.77%	Hexagone
Montévrain PAC facility – 15/17, route de Provins	Montévrain	77	5,742	5,742	-	-	5,742	112	2018	1905	56.77%	Ramsay Générale de Santé
SUBTOTAL HAUTS-DE-FRANCE			138,917	138,917	-	134,417	-	1,641				
Le Parc private hospital – 48 bis, rue Henri-Barbusse	Saint-Saulve	59	17,084	17,084	-	17,084	-	174	2011	2004	56.77%	Elsan
Vauban polyclinic – 10, avenue Vauban	Valenciennes	59	18,410	18,410	-	18,410	-	234	2011	1999	56.77%	Elsan
Flandre private hospital – 300, rue des Forts	Coudekerque-Branche	59	9,927	9,927	-	9,927	-	111	2012	2004	56.77%	Elsan
New Villette private hospital – 18, rue Parmentier	Dunkerque	59	11,434	11,434	-	11,434	-	137	2012	1991	56.77%	Elsan
Saint-Claude private hospital – 1, boulevard du Docteur-Schweitzer	Saint-Quentin	2	15,947	15,947	-	15,947	-	189	2015	2004	56.77%	Elsan
Saint-Omer private hospital – 71, rue Ambroise-Paré	Blendecques	62	10,279	10,279	-	10,279	-	116	2015	2003	56.77%	Elsan
Arras private hospital – 2, rue du Docteur-Forgeois	Arras	62	23,269	23,269	-	23,269	-	284	2009	2007	56.77%	Ramsay Générale de Santé
La Roseraie private hospital – 6, allée Olivier-Messiaen	Soissons	2	5,035	5,035	-	5,035	-	81	Before 2011	2010	56.77%	Ramsay Générale de Santé
Villeneuve-d'Ascq private hospital – 20, avenue de la Reconnaissance	Villeneuve-d'Ascq	59	23,032	23,032	-	23,032	-	225	2012	2012	56.77%	Ramsay Générale de Santé
Les Terrasses de la Scarpe – Rue Georges-Buire	Courchelettes	59	4,500	4,500	4,500	-	-	90	2018	-	56.77%	Residalya

(a) Date of inclusion of the asset and/or entity in the Icade group.

Healthcare portfolio as of December 31, 2018	Municipality	Department No.	Floor area (in sq.m) Total	Floor area (in sq.m) (leasable)	Other floor area (leasable)	MSO facilities floor area (leasable)	PAC facilities floor area (leasable)	Number of beds	Acquisition date[a]	Construction or renovation date	Ownership %	Operator
SUBTOTAL AUVERGNE-RHÔNE-ALPES			155,701	155,701	-	151,713	-	1,766				
Pôle Santé République private hospital + CIMROR – 105, avenue de la République	Clermont-Ferrand	63	29,231	29,231	-	29,231	-	270	2011	2008	56.77%	Elsan
La Châtaigneraie private hospital – Rue de la Châtaigneraie	Beaumont	63	27,258	27,258	-	27,258	-	357	2015	2003	56.77%	Elsan
La Pergola private hospital – 75, allée des Ailes	Vichy	3	10,042	10,042	-	10,042	-	146	2015	2009	56.77%	Elsan
Medical-surgical centre of Tronquières – 83, avenue Charles-de-Gaulle	Aurillac	15	21,046	21,046	-	21,046	-	272	2015	1999	56.77%	Elsan
La Loire private hospital – ACAPACE – 39, boulevard de La Palle	Saint-Étienne	42	31,074	31,074	-	31,074	-	305	2013	2005	56.77%	Ramsay Générale de Santé
Le Beaujolais polyclinic – 120, ancienne route Beaujeu	Arnas	69	14,024	14,024	-	14,024	-	101	2014	2004	56.77%	Capio
La Sauvegarde private hospital – 480, avenue Ben-Gourion	Lyon	69	19,038	19,038	-	19,038	-	239	2014	2012	56.77%	Capio
Les Rives d'Allier – Chemin Paulhat	Pont-du-Château	63	3,988	3,988	3,988	-	-	76	2018	-	56.77%	Residalya
SUBTOTAL BOURGOGNE-FRANCHE-COMTÉ			48,707	48,707	-	31,269	4,998	764				
Val de Loire polyclinic – 49, boulevard Jérôme-Trésaguet	Nevers	58	11,952	11,952	-	11,952	-	119	2015	2007	56.77%	Elsan
Chalonnais centre, avenue du Général-de-Gaulle	Châtenoy-le-Royal	71	4,998	4,998	-	-	4,998	92	2016	-	56.77%	Ramsay Générale de Santé
Saint-Vincent private hospital – 40, chemin des Tilleroyes	Besançon	25	19,317	19,317	-	19,317	-	333	2014	2013	56.77%	Capio
Granvelle residence – 11, rue Angélique-Marguerite du Coudray le Boursier	Besançon	25	6,829	6,829	6,829	-	-	123	2018	-	56.77%	Residalya
Valmy residence – 43, avenue Françoise-Giroud	Dijon	21	5,611	5,611	5,611	-	-	97	2018	-	56.77%	Residalya
SUBTOTAL BRETAGNE			72,256	72,256	-	67,237	5,019	747				
Keraudren polyclinic – 375, rue Ernestine-de-Trémaudan	Brest	29	20,096	20,096	-	20,096	-	182	2009	2007	56.77%	Elsan
Le Ter private hospital – Chemin de Kerbernès	Ploemeur	56	17,626	17,626	-	17,626	-	155	2015	2008	56.77%	Elsan
Océane private hospital – 11, rue Docteur-Joseph-Audic	Vannes	56	29,515	29,515	-	29,515	-	350	2015	2000	56.77%	Elsan
L'Elorn PAC facility – 30, rue Claude-Bernard	Landerneau	29	5,019	5,019	-	-	5,019	60	Before 2011	2007	56.77%	Elsan
SUBTOTAL CENTRE-VAL DE LOIRE			57,601	57,601	18,503	39,098	-	782				
L'Archette private hospital – 83, rue Jacques-Monod	Olivet	45	17,179	17,179	-	17,179	-	165	Before 2011	2000	56.77%	Elsan
Saint-François private hospital – 2, rue Roland-Buthier	Mainvilliers	28	11,465	11,465	-	11,465	-	155	Before 2011	2001	56.77%	Elsan
Saint-Cœur private hospital – 10, rue Honoré-de-Balzac	Vendôme	41	10,454	10,454	-	10,454	-	133	2015	2002	56.77%	Elsan
Vendômois disability care home – Place called "Sous Grand Champ"	Vendôme	41	3,240	3,240	3,240	-	-	45	2013	2012	56.77%	Ramsay Générale de Santé
Pont de Gien private hospital, rue des Coteaux du Giennois	Gien	45	4,903	4,903	4,903	-	-	84	2016	-	56.77%	Ramsay Générale de Santé
Ronsard private hospital – 3, rue Lainé, rue de la Thibaudière	Chambray-lès-Tours	37	6,042	6,042	6,042	-	-	110	2016	-	56.77%	Ramsay Générale de Santé
Valois residence – 1 bis, place du Champ-Chardon	Orléans	45	4,318	4,318	4,318	-	-	90	2018	-	56.77%	Residalya
SUBTOTAL GRAND-EST			51,233	51,233	-	51,233	-	750				
Majorelle polyclinic – 1240, avenue Raymond-Pinchard	Nancy	54	11,729	11,729	-	11,729	-	146	2011	2006	56.77%	Elsan
Chaumont medical-surgical centre – 17, avenue des États-Unis	Chaumont	52	9,689	9,689	-	9,689	-	135	2015	1992	56.77%	Elsan
Courlancy polyclinic, ZAC de Bezannes – Under development	Bezannes	51	29,815	29,815	-	29,815	-	469	2015	-	56.77%	Other operators

(a) Date of inclusion of the asset and/or entity in the Icade group.

Healthcare portfolio as of December 31, 2018	Municipality	Department No.	Floor area (in sq.m) Total	Floor area (in sq.m) (leasable)	Other floor area (leasable)	MSO facilities floor area (leasable)	PAC facilities floor area (leasable)	Number of beds	Acquisition date[(a)]	Construction or renovation date	Ownership %	Operator
SUBTOTAL NORMANDIE			45,409	45,409	5,117	40,292	-	745				
Le Parc polyclinic – 20, avenue du Capitaine-Georges-Guynemer	Caen	14	15,071	15,071	-	15,071	-	288	2014	2012	56.77%	Elsan
Océane private hospital – 514, rue Irène-Joliot-Curie	Le Havre	76	5,117	5,117	5,117	-	-	99	2016	-	56.77%	Ramsay Générale de Santé
Europe polyclinic	Rouen	76	25,221	25,221	-	25,221	-	358	2017	-	56.77%	Vivalto
SUBTOTAL NOUVELLE-AQUITAINE			242,787	242,787	-	217,433	4,110	3,023				
Esquirol Saint-Hilaire private hospital – 1, rue du Docteur-et-Mme-Delmas	Agen	47	33,414	33,414	-	33,414	-	329	Before 2011	2004	56.77%	Elsan
Poitiers polyclic – 1, rue de la Providence	Poitiers	86	19,631	19,631	-	19,631	-	206	2008	2004	56.77%	Elsan
Saint-Augustin polyclinic + kidney treatment centre – 112, avenue d'Ares	Bordeaux	33	15,919	15,919	-	15,919	-	227	2011	2007	56.77%	Elsan
Inkermann polyclinic – 84, route d'Aiffres	Niort	79	21,434	21,434	-	21,434	-	223	2011	2009	56.77%	Elsan
Pasteur private hospital – 54, rue Professeur-Pozzi	Bergerac	24	9,416	9,416	-	9,416	-	155	2011	2007	56.77%	Elsan
Limoges polyclinic – 18, rue du Général-Catroux	Limoges	87	33,420	33,420	-	33,420	-	365	2012	2008	56.77%	Elsan
Centre Clinical – 2, chemin de Fregeneuil	Soyaux	16	21,053	21,053	-	21,053	-	233	2012	2009	56.77%	Elsan
Les Cèdres private hospital – Impasse des Cèdres	Brive	19	12,300	12,300	-	12,300	-	173	2012	2003	56.77%	Elsan
Jean Villar private hospital – Aquitaine Santé – Avenue Maryse-Bastié	Bruges	33	18,375	18,375	-	18,375	-	214	2012	2009	56.77%	Elsan
Saint-Charles private hospital – 1, rue de la Providence	Poitiers	86	4,110	4,110	-	-	4,110	76	Before 2011	2004	56.77%	Elsan
L'Atlantique private hospital – 26, rue du Moulin-des-Justices	Puilboreau	17	10,726	10,726	-	10,726	-	100	2014	2011	56.77%	Capio
Marzet polyclinic – 42, boulevard d'Alsace-Lorraine	Pau	64	16,329	16,329	-	16,329	-	192	Before 2011	1999	56.77%	Gaucher
Richelieu private hospital – 22, rue Montlouis	Saintes	17	5,416	5,416	-	5,416	-	82	2011	2004	56.77%	Clinique Saint-Joseph
Les Portes du Jardin – 1, allée des Fusains	Tonnay-Charente	17	4,953	4,953	4,953	-	-	108	2018	-	56.77%	Residalya
Le Littoral – 44, rue du Cailleau	Saint-Augustin-sur-Mer	17	4,351	4,351	4,351	-	-	84	2018	-	56.77%	Residalya
La Chenaie – Rue Georges-Picotin	Saint-Ciers-sur-Gironde	33	4,024	4,024	4,024	-	-	80	2018	-	56.77%	Residalya
Le Mont des Landes – 8, avenue Maurice-Lacoste	Saint-Savin	33	4,227	4,227	4,227	-	-	97	2018	-	56.77%	Residalya
Le Jardin des Loges – 9, rue de la Croix	Saint-Bonnet-sur-Gironde	17	3,689	3,689	3,689	-	-	79	2018	-	56.77%	Residalya
SUBTOTAL OCCITANIE			360,546	360,546	15,852	327,825	16,869	4,850				
L'Occitanie private hospital – 20, avenue Bernard-IV	Muret	31	18,475	18,475	-	18,475	-	170	Before 2011	2007	56.77%	Elsan
Pont de Chaume private hospital – 330, avenue Marcel-Unal	Montauban	82	28,544	28,544	-	28,544	-	248	2011	2006	56.77%	Elsan
Ambroise Paré private hospital – 387, route Saint-Simon	Toulouse	31	17,213	17,213	-	17,213	-	222	2011	2004	56.77%	Elsan
Saint-Pierre private hospital – 169, avenue de Prades	Perpignan	66	16,142	16,142	-	16,142	-	266	2014	2001	56.77%	Elsan
Saint-Michel private hospital – 25, avenue Louis-Prat	Prades	66	5,127	5,127	-	5,127	-	65	2014	1997	56.77%	Elsan
Claude Bernard surgery & obesity centre – 1-3, rue du Père-Colombier	Albi	81	26,023	26,023	-	26,023	-	301	2015	2003	56.77%	Elsan
Toulouse-Lautrec private hospital – 2, rue Jacques-Monod	Albi	81	11,948	11,948	-	11,948	-	179	2015	2007	56.77%	Clinipole

(a) Date of inclusion of the asset and/or entity in the Icade group.

Healthcare portfolio as of December 31, 2018	Municipality	Department No.	Floor area *(in sq.m)* Total	Floor area *(in sq.m)* (leasable)	Other floor area (leasable)	MSO facilities floor area (leasable)	PAC facilities floor area (leasable)	Number of beds	Acquisition date[(a)]	Construction or renovation date	Ownership %	Operator
Le Sidobre polyclinic – Chemin de Saint-Hippolyte	Castres	81	12,692	12,692	-	12,692	-	168	2015	2006	56.77%	Elsan
Gascogne polyclinic – 55, avenue Sambre-et-Meuse	Auch	32	7,514	7,514	-	7,514	-	111	2015	2003	56.77%	Elsan
Greater Narbonne private hospital – Under development	Montredon-des-Corbières	11	-	-	-	-	-	283	2016	-	56.77%	Elsan
Ormeau polyclinic – 28, boulevard du 8 mai 1945	Tarbes	65	21,046	21,046	-	21,046	-	304	2017	-	56.77%	Elsan
Saint-Roch polyclinic	Cabestany	66	17,929	17,929	-	17,929	-	314	2017	-	56.77%	Elsan
Le Floride PAC facility – Avenue Thalassa	Le Barcarès	66	5,342	5,342	-	-	5,342	107	2014	1989	56.77%	Elsan
L'Union private hospital – Boulevard de Ratalens	Saint-Jean	31	34,343	34,343	-	34,343	-	392	2013	2006	56.77%	Ramsay Générale de Santé
Le Marquisat PAC facility – Boulevard de Ratalens	Saint-Jean	31	5,015	5,015	-	-	5,015	106	2013	1991	56.77%	Ramsay Générale de Santé
Les Cèdres private hospital – Château d'Alliez	Cornebarrieu	31	56,792	56,792	-	56,792	-	608	2014	2012	56.77%	Capio
Croix du Sud private hospital – 52, chemin de Ribaute	Quint-Fonsegrives	31	30,903	30,903	-	30,903	-	390	2015	-	56.77%	Capio
Beaupuy private hospital	Beaupuy	31	6,518	6,518	6,518	-	-	158	2017	-	56.77%	Capio
Le Parc private hospital – Haemodialysis – 50, rue Émile-Combes	Castelnau-le-Lez	34	23,134	23,134	-	23,134	-	206	2012	2010	56.77%	Clinipole
Saint-Clément private hospital – 115, avenue Saint-Sauveur-du-Pin	Saint-Clément-de-Rivière	34	4,072	4,072	4,072	-	-	62	2012	2005	56.77%	Clinipole
Pic Saint-Loup private hospital – 96, avenue Saint-Sauveur-du-Pin	Saint-Clément-de-Rivière	34	6,512	6,512	-	-	6,512	95	2012	2005	56.77%	Clinipole
Hélios disability care home (MAS)	Saint-Germé	32	5,262	5,262	5,262	-	-	95	2017	-	56.77%	Clinipole
SUBTOTAL PAYS-DE-LA-LOIRE			**174,804**	**174,804**	**-**	**161,429**	**8,569**	**1,842**				
L'Atlantique polyclinic – Avenue Claude-Bernard	Saint-Herblain	44	40,597	40,597	-	40,597	-	309	2008	2002	56.77%	Elsan
Bretéché private hospital – 3, rue de la Béraudière	Nantes	44	17,756	17,756	-	17,756	-	180	Before 2011	2000	56.77%	Elsan
Pôle Santé Sud – 28, rue de Guetteloup	Le Mans	72	40,786	40,786	-	40,786	-	472	2012	2006	56.77%	Elsan
Stoa – Bromélia – Under development	Saint-Herblain	44	16,212	16,212	-	16,212	-	213	2016	-	56.77%	Elsan
Roz Arvor physical rehabilitation centre – 2, rue du Fort	Nantes	44	6,653	6,653	-	-	6,653	95	Before 2011	1990	56.77%	Elsan
Saint-Charles private hospital – 11, boulevard René-Levesque	La Roche-sur-Yon	85	17,974	17,974	-	17,974	-	210	Before 2011	2003	56.77%	Sisio
Le Maine polyclinic – 4, avenue des Français-Libres	Laval	53	13,679	13,679	-	13,679	-	154	Before 2011	2008	56.77%	Sisio
Porte Océane private hospital – Départementale 160	Olonne	85	14,425	14,425	-	14,425	-	90	2010	2009	56.77%	Sisio
3C private hospital – 5, rue de la Grotte	Les Essarts	85	1,916	1,916	-	-	1,916	40	Before 2011	1998	56.77%	Sisio
La Lande Saint-Martin – 11, rue des Garotières	Haute-Goulaine	44	4,806	4,806	4,806	-	-	79	2018	-	56.77%	Residalya

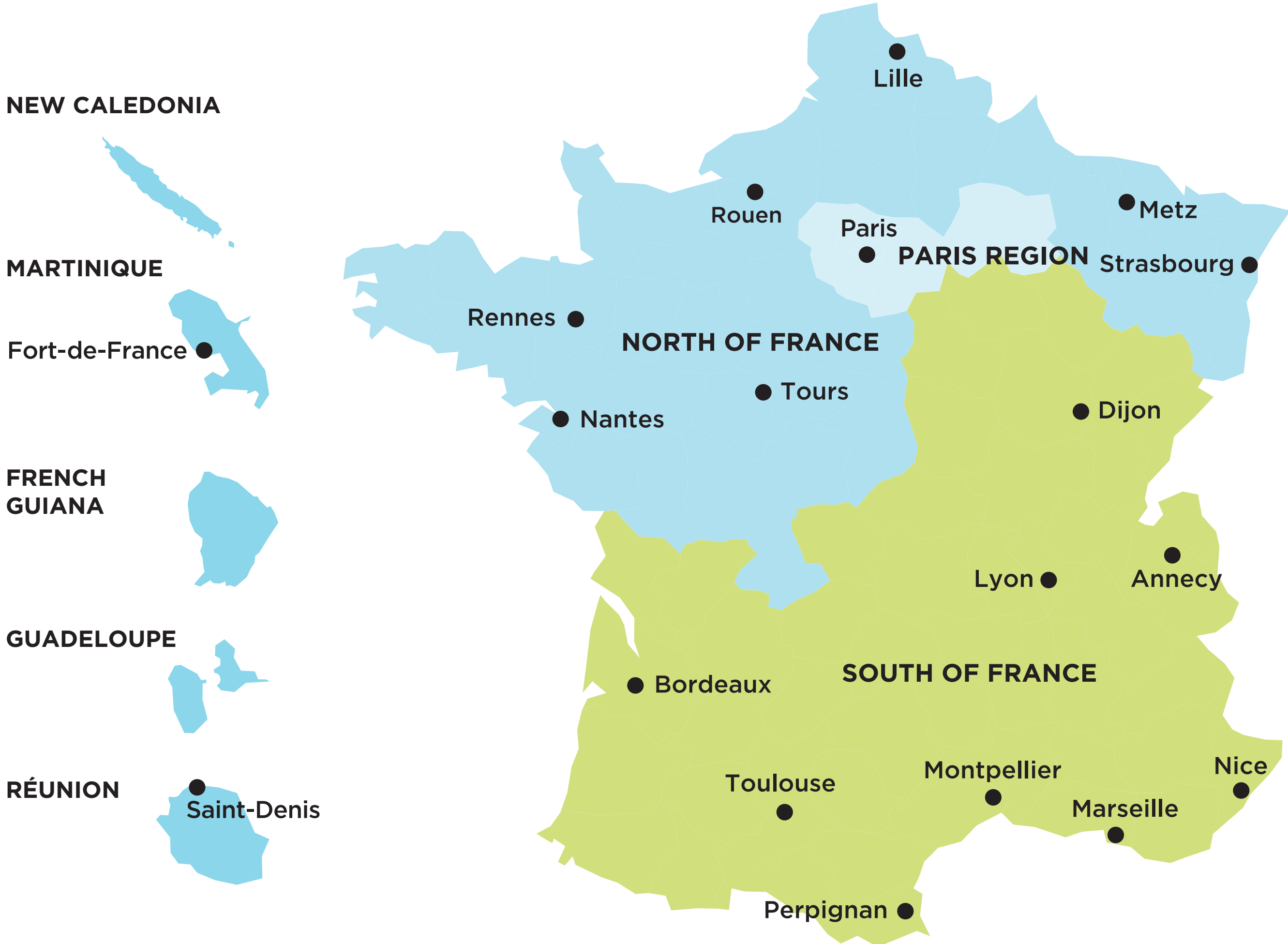
(a) Date of inclusion of the asset and/or entity in the Icade group.

Healthcare portfolio as of December 31, 2018	Municipality	Department No.	Floor area *(in sq.m)* Total	Floor area *(in sq.m)* (leasable)	Other floor area (leasable)	MSO facilities floor area (leasable)	PAC facilities floor area (leasable)	Number of beds	Acquisition date[(a)]	Construction or renovation date	Ownership %	Operator
SUBTOTAL PROVENCE-ALPES-CÔTE D'AZUR			71,421	71,421	14,024	57,397	-	1,074				
Le Cap d'Or private hospital – 1361, avenue des Anciens-Combattants-Français-d'Indochine	La Seyne-sur-Mer	83	6,454	6,454	-	6,454	-	100	2011	2009	56.77%	Elsan
Les Fleurs private hospital + Nephrology – 332, avenue Frédéric-Mistral	Ollioules	83	13,462	13,462	-	13,462	-	243	2012	2007	56.77%	Elsan
Bouchard private hospital – 77, rue du Docteur-Escat	Marseille	13	15,150	15,150	-	15,150	-	177	2015	1999	56.77%	Elsan
Montagard medical-surgical centre – 23, boulevard Gambetta	Avignon	84	3,206	3,206	-	3,206	-	55	2015	1992	56.77%	Elsan
Notre-Dame polyclinic – 345, avenue Pierre-Brossolette	Draguignan	83	10,399	10,399	-	10,399	-	120	2015	2011	56.77%	Elsan
Fontvert-Avignon Nord private hospital – 235, avenue Louis-Pasteur	Sorgues	84	8,726	8,726	-	8,726	-	76	2014	2012	56.77%	Capio
Les Séolanes – 8, rue Simone-Weil	Marseille, 13th district	13	5,081	5,081	5,081	-	-	129	2018	-	56.77%	Residalya
La Carrairade – Lotissement le Devin	Le Rove	13	3,861	3,861	3,861	-	-	80	2018	-	56.77%	Residalya
Le Grand Jardin – 355, avenue de la Grande-Bastide	Le Lavandou	83	5,082	5,082	5,082	-	-	94	2018	-	56.77%	Residalya
GRAND TOTAL			**1,602,495**	**1,602,495**	**53,496**	**1,436,187**	**65,834**	**20,840**				

(a) Date of inclusion of the asset and/or entity in the Icade group.

3. Property Development Division

A leading player in the French property development sector, Icade Promotion operates both in the Residential (75% of revenue) and Office segment (25% of revenue), throughout the whole of Metropolitan France and in the country's overseas departments and territories (Dom-Tom).



3.1. Income statement and performance indicators

Net profit/(loss) and net current cash flow

	12/31/2018			12/31/2017 Restated		
In millions of euros	Total Property Development	Current	Non-current	Total Property Development	Current	Non-current
Economic revenue	1,250.9	1,250.9		1,160.1	1,160.1	
ECONOMIC OPERATING PROFIT/(LOSS) [(a)]	84.9	88.0	(3.1)	70.8	70.7	0.1
Current economic operating margin (current economic operating profit or loss/revenue)		7.0%			6.1%	
OPERATING PROFIT/(LOSS)	**73.4**	**76.5**	**(3.1)**	**56.2**	**56.1**	**0.1**
FINANCE INCOME/(EXPENSE)	**(4.1)**	**(4.1)**	**0.1**	**(5.0)**	**(5.2)**	**0.2**
Corporate tax [(b)]	(24.5)	(25.5)	1.0	(15.4)	(23.1)	7.6
NET PROFIT/(LOSS)	**44.8**	**46.8**	**(2.0)**	**35.7**	**27.8**	**7.9**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**42.4**	**44.4**	**(2.0)**	**33.5**	**25.4**	**8.0**

(a) After adjustment for trademark royalties and holding company costs.
(b) Including, in 2017, €7.7 million of income recorded for the refund request relating to the 3% tax on dividends, including penalty interest.

Net current cash flow is equal to EPRA earnings.

Market update and competitive position

Market update

(Source: Observatoire Crédit Logement, SOeS, CGDD and FPI)

Following a record year in 2017, **the new-build housing market declined slightly while the second-hand market maintained its positive momentum** (962,000 house or apartment sales in the rolling 12 months to the end of November).

Financing terms remained very favourable in 2018 with home loan interest rates slightly down (1.43% on average at the end of the year compared with 1.51% one year before) and significantly longer loan terms (226 months in December 2018 vs. 218 months at the end of 2017).

Demand for new homes was nonetheless slightly down as average selling prices continued to rise (+4% compared to the previous year for multi-family housing units based on FPI's Q3 figures following a 2% increase in 2017). In addition, the refocusing of the Pinel tax incentive scheme will benefit areas with the tightest supply-demand balance, with 15% of 2017 new housing orders now excluded. Government assistance programmes have also been cut for first-time home buyers, with the reduced scope of interest-free loans and home ownership subsidies practically eliminated.

Statistics published by the French Observation and Statistics Department (SOeS) in November 2018 show a levelling off of construction activity after a marked improvement since 2015.

In 2018, both building permits (460,500) and housing starts (398,100) went down by 7% compared to 2017. Multi-family housing followed the same trend, dropping -7% to 204,100 housing starts, with the Paris region, Auvergne-Rhône-Alpes and Occitanie declining the most. However, volumes for multi-family housing were very similar to the peak of the cycle reached in 2007. In contrast, the individual home segment plunged 33% from its 2007 peak, signalling a structural change in demand.

The data published by FPI (French Federation of Real Estate Developers) make it possible to fine-tune the analysis by focusing on new build schemes consisting of at least five housing units and their sale.

The number of housing orders in Q3 (net of cancellations recorded over the period including residences and bulk sales) was down 5% over a 12-month rolling period, although it remains one of the highest recorded over the past ten years at 150,000 units.

Even though residences with services and especially bulk sales have been on the rise over the past few years and have bolstered housing orders, **the "investor" market – the driving force in 2016 and 2017 – lost ground over the year,** with orders down 13% (over a 12-month rolling period), now equalling the more stable individual home buyer segment.

In parallel, the number of multi-family housing units put up for sale individually (over a 12-month rolling period) was down 10% year-on-year, which reflects **how challenging it is for the industry to increase supply,** especially in the largest cities, even though the ratio of the available housing stock of 95,903 units to net orders in Q3 only represented 10.5 months. As proof of this difficulty, the supply of new properties was just as insufficient as before (6%) while the supply under development was down 13% compared with the previous year.

The measures adopted by the French government on June 12, 2018 under the Elan housing bill (freezing the existing standards, limiting the periods for processing third-party objections, making more land available for development) are eagerly anticipated as they are designed to gradually increase housing supply and eventually help market recovery.

The average selling price (excluding car parks) of multi-family housing units (calculated by FPI in Q3) was up 4% year-on-year, reaching €4,256 per sq.m (+2% outside the Paris region and +4% in the Paris region). Despite the levelling off of orders, this trend is set to continue into 2019.

Competitive position of the Property Development Division

Icade Promotion is a full-service property developer operating throughout Metropolitan France and its overseas departments and territories.

In the residential segment, Icade Promotion operates as a distributor to institutional investors (social institutional investors [ESHs], real estate investment companies [SCPIs], real estate collective investment schemes [OPCIs] and the intermediate housing fund [FLI]), home buyers and individual investors. It is positioned in the entry-level and mid-range categories and it also develops managed residences for students or seniors.

In the Office segment, Icade Promotion has created synergies with the Office Property Investment Division, while continuing to develop office and hotel projects for its clients.

Icade Promotion is one of the leaders in the development of healthcare facilities (public and private hospitals, nursing homes and medical centres). This activity is performed as part of off-plan purchase agreements or property development contracts, or as part of project management support or delegated project management contracts, especially for the Healthcare Property Investment Division, for which Icade Promotion is the exclusive property developer.

Icade Promotion is capable of working on all types of solutions and draws on recognised expertise in large-scale, complex and/or mixed-use projects. Icade Promotion is the 6th largest property developer in terms of 2018 revenues.

REVENUES OF THE LARGEST PROPERTY DEVELOPERS FROM 2014 TO 2018 (IN MILLIONS OF EUROS)

Property developers	2018	2017	2016	2015	2014
Nexity [(a)]	3,160	2,693	2,574	2,541	2,100
Bouygues Immobilier	2,628	2,749	2,568	2,304	2,775
Altarea Cogedim	2,193	1,731	1,370	1,012	822
Kaufman & Broad [(b)]	1,558	1,391	1,238	1,063	1,083
Vinci Immobilier [(a)]	1,320	1,116	919	826	677
Icade Promotion [(a)]	1,251	1,160	1,005	955	1,245
Eiffage Immobilier	845	963	768	743	740

(a) Revenue including entities accounted for using the equity method.
(b) Revenue from December 1, N-1 to November 30, N.

Residential Property Development

There are several regional and national players involved in this market. Icade Promotion is ranked 6th based on the number of housing orders. The following table shows the number of orders of the main residential developers in the past five years:

Residential developers	2018	2017	2016	2015	2014
Nexity [(a)]	22,037	21,372	18,890	14,235	12,562
Bouygues Immobilier [(b)]	NC	15,199	13,866	12,195	11,776
Altarea Cogedim	11,782	11,189	10,011	6,011	4,526
Kaufman & Broad [(c)]	9,122	9,027	8,017	6,901	5,871
Vinci Immobilier	6,333	6,630	5,485	4,189	3,321
Icade Promotion [(d)]	4,938	5,776	5,665	3,999	3,912
Eiffage Immobilier	4,694	4,530	4,134	3,671	3,395

(a) Number of housing and subdivision orders, both in France and internationally.
(b) Number of housing orders, both in France and internationally.
(c) Results from December 1, N-1 to November 30, N.
(d) Number of housing orders and building plot reservations.

Source: Company data.

Office Property Development

In this segment, Icade competes with the main real estate companies, including Bouygues Immobilier, Nexity, BNP Paribas Real Estate, Altarea Cogedim, GA, as well as the numerous subsidiaries of major construction players, including Linkcity (Bouygues Construction) and ADIM (Vinci).

This activity can be carried out either as part of off-plan sale contracts or property development contracts (in the latter case, the client is the owner of the land and commissions the developer to build on it).

Update on Icade Promotion

The residential and office segments account for three-fourths and one-fourth of the Property Development Division's business, respectively. This reflects Icade Promotion's positioning as an all-around player in property development throughout Metropolitan France and its overseas departments and territories.

The growth strategy continued to yield results in 2018, evidenced by the increase in economic revenue, up 7.8% on a year-on-year basis, amounting to €1,251 million at the end of 2018 vs. €1,160 million at the end of 2017.

This increase in revenue is largely attributable to the residential segment (+11.3%) and reflects the significantly faster pace of housing sales and construction starts observed in H2 2018.

The policy implemented by the residential operational teams throughout the year in terms of construction efforts resulted in strong housing sales (6,346 units in 2018 vs. 5,510 units in 2017, i.e. +15.2%) and construction starts (6,086 units in 2018 vs. 4,692 units in 2017, i.e. +29.7%).

The office segment posted revenue of €331 million in 2018, which was relatively stable (-0.8%) compared with the end of 2017 (€334 million).

The improved profitability of the Property Development Division, measured by the current economic operating margin [(1)] (7.0% as of December 31, 2018 vs. 6.1% as of December 31, 2017) was mainly due to the residential segment (7.2% in 2018 vs. 6.3% in 2017) and the office segment (6.6% in 2018 vs. 5.7% in 2017). This improvement can be explained by an increase in the profit margins of office projects and better absorption of operating costs relating to the residential segment's revenue growth and its effective cost control.

The net current cash flow (NCCF) also surged by +74.7% to €44.4 million as of December 31, 2018 vs. €25.4 million as of December 31, 2017.

(1) Ratio between operating profit/(loss) (including entities accounted for using the equity method, adjusted for non-current items, trademark royalties and holding company costs) and economic revenue.

The net profit/(loss) attributable to the Group (NPAG) as of December 31, 2018 for the Property Development Division amounted to **€42.4 million**, up sharply **(+65%)** compared with net profit/(loss) attributable to the Group of €25.8 million for 2017, after deduction of income of €7.7 million from the refund relating to the 3% tax on dividends.

This increase resulted in the return on equity (ROE) goal of 15.0%, which was set for 2018, being surpassed, with 17.4% as of December 31, 2018.

The application of IFRS 15 "Revenue from contracts with customers" has been mandatory since January 1, 2018. Financial indicators and the backlog shown for the previous financial year have been restated for the impact of adopting this standard.

For property development activities, the main impact of applying this standard is the accelerated recognition of revenue and profit margins based on the progress of construction work. This is due to the fact that the progress of the project now includes land. In connection with the application of IFRS 15, Icade Promotion's backlog decreased due to accelerated revenue recognition (down €138 million as of December 31, 2017 restated vs. reported, i.e. -8.4%).

3.1.1. Return on equity

(in millions of euros)	12/31/2018	12/31/2017 Restated
Adjusted net profit/(loss) attributable to the Group [(a)]	42.4	25.8
Average allocated capital [(b)]	243.9	245.3
RETURN ON EQUITY	**17.4%**	**10.5%**

(a) Net profit/(loss) attributable to the Group for 2017 has been adjusted for €7.7 million of income recognised in respect of the 3% tax on dividends, including penalty interest.
(b) Weighted average value over the period of equity attributable to the Group before elimination of investments in subsidiaries, excluding profit/(loss) and including IFRS 15 impact starting on January 1, 2018.

As of December 31, 2018, return on equity (ROE) stood at 17.4%, a sharp rise from the previous year driven by improved net profit/(loss) attributable to the Group with average equity almost stable.

3.1.2. Property Development backlog and service order book

The backlog represents signed orders expressed in terms of revenues (excluding taxes) but not yet recognised for property development projects, based on the stage of completion.

The order book represents service contracts (excluding taxes) that have been signed but have not yet been executed.

	12/31/2018			12/31/2017 Restated		
(in millions of euros)	Total	Paris region & DOM-TOM (overseas)	Outside the Paris region	Total	Paris region & DOM-TOM (overseas)	Outside the Paris region
Residential Property Development	927.4	474.6	452.8	1,010.4	457.4	552.9
Office Property Development	126.2	54.4	71.8	351.2	243.6	107.6
Public and Healthcare Amenities Development	76.8	22.8	54.0	106.3	16.5	89.9
Project Management Support service order book	32.4	31.6	0.7	37.4	36.5	0.8
TOTAL	**1,162.8**	**583.4**	**579.3**	**1,505.2**	**754.0**	**751.2**
Share of total	100.0%	50.2%	49.8%	100.0%	50.1%	49.9%

The Property Development Division's total backlog was down -22.7% at €1,162.8 million from €1,505.2 million as of December 31, 2017.

This variation results from:

- a -8.2% drop in the Residential Property Development backlog resulting from accelerated revenue generation and lower housing orders (-3.8% in value terms);
- a -55.6% drop in the Office Property Development and Public and Healthcare Amenities Development backlog, as a result of the progress of construction in ongoing projects and numerous completions in 2018:
  - in Lyon:
    - completion of the 7,150-sq.m OXAYA office building located in the north end of Gerland,
    - completion and handover to investor AG Real Estate of the Factory office building located in the Confluence district, within the Ynfluences Square scheme (6,900 sq.m),
    - completion of the Sky 56 office building, a 56-metre high rise with a total floor area of 30,700 sq.m in Lyon Part-Dieu,
  - in Paris:
    - the Thémis office building (10,655 sq.m) located in the N4 lot of the Clichy-Batignolles development zone (ZAC) managed by Paris Batignolles Aménagement, completed and handed over to Covea GMF Vie,
    - the Panorama T6 bridge-shaped office building (16,000 sq.m), located in the Paris Rive Gauche development zone, completed and handed over to AG2R La Mondiale,
  - in Montpellier, completion of the high-speed train (TGV) station, built as part of a public-private partnership (PPP),
  - in Rennes, completion and handover to the investor PFO2, represented by Périal, of buildings 1, 2 and 3 of Urban Quartz (13,700 sq.m of offices located in the Euro Rennes development zone),
  - in New Caledonia, completion of the Nouméa Private Hospital.

The Office Property Development and Public and Healthcare Amenities Development backlog was partly renewed by the following new contracts signed:

- an off-plan purchase agreement signed between the Office Property Investment and Property Development Divisions – again demonstrating the synergies that can be achieved by these business lines – for the construction of the headquarters of aeronautical equipment manufacturer Latécoère in Toulouse, including 11,130 sq.m of offices, 1,582 sq.m of services (food services, fitness, etc.) and 414 underground parking spaces;
- in Lyon, an off-plan purchase contract entered into with Affine for a 7,660-sq.m office building located in Vaulx-en-Velin, in the Carré de Soie neighbourhood;
- in Vitrolles, in the heart of the Aix-Marseille metropolitan area, off-plan purchase agreement signed for the Beehive project covering 4,980 sq.m of office space;
- as part of the partnership established with Korian in 2017, two property development contracts signed, one in Livry-Gargan (Seine-Saint-Denis) for which construction will start in January 2019 with the facility up and running in March 2021, and the other one in Saintes (Charente-Maritime), for which construction will start in March 2019 with the facility up and running in November 2020;
- in Saint-Pierre-de-la-Réunion, off-plan purchase contract signed with SAS Casabona for the construction of an 8,360-sq.m shopping centre.

Potential revenue [(1)] amounted to €5.7 billion, representing over 18,000 units for the residential segment and more than 300,000 sq.m for the office segment in the medium term. It includes the land portfolio of the Residential Property Development business, estimated at €2.0 billion as of December 31, 2018, up 11%.

3.2. Residential Property Development

(in millions of euros)	12/31/2018	12/31/2017 Restated	Change
Economic revenue	919.6	826.1	11.3%
Current economic operating profit/(loss)	66.3	51.6	28.5%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	7.2%	6.3%	1.0 PP

As had been anticipated, the acceleration in housing starts and sales recorded in H2 2018 resulted in an increase in economic revenue for Residential Property Development of +11.3% to €919.6 million as of December 31, 2018 vs. €826.1 million as of December 31, 2017.

Current economic operating profit/(loss) from Residential Property Development increased to €66.3 million as of December 31, 2018 compared to €51.6 million as of December 31, 2017, mostly due to revenue growth which made it possible to better absorb operating costs.

MAIN PHYSICAL INDICATORS AS OF DECEMBER 31, 2018

	12/31/2018	12/31/2017	Change
PROPERTIES PUT ON THE MARKET			
Paris region & DOM-TOM (overseas)	2,230	2,596	(14.1)%
Outside the Paris region	2,924	3,315	(11.8)%
TOTAL UNITS [(a)]	**5,154**	**5,911**	**(12.8)%**
Paris region & DOM-TOM (overseas)	588.4	512.7	14.8%
Outside the Paris region	578.6	600.7	(3.7)%
TOTAL REVENUE *(potential in €m)*	**1,167.0**	**1,113.4**	**4.8%**
PROJECTS STARTED			
Paris region & DOM-TOM (overseas)	3,064	1,623	88.8%
Outside the Paris region	3,022	3,069	(1.5)%
TOTAL UNITS	**6,086**	**4,692**	**29.7%**
Paris region & DOM-TOM (overseas)	654.1	336.0	94.7%
Outside the Paris region	575.0	551.4	4.3%
TOTAL REVENUE *(potential in €m)*	**1,229.1**	**887.4**	**38.5%**
NET HOUSING ORDERS			
Housing orders ***(in units)***	4,938	5,776	(14.5)%
Housing orders ***(in €m including taxes)***	1,041.3	1,082.6	(3.8)%
Housing order cancellation rate ***(in %)***	16%	18%	-2.2 pps
AVERAGE SALE PRICE AND AVERAGE FLOOR AREA BASED ON ORDERS			
Average price including taxes per habitable sq.m ***(in €/sq.m)***	3,851	3,663	5.1%
Average budget including taxes per housing unit ***(in k€)***	211.2	187.5	12.6%
Average floor area per housing unit ***(in sq.m)***	54.8	51.2	7.0%

(a) "Units" means the number of residential units or equivalent residential units (for mixed-use developments) of any given development. The number of equivalent residential units is determined by dividing the floor area by type (business premises, shops, offices) by the average floor area of residential units calculated as of December 31 of the preceding year.

(1) Revenue excluding taxes on a proportionate consolidation basis including backlog, contracts won, stock of units currently for sale and land portfolio.

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER

	12/31/2018	12/31/2017
Social housing institutional investors (ESH) – social landlords	17.1%	25.9%
Institutional investors	16.9%	14.7%
Individual investors	36.8%	36.8%
Home buyers	29.2%	22.6%
TOTAL	**100.0%**	**100.0%**

Obtaining a building permit is becoming increasingly difficult due to: suspension of many projects in the run-up to the 2020 municipal elections, upcoming adoption of intercommunal land-use plans (PLUI) in metropolitan areas and the consistently high number of legal claims.

In this context, the number of homes put on the market in 2018 by the Property Development Division was down -12.8% in unit terms. However, thanks to the quality of the locations of the Property Development Division's projects, properties put on the market were up 4.8% in value terms, with this phenomenon being more pronounced in the Paris region.

For Icade Promotion's residential segment, 2018 was characterised by strong construction activity, with an acceleration in the second half of the year.

The number of housing starts rose sharply in 2018 (+38.5% in value terms), totalling 6,086 units for a revenue of €1,229.1 million vs. 4,692 units for a revenue of €887.4 million as of December 31, 2017.

Notarised sales as of December 31, 2018 totalled 6,346 units for a revenue of €1,235 million vs. 5,510 units for a revenue of €1,056 million as of December 31, 2017, i.e. an increase of 17.0% in value terms, mainly related to the increased number of orders in 2016 and 2017.

In 2018, the French housing market saw a slight decline due to the elimination of support measures for areas where supply is not tight, the French government's social housing policies and prices which are rising faster than the purchasing power of buyers.

In line with the slowdown in the housing market, Icade Promotion's net housing orders as of December 31, 2018 totalled 4,938 orders, falling by -14.5% in volume terms compared to the previous year (5,776 orders) and decreasing by -3.8% in value terms.

The discrepancy between value and volume terms can be explained by a number of factors:

- an average unit price higher than in the previous year due to sales of larger housing units (average floor area of 54.8 sq.m in 2018 vs. 51.2 sq.m in 2017) as there were fewer orders for managed residences;
- fewer bulk orders, having a significantly lower sale price per sq.m;
- higher market prices;
- our projects being put on the market are located in more expensive urban areas, in particular in the Paris region.

In a reversal of the trend, orders from institutional investors fell to 34.0% of total orders as of December 31, 2018 vs. 40.6% as of December 31, 2017. The decrease in social housing units sold as part of bulk sales is significant, in line with the market trend. Sales to individual home buyers rose, accounting for 29.2% of total sales as of December 31, 2018 vs. 22.6% as of December 31, 2017.

The unsold housing stock declined, with €16.2 million as of December 31, 2018 vs. €24.3 million as of December 31, 2017.

The average level of pre-let or pre-sold projects recorded at construction start remained high (70% on average).

Land portfolio

The portfolio of residential land and building plots represented 11,638 units and potential revenues of €2.5 billion [(1)], a 3.2% increase in value terms compared to December 31, 2017 (11,365 units for €2.4 billion).

3.3. Office Property Development

(in millions of euros)	12/31/2018	12/31/2017 Restated	Change
Economic revenue	331.3	334.0	(0.8)%
Current economic operating profit/(loss)	21.7	19.0	14.4%
CURRENT ECONOMIC OPERATING MARGIN (CURRENT ECONOMIC OPERATING PROFIT OR LOSS/REVENUE)	6.6%	5.7%	0.9 PP

As of December 31, 2018, Office Property Development and Public and Healthcare Amenities Development revenue stood at €331.3 million, relatively stable compared to €334.0 million a year earlier. The 18,000-sq.m office project located in Villejuif stands out for its significant contribution to the year's revenue.

The current economic operating profit of the Office Property Development and Public and Healthcare Amenities Development rose to €21.7 million as of December 31, 2018 from €19.0 million as of December 31 of the preceding year, due in particular to a higher proportion of office projects contributing to operating profit (margins are higher in this segment than for Public and Healthcare Amenities Development projects).

(1) Revenue including taxes (on a full consolidation basis).

Public and Healthcare Amenities Development

As of December 31, 2018, the portfolio of Public and Healthcare Amenities Development projects was equivalent to 152,594 sq.m (vs. 250,457 sq.m as of December 31, 2017), including 77,768 sq.m under construction. The projects in this portfolio were mostly located outside the Paris region and in the French overseas departments and territories (DOM-TOM). Projects completed during the year represented 54,534 sq.m, with the Nouméa Private Hospital (23,975 sq.m), buildings A and B in the Courlancy private hospital (10,000 sq.m), and the high-speed train (TGV) station in Montpellier (8,281 sq.m).

Office, Hotel and Retail Property Development

As of December 31, 2018, Icade Promotion had a portfolio of Office, Hotel and Retail Property Development projects of around 668,818 sq.m (vs. 510,671 sq.m as of December 31, 2017), including 168,490 sq.m under construction (in particular the building located in Villejuif (18,000 sq.m) for which construction has started). In 2018, completions added up to 95,491 sq.m.

3.4. Major projects

The Property Development Division won several large-scale project contracts during the year which strengthened its pipeline:

- **Terres de Versailles:**

  In March 2018, Icade Promotion was awarded the concession to plan and develop the new "Terres de Versailles" neighbourhood, located on the site of the former Pion barracks.

  This project covers 51,250 sq.m and includes housing units, a hotel, a childcare centre, shops, space dedicated to social economy initiatives, as well as public facilities.

  The entire project is scheduled to be carried out from 2019 to 2026. In addition to the planning involved, Icade Promotion will develop 65% of the real estate included in the overall project apart from the public facilities.

- **Bercy Charenton:**

  In April 2018, Icade, Sogaris and Poste Immo were awarded a contract as part of the "Inventing the Greater Paris Metropolis" call for projects on the Bercy-Charenton site.

  Located in the 12th district of Paris, this project encompasses a 50,000-sq.m mixed-use complex including a 15,000-sq.m office building which will be built under a delegated project management agreement by Icade Promotion with the Office Property Investment Division as investor. In addition, Icade Promotion will develop 18,000 sq.m as part of an off-plan sale, including a hotel, a co-living apartment hotel, shops as well as event and sports areas.

  The Property Development and Office Property Investment Divisions will work together on this large-scale project scheduled to take place between 2020 and 2023, reflecting the synergies that can be achieved between Icade's different divisions.

- **International Archipel Wacken:**

  Icade Promotion's application was selected in the call for expressions of interest for the construction of a European office development of about 40,000 sq.m in lot E of the Archipel Wacken international business district in Strasbourg.

  The Osmose project presented by Icade provides for the development of a major European business district in the immediate vicinity of the European Parliament, with the objective of making it the most important office district in Strasbourg. The scheme is scheduled for completion by the end of 2020.

- **Avenue de la Tranchée in Tours:**

  The City of Tours has chosen Icade as the property developer in charge of overhauling the upper part of Avenue de la Tranchée north of the Loire river. Icade, which had already been put in charge of the entire urban redevelopment project for the Les Halles neighbourhood in the city centre, submitted the most economically advantageous bid. The project, which is scheduled for completion in 2026 or 2027, will be located on the site of the former town hall of Saint-Symphorien, which used to be a separate municipality and is now a neighbourhood of Tours. A park-and-ride facility, an elementary school and a former municipal building are currently on the site. Icade will instead build a two-storey,180-space outdoor car park and a school accommodating seven classes which are scheduled for completion in 2022. Icade will then build 24,000 sq.m of housing units and services. An urban planner will be named in 2019 and studies will be launched to allow for construction work to start in 2021.

- **University of Chicago's Centre in Paris:**

  The City of Paris, the city council of the 13th district, Semapa and the University of Chicago chose the project led by Icade and designed by the Franco-American architects Studio Gang and Parc Architectes, to build a nearly 9,500-sq.m mixed-use project.

  "Best of Both" is a mixed-use project overlooking the tracks of the Austerlitz train station right near an RER C (Regional Express Network rail line) station. It combines – all on the same site – the University of Chicago's new Centre in Paris and a residential building made up of around 86 low-cost ownership units, a portion of which co-designed.

  The complex will feature around 950 sq.m of local shops and businesses and offer a concept based on a mix of cultures from both Chicago and Paris.

  Construction is to be launched in Q1 2020 and completed in Q4 2021 for the university (structural works) and Q2 2022 for the residential building.

3.5. Working capital requirement and debt

	12/31/2018			12/31/2017 Restated			
(in millions of euros)	IFRS	Reclassification of joint ventures	Total	IFRS	Reclassification of joint ventures	Total	Change
Residential Property Development	(326.6)	(9.1)	(335.7)	(225.0)	(17.5)	(242.5)	(93.2)
Office Property Development	(7.6)	(18.6)	(26.2)	(27.4)	(30.5)	(57.9)	31.7
NET WORKING CAPITAL REQUIREMENT [(a)]	(334.2)	(27.8)	(361.9)	(252.4)	(48.0)	(300.4)	(61.5)
NET DEBT [(a)]	110.9	6.2	117.1	11.7	22.8	34.4	82.6

(a) A negative number is a net asset, while a positive number is a net liability.

The net working capital requirement (WCR) increased by €61.5 million from the beginning of 2018, totalling €361.9 million.

At the end of 2018, WCR included the acquisition of €35 million of land not subject to the suspensive condition requiring that a building permit be obtained and €25 million related to urban development projects. The time needed to develop projects from these two categories is by nature longer than the time needed for property development projects carried out under normal conditions for acquiring land, i.e. with irrevocable building permits (free of any third-party objections). Acquisitions completed in 2018 in these two categories accounted for €41 million in the change in WCR.

Other changes came from the residential segment with a €56 million increase and from the office segment with a €35 million decrease, mainly due to the activity over the period.

The net debt of the Property Development Division stood at €117.1 million, up €82.6 million compared with December 31, 2017, mainly due to the €61.5 million increase in WCR and the €16.3 million decrease in equity, primarily attributable to the impact of IFRS 15 on the opening balance of equity of the annual reporting period that includes the date of initial application of this standard.

4. Other information

4.1. Financial data for the past five financial years

Icade – Type of indications		2018	2017	2016	2015	2014
1 – Financial position at year-end						
A	Share capital	113,613,795	112,966,652	112,966,652	112,966,652	112,831,295
B	Number of issued shares	74,535,741	74,111,186	74,111,186	74,111,186	74,022,386
C	Total bonds convertible into shares			0	0	0
2 – Comprehensive income from continuing operations						
A	Revenue excluding tax	298,355,038	284,242,137	295,866,267	312,582,499	337,698,268
B	Profit/(loss) before tax, employee profit-sharing, depreciation, amortisation and provisions	303,224,826	246,535,763	271,980,136	417,122,872	275,186,266
C	Corporate tax	4,335,435	(20,627,687)	6,205,103	48,303,767	5,995,796
D	Profit/(loss) after tax, depreciation, amortisation and provisions	185,833,282	128,616,134	121,834,718	113,713,289	95,094,569
E	Total dividend distribution	342,864,409 [(a)]	317,789,531	295,618,168	275,291,874	275,054,642
3 – Key income statement items (per share)						
A	Profit/(loss) after tax and employee profit-sharing, but before depreciation, amortisation and provisions	4.010	3.605	3.586	4.977	3.637
B	Profit/(loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	2.493	1.735	1.644	1.535	1.285
C	Dividend per share	4.60 [(a)]	4.30	4	3.73	3.73
4 – Staff						
A	Number of employees at year-end	21	11	11	13	12
B	Total payroll expense	6,565,844	4,251,477	4,572,032	4,606,077	19,404,131
C	Sums paid for employee benefits (social security, social welfare programmes, etc.)	2,627,514	1,807,147	1,456,242	1,620,221	6,393,398

(a) Subject to the approval of the annual OGM. This sum will be adjusted to the number of shares in existence on the day of the annual OGM.

4.2. Payment terms

4.2.1. Accounts payable

The payment terms for accounts payable are detailed below:

Icade's individual accounts (in millions of euros)	Received invoices due but not yet paid at the end of the financial year 2018 [a]				
	< 30 days	30 to 60 days	60 to 90 days	> 90 days [b]	Total
	2018	2018	2018	2018	2018
Number of invoices	-	-	-	-	340
Total amount including VAT	6.84	0.55	0.74	4.51	12.64
Total amount excluding VAT	5.70	0.46	0.61	3.76	10.53
PERCENTAGE OF TOTAL PURCHASES MADE DURING THE FINANCIAL YEAR	0.84%	0.07%	0.09%	0.55%	1.55%

(a) No disputed or queried invoices have been excluded from this table.
(b) The number of invoices >90 days mainly relates to invoices from utilities providers (energy, water, telephone) for each building.

The payment terms agreed with suppliers are usually between 30 and 60 days. They are generally observed, except for disputes which are dealt with on a case-by-case basis.

4.2.2. Accounts receivable

The payment terms for accounts receivable are detailed below:

Icade's individual accounts (in millions of euros)	Issued invoices due but not yet paid at the end of the financial year 2018 [a]				
	< 30 days	30 to 60 days	60 to 90 days	> 90 days	Total
Number of invoices and credit notes [b]					304
Total amount including VAT	4.50	0.60	0.60	14.80	20.50
Total amount excluding VAT	3.80	0.50	0.50	12.30	17.10
PERCENTAGE OF TOTAL SALES RECORDED DURING THE FINANCIAL YEAR	1.24%	0.16%	0.18%	4.14%	5.73%

(a) Customers currently in a legal dispute with Icade are excluded from this table and represent 76 invoices for a total of €7.7 million.
(b) Data shown before taking into consideration the account balances of customers.

The payment terms agreed with customers are usually between 30 and 60 days. They are generally observed.

4.3. Material contracts

4.3.1. Contracts

Icade completed a number of significant acquisitions and disposals over the last few financial years *(see note 2. "Main transactions affecting the scope of consolidation")*.

In terms of financing, Icade continued the optimisation of its financial resources *(see § 1.4 "Financial resources" of this chapter)*.

4.3.2. Transactions between consolidated companies of the Icade group

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

4.3.3. Related-party agreements

No such agreements or commitments were submitted to the Board of Directors for approval during the financial year 2018.

As part of the annual review of related party agreements, the members of the Board of Directors reviewed the previously approved agreements whose performance continued during the financial year 2018.

(See chapter 9 § 3 Statutory Auditors' special report on related party agreements and commitments).

4.3.4. Specific clauses relating to the business activities

None.

3. CORPORATE SOCIAL RESPONSIBILITY

1. CSR strategy and organisation

1.1. 2018 highlights

Launch of the platform Cycle Up, dedicated to materials reuse

Icade entered into a 50/50 joint venture with Egis to launch Cycle Up, a digital platform available to all industry participants dedicated to the reuse of building materials. After only ten months, Cycle Up has produced very promising results: 35 transactions have made it possible to avoid 24 tonnes of waste generation, equivalent to 125 tonnes of CO_2 emissions avoided, and have generated 70 hours of professional integration, with cost savings of 79% on average compared with the price of new materials.

cycle up
DES RESSOURCES À L'INFINI

Commitment to biodiversity with Act4nature

Icade has shown its commitment by participating in the Act4nature initiative. This initiative – emanating from the EpE association (Businesses for the Environment) and AFEP-MEDEF – brings together 65 participating companies in France committed to integrating biodiversity into their growth strategies.

Partnership with REI Habitat to develop wood-based construction projects

Icade Promotion and REI Habitat signed a co-development partnership agreement with a view to building hybrid wood and concrete structures covering 200,000 sq.m in the Paris region and major French cities.

Solidarity leave pioneers

In 2018, two employees participated in Icade's solidarity leave initiative and benefited from its accompanying measures, which include payment of 75% of the employee's salary and the possibility of calling upon a replacement. One chose a six-month assignment at Étoile de Martin, an association which supports childhood cancer research. The second spent six months in Mexico with the Miguel Ángel Foundation, whose aim is to raise awareness among young people of waste sorting, composting and self-consumption. He then spent time in Peru to assist the Mano à Mano association in its endeavours to promote education, health and social cohesion.

Third place in the ranking of women's representation in the governing bodies

In 2018, Icade took third place in the ranking of women's representation in the governing bodies of SBF 120 companies for the proportion of women on its Board of Directors, Executive Committee and Management Committee, together with its proactive gender equality initiatives.

CSR & innovation committees with healthcare operators

The first of the Healthcare Property Investment Division's CSR & innovation committees was held in 2018. These meetings make it possible to co-develop action plans with healthcare operators on a number of issues, including energy, air quality, community service projects, etc.

All the main business parks awarded the "Business Park of Excellence" label

The Orly-Rungis and Portes de Paris business parks were awarded the "Business Park of Excellence" *(Parc d'excellence)* proprietary label which recognises the quality of life and consideration for the environment in the business parks.


Orly-Rungis Business Park


Open, Issy-les-Moulineaux

Icade, a pioneer in new certifications and labelling

In 2018, Icade's new Open headquarters was the first office building to receive the OsmoZ label, issued by the certification body Certivéa, dedicated to the quality of living conditions. Icade is also involved in testing the R2S (Ready to Service) label, developed by the Smart Building Alliance (SBA) and the HQE-GBC association, which recognises the ability of buildings and networks to accommodate new technologies.

1.2. Defining new CSR commitments for 2019–2022

As a committed and responsible player for cities, Icade addresses the key needs of residents – better cities, better workplaces and better health care – through its various initiatives. This engagement creates value at various levels – financial, environmental, human and intellectual – for all of its stakeholders, including local authorities and communities, companies and employees, patients and healthcare operators, associations, partners, suppliers, shareholders and investors, etc. To meet the needs of new urban habits and lifestyles and offer tailored, innovative solutions, Icade develops its properties and services in conjunction with its stakeholders. In doing so, Icade helps to build cities that are more sustainable, inclusive and resilient, making Icade a partner of choice in major urban areas.

As part of its 2015-2019 plan, Icade's CSR policy focused on three key areas:

- stepping up energy transition and saving resources;
- developing solutions that include new habits and lifestyles in partnership with local authorities and communities;
- promoting the development of employee expertise, workplace well-being and diversity.

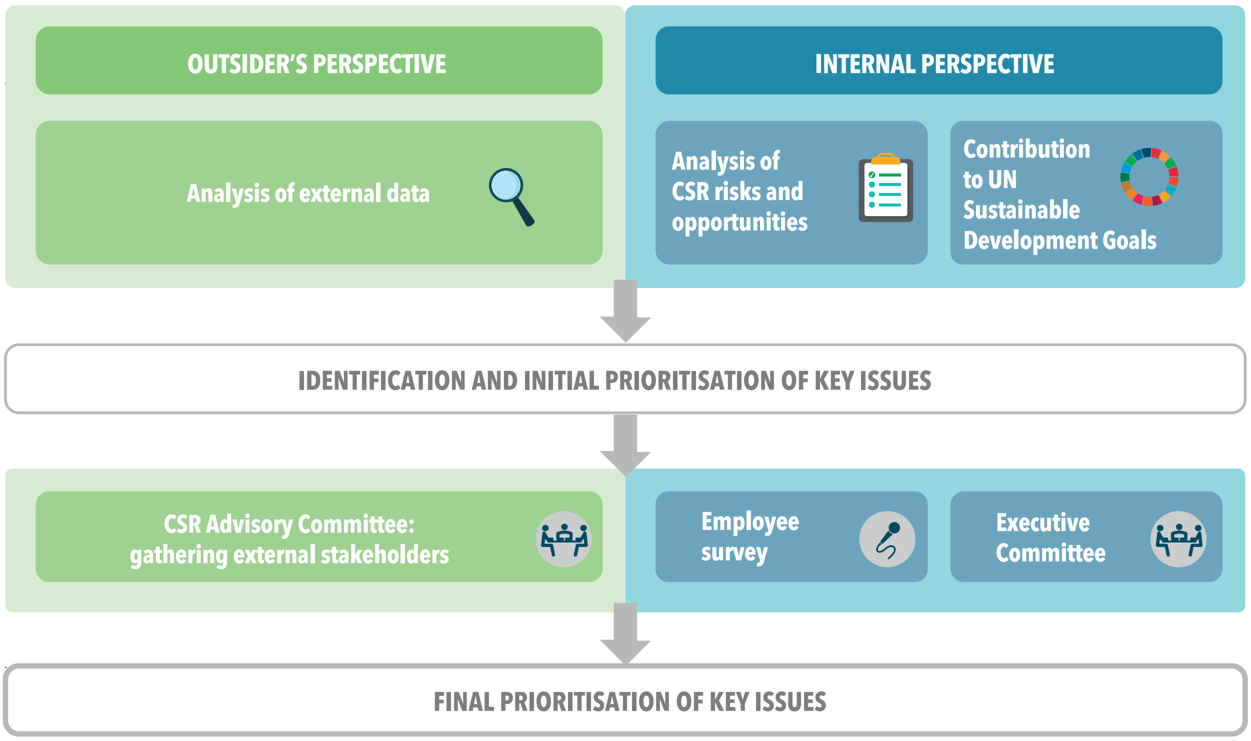
As Icade's financial and strategic objectives for 2015-2019 were met one year ahead of schedule in 2018, a new plan was drawn up for the 2019-2022 period. Under the 2019-2022 plan, new CSR commitments have been defined in order to maintain Icade's leadership position in this area, by adhering to the following principles:

- strengthening, adapting and following through on commitments related to issues already identified in the previous plan;
- establishing new commitments on emerging issues;
- identifying the Company's top five priorities from among all the issues and their specific objectives.

To help in this deliberative process, Icade conducted a new materiality analysis in 2018 to identify and prioritise the most relevant CSR issues in terms of its business, overall strategy and stakeholders' expectations. Icade relied on a number of in-depth studies and a collaborative approach involving employees at every level of the Company and external stakeholders.

Ultimately, while the three key areas outlined above have been maintained, the issues and commitments have evolved.

The methodology used is described below:



Three in-depth studies identified and prioritised the issues:

- **analysis of external data:** analysis of thousands of data points from publications produced by Icade's competitors and stakeholders, changes to the regulatory framework, latest trends and social media by way of data analytics software, conducted with Utopies, a sustainable development consulting firm. 95 CSR issues have been identified and analysed using this collection of data, providing an outsider's perspective on major market trends and emerging CSR issues;
- **analysis of CSR risks and opportunities:** in-depth analysis by the Risk Management team of the main CSR risks and opportunities as evidenced by Icade's comprehensive risk map.

  For further information, see § 9.1 "CSR risks and opportunities";
- **UN Sustainable Development Goals:** analysis of the UN's 17 Sustainable Development Goals and their 169 targets in terms of Icade's potential contribution with regard to operational efficiency, the development of new products and services and societal commitment. 32 targets associated with thirteen goals – of which eight are considered a priority and five of material importance – have been chosen.

  For further information, see § 8. "Contributing to UN Sustainable Development Goals".

This threefold analysis resulted in the first ranking of CSR issues and the identification of emerging topics, such as air quality and data protection.

Three different types of participants – external stakeholders (CSR Advisory Committee), employees and the Executive Committee – then analysed and reassessed this ranking:

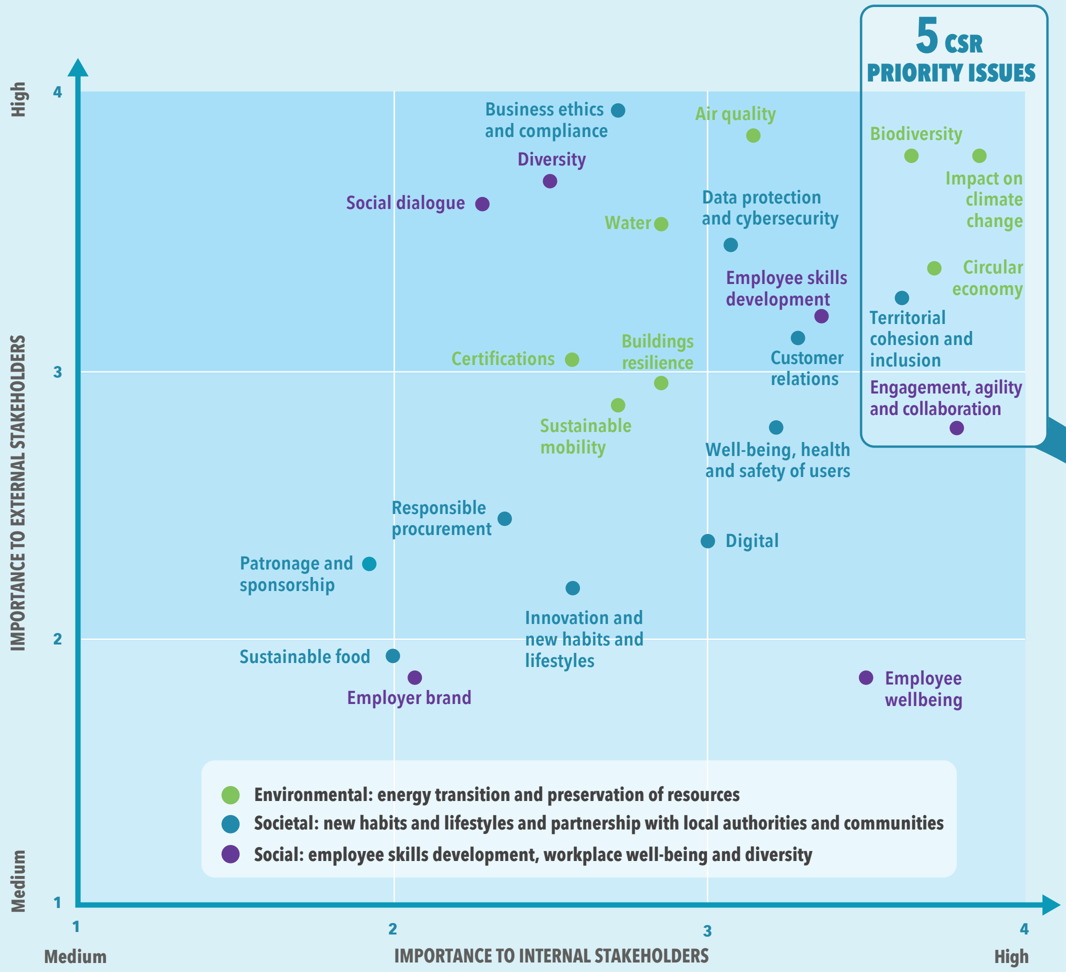
- **CSR Advisory Committee:** chosen for their expertise and commitment, this group of stakeholders – which includes CSR experts, social economy entities, scientists, entrepreneurs, urban planners, etc. – has provided a forward-looking perspective on social, societal and environmental issues. Its members have suggested refocusing the Company's strategy on five key issues for which Icade aims to become the leader;
- **employee survey:** Icade employees gave their vision thanks to an online survey that reached a response rate above 50% (vs. 34% in the 2015 survey);
- **Executive Committee:** using all these analyses, the Executive Committee compiled a final ranking of the issues, in order of priority, based on their importance for the business and its stakeholders. This ranking is reflected in the CSR Materiality Matrix.

In order to break down these issues into quantified commitments and action plans incorporated into roadmaps for the Company's business lines, the Management Committees of each division (Property Development, Office Property Investment, Healthcare Property Investment and Human Resources) organised synergetic focus groups bringing together specialists providing expertise in CSR and the Company's business divisions and operational functions.

The findings of this collaborative effort are presented as a materiality matrix.

3

ICADE'S CSR MATERIALITY MATRIX



5 CSR PRIORITY ISSUES on which Icade wants to position itself as a leader:

Environmental

Impact on climate change

Taking action to fight climate change over the building life cycle with efficient and resilient buildings that meet the modern needs of their users.

Preserving biodiversity

Reducing the impact on biodiversity and preserving the ecological heritage by fostering the development of solutions to reintroduce nature into the city, in order to meet the expectations of local authorities and contribute to improving the quality of life of urban dwellers.

Scarcity of resources and circular economy

Reducing the use of natural resources, especially for construction materials, supporting the development of a circular economy and the use of sustainable materials.

Societal

Territorial cohesion and inclusion

Participating in local economic development and addressing local issues and user needs, especially for the most vulnerable, by developing solutions that promote social cohesion and inclusion as well as social, functional and age diversity.

Social

Engagement, agility and collaboration

Adopting new managerial and work practices that foster collaboration, cross-functional working, innovation and employee engagement.

All the issues plotted on the matrix will be covered by the new CSR commitments for 2019–2022. Special attention will be paid to the five key issues that were selected with high goals having been set for CSR commitments and action plans.

For further information, see § 6. "CSR commitments for 2019–2022".

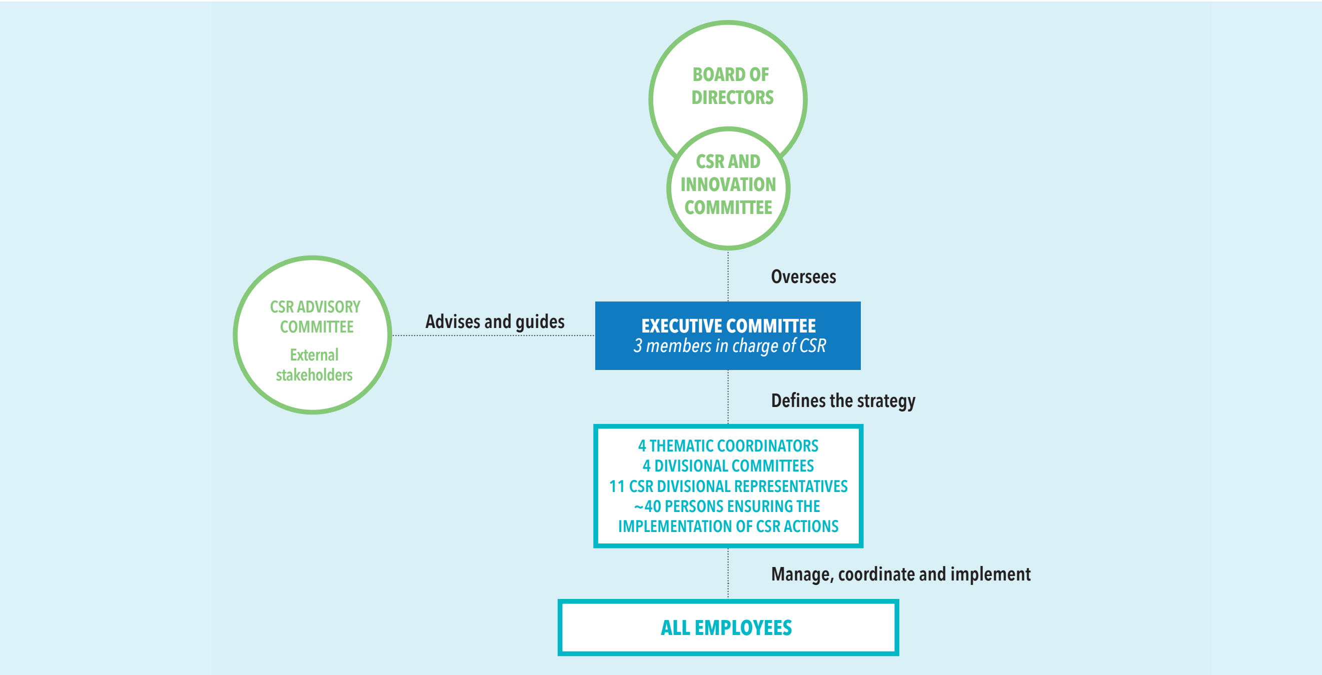
1.3. CSR governance and management

To ensure the success of its CSR policy, Icade relies on strong governance. Three governing bodies are responsible for devising and managing Icade's CSR strategy:

- **the innovation and CSR Committee:** the role of this new governing body, which reports to the Board of Directors, is particularly to prioritise the innovation and CSR fields of action consistent with Icade's growth strategy. Composed of three directors (1), including two independent Directors, the committee met once in 2018 to discuss Icade's CSR and innovation commitments and actions;
- **the CSR Advisory Committee:** composed of committed individuals who are recognised in the area of CSR – experts, social economy entities, scientists, entrepreneurs, urban planners, etc. – the Executive Committee and the Chairman of the Board of Directors, the committee meets once a year to advise the Company on its CSR priorities;
- **the Executive Committee:** responsible for defining Icade's CSR strategy, the Executive Committee consists of nine members (1), including three specifically dedicated to each of the CSR components. Emmanuelle Baboulin, Head of the Office Property Investment Division, in charge of the environmental component; Marc le Blanc, Head of Human Resources, in charge of social and societal issues; Marianne de Battisti, Head of Innovation, Institutional Relations and Communication, in charge of Icade's CSR communication.

Reporting directly to the three members of the Executive Committee in charge of CSR, four thematic coordinators (environment, social, societal, communication) coordinate the implementation of CSR commitments and actions in close partnership with the business divisions' Management Committees and CSR divisional representatives in addition to a network of around forty identified CSR sponsors.

ICADE'S CSR ORGANISATION



Redefined in 2018 for the 2019–2022 period, CSR commitments are now applicable to the entire management structure. Integrated into the Company's overall strategy, these commitments include quantified targets and specific deadlines. In 2018, 71% of employees and 91% of managers had individual roadmaps including CSR and innovation objectives that had to be met. Executive Committee members have CSR and innovation objectives which make up a significant portion of their variable remuneration (10%).

(1) *As of December 31, 2018.*

1.4. An approach in tune with stakeholders

Icade acts in concert with its main stakeholders. The Company has identified nine categories of key stakeholders as a consequence of their level of influence and their impact on its CSR strategy and business activities. The graph below summarises the preferred forms of dialogue for each one of these categories. *The commitments made and measures taken for these stakeholders are shown in section 5. "Overview of CSR commitments for 2016–2020".*

Icade's key stakeholders	Forms of dialogue
Customers	■ Customer service ■ Satisfaction surveys ■ Thematic conferences ■ Green Lease Committees ■ User Clubs ■ Periodic reports for customers on the use and environmental performance of existing properties ■ Dedicated websites: the Office Property Investment Division's digital platform www.cyg-icade.com and the Property Development Division's website www.icade-immobilier.com ■ Digital communication and exchange platform on innovation www.hub-smartcity.com ■ Institutional leaflets and product leaflets ■ Social networks: LinkedIn, Youtube, Twitter, Instagram, Facebook
Employees & employee representatives	■ Relations with social partners ■ Annual performance reviews ■ Campaigns to assess workplace well-being ■ Toll-free helpline providing employee assistance ■ Internal communication: Intranet, information screens, magazines and in-house newsletters ■ Events: Sustainable Development Week, results presentation with employees, New Year's Reception, seminars, conferences ■ Anonymous whistleblower reporting system, available to all employees via an online platform
Financial and non-financial community: investors, institutional and individual shareholders, lenders, credit rating agencies, banks and insurance companies	■ Signing both the French Green Business Climate Pledge and Green Bond Pledge in addition to being a founding member of the Corporate Forum on Sustainable Finance ■ General Shareholders' Meeting ■ Investor presentations, annual and semi-annual reports, press releases ■ Rebroadcasting of audio presentations and webcasts ■ Meetings with financial analysts and conferences ■ Response to non-financial rating agency questionnaires and meetings with SRI (Socially Responsible Investments) analysts ■ Actionaria Fair ■ Letters to shareholders
Elected officials, local authorities and communities	■ Signing of the Climate Action Charter of the City of Paris and involvement in the Act4nature initiative ■ Participation in drafting the Climate Plan and resilience programme for the City of Paris ■ Participation in ALEC (Local Energy and Climate Agency for the Plaine Commune area) and the ViTeCC Club (Cities, Regions, Energy and Climate Change) ■ Participation in several consultation bodies dedicated to local economic and social development, including Club de mobilité ADOR in Rungis, the Association for the Economic Development of the Orly-Rungis hub, the Local Energy and Climate Agency for Plaine Commune in the north of Paris and the Association of Users of La Défense. ■ Three charters signed with the Plaine Commune local administrative body, encompassing nine municipalities in the north of Paris: local development charter, circular economy and sustainable development charter and major projects charter ■ Signing of a partnership with Réseau Entreprendre Val-de-Marne and Seine-Saint-Denis ■ Signing of local employment and integration charters ■ Partner of Arc de l'Innovation, an initiative aimed at stimulating the eastern part of the Greater Paris Metropolis ■ Provision of a toll-free numbers and suggestion boxes for local residents near construction sites
Business partners & suppliers: architects, builders, contractors, providers of intellectual services, service providers, Caisse des dépôts group, start-ups and industrial partners	■ Signing of responsible procurement charters and clean construction site charters ■ Regular supplier assessments ■ Development of joint projects with start-ups and industrial partners (Philips, Veolia, etc.) ■ Development of joint projects with subsidiaries of the Caisse des dépôts group (CDC Habitat, Transdev, Egis, CDC Biodiversité, etc.) ■ Joint research and innovation project with Art & Design Lab by Icade, an artist residency created by Icade

Icade's key stakeholders	Forms of dialogue
Professional sector: certifiers and labellers, professional associations and regulatory authorities	▪ Development of the new "Smart and connected buildings" label of the HQE certification framework ▪ Participation in the Certification Committee of the NF Housing and NF Living Environment (Cerqual) brands ▪ Participation in discussions on the drafting of a neighbourhood-wide E+C- label with Ademe ▪ Participation in designing an HQE standard for sustainable buildings in the healthcare sector ▪ Active member of several trade groups: EPRA (European Public Real Estate Association), Alliance HQE-GBC, Smart Building Alliance, FPI (French Federation of Real Estate Developers), FSIF (French Federation of Real Estate and Property Investment Companies), OID (Sustainable Real Estate Forum), C3D (Council of Heads of Sustainable Development), IVD (Institute for Sustainable Cities) and Airparif ▪ Founding member of ADIVbois, BBCA (low carbon building association) and Airlab ▪ Signing of the energy charter of the French "Sustainable Building Plan"
Associations and NGOs	▪ Partnerships with associations on the topic of integration: *Les jeunes talents de Plaine Commune* (Young talent from Plaine Commune), *Nos quartiers ont des talents* (Our neighbourhoods have talent) ▪ Employee involvement in community projects through solidarity days off and solidarity leave (*La Cravate Solidaire,* UNICEF, etc.) ▪ Partnership agreement with LPO (League for the Protection of Birds) that resulted in the adaptation of several sites of the Office Property Investment Division ▪ Participation in the Nature 2050 programme to restore biodiversity, led by CDC Biodiversité in partnership with the Nicolas Hulot Foundation for Nature and Humanity, the France Nature Environment association, LPO (League for the Protection of Birds) and the National Natural History Museum ▪ Patronage, mainly supporting community projects and local cultural activities ▪ Founder of the Palladio Foundation, dedicated to taking public interest into account when building the city of the future
Media and events	▪ Press releases, press kits, press briefings, articles ▪ Events: Official opening of Black Swans in Strasbourg, foundation stones (Take Off in Toulouse, Quintessence in Nanterre, etc.), trade shows (SIMI, MIPIM), etc.
Universities and schools	▪ Partnerships specialised in recruitment with ESSEC, ESTP and HEC ▪ Participating in research on green roofs with the Institute of Ecology and Environmental Sciences of Paris and CDC Biodiversité ▪ Providing support for innovative projects from schools (Centrale Supéléc; École nationale supérieure de création industrielle; Chair in Entrepreneurship, Regional Development and Innovation) ▪ Partnership with CEEBIOS (the European Centre of Excellence in Biomimetics of Senlis)

1.5. Key CSR commitments for 2016–2020 and results

In 2015, Icade structured its CSR policy around three key areas with 15 priority issues and quantified commitments for each business division. These three key areas include: energy transition and preservation of resources; changing habits and lifestyles and territorial integration; the development of employee expertise, workplace well-being and diversity. As the objectives of Icade's strategic plan were met in 2018 – one year ahead of schedule – a new plan with new CSR commitments will be launched starting in 2019. As a result, in 2018, Icade made an overall assessment of its main CSR commitments and progress towards their implementation. *A breakdown of all the commitments and results is included in section 5. "Overview of CSR commitments for 2016–2020".*

KEY CSR COMMITMENTS FOR 2016–2020 AND RESULTS

COMMITMENTS	Status	RESULTS
ENERGY TRANSITION AND PRESERVATION OF RESOURCES		
IMPACT ON CLIMATE CHANGE **Office Property Investment:** -40% in CO_2 emissions between 2011 and 2020 *(in kg CO_2/sq.m/year)*, i.e. a 5.5% reduction per year.	In progress	**34%** reduction between 2011 and 2018, i.e. a 5.8% reduction per year.
PRESERVING BIODIVERSITY **Property Development:** Biodiversity assessments for all new projects, starting in 2016.	Objective achieved	**100%** of new projects are subject to a biodiversity assessment.
SCARCITY OF RESOURCES AND CIRCULAR ECONOMY **Office Property Investment:** Recycle or recover 100% of controlled operational waste by 2020.	In progress	**72.3%** of controlled waste was recycled or recovered in 2018.
CERTIFICATIONS AND LABELS **Healthcare Property Investment:** Obtain HQE certification for all new-build projects with a floor area above 10,000 sq.m.	Objective achieved	**100%** of the Healthcare Property Investment Division's new-build projects above 10,000 sq.m are HQE-certified.
NEW HABITS AND LIFESTYLES AND PARTNERSHIPS WITH LOCAL AUTHORITIES AND COMMUNITIES		
TERRITORIAL COHESION AND INCLUSION **Property Development:** Include professional integration commitments in all major construction projects.	Objective achieved	**100%** of major construction projects include professional integration commitments.
IMPROVING OCCUPANTS' QUALITY OF LIFE **Office Property Investment:** Launch the "Business Park of Excellence" label in all business parks by 2018.	Objective achieved	**100%** of business parks have received the "Business Park of Excellence" label.
EMPLOYEE SKILLS DEVELOPMENT, WORKPLACE WELL-BEING AND DIVERSITY		
ENGAGEMENT, AGILITY AND COLLABORATION Fill 25% of positions internally on average over the 2016-2018 period.	Objective achieved	**34%** of positions were filled internally on average between 2016 and 2018.
DIVERSITY Have 15% of permanent positions filled externally by people under 26 years old, on average, over 2016-2018.	Objective achieved	The proportion of permanent positions filled by people under 26 years old was **17%** on average over 2016–2018.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

1.6. External evaluation of Icade's non-financial performance

Every year, non-financial rating agencies analyse Icade's CSR performance in the light of industry best practices. Icade uses these evaluations to track its performance and continuously improve its CSR policy. The table below shows Icade's scores in the main non-financial classifications.

	SCORES		RANKING
GRESB	76 / 81 / 82	SCORE OUT OF 100	**2018** **"Green Star" status**
CDP	A- / A- / A	PERFORMANCE SCORE FROM E TO A	**2018** **Among the 18% highest** scoring companies (world) **Performance** above sector average of B-
MSCI	A / AA / AA	SCORE FROM CCC TO AAA	**2018** **Score of AA** (on a scale ranging from CCC to AAA) (1)
SUSTAINALYTICS	12.3	SCORE OUT OF 100 (inverted scale: 0 = negligible risk, 100 = severe risk)	**2017** **Among the 6% highest** scoring listed companies in the real estate investment sector (world)
vigeo eiris	59	SCORE OUT OF 100	**2017** **6th out of 37 companies** in the real estate sector (Europe)
ISS-oekom	C / C+	SCORE FROM D- TO A+	**2018** **Among the 5% highest** scoring companies in the real estate sector (world) "Prime" status
FTSE4Good	3.6 / 4	SCORE FROM 1 TO 5	**2018** **Among the 16% highest** scoring companies in the real estate sector (world)
Gaïa RATING	83 / 86 / 87	SCORE OUT OF 100	**2018** **6th out of 230 companies** on the Gaïa index (all sectors, France)

● 2016 ● 2017 ● 2018

(1) *The use by Icade of any MSCI ESG research LLC data, and the use of MSCI logos, trademarks, service marks or index names herin, do not constitute a sponsorship, endorsement or promotion of Icade by MSCI or any of its affiliates. MSCI services and data are the property of MSCI or its information providers. MSCI and MSCI ESG research names and logos are trademarks or service marks of MSCI or its affiliates.*

Icade's CSR ratings continued to improve in 2018:

- GRESB (Global Real Estate Sustainability Benchmark), a leading international organisation specialised in the assessment of CSR policies implemented by real estate companies, has awarded Icade a rating of 82/100 in 2018, up compared to 2017. Icade continues to be classified as a "Green Star", the highest category;
- Icade obtained a score of A-, reflecting the "leadership" level granted by the Climate Disclosure Project (CDP) in 2018, for its policies and efforts toward climate protection. This score places it above the industry average of B- and among the 18% of the highest scoring companies from CDP worldwide. CDP is a non-profit organisation dedicated to assessing the impact of companies on climate change;
- in 2018, Icade received a rating of AA (on a scale ranging from AAA to CCC) in the MSCI ESG Ratings assessment. MSCI is an American research company providing ESG assessments and indices;
- in 2017, Icade ranked fifteenth out of 289 listed real estate investment companies according to Sustainalytics, a leading global provider of company ESG assessments. Sustainalytics changed its methodology which explains the absence of comparative data for this agency. According to its new risk-based methodology, the lower the score is, the lower is the risk to which the Company is exposed. Consequently, with a score of 12.3/100, Icade has low ESG-risk exposure and is among the 6% highest scoring companies in the industry. As a result, Icade kept its place in the STOXX® Global ESG Leaders index, which is based on Sustainalytics ratings. This score will be updated in 2019;
- Icade ranked sixth out of 37 European real estate companies according to Vigeo Eiris – a European agency specialised in rating companies on their ESG performance – with a score of 59/100 in 2017, i.e. ten points more than in 2015. Its assessment is updated every two years;
- in 2018, Icade once again received "Prime" status awarded to leading companies in their industries by ISS-Oekom, an international ESG rating agency. In addition, Icade improved its score from C in 2017 to C+ and is now among the top 5% highest scoring companies in the industry in 2018. Icade's Green Bond was also rated by ISS-Oekom in 2018 and received "Approved" status and a score of B (on a scale ranging from D- to A+);
- Icade remains a constituent of the FTSE4Good Developed Index in 2018, provided by FTSE Russell and designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. With a score of 3.6 out of five according to this index in 2018, Icade is among the 16% highest scoring companies in the real estate sector;
- in 2018, Icade ranked in sixth place on the Gaïa index developed by Ethifinance, a French non-financial research agency. This index measures the degree of involvement of 230 French small and mid caps in dealing with CSR issues.

Icade also received several trophies and awards in 2018:

- for the fourth year running, the quality of Icade's environmental reporting was rewarded with a Gold Sustainability Award issued by EPRA (European Public Real Estate Association). In 2018, Icade was one of 50 companies to receive this distinction out of the 139 companies tracked by the FTSE EPRA Nareit Developed Europe index. In addition, Icade once again won a Gold Award in the financial category for the quality and transparency of its reporting;
- Icade's Green Bond reporting obtained the top score (25/25) given by the Climate Bonds Initiative on its "Post-issuance Reporting in the Green Bond Market" report released on March 2019. Icade has led the global Top 10 reporting issuers ranking for its comprehensive post-issuance and impact reporting disclosure. The Climate Bonds Initiative is an international not-for-profit organisation promoting investment in projects and assets necessary for a rapid transition to a low carbon and climate resilient economy;
- in 2018, Icade took third place in the ranking of women's representation in the governing bodies of SBF 120 companies, recognising the proportion of women on its Board of Directors, Executive Committee and Management Committee and its proactive gender equality initiatives. This ranking was compiled by Ethics & Boards, an independent, international monitoring unit dedicated to tracking the corporate governance of listed companies for the French Junior Ministry in charge of gender equality;
- in 2018, Icade received several awards for its policy relating to the quality of life in the workplace. Icade took second place at the *Victoires des Leaders du Capital Humain* awards, organised by the Leaders League and *Décideurs Magazine,* for its Open ID project. This project features new open and flexible space that promotes efficiency, cooperation, creativity and well-being. Icade also won the *Mieux Vivre en Entreprise* Trophy, awarded by the MVE Institute, for launching a telemedicine booth at its headquarters. Icade's health policy was also recognised at the fourth edition of the *Lauriers de la Prévention* awards, organised by *Service aux Entreprises pour la Santé au Travail* (a French association dedicated to occupational health and safety): Icade was awarded first place by internet users and a second-place jury prize in the "Quality of life in the workplace" category.

2. Energy transition and preservation of resources

The real estate sector has a major impact on climate change and the use of natural resources. To face these challenges while at the same time developing effective solutions for its clients, Icade has set three priorities with ambitious commitments – to fight against climate change, promote biodiversity and support initiatives in favour of the circular economy.

2.1. Taking action to fight climate change

On December 12, 2015, the twenty first session of the UN Conference of the Parties (COP 21) reached a historic agreement to keep global temperatures from rising more than 2°C, with an ideal target of 1.5°C, by 2100. This objective, coupled with the urgent need to take action, was reaffirmed by the latest IPCC special report published in October 2018 [(1)].

Recognising that the real estate sector is responsible for 25% [(2)] of greenhouse gas emissions in France and that energy efficiency is a tool to create buildings of enduring value, Icade has taken steps to reduce its emissions and adapt its assets to the consequences of climate change.

(1) https://www.climat.be/files/4115/3900/0027/181008_IPCC_sr15_spm.pdf

(2) French Ministry for Ecological and Inclusive Transition, 2016, https://www.ecologique-solidaire.gouv.fr/exigences-reglementaires-construction-des-batiments

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Reduce CO_2 emissions by 40% in offices and business parks between 2011 and 2020 *(in kg CO_2/sq.m/year)*.	In progress	• CO_2 emissions were reduced by 34% between 2011 and 2018.
• Reduce energy consumption by 30% in offices and business parks between 2011 and 2020 *(in kWh_{PE}/sq.m/year)*.	In progress	• Energy consumption was reduced by 14% between 2011 and 2018.
• Reach 20% of renewable energy in the portfolio's energy mix by 2020.	In progress	• The proportion of renewable energy reached 19% in 2018.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Reduce CO_2 emissions related to grey energy from new builds by 12% between the end of 2015 and 2020 *(in kg CO_2/sq.m/year)*.	Objective achieved	• Carbon intensity related to grey energy was reduced by 12.8% between 2015 and 2018, ahead of its scheduled goal.
• Develop 100% of offices in the Paris region and 25% of homes with an energy performance 10% better than that required by Thermal Regulation RT 2012, starting in 2016.	Objective achieved	• 100% of offices in the Paris region and 73% of homes surpassed Thermal Regulation RT 2012 by at least 10% in 2018.
• Develop at least five positive energy projects per year with the BEPOS label starting in 2017.	Objective partially achieved	• With only one BEPOS project completed, the goal could not be reached in 2018. Feedback shows that the financial and architectural constraints imposed by the BEPOS label hinders the emergence of this type of construction. In addition, Icade currently aims to focus on the implementation of the E+C- label, which covers the whole life cycle of buildings and manages a building's overall carbon performance.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

2.1.1. A property portfolio fully committed to energy transition

The fight against climate change is closely related to a building's energy and carbon performance during both the construction and operational phases.

Office Property Investment Division

Icade's carbon policy covers existing buildings in their entirety, including both common areas, over which it has complete control, and private areas in collaboration with tenants.

Energy and carbon efficiency relies heavily on using appropriate measurement and management tools. To this end, Icade mapped the energy consumption of 87% of its buildings, using automated reporting on its portfolio as a whole. As regards buildings, energy audits are conducted and, since 2018, an energy management system has monitored and managed building consumption in real time and made it possible to respond quickly to any anomalies.

Icade has implemented a proactive action plan with a budget of €50 million over three years (2017–2019) in order to meet its goal of reducing its energy intensity by 30% and its carbon intensity by 40% between 2011 and 2020. The key measures taken include:

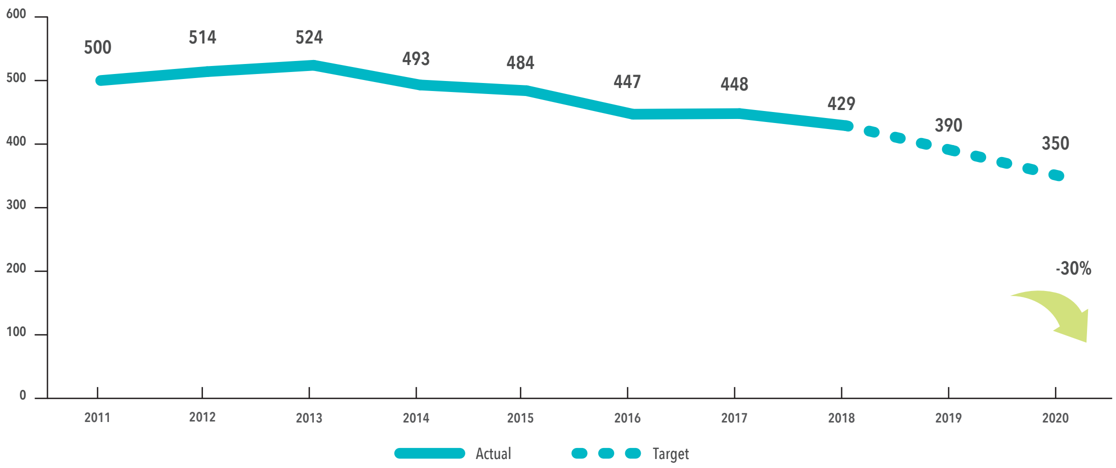
- **Improving energy equipment and renovating the assets:**

  Icade has gradually replaced its least energy-efficient equipment with high-efficiency boilers and air conditioners. In addition, Icade has promoted the widespread use of LED lighting, to be installed in over 75% of the portfolio by the end of 2019. For the private areas, Icade offers its tenants tailored LED lighting solutions, using up to 80% less energy.
- **Introducing energy performance contracts (EPCs):** 77% of property managers of buildings over which Icade has operational control were subject to energy performance contracts at the end of 2018. These contracts set an energy performance objective for property managers as regards common areas coupled with financial incentives.
- **Increasing the share of renewable energy in the energy mix:** In 2018, the percentage of renewable energy in Icade's energy mix stood at 19% (8% in 2015), compared with a target of 20% by 2020. The purchase of green certificates – for a total of 45,951 MWh, i.e. 23% of electricity consumption in 2018 – is one way to meet this goal. Other ways to improve energy efficiency include connecting buildings to heat networks, including 25% of their consumption from renewable energy, and on-site energy generation (geothermal energy and solar photovoltaic panels). In 2018, Icade installed several photovoltaic shade structures totalling 4,500 sq.m in the Orly-Rungis business park. Lastly, Icade continues to raise the environmental awareness of tenants in its business parks through a number of installations, including the "Smartflower" solar module and the "Wind Tree" wind turbine.
- **Green lease committees:** through these committees, Icade educates and assists tenants by implementing action plans with goals for reducing the consumption of energy, water, carbon and waste production. *For further information, see section 3.4. "Assisting customers in matters of environmental performance".*

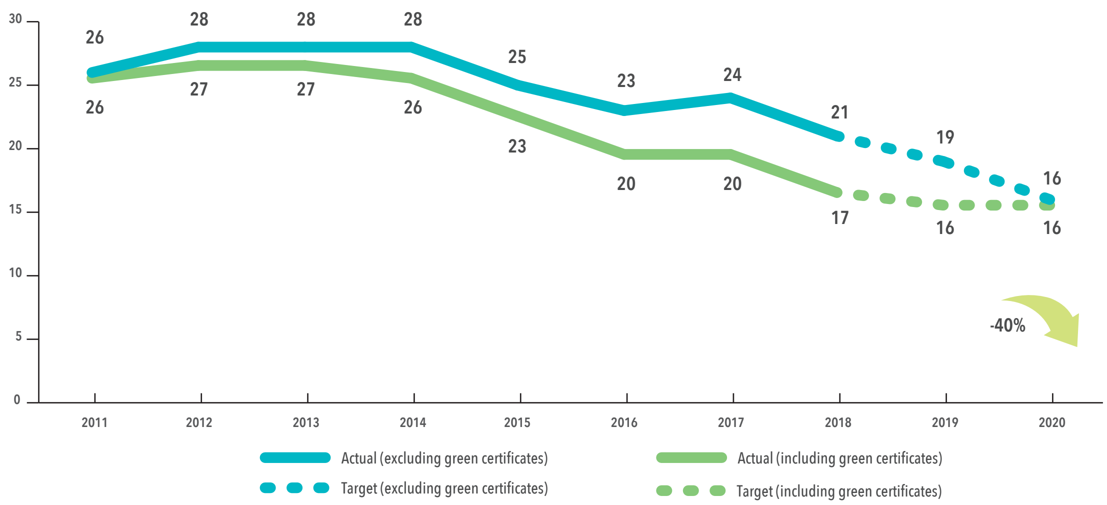
- **A neighbourhood serves as a testing ground for a smart grid and the E+C- label:** Icade and Efficacity (Institute for Urban Energy Transition) signed an R&D partnership agreement for the use of smart grids in collaboration with the City of Paris. Launched in 2018 in the Portes de Paris business park, this pilot project aims to show how a multi-energy smart grid serving the park can reduce energy intensity and make use of renewable energy. This same business park is also the site of one of the eight pilot research projects for the "E+C- neighbourhood" (positive energy and low-carbon buildings). This initiative was one of the winners of the "Towards Responsible Buildings by 2020" competition sponsored by Ademe in partnership with CSTB (French Scientific and Technical Centre for Construction) and Alliance HQE-GBC.

In 2018, 37% of emissions mapped by the Office Property Investment Division, i.e. 7,099 tonnes of CO_2, were offset through the purchase of certified emission reductions (CERs). As an example, they have helped to fund renewable energy projects in Pakistan and develop waste composting in Nigeria. These offset emissions were not deducted from Icade's CO_2 emission calculations.

ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS *(in kWh_{PE}/sq.m/year adjusted for unified degree days)*



GREENHOUSE GAS EMISSIONS FROM OFFICES AND BUSINESS PARKS *(in Kg CO_2e/sq.m/year)*



Weather-adjusted energy consumption decreased by 14% between 2011 and 2018. In addition, Icade's carbon intensity plunged by 34% between 2011 and 2018 (-19% excluding green certificates). Between 2017 and 2018, energy intensity dropped by 4% while carbon intensity dropped by 14% (including green certificates). This downward trend over the past year can partially be explained by the sale of assets whose energy and carbon intensity was higher than the average for Icade's property portfolio. It is also attributable to energy efficiency measures (energy performance contracts, LED installations, green lease committees, etc.) and the higher percentage of renewable energy in the energy mix.

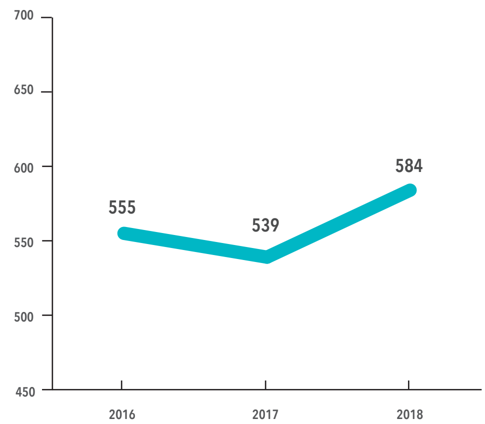
Healthcare Property Investment Division

Although healthcare operators are fully responsible for managing their energy consumption, Icade Santé helps them improve their performance through:

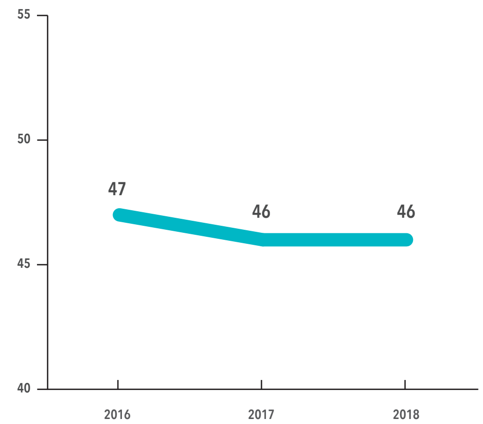
- mapping the properties' energy consumption and CO_2 emissions: the Healthcare Property Investment Division has automated the collection and management of environmental data. It has significantly increased the mapping of energy consumption from 51% to 72% of the floor area between 2017 and 2018;
- providing operators with reports on their energy performance, including comparative data and recommendations for corrective actions;

- CSR & Innovation Committees: since 2018, the Healthcare Property Investment Division has organised meetings with operators to exchange ideas and facilitate adoption of best practices, especially with regard to energy efficiency.

ENERGY CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION *(in kWh_{PE}/sq.m/year adjusted for unified degree days)*



GREENHOUSE GAS EMISSIONS FROM THE HEALTHCARE PROPERTY INVESTMENT DIVISION *(in kG CO_2e/sq.m/year)*



The energy intensity of the Healthcare Property Investment Division increased by 5% while greenhouse gas emissions were slightly down between 2016 and 2018 on a like-for-like basis. Although Icade does not have operational control over healthcare facilities, it shares best practices with its operators and recommends appropriate measures aimed at improving their performance.

For further information on the Healthcare Property Investment Division's environmental indicators, see section 7.3. "Table of environmental indicators of the Healthcare Property Investment Division – EPRA format".

Property Development Division

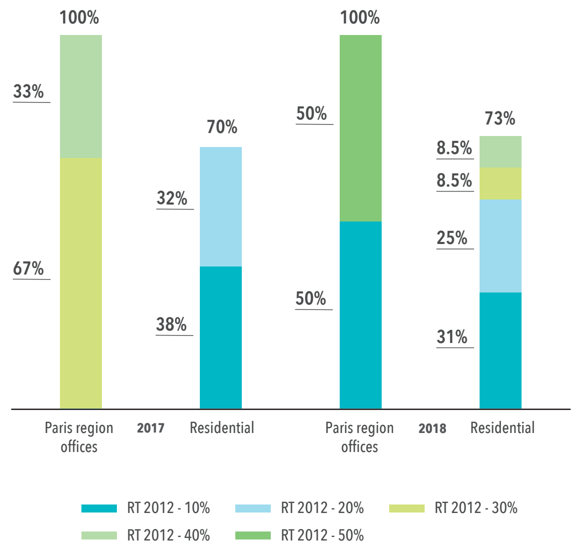
As both a property developer and property manager, Icade is in a position to implement a sustainable energy performance strategy throughout a building's life cycle, in line with new environmental regulations scheduled for 2020. Predated by the E+C- ("positive energy and lower carbon intensity") pilot project, Icade's strategy pays particular attention to the carbon footprint of building materials in addition to energy efficiency and renewable energy use in the operational phase. To measure its overall impact, comprehensive carbon assessments are routinely conducted on each and every one of Icade's new buildings:

Construction phase: greenhouse gas emission assessment for new projects

Icade has recruited a sustainable materials specialist and stepped up its efforts in this area. The increasing number of wood-based buildings led to a 12.8% drop in carbon intensity from grey energy between 2015 and 2018, two years ahead of schedule.

Operational phase: energy consumption and carbon footprint assessments for new projects

PERCENTAGE OF OFFICES (PARIS REGION) AND HOMES SURPASSING THERMAL REGULATION "RT 2012" IN 2017 AND 2018



The carbon intensity related to building operations decreased by 2.4% between 2017 and 2018. This is due to two factors – the improved energy performance of the buildings and increased reliance on renewable energy:

- Icade surpassed its energy performance objectives in 2018 – 100% of office property developments in the Paris region and 73% of residential development projects have outperformed the energy performance thresholds as stipulated in the French Thermal Regulation "RT 2012". For all its development projects combined, average energy consumption decreased by 9% between 2017 and 2018, for a total of 63.4 kWh_{PE}/sq.m/year;
- in 2018, 49% of constructed area was supplied with renewable energy (vs. 25% in 2017), including 12% through solar thermal power, 53% through heat networks (geothermal energy, biogas, etc.) and 35% through photovoltaic solar energy.

For further information about CO_2 emissions, see section 7.5. "Carbon footprint assessment for the Property Development Division".

Starting in 2019, Icade will record construction-related and operational consumption over 50 years to gain a long-term perspective on its carbon footprint as part of a life-cycle approach. *See New commitments for 2019–2022 at the end of section 2.1.2. "The necessary adaptation to climate change".*

2.1.2. The necessary adaptation to climate change

Icade evaluates the risks associated with the consequences of climate change on its property assets in order to adapt them and strengthen their resilience, namely their ability to withstand extreme weather events and then recover their operational ability.

2016–2020 COMMITMENT	RESULT	COMMENT
OFFICE PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT DIVISIONS: • Evaluate the risks related to adapting all the property assets and strategic property development projects to climate change in 2016. If necessary, adapt assets, land selection and project design.	Objective achieved	**OFFICE PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT DIVISIONS:** • A first study was conducted in 2016 to assess the risks for the Office Property Investment Division's portfolio in its entirety. A benchmark of all the existing solutions to protect against these risks, together with an estimate of the cost required for their implementation, was established with the aim of progressively adapting the property assets.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

Office Property Investment Division

The specialised Carbone 4 firm analysed the impact of the risks associated with climate change on Icade's property assets based on location, age of the properties, type of construction and the environment. Four climatic hazards were identified: heat waves, drought, rising average temperatures and floods. Icade then mapped the gross risks facing its property portfolio. In 2019, measures already put in place for existing buildings will be detailed in order to determine the net risks. To reduce such risks and progressively adapt the property assets, a benchmark listing the various ways to adapt to climate change was established. In 2019, these efforts will be extended to property assets newly acquired through the merger of ANF Immobilier.

Icade is also working with CDC Biodiversité in its business parks to create green spaces with plant species selected to reduce urban heat islands and avoid stormwater runoff due to flooding.

Property Development Division

Icade sees to it that the new property assets it develops are resilient. Icade has taken part in discussions on the new "resilience" section that was added to the NF Living Environment HQE certification and has applied this section in its new builds. As a result, Icade guarantees that its buildings have a satisfactory level of resilience to the main natural hazards through the proactive implementation of NF Living Environment and NF Living Environment HQE certifications – composed of a set of prerequisites, including hazard identification and procedures laid down, tenant information booklets, etc. – for 83% of its residential property developments.

NEW COMMITMENTS FOR 2019–2022

As part of its new CSR commitments for 2019–2022, Icade commissioned Carbon 4, a consulting firm specialised in climate action strategy, to assess the level of commitment and effort that would be required to be on a 2°C trajectory. Icade based itself on the ambitious scenarios from SBT/SDA 2DS [(1)] for the "Services Buildings" segment and from the French National Low-Carbon Strategy [(2)] (SNBC) for the Construction segment. As a result, the Office Property Investment Division has defined goals consistent with a 2°C or 1.5°C trajectory. The Property Development Division is awaiting information about the threshold values for the E+C- label expected to be released in 2019 in order to bring its commitments into line with an ambitious climate scenario.

OFFICE PROPERTY INVESTMENT DIVISION

- **Reducing carbon intensity by 45% and energy intensity by 30% between 2015 and 2025.**
  This objective implies a 5.8% reduction each year, as compared with 5.5% in the previous plan. Icade has modelled the impact of its future measures, such as installing more energy-efficient equipment, replacing energy sources (switching from one energy source to another) in addition to the impact of its acquisitions, disposals and new property assets under development. A tool has been developed to measure the carbon footprint before any investment or disposal decisions are made.
- **Gradually adapting the portfolio by making it more resilient in the face of climate change and including a climate risk assessment in the asset acquisition policy by 2022.**

HEALTHCARE PROPERTY INVESTMENT DIVISION

- **Broadening the scope of energy performance monitoring to 75% of the property assets and offering solutions to improve energy performance starting in 2019.**

PROPERTY DEVELOPMENT DIVISION

- **100% of offices measuring over 5,000 sq.m and 33% of homes to be E+C- certified by 2022:** The experimental E+C- label, whose energy/carbon performance values will be announced in 2019, is a precursor of the upcoming regulations and covers the whole life cycle of buildings. For this reason, the label is replacing Icade's previous commitments that covered all stages of a building's life cycle (surpassing Thermal Regulation RT 2012 by at least 10%, BEPOS-certified and wood-based construction, and LCAs). Starting in 2019, Icade will measure the overall carbon footprint of its projects in the construction phase and during a 50-year operational phase. A modelling tool for assessing carbon performance and a solution catalogue have been introduced to assist the operational staff in making the best possible choices (materials, type of equipment, etc.). Icade also developed a "low-carbon laboratory" to assess, for each project, the investment required for the various levels of carbon performance and to provide financial support for improved performance.

(1) *The sectoral decarbonisation approach (SDA) makes it possible to align emission reduction targets with a 2°C pathway scenario, set by the Science Based Targets initiative.*

(2) *In construction, the SNBC aims to reduce emissions by 54% between 2013 and 2028 and 87% between 2013 and 2050. For Icade, this scenario means reducing its carbon intensity by 41% between 2015 and 2025, by 55% by the end of 2030 and 83% by the end of 2050.*

2.2. Promoting biodiversity to make the assets more appealing

On the cusp of the sixth mass extinction of wildlife and considering that 60% of vertebrates have already become extinct over the past forty years [(1)], protecting biodiversity has become an imperative, as reflected in the 2018 Biodiversity Plan of the French Ministry for Ecological and Inclusive Transition [(2)]. Given the significant impact of the real estate sector on biodiversity, Icade has implemented a strategy in favour of a net positive impact on biodiversity and that improves the environment and well-being of its inhabitants. Icade once again showed its commitment to biodiversity through its participation in the Act4nature initiative. This initiative, launched by the EpE association (Businesses for the Environment) and AFEP-MEDEF [(3)], brings together 65 participating companies in France committed to integrating biodiversity into their growth strategies [(4)].

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION/ PROPERTY DEVELOPMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION/ PROPERTY DEVELOPMENT DIVISION:**
• Achieve a net positive impact on biodiversity in 25% of business parks and new builds by 2020.	In progress	• The first indicators analysed as part of the biodiversity performance contract for business parks were mostly stable or improving. 15% of new builds have a net positive impact on biodiversity in 2018.
• Conduct biodiversity assessments for all new projects, starting in 2016.	Objective achieved	• All new projects in the design phase are subject to a biodiversity assessment.
• Ensure that 100% of the business parks are covered by the Écojardin label until 2020.	Objective achieved	• 100% of the business parks with green space are covered by the Écojardin label in 2018.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

2.2.1. Icade's impact on biodiversity

A number of Icade's business activities impact biodiversity, including land selection and acquisition, building design and construction in addition to building operations and green space management. Potential damage could stem from light and sound pollution, fragmented habitats, soil sealing, the introduction of invasive species and soil pollution. Icade's activities may impact ecosystem diversity, wildlife mobility, genetic mixing of species, and the emergence of new species. This could reduce the size or change the structure of populations with an expansion of pest species and disrupt natural cycles in ecosystems.

Icade makes every effort to prevent, reduce and offset any adverse impacts on biodiversity over the building life cycle. It is not only a question of creating green space in an urban setting for the sake of landscaping, but also of preserving biodiversity in addition to enhancing and creating new urban ecosystems. Introducing nature into the city also benefits its residents by reducing the urban heat island effect, providing direct access to fresh produce, optimising air, waste and water treatment and creating green recreation areas.

2.2.2. Innovative tools to prevent, reduce and offset any adverse impacts on biodiversity

Integrating biodiversity into new developments

The first way to protect biodiversity consists in preventing impacts during the buildings' design and construction phases: Icade is aiming for 25% of its new builds to have a net positive impact on biodiversity by 2020. The Property Development Division measures the net positive impact on biodiversity through a higher Biotope Area Factor [(5)] between the pre-project and post-project periods.

To meet this objective that has been set to satisfy the growing demand from local authorities, property development projects will systematically include a biodiversity assessment along with proposals to improve the projects from their design phase.

In addition, Icade has implemented the BiodiverCity label for some projects, such as the refurbishment of Ateliers Vaugirard (in the 15th district of Paris). To be completed between 2021 and 2023, the project features a rooftop vegetable farm and close to 1,000 sq.m of green surfaces. In 2018, 15% of new builds had a net positive impact on biodiversity.

(1) *WWF, Living Planet Report® 2018: Aiming higher. Grooten, M. and Almond, R.E.A. (Eds). WWF, Gland, Switzerland. https://www.wwf.no/assets/attachments/LPR2018-Full-Report.pdf*

(2) *https://www.ecologique-solidaire.gouv.fr/sites/default/files/18xxx_Plan-biodiversite-04072018_28pages_FromPdf_date_web_PaP.pdf*

(3) *French Businesses for the Environment association (Entreprises pour l'Environnement, EpE); French Association of Private Companies (Association française des entreprises privées, AFEP); and National Confederation of French Employers (Mouvement des entreprises de France, MEDEF).*

(4) *http://www.act4nature.com/wp-content/uploads/2018/11/act4nature_version-en.pdf*

(5) *The Biotope Area Factor expresses the ratio of the ecologically effective surface area to the total land area.*

The Office Property Investment Division's business parks aim to achieve a net positive impact on diversity

A net positive impact on biodiversity in the business parks is defined as positive change in a set of ecological criteria relating to plant and animal life, soil, water and green space management. In order to meet its objective of 25% of its business parks having a net positive impact on biodiversity by 2020, Icade has introduced a biodiversity performance contract with CDC Biodiversité. Icade has also played a role in developing a standardised indicator to measure the net positive impact on biodiversity with the B4B+ Club:

- **Biodiversity performance contracts:**

  In 2016, Icade signed the first biodiversity performance contract with CDC Biodiversité for a period of three years. Biodiversity performance contracts were extended to 97% of the business parks' surface area in 2018 (33% in 2017). Based on both resource and performance indicators, this innovative initiative aims to introduce nature into cities while improving the quality of life of Icade's business park users. The contract features measurable performance indicators with respect to plant and animal life, biological diversity, lower chemical inputs and water use.

  In conjunction with CDC Biodiversité's ecologists, Icade has defined net positive impact on diversity as an improvement (or stabilisation at optimal level) in 100% of resource indicators and 50% of performance indicators which are measured under a biodiversity performance contract. The detailed methodology is available on the Icade website.

  Based on the latest study conducted in 2018, more than half of the resource indicators showed positive change, including tree species diversity and organic amendments for soil improvement. The trend is less clear-cut for performance indicators, with additional measurements expected in 2019. Increased resources will be mobilised to achieve a net positive impact on biodiversity on these sites by 2020: creating green spaces, land earmarked for mowing, etc.

  Since 2016, Icade has integrated specific criteria into its green space management contracts. This ecological management approach was awarded the Écojardin label for 100% of Icade's business parks that have green spaces.

- **Moving towards a common indicator to measure a company's biodiversity footprint:**

  With the Business for Positive Diversity Club (B4B+ Club) led by CDC Biodiversité, Icade has been involved in creating a standardised indicator to quantify a company's impact on biodiversity, in collaboration with companies, associations and researchers. This indicator, called the global biodiversity score (GBS) scheduled for 2020, seeks to measure the biodiversity footprint of companies regardless of their business sector. These efforts are consistent with the French government's 2018–2024 Biodiversity Plan which incites companies to quantify their biodiversity footprint.

  This new indicator will improve the measurement method implemented in connection with the biodiversity performance contract.

- **Developing urban agriculture:**

  Farmhouse Millénaire, inaugurated in 2017 in the Portes de Paris business park, is one of the urban agriculture projects developed by Icade. Featuring 1,000 sq.m of space, this aquaponic farm combines vegetable growing and trout farming in a closed-loop ecosystem. The farm hosts events and organises the sale of local products on a regular basis. Vegetable gardens accessible to tenants are present in other business parks, Orly-Rungis for example, and some buildings, such as Pulse. Icade employees also have access to urban vegetable gardens and gardening classes.

- **Innovative green roofs:**

  Icade has conducted a two-year research project on green roofs in the Millénaire business park with CDC Biodiversité, in partnership with the Institute of Ecology and Environmental Sciences of Paris. This study made it possible to create a numerical model of the many environmental benefits of new-generation green roofs, which include reducing urban heat island effects, capturing soil pollutants, reducing rainwater runoff, etc. Icade is also working on the "Dessus Dessous" project, which aims to combine green roofs and solar panels. The panels create shade for the plants while the vegetation has a cooling effect on the panels and, as a consequence, extends their lifespan. This project will be tested in one of the Orly-Rungis business park's buildings in 2019.

Nature 2050: restoring the most fragile ecosystems

Icade is participating in Nature 2050, a programme that seeks to protect and adapt particularly vulnerable ecosystems and natural habitats to climate change. The programme sponsors 26 projects, including ten new projects launched in 2018, over more than 6,000,000 sq.m, including the ecological restoration of Baie de l'Aiguillon.

To support Nature 2050, Icade is committed to funding the restoration and preservation of 1 sq.m of natural habitat for 1 sq.m of land developed by the Property Development Division on behalf of the Office Property Investment Division and for the Healthcare Property Investment Division's development projects with surface area over 10,000 sq.m until 2050. With the help of Icade, 33,225 sq.m were thus restored and maintained in 2018.

NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Achieve a net positive impact on biodiversity in 50% of business parks by 2022.
- Ensure that 100% of the business parks are covered by the Écojardin label until 2022.

OFFICE PROPERTY INVESTMENT AND HEALTHCARE PROPERTY INVESTMENT DIVISIONS

- Fund the restoration and preservation of 1 sq.m of natural habitat for 1 sq.m built for the Property Investment Divisions as part of developing new projects starting in 2019.

PROPERTY DEVELOPMENT DIVISION

- Maintain the objective of achieving a net positive impact on biodiversity in 25% of new builds between 2020 and 2022.

2.3. Integrating the principles of a circular economy into the products and services

In anticipation of the objectives of the 2018 Roadmap for a Circular Economy unveiled by the French Ministry for Ecological and Inclusive Transition, Icade implemented a pioneering initiative dedicated to the reuse and recycling of building materials over the building life cycle.

Through this initiative, Icade is able to improve its resilience by reducing its exposure to materials price volatility and sets itself apart with its innovative solutions while at the same time generating wealth locally.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Recycle or recover 100% of controlled operational waste by 2020.	In progress	• The proportion of controlled waste which was recycled or recovered was 72.3% in 2018.
• Ensure the collection of used objects by government-approved waste collection and treatment companies for all business parks by 2017.	Objective achieved	• 100% of business parks were covered at the end of 2018.
• Launch local partnerships on the circular economy.	Objective achieved	• Several partnerships were initiated and Icade launched Cycle Up with Egis, a platform dedicated to the reuse of building materials.
• Reduce water consumption in the buildings by 25% between 2011 and 2020 *(m^3/sq.m/year)*.	In progress	• Water consumption was reduced by 8% between 2011 and 2018. These measures will be reinforced to achieve the Company's objectives.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Recover 60% of construction waste for all HQE-certified offices starting in 2016.	Objective partially achieved	• 80% of HQE-certified office property developments met the objective, which is a positive performance, although below the target.
• Develop at least 25% of projects with a rainwater collection system starting in 2016.	Objective partially achieved	• 7% of projects were developed with a rainwater collection system in 2018, which is below the target. As this costly solution has been met with weak demand, Icade has set a new objective of compiling a catalogue of water management solutions to identify and implement effective solutions that are both good for the environment and more economical.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

2.3.1. Reducing, reusing, recycling and recovering waste along the whole value chain

According to the French Environment and Energy Management Agency (Ademe), the construction industry accounts for close to 50% of natural resource consumption and nearly 40% of waste production in Europe. With a view to reducing, reusing and recycling waste, Icade is committed to optimising the use of natural resources and systematising the recycling and reuse of building materials from a building's design to its demolition.

Launch of Cycle Up with Egis

Icade entered into a 50/50 joint venture with Egis to launch Cycle Up, a digital platform available to all participants in the construction industry dedicated to the reuse of building materials. All the available building materials on a construction site are ranked according to their degree of reusability. Cycle Up also provides consulting and diagnostic services. After reusing materials to build its Pulse building in the Portes de Paris business park, Icade intends to continue this practice for the 007 building in the Pont de Flandre business park (to be completed in 2019). Committed to improving its social impact, Cycle Up has signed a partnership with the professional integration specialist Ares, responsible for transporting, selectively removing and warehousing Cycle Up's building materials. In 2018, a partnership was also signed with Samu Social to create emergency accommodation centres.

After only ten months, Cycle Up has shown very promising results. Through the platform's 35 transactions, the reuse of building materials avoided 24 tonnes of waste generation, cutting CO_2 emissions by 125 tonnes, ultimately reducing costs by an average of 79% compared with the price of new materials. Lastly, the platform totalled 70 hours of professional integration. As a result, Cycle Up meets the economic demands of its clients while at the same time fulfilling its commitments to protect the environment and promote local social development.

Office Property Investment Division

In 2018, the Office Property Investment Division refined its method for assessing waste management. In the past, it monitored the proportion of recyclable waste (source separation). It now tracks the proportion of recycled or recovered waste which provides much more detailed information on its final treatment. This indicator breaks down the percentage of waste recycled, recovered through composting or biogas production, or through incineration. In 2018, 72.3% of controlled operational waste was recycled or recovered, including 38.4% recycled, 33.7% recovered through incineration, and 0.3% recovered through composting and/or biogas production.

Icade aims to recycle or recover 100% of its controlled operational waste by 2020. To accomplish that goal, Icade is implementing a variety of measures, including recovering waste on-site, improving sorting techniques and educating tenants:

- **Setting up waste sorting units in office buildings and business parks:**

  The initiatives primarily focus on the sorting and recovery of five types of waste (paper/cardboard, metal, plastic, glass and wood). Icade has set up an "Ecobase" managed by Semardel in its Orly-Rungis business park, dedicated to waste sorting and recovery. Other on-site sorting solutions have also been implemented on a number of buildings not part of any building park. Icade plans to organise donation collections with local authorities and to set up a waste collection and sorting area in each building not part of any building park.

- **Collecting used items:**

  Icade has put in place recycling schemes for about ten types of used items (batteries, electronic appliances, toys, etc.) in its business parks, in collaboration with government-approved waste collection and treatment companies and associations. The introduction of new recycling schemes (books, cigarette butts, etc.) is currently being studied.

- **Green Lease Committees gain traction:**

  Accompanied by action plans and targets for improvement, these committees meet to exchange ideas with tenants which enable them to improve their waste management performance.

Property Development Division

The HQE certification framework sets out stringent requirements in terms of reducing waste, and recovering and treating hazardous waste during the construction and operational phases. Icade aims to ensure that all HQE-certified new builds obtain the level of "very efficient" for "low-disturbance construction site" and "operational waste management". In 2018, 80% of HQE-certified development projects recovered at least 60% of their construction waste.

Employee awareness

Icade employees have been made aware of the importance of reducing their waste and use of paper as part of the Open ID project and the introduction of a paperless office policy. Since relocating to Icade's new headquarters in Issy-les-Moulineaux, paper consumption has been slashed by more than 60%. This policy will be implemented in all of Icade's regional offices starting in 2019.

2.3.2. Reducing water consumption

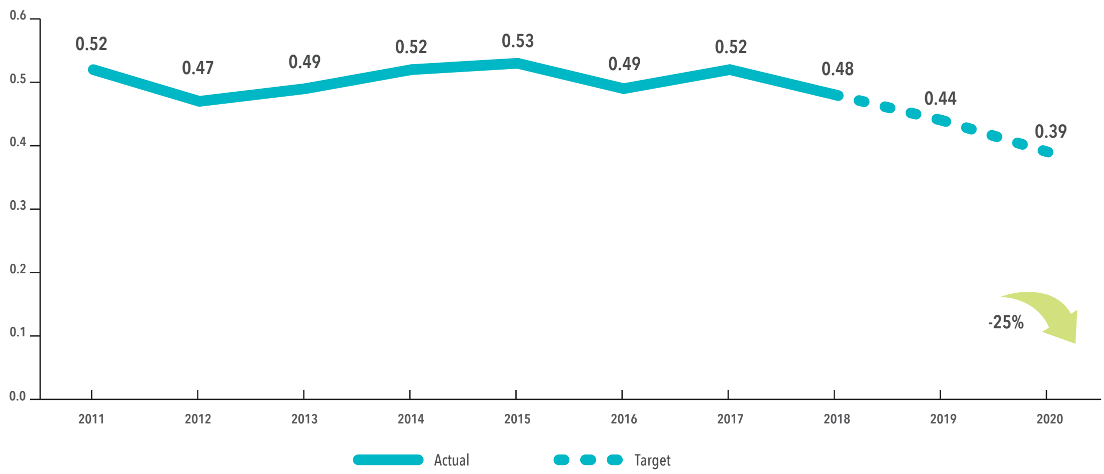
Even though Icade is not subject to water restrictions, it has nonetheless implemented a strategy to minimise its impact on this natural resource.

Office Property Investment Division

Various tools for measuring and managing water consumption have been implemented, including:

- mapping the water distribution network combined with monthly meter readings of usage to identify possible leaks and monitor the condition of the equipment in office buildings. In addition, since 2017, Icade has automated the collection and analysis of data to better manage its consumption;
- the installation of retention basins in certain business parks to reduce rainwater runoff and avoid saturating sewage treatment plants during periods of heavy rainfall, rainwater collection systems for watering and sanitary facilities, less automatic watering and using plants that require little water;
- through green lease committees, Icade encourages tenants to adopt water management best practices, including the installation of water-efficient fixtures, metre readings, etc.;
- in 2018, Icade launched the innovative Bocage Urbain project as part of Urban Lab, Paris&Co's urban experimentation laboratory in the Portes de Paris business park. This modular urban landscaping solution is designed to manage urban runoff – rooftop rainwater is collected in watertight, plant-filled containers at the base of the buildings. This approach offers many advantages, including reduced runoff, irrigation water autonomy, enhanced biodiversity, etc. Elodie Stephan, the project's designer, is one of the ten Women4Climate Tech Challenge finalists, organised by the Cities Climate Leadership group (C40).

WATER CONSUMPTION IN OFFICES AND BUSINESS PARKS *(in m³/sq.m/year)*



Water consumption decreased by 8% between 2011 and 2018 and in the same proportion between 2017 and 2018. This is partially due to the sale of assets whose water intensity was higher than the average for Icade's property portfolio in 2018 and implementation of the measures referred to above (water leak detection system, retention basins, rainwater collection, less automatic watering, etc.).

For further information about water consumption and waste production, on a total and like-for-like basis and by asset class, see 7.1. "Tables of environmental indicators of the Office Property Investment Division – EPRA format".

Property Development Division

All of Icade's new construction systematically obtains NF certification, which implies stringent water management requirements for both water consumption in the operational phase and the impact on the soil during construction. In addition, in 2018, 7% of projects were developed with a rainwater collection system.

NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Continue to recycle or recover 100% of controlled operational waste until 2022.
- Reduce water consumption below 0.4 m^3/sq.m/year by 2022, i.e. a 25% reduction between 2015 and 2022.

HEALTHCARE PROPERTY INVESTMENT DIVISION

- Implement a reuse process for refurbishments over 3,000 sq.m starting in 2021.

PROPERTY DEVELOPMENT DIVISION

- Implement a reuse process for demolitions over 5,000 sq.m starting in 2020.
- Compile a solution catalogue for improved water management in 2019 to be incorporated into residential property developments and offices by 2022.

2.4. Innovating for sustainable construction

Due to improvements brought about by French Thermal Regulations, in the operational phase, grey energy now represents most of a new building's carbon emissions over a 50-year horizon (1). As a result, Icade is working to reduce its carbon footprint starting, as far as possible, from the design phase through life-cycle assessments and the use of sustainable materials.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Systematically carry out a life-cycle assessment (LCA) for projects over 10,000 sq.m starting in 2016.	Objective partially achieved	• The proportion of major projects for which a life-cycle assessment was performed increased sharply from 22% in 2016 to 78% in 2018. This type of analysis will be expanded through implementation of the experimental E+C- label, which is the precursor of the new 2020 French Environmental Regulations.
• Develop at least five wood-based buildings per year starting in 2017.	Objective achieved	• Six wood-based buildings were developed in 2018.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

By hiring a sustainable materials specialist in 2017, Icade's Property Development Division reaffirmed its commitment to strengthening its approach to more sustainable buildings. Icade has also conferred with others on the topic: it is a founding member of BBCA (low-carbon building association) and a member of the Board of Directors of ADIVbois (association for the development of wood-based residential buildings). Icade participated in the pilot phase of the "Biosourced Building", BBCA (low-carbon building) and E+C- (positive energy and low-carbon buildings) labels.

For its projects, Icade performs life-cycle assessments (LCAs) to measure and improve a building's environmental impact from its design to the end of its useful life. In 2018, 78% of large-scale new projects (>10,000 sq.m) were subject to life-cycle assessments, including the Origine building in Nanterre. This project, featuring a hybrid wood and concrete structure scheduled to be completed in 2020, will strive to obtain the highest environmental certifications and labels (HQE, BREEAM, LEED, BiodiverCity, E2C2 rating from the E+C- label). Sustainable materials are being used more and more: Icade built six wood-based projects in 2018, with 24% of the joinery for new projects made out of wood in 2018, vs. 1% in 2016. In addition, materials are systematically purchased respecting environmental performance criteria in mind (emission of volatile compounds, environmental quality labels, etc.). *For further information, see section 3.5. "Reinforcing our responsible procurement policy".*

Icade has developed a tool allowing it to take into account the environmental impact of materials starting from the design phase. This tool will be based on data from the Environmental and Health Declaration Sheets available on the INIES database (2). It will ensure that carbon-conscious decisions are made from the design phase to facilitate the implementation of the E+C- label, which takes into account the carbon footprint over the whole life cycle.

The co-development partnership agreement signed with REI Habitat in March 2018 will also increase the number of wood-based construction projects. The objective is to complete 200,000 sq.m of hybrid wood and concrete buildings in the next few years.

New sustainable construction commitments for 2019–2022 are included in 2.1. "Taking action to fight climate change".

(1) *It represents around 50% of a new building's greenhouse gas emissions in the residential segment and 75% in the office segment (Source: Carbone 4 study conducted for Icade).*
(2) *National reference database for environmental and health requirements for buildings.*

2.5. Integrating the best certification and labelling standards

As a pioneer in environmental labels and certifications, Icade considers them to be strategic tools that enable the Company to develop its business activities. By anticipating these standards, Icade is able to meet the needs of its clients, clarify its commitments and prepare for future regulations.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Increase in-use certified office space by 5% per year through to 2020.	Objective achieved	• In-use certified office space increased by 9% in 2018 compared to 2017 on a like-for-like basis.
• Obtain ISO 14001 certification for all business parks in 2018.	Objective achieved	• 100% of business parks have been ISO 14001-certified since 2016. Icade intends to maintain this performance.
HEALTHCARE PROPERTY INVESTMENT DIVISION:		**HEALTHCARE PROPERTY INVESTMENT DIVISION:**
• Obtain HQE certification for all new-build projects with a floor area above 10,000 sq.m.	Objective achieved	• All the major projects of the Healthcare Property Investment Division aim to obtain HQE certification.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Obtain HQE certification for 100% of offices and 35% of homes starting in 2018.	Objective partially achieved	• The objective to obtain HQE certification for 100% of offices and 34% of homes in 2018 has almost been reached.

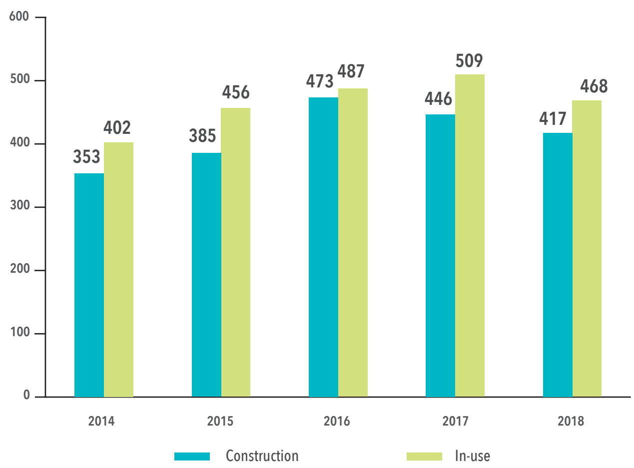
Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

2.5.1. Icade, a pioneer in new certifications and labelling

Icade has a pioneering spirit when it comes to certification. Icade was the first player to receive HQE certification for office buildings in 2005. The Company continued along this path by obtaining the BiodiverCity® label in 2014 and the "Biosourced Building" label in 2015. More recently, the Thémis office building completed in 2017 in Paris was one of the first office property developments to obtain the BBCA (low-carbon building) label and the French government's experimental E+C- label (positive energy and low-carbon buildings) with the highest rating (E2C2). As regards the well-being and comfort of occupants, the Sky 56 building in Lyon obtained the Well label in 2017 and Open, Icade's headquarters, was the first building to obtain the OsmoZ label (by Certivéa) in France in 2018.

Icade is also involved in developing new standards related to building connectivity. The PB5 tower in La Défense obtained one of the first WiredScore labels in France, with a Gold rating, and two other sites are experimenting with the new R2S (Ready to Service) label developed by Smart Building Alliance (SBA), with a framework shared by the HQE-GBC association.

OFFICE AND BUSINESS PARK FLOOR SPACE CERTIFIED HQE/ BREEAM *(in thousands of sq.m)*



All business park floor space was ISO 14001-certified in 2018. Through this initiative, the Office Property Investment Division ensures the implementation of an environmental management system for its parks and buildings.

2.5.2. Developing environmental certifications for existing properties and new builds

Office Property Investment Division

Eager to see its entire property portfolio receive environmental certification – including existing assets, development projects and acquisitions – Icade has obtained HQE and/or BREEAM certification for ever-increasing number of properties. The criteria for assessing external growth projects and asset disposals take into account certifications and labels. As a result, despite the decrease in certified floor space in 2018 related to asset disposals, the proportion of certified floor space increased. In 2018, 61% of the property portfolio is certified (construction and/or in-use) vs. 41% in 2015.

Healthcare Property Investment Division

Icade Santé has set an ambitious goal to obtain HQE certification for all its construction or extension projects with total floor area over 10,000 sq.m. That represents close to 86% of the total floor area completed between 2018 and 2020, certified with a Very Good or Excellent rating. As an example, the Croix du Sud polyclinic, developed with the Capio group and completed in 2018, recovered 89% of its construction waste, features solar thermal panels and has implemented sustainable green space management, which made it possible to obtain HQE Excellent certification.

Icade Santé is currently working with Certivéa on the new HQE standard for sustainable buildings applicable to healthcare facilities.

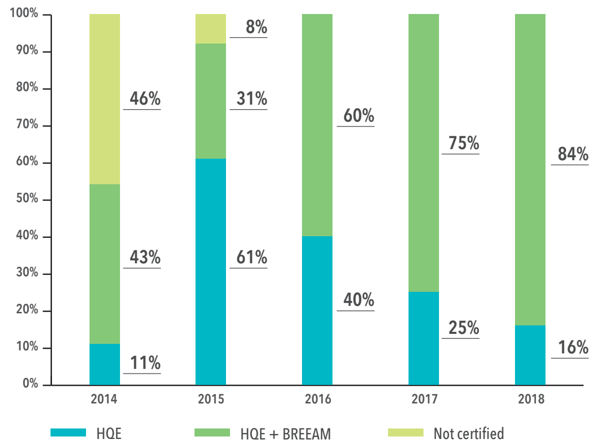
Property Development Division

In 2018, 87% of residential projects obtained one of the NF certifications (HQE/Housing/Living Environment) and 34% obtained NF HQE and H&E (living environment and environmental quality) certifications.

CERTIFICATIONS OF RESIDENTIAL PROJECTS

Regarding office starts, 100% of the projects have obtained HQE certification and 84% have obtained both HQE and BREEAM certification.

CERTIFICATIONS OF OFFICE PROJECTS



NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Continue to increase in-use certified office space by 5% per year through to 2022.
- Ensure that 100% of business parks are ISO 14001-certified each year.

HEALTHCARE PROPERTY INVESTMENT DIVISION

- Obtain HQE certification for all new-build projects with a floor area above 7,500 sq.m each year (vs. 10,000 sq.m in previous years).

PROPERTY DEVELOPMENT DIVISION

- Obtain HQE certification for 100% of offices and 35% of homes each year.

2.6. Developing solutions for sustainable mobility

At a time when 70% of French commuters drive to work [1], Icade – a key player dedicated to both office and residential real estate – sees to it that its buildings are located close to public transport networks.

In addition, Icade makes every effort to develop innovative sustainable mobility solutions. These initiatives contribute to both the greater comfort of users and the increased value of its assets.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Equip 100% of the business parks and offices with charging stations for electric vehicles by 2018.	Objective partially achieved	• With 96% of business parks and offices equipped at the end of 2018, the objective has almost been met. Icade maintains this commitment for 2019.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Develop at least 75% of projects less than a five-minute walk from public transport starting in 2016.	Objective achieved	• 80% of projects were located less than a five-minute walk from public transport in 2018.
• Provide a car-sharing service in at least five development projects per year starting in 2017.	Objective partially achieved	• Two property development projects introduced a car-sharing service in 2018. Icade has brought its objective in line with its new plan which includes a full range of sustainable mobility solutions as car-sharing is too restrictive and not always the most appropriate solution.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

Office Property Investment Division

Icade has adopted a proactive eco-mobility strategy, based on a wide range of transport solutions. It also sees to it that its assets are less than 400 metres (a five-minute walk) from public transport. Main initiatives being proposed include:

- **electric shuttle boats and buses:** some business parks are equipped with all-electric shuttle boats for the tenants and all of the parks offer private electric shuttle buses with connection to public transport;
- **electric vehicles, car sharing, ride sharing and bicycles:** Icade promotes and facilitates the use of these means of transport. 96% of the business parks and offices operated by Icade are now equipped with charging stations for electric vehicles. In addition, ride-sharing solutions are available in 97% of the parks and 42% of the parks offer a bicycle-sharing service;
- **autonomous shuttle tested by Caisse des dépôts, Icade and Transdev:** unprecedented in France on public streets, this autonomous electric shuttle service has been tested by Orly-Rungis business park employees.

In 2018, greenhouse gas emissions related to transport used by business park and office users stood at 37,733 tonnes of CO_2 (scope 3).

Property Development Division

The Property Development Division also promotes sustainable mobility. In 2018, 80% of the projects were located less than 400 metres (a five-minute walk) from public transport. The Property Development Division routinely examines all-electric, car-sharing solutions for its new-build schemes. Icade also offers innovative mobility solutions for major project calls, such as making an autonomous vehicle available in the new residential Terres de Versailles neighbourhood, awarded in 2018.

NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Equip 100% of the business parks and offices with charging stations for electric vehicles by 2019.
- Implement at least one ecomobility solution in addition to the existing charging stations for electric vehicles in all business parks and offices by 2021.

PROPERTY DEVELOPMENT DIVISION

- Continue to develop at least 75% of projects less than a five-minute walk from public transport between 2019 and 2022.
- Routinely add a sustainable mobility solution to all new office and residential developments by 2022.

(1) Source: https://presse.ademe.fr/2018/03/plans-de-mobilite-le-rac-lademe-et-cci-france-aident-les-entreprises.html

2.7. Maintaining a commitment to sustainable finance

Aware of the major impact of the real estate sector on climate change, Icade has set ambitious goals to reduce its greenhouse gas emissions. As part of its commitment, Icade issued its inaugural green bond for €600 million in September 2017. It has been a resounding success, especially with socially responsible investors (SRI), who represented 59% of the Green Bond's investors.

Following this bond issue, Icade became involved in the Corporate Forum on Sustainable Finance alongside 15 other European issuers of green bonds in January 2019. This commitment followed on from the Green Bond Pledge signed in December 2017 in connection with Climate Finance Day. It aims to put together a working group of European companies whose objective is to actively contribute to the development of financial instruments under the umbrella of sustainable finance. For further information, see the press release.

A rigorous selection process for green assets and projects

The proceeds from the Green Bond are used to finance or refinance green assets and projects for the Office Property Investment Division. The projects due to be financed have been selected based on stringent criteria to reflect Icade's environmental strategy, which covers the entire life cycle of the properties.

The proceeds from this green issue are used for:

- the construction and renovation of "green" office buildings in France (green assets), meeting the following criteria:
  - HQE Certification (construction or renovation) "Very Good" minimum level and/or BREEAM "Very Good" minimum level;
  - Distance to public transport not exceeding 400 metres;
  - Green Lease Committees organised by Icade with tenants to share best practices and draft action plans to reduce energy and water consumption and improve waste management;
- investments in favour of environmental transition made in the existing property portfolio (green projects), meeting the following criteria:
  - energy efficiency equipment: projects enabling energy savings of at least 20% and/or reducing CO_2 emissions by 20% compared to the previous level. This mainly involves replacing existing light bulbs with LED ones, which represents one of the best ways to save energy in buildings,
  - renewable energy: this mainly involves the installation of solar photovoltaic panels, wind power and geothermal energy. These installations will help Icade meet its goal of 20% of renewable energy in its mix by 2020,
  - ecomobility: this involves the installation of charging stations for electric vehicles or any other equipment promoting the use of low-carbon urban transport systems. This initiative aims to help Icade meet its goal of equipping 100% of its offices and business parks with charging stations for electric vehicles.

This green bond complies with "Green Bond Principles 2017" issued by the International Capital Market Association (ICMA). It has been subject to an independent second party opinion provided by ESG rating agency Sustainalytics, available on Icade's website.

Cross-functional approach and reporting commitments

This cross-cutting project brought together teams with diverse expertise (Finance, CSR, Office Property Investment, Portfolio Management, Investment and Legal), bolstering collegiality within the Company to better manage its projects and the inclusion of environmental criteria in Icade's investment policy.

Every year, a Green Committee, composed of several Executive Committee members and representatives of the business divisions involved, evaluates and selects the assets and projects associated with the green bond. Icade's second Green Committee, held in June 2018, approved the asset portfolio, projects, their respective allocation and first annual report.

The annual report on monitoring the allocation of proceeds and compliance with the eligibility criteria is reviewed by an independent third party, PricewaterhouseCoopers. This includes:

- the allocation of the proceeds;
- the list of assets and projects financed;
- the environmental benefits of the assets and projects financed, measured by output and impact indicators, in addition to a methodological guide for quantifying greenhouse gas emissions avoided.

The main results (as of December 31, 2017) from the first Green Bond report published in 2018 are as follows:

- in 2017, eight HQE/BREEAM certified assets totalling 167,700 sq.m and three types of green projects were financed or refinanced by the Green Bond. They account for 773 tonnes of CO_2 emissions avoided (74% from the green assets' energy performance and low-impact transport services and 26% from green projects);
- in 2017, 20% of the proceeds were allocated to financing activities. One-third of the proceeds will ultimately be dedicated to financing, with the remaining two-thirds used for refinancing.

In 2018, the quality of Icade's Green Bond was recognised by the ESG rating agency ISS-Oekom, with Approved status and the grade of B (on a scale ranging from D- to A+). Moreover, Icade has been ranked at the top of the global Top 10 for the quality of its Green Bond reporting according to the Climate Bonds Initiative on its "Post-issuance Reporting in the Green Bond Market" report released on March 2019.

All documentation relating to the green bond is available on Icade's website: http://www.icade.fr/en/finance/financing/bond-issue

3. New habits and lifestyles and partnership with local authorities and communities

Icade contributes to the development and quality of life of the regions in which it operates. To anticipate changes in society and meet the needs of all its stakeholders, Icade develops new, innovative real estate solutions and services in partnership with them. Such solutions include more flexible uses, ensure comfort and well-being and foster social cohesion. In addition, Icade has strengthened its ties to local communities through community activities that promote the inclusion of vulnerable populations.

3.1. Participating in local economic and social development

Forging strong ties to local communities is key to the success of a property development project – whether it involves access to land or the project's relevance and acceptability. Such involvement in the community is increasingly expected by stakeholders [1] in addition to being one of the Company's unwavering commitments. For this reason, Icade is committed to local hiring, professional integration, urban diversity, local partnerships, community activities and skills sponsorship.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
ICADE:		**ICADE:**
• Develop integration and local employment partnerships and involve employees in partnerships with associations.	Objective achieved	• A number of measures have been proposed to employees: partnerships with NQT (Our Neighbourhoods Have Talent) and the Plaine Commune Young Talent Club, a skills sponsorship agreement with Samusocial of Paris, solidarity days and solidarity leave, donation collections.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Include professional integration commitments in all major construction projects.	Objective achieved	• 100% of major construction projects included professional integration commitments.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

3.1.1. Dialogue and partnerships with local players

Office Property Investment Division

Icade engages with local authorities on the ground through various local bodies, dedicated to economic and social development, including the Association for the Economic Development of the Orly-Rungis hub, the Local Energy and Climate Agency for Plaine Commune and the Association of Users of La Défense. Icade has developed a particularly close relationship with Plaine Commune, a local administrative body which includes nine municipalities in the north of Paris representing nearly half of Icade's business park floor area and many of the Office Property Investment Division's development projects. A local development charter, signed in 2005 and renewed in 2018, provides for employment and local training initiatives. Two other charters have been signed, including a circular economy and sustainable development charter and the "Major Projects" charter, which sets out professional integration initiatives for projects over 30,000 sq.m. Completed in January 2019, the Pulse building in Saint-Denis illustrates Icade's commitment to these local communities. It totalled close to 57,000 hours of professional integration over the construction period, exceeding the initial objective of 50,000 hours. The project benefited from the "Reinventing the Forest in the City" initiative, composed of eight projects conducted in 2018 with a number of local players (schools, associations, museums, etc.). This initiative has provided training courses to about ten long-term unemployed young adults looking to work in the wood industry.

In 2018, Icade also signed a partnership with the "Réseau Entreprendre Val-de-Marne" and the "Réseau Entreprendre Saint-Denis" networks. These networks aim to support and finance entrepreneurs and business buyers most likely to create jobs locally. They will also assist companies from Grow Up, Icade's start-up accelerator.

In addition to these initiatives, Icade organises a number of community events each year which strengthen the ties between business park tenants and local communities. These events include charity runs, blood donations, donation collections, Children's Week, etc.

Property Development Division

The Property Development Division supports local economic development by signing charters targeting local employment and integration and engaging with local communities. As a consequence, integration clauses have been introduced for all work sites over €50 million in work costs. In 2018, 15 projects included integration clauses, representing 38% of floor area being constructed (for all of its development projects combined). In accordance with French law, Icade also conducts social and environmental impact assessments for all its development projects over 10,000 sq.m. and encourages feedback from local residents by setting up a toll-free line and making a suggestion box available on each site. Local integration plays a key role in the success of a property development project, as reflected in the Terre de Versailles project, carried out with the City of Versailles, which will start in 2019 and be completed in 2025. This mixed-use project (housing units, green spaces, shops, schools, businesses) aims to create a next-generation garden city, a source of social cohesion for its inhabitants. It includes a micro-farm, permaculture training centre and 150 shared gardens.

(1) *In France, 87% of mayors believe that partnerships between businesses and local players are necessary to reduce the vulnerability of local communities. Source: "Vers une responsabilité, territoriale des entreprises" (Social responsibility of businesses towards local communities), France Stratégie, 2018 (https://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/2018_07_12_-_rse-vers_une_responsabilite_territoriale_des_entreprises_finalweb.pdf)*

3.1.2. Employees actively involved in local initiatives

At Icade, employees may also forge close ties to local communities. They have the option of getting involved in community projects and/or integration initiatives backed by the Company. This involvement is both meaningful and a source of motivation for the employees.

- **Sponsoring young people from deprived urban areas:**

  Introduced in 2010 by Icade and Klépierre in conjunction with "Plaine Commune Maison de l'emploi" (an employment resource centre), "Les jeunes talents de Plaine Commune" association (Young talents from Plaine Commune), is responsible for assisting young people in Seine-Saint-Denis with their search for training or a job. Based on a week-long training course and meetings with representatives of some of the 100 partner companies, this initiative has assisted 249 young people since 2010. It has been a resounding success, with 83% of the participants having signed permanent or fixed-term employment contracts or received vocational training.

  In addition, Icade has supported "Nos quartiers ont des talents" (Our Neighbourhoods Have Talent) since 2016. This association assists young college graduates (three years of university study or more) from modest social backgrounds or priority neighbourhoods, through a sponsorship programme with the participation of currently employed, experienced managers. Since this initiative was launched, 18 Icade employees have participated and 64 young graduates have benefited from their advice.

- **Skills sponsorships:**

  A strong driver of employee engagement, Icade signed its first skills sponsorship agreement with Samusocial of Paris in 2016, as part of an overall sponsorship initiative conducted by C3D (College of Sustainable Development Directors). The agreement involves the creation of an accommodation and healthcare centre at Charles-Foix Hospital in Ivry-sur-Seine with the participation of Icade's Healthcare Property Development Division. Icade's Healthcare Property Development Division provides project management support covering all the technical, legal and financial aspects of the project, which will be dedicated to providing 190 isolated individuals with lodging in a 4,000-sq.m facility. In total, 625 hours of sponsorship have been devoted to the project, which is scheduled for completion in 2019.

- **Solidarity leave:**

  Employees have been able to take a solidarity leave, ranging from one day to six months, while continuing to receive 75% of their salary. They also have the option of calling upon a replacement for the full duration of the leave. At the beginning of 2018, one of Icade's employees chose to spend her solidarity leave on a six-month assignment at Étoile de Martin, an association which supports childhood cancer research. A second employee followed suit and left for Mexico and then Peru to support initiatives related to raising awareness among young people of the environment, education, health and social cohesion.

- **Solidarity days:**

  In 2018, Icade continued its solidarity day policy in regions in which it operates. Around 50 employees participated in four solidarity days organised both inside and outside the Paris region. As an example, a creative workshop and museum visit were organised for the children of the families housed by Samusocial in Paris. In Toulouse, employees sorted 8 tonnes of food collected by the Food Bank.

- **Donation collections:**

  Several donation collections were organised throughout France. They collected 420 kilos of toys, clothing and books for the Rejoué, La Cravate Solidaire and Recyclivre associations.

3.1.3. Functional, social and age diversity

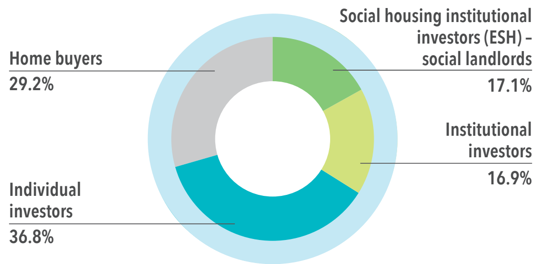
For Icade, diversity – whether social, functional or age – is both a societal commitment and a key factor in urban development.

Property Development Division

The Property Development Division endeavours to develop neighbourhoods which play a role in shaping the city of tomorrow by taking into account diversity criteria to foster social cohesion. As a result, 20% of the 85 projects under construction in 2018 included social diversity measures, 19% included functional diversity measures and 7% included age diversity measures. Icade has become even more involved in large-scale, mixed-use projects through the creation of Synergies Urbaines, which designs neighbourhoods for the city of tomorrow. It brings together diverse expertise in office real estate, housing, infrastructure, medical-social facilities, etc. The Quai Bercy project in Bercy-Charenton – for which Icade was awarded a contract as part of the "Inventing the Greater Paris Metropolis" call for projects – is one example. This 50,000-sq.m project, whose completion is scheduled in 2023, includes offices, hotels, co-living housing units, shops, business premises, sport facilities, an event venue and logistics facility.

Icade markets its homes to future buyers having socially diverse profiles. Social housing accounts for 17.1% of the properties built by Icade.

BREAKDOWN OF ORDERS BY TYPE OF CUSTOMER IN 2018



Stemming from Icade's intrapreneurial approach, the Mix'Cité project contributes to strengthening its diversity policy. Mix'Cité aims to develop medical-social projects that meet a range of interrelated needs and promote interaction between residents of different ages. These projects include housing for people with disabilities, social housing, low-cost ownership units, residences for students and seniors, etc. Mix'Cité optimises operating costs through the pooling of space and services (eating areas, activities organised by local associations, gardens and outdoor areas, etc.) as well as staff. Built in Montaigu (Vendée) in 2015, the first Mix'Cité initiative has since led to other similar projects. An illustration of this is a project currently being developed in the town of Canohès (Pyrénées-Orientales), which will include a nursing home and a seniors' residence with services that includes shared common areas. This project is scheduled for completion in 2020. Several projects in the bidding phase include housing for people with disabilities and low-cost ownership units.

3.1.4. Sponsorships and patronage

In 2018, Icade allocated a budget of €1.2 million to sponsorship and patronage, which it considers to be an important driver of local development. These funds are primarily used to support sporting, cultural and community activities.

Icade thus contributes to the cultural development of the regions in which it operates through a number of initiatives. After the first season of its nomad artist residency in the IcadeStore in Paris-Aubervilliers, Icade has launched the creation of Art&Design Lab by Icade. This place offers artists, designers and architects a work environment that has been designed with creativity in mind. It encourages artists to work together on one or more innovative projects led by Icade on new urban habits and lifestyles.

Icade is committed to sponsoring 14-year-old Prithika Pavade from Saint-Denis until 2024, in preparation for her participation in the Olympic Games. Icade also supports the Saint-Denis Table Tennis Club where she trains.

Since 2017, Icade has also supported a sporting challenge which encompasses ecomobility and raises the public's awareness of climate change – the "Arctic Solar by Icade" expedition led by the French sailor Anne Quéméré. Her goal was to cross the Northwest Passage in the Arctic alone in a solar-powered boat. Forced to abandon halfway through due to particularly harsh weather, the experience offered rich insights into pushing past one's limits and this fragile corner of the world.

NEW COMMITMENTS FOR 2019–2022

ICADE

- Offer participation in solidarity initiatives to all employees starting in 2019.

OFFICE PROPERTY INVESTMENT DIVISION

- Increase the number of local and community partnerships in business parks by 2022.

HEALTHCARE PROPERTY INVESTMENT DIVISION

- Adapt real estate solutions to help healthcare operators improve the quality of patient care.
- Develop a Code of Ethics setting out the quality requirements for investing in nursing homes.

PROPERTY DEVELOPMENT DIVISION

- Include integration clauses for all work sites with work costs over €20 million starting in 2020 and promote local job creation.

3.2. Innovating with employees and the ecosystem of stakeholders

Against the backdrop of intense competitive pressure and continually changing habits and lifestyles, innovation is a key driver of business success which makes it possible to set oneself apart, create value and actively contribute to developing more responsible ways of life. Whether it involves winning a bid to develop large-scale urban projects or coming up with new real estate solutions, Icade works in close collaboration with all of its internal and external stakeholders.

2016–2020 COMMITMENT	RESULT	COMMENT
• Propose 20 new solutions resulting from the innovation process that contribute to customers' well-being and environmental performance by 2018.	Objective achieved	• The objective was met one year ahead of schedule in 2017. In 2018, 27 solutions resulting from the innovation process are available to customers, including 10 that were developed by Icade's intrapreneurs, four from industrial partnerships and 13 from partnerships with start-ups.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

An open and collaborative structure

In 2015, Icade created a department dedicated to innovation, composed of four employees and, since 2018, four young graduates enrolled in the Graduate Programme. This department features collegial governance:

- an Advisory Board, made up of in-house and outside experts, meets once a year. In 2018, the "impact of digital giants on the real estate business" was the topic of their annual meeting;
- an Innovation Council, made up of a representative from each business division, meets once a month;
- an Innovation Commitments Committee overseen by the Executive Committee, having a €2 million annual budget, allocates resources to innovation projects led by employees.

For Icade, innovation serves various purposes:

- to set itself apart to be more competitive: improve existing products and services to increase their appeal and stand out in the bidding process;
- create new business opportunities: identify new market trends and businesses and test new solutions.

Icade's innovation strategy and CSR strategy benefit each other. As such, Icade offers a range of 27 solutions resulting from this innovative process which contribute to its customers' well-being and environmental performance.

Icade's innovative process is based on three pillars: monitoring, intrapreneurs and outside partnerships:

- **Developing monitoring processes for employees:**
  - Hub Smart City www.hub-smartcity.com serves as a standard bearer for real estate innovation initiated by Icade. It has been open to the general public since late 2015;
  - Hub: devoted to co-working, exhibitions and conferences, it hosted 15 meetings open to the general public in 2018 on urban agriculture, organic architecture, the contribution of neuroscience to new work practices, etc.
  - innovation library: this database includes close to 800 start-ups and innovative solutions, a list of ongoing real estate projects in addition to a list of suppliers and operators. The library is used by the operational teams during the bidding process.
- **Develop and support an intrapreneur community:**

  The Innovation Department supports projects led by employees and coordinates this intrapreneur community.

  In total, 15 projects were supported and financed by the Innovation Commitments Committee in 2018. Some of them may also receive support from Lab CDC – Caisse des dépôts' business incubator – or outside entities such as design agencies and schools such as CentraleSupélec.

  Some examples include:
  - Imagin'home: this solution enables Icade home buyers to co-design their homes on an online platform;
  - Ambu'Stage: led by Icade Santé employees and Icade Promotion's Healthcare Expertise Department, it was developed in collaboration with start-up partners. This application for the geolocation of outpatients has already been implemented by Reims-Bezannes Polyclinic. Ambu'Stage optimises patient monitoring and care;
  - Bocage Urbain: tested in the Portes de Paris business park, this modular urban landscaping solution manages urban runoff.
- **An Open Innovation approach:**

  Icade has put an Open Innovation approach in place with its outside partners:
  - a network of start-ups and incubators: Icade is a founding partner of the "Real Estate of the Future" incubation programme supported by Paris&Co. It is experimenting solutions with start-ups such as La Belle Friche (making space available to associations and cultural organisations) and Pricehubble (specialised in big data and predicting the value of real estate assets);
  - partnerships with large groups, such as Philips, on innovative lighting solutions; Transdev, on autonomous vehicles; Veolia and Airparif to test indoor air quality sensors; a joint venture with Egis to launch Cycle Up; and REI Habitat to develop wood-based construction projects;
  - partnerships with higher education institutions, researchers and artists: with CEEBIOS (the European Centre of Excellence in Biomimetics of Senlis), Icade is developing a biomimetical approach to design environment-friendly, bio-inspired real estate projects. Signed in 2018, Terres de Versailles is the first project that resulted from this partnership. Other examples include partnerships with "École nationale supérieure de création industrielle" (organising workshops with students on a variety of topics), the Chair in Entrepreneurship, Local Development and Innovation, of which Icade is one of the founding members and Art&Design Lab by Icade, an artist and designer residency associated with the group's innovation process;
  - solutions developed with and for local authorities and communities: As part of a working group with the City of Paris "mission for a smart and sustainable city" (Mivida), Icade has participated in discussions on the new profession of eco-friendly property manager, in charge of coordinating shared services at neighbourhood level. Icade is also a partner member of Paris&Co's Urban Lab, with which it is testing innovations in the Paris region with the support of the Paris City Council.

3.3. Improving occupants' quality of life and adapting to new habits and lifestyles

Changes in habits and lifestyles have permanently transformed the real estate market. This is evidenced by the continued rise in shared and modular housing, digitalisation, the growing demand for wellness, the growth in mobile working and the use of hybrid spaces. As a result, the multiplicity of solutions and services within buildings has become a key factor in the valuation of property assets. In response to this trend, Icade has devised new products and services.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Create a "Business Park of Excellence" proprietary label and launch this label in all the main business parks by 2017.	Objective achieved	• The label's standards were finalised with an external certifying body in 2017 and 100% of the main parks were awarded this label in 2018.
• Set up "User Clubs" in the all the main business parks by 2017.	Objective achieved	• The objective was met and Icade hired two happiness managers to build ties between the various communities in the main business parks.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Increase the customer satisfaction index on construction completion to 8.5/10 for the Property Development Division in 2018.	Objective partially achieved	• The customer satisfaction index increased by 5% between 2015 and 2018 as a result of the efforts undertaken to improve customer relations. However, the very ambitious objective set for 2018 has not been met and measures to improve customer relations continue to be strengthened.
• Systematically use 3D building information modelling (BIM) for 75% of homes and 100% of offices starting in 2016.	Objective partially achieved	• Icade has taken significant steps internally to deploy BIM, but ran up against the lower readiness level of some of its partners. 12% of homes and 80% of offices were using BIM in 2018. While this represents a good performance, it remains below the targets that were set. Icade strengthened its support measures, but extended the deadline for meeting this objective to 2022 due to the slower pace of its partners.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

3.3.1. Adapting to changing habits and ways of life to better meet our tenants' needs

Office Property Investment Division

New real estate solutions and services

- **New services:**

  In addition to concierge services and access to fitness centres (available in nearly two-thirds of the business parks and offices), Icade has developed a wide array of services that help enhance CSR excellence, the quality of life in the workplace and the growth of a business community. The roll-out of new services contributes to improving the quality of life in the business parks – whether they be the various eating areas, outdoor sports facilities, shared gardens, ride-sharing or online platforms allowing occupants to participate in business clubs. Through these initiatives, the occupancy rate for the business parks was 89% in 2018 vs. 84% in 2015. Icade thus successfully met its objective to increase its occupancy rate by 5 percentage points compared with 2015.

  Efforts had been reinforced as early as 2017 through the hiring of two happiness managers, whose role is to organise and to build ties between the various communities. In 2018, new spaces were inaugurated in the parks. For example, the Orly-Rungis business park now includes a Discovery Square (with a yoga studio, pop-up stores, collaborative working space, etc.) and hosts many community events that strengthen the ties between park tenants (donation collections, workshops, forum for associations, etc.).

  To support this initiative and ensure its level of quality, Icade called in an external certifying body to draft its new proprietary label. This new "Business Park of Excellence" label encompasses more than 60 requirements and close to 200 performance indicators (green spaces, connectivity, wellness, etc.). All the main business parks were awarded this label in 2018. The satisfaction survey addressed to Orly-Rungis business park tenants shows that 75% of them believe that the services available on-site increase the satisfaction of their employees.

- **New real estate solutions:**

  Icade also offers new real estate solutions tailored to changing business needs, such as flexible workspaces and living arrangements:

  – GrowUp (formerly "Maison des Start-up"): located in the Portes de Paris business park since 2015, this 1,000-sq.m site hosts five start-ups, allowing them to take advantage of business opportunities with local players and companies present in the park. A similar space with 50 workstations will open its doors in the Orly-Rungis park in 2019;

  – Smartdesk: these offices for mobile workers available in four cities (Paris, La Défense, Nanterre, Rungis) are co-working areas tailored to various uses (teleworking area, meeting rooms, creativity workshops). They regularly host networking events;

  – Smartroom: this 880-sq.m area in the Orly-Rungis business park is designed to accommodate meetings and events that are conducive to creativity and exchanging ideas. Services may be provided in situations where work sessions need to be organised as a workshop, seminar or other type of event.

- **Customer service that meets tenants' needs in the parks:**

  The quality of the business parks' customer service is regularly monitored. In 2018, for example, the call centre's response time was eight seconds on average. 88% of requests were answered in less than 24 hours.

Healthcare Property Investment Division

Due to the progress in medical and anaesthetic techniques, outpatient care has been growing. Icade Santé assists healthcare operators in adapting to these changing techniques allowing for a better organisation of surgical services and improved patient care. This is demonstrated by the Domont surgery private hospital, designed by Icade with its partner Capio, which opened in November 2016. All medical care is provided on an outpatient basis in an innovative setting that features optimised space ensuring patient comfort. In 2018, Icade Santé also innovated by developing the Ambu'Stage app, the first service for the geolocation of patients and their portable lockers. Outpatients receive smart wristbands that allow caregivers to locate them in the unit, track their movements and keep their families informed and reassured while they are at the hospital. Ambu'Stage was implemented in the Courlancy Santé group's Reims-Bezannes Polyclinic which opened in May 2018.

To further support operators, the Healthcare Division introduced CSR & innovation committees in 2018. These committees make it possible to co-develop action plans promoting innovation, patient wellness and the facilities' environmental performance in partnership with their operators. Already in place for some operators, these committees will be introduced on a broader scale starting in 2019.

Property Development Division

Improving customer satisfaction is one of Icade's top priorities. The customer satisfaction index on construction completion stood at 6.7/10 in 2018, up slightly compared to 2015 (+5%). Despite implementing a dedicated action plan, Icade's objective of scoring 8.5/10 was not reached in 2018. As a result, the action plan was significantly reinforced and will focus more on human assistance aided by digital tools and new, innovative service solutions:

- **Focus on customers in the IcadeStore:**

  Located in the Millénaire business park area in the north of Paris, IcadeStore is seen as a next-generation showroom. IcadeStore is where property is sold and potential customers are informed and advised. Its showroom of home interiors and materials aims to facilitate the property acquisition process so as to provide a successful customer experience. Starting in 2019, customers may also visit their future home through virtual reality. All of Icade's local offices will feature this store at the entrance of the premises.

- **A digital and personalised customer journey:**

  In order to accompany customers throughout their residential journey, the Residential Property Development Division provides a 100% digital journey, which makes it possible for future home owners to sign an electronic reservation agreement in the showroom or reserve directly online, track the progress of their construction project and customise the interior of their future dwelling before completion using an online 3D home design program. Intended for use before applying for a building permit, buyers will soon be able to co-design a bespoke home using Imagin'home, a digital platform which has already been tested on several projects.

- **Punch list clearance processed electronically:**

  Icade proposes a mobile app which simplifies customer relations during site visits. It facilitates punch list clearance by providing customers with a dedicated space where they can declare any items that need correcting and track their resolution. This system is currently being implemented throughout France.

NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Ensure that 100% of the main business parks are covered by the proprietary "Business Park of Excellence" label.

HEALTHCARE PROPERTY INVESTMENT DIVISION

- Set up CSR & innovation committees with at least 70% of healthcare operators by 2020.

PROPERTY DEVELOPMENT DIVISION

- Have a positive Net Promoter Score on construction completion by 2020 and an improved score between 2020 and 2022.

3.3.2. Digital technologies at the heart of Icade's products and services

As the digital revolution is turning the business world upside down, Icade is making every effort to integrate digital technology into its organisation and solutions to improve efficiency and meet its customers' expectations. Icade is an honorary member of the Smart Building Alliance (SBA), an organisation which contributes to the development of smart buildings for all stakeholders and brings together 253 participants.

- **Development: digital tools for land sourcing**

  To improve the efficiency of their efforts to find sites suitable for development, property developers use digital tools which identify all the urban and economic data relating to an area or a given market.

- **Design and construction: building information modelling (BIM), a tool that promotes the sustainable city**

  Icade is actively involved in the BIM approach. For example, the Property Development Division signed the French government's "Plan BIM 2022" charter of voluntary commitment in 2017 for digital transition in the construction industry. In addition, several of the Office Property Investment Division's projects have already implemented BIM and use it in the operational phase to improve performance. By using a collection of building data to digitally create a 3D model that covers from the building's design to its future use by the occupants, BIM helps reduce costs, optimises the resources used and facilitates the flow of information between the project's various participants. Icade is currently developing its own BIM charter to help its employees and partners adopt this process and to harmonise its practices.

- **Marketing and services: a digital journey**

  Personalised digital tools have been developed by all of Icade's divisions to foster relationships between all the stakeholders involved at various levels. Examples include: Imagin'home, a dedicated portal and platform available to future home buyers; a platform that makes it possible to book rooms and co-working spaces and promote interaction among user communities in the business parks; the new Ambu'stage app, a service dedicated to outpatient care intended for the personnel of private healthcare facilities, etc.

- **New habits and lifestyles: 100% smart and connected homes and business parks**

  Since 2016, all new homes completed by the Property Development Division have been equipped with fibre optic broadband service so buyers have internet access from the very first day. Since 2018, smart homes have been equipped with Néo-Logis solutions, which include a "home automation pack" featuring remote control of a home's internet-connected devices. In addition, the Office Property Investment Division deployed WiFi in 100% of its business parks in 2018, meeting its objective two years earlier than expected.

- **Certifications and labels:**

  Icade is actively involved in testing and creating new labels. For example, several Icade buildings have already obtained WiredScore certification, which evaluates the quality of the connectivity provided to occupants. Icade has also participated in the pilot phase of the "Smart and connected buildings" label, issued by the certification body Certivéa. It is based on the R2S (Ready to Service) label, which Icade developed and tested with members of the Smart Building Alliance and HQE-GBC associations to demonstrate the ability of buildings and networks to accommodate new technologies (connected objects, home automation) in a secure manner. Icade also signed the charter of voluntary commitment on "connected, socially responsible and humane buildings" drafted by the SBA and HQE-GBC associations and supported by France's Ministry of Territorial Cohesion.

- **Data protection:**

  Icade undertakes to comply with data protection regulations when it collects and processes personal data in the course of its business *(for further information, see section 3.6. "Ensuring business ethics").* For example, the Office Property Investment Division plans to include an "e-clause" in commercial leases which will establish a legal, digital trust framework between landlords and tenants.

NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Include "e-clauses" in 90% of new-build leases starting in 2020.

PROPERTY DEVELOPMENT DIVISION

- Ensure that 100% of housing units are both smart and connected starting in 2019.
- Develop 100% of new offices and homes using BIM in 2022.

3.3.3. Guaranteeing the health and safety of occupants

On the important issues of the health and safety of occupants, Icade has implemented a comprehensive strategy that includes performance indicators, improvement programmes and testing new solutions. In 2018, for example, Icade's Open headquarters was the first building in France to obtain the OsmoZ label, a label dedicated to the quality of living conditions.

Office Property Investment Division

- **An air quality pilot project:** As a partner of Airparif – a French association approved by the French Ministry for Ecological Transition responsible for monitoring air quality in the Paris region – Icade is also a founding member of Airlab, an ecosystem of players called upon to find innovative air quality solutions. In 2018, Airparif launched the first "Microsensor Challenge" to identify the best solutions available on the market for measuring air quality. Starting in early 2019, the challenge's two winning solutions in the "indoor air quality" category will be tested at Icade's headquarters for one year in partnership with Veolia. This pilot project will test the real-life reliability of the microsensors and improve both air quality management and the occupants' comfort. It will determine whether this type of solution should be implemented on a larger scale.
- **Green walls to reduce pollution in cities:** Two "urban trees", consisting of moss walls that act as a natural filter which purifies the air, were installed in the Eqho tower in La Défense. This solution, tested in partnership with the start-up Green City Solution, will be implemented on a larger scale after feedback has been received.
- **Health and well-being:** Sports and wellness facilities (yoga studios, outdoor areas, etc.) and an online sporting community are available to business park tenants.
- **Health and safety:** Icade's Health and Safety Department is dedicated to the Office Property Investment Division's assets. In addition, it is involved in development, construction and acquisition projects across departments that are carried out by Icade's other divisions. The health and safety policy includes a security system as well as fire safety systems. The most sensitive high-rise buildings and strategic assets are subject to strict security measures (access controls, video surveillance and additional agents). Similarly, all the business parks meet safety requirements. They are all equipped with video surveillance systems. In 2018, a flood risk assessment was conducted in three business parks and twelve buildings not part of any building park that were identified as being at risk. As part of this assessment, the vulnerability of the sites exposed to the River Seine overflowing and groundwater flooding was determined and prevention measures specific to each building were put in place.
- **ISO 14001 and HQE In-Use certifications,** which cover most (89%) of the property assets whose operation is controlled by Icade, provide for additional measures to ensure the occupants' health and safety. They particularly cover pollution (air, water and soil), contamination, operating incidents (fires, floods, etc.), comfort (hygrothermal, sound and visual), emergency situation management, accessibility, etc. Icade has improved accessibility: 100% of the business parks have been retrofitted to ensure access for those with limited mobility or who are visually impaired.

In 2018, Icade reported ten health and safety incidents. They mainly related to power outages and AC failure, minor environmental pollution, heat waves and an extreme cold weather alert. These incidents had no major impact on the tenants or Icade. Icade was properly prepared for the power outages and heat waves. In addition, the tenants will be made aware of the pollution incident and the extreme cold weather alert made it possible to foresee the need to install equipment suitable for cold temperatures.

Property Development Division

- The Property Development Division also put a series of measures in place to improve air quality and reduce noise pollution, issues which are key to the health and well-being of its occupants. For its HQE and H&E certified projects, Icade has complied with the maximum noise levels set in its green work site charters. Its new builds offer a satisfactory level of acoustic comfort in the operational phase, with noise levels two times lower than the regulatory thresholds. As regards the air quality of its NF Living Environment-certified projects, Icade has routinely used low-polluting materials (ranked A or A+), installed ventilation systems and conducted on-site inspections to assess their effectiveness.

NEW COMMITMENTS FOR 2019–2022

ICADE

- Compile a catalogue of solutions to measure and manage indoor air quality and improve communication with users by 2020.

OFFICE PROPERTY INVESTMENT DIVISION

- Implement campaigns to analyse air quality in multi-tenant buildings over 15,000 sq.m by 2022.

HEALTHCARE PROPERTY INVESTMENT DIVISION

- For HQE-certified projects, ensure that at least 75% of floor space is composed of low-emitting materials starting in 2020.

PROPERTY DEVELOPMENT DIVISION

- Implement measures to improve indoor air quality in at least 75% of residential development projects starting in 2019.

3.4. Assisting customers in matters of environmental performance

A building's environmental performance largely depends on the behaviour and habits of its users. For this reason, Icade helps them better control their consumption and reduce the use of natural resources.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Reach 100% of green lease committees in 2018.	Objective achieved	• The goal of 100% of green lease committees was reached in 2018.
• Sign 100% of regulatory green leases in 2018.	Objective partially achieved	• The goal has almost been reached with 99% of regulatory green leases signed in 2018. The deadline for meeting this goal of 100% was extended to 2019.
• Sign 100% of green leases in HQE- or BREEAM In-Use-certified buildings in 2020.	Objective partially achieved	• The participation of tenants renting space of less than 2,000 sq.m remains difficult to obtain.
PROPERTY DEVELOPMENT DIVISION:		**PROPERTY DEVELOPMENT DIVISION:**
• Systematically provide user guides to help raise awareness about eco-friendly practices in new builds.	Objective achieved	• This guide is systematically issued to home and office buyers.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

Office Property Investment Division

Since 2010, Icade's leases have systematically included green lease clauses which provide for the measurement of energy and water consumption and the amount of waste produced and recycled by the tenants. This initiative has been reinforced by the introduction of green lease committees. These regular meetings make it possible for landlords and tenants to co-develop action plans to reduce the consumption of resources. All tenants subject to regulatory requirements are assisted through green lease committees, in line with the objective Icade set for itself. Since the introduction of these committees, considerable improvement has been made. For example, Coopérative U, a tenant in one of buildings in the Orly-Rungis business park, reduced its energy consumption by 13% between 2017 and 2018. This resulted from the implementation of an action plan co-developed by a green lease committee with initiatives such as installing LED lighting and motion detectors.

Regulatory green lease clauses – required for commercial space over 2,000 sq.m, i.e. 58% of the Office Property Investment Division's total floor area – covered 99% of the office properties having this requirement in 2018. In addition to those required to do so, 9% of tenants with In-Use certification not subject to green leases signed green lease clauses in 2018.

PROPORTION OF THE FLOOR AREA COVERED BY REGULATORY GREEN LEASE CLAUSES AND GREEN LEASE COMMITTEES

"Nudges" are another way to encourage tenants to adopt eco-friendly practices. This fun, innovative approach consists in introducing visual supports to encourage eco-friendly behaviour on topics such as waste sorting and low-impact transport. The practice has been implemented at the Orly-Rungis business park and Icade's headquarters.

Healthcare Property Investment Division

Eager to help its customers improve their environmental performance, Icade Santé widened the scope of monitoring its portfolio's energy consumption indicators. 72% of floor areas were covered in 2018 compared to 51% in 2017. On this basis, Icade provides operators with reports on their energy performance, including comparative data, and recommendations for corrective action.

In 2018, Icade stepped up its efforts through the introduction of CSR & innovation committees with its healthcare operator partners. They make it possible to implement co-developed action plans on a variety of topics, including energy, air quality, innovation, the circular economy, etc.

Lastly, Icade has expanded its initiative by offering to provide assistance in the operational phase of some development projects. For example, Icade will work with the Reims-Bezannes polyclinic, completed in 2018, for the first three years of its operation, focusing on three main areas: consumption monitoring, maintenance interventions and user satisfaction.

Property Development Division

Reducing the operational energy use of buildings is a main concern of Icade's customers. In addition to its role as a property developer, Icade provides various other services, such as project commissioning. This quality assurance process ensures that the resources that would be required to meet performance targets set during the construction and handover phases are provided. The process covers several areas including energy and acoustic performance and ventilation. HQE- and BREEAM-certified office property developments systematically provide an energy performance guarantee. For residential property developments for which Icade systematically ensures NF Living Environment certification, a performance guarantee plan for energy, acoustics and ventilation has been implemented. In addition to these certifications, the Property Development Division systematically distributes a user guide to home and office buyers containing information and practical advice on energy performance. Now available in electronic form, buyers can access this guide via Gisele, a homeowner extranet, proposed by the Qualitel association. This extranet allows access to all the information relevant to gradually improving a building's energy performance.

NEW COMMITMENTS FOR 2019–2022

OFFICE PROPERTY INVESTMENT DIVISION

- Reach 100% of green lease clauses and maintain its goal of 100% of green lease committees each year.

PROPERTY DEVELOPMENT DIVISION

- Offer an e-learning module on eco-friendly practices and the building's proper handling to all buyers starting in 2020.

3.5. Reinforcing our responsible procurement policy

In view of the large volumes it purchases, Icade makes every effort to improve its responsible procurement policy. Icade's main suppliers are construction service providers, including general contractors and separate contractors specialised in structural works, plumbing, excavation and electricity in addition to architecture firms. Icade's initiative aims to involve its suppliers and service providers in its CSR ambitions by taking into account the challenges they are facing and the expectations of its stakeholders. Icade's procurement policy is managed by the Procurement Department created in 2018. It is responsible for the standardisation, coordination and monitoring of the procurement function.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
ICADE:		**ICADE:**
• Implement responsible procurement charters on 100% of the new-build construction sites of the Property Development Division and 100% of the new service provision contracts of the Office Property Investment Division.	Objective achieved	• The goal was achieved for both divisions. In 2018, the responsible procurement charter was updated to include new regulatory requirements.
• Increase procurement from the sheltered work sector by 30% by 2016 and 50% by 2018.	Objective not achieved	• Procurement from the sheltered work sector sharply increased in 2017 (+50% compared to 2015) due to several large, one-time purchases associated with Icade's move to its new headquarters. In 2018, the procurement volume was close to the one recorded in 2015. The commitment was extended as part of the 2019-2022 plan.
OFFICE PROPERTY INVESTMENT DIVISION:		**OFFICE PROPERTY INVESTMENT DIVISION:**
• Conduct a CSR assessment of the main suppliers under service provision contracts with the Office Property Investment Division.	Objective achieved	• All the main suppliers were reviewed in 2018.
• Incorporate respect for biodiversity into procurement.	Objective achieved	• Clauses pertaining to respecting biodiversity were included in the service provision contracts for green space maintenance.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

3.5.1. Responsible procurement charters and assessment of suppliers and subcontractors

Since 2015, all new service provision contracts for the Office Property Investment Division and construction projects for the Property Development Division (excluding joint development projects whose administrative and/or technical management is not controlled by Icade) are governed by Icade's responsible procurement charter. By signing this charter, suppliers agree to comply with the clauses relating to employment and integration, respect for human and labour rights, prevention of environmental risks and pollution, etc. It was updated in 2018 to include compliance with new ethical business regulations, the French Anti-Corruption Sapin II law and the EU General Data Protection Regulation, as well as some social issues, such as the freedom of association and harassment prevention. Compliance with the charter is fully part of the supplier's contractual obligations. The scope of this charter will be extended to cover the Healthcare Property Investment Division's construction projects starting in 2019.

In 2018, 100% of the main suppliers of Icade's Office Property Investment Division were evaluated by the specialised agency EcoVadis based on the charter's criteria. This review process has been in place since 2016. Suppliers with a score below 50/100 are asked to draft an action plan in partnership with Icade to improve their practices related to each category being evaluated.

3.5.2. Stricter requirements relating to sustainable materials, respecting biodiversity, employing vulnerable people, and complying with labour laws

Icade has set out a series of specific requirements in connection with social and environmental elements:

- **Sustainable materials and systems:**

  New builds are required to use materials and products that comply with the rigorous standards regarding the protection of health and the environment – Class A or A+, Ecolabel and/or NF Environment labels for adhesives, FSC© or PEFC labels for wood, etc.

- **Protecting the environment and biodiversity:**

  Icade provides specific clauses to encourage its service providers for green space maintenance to use techniques and products that respect the environment.

- **Employing vulnerable workers:**

  Procurement from the sheltered work sector was stable between 2015 and 2018, despite a sharp increase in 2017 (+50% compared to 2015). This reflects the efforts made on one-time purchases associated with Icade's relocation to its new headquarters. Icade's objective has been carried over (+50% between 2018 and 2022) and measures to assist buyers have been reinforced. In addition, professional integration is systematically used for major construction projects (above €50 million in work costs).

- **Fight against illegal employment**

  By requiring subcontractors and service providers to register on a supplier compliance platform, Icade's three divisions ensure that the companies working for Icade comply with the French Labour Code.

- **Safety requirements for suppliers and subcontractors**

  In accordance with the French Labour Code and for all of Icade's construction projects, health and safety coordination will be carried out by an independent specialist who will monitor the extent of compliance with safety rules.

In 2018, the Procurement Department incorporated a CSR criterion into the multi-criteria analysis used to select suppliers. The requirements detailed above will be expanded and strengthened over time.

NEW COMMITMENTS FOR 2019–2022

ICADE

- Implement responsible procurement charters on 100% of the new service provision contracts for the Office Property Investment Division, 100% of the construction contracts for the Healthcare Property Investment Division and 100% of the new-build construction sites of the Property Development Division (excluding jointly developed projects) starting in 2019.
- Increase procurement from the sheltered work sector by 50% between 2018 and 2022.
- Continue efforts to integrate CSR criteria into the procurement process starting in 2019.

OFFICE PROPERTY INVESTMENT DIVISION

- Conduct a CSR assessment of 100% of the main service providers and co-develop an action plan in partnership with all the suppliers with scores below 50/100 starting in 2019.

3.6. Ensuring business ethics

A thorough understanding of regulatory, reputational and social responsibility issues that relate to business ethics is essential for Icade and its stakeholders. Icade has taken a proactive approach to ensure compliance with these rules of good conduct.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
Bring the Code of Ethics into compliance with the French Anti-Corruption Sapin II law and make the Code of Ethics available on Icade's website in 2018.	Objective achieved	These objectives were met in 2018.
Set up a whistleblower system, outsourced to an external party, guaranteeing the protection of the whistleblower's identity in 2018.	Objective achieved	The whistleblower system is accessible to all employees.
Provide training concerning the fight against corruption, money laundering and the financing of terrorism to 100% of employees identified as "at risk" by the end of 2019.	In progress	97% of the employees most exposed to corruption and AML/CFT risks received dedicated online training in 2018. Face-to-face training was gradually put in place for these same employees and will be completed in 2019.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

Managing the business ethics policy

Created in 2017 within the Audit, Risk, Compliance and Internal Control Department, the Compliance Department has implemented measures to prevent money laundering and the financing of terrorism in addition to an anti-corruption policy. The Audit and Risk Committee, which reports to the Board of Directors, oversees compliance action plans and ensures that the measures are properly implemented. An independent internal compliance officer is responsible for assisting employees in implementing the rules of conduct laid down in the Code of Ethics and related procedures.

Code of Ethics and whistleblower system

Since 2018, the Code of Ethics has incorporated the regulatory changes brought about by requirements in the French Sapin II law and has been made available on Icade's website. Available to all employees via the intranet and distributed to all new hires and temporary staff, this charter sets out Icade's commitments and principles that help to build a culture of compliance, ethics and integrity. An awareness module with respect to this new charter and whistleblower system was made available to all employees and completed by 89% of them in 2018.

More specifically, the Code of Ethics governs:

- dealings with customers, suppliers, intermediaries, shareholders and interest representatives;
- the fight against money laundering and the financing of terrorism (AML/CFT);
- the fight against corruption;
- fraud;
- competition-related matters and intellectual property;
- the financing of political life;
- patronage and sponsorship;
- gifts and invitations, received or given;
- conflicts of interest;
- sensitive, inside information and insiders;
- labour relations;
- respect for fundamental rights;
- protection of persons: health and safety, the fight against discrimination and harassment;
- protection of confidential data and privacy;
- protection of the environment.

Any employee having observed a violation of these rules can report it to an independent, external party via a secure, anonymous online platform available 24/7. This tool aims to report any risk of non-compliance and ensures that the whistleblower's identity is kept confidential. Icade undertakes to ensure that no employee is discriminated or retaliated against for having reported a violation.

Measures to prevent and fight against money laundering and the financing of terrorism

As regards the fight against money laundering and the financing of terrorism (AML/CFT), Icade has taken steps to control these risks through:

- AML/CFT risk mapping;
- documentation on the policy and procedures of each business division;
- a risk assessment process for both customers and transactions ("KYC");
- online training for 97% of the employees identified as being the most "at risk" in 2018 who will also receive face-to-face training by the end of 2019.

Measures to prevent and fight against corruption (French Sapin II law)

Icade has implemented a series of initiatives to prevent and fight against corruption and meet the requirements set out in the French Sapin II law:

- compliance risk mapping;
- online training completed by 92% of the employees;
- an accounting control procedure;
- using a tool to perform integrity due diligence on third parties.

An evaluation of these measures has been conducted both internally and externally by an independent firm.

Fight against tax evasion

A team dedicated to taxation ensures the use of best practices in both domestic and international contexts. As such, Icade complies with the OECD BEPS (Base Erosion and Profit Shifting) Project which aims to counter tax optimisation strategies. In accordance with applicable rules on tax transparency, Icade will file an annual "Country-by-Country" reporting form (No. 2258) with French tax authorities. Icade conducts no business with Non-Cooperative Countries and Territories.

Protection of personal data

Icade undertakes to comply with the EU General Data Protection Regulation (GDPR) on the collection and processing of personal data [(1)] in the course of its business. Icade makes every effort to collect personal data that is adequate, relevant and not excessive in relation to the purposes for which they are processed and to maintain the confidentiality and security of any such data.

Icade appointed a data protection officer responsible for informing and advising employees about their data protection obligations. A GDPR awareness module was completed by 87% of employees in 2018.

Monitoring compliance with rules of professional conduct and business ethics

In 2018, Icade identified 29 incidents relating to attempted external fraud. These attempts were detected before fraud was actually committed and therefore had no impact on Icade.

In addition, internal control conducted an audit to assess ethics-related compliance and no violations were found. No legal proceedings relating to corruption or AML/CFT are pending. In addition, Icade was not found guilty of any business ethics violations during the year.

Lastly, no breach or violation of rules of professional conduct was reported through the whistleblower system in 2018.

NEW COMMITMENTS FOR 2019–2022

- Provide training concerning the fight against corruption, money laudering and the financing of terrorism to 100% of employees identified as "at risk" by the end of 2019.
- Provide fraud risk training to 100% of employees identified as "at risk" by the end of 2020.
- Provide training in the best practices for personal data protection to 100% of employees identified as "at risk" by the end of 2022.

(1) *Personal data means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an electronic address, an identification number, location data, an IP address, an online identifier or to one or more factors specific to the physical, physiological, genetic, psychological, economic, cultural or social identity of that natural person (Source: CNIL).*

4. Employee skills development, workplace well-being and diversity

As new technologies and changing ways of living and working revolutionise the real estate industry, Icade is making every effort to anticipate and respond to these trends by fostering the agility and engagement of its employees and attracting talent in line with its new needs. Developing the business expertise of all employees in an ever more collaborative and stimulating work environment, offering a healthy work-life balance, stepping up measures promoting diversity: all these initiatives make up an ambitious human resource management policy, a key factor in Icade's success.

4.1. Developing employee skills and reinforcing the Company's attractiveness

Attentive to new ways of working and changing business practices, Icade seeks to offer employees a stimulating career path with opportunities for advancement, based on upward mobility and employee skills development. This policy, which plays a key role in Icade's success, has also gained momentum through Icade's employer brand which is able to attract new talent.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
• Fill 25% of positions internally on average over the 2016-2018 period.	Objective achieved	• 34% of positions were filled internally on average between 2016 and 2018.
• Train at least 80% of employees on average over the 2016–2018 period.	Objective achieved	• On average, 92% of employees received training between 2016 and 2018.
• Train 80% of employees identified as eligible for the asset management and property management training programmes by 2017.	Objective achieved	• 100% of asset managers and 87.5% of property managers were trained in 2016 and 2017.
• Make 80% of employees aware of CSR issues by 2018.	Objective partially achieved	• 61% of the employees participated in CSR awareness training in 2018 vs. 22% in 2017. The goal of 80% has been maintained but extended to 2019.
• Integration of CSR and innovation objectives into the individual roadmaps of senior executives and managers.	Objective achieved	• CSR and innovation objectives have been integrated into the individual roadmaps of senior executives and managers since 2016 and are being gradually extended to all employees. At the end of 2018, 71% of the employees and 91% of managers had a CSR and innovation objective.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

4.1.1. Workforce

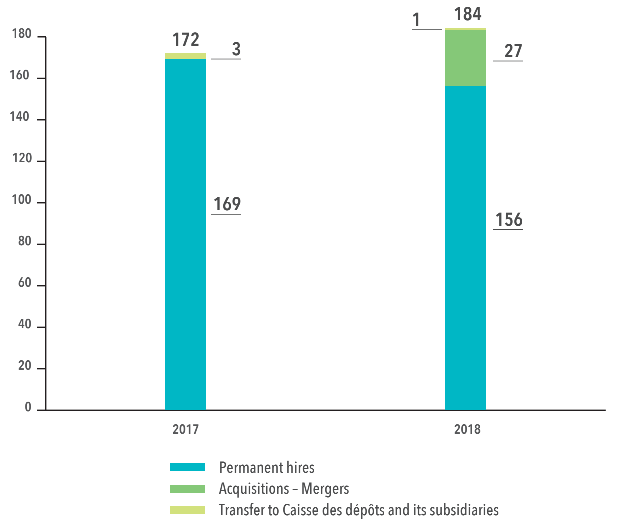
WORKFORCE BY CATEGORY AND TYPE OF CONTRACT

	2018	2017
TOTAL REGISTERED WORKFORCE AT THE END OF THE PERIOD (EXCLUDING INTERNS)	**1,186**	**1,129**
Year-on-year change	5.1%	2.3%
Like-for-like change	2.7%	2.3%
WORKFORCE BY CATEGORY (EXCLUDING INTERNS)		
Women	323	299
Men	467	432
Executives	**790**	**731**
Women	298	296
Men	98	102
Non-executives	**396**	**398**
WORKFORCE BY CONTRACT TYPE (INCLUDING INTERNSHIPS AND TEMPORARY CONTRACTS)		
Permanent contract	1,131	1,084
Fixed-term contract	20	18
Work-study/apprenticeship	35	27
Internship	4	5
Temporary (annual FTE)	11	10
ORGANISATION OF WORKING TIME		
Number of part-time employees	72	71

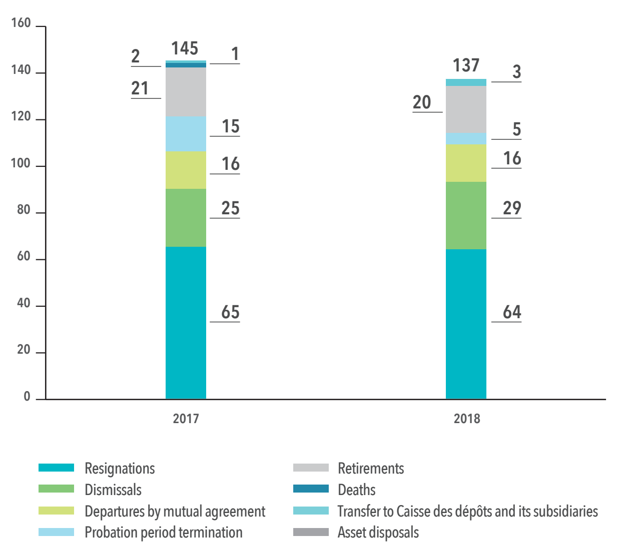
Icade's workforce grew by 5.1% in 2018 largely due to the transfer of 27 employees through the merger of ANF Immobilier. The workforce increased by 2.7% (like-for-like change) due to the reinforcement of the teams of the Property Development and Healthcare Property Investment Divisions.

Hires and departures (by reason) in 2017 and 2018

NUMBER OF HIRES – PERMANENT EMPLOYMENT CONTRACTS

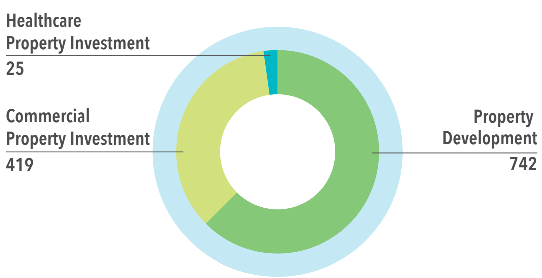


NUMBER OF DEPARTURES – PERMANENT EMPLOYMENT CONTRACTS



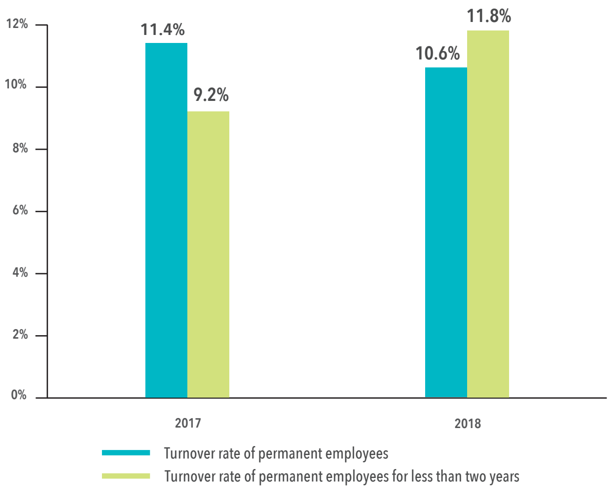
The Property Development Division has the largest share of the workforce (63%).

WORKFORCE BY DIVISION IN 2018



The employees are all located in France, with 64% in the Paris region ("Île-de-France") and 36% outside the Paris region. 97% of the employees outside the Paris region are from the Property Development Division.

TURNOVER RATE FOR PERMANENT EMPLOYMENT CONTRACTS AND TURNOVER RATE FOR PERMANENT EMPLOYMENT CONTRACTS SIGNED LESS THAN TWO YEARS AGO IN 2017 AND 2018



The turnover rate for permanent employment contracts signed less than two years ago was up in 2018, largely due to a dynamic job market. However, Icade's overall turnover rate remains low and decreased slightly.

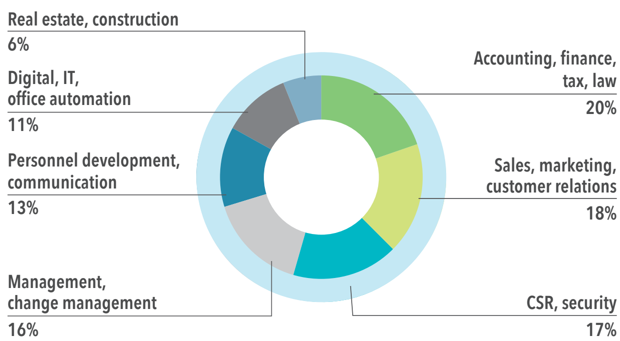
4.1.2. A dynamic policy for skills management

Skills management has been key to Icade's success. In 2018, 100% of the employees received at least one form of training, with an average of 16 hours of training per employee. The total budget allocated to training represented 3.3% of the total payroll.

This policy is based on several principles:

- **promoting new ways of working and collaborating and adapting managerial practices:** since 2017, employees in the Paris region (64% of the employees) have enjoyed a new, dynamic work environment, as part of the Open ID transformation project implemented in connection with the relocation of Icade's headquarters to Issy-les-Moulineaux. Collaborative work, internal mobility and the quality of IT and digital tools have all been on the rise *(see the update in section 4.2.2. "Well-being and quality of life at work")*. The Open ID project will be gradually implemented in all the regional branches starting in 2019 by capitalising on feedback from the Paris region. To support these transformations, managers will receive training in change management and in the role of Positive Energy Manager (MEPOS). This new management philosophy is based on performance, self-awareness and awareness of one's teams to create a more stimulating and collaborative work environment. The first component of the MEPOS approach was launched through a personal development questionnaire, helping managers to better understand their own role and to adapt themselves to their various subordinates for a better work experience;
- **anticipating changes in the business environment:** Icade promotes the increased digitalisation of its business activities to allow its employees to devote more of their time to high value-added activities, especially those related to customers. Happiness managers, technical assistants and sales managers are specifically targeted by this digitalisation process. As such, the Property Development Division is developing a project to improve customer relations management by having employees become accustomed to a customer-centric approach and new digital tools to make it easier to forge ties with customers. In addition, dedicated training programmes are available for professions offering clear opportunities for career advancement, specifically for sales managers in 2018 and the Property Development Division's regional managers and developers in 2019;
- **encouraging employees to become actively involved in their development:** an increasing number of modules has been developed for Icade's online training platform which is available to all employees on a variety of topics, such as project management and building information modelling (BIM), making it possible to acquire new skills with total autonomy. In addition, Icade organises "Rencontres du Hub" (thematic conferences) which enable employees to discover new market trends;
- **assisting intrapreneurs:** Icade encourages its employees to develop their skills through intrapreneurship using the many tools that the Innovation Department has made available to assist them. For example, these tools include design thinking sessions to promote new projects, external partnerships with schools and start-ups, a database called the innovation library, financial support for projects and involving young hires in the Innovation Graduate Programme;
- **raising employee awareness and commitment in favour of CSR and business ethics:** implemented in 2017, 61% of the employees participated in awareness training modules and CSR information sessions as of the end of 2018. To ensure compliance with business ethics and new regulations, employees have also completed awareness training modules on the Code of Ethics, the fight against corruption (French Sapin II law) and the EU General Data Protection Regulation (GDPR).

BREAKDOWN OF TRAINING HOURS PER AREA IN 2018



In 2018, the first area of training involved the "Accounting, finance, taxation and law" module, due to the many training sessions on new ethical business regulations and the fight against corruption which are relevant to both the most "at risk" employees and employees as a whole (French Sapin II law, GDPR, Code of Ethics, etc.). Training relating to sales, marketing and customer relationship represents the second area of training, due in particular to a programme dedicated to sales managers.

4.1.3. Promoting internal mobility and improving the Company's employer brand

Internal mobility allows Icade, which has a dynamic policy in place in this area, to keep pace with change: 34% of recruitment was conducted internally on average between 2016 and 2018, above the target of 25% which was set by the Company.

These results were achieved through an approach based on various measures:

- **annual performance review:** in 2018, 99% of the employees met with their managers to take stock of their performance and anticipate how their role could change;
- **career interviews:** in 2018, 123 career interviews were conducted by HR teams including 34 on professional mobility;
- **a process for the "forward planning of jobs and skills" (GPEC):** introduced in 2015 and complemented by an agreement signed in 2016, it includes a set of tools that promotes mobility (financial support measures, dashboards, etc);
- **opportunities at Caisse des dépôts:** HR teams can, via the online platform "mobil'idées", identify new mobility opportunities;
- **talent pools managed by Caisse des dépôts:** Icade participates in these pools to select high-potential managers capable of assuming managerial positions in the Group;
- **"Open Cafés" for professions:** to be organised starting in 2019, these meetings will enable employees to explain their professions to their colleagues with the aim of strengthening social interaction and encouraging mobility.

In addition, Icade is committed to developing its employer brand through a number of initiatives, especially when its needs cannot be filled internally:

- **employee referral programme:** employee referral campaigns and bonuses were introduced in 2018 to diversify Icade's recruitment sources for some professions;
- **recruiting chatbots:** launched in 2018, this interactive tool accessible via Facebook allows candidates to quickly get their questions answered about the Company and its activities and to facilitate the recruiting process;
- **employee advocacy:** in order to attract new talent and to showcase its employees, this programme encourages employees to spread Icade's messages on social networking sites for business professionals;
- **onboarding:** in 2018, two employee onboarding seminars allowed about 120 newly hired employees to discover the Company, its culture and activities and to develop their internal network.

4.1.4. Employees committed to a socially responsible company that is respectful of the environment

Icade employees play an active role in its CSR policy. Their annual objectives take into account this involvement: in 2018, 71% of the employees and 91% of the managers had a CSR/innovation objective integrated into their individual roadmaps. In addition, since 2016, 10% of the variable remuneration of Executive Committee members has been contingent upon meeting CSR and innovation objectives.

CSR training sessions and awareness modules have been made available to employees to improve their CSR literacy: CSR Passport, Hub thematic conferences on topics related to sustainable development, zero waste and permaculture workshops, etc.

At the same time, employees are involved in associations through various initiatives, including skills sponsorships, solidarity leave and solidarity days, a partnership with the "Nos quartiers ont des talents" (Our Neighbourhoods Have Talent) association and donation collections.

Lastly, the Open ID project made it possible to reinforce employee awareness of eco-friendly practices (paperless office policy, reuse, measures that promote low-impact transport, etc.) and the impact of construction on sustainable development.

4.1.5. Sharing the earnings

Employees receive incentive remuneration that is closely linked to the Company's performance. It includes individual variable remuneration, employee savings schemes and bonus share plans.

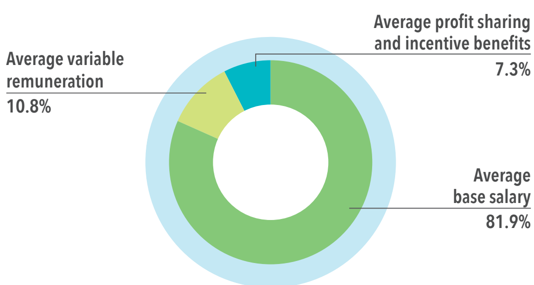
In 2018, the average salary of permanent employees stood at a gross amount of €54,791, i.e. up 3.5% compared to 2017, assuming staff numbers remain unchanged.

77% of the employees received individual variable remuneration. Calculated based on the Company's earnings and whether the employee's specified goals have been reached, average variable remuneration accounts for 10.8% of total remuneration.

Performance incentives accounted for 7.3% of total remuneration in 2018 (vs. 5.8% in 2017). Social partners have entered into a new, more advantageous incentive agreement for the 2017–2019 period. Employees have the opportunity to invest their performance incentives in a Group Savings Plan (PEG) or a Group Retirement Savings Plan (PERCOG) with Icade matching 200% of employee contributions up to the maximum amounts determined according to seniority.

In October 2018, Icade's Board of Directors approved the grant of 40 bonus shares to all permanent employees. The Board also approved a performance share plan for some of Icade's key employees and those of its subsidiaries, subject to service and performance conditions based on Icade's strategic objectives. These new plans aim to better align company and employee interests.

BREAKDOWN OF AVERAGE TOTAL REMUNERATION IN 2018



NEW COMMITMENTS FOR 2019–2022

- Train at least 90% of employees each year.
- Train at least 90% of the employees eligible to receive job-specific training courses.
- Make 80% of employees aware of CSR issues by 2019.
- Provide training in the role of Positive Energy Manager (MEPOS) to at least 90% of the managers by 2020.
- Fill 25% of positions internally each year.

4.2. Committed to improving the quality of life in the workplace

As an office property player, Icade is well aware of the close relationship between working conditions and employee well-being. Armed with this knowledge, the Company has developed a proactive approach that promotes the quality of life in the workplace and the health of its employees. This policy makes it possible to experiment with new services and, as a result, make its workspaces a showcase for its expertise.

2016–2020 COMMITMENT	RESULT	COMMENT
Conduct a telework experiment with 10% of Icade's employees in 2016.	Objective achieved	The objective was met in 2016 and the experiment produced satisfactory results. Teleworking was expanded and involved 33% of the workforce in 2018.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

4.2.1. Health and safety at work

In 2018, the absenteeism rate was stable. Accidents occurred more frequently but were less serious in 2018 than in 2017.

HEALTH AND SAFETY AT WORK INDICATORS

	2018	2017
Frequency rate	5.26	1.64
Severity rate	0.13	0.37
Number of fatal accidents	0	0
Number of illnesses reported during the year	0	0
Absenteeism rate [(a)]	3.42%	3.42%

(a) Absenteeism includes all the days of absence for illness (occupational disease, other illness), days of absence for work/commuting accidents, absences for family events (special days off) and days of absence for other reasons (unpaid absences, authorised unpaid absences, unjustified absences, short-term leave without pay, paid holiday leave based on prorated 13th month pay)

Workplace safety

The Health, Safety and Working Conditions Committees (CHSCT) are actively involved in Icade's health and safety policy. In particular, they have been consulted in connection with the planned relocations and rollout of new work environments in the Paris region in 2017 and, starting in 2019, in the regional offices. In accordance with Ordinance No. 2017-1386 of September 22, 2017 on the "new organisation of social and economic dialogue in businesses and favouring the exercise and promotion of union responsibilities", all of Icade's CHSCTs will become a single entity called the Health, Safety and Working Conditions Commission (CSSCT) starting in 2019.

A "single risk assessment document", which details professional risks, provides a framework for Icade's health and safety policy. It has been regularly updated to take into account changes in work environments. To counter any related risks, an overall plan for the prevention of professional and psychosocial risks was implemented together with a comprehensive support programme for managers and employees (workshops, toll-free lines, etc.).

These measures accompany a more comprehensive plan for managing psychosocial risks which includes workplace harassment prevention measures, a toll-free line managed by PSYA (a firm specialised in the prevention of psychosocial risks and improving the quality of life in the workplace) and the availability of a social worker.

Beyond the statutory requirements, Icade is committed to raising employee awareness of lifesaving techniques through fire safety and first aid training.

Promoting health at work

Through the Lyfe platform, Icade's employees benefit from simplified access to care and caregiver support. Provided in partnership with CNP Assurances, the platform added a new telemedicine service in 2018 which is available to all employees with Icade covering the costs. Icade's headquarters offers extensive on-site health services, including a telemedicine booth (in partnership with H4D and Ipsec). This booth makes it possible for employees to perform their own check-ups or consult a physician via videoconferencing. It also provides osteopathy and massage services. The latter two services will be available outside the Paris region in 2019. Since introducing the telemedicine booth in 2016, 66% of headquarters staff has consulted a physician via videoconferencing with a satisfaction rate of 100%. In 2018, Icade won the "Mieux Vivre en Entreprise" Trophy, awarded by the MVE Institute, for launching this healthcare innovation. In addition to its other initiatives, Icade makes sports activities available (running coach, discounted membership fees at sports clubs, etc.) as well as conferences on a variety of topics such as naturopathy and skin health.

4.2.2. Well-being and quality of life at work

As part of its Open ID project – including both the relocation to the new Open headquarters and the reorganisations and moves outside the Paris region – the emphasis has been on creating open, flexible spaces that promote efficiency, teamwork, creativity and well-being. There is one unique feature outside of the Paris region – the porosity between the workspaces and the Icade Store, which welcomes prospective buyers and customers as it is strategically located at the entrance. These spaces, which are showrooms for Icade's products and services, have taken second place at the "Victoires des Leaders Capital Humain" awards. This event, organised by the Leaders League and Décideurs magazine, recognises the top performing, most innovative companies and HR Departments.

A first survey conducted in 2018 to assess Icade's relocation to its new Open headquarters both before and after the move had a 63% response rate (vs. 45% in 2016). While there are still challenges to be faced before fully adjusting to the new ways of working arising from this new setting, especially for managers, several positive developments should be noted: 61% of the employees say they are proud of their new workplace (vs. 55% in the past). Satisfaction regarding collaborative work, digital tools and flexible workspaces is growing. 90% of the respondents are happy to be able to adopt a more mobile way of working. This feedback will benefit the rollout outside the Paris region where special attention has been paid to assisting managers.

Measures to promote a healthy work-life balance and social ties

Icade has made a number of services and benefits available to its employees to help them better balance their personal and professional lives, such as concierge services, videoconferencing, telemedicine consultations, leisure activities, etc.

Telework, which was the subject of a collective agreement signed in July 2017, is currently offered to all employees, with 33% participating in 2018. Employees may also use one of the four co-working areas provided by Icade in Paris and on its outskirts. To further promote work-life balance, Icade drafted a charter on the "right to disconnect" in 2018.

In addition, Icade is committed to making fun group activities available in the workplace through the Meet'Icade initiative. Created and implemented by the Company's employees, Meet'Icade brings together employees of all ages and roles through cultural and sporting activities (yoga, theatre, oenology, etc.). In 2018, close to 200 employees participated in these activities and new events are scheduled for 2019.

Tools for monitoring and managing the quality of life in the workplace

Icade entered into a partnership with the start-up Wittyfit, an innovative platform making it possible to measure workplace well-being by examining a wide range of topics, including recognition, work-life balance, workloads, etc. With a response rate of 59%, the Wittyfit campaign conducted in 2018 found that job satisfaction was higher and stress lower than in 2017. Employees expressed satisfaction with their work-life balance, working time flexibility, autonomy and Icade's friendly work environment. In contrast, workloads and unclear procedures are areas that need to be improved. Feedback was received from the teams in 2018 and action plans will now be jointly developed with each team to find ways to make improvements.

This tool is in addition to a social barometer carried out by Caisse des dépôts, which was updated in 2018 with a response rate of 49%. It showed that 74% of the respondents are satisfied with their work situation with improved results on autonomy, relations with colleagues and managers, employee recognition and the availability of equipment.

To further improve the quality of life in the workplace, Icade has experimented with the OsmoZ approach, developed by the certification body Certivéa. This approach aims to improve well-being in the workplace through a process to assess living conditions, the HR policy, and the services made available to residents. After a successful pilot project, Icade's new Open headquarters was the first office building to receive the OsmoZ label in 2018.

4.2.3. Productive social dialogue

Icade complies with French labour law and the fundamental conventions of the International Labour Organization (ILO) on the freedom of association and the right to collective bargaining, in addition to forced or compulsory labour and child labour. In addition, all the employees are covered by collective bargaining agreements and employee representative bodies. These representative bodies are systematically involved in the Company's major strategic and operational projects. In accordance with Ordinance No. 2017-1386 of September 22, 2017, employee representative bodies, Health, Safety and Working Conditions Committees and the Works Council were merged into an Economic and Social Committee, effective March 2019, date at which the next elections will be held. For Icade, this reform is an opportunity to improve labour relations and enhance the image of trade union representatives. To accomplish this, several working groups were organised in 2018, bringing together employee representatives, the HR team and managers on the role of trade union representative and employee representative training. Agreements already in place guarantee the means of operation of the employee representatives elected and appointed and the trade unions, whether it involves the provision of premises, access to electronic messaging or the Intranet. Negotiations have led to the signing of new agreements on organising elections for the Economic and Social Committee in 2019.

In 2018, around twenty meetings were held with union representatives that led to three new agreements and four amendments.

The following main agreements are currently in effect:

- the 2018 agreements on elected and appointed representatives, and agreements on the pre-electoral memorandum of understanding and electronic voting in January 2019;
- amendments to the 2018 Group Savings Plan (PEG) and Group Retirement Savings Plan (PERCOG) agreements, 2017 performance incentive agreements and 2006 employee profit sharing agreements: these agreements reflect Icade's intention to redistribute the Company's profits to its employees and to reward their collective performance;
- amendment to extend the collective agreement on disability (2018): this agreement includes measures to offset the effects of disability and preserve the health of the individuals involved;
- agreement on gender equality (2017), which supplemented the 2015 action plan. Its aim is twofold – to ensure the fair treatment of employees regardless of gender and a better work-life balance;
- intergenerational agreement (2017): it aims to promote the employability of young people, keeping older workers in employment, and skills transfers;
- agreement on accompanying measures relating to the headquarters relocation from Paris to Issy-les-Moulineaux (2017): it offers a range of solutions to compensate employees most impacted by the move, including 100% reimbursement of public transport season tickets and the adaptation of working hours. For other employees, including outside the Paris region, an 80% reimbursement of public transport costs is provided for in the agreement;
- teleworking agreement (2017): this agreement helps to improve work-life balance and the quality of life in the workplace;
- leave donation agreement (2017): the agreement enables an employee caring for a child, spouse or elderly relative with an illness, disability or having suffered a serious accident to use days donated by their colleagues;
- amendment to the collective agreement on the Time Savings Account (2017): the days saved up in time savings accounts can be used for personal or professional projects or in connection with solidarity and/or community activities;

- collective agreement on employee health coverage (2017): it implements the "responsible contract" scheme and provides optional additional coverage to reimburse medical costs;
- employment and skills planning agreement (2016): through this predictive HR management approach, Icade makes every effort to anticipate the skills that are essential to its strategy;
- collective agreement on the prevention of psychosocial risks (2012): this agreement includes the measures and tools under Icade's plan for managing psychosocial risks, such as the availability of a social worker, a toll-free line, workplace harassment prevention measures, etc.

Following the merger of ANF Immobilier into Icade SA in 2018, 27 ANF Immobilier employees were offered positions with Icade entities. In addition, an agreement with respect to assisting employees who turned down employment at Icade and are looking for a new job or embarking on a new professional project was signed in September 2018. Working in conjunction with the HR team, a specialised firm has been tasked with providing these employees with individualised and personalised support.

NEW COMMITMENT FOR 2019–2022

- Implementation of an action plan for each team having identified areas for improvement during the Wittyfit campaigns which assessed workplace well-being starting in 2019.

4.3. Promoting diversity in all its forms

Since 2011, a diversity policy officer has ensured that steps are taken to eliminate discrimination and promote workplace diversity. Both of these issues are drivers of Icade's social cohesion and performance.

2016–2020 COMMITMENTS	RESULTS	COMMENTS
Increase the percentage of women managers from 29% to 34% between 2015 and 2018.	Objective partially achieved	The percentage of women managers was 31% in 2018. Despite the measures that were put in place, the objective was not reached. The objective was maintained in the new plan but pushed back to 2022 through a reinforced action plan.
Fill 15% of positions externally under permanent employment contracts with people under 26 on average in 2016–2018 and maintain the proportion of older workers over the age of 55.	Objective achieved	The recruitment rate of young people was 17% on average over the 2016-2018 period, slightly above the objective. The proportion of older workers remained almost stable at 15% in 2018.

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

4.3.1. Developing age diversity

The aim of Icade's age diversity policy is twofold – to maintain the proportion of older workers over 55 and to increase recruitment of young people under 26.

Involving and motivating young people

A series of measures were taken to increase the Company's appeal to young talent:

- **Graduate Programme:** launched in 2018, the Innovation Graduate Programme enables Icade to incite promising young people to devote 18 months to an innovation project (co-living spaces, application services for operators, etc.) and then learn about one of Icade's business lines. Four young graduates were hired as part of this programme in 2018;
- **Y Board (Season 2) and G30:** the Y Board consists of a group of employees under 35 who are called upon to share their opinions with managers. In 2018, its members were asked to reflect on two of Icade's strategic issues, i.e. innovative real estate solutions and new managerial practices. G30 – a think tank composed of employees under 30 of the Property Development Division, its activities involve developing innovative solutions which will be launched in 2019 on topics such as implementing temporary urbanism solutions on Icade's land portfolio;
- **school partnerships:** Icade has forged partnerships with ESTP, ESSEC and, more recently, with HEC, to promote the hiring of these young graduates;
- **developing work-study programmes and internships:** work-study programmes and temporary contracts have become a valuable tool to spot and hire young talent.

Young people under 26 represented 6% of the workforce and 21% of new hires on permanent contracts in 2018. As a result, Icade has exceeded its objective of 15% of new hires under 26 on average over the 2016–2018 period (with 17% of new hires under 26).

Keeping older workers in employment

To promote senior employment – 15% of Icade's workforce in 2018 – Icade is involved in specific initiatives which include career interviews, retirement preparation courses, retirement information group meetings, etc. Icade will assist employees over 58 wanting to get involved in CSR activities by paying for their time devoted to solidarity days off. Since the employment and skills planning agreement (GPEC) was signed in 2016, older workers may also request part-time work or phased retirement. In such cases, Icade pays the additional pension contributions until pension benefits have vested allowing the employee to retire with a full pension.

Icade has strengthened its commitment as part of a three-year intergenerational agreement signed in 2017, which focuses on three priorities: facilitating the sustainable inclusion of young people under 26 who will be assigned a mentor; promoting the hiring of workers over 55 and keeping them in employment (the proportion they represent must be maintained at 16%); ensuring the transfer of skills and knowledge by allowing employees who are 55 and older to act as internal trainers or tutors, for instance.

4.3.2. Ensuring gender equality

Coming into force in 2019, the French law "for the freedom to choose one's professional future" reflects the French government's intention to encourage companies to become involved in gender equality. In 2018, in recognition of its commitment, Icade took third place in the ranking of women representation in the governing bodies of SBF 120 companies. Icade implemented a number of initiatives as part of the gender equality agreement signed in 2017 covering the following issues:

- recruitment and gender diversity in all areas of the workforce;
- equal access to training;
- career promotion and path;
- remuneration;
- work-life balance.

Following a study conducted in 2016, additional funds were made available to offset the gender pay gap in 2017 and 2018.

Icade has reaffirmed its commitment to a better work-life balance through several initiatives such as a pilot programme for working parents granting access to emergency childcare, enrolment in a private childcare centre paid for by the Company, continued payment of the employee's salary when on paternity leave and an online platform providing solutions for families.

As regards the percentage of women managers, despite an action plan supported under the 2017 agreement, Icade failed to reach its objective of 34% of women managers in 2018. At the end of the period, women held 31% of the managerial positions. Icade will further support its CSR commitments for 2019–2022 by identifying potential women candidates for managerial positions. A support plan and a mentoring programme dedicated to women employees will be made available to them.

4.3.3. Creating a more inclusive environment for disabled workers

As regards persons with disabilities, Icade has exceeded its regulatory obligations and pursues an ambitious policy as reflected in the agreement on the professional inclusion of disabled persons, renewed for the third time in 2015 and extended to 2019. The agreement provides for various measures including accompanying employees dealing with the disability of a family member; increased funding for prepaid service vouchers (CESU), from €600 to €700 per year and per employee; and improving the reimbursement of transport costs which will increase from 50% to 100%.

The agreement covers five key areas:

- keeping people with disabilities in employment: On a regular basis, Icade encourages its employees to declare their disability. In 2018, 44 Icade employees were officially recognised as disabled, representing 3.7% of the workforce. In addition, four workstations have been adapted with the help of experts;
- taking disabilities into account in everyday work: in 2018, 25 employees (vs. 21 in 2017) benefited from at least one of the measures put in place to improve comfort and the quality of life in the workplace (prepaid service vouchers for the disabled, reimbursement of transport costs, etc.);
- initiatives to change the way people see disability: Icade has organised awareness-raising campaigns, including Hand'Icade, a digital disability awareness module available to all employees, in addition to activities and events during Disability Employment Week (SEPH);
- procurement from the sheltered work sector: Icade has maintained its ties to sheltered companies and workshops (procurement totalled €112,094 in 2018). In this context, an awareness-raising campaign is conducted by the diversity policy officer for the procurement teams.

Lastly, the apprenticeship tax paid by Icade to associations dedicated to people with disabilities totalled €57,562.

4.3.4. Promoting social inclusion

For the past few years, Icade has encouraged its employee volunteers to help long-term unemployed young people find jobs, particularly through its partnerships with "Les jeunes talents de Plaine Commune" (Young talent from Plaine Commune), "Nos quartiers ont des talents" (Our neighbourhoods have talent). *For further information, see section 3.1. "Participating in local economic and social development".*

Eager to strengthen its commitment, Icade has answered the French government's call to encourage companies to the "Pacte avec les quartiers pour toutes les entreprises" (PAQTE, Pact with Priority Neighbourhoods for All Businesses). PAQTE seeks the inclusion of young people from priority neighbourhoods [1] through awareness-raising campaigns, training, recruitment and procurement from companies based in these neighbourhoods. In this regard, Icade has organised sessions to present its activities to "*troisième*" students (Year 10 in the UK, Ninth grade in the US) from priority neighbourhoods since the end of 2018. In 2019, Icade will conduct new awareness-raising activities, notably by participating in the "Tous en stage" association initiative, which enables "*troisième*" students to carry out a week-long internship offering the opportunity to discover four different companies.

NEW COMMITMENTS FOR 2019–2022

- Increase the proportion of women managers from 31% in 2018 to 34% in 2022.
- Fill 18% of permanent positions with people under 26 starting in 2020.
- Reach 5% of the workforce under a work-study programme starting in 2020.
- Maintain the proportion of employees over the age of 55 at 16% until 2022.

(1) *Priority neighbourhoods are socially disadvantaged areas. These neighbourhoods fall within the purview of the French Ministry of Urban Affairs, as set forth in the Planning law of February 21, 2014 on urban areas and urban cohesion, identified based on per capita income.*

5. Overview of CSR commitments for 2016–2020

2016-2020 commitments	Scope	Indicators	Base year
ENERGY TRANSITION AND PRESERVATION OF RESOURCES			
1. TAKING ACTION TO FIGHT CLIMATE CHANGE	Office Property Investment	Reduction of building CO_2 emissions *(in kg CO_2/sq.m/year)*	2011
		Reduction of building energy consumption *(in kWh_{PE}/sq.m/year)*	2011
		Proportion of renewable energy in the energy mix	
	Property Development	Reduction of CO_2 emissions related to the grey energy of new builds *(in kg CO_2/sq.m/year)*	2015
		Proportion of new offices exceeding Thermal Regulation RT 2012 in the Paris region by at least 10%	
		Proportion of new homes exceeding Thermal Regulation RT 2012 by at least 10%	
		Number of new positive energy projects with the BEPOS label	
	Icade	Assessment of the risks associated with adapting the entire portfolio to climate change	
2. PROMOTING BIODIVERSITY TO MAKE THE ASSETS MORE APPEALING	Office Property Investment	Proportion of business parks with a net positive impact on biodiversity	
		Proportion of business parks with the Écojardin label	
	Property Development	Proportion of new builds with a net positive impact on biodiversity	
		Proportion of projects in the design phase that have undergone a biodiversity assessment	
3. INTEGRATING THE PRINCIPLES OF A CIRCULAR ECONOMY INTO THE PRODUCTS AND SERVICES	Office Property Investment	Proportion of controlled operational waste that is recycled or recovered	
		Proportion of business parks organising the collection of used objects by government-approved waste collection and treatment companies	
		Launch of local partnerships on the circular economy	
		Reduction of building water consumption *(in m^3/sq.m/year)*	2011
	Property Development	Proportion of new offices with HQE certification that recover 60% of construction waste	
		Proportion of new projects equipped with a rainwater collection system	
4. INNOVATING FOR SUSTAINABLE CONSTRUCTION	Property Development	Proportion of projects over 10,000 sq.m for which a life-cycle assessment has been conducted	
		Number of new wood-based buildings per year	
5. INTEGRATING THE BEST CERTIFICATION AND LABELLING STANDARDS	Office Property Investment	Rate of annual increase in office floor area with In-Use certification	
		Proportion of business parks with ISO 14001 certification	
	Healthcare Property Investment	Proportion of new projects over 10,000 sq.m with HQE certification	
	Property Development	Proportion of new homes with HQE certification	
		Proportion of new offices with HQE certification	
6. DEVELOPING SOLUTIONS FOR SUSTAINABLE MOBILITY	Office Property Investment	Proportion of business parks and offices equipped with charging stations for electric vehicles	
	Property Development	Proportion of new projects located less than a five-minute walk from public transport	
		Number of projects providing a car-sharing service	

N/Av.: not available, N/Ap.: not applicable

Objective achieved · *Objective partially achieved* · *In progress* · *Objective not achieved*

Results							
2015	2016	2017	2018	Objectives	Time horizon	Progress	Comments
(12)%	(23)%	(23)%	(34)%	(40)%	2020		Energy and carbon indicators improved between 2011 and 2018. Icade has initiated an action plan in connection with the various driving forces to reach its 2020 goals, which include energy performance contracts, equipment replacement, on-site renewable energy production, partnerships and green lease committees.
(3)%	(11)%	(10)%	(14)%	(30)%	2020		
8%	16%	17%	19%	20%	2020		
N/Ap.	+3.5%	+4.5%	(12,8)%	(12)%	2020		The increasing number of wood-based buildings led to a 12.8% drop in carbon intensity from grey energy between 2015 and 2018, two years ahead of schedule.
100%	100%	100%	100%	100%	2016 to 2020		The objectives were once again exceeded in 2018.
12%	55%	70%	73%	25%	2016 to 2020		
0	0	0	1	5	2017 to 2020		The objective could not be achieved. Feedback shows that the financial and architectural constraints imposed by the BEPOS label hinders the emergence of this type of construction. In addition, Icade currently aims to prioritise the implementation of the E+C- label, which covers the whole life cycle of buildings and manages a building's overall carbon performance.
N/Ap.	Achieved	N/Ap.	N/Ap.	Achieved	2016		A first study was conducted in 2016 to assess the risks for the Office Property Investment Division's portfolio in its entirety. The study was further complemented by a benchmark of all the existing solutions to protect against these risks, together with an estimate of the cost required for their implementation, which was established with the aim of progressively adapting the property assets.
N/Av.	N/Av.	N/Av.	N/Av.	25%	2020		The first indicators analysed as part of the biodiversity performance contract for business parks were mostly stable or improving. A more comprehensive analysis will be available in 2019.
40%	93%	100%	100%	100%	2018 to 2020		100% of the business parks with green space are covered by the Écojardin label in 2018.
N/Av.	N/Av.	N/Av.	15%	25%	2020		15% of new projects show an improved Biotope Area Factor from pre- to post-project.
N/Ap.	100%	100%	100%	100%	2016 to 2020		All new projects in the design phase are subject to a biodiversity assessment.
N/Av.	N/Av.	N/Av.	72.3%	100%	2020		In 2018, Icade improved its methods for quantifying the proportion of recyclable waste, which precludes any comparisons with past data. Performance was satisfactory in 2018 and measures are planned to reach the objective of 100% by 2020.
N/Ap.	N/Ap.	35%	100%	100%	2017		100% of business parks were covered at the end of 2018.
N/Ap.	N/Ap.	Achieved	Achieved	Achieved	2017		Several partnerships were initiated and Icade launched Cycle Up with Egis, a platform dedicated to the reuse of building materials.
+2%	(6)%	0%	(8)%	(25)%	2020		Water consumption was reduced by 8% between 2011 and 2018. These measures will be reinforced to achieve the Company's objectives.
N/Av.	75%	100%	80%	100%	2016 to 2020		80% of HQE-certified office property developments met the objective, which is a positive performance, although below the target.
31%	38%	20%	7%	> 25%	2016 to 2020		7% of projects were developed with a rainwater collection system in 2018, which is below the target. As this costly solution has been met with weak demand, Icade has set a new objective of compiling a catalogue of water management solutions to identify and implement effective solutions that are both good for the environment and more economical.
N/Av.	22%	71%	78%	100%	2016 to 2020		The proportion of major projects for which a life-cycle assessment has been conducted rose sharply, but nonetheless remains below the objective that was set. Life-cycle assessments will be expanded through the implementation of the experimental E+C- label planned by Icade.
0	3	3	6	5	2017 to 2020		The number of wood-based buildings increased in 2018 and exceeded the objective set.
+14%	+7%	+5%	+9%	+5%	2016 to 2020		The proportion of offices with Construction or In-Use certification increased from 41% in 2015 to 61% in 2018.
78%	100%	100%	100%	100%	2017 to 2020		The objective of 100% of parks with ISO 14001 certification was met. Icade intends to maintain this performance.
100%	100%	100%	100%	100%	2016 to 2020		All the major projects of the Healthcare Property Investment Division aim to obtain HQE certification.
23%	18%	18%	34%	35%	2018		The office segment has already met the objective since 2016. The objective was almost reached in the residential segment in 2018 and it is extended as part of the new 2019-2022 plan.
92%	100%	100%	100%	100%	2018		
59%	63%	81%	96%	100%	2018		With 96% of business parks and offices equipped at the end of 2018, the objective has almost been met. Icade maintains this commitment for 2019.
82%	86%	81%	80%	> 75%	2016 to 2020		The objective relating to the distance of new projects from public transport was reached again in 2018.
N/Ap.	N/Ap.	2	2	5	2017 to 2020		Two property development projects introduced a car-sharing service in 2018. Icade has brought its objective in line with its new plan which includes a full range of sustainable mobility solutions as car-sharing is too restrictive and not always the most appropriate solution.

2016-2020 commitments	Scope	Indicators	Base year
NEW HABITS AND LIFESTYLES AND PARTNERSHIP WITH LOCAL AUTHORITIES AND COMMUNITIES			
1. PARTICIPATING IN LOCAL ECONOMIC AND SOCIAL DEVELOPMENT	Icade	Number of partnerships with associations in which Icade employees are involved	
	Property Development	Proportion of major construction projects that include professional integration commitments	
2. INNOVATING WITH EMPLOYEES AND THE ECOSYSTEM OF STAKEHOLDERS	Icade	Number of solutions resulting from the innovation process that contribute to customers' well-being and environmental performance	
3. IMPROVING OCCUPANTS' QUALITY OF LIFE AND ADAPTING TO NEW HABITS AND LIFESTYLES	Office Property Investment	Percentage of main business parks having the new "Business Park of Excellence" proprietary label	
		Proportion of the main business parks covered by "User Clubs"	
	Property Development	Customer satisfaction index on construction completion	
		Proportion of homes developed using 3D building information modelling (BIM)	
		Proportion of offices developed using 3D building information modelling (BIM)	
4. ASSISTING CUSTOMERS IN MATTERS OF ENVIRONMENTAL PERFORMANCE	Office Property Investment	Proportion of floor area covered by a regulatory green lease clause	
		Proportion of floor area covered by green lease committees	
		Proportion of HQE or BREEAM In-Use-certified buildings covered by a green lease clause	
	Property Development	Percentage of home and office buyers who received user guides aimed at raising awareness about eco-friendly practices	
5. REINFORCING OUR RESPONSIBLE PROCUREMENT POLICY	Icade	Rate of increase in the amount of procurement from the sheltered work sector	2015
	Office Property Investment	Proportion of new service provision contracts subject to a responsible procurement charter	
		Proportion of the main service providers evaluated by an outside body	
		Incorporation of respect for biodiversity into procurement policies	
	Property Development	Proportion of new-build projects subject to a responsible procurement charter	
6. ENSURING BUSINESS ETHICS	Icade	Bringing the Code of Ethics into compliance with the French Anti-Corruption Sapin II law and making the Code of Ethics available on Icade's website	
		Implementation of a whistleblower system	
		Proportion of employees identified as "at risk" who received training in the fight against corruption, money laundering and the financing of terrorism	
SKILLS DEVELOPMENT, WORKPLACE WELL-BEING AND DIVERSITY			
1. DEVELOPING EMPLOYEE SKILLS AND REINFORCING THE COMPANY'S ATTRACTIVENESS	Icade	Average percentage of positions filled internally	
		Average percentage of employees trained	
		Proportion of employees who received targeted training	
		Proportion of employees made aware of CSR issues	
		Integration of CSR and innovation objectives into the individual roadmaps of senior executives and managers	
2. COMMITTED TO IMPROVING THE QUALITY OF LIFE IN THE WORKPLACE	Icade	Percentage of teleworking employees	
3. PROMOTING DIVERSITY IN ALL ITS FORMS	Icade	Percentage of women managers	
		Average proportion of permanent positions filled externally by people under 26 years old	
		Proportion of employees over the age of 55	2015

N/Av.: not available, N/Ap.: not applicable

Objective achieved *Objective partially achieved* *In progress* *Objective not achieved*

Results							
2015	2016	2017	2018	Objectives	Time horizon	Progress	Comments
1	3	5	5	stable	2016 to 2020		A number of measures have been proposed to employees: partnerships with NQT (Our Neighbourhoods Have Talent) and the Plaine Commune Young Talent Club, a skills sponsorship agreement with Samusocial of Paris, solidarity days and solidarity leaves, donation collections.
100%	100%	100%	100%	100%	2016 to 2020		All major new construction projects (above €50 million in work costs) included professional integration commitments in 2018.
2	10	20	27	20	2018		The objective was met one year ahead of schedule in 2017. In 2018, 27 solutions resulting from the innovation process are available to customers, including ten that were developed by Icade's intrapreneurs, four from industrial partnerships and thirteen from partnerships with start-ups.
N/Ap.	N/Ap.	0%	100%	100%	2017		The label's standards were finalised with an external certifying body in 2017 and 100% of the main parks were awarded this label in 2018.
20%	60%	100%	100%	100%	2017		The objective was met and Icade hired two happiness managers to build ties between the various communities in the main business parks.
6.4/10	6.6/10	7.0/10	6.7/10	8.5/10	2018		The customer satisfaction index increased by 5% between 2015 and 2018 as a result of the efforts undertaken to improve customer relations. However, the very ambitious objective set for 2018 has not been met and measures to improve customer relations continue to be strengthened.
N/Ap.	N/Av.	N/Av.	12%	75%	2016 to 2020		Icade has taken significant steps internally to deploy BIM, but ran up against the lower readiness level of some of its partners. 12% of homes and 80% of offices were implementing the use of BIM in 2018. While this represents a good performance, it remains below the targets that were set. Icade strengthened its support measures, but extended the deadline for meeting this objective to 2022 due to the slower pace of its partners.
N/Ap.	N/Av.	N/Av.	80%	100%	2016 to 2020		
90%	95%	97%	99%	100%	2016 to 2020		The goal has almost been reached with 99% of regulatory green leases signed in 2018. The deadline for meeting this goal of 100% was extended to 2019.
36%	82%	89%	100%	100%	2018 to 2020		The goal of 100% of green lease committees was reached in 2018.
18%	9%	12%	9%	100%	2016 to 2020		The participation of tenants renting space of less than 2,000 sq.m remains difficult to obtain.
100%	100%	100%	100%	100%	2016 to 2020		This guide is systematically issued to home and office buyers.
N/Ap.	+15%	+50%	(2)%	+50%	2018		Procurement from the sheltered work sector sharply increased in 2017 due to several large, one-time purchases associated with Icade's move to its new headquarters. In 2018, the procurement volume was close to the one recorded in 2015. The commitment was extended as part of the 2019–2022 plan.
100%	100%	100%	100%	100%	2016 to 2020		All suppliers signed this charter in 2018.
0%	100%	100%	100%	100%	2016 to 2020		All of the main service providers were evaluated by EcoVadis in 2018 and the assessment led to the drafting of action plans for those with a score below 50/100.
N/Ap.	Achieved	Achieved	Achieved	Achieved	2016 to 2020		Clauses pertaining to respecting biodiversity were included in the service provision contracts for green space maintenance.
100%	100%	100%	100%	100%	2016 to 2020		All suppliers signed this charter in 2018.
N/Ap.	N/Ap.	N/Ap.	Achieved	Achieved	2018		In 2018, the Code of Ethics was updated to incorporate the requirements of the Sapin II law and was made available on Icade's website. An online awareness module about this Code of Ethics was provided to all employees.
N/Ap.	N/Ap.	N/Ap.	Achieved	Achieved	2018		The whistleblower system is accessible to all employees.
N/Ap.	N/Ap.	N/Ap.	97%	100%	2019		97% of the employees most exposed to corruption and AML/CFT risks received dedicated online training in 2018. Face-to-face training was gradually put in place for these same employees and will be completed in 2019.
27%	44%	33%	28%	25%	2016-2018		34% of positions were filled internally on average between 2016 and 2018, exceeding the objective that was set.
69%	90%	80%	100%	80%	2016-2018		On average, 92% of employees received training between 2016 and 2018, exceeding the objective.
N/Ap.	94%	94%	N/Ap.	80%	2017		100% of asset managers and 87.5% of property managers were trained in 2016 and 2017.
N/Ap.	N/Ap.	22%	61%	80%	2018		61% of employees were made aware of CSR issues in 2018, compared to 22% in 2017. The goal of 80% has been maintained but extended to 2019.
N/Ap.	Achieved	Achieved	Achieved	Achieved	2016 to 2020		CSR and innovation objectives have been integrated into the individual road maps of senior executives and managers since 2016 and are being gradually extended to all employees. In 2018, 71% of all employees and 91% of managers had CSR and innovation objectives.
5%	15%	27%	33%	>10%	2016		The objective was met in 2016 and the experiment produced satisfactory results. Teleworking was expanded and involved one third of the workforce in 2018.
29%	31%	30%	31%	34%	2018		The proportion of women managers increased slightly in 2018. As the objective was not met, the deadline for meeting it was extended to 2022 with a reinforced action plan.
16%	15%	15%	21%	15%	2016-2018		The recruitment rate of young people was 17% on average over the 2016-2018 period, slightly higher than the objective. The proportion of older workers remained almost stable at 15% in 2018.
16%	16%	16%	15%	Stable	2016-2018		

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6. CSR commitments for 2019–2022

2019-2022 commitments	Scope	Indicators	Objectives	Base year	Time horizon	2019-2022 vs. 2016-2020 commitments
ENERGY TRANSITION AND PRESERVATION OF RESOURCES						
Taking action to fight climate change and innovating for sustainable construction	Office Property Investment	Reduction of building CO_2 emissions *(in kg CO_2/sq.m/year)*	(45)%	2015	2025	Strengthened
		Reduction of building energy consumption *(in kWh_{PE}/sq.m/year)*	(30)%	2015	2025	Revised downward or postponed
		Gradually adapting the portfolio by making it more resilient in the face of climate change and including a climate risk assessment in the asset acquisition policy	Achieved		2022	Strengthened
	Healthcare Property Investment	Percentage of property assets covered by energy performance monitoring and availability of solutions to improve energy performance	75%		2019 to 2022	New
	Property Development	Proportion of offices over 5,000 sq.m with the E+C- label	100%		2022	Adjusted
		Proportion of residential units with the E+C- label	33%		2022	Adjusted
Promoting biodiversity to make the assets more appealing	Office Property Investment	Proportion of business parks with a net positive impact on biodiversity	50%		2022	Strengthened
		Proportion of business parks with the Écojardin label	100%		2019 to 2022	Extended
	Office and Healthcare Property Investment	Proportion of area built as part of new projects developed by the Property Investment Divisions which is offset by funding the restoration and preservation of an equivalent area of natural habitat	100%		2019 to 2022	Strengthened
	Property Development	Proportion of new builds with a net positive impact on biodiversity	25%		2020 to 2022	Extended
Integrating the principles of a circular economy into the products and services	Office Property Investment	Proportion of controlled operational waste that is recycled or recovered	100%		2020 to 2022	Extended
		Reduction of building water consumption *(in m^3/sq.m/year)*	(25)%	2015	2022	Revised downward or postponed
	Healthcare Property Investment	Proportion of refurbishments over 3,000 sq.m that include a re-use process	100%		2021 to 2022	New
	Property Development	Proportion of demolitions over 5,000 sq.m that include a re-use process	100%		2020 to 2022	New
		Compiling a catalogue of solutions to improve water management in homes and offices	Achieved		2019	Adjusted
Integrating the best certification and labelling standards	Office Property Investment	Rate of annual increase in office floor area with In-Use certification	+5%		2019 to 2022	Extended
		Proportion of ISO 14001-certified business parks	100%		2019 to 2022	Extended
	Healthcare Property Investment	Proportion of new projects over 7,500 sq.m with HQE certification	100%		2019 to 2022	Strengthened
	Property Development	Proportion of new homes with HQE certification	35%		2019 to 2022	Extended
		Proportion of new offices with HQE certification	100%		2019 to 2022	Extended
Developing solutions for sustainable mobility	Office Property Investment	Proportion of business parks and offices equipped with charging stations for electric vehicles	100%		2019 to 2022	Extended
		Proportion of business parks and offices having implemented at least one ecomobility solution in addition to charging stations for electric vehicles	100%		2021 to 2022	New
	Property Development	Proportion of new projects located less than a five-minute walk from public transport	75%		2019 to 2022	Extended
		Proportion of new office and residential developments including a sustainable mobility solution	100%		2022	Strengthened
NEW HABITS AND LIFESTYLES AND PARTNERSHIP WITH LOCAL AUTHORITIES AND COMMUNITIES						
Participating in local economic and social development	Icade	Proportion of employees receiving solidarity initiative suggestions	100%		2019 to 2022	Strengthened
	Office Property Investment	Number of local and community partnerships in business parks	Upward	2019	2022	New
	Healthcare Property Investment	Adapting real estate solutions to help healthcare operators improve the quality of patient care	Achieved		2019 to 2022	New
		Developing a Code of Ethics setting out the quality requirements for investing in nursing homes	Achieved		2019	New
	Property Development	Proportion of major construction projects (above €20 million in work costs) including professional integration commitments	100%		2020 to 2022	Strengthened

Strengthened · *Extended* · *Revised downward or postponed* · *New* · *Adjusted*

2019-2022 commitments	Scope	Indicators	Objectives	Base year	Time horizon	2019-2022 vs. 2016-2020 commitments
Improving occupants' quality of life and adapting to new habits and lifestyles	Icade	Compiling a catalogue of solutions to measure and manage indoor air quality, and fostering communication with users	Achieved		2020	
	Office Property Investment	Proportion of main business parks having the "Business Park of Excellence" proprietary label	100%		2019 to 2022	
		Proportion of new-build leases including an "e-clause"	90%		2020 to 2022	
		Proportion of multi-tenant buildings over 15,000 sq.m having benefited from an air quality assessment	100%		2022	
	Healthcare Property Investment	Proportion of healthcare operators covered by CSR & innovation committees	70%		2020 to 2022	
		Proportion of HQE-certified projects with low-emitting materials representing at least 75% of floor area	100%		2020 to 2022	
	Property Development	Net promoter score (NPS) on project completion	> 0		2020 to 2022	
		Proportion of new homes which are both "smart and connected"	100%		2019 to 2022	
		Proportion of new offices and homes developed using BIM	100%		2022	
		Proportion of residential development projects including measures to improve indoor air quality	> 75%		2019 to 2022	
Assisting customers in matters of environmental performance	Office Property Investment	Proportion of floor area covered by a regulatory green lease clause	100%		2019 to 2022	
		Proportion of floor area covered by green lease committees	100%		2019 to 2022	
	Property Development	Proportion of buyers having access to an e-learning module on eco-friendly practices and the buildings' proper handling	100%		2020 to 2022	
Reinforcing our responsible procurement policy	Icade	Rate of increase in the amount of procurement from the sheltered work sector	+50%	2018	2022	
		Continued efforts to integrate CSR criteria into the procurement process	Achieved		2019 to 2022	
		Proportion of new service provision contracts for the Office Property Investment Division, of construction contracts for the Healthcare Property Investment Division, and of new-build construction sites (excluding jointly developed projects) from the Property Development Division, subject to a responsible procurement charter	100%		2019 to 2022	
	Office Property Investment	Proportion of the main service providers evaluated on CSR criteria	100%		2019 to 2022	
Ensuring business ethics	Icade	Proportion of employees identified as "at risk" who received training in the fight against corruption, money laundering and the financing of terrorism	100%		2019	
		Proportion of employees identified as "at risk" who received fraud risk training	100%		2020	
		Proportion of employees identified as "at risk" who received training in the best practices for personal data protection	100%		2022	
SKILLS DEVELOPMENT, WORKPLACE WELL-BEING AND DIVERSITY						
Developing employee skills and reinforcing the Company's attractiveness	Icade	Proportion of employees who received training	90%		2019 to 2022	
		Proportion of employees made aware of CSR issues	80%		2019	
		Proportion of employees who received job-specific training	90%		2019 to 2022	
		Proportion of managers who received training in the role of Positive Energy Manager (MEPOS)	90%		2020	
		Proportion of positions filled internally	25%		2019 to 2022	
Committed to improving the quality of life in the workplace	Icade	Implementation of an action plan for each team having identified areas for improvement during the Wittyfit campaigns which assessed workplace well-being starting	Achieved		2019 to 2022	
Promoting diversity in all its forms	Icade	Proportion of women managers	34%		2022	
		Proportion of permanent positions filled externally by people under 26 years old	18%		2020 to 2022	
		Proportion of the workforce under a work-study programme	5%		2020 to 2022	
		Proportion of employees over the age of 55	16%		2019 to 2022	

Strengthened *Extended* *Revised downward or postponed* *New* *Adjusted*

Icade made 59 commitments for the 2019–2022 period. Most of the commitments were extended (18 of them) or strengthened (13 of them) with respect to commitments made under the previous plan. Some commitments are totally new (19 of them), in order to factor in emerging CSR issues (air quality, reuse, data protection, etc.) and strengthen the CSR commitments of the Healthcare Property Investment Division (10 vs. 1 in the previous plan).

Some commitments have been adjusted (4 of them) because the indicator was deemed less relevant than in the past. Examples include the energy/carbon commitments of the Property Development Division in order to anticipate the upcoming 2020 French Environmental Regulations *(see the explanation in the "New Commitments for 2019–2022" text box in section 2.1.)* and the water commitment *(see the explanation in the "Commitments for 2016–2020" text box in section 2.3.)*. In addition, the customer satisfaction indicator has changed: previously based on the satisfaction rate, it will now be based on the recommendation rate (net promoter score, NPS), which reflects both buyer satisfaction and the ability to attract new prospects. It is more relevant for measuring the effectiveness of actions taken in the area of customer relations.

A few of the commitments were slightly lowered or pushed back (five of them), for example the Office Property Investment Division's goal to reduce energy consumption (-3.5% per year vs. -3.9% in the previous plan). This is due to the method used, aimed at reducing carbon emissions consistent with a 2°C or even 1.5°C trajectory (-5.8% per year less carbon intensity vs. -5.5% in the previous plan). The energy commitment, which results from this reinforced carbon reduction commitment, hinges on a specific action plan based on switching to low-carbon energy sources, which explains this trend. As regards reducing water consumption, after having set a very ambitious goal of a 25% reduction between 2011 and 2020, the objective is to reduce water consumption below 0.4 m^3/sq.m/year between 2020 and 2022. The deadline for meeting the commitment of the Property Development Division that relates to the proportion of new offices and homes developed using BIM was extended to 2022 due to the slower pace of Icade's partners upon which it depends to achieve this objective (for further information, see the "Commitments for 2016–2020" text box in section 3.3.). The commitment to increase the percentage of women managers is one of Icade's core concerns. This objective was not reached in 2018 despite the action plan that was implemented which will be reinforced to increase the proportion of women managers by 2022. The proportion of employees made aware of CSR issues was 61% in 2018. Awareness-raising sessions will continue to be organised in 2019 and the deadline for achieving the objective was pushed back one year.

In conclusion, Icade has critically examined its previous plan which has led to the Company adapting or lowering a very small proportion of its commitments. The majority of its commitments have been reinforced or extended, with new commitments made, allowing Icade to maintain its leading position in CSR.

7. Summary tables of CSR indicators

7.1. Tables of environmental indicators of the Office Property Investment Division – EPRA format

ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2017 AND 2018: CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis					
			Controlled assets				Non-controlled assets	
			Controlled data (common areas)		Non-controlled data (private areas)			
Indicator	**EPRA code**	**Unit**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Total electricity consumption	Elec-Abs	MWh_{pe}	159,646	187,186	126,094	162,372	68,193	44,150
Total district heating & cooling consumption	DH&C-Abs	MWh_{pe}	12,451	18,819	0	0	1,105	673
Total fuel consumption	Fuels-Abs	MWh_{pe}	28,458	33,394	16	153	1,095	1,283
TOTAL ENERGY CONSUMPTION		**MWh_{PE}**	**200,555**	**239,399**	**126,111**	**162,525**	**70,393**	**46,106**
Energy intensity per floor area – primary energy	Energy-Int	kWh_{PE}/sq.m	431	456	431	456	454	433
Energy intensity per person – primary energy	Energy-Int	kWh_{PE}/pers.	6,465	6,847	6,465	6,847	6,811	6,488
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh_{PE}/sq.m	424	452	424	452	452	431
Energy intensity per floor area – final energy	Energy-Int	kWh_{FE}/sq.m	200	213	200	213	185	179

ENERGY CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2017 AND 2018

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	**EPRA code**	**Unit**	**2018**	**2017**	**2018**	**2017**
Coverage rate of the reporting scope (based on floor area)		%	87%	89%	87%	87%
Proportion of total energy consumption which is estimated		%	2%	5%	2%	2%
Total electricity consumption	Elec-Abs/LfL	MWh_{PE}	353,934	400,021	353,934	361,473
Total district heating & cooling consumption	DH&C-Abs/LfL	MWh_{PE}	13,556	19,492	13,556	12,696
Total fuel consumption	Fuels-Abs/LfL	MWh_{PE}	29,569	34,847	29,569	29,800
TOTAL ENERGY CONSUMPTION		**MWh_{PE}**	**397,058**	**454,360**	**397,058**	**403,969**
Energy intensity per floor area – primary energy	Energy-Int	kWh_{PE}/sq.m	435	452	435	442
Energy intensity per person – primary energy	Energy-Int	kWh_{PE}/pers.	6,523	6,773	6,523	6,637
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh_{PE}/sq.m	429	448	429	435
Energy intensity per floor area – final energy	Energy-Int	kWh_{FE}/sq.m	197	208	197	200

GREENHOUSE GAS EMISSIONS OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2017 AND 2018: CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis					
			Controlled assets				Non-controlled assets	
			Controlled data (scope 1 and 2)		Non-controlled data (scope 3)		Scope 3	
Indicator	**EPRA code**	**Unit**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Direct greenhouse gas emissions	GHG-Dir-Abs	tonnes CO_2e	6,659	7,814	0	0	0	0
Indirect greenhouse gas emissions	GHG-Indir-Abs	tonnes CO_2e	5,850	8,930	4,109	5,322	2,638	1,873
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2e**	**12,509**	**16,744**	**4,109**	**5,322**	**2,638**	**1,873**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	22	25	22	25	17	18
Building carbon intensity	GHG-Int	kg CO_2e/pers./year	329	376	329	376	255	264

GREENHOUSE GAS EMISSIONS OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2017 AND 2018

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	**EPRA code**	**Unit**	**2018**	**2017**	**2018**	**2017**
Coverage rate of the reporting scope (based on floor area)		%	87%	89%	87%	87%
Proportion of total greenhouse gas emissions which are estimated		%	2%	5%	2%	2%
Direct greenhouse gas emissions	GHG-Dir-Abs/LfL	tonnes CO_2e	6,659	7,818	6,659	6,685
Indirect greenhouse gas emissions	GHG-Indir-Abs/LfL	tonnes CO_2e	12,598	16,331	12,598	12,883
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2e**	**19,257**	**24,149**	**19,257**	**19,568**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	21	24	21	21
Building carbon intensity	GHG-Int	kg CO_2e/pers./year	316	360	316	321

WASTE PRODUCTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2017 AND 2018: CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis					
			Controlled assets				Non-controlled assets	
			Controlled data		Non-controlled data			
Indicator	**EPRA code**	**Unit**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Percentage of hazardous waste	Waste-Abs	%	0.01%	0.0%	0.4%	0.0%	2.5%	0.0%
Percentage of recycled or recovered hazardous waste	Waste-Abs	%	100%	-	9.3%	-	77.1%	-
Percentage of recycled or recovered non-hazardous waste	Waste-Abs	%	72.3%	-	81.4%	-	78.2%	-
Percentage of total recycled or recovered waste	Waste-Abs	%	72.3%	-	81.1%	-	78.1%	-
TOTAL WEIGHT OF WASTE	**WASTE-ABS**	**TONNES/YEAR**	**6,188**	**7,805**	**1,159**	**1,988**	**2,050**	**874**

WASTE PRODUCTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2017 AND 2018

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	EPRA code	Unit	2018	2017	2018	2017
Coverage rate of the reporting scope (based on floor area)		%	87%	89%	87%	87%
Proportion of weight of waste which is estimated		%	15%	53%	15%	42%
Percentage of hazardous waste	Waste-Abs/LfL	%	0.6%	0%	0.6%	0.8%
Percentage of recycled or recovered hazardous waste	Waste-Abs/LfL	%	71.5%	-	71.5%	93.0%
Percentage of recycled or recovered non-hazardous waste	Waste-Abs/LfL	%	74.7%	-	74.7%	75.9%
Percentage of total recycled or recovered waste	Waste-Abs/LfL	%	74.7%	-	74.7%	76.1%
TOTAL WEIGHT OF WASTE	**WASTE-ABS/LFL**	**TONNES/YEAR**	**9,396**	**10,667**	**9,396**	**8,240**

In 2018, the Office Property Investment Division refined its method for assessing waste management, which precludes any comparisons with past data. In the past, it monitored the proportion of recyclable waste (source separation). It now tracks the proportion of recycled or recovered waste which provides much more detailed information on its final treatment.

WATER CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL BASIS IN 2017 AND 2018: CONTROLLED AND NON-CONTROLLED ASSETS

			Total basis					
			Controlled assets				Non-controlled assets	
			Controlled data		Non-controlled data			
Indicator	EPRA code	Unit	2018	2017	2018	2017	2018	2017
TOTAL WATER CONSUMPTION	**WATER-ABS**	**M³**	**345,440**	**451,259**	**22,763**	**27,613**	**68,128**	**42,349**
Building water intensity	Water-Int	m³/sq.m/year	0.49	0.54	0.49	0.54	0.44	0.40
Building water intensity	Water-Int	litre/pers./day	33.6	37.6	33.6	37.6	30.4	27.5

WATER CONSUMPTION OF OFFICES AND BUSINESS PARKS ON A TOTAL AND LIKE-FOR-LIKE BASIS IN 2017 AND 2018

			Total basis		Like-for-like basis	
			Overall		Overall	
Indicator	EPRA code	Unit	2018	2017	2018	2017
Coverage rate of the reporting scope (based on floor area)		%	87%	89%	87%	87%
Proportion of total water consumption which is estimated		%	36%	38%	36%	14%
TOTAL WATER CONSUMPTION	**WATER-ABS/LFL**	**M³**	**436,331**	**525,454**	**436,331**	**453,934**
Building water intensity	Water-Int	m³/sq.m/year	0.48	0.52	0.48	0.50
Building water intensity	Water-Int	litre/pers./day	33.0	36.1	33.0	34.4

3

7.2. Tables of environmental indicators for the Corporate scope – EPRA format

Since Icade moved to its new headquarters in September 2017, like-for-like figures are impossible to calculate for the year 2017. 2017 figures on a total basis include consumption related to the previous headquarters up to the relocation date, and then consumption related to the new headquarters.

ENERGY CONSUMPTION FOR THE CORPORATE SCOPE ON A TOTAL BASIS IN 2017 AND 2018

			Total basis	
			Corporate	
Indicator	EPRA code	Unit	2018	2017
Total electricity consumption	Elec-Abs	MWh_{pe}	4,719	6,313
Total district heating & cooling consumption	DH&C-Abs	MWh_{pe}	0	0
Total fuel consumption	Fuels-Abs	MWh_{pe}	17	17
TOTAL ENERGY CONSUMPTION		**MWh_{PE}**	**4,736**	**6,330**
Energy intensity per floor area – primary energy	Energy-Int	kWh_{PE}/sq.m	404	330
Energy intensity per person – primary energy	Energy-Int	kWh_{PE}/pers.	6,056	4,956
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh_{PE}/sq.m	404	330
Energy intensity per floor area – final energy	Energy-Int	kWh_{FE}/sq.m	157	129

GREENHOUSE GAS EMISSIONS FOR THE CORPORATE SCOPE ON A TOTAL BASIS IN 2017 AND 2018

			Total basis	
			Corporate (scope 1 and 2)	
Indicator	EPRA code	Unit	2018	2017
Direct greenhouse gas emissions	GHG-Dir-Abs	tonnes CO_2e	4	4
Indirect greenhouse gas emissions	GHG-Indir-Abs	tonnes CO_2e	154	206
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2e**	**158**	**210**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	13	11
Building carbon intensity	GHG-Int	kg CO_2e/pers./year	202	164

WASTE PRODUCTION FOR THE CORPORATE SCOPE ON A TOTAL BASIS IN 2017 AND 2018

			Total basis	
			Corporate	
Indicator	EPRA code	Unit	2018	2017
Percentage of hazardous waste	Waste-Abs	%	0%	0%
Percentage of recycled or recovered hazardous waste	Waste-Abs	%	NA	-
Percentage of recycled or recovered non-hazardous waste	Waste-Abs	%	77.3%	-
Percentage of total recycled or recovered waste	Waste-Abs	%	77.3%	-
TOTAL WEIGHT OF WASTE	**WASTE-ABS**	**TONNES/YEAR**	**112**	**144**

WATER CONSUMPTION FOR THE CORPORATE SCOPE ON A TOTAL BASIS IN 2017 AND 2018

			Total basis	
			Corporate	
Indicator	EPRA code	Unit	2018	2017
TOTAL WATER CONSUMPTION	**WATER-ABS**	**M^3**	**3,909**	**4,233**
Building water intensity	Water-Int	m^3/sq.m/year	0.33	0.22
Building water intensity	Water-Int	litre/pers./day	23.0	15.3

7.3. Tables of environmental indicators of the Healthcare Property Investment Division – EPRA format

The indicators below are calculated both on a total and like-for-like basis. The surge in floor areas included in the mapped scope (from 51% in 2017 to 72% in 2018) was related to the increase in the coverage rate and not to a change in scope of consolidation. Environmental indicators of healthcare facilities included in the new 2018 scope were also assessed in 2017 and included in the calculations.

ENERGY CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2017 AND 2018

Indicator	EPRA code	Unit	2018	2017
Coverage rate of the reporting scope (based on floor area)		%	72%	72%
Proportion of total energy consumption which is estimated		%	9%	7%
Total electricity consumption	Elec-Abs/LfL	MWh_{pe}	420,972	418,512
Total district heating & cooling consumption	DH&C-Abs/LfL	MWh_{pe}	2,852	2,985
Total fuel consumption	Fuels-Abs/LfL	MWh_{pe}	138,139	138,228
TOTAL ENERGY CONSUMPTION		**MWh_{PE}**	**561,962**	**559,725**
Energy intensity per floor area – primary energy	Energy-Int	kWh_{PE}/sq.m	546	544
Energy intensity per bed or place – primary energy	Energy-Int	kWh_{PE}/bed or place/year	44,917	44,971
Energy intensity per floor area – primary energy – weather-adjusted	Energy-Int	kWh_{PE}/sq.m	584	539
Energy intensity per floor area – final energy	Energy-Int	kWh_{FE}/sq.m	295	295

GREENHOUSE GAS EMISSIONS OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2017 AND 2018

				Scope 3
Indicator	EPRA code	Unit	2018	2017
Coverage rate of the reporting scope (based on floor area)		%	72%	72%
Proportion of total greenhouse gas emissions which are estimated		%	9%	7%
Indirect greenhouse gas emissions	GHG-Indir-Abs/LfL	tonnes CO_2e	46,879	46,870
TOTAL GREENHOUSE GAS EMISSIONS		**TONNES CO_2e**	**46,879**	**46,870**
Building carbon intensity	GHG-Int	kg CO_2e/sq.m	46	46
Building carbon intensity	GHG-Int	kg CO_2e/bed or place/year	3,747	3,766

WATER CONSUMPTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION IN 2017 AND 2018

Indicator	EPRA code	Unit	2018	2017
Coverage rate of the reporting scope (based on floor area)		%	57%	57%
Proportion of total water consumption which is estimated		%	32%	1%
TOTAL WATER CONSUMPTION	**WATER-ABS/LFL**	**M³**	**918,539**	**965,235**
Building water intensity	Water-Int	m³/sq.m/year	1.11	1.17
Building water intensity	Water-Int	litre/bed or place/year	93,968	99,311

WASTE PRODUCTION OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION

Discussions are being held between Icade and its operators concerning waste monitoring and recovery, taking into account the specificity of medical waste and its disposal routes.

7.4. Classified Facilities for Environmental Protection

Classified Facilities for Environmental Protection are mainly the buildings' heating and cooling equipment, whose management is ensured as part of the business parks' ISO 14001 certification.

	2018
Air conditioning equipment	11
Gas-fired equipment	10
Electrical equipment	3
TOTAL	**24**

7.5. Carbon footprint assessment for the Property Development Division

All new builds are subject to a complete carbon footprint assessment which measures all emissions during the construction phase (emissions caused by transport, materials and waste) and over a nine-year period of operation (energy consumption, renewing materials, commuting, etc.). The period of responsibility was set at nine years as this is the average period during which a completed building does not undergo any significant modifications: new use, new tenant or significant renovation work.

	Construction (grey energy)				Operation over nine years				Total	
	Construction emissions	Emissions avoided by using wood	Total construction emissions	Change compared to 2017	Operating emissions (energy, transport, maintenance)	Emissions avoided by the use of renewable electricity	Total operating emissions	Change compared to 2017	Total construction and operating emissions	Change compared to 2017
CO_2 emissions – intensity *(in kg CO_2/sq.m)*										
Residential	483	(13)	470	(5.9)%	290	(0)	290	(3.2)%	759	(4.9)%
Offices and other activities	367	(126)	241	(47.6)%	738	(1)	737	1.1%	978	(17.7)%
TOTAL	**451**	**(44)**	**408**	**(16.5)%**	**411**	**(0)**	**411**	**(2.4)%**	**819**	**(9.9)%**
CO_2 emissions – total *(in tonnes CO_2)*										
Residential	181,243	(4,978)	176,265	14.5%	108,666	(1)	108,665	18%	284,930	15.8%
Offices and other activities	51,236	(17,618)	33,618	(40.1)%	103,035	(87)	102,948	16%	136,566	(5.9)%
TOTAL	**232,479**	**(22,596)**	**209,883**	**(0.1)%**	**211,701**	**(89)**	**211,613**	**17%**	**421,496**	**7.7%**

7.6. Table of HR indicators

The workforce is reported without interns, except in special cases specified in the table.

	2018	2017
REGISTERED WORKFORCE		
Total workforce at the end of the period	**1,186**	**1,129**
Absolute change	5.1%	2.3%
Like-for-like change	2.7%	2.3%
Average monthly registered workforce	1,161	1,120
Workforce by division		
Office Property Investment	419	403
Healthcare Property Investment	25	20
Property Development	742	706
Workforce by region		
Paris region	757	722
Outside the Paris region	429	407
Workforce by category		
Executives	790	731
Non-executives	396	398
Workforce by contract type (including internships and temporary contracts)		
Permanent contract	**1,131**	**1,084**
Women	590	568
Men	541	516
Fixed-term contract	**20**	**18**
Women	16	14
Men	4	4
Work-study/apprenticeship	**35**	**27**
Women	15	13
Men	20	14
Internship	**4**	**5**
Women	2	3
Men	2	2
Temporary (annual FTE)	**11**	**10**
Women	10	1
Men	1	9
CHANGES IN WORKFORCE		
Permanent hires		
External permanent hires	156	169
Mergers – Acquisitions	27	0
Transfers from Caisse des dépôts and its subsidiaries	1	3
TOTAL	184	172
Departures of permanent employees		
Resignations	64	65
Dismissals	29	25
Departures by mutual agreement	16	16
Probation period termination	5	15
Retirements	20	21
Deaths	0	2
Transfers from Caisse des dépôts and its subsidiaries	3	1
Disposals	0	0
TOTAL	137	145
Turnover rate of permanent employees	10.6%	11.4%
Turnover rate of permanent employees with less than 2 years' service	11.8%	9.2%

	2018	2017
ORGANISATION OF WORKING TIME		
Employees, supervisors and non-autonomous executives		
Average number of actual working hours per week	37.5	37.5
Autonomous executives		
Number of days worked per year	210	210
Number of part-time employees		
Women	70	67
Men	2	4
TOTAL	72	71
LABOUR RELATIONS		
% of employees covered by collective bargaining agreements	100%	100%
Number of agreements signed during the year	3	10
Number of agreements relating to health and safety signed during the year	0	1
REMUNERATION		
Fixed remuneration (average annual base salary of permanent employees as of December 31 excluding sales managers, Executive Committee members and corporate officers)		
Executives	63,441	62,497
Non-executives	31,422	30,586
TOTAL	54,791	52,999
Variable remuneration		
Average variable remuneration ***(in %)***	10.8%	10.4%
Average performance incentive and profit-sharing ***(in %)***	7.3%	5.8%
Women-to-men earnings ratio [(a)]	**92.4%**	**92.4%**
SKILLS AND CAREER		
Training		
Total number of training hours	19,177	17,305
Training budget ***(in €)***	2,598,593	2,227,636
Share of payroll dedicated to training ***(in %)***	3.26%	3.00%
Number of employees trained	1,207	899
Average number of training hours per employee trained	**16**	**19**
Women	15	18
Men	16	20
Executives	14	19
Non-executives	19	20
Share of employees trained ***(in %)***	100%	80%
Career management		
% of positions filled internally	28%	33%
% of employees who had an annual performance review		
Women	98%	93%
Men	99%	87%
Executives	99%	87%
Non-executives	98%	97%
TOTAL	99%	90%

(a) On a relevant scope as outlined in section 10. "Summary of the reporting scope and methods".

	2018	2017
HEALTH AND SAFETY		
Absenteeism		
Absenteeism rate	3.42%	3.42%
Breakdown of hours of absence		
Illness (excluding part-time sick leave)	91%	86%
Workplace/commuting accident	3%	9%
Family events	1%	1%
Other causes	5%	4%
Accidents		
Number of workplace accidents	10	3
Number of commuting accidents	4	9
Frequency rate	5.26	1.64
Severity rate	0.13	0.37
Number of fatal accidents	0	0
Occupational illnesses		
Number of illnesses reported during the year	0	0
DIVERSITY		
Gender equality		
% of women on the Executive Committee	44%	50%
% of women managers	31%	30%
% of women in the workforce	52%	53%
Breakdown of the workforce by age		
<26 years old	6.2%	5.5%
26-39 years old	35.5%	34.2%
40-54 years old	43.7%	43.9%
>55 years old	14.7%	16.4%
Average age		
Executives	43.2	43.8
Non-executives	41.9	42.6
Average length of service ***(in years)***	10.4	11.1
Disability		
Number of employees officially recognised as disabled	44	48
Amount of services paid to the sheltered work sector ***(in €)***	112,094	172,405

8. Contribution to UN Sustainable Development Goals

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs). These 17 goals, broken down into 169 targets to be achieved by 2030, contribute to the three pillars of sustainable development, in order to ensure environmental, social and societal prosperity throughout the world. These SDGs call upon the private sector, civil society and governments to act.

In order to ensure its contribution and to be actively involved in this initiative, Icade wanted to benchmark its CSR strategy against these ambitious goals. As a result, in 2017, the Company conducted an analysis based on methodology from SDG Compass, which is supported by the United Nations Global Compact and WBCSD (World Business Council for Sustainable Development) and a study carried out by the World Green Building Council relating to the contribution of green buildings to SDGs.

This study shows a connection between the 169 SDG targets on the one hand, and material CSR issues, 2020 commitments and Icade's initiatives on the other. As a result, this "bottom-up" analysis identified 32 relevant targets consistent with 13 overall goals to which Icade can make a major contribution.

The selected goals have been ranked based on two priority levels, depending on Icade's potential degree of contribution to each one of them:

- priority goals: these are the most strategic goals, for which Icade wants to position itself as a leader, and which it has already integrated into its products and services or has the intention to do so. Eight goals are considered to be a priority:

  - GOOD HEALTH AND WELL-BEING
  - AFFORDABLE AND CLEAN ENERGY
  - DECENT WORK AND ECONOMIC GROWTH
  - INDUSTRY INNOVATION ND INFRASTRUCTURE
  - SUSTAINABLE CITIES AND COMMUNITIES
  - RESPONSIBLE CONSUMPTION AND PRODUCTION
  - CLIMATE ACTION
  - LIFE ON LAND

- significant goals: these are goals which are relevant to Icade's business activities and that are also integrated into its strategy. Five goals are considered to be significant:

  - GENDER EQUALITY
  - CLEAN WATER AND SANITATION
  - REDUCED INEQUALITIES
  - PEACE, JUSTICE AND STRONG INSTITUTIONS
  - PARTNERSHIPS FOR THE GOALS

Icade has identified three types of possible contributions to the Sustainable Development Goals:

- contribution through operational efficiency: this includes Icade's initiatives to improve its internal operations and the effectiveness of its processes;
- contribution through the development of new products and services: Icade's contribution to these goals opens up potential for new market penetration through the development of new products, services and solutions to meet major societal challenges;
- contribution through its societal commitment: Icade's contribution to these goals is not central to its business, but the Company wants to become involved because it considers that it is part of its societal responsibility.

This analysis made it possible to identify Icade's main contributions to SDGs and provided valuable input to the discussions and decisions related to the new CSR commitments defined for 2019–2022. The method used is detailed in section 1.2. "Defining new CSR commitments for 2019–2022". The following table was updated in 2018.

Icade's contribution to SDGs

	Operational efficiency	Developing new products and services	Societal commitment
PRIORITY GOALS	3 GOOD HEALTH AND WELL-BEING	3 GOOD HEALTH AND WELL-BEING	
	7 AFFORDABLE AND CLEAN ENERGY	7 AFFORDABLE AND CLEAN ENERGY	7 AFFORDABLE AND CLEAN ENERGY
	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH
		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	11 SUSTAINABLE CITIES AND COMMUNITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	11 SUSTAINABLE CITIES AND COMMUNITIES
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
	13 CLIMATE ACTION	13 CLIMATE ACTION	
	15 LIFE ON LAND	15 LIFE ON LAND	15 LIFE ON LAND
SIGNIFICANT GOALS	5 GENDER EQUALITY		5 GENDER EQUALITY
	6 CLEAN WATER AND SANITATION		
	10 REDUCED INEQUALITIES		10 REDUCED INEQUALITIES
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		
	17 PARTNERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS	17 PARTNERSHIPS FOR THE GOALS

SDG targets relevant to Icade*	Key commitments, results and measures taken by Icade for each target
Three relevant targets from SDG 3: – promote mental health and well-being (target 3.4); – give access to quality essential healthcare services at an affordable price (target 3.8); – reduce the number of deaths and illnesses from air, water and soil pollution (target 3.9).	➥ health innovations: optimised outpatient care, telemedicine booth with H4D, wellness areas and fitness trails in the business parks, etc.; ➥ measures to promote the quality of life in the workplace, Well label and OsmoZ initiative; ➥ measures to promote air, water and soil quality in Icade's buildings, indoor air quality sensors tested in partnership with Veolia and AirParif.
Two relevant targets from SDG 7: – increase the share of renewable energy in the energy mix (target 7.2); – double the global rate of improvement in energy efficiency by 2030 (target 7.3).	➥ **19%** of renewable energy in the Office Property Investment Division portfolio's energy mix in 2018 (target of 20% by 2020); ➥ **-14%** in the energy consumption of offices and business parks between 2011 and 2018 (target of -30% by 2020); ➥ energy efficiency plan for office properties with a budget of **€50 million** between 2017 and 2019 and issue of a first green bond for **€600 million** in 2017; ➥ implementation of the experimental E+C- label in new builds.
Four relevant targets from SDG 8: – promote entrepreneurship, innovation and the growth of small- and medium-sized enterprises (target 8.3); – achieve decent work and equal pay for equal work (target 8.5); – reduce the proportion of youth not in employment, education or training (target 8.6); – protect labour rights and promote safe and secure working environments for all workers (target 8.8).	➥ a real estate solution dedicated to start-ups (Grow Up, Icade's accelerator), range of services developed in partnership with start-ups, intrapreneurial approach; ➥ agreements relating to gender equality, disability and age diversity; ➥ **21%** of permanent positions filled externally by people under 26 years old in 2018; ➥ professional integration commitments for **100%** of major construction projects in 2018, employee involvement in associations promoting integration; ➥ responsible procurement charter and supplier CSR evaluations; ➥ policies dealing with health, safety and the quality of life in the workplace.
Two relevant targets from SDG 9: – develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being (target 9.1); – increase access to information technology (target 9.c).	➥ **27** innovations contributing to customers' well-being and environmental performance have been developed since 2016; ➥ new property solutions and services: flexible workspaces, shared green spaces, sustainable mobility, certified buildings, etc.; ➥ 100% connected homes and business parks, pilot company for the "smart and connected buildings" label.
Five relevant targets from SDG 11: – ensure access for all to adequate, safe and affordable housing (target 11.1); – provide access to safe, accessible and sustainable transport systems for all (target 11.2); – enhance capacities for sustainable urban planning and participatory management (target 11.3); – reduce the adverse environmental impact of cities, paying special attention to air quality, waste management and access to green spaces (targets 11.6 and 11.7).	➥ **46%** of homes built by Icade in 2018 were social housing or low-cost ownership units; ➥ soft mobility services (car-sharing, ride-sharing, electric shuttle buses, etc.). In 2018, **80%** of new projects were located less than a five-minute walk from public transport; ➥ participation in the emergence of the new profession of eco-friendly property manager responsible for locally coordinating the management of a neighbourhood or block of buildings; employment and sustainable development charters signed with local authorities; participation in local consultation bodies; ➥ measures to improve air quality and responsible waste management for existing properties and new builds, Écojardin -labelled green spaces for **100%** of business parks and development of urban agriculture in the business parks.
Three relevant targets from SDG 12: – achieve the sustainable management and efficient use of natural resources (target 12.2); – reduce waste generation (target 12.5); – ensure that people everywhere have the relevant information and awareness for sustainable development (target 12.8).	➥ use of FSC© or PEFC certified wood in buildings, measures to reduce the water consumption of existing properties and new builds, and a paperless office policy within Icade; ➥ creation of a circular economy and reuse platform (Cycle Up, a joint venture with Egis); ➥ **72.3%** of controlled operational waste from the Office Property Investment Division recycled or recovered in 2018 (target of 100% by 2020); ➥ CSR training for employees (**61%** covered in 2018), green lease committees for office tenants (**100%** in 2018), CSR & innovation committees with healthcare operators, user guides for property buyers to help raise awareness about eco-friendly practices.
Two relevant targets from SDG 13: – strengthen resilience and adaptive capacity to climate change (target 13.1); – improve awareness-raising to climate change for all (target 13.3).	➥ risk assessment related to climate change in order to adapt office properties; ➥ **83%** of housing projects covered by NF Living Environment and NF Living Environment HQE certifications which guarantee a satisfactory level of resilience; ➥ raising employees' and customers' awareness (employee training, green lease committees, CSR & innovation committees, user guides for property buyers).
Three relevant targets from SDG 15: – ensure the conservation, restoration and sustainable use of ecosystems (target 15.1); – promote the sustainable management of forests (target 15.2); – halt the loss of biodiversity (target 15.5).	➥ goal of **25%** of office properties and new builds with a net positive impact on biodiversity by 2020; ➥ biodiversity performance contract for **97%** of business parks, biodiversity assessments for **100%** of new builds, and restoration of **33,225 sq.m** of biodiversity by Icade as part of the Nature 2050 programme; ➥ use of FSC© or PEFC certified wood.
Two relevant targets from SDG 5: – end all forms of discrimination against women (target 5.1); – ensure women's effective participation for leadership (target 5.5).	➥ gender equality agreement: solutions for working parents, raising the awareness of recruitment agencies, special budget to fill the gender pay gap; ➥ **44%** of women on the Executive Committee.
Two relevant targets from SDG 6: – increase water-use efficiency and ensure sustainable withdrawals of fresh water (target 6.4); – support and strengthen the participation of local communities in improving water management (target 6.8).	➥ **-8%** in water consumption for the Office Property Investment portfolio between 2011 and 2018; ➥ rainwater collecting systems, reduced automatic watering, and use of plants that require little water; ➥ raising employees' and customers' awareness (employee training, green lease committees, CSR & innovation committees, user guides for property buyers).
Two relevant targets from SDG 10: – promote the inclusion of all, irrespective of age, sex, disability, etc. (target 10.2); – ensure equal opportunity by eliminating discriminatory practices and promoting appropriate policies (target 10.3).	➥ agreements relating to gender equality, disability and age diversity; ➥ disability awareness e-learning module.
One relevant target from SDG 16: – reduce corruption and bribery in all their forms (target 16.5).	➥ creation of a Compliance Department in 2017, implementation of a new Code of Ethics and strengthening of the whistleblower system in 2018; ➥ risk mapping, **97%** of employees identified as "at risk" trained in the fight against corruption and money laundering.
One relevant target from SDG 17: – promote partnerships, especially public-private and civil society partnerships (target 17.7).	➥ partnerships and working groups with institutions, local governments, industrial players, start-ups, schools and associations.

** Further information about the SDG targets referred to in this table is available on the global compact website:*
https://www.globalcompact-france.org/images/un_global_compact/page_odd/Liste_des_17_ODD_et_169_cibles_-_web.pdf

9. CSR risks and opportunities and related indicators

9.1. CSR risks and opportunities

The management of Icade's risks relies on an internal control framework overseen by the Audit and Risk Committee. It is based on a risk map which is updated every six months. This map results from a combined approach – a bottom-up approach where detailed risks (operational and financial) are identified by operational and functional managers and a top-down approach where major risks are assessed by the Executive Committee.

The risks included on the risk map are assessed based on their criticality, i.e. their potential impact on Icade and their probability of occurrence. This assessment results in action plans and procedures being introduced, whose effectiveness is checked on a regular basis by 350 control points, overseen by the Audit, Risk, Compliance and Internal Control Department.

Themes	Description	Associated risks and opportunities
Impact of climate change and energy transition	– degree of alignment of Icade's strategy with a 2°C trajectory; – compliance with Icade's CSR commitments with respect to climate change; – transition towards a low-carbon economy; – impact of climate change on the assets and their use; – scarcity of resources, higher energy prices.	**Risks:** obsolescence of assets, higher energy prices, business interruption events, damage to an asset, project postponed. **Opportunities:** attractiveness and value of the assets, operational control, occupancy optimisation.
Preservation of resources: circular economy and biodiversity	– compliance with Icade's CSR commitments with respect to biodiversity; – including opportunities related to the re-use of building materials in construction, renovation and demolition works.	**Risks:** loss of attractiveness and market share **Opportunities:** attractiveness and value of the assets, increased market share.
Compliance with environmental, health and safety regulations	– compliance with environmental regulations: pollution, energy consumption, etc.; – compliance with health and safety regulations: asbestos, air quality, water quality, etc.	**Risks:** postponement or cost increase for a project, incident affecting an asset, legal claims against Icade. **Opportunities:** attractiveness and value of the assets, occupancy optimisation, operational control.
Innovation and adaptation to customers' needs	– adapting products and services to new habits and lifestyles: teleworking, co-working, well-being, digitalisation, etc.; – integrating innovation into products and services and bids for tenders, anticipating new labels and certifications.	**Risks:** obsolescence of assets, decrease in asset value, loss of market share. **Opportunities:** attractiveness and value of the assets, occupancy optimisation, increased market share.
Customer relations	– brand promise and image; – User experience, effectiveness of marketing tools; – responsible marketing practices.	**Risks:** deterioration in the customer relationship, legal claims against Icade. **Opportunities:** improving the customer retention and recommendation rate.
Consideration of the needs of local communities	– integrating local needs into bids for tenders: local issues and challenges, professional integration, proposals for appropriate cultural and sporting services, etc.; – considering the social situation in the main locations where the Company operates, and taking measures supporting priority neighbourhoods; – joint action with local stakeholders: local authorities, local communities, associations, etc.	**Risks:** unsuccessful tenders, declining attractiveness of assets. **Opportunities:** increased market share, occupancy optimisation, improved right to operate.
Responsible procurement	– worksite safety and labour law compliance; – compliance with commitments made by suppliers and subcontractors in the responsible procurement charters: environmental protection, fair commercial practice, etc.; – compliance with Icade's CSR commitments relating to procurement from the sheltered work sector.	**Risks:** legal claims against Icade, deterioration in the customer relationship. **Opportunities:** operational control, improved customer relationships.
HR policy: adaptation of skills, workplace well-being and diversity	– adaptation of skills to the Company's strategy: anticipation of needs, employees' adaptability, attractiveness and key skills retention; – workplace well-being and diversity: measuring workplace well-being, preventing discrimination and harassment, managing restructuring, social dialogue.	**Risks:** legal claims against Icade, lower productivity, loss of competitiveness, deterioration in employee relations. **Opportunities:** improved productivity, protection of the Company's growth.
Business ethics	– prevention of the risk of corruption, money laundering, financing of terrorism, fraud, collusion, conflict of interest and illegal insider trading.	**Risks:** legal claims against Icade, damage to brand image and brand value. **Opportunities:** establishing relationships of trust with stakeholders, founded upon principles of transparency, improving brand image and optimising brand value.
Data protection and security	– cybersecurity; – compliance with regulations governing the use of data.	**Risks:** legal claims against Icade, loss of strategic data, reduced productivity, deterioration in customer relationships. **Opportunities:** operational control, improved customer relationships.

Regulatory *Reputational* *Operational* *Financial* *Physical*

Icade considers CSR as a tool for improving risk management and as a source of value creation opportunities. In 2017, Icade's CSR and Risk Management teams together conducted an in-depth review of the risks and opportunities related to the environmental, social and societal aspects. It was based on regulatory monitoring, a review of the most significant studies, an industry benchmark in addition to an assessment of Icade's contribution to UN Sustainable Development Goals. It was updated to include new risks identified in the materiality analysis carried out in 2018 *(for further information, see section 1.2.)*. In 2018, close to fifty CSR risks were so identified (i.e. 24% of the 200 risks included in the map).

The table below outlines Icade's main CSR risks and opportunities, their impact, control measures and solutions implemented. *They are also referred to in chapter 4 "Risk Factors"*. They include the financial risks related to the effects of climate change on operations, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD) that was assembled at the behest of G20 and Financial Stability Board (FSB). Icade has accounted for no provision or guarantee for environmental risk for the financial year 2018.

Impact	Main risk control measures and solutions implemented
	Key climate commitments: reducing the Office Property Investment Division's CO_2 emissions by 40% between 2011 and 2020 and the Property Development Division's CO_2 emissions related to grey energy by 12% between 2015 and 2020. These goals are based on action plans: – Office Property Investment: an energy efficiency and renewable energy development plan with a €50 million budget between 2017 and 2019; conducting an assessment of the risks associated with the physical impact of climate change on assets in order to gradually adapt the properties; – Healthcare Property Investment: energy/carbon mapping and proposing suggestions for improvement co-developed with healthcare operators; – Property development: developing wood-based buildings with the E+C- label (positive energy and low-carbon buildings). *For further information, see section 2.1.*
	Icade strives to prevent, reduce, and offset any adverse impacts on biodiversity throughout the building life cycle, and aims to reach a target of 25% of net positive impact on biodiversity in its business parks and new builds by 2020. With respect to circular economy, Icade is committed to managing its construction waste and recycling or recovering 100% of controlled operational waste by 2020. In 2018, Icade entered into a 50/50 joint venture with Egis to launch Cycle Up, a platform dedicated to the reuse of construction materials. *For further information, see sections 2.2 and 2.3.*
	Environmental, health and safety risk management is ensured through a robust system comprising environmental management systems, certifications (ISO 14001, NF, HQE, BREEAM, etc.), regulatory monitoring, environmental impact studies, assessment and maintenance of technical facilities, and evaluation and internal monitoring systems (biodiversity performance contracts, energy audits, etc.). *For further information, see sections 2.1., 2.2., 2.3., 2.5. and 3.3.*
	An Innovation Department composed of 8 employees is in charge of the innovation approach with an annual budget of €2 million. This approach is applied in each business division: – the Office Property Investment Division develops new real estates solutions and services adapted to new practices in office environments; – the Healthcare Property Investment Division assists healthcare operators in addressing the changing healthcare needs through the implementation of innovative solutions such as Ambu'stage; – the Property Development Division develops creative products and services such as the home co-design platform Imagin'home. *For further information, see sections 3.2. and 3.3.*
	Each of Icade's divisions develops solutions to promote interaction with its customers, to improve customer journey and user experience through digital platforms, customer surveys, after-sales service, new services (online selling, virtual tours, automated handling of complaints), etc. *For further information, see section 3.3.*
	Icade maintains a regular, active dialogue with local communities: – participation in local consultation bodies with local authorities; – charters and volunteering initiatives from employees to support local employment and professional integration; – development of functional, social and age diversity for existing properties and new builds. *For further information, see sections 1.4. and 3.1.*
	Icade's responsible procurement policy is based on: – the systematic signing of responsible procurement charters by its suppliers and assessing compliance with the charter; – including specific requirements: sustainable materials, biodiversity, professional integration, labour law compliance, safety, procurement from the sheltered work sector, etc. *For further information, see section 3.5.*
	Icade's HR policy endeavours to: support the Company's strategic project, develop employee and manager expertise and adaptability, encourage collaborative work, build a compelling employer brand, increase workplace well-being and promote diversity in all its forms. *For further information, see section 4.*
	The business ethics policy is overseen by the Audit, Risk, Compliance and Internal Control Department. The policy is based on robust standards such as the Code of Ethics, a compliance officer, risk mapping, an anti-money laundering, corruption and financing of terrorism programme, a know-your-customer framework, regular employee training and an anonymous whistleblower system. *For further information, see section 3.6.*
	Icade's cybersecurity policy is overseen by the IT and Security Department and implemented through dedicated procedures: business continuity plan, system protection and redundancy, etc. A data protection officer ensures compliance with the General Data Protection Regulation, and employees are made aware of the matter through e-learning courses. *For further information, see sections 3.3.2. and 3.6.*

9.2. Summary table of key performance indicators for the main CSR risks

Main risk areas	Key performance indicators
Impact of climate change and energy transition	**Property Investment Divisions:** ▪ Energy and carbon intensity (Office and Healthcare Property Investment Divisions)* ▪ Percentage of floor area covered by energy performance contracts (Office Property Investment Division)* ▪ Percentage of electricity covered by green certificates (Office Property Investment Division)* **Property Development Division:** ▪ Percentage of projects (office and residential) exceeding Thermal Regulation RT 2012 by at least 10%* ▪ Carbon intensity* ▪ Percentage of floor area powered by renewable energy*
Preservation of resources: circular economy and biodiversity	**Property Investment Divisions:** ▪ Water intensity (Office and Healthcare Property Investment Divisions)* ▪ Percentage of recycled or recovered waste (Office Property Investment Division)* ▪ Percentage of business parks having received the Écojardin label (Office Property Investment Division) **Property Development Division:** ▪ Percentage of new offices with HQE certification that recover 60% of construction waste ▪ Percentage of new projects equipped with a rainwater collection system ▪ Percentage of new builds with a net positive impact on biodiversity
Compliance with environmental, health and safety regulations	**Property Investment Divisions:** ▪ Percentage of floor area covered by an environmental certification (Office and Healthcare Property Investment Divisions)* ▪ Percentage of floor area covered by green lease clauses (Office Property Investment Division)* **Property Development Division:** ▪ Percentage of floor area (office and other activities) and projects (residential) covered by an environmental certification*
Innovation and adaptation to customers' needs	**Property Investment Divisions:** ▪ Percentage of floor area covered by services available to tenants (Office Property Investment Division)* **Property Development Division:** ▪ Percentage of homes and offices developed using 3D building information modelling (BIM)
Customer relations	**Property Investment Divisions:** ▪ Percentage of main business parks having the new "Business Park of Excellence" proprietary label (Office Property Investment Division) **Property Development Division:** ▪ Customer satisfaction index on construction completion*
Consideration of the needs of local communities	**Icade:** ▪ Amount allocated to sponsorships and patronage* **Property Development Division:** ▪ Percentage of major construction projects that include professional integration commitments
Responsible procurement	**Property Investment Divisions:** ▪ Percentage of suppliers who have signed the responsible procurement charter (Office Property Investment Division)* **Property Development Division:** ▪ Percentage of new-build projects subject to a responsible procurement charter **Icade:** ▪ Rate of increase in the amount of procurement from the sheltered work sector
HR policy: adaptation of skills, workplace well-being and diversity	**Icade:** ▪ Total workforce and breakdown of employees by gender, age and geographic area* ▪ Absenteeism rate* ▪ Percentage of employees trained* ▪ Percentage of employees officially recognised as disabled*
Business ethics	**Icade:** ▪ Percentage of employees made aware of the fight against corruption (French Sapin II law) and the Code of Ethics*
Data protection and security	**Icade:** ▪ Percentage of employees made aware of the EU General Data Protection Regulation (GDPR)*

** Key performance indicators verified through tests of details by the independent third-party body*

10. Summary of the reporting scope and methods

10.1. Reporting period

The period selected for annual reporting is the calendar year from January 1 to December 31, 2018.

10.2. Reporting scope

The scope that is covered by the reporting process differs depending on Icade's business lines and indicators. It is determined based on its relevance in terms of representativeness and comparability. Below is the definition of each reporting scope.

10.2.1. Environmental and societal reporting scopes

Office Property Investment Division

The scope of environmental and societal reporting for the Office Property Investment Division is based on the consolidated financial reporting scope as defined in the management report. Depending on the environmental or societal performance indicators, the Office Property Investment Division considers several reporting scopes. These scopes are defined as follows:

- financial reporting scope ("leasable floor area"): the portfolio of the Office Property Investment Division in 2018 includes all the assets held as of December 31, 2018, which makes up the leasable floor area. The following are not included in the leasable floor area: assets being or soon to be renovated, assets with a low occupancy rate, assets under development/construction, and assets sold during the year;
- "CSR" reporting scope: is obtained by excluding the following assets from the financial reporting scope: assets in use for less than one year over the full calendar year (acquired less than one year ago or undergoing works during the year), and "special" assets whose use presents a particular environmental profile and which are not significant enough in number to constitute an entire category by themselves (warehouses, data centres, television studios, industrial facilities, etc.);
- "mapped floor area" reporting scope: subject to an assessment of certain key environmental indicators;
- "Corporate" reporting scope: includes the buildings occupied by Icade, some of which it does not own like its current headquarters building "Open" that was sold in 2018. As a result, since 2018, the "Corporate" scope has been a separate category rather than a subcategory of the CSR scope and mapped floor area as these only include buildings owned by Icade.

The CSR reporting scope of the Office Property Investment Division solely includes office assets, classified into two categories: offices not part of any business park (referred to below as "offices") and offices located in business parks (referred to as "business parks").

SCOPE OF THE OFFICE PROPERTY INVESTMENT DIVISION AS OF 12/31/2018

	Leasable floor area *(in sq.m)*	CSR reporting scope *(in sq.m)*	Mapped floor area *(in sq.m)*	% mapped	% of controlled buildings	% of non-controlled buildings
Business parks	661,070	318,021	309,145	97%	95%	5%
Offices	867,617	727,820	603,850	83%	69%	31%
OFFICE PROPERTY INVESTMENT DIVISION	**1,528,687**	**1,045,841**	**912,995**	**87%**	**77%**	**23%**
Corporate	11,729	11,729	11,729	100%	100%	0%

In the "CSR" scope covering 1,045,841 sq.m, mapped buildings represented 912,995 sq.m at the end of 2018, i.e. 87% of total floor area. Assets identified as "controlled" are properties whose operation is fully or partially controlled by Icade. Assets identified as "non-controlled" are properties owned by Icade but fully operated by the tenant (single-tenant buildings). In 2018, Icade had control of the operation of 77% of business park and office assets in the "CSR" scope.

The choice of scope for environmental and societal indicators is determined based on its relevance for the indicator under consideration:

- financial reporting scope ("leasable floor area") for indicators across Icade's property portfolio or business parks, such as: ISO 14001 certification of the parks, biodiversity indicators of the parks, risk assessment related to climate change, the share of renewable energy in the energy mix, services available to tenants, and WiFi coverage of the parks;
- CSR reporting scope for indicators such as: HQE/BREEAM certifications for offices and business parks, energy performance contracts, distance of the properties from public transport, transport-related CO_2 emissions and health and safety measures for the assets;
- "mapped area" reporting scope for indicators of energy, carbon, water, waste and charging stations for electric vehicles.

Healthcare Property Investment Division

The financial reporting scope includes all the healthcare properties held as of December 31, 2018, based on leasable floor area according to the same rules as for the Office Property Investment Division. The "CSR" scope of the Healthcare Property Investment Division includes the healthcare facilities of the financial reporting scope, except for those having less than one year's use over the full calendar year (acquired less than one year ago or undergoing works during the financial year). The "mapped floor area" reporting scope includes the share of healthcare facilities for which mapping of environmental indicators (energy, carbon and water) was carried out during the financial year. In contrast to the Office Property Investment Division which controls the vast majority of its assets, the Healthcare Property Investment Division does not control the operation of its healthcare properties, which explains the difference in mapped floor area between the two divisions. As part of its partnerships with healthcare operators, Icade owns the properties but does not manage operations. Its tenants have total control over the operation of the buildings, on both operational and environmental levels.

SCOPE OF THE HEALTHCARE PROPERTY INVESTMENT DIVISION AS OF 12/31/2018

	Leasable floor area *(in sq.m)*	CSR reporting scope *(in sq.m)*	Mapped floor area - energy and carbon *(in sq.m)*	% mapped - energy and carbon	Mapped floor area - water *(in sq.m)*	% mapped - water	% of controlled buildings	% of non-controlled buildings
HEALTHCARE PROPERTY INVESTMENT DIVISION	**1,602,495**	**1,434,413**	**1,029,475**	**72%**	**823,938**	**57%**	**0%**	**100%**

The floor area of mapped healthcare facilities for energy and carbon indicators increased from 691,504 sq.m in 2017 to 1,029,475 sq.m in 2018 (i.e. from 51% to 72% of total floor area). The floor area of healthcare facilities covered by the collection of water consumption indicators increased from 51% to 57% of total floor area in 2018. The water indicator covers less floor space due to the impossibility to obtain data from certain local water suppliers which do not have data collection portals.

Property Development Division

The scope used is that of the buildings and projects for which construction has been started during the financial year, corresponding to the consolidated financial reporting scope as defined in the management report. No exclusions with respect to the financial scope have been applied.

PROPERTY DEVELOPMENT DIVISION SCOPE AS OF 12/31/2018

	Number of property development projects	Floor area *(in sq.m, gross internal area as defined by the French Thermal Regulation)*	Mapped floor area *(in %)*
Residential	74	375,348	100%
Offices	5	100,998	100%
Other activities (Healthcare, Amenities)	9	38,608	100%
TOTAL	**88**	**514,954**	**100%**

In 2018, mapped floor area represented 100% of the projects.

All the environmental and societal indicators of the Property Development Division are included in this scope, except for the following:

- proportion of projects that have undergone a biodiversity assessment (scope: number of projects in the design phase during the year);
- breakdown of orders by type of customer (scope: number of housing orders during the year).

10.2.2. Scope of labour-related data

Labour-related data is consolidated for all of Icade's business lines and divisions included in the scope of financial consolidation.

10.3. Change in scope

The main change in scope of consolidation involves the Office Property Investment Division due to the ANF Immobilier merger in 2018 (leasable floor area of 197,000 sq.m as of December 31, 2018, on a full consolidation basis) and the disposals of the Paris-Nord 2 and Colombes business parks, the Axe Seine building and the Open building totalling 243,000 sq.m (in leasable floor area, as of September 30, 2018).

10.4. Choice of indicators

To monitor the progress of its environmental, social and societal performance, Icade has adopted key performance indicators in connection with its 15 CSR commitments. These indicators were defined based on the recommendations of international standards, such as the Global Reporting Initiative (GRI) standards published in October 2016 and the GRI "Construction & Real Estate Sector Supplement", version 4 (GRI-G4) as well as the EPRA "Sustainability Best Practices Recommendations Guidelines" of September 2017.

Each indicator was selected by Icade for its relevance to its business activities, its main risks in accordance with the non-financial performance statement and the expectations of its stakeholders (materiality analysis updated in 2018). A fact sheet is provided for each indicator which includes the indicator heading, its correspondence to standards, its definition, its calculation or estimation guidelines, source data, the possible connection to other indicators and its internal and external review processes.

10.5. Reporting tools

Indicators are compiled from a number of data collection systems, with each one placed under the responsibility of a specific department. The tools, data collection methods, calculation and consolidation guidelines, and verification and internal updating process are presented below by division and type of indicator.

10.5.1. Data from the Office Property Investment and Healthcare Property Investment Divisions

Energy, carbon, water and waste indicators

The organisation of the environmental reporting of this data is shared by the Office Property Investment and Healthcare Property Investment Divisions. It involves the CSR Department, CSR representatives from the Office Property Investment and Healthcare Property Investment Divisions, a network of "energy/water/waste" representatives within the operational entities, managing agents and, as the case may be, office tenants and healthcare operators. In 2017, Icade improved the management of its environmental data by automating the collection and analysis of consumption data in partnership with Deepki, an environmental management software company. The data is extracted and then processed in a spreadsheet. A consistency check is performed by CSR representatives from the Office Property Investment and Healthcare Property Investment Divisions and by Icade's CSR Department. The environmental reporting procedure is updated on an annual basis and is available on Icade's website.

Other environmental and societal indicators

Source data for other environmental and societal indicators is collected and processed by CSR representatives from Icade's Office Property Investment and Healthcare Property Investment Divisions. Data verification and validation is performed by these two same divisions and Icade's CSR Department.

10.5.2. Environmental and societal data of the Property Development Division

The indicators are compiled from three sources: business management tool from the Property Development Division, field surveys and thermal analysis of the projects supplied by a network of contributors. The collection and verification are carried out by the Property Development Division's quality manager. A consistency check and verification of any duplicates are also performed by the Property Development Division's quality manager, by another CSR representative from the Property Development Division and by Icade's CSR Department. The Property Development Division's reporting protocol is updated on a regular basis.

10.5.3. Labour-related data

Labour-related data is collected by the "Analysis and Remuneration" unit of the HR Department and comes from payroll and labour data management software, the results of analyses conducted as well as all HR players responsible for training, mobility, diversity and labour-related affairs. This data is processed on a special spreadsheet. Monitoring and verification are conducted by the "Analysis and Remuneration" unit and Icade's CSR Department. Releasing this data is subject to approval by the HR Department.

10.6. Methodological clarification

Methodology relating to some indicators may exhibit specificities which are set out below.

Like-for-like data: Office Property Investment and Healthcare Property Investment Divisions

To meet EPRA's reporting recommendations, Icade has reported the environmental indicators of the Office Property Investment and Healthcare Property Investment Divisions on a total and like-for-like basis. Like-for-like data includes all historical data for a specific property asset portfolio that remains unchanged for three years, i.e. from January 1, 2016 to December 31, 2018 for the Healthcare Property Investment Division and for two years, i.e. from January 1, 2017 to December 31, 2018 for the Office Property Investment Division. For buildings which were newly added to the mapping process in 2018, data is collected ex post for 2017 and 2016 and integrated into the calculations.

For the Healthcare Property Investment Division, there is no difference between the total scope and the like-for-like scope.

Comparing weather-adjusted energy performance: Office Property Investment and Healthcare Property Investment Divisions

To remove weather variations and enable energy consumption to be compared from one year to another, the raw data has been corrected using a methodology proposed by national weather service Météo-France. The data was adjusted based on weather conditions in 2011 which was chosen by Icade as the base year. The key policies adopted by Icade are set out in the environmental reporting procedure, available on Icade's website.

Calculating greenhouse gas emissions: Office Property Investment and Healthcare Property Investment Divisions

In order to ensure compliance with the recommendations of the international GreenHouse Gas Protocol (GHG Protocol) standards, all scope 3 emissions relating to non-controlled data for both controlled and non-controlled assets were accounted for as indirect emissions.

Since 2011, Icade has accounted for its greenhouse gas emissions based on national or local emission factors (referred to as location-based) in accordance with the GHG Protocol. For electricity (excluding renewables) and natural gas, CO_2 emissions are calculated by using factors set out in the Order of February 8, 2012 which amended the Order of September 15, 2006 on energy performance assessments for existing buildings. For heating and cooling networks, the factors used are those of the urban networks to which Icade's assets are connected. All the tables in EPRA format (paragraphs 7.1, 7.2 and 7.3) comply with these principles.

Calculating carbon intensity: Office Property Investment Division

To calculate its carbon intensity (as used in the calculation of its carbon objective of a -40% reduction between 2011 and 2020), Icade has departed from GHG Protocol by deducting CO_2 emissions avoided by green certificates (which guarantee the purchase of renewable electricity) from the calculation of the Office Property Investment Division's overall carbon intensity. Icade uses two methods to reduce its carbon emissions – the purchase of green certificates and on-site renewable energy production. To reflect these two methods, Icade has chosen to deduct carbon emissions associated with green certificates as well as on-site renewable energy production. Icade has chosen not to replace its location-based accounting with a market-based approach (which would allow for green certificates to be deducted) in order to maintain continuity in its reporting and comparability with its peers. In order to ensure transparency on the impact of this methodological choice, the overall intensity indicator is reported both with and without green certificates. This departure from the Protocol only affects carbon intensity calculations and has no impact on carbon emission calculations set out in the EPRA tables in appendices 7.1, 7.2 and 7.3. In addition, emissions offset on a voluntary basis (37% of mapped emissions in 2018) were not deducted from Icade's CO_2 emission calculations.

Calculating carbon emissions from transport: Office Property Investment Division

Carbon emissions from transport are calculated based on the properties' location and local average data for the breakdown of transport use by mode of transport and data from Icade's corporate transport plans to which an emission factor is applied.

Energy, carbon and water intensity: Healthcare Property Investment Division

The intensity indicators of the Healthcare Property Investment Division are calculated per sq.m and per bed or place. Intensity indicators per bed or place take into account changes in medical practices, especially the growth of outpatient surgery. The number of beds is used for traditional private hospitals and medical-social facilities whereas the number of places is used for facilities dedicated to short-term outpatient care. Places reflect the capacity of operating rooms, recovery rooms, waiting rooms, etc.

Women-to-men earnings ratio

The gender pay gap shown in the table of HR indicators (section 7.6.) was calculated based on a limited scope, which Icade considers to be relevant (around 30% of the workforce). It was determined based on a gender pay gap analysis conducted by the Human Relations Department. It includes only job families whose degree of diversity is high to avoid skewing the results. The indicator reflects the disparity of the average monthly base salary of women compared with that of men.

Fight against food waste, fight against food insecurity, respect for equitable and sustainable food and animal welfare

Article L. 225-102-1 of the French Commercial Code, amended in October 2018 by Law No. 2018-938 "for a balance in commercial relations in the agricultural and food sector and healthy and sustainable food accessible to all" requires that information relating to the fight against food waste, the fight against food insecurity, the respect for animal welfare and equitable and sustainable food be included in the non-financial performance statement. These issues were not considered to be material by Icade, which, in the course of its business activities, has very limited power to act and responsibility with regard to these various topics. Consequently, there is very little reporting on these issues in the CSR chapter of Icade's registration document. This is due to the following reasons:

- the topics of waste, food insecurity and the respect for equitable and sustainable food are mainly related to the food services available in some of its portfolio's assets. However, Icade does not control the vast majority of these food services as it has entered into no direct contracts with the food service providers operating on its properties. Icade has nonetheless gone beyond the scope of its responsibility by setting up vegetable gardens and urban farms in its business parks and headquarters and by organising workshops to educate its tenants and employees about healthy and sustainable food;
- for the same reasons, Icade's impact on animal welfare is limited given its business activities. However, Icade addresses this topic through the measures put in place to promote biodiversity *(for further information, see section 2.2. "Promoting biodiversity to make the assets more appealing")*.

10.7. Changes in calculation methods

Calculating the change in the proportion of in-use certified office space: Office Property Investment Division

The change in the proportion of in-use certified office space is now calculated on a like-for-like basis (excluding the impact of disposals and acquisitions) and, as a result, it better reflects the efforts carried out on the properties on a year-on-year basis.

Calculating waste indicators: Office Property Investment Division

In 2018, the Office Property Investment Division refined its method for assessing waste management. In the past, it monitored the proportion of recyclable waste (source separation). It now tracks the proportion of recycled or recovered waste which provides much more detailed information on its final treatment. This indicator breaks down the percentage of waste recycled, recovered through composting or biogas production or through incineration. In 2018, the proportion of recyclable controlled waste was 33.0%, while 72.3% of controlled waste was recycled or recovered.

Proportion of offices and business parks equipped with charging stations for electric vehicles: Office Property Investment Division

In order to better reflect the scope in which Icade has real power to act, the indicator related to the proportion of offices and parks equipped with charging stations for electric vehicles is limited to assets over which Icade has operational control (controlled buildings). It excludes buildings without available parking spaces and condominium buildings over which Icade has no decision-making authority. The buildings from the ANF Immobilier merger have also been temporarily excluded from the scope in 2018 and will be included starting in 2019.

Scope of calculation for CO_2 emissions from transport and distance from public transport: Office Property Investment Division

The scope of calculation for indicators of CO_2 emissions from transport and the distance of the properties from public transport was expanded in 2018. Until 2017, it was calculated based on the "mapped floor area" reporting scope and was expanded to the CSR scope in 2018.

10.8. External assurance

For the purpose of obtaining an outside opinion on the completeness and accuracy of its non-financial data reporting process, Icade has commissioned Mazars, in its capacity as an independent third-party body, to carry out the following verifications:

- verification of compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- verification of the accuracy of the disclosures pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators and actions, relating to the main risks.

The independent third-party body's report is shown in section 12. "Independent third-party body's report"

Correspondence to the Global Reporting Initiative

A consulting firm specialised in non-financial reporting assessed the extent to which the CSR chapter of this registration document complies with Global Reporting Initiative standards. Within this context, it was established that Icade is in accordance with GRI standards with the Core option. *The correspondence table is shown in section 11. "Non-Financial Performance Statement, Global Reporting Initiative and EPRA Correspondence Tables".*

11. Non-Financial Performance Statement, Global Reporting Initiative and EPRA correspondence tables

Correspondence table for the sections of chapter 3 of the 2018 registration document with the Decree No. 2017-1265 of August 9, 2017 on the disclosure of non-financial information presented above.

Heading	Section of the registration document
BUSINESS MODEL	
Summary of the business model	**Chapter 1 section 4**
Description of the main business activities and geographic distribution	
Office Property Investment Division	Chapter 2 section 2.2
Healthcare Property Investment Division	Chapter 2 section 2.3
Property Development Division	Chapter 2 section 3
Key figures	
Key figures for the Office Property Investment Division	Chapter 1 section 1 and chapter 2 section 2.2.7
Key figures for the Healthcare Property Investment Division	Chapter 1 section 1 and chapter 2 section 2.3.6
Key figures for the Property Development Division	Chapter 1 section 1 and chapter 2 section 3.1, 3.2 and 3.3
Key stakeholders	**Chapter 3 section 1.4**
Competitive position	
Office Property Investment Division	Chapter 2 sections 2.2.1, 2.2.2
Healthcare Property Investment Division	Chapter 2 sections 2.3.1, 2.3.2
Property Development Division	Chapter 2 section 3.1
Position in the business ecosystem – types of suppliers and service providers	**Chapter 3 section 3.5**
Outlook	**Chapter 1 section 5.2**
CSR RISKS AND OPPORTUNITIES AND RELATED CONTROL MEASURES	CHAPTER 3 SECTION 9
POLICIES, RESULTS AND KEY PERFORMANCE INDICATORS	CHAPTER 3 SECTIONS 5 AND 6
SOCIAL AND ENVIRONMENTAL IMPACT OF BUSINESS ACTIVITIES	
Social impact	Chapter 3 sections 3 and 4
Environmental impact	Chapter 3 section 2
CLIMATE CHANGE	CHAPTER 3 SECTIONS 1.5, 2.1, 2.6, 2.7, 7.1 AND 7.2, 7.3 AND 7.5
CIRCULAR ECONOMY	CHAPTER 3 SECTION 2.3
RESPECT FOR HUMAN RIGHTS	CHAPTER 3 SECTIONS 3.5 AND 4.2.3, 4.3
COLLECTIVE AGREEMENTS	CHAPTER 3 SECTION 4.2.3
FIGHT AGAINST DISCRIMINATION, PROMOTION OF DIVERSITY	CHAPTER 3 SECTION 4.3
MEASURES IN SUPPORT OF PEOPLE WITH DISABILITIES	CHAPTER 3 SECTION 4.3.2
FIGHT AGAINST CORRUPTION	CHAPTER 3 SECTIONS 3.5 AND 3.6
FIGHT AGAINST TAX EVASION	CHAPTER 3 SECTION 3.6
FIGHT AGAINST FOOD WASTE	CHAPTER 3 SECTION 10.6
FIGHT AGAINST FOOD INSECURITY, RESPECT FOR ANIMAL WELFARE AND EQUITABLE AND SUSTAINABLE FOOD	CHAPTER 3 SECTION 10.6

Correspondence table between the registration document and the Real Estate Sector Supplement of the Global Reporting Initiative and EPRA's Sustainability Best Practices Recommendations Guidelines

Icade is in accordance with the GRI standards with the "Core" option and follows the EPRA recommendations of September 2017. The specific disclosures presented are based on aspects that could be considered material.

GRI code	EPRA code	General standard disclosures	Section of the registration document	External assurance
GENERAL INDICATORS				
		Organisational profile		
102-1		Report the name of the organisation	Chapter 8 section 1	
102-2		Report the primary brands, products, and services	Chapters 1 and 2	
102-3		Report the location of the organisation's headquarters	Chapter 8 section 1	
102-4		Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	Chapter 2 sections 2.1, 2.2 and 2.3	
102-5		Report the nature of ownership and legal form	Chapter 8 section 1	
102-6		Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Chapter 2	
102-7		Report the scale of the organisation	Chapter 1 sections 1 and 3	
102-8		Detailed information on the workforce	Chapter 3 sections 4.1 and 7.6	✓
102-9		Describe the organisation's supply chain	Chapter 3 sections 1.4 and 3.5	
102-10		Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Chapter 2 section 1.1	
102-11		Report whether and how the precautionary approach or principle is addressed by the organisation	Chapter 3 sections 1.2, 1.3 and 9	
102-12		List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Chapter 3 section 1.4	
102-13		List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation participates	Chapter 3 section 1.4	
		Strategy		
102-14		Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	Message from André Martinez; Interview with Olivier Wigniolle	
102-15		Information related to key risks, opportunities and impacts	Chapter 3 sections 1.2 and 9, and Chapter 4	
		Ethics and integrity		
102-16		Describe the organisation's values, principles, standards and norms of behaviour such as Codes of Conduct and Codes of Ethics	Chapter 3 section 3.6	
		Governance		
102-18		Report the governance structure of the organisation, including committees of the highest governance body Identify any committees responsible for decision-making on economic, environmental and social impacts	Chapter 3 section 1.3 and Chapter 5 section 1	
102-21		Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Chapter 3 sections 1.2, 1.3 and 1.4	
102-22	Gov-Board	Report the composition of the highest governance body and its committees	Chapter 5 section 1	
102-24	Gov-Selec	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Chapter 5	
102-25	Gov-Col	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	Chapter 3 section 3.6 and chapter 5 sections 1 and 2	
		Stakeholder engagement		
102-40		Provide a list of stakeholder groups engaged by the organisation	Chapter 3 section 1.4	
102-41		Collective bargaining agreements	Chapter 3 section 4.2.3	
102-42		Report the basis for identification and selection of stakeholders with whom to engage	Chapter 3 section 1.4	
102-43		Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Chapter 3 sections 1.2, 1.3 and 1.4	
102-44		Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Chapter 3 sections 1.2 and 1.4	

GRI code	EPRA code	General standard disclosures	Section of the registration document	External assurance
		Report profile		
102-45		List all entities included in the organisation's consolidated financial statements or equivalent documents	Chapter 1 section 2 and chapter 5 section 2 (note 11.5)	
102-46		Explain the process for defining the report content and the aspect boundaries	Chapter 3 sections 1.2 and 10	
102-47		List all the material aspects identified in the process for defining report content	Chapter 3 sections 1.2, 1.3, 5 and 10	
102-48		Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Chapter 3 section 10	
102-49		Report significant changes from previous reporting periods in the scope and aspect boundaries	Chapter 3 section 10	
102-50		Reporting period (such as fiscal or calendar year) for information provided	Chapter 3 section 10	
102-51		Date of most recent previous report (if any)	March 29, 2018	
102-52		Reporting cycle	Chapter 3 section 10	
102-53		Provide the contact point for questions regarding the report or its contents	Daphné Millet daphne.millet@icade.fr	
102-54		Report the "in accordance" option the organisation has chosen and the GRI content index	Chapter 3 section 11	
102-55		GRI content index	Chapter 3 section 11	
102-56		Report the organisation's policy and current practice with regard to seeking external assurance for the report	Chapter 3 section 12	
103-1		Explain the process for defining the report content and the aspect boundaries	Chapter 3 sections 1.2 and 10	
103-2		Explain the management approach and its components	Chapter 3	
103-3		Evaluation of the management approach	Chapter 3	
ECONOMIC INDICATORS				
		Anti-corruption		
205-2		Communication and training on anti-corruption policies and procedures	Chapter 3 section 3.6	
205-3		Confirmed incidents of corruption and actions taken	Chapter 3 section 3.6	
ENVIRONMENTAL INDICATORS				
		Materials – Management approach		
301-1		Materials used by weight or volume	Chapter 3 sections 2.3 and 2.4	
		Energy – Management approach		
302-1	Elec-Abs	Energy consumption within the organisation	Chapter 3 sections 2.1, 7.1 and 7.2	✓
302-2	Elec-Lfl			
	DH&C-Abs			
	DH&C-Lfl			
	Fuels-Abs			
	Fuels-Lfl			
302-2		Energy consumption outside of the organisation	Chapter 3 sections 2.1, 2.6, 7.1, 7.2, 7.3 and 7.5	✓
302-4		Reduction of energy consumption	Chapter 3 sections 2.1 and 3.4	✓
302-5		Reductions in energy requirements of products and services	Chapter 3 sections 2.1, 2.4, 2.5, 2.6 and 3.4	✓
CRE1	Energy-Int	Energy intensity	Chapter 3 sections 2.1, 7.1, 7.2, 7.3 and 7.5	✓
		Water – Management approach		
303-1	Water-Abs	Total water withdrawal by source	Chapter 3 sections 2.3 and 7.1, 7.2 and 7.3	✓
	Water-Lfl			
CRE2	Water-Int	Water intensity	Chapter 3 sections 2.3, 7.1, 7.2 and 7.3	✓
		Biodiversity – Management approach		
304-2		Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Chapter 3 section 2.2	

GRI code	EPRA code	General standard disclosures	Section of the registration document	External assurance
		Emissions – Management approach		
305-1	GHG-Dir-Abs	Direct greenhouse gas (GHG) emissions (Scope 1)	Chapter 3 sections 2.1, 7.1 and 7.2	✓
305-2	GHG-Indir-Abs	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Chapter 3 sections 2.1, 7.1 and 7.2	✓
305-3		Other indirect greenhouse gas (GHG) emissions (Scope 3)	Chapter 3 sections 2.1, 2.6 and 7.1, 7.3 and 7.5	✓
305-4	GHG-Int	Greenhouse gas (GHG) emissions intensity	Chapter 3 sections 2.1 and 7.1, 7.2, 7.3 and 7.5	✓
305-5		Reduction of greenhouse gas (GHG) emissions	Chapter 3 sections 2.1, 3.4 and 7.1, 7.2, 7.3 and 7.5	✓
CRE3		Greenhouse gas emissions intensity from buildings	Chapter 3 sections 2.1, 7.1, 7.2 and 7.3	✓
CRE4		Greenhouse gas emissions intensity from new construction and redevelopment activity	Chapter 3 sections 2.1, 2.4, 2.6 and 7.5	✓
		Effluents and waste – Management approach		
306-2	Waste-Abs Waste-Lfl	Total weight of waste by type and disposal method	Chapter 3 sections 2.3 and 7.1 and 7.2	✓
SOCIAL INDICATORS				
		Employment – Management approach		
401-1	Emp-Turnover	Total number and rates of new employee hires and employee turnover by age group, gender and region	Chapter 3 sections 4.1 and 7.6	
		Occupational health and safety – Management approach		
403-1		Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programmes	Chapter 3 sections 4.2 and 7.6	
403-2	H&S-Emp	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Chapter 3 sections 4.2 and 7.6	✓
		Training and education – Management approach		
404-1	Emp-Training	Average hours of training per year per employee by gender, and by employee category	Chapter 3 sections 4.1 and 7.6	
404-3	Emp-Dev	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Chapter 3 sections 4.1 and 7.6	
		Diversity and equal opportunity – Management approach		
405-1	Diversity-Emp	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Chapter 3 sections 4.1, 4.3, 7.6 and chapter 10	✓
405-2	Diversity-Pay	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Chapter 3 sections 4.3, 7.6 and chapter 10	
		Local communities – Management approach		
413-1	Comty-Eng	Operations with significant actual and potential negative impacts on local communities	Chapter 3 sections 3.1 and 3.3	
		Supplier social and environmental assessment – Management approach		
414-1		Report the percentage of new suppliers that were screened using human rights criteria	Chapter 3 section 3.5	
		Customer health and safety – Management approach		
416-1	H&S-Asset	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Chapter 3 sections 3.3 and 3.5	
416-2	H&S-Comp	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Chapter 3 sections 3.3 and 3.5	
CRE8	Cert-Tot	Type and number of certification, rating and labelling schemes for new construction, occupation and redevelopment	Chapter 3 section 2.5	✓

12. Independent third-party body report

Independent third-party body report on the non-financial performance statement contained in the management report

Financial year ended December 31, 2018

Dear Shareholders,

In our capacity as an independent third-party body, a member of the Mazars network, Statutory Auditor of the Icade SA company, accredited by Cofrac Inspection under number 3-1058 (scope available on www.cofrac.fr), we hereby report to you on the non-financial performance statement for the financial year ended December 31, 2018 (hereinafter the "Statement") presented in the management report, pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the Company

The Board of Directors is responsible for preparing a Statement in compliance with legal and regulatory provisions, that includes a reference to its business model, a presentation of the main non-financial risks it faces, a description of the policies implemented to limit these risks and the results of such policies, including key performance indicators.

The Statement has been drawn up in accordance with the reporting guidelines used by the Company (hereinafter the "Guidelines") whose key elements are available on request from the Company's head office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics governing our profession. In addition, we have implemented a quality control system comprising documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the Independent Third-Party Body

On the basis of our work, our responsibility is to express a limited assurance conclusion on:

- compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the accuracy of the information provided in accordance with paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators and actions, relating to the main risks, hereinafter the "Information".

However, it is not our responsibility to express an opinion on:

- the Company's compliance with other legal and regulatory provisions, particularly pertaining to risk mitigation plans and plans for the fight against corruption and tax evasion;
- the compliance of products and services with relevant regulations.

Nature and scope of our work

We performed our work described hereinafter in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code setting out the conditions under which the independent third party body performs its engagement, with the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement, and with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

We performed work that allows us to assess the compliance of the Statement with regulatory requirements and the accuracy of the Information:

- we reviewed the Company's business activities, the main social and environmental risks related to such business activities, their impact on human rights, the fight against corruption and tax evasion as well as the policies resulting from their results;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, impartiality and comprehensibility and taking into account best industry practices where appropriate;
- we verified that the Statement covers each disclosure category provided for in paragraph III of Article L. 225-102-1 on social and environmental matters, as well as on human rights, the fight against corruption and tax evasion;
- we verified that the Statement provides an explanation of the reasons for the non-disclosure of information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement includes a reference to the business model, the main risks associated with the Company's business activities, including, where relevant and proportionate, the risks created by its business relations, its products and services as well as policies, actions and results, including key performance indicators;
- we verified that the Statement discloses the information provided for in II of Article R. 225-105, where this information is relevant to the main risks and policies presented;
- we assessed the process for selecting and approving the main risks;
- we enquired about the existence of internal control and risk management procedures implemented by the Company;
- we assessed the consistency of the results and key performance indicators selected for the main risks and policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the non-disclosure of a policy on one or more of these risks;

- we verified that the Statement covers the consolidated scope, namely all the companies included in the scope of consolidation in accordance with Article L. 233-16 within the limits specified in the Statement in paragraph 10.6 "Methodological clarification";
- we assessed the data collection process implemented by the Company to ensure that the Information is both complete and accurate;
- we used, for the key performance indicators and other quantitative results [(1)] that we considered to be material:
  - analytical procedures to verify that data collected is properly consolidated and that any changes to the data are consistent,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with the supporting documents. This work covers all the consolidated data of the key performance indicators and results selected for these tests;
- we consulted documentary sources and conducted interviews to substantiate the qualitative information (actions and results) that we considered to be the most material;
- we assessed the consistency of the Statement in its entirety based on our understanding of the Company.

We believe that the work we have performed, based on our professional judgement, allows us to express a limited assurance conclusion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of five people.

We conducted around twenty interviews with the individuals responsible for preparing the Statement, representing the CSR Department; Environmental Transitions Department; HR Department; Audit, Risk, Compliance and Internal Control Department; Innovation, Institutional Relations and Communication Department; and business divisions (Office Property Investment, Healthcare Property Investment and Property Development Divisions).

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the non-financial performance statement fails to comply with relevant regulatory requirements and that the Information, taken as a whole, has not been fairly presented, in compliance with the Guidelines.

Paris La Défense, on March 18, 2019

The independent third-party body

Mazars SAS

Edwige REY

Partner, CSR & Sustainable Development

(1) Total workforce and breakdown of employees by gender, age and geographic area; Absenteeism rate; Percentage of employees trained; Percentage of employees officially recognised as disabled; Percentage of floor area (office and other activities) and projects (residential) covered by an environmental certification – Property Development Division; Percentage of projects (office and residential) exceeding Thermal Regulation RT 2012 by at least 10% – Property Development Division; Percentage of floor area powered by renewable energy – Property Development Division; Carbon intensity – Property Development Division; Percentage of floor area covered by an environmental certification – Office and Healthcare Property Investment Divisions; Percentage of electricity covered by green certificates – Office Property Investment Division; Percentage of floor area covered by energy performance contracts – Office Property Investment Division; Energy and carbon intensity – Office and Healthcare Property Investment Divisions; Water intensity – Office and Healthcare Property Investment Divisions; Percentage of recycled or recovered waste – Office Property Investment Division; Percentage of floor area covered by green lease clauses – Office Property Investment Division; Percentage of suppliers who have signed the responsible procurement charter – Office Property Investment Division; Percentage of floor area covered by services available to tenants – Office Property Investment Division; Customer satisfaction index on construction completion – Property Development Division; Percentage of employees made aware of the fight against corruption (French Sapin II law) and the Code of Ethics; Percentage of employees made aware of the EU General Data Protection Regulation (GDPR); Amount allocated to sponsorships.

4. RISK FACTORS

1. Risk management and control

1.1. General organisation of risk management

Icade is a major player in the French property market and is exposed to general sectoral and financial risks, as well as specific risks inherent in its operational activities.

Effectively managing these risks contributes to the performance of the Group's strategy, especially in terms of asset value and business expansion.

Risk management allows executives to identify events which might have an impact on the Company's staff, assets, environment, objectives or reputation and thus maintain these risks at an acceptable level, in particular through an internal control framework.

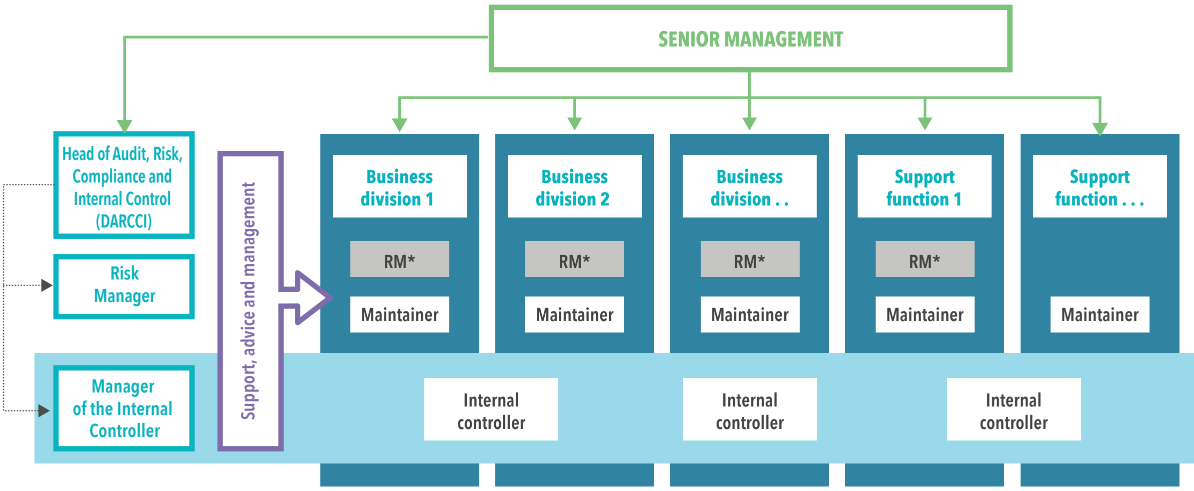
This framework is intended to ensure:

- compliance with laws and regulations;
- compliance with the directions and guidelines defined by senior management and the Board of Directors;
- the proper functioning of the Company's internal processes;
- the reliability of financial information.

Generally speaking, it contributes to the management of its activities, the effectiveness of its operations, and the efficient use of its resources.

4

The risk management framework covers all of the Group's business activities and is implemented under the responsibility of the members of the Executive Committee in charge of the different business divisions (Office Property Investment, Healthcare Property Investment, and Property Development) and support functions (Finance, Human Resources and Communication departments).



* RM: Risk Management correspondent.

Each division has its own organisational chart and delegations of authority, where the main duties, tasks and responsibilities of each employee are defined. The duties assigned to each employee are defined in job description files.

Operational risk management and internal control are the responsibility of the heads of divisions – who are members of the Executive Committee – each of them assisted by:

- an internal controller in charge of keeping the risk map up-to-date, assessing the efficiency of internal control on a regular basis (second level controls) and maintaining the incident database;
- a person responsible for updating delegations of authority and internal procedures, as well as implementing action plans.

The Audit, Risk, Compliance and Internal Control Department (DARCCI) ensures the implementation and monitoring of the framework, under the authority of the CEO:

- it assists employees and management in identifying and rating risks and draws up risk maps specific to each business line, detailing the corresponding control mechanisms and control points;
- it regularly assesses the effectiveness of the framework through successive checks carried out by a network of internal controllers specialised by division but managed centrally;
- it conducts specific audits according to a control plan revised each year by the Audit Committee or upon request from senior management.

The Audit Committee and the Board of Directors are informed of the results of these audits every six months.

1.2. Main risk factors for the Company

The main risks to which the Company's activities are exposed are assessed through risk maps produced according to two complementary and independent approaches:

- a top-down approach: the Company's **major risks** are reported and rated biannually by the members of the Executive Committee. The top 10 risks are identified by the Risk Committee. Their potential impact is estimated by the Risk Management Department;
- a bottom-up approach: **the detailed risks (operational and financial)** are reported biannually by the heads of business and functional units. Control mechanisms are in place to minimise the occurrence or impact of each identified risk (internal procedures, specific control points, etc.). The net risk score, after taking into account control mechanisms, is obtained by combining the estimated probability of occurrence of the risk and its impact.

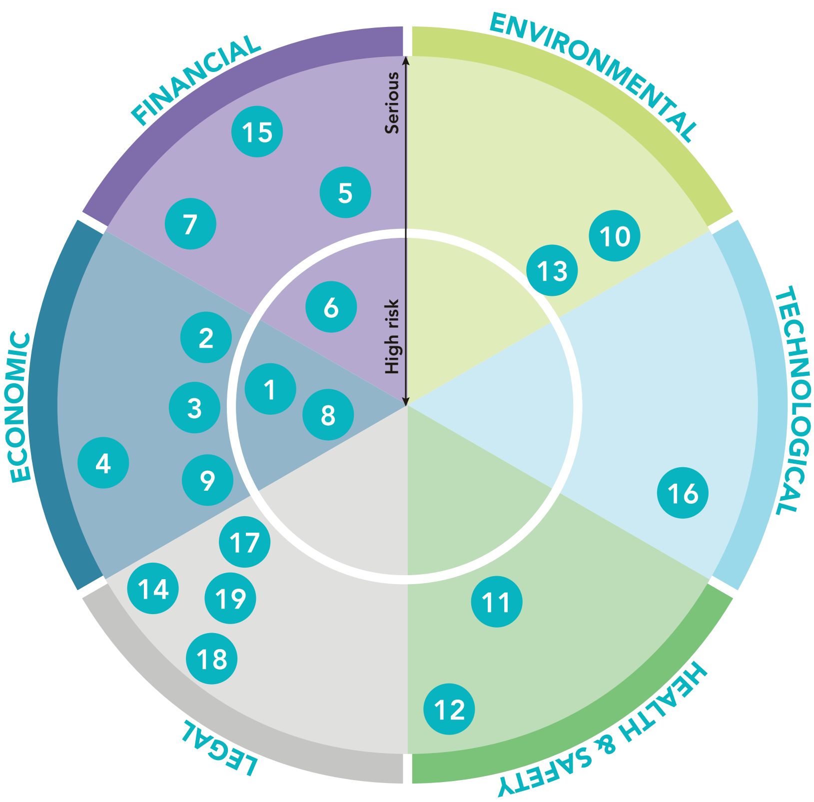
The Risk Management Department reports on the consistency between the two approaches to the Risk Committee and then to the Audit Committee.

As of December 31, 2018, approximately 200 risks had been mapped.

Environmental, social and societal risks, which are included in these maps, were thoroughly reviewed in 2017. They are updated yearly based on regulatory changes and Icade's CSR commitments. In 2018, these risks represented 24% of mapped risks. *More details can be found in chapter 3, § 9.1 "CSR risks and opportunities".*

MAIN RISKS BY TYPE

1. Fluctuations in the property market
2. Fluctuations in rent levels
3. Competitive environment and innovation
4. Regulatory instability
5. Financial liquidity
6. Increase in interest rates
7. Counterparty
8. Property development
9. Property vacancy/ products not matching market needs
10. Damage to the environment
11. Health and safety hazards
12. Major incidents
13. Natural disasters and climate change
14. Work carried out by external contractors
15. Misstatements in the financial statements
16. IT system failure
17. Ethics and non-compliance
18. Shareholding structure
19. SIIC tax regime



Below is a detailed analysis of the main risks.

Risks	Impact	
1 Fluctuations in the property market In the Paris region and in other major French cities, the office property market is cyclical and prices vary according to supply and demand for offices from property investors. The new-home market is less volatile, although it follows broadly the same trends. In addition to the general economic environment, these markets are influenced by key factors such as the availability of modern properties, interest rates, the availability of credit, and personal taxation, which are beyond the Company's control and are difficult to anticipate.	Operational, Financial	**On the business volume and the achievement of the strategic plan:** - Implementation and profitability of the plan for investments and disposals of mature assets of the Property Investment Divisions. - Demand volume in property development, execution of acquisition plans for building land, and profit margins on the projects. **On the portfolio value and NAV**
2 Fluctuations in rent levels Rental income stems from long-term lease commitments which are reviewed annually, based primarily on upward or downward changes in the cost-of-construction index (ICC) and the tertiary activities rent index (ILAT), both defined by INSEE (French Institute of Statistics and Economic Studies). Upon expiry of an existing lease (3, 6, 9 or 12 years), the Company is subject to the uncertainties of the rental market when renewing the lease or re-letting the vacated space. The lease expiry schedule is shown in chapter 2 § 2.2.8. and 2.3.7. In this highly-competitive market, macroeconomic conditions (especially economic activity and employment) have an impact on turnaround times for re-letting the properties and on their rents (estimated rental value).	Financial	- Rent levels of new and renewed leases. - Asset valuation. - Longer vacancy periods.
3 Competitive environment and innovation The home purchase, property investment and rental markets are fragmented markets, with a vast number of local, national and international investors. In each of these markets, Icade competes with companies that have larger market shares and more human and financial resources. Competition is especially high when buying land and available properties, as well as in terms of rents and prices of services offered.	Reputational, Operational, Financial	- Strategic weakening. - Missed opportunities. - Difficulty in achieving business objectives.
4 Regulatory instability Real estate activities are subject to a large number of regulations in many areas: urban planning, construction, operation permits, health and safety, environment, property management, laws applicable to lease agreements, consumer law, corporate law, securities regulations, and corporate and personal taxation.	Regulatory, Operational, Financial	- Positive or negative deviation of the business volumes of the Property Investment and Property Development Divisions compared to the Medium-Term Plan (e.g. taxation of individual investors). - Deviation of the profitability of projects from the Medium-Term Plan (construction standards, service charges recovered from tenants, taxation levels, etc.).
5 Financial liquidity As part of its strategy, Icade relies largely on debt to finance its growth. As a result, it is subject to a liquidity risk – when its existing debt reaches maturity, it needs to find new funds in order to finance its growth plan.	Financial	- Difficulties in financing the growth plan. - Increased finance costs.
6 Increase in interest rates The Group is exposed to the risk that increases in interest rates may affect the variable-rate portion of its debt. This portion accounted for 23% of gross debt as of December 31, 2018.	Financial	- Increase in the cost of debt. - Reduction in the profitability of projects.

Regulatory Reputational Operational Financial Physical

Main risk control measures and solutions implemented

Strategic:

- Product diversification: Icade diversifies its portfolio across offices (c. 60%), business parks (c. 15%), and healthcare properties (c. 23%).
- Geographic diversification: The Office and Healthcare Property Investment Divisions invest exclusively in the most dynamic geographic areas (Paris region and major French cities).
- Synergies between the Group's Property Development and Property Investment business lines.
- Property Development order book: Property development teams strive to keep the value of land for which projects are under development below the level of twice the annual revenue.
- Assets measured at cost with no impact on unrealised capital gains.

Operational:

- Regular monitoring of property markets by the Portfolio Management Department.
- Biannual appraisals performed by independent property valuers and checked against internal valuations.
- Business plans fully consistent with the Company's Medium-Term Plan are prepared on an asset-by-asset basis by the Asset Management teams.

Strategic:

- Signing long-term leases allowing for highly stable rental income over time. The weighted average unexpired lease term of the portfolio as of the end of 2018 is shown in chapter 2 § 2.2.8. and 2.3.7.
- Rental risk is spread across over 1,200 leases. The 10 most important tenants of the Office Property Investment Division account for 34.8% of annualised rental income.

  Lease terms and the high level of dispersion of leases help smooth the impact of any fluctuations in the rental market on rental income.

Operational:

- Rent reviews based on a wide basket indices for Office Property Investment assets, whose breakdown and five-year history are shown in chapter 2 § 2.2.8..
- Monitoring of tenant turnover: in practice, based on the historical tenant turnover, only 20% to 30% of break options are exercised.

In these markets, Icade has clear competitive advantages:

- The Group's rental property portfolio provides its corporate clients with a variety of property solutions, especially in its business parks. Its products are aimed at all market segments (office space for start-ups, business centres with shared services, premises with all types of layouts in the business parks, office buildings and office campuses).
- Its land bank, which is unique in the Paris region, provides the Company with a high degree of control over its long-term growth.
- As an integrated real estate player, the Company has dedicated teams with all the expertise and experience needed to carry out complex urban development, infrastructure and property development projects, both for itself and for third-party clients, through the fruitful collaboration between its Property Development Division and its Office and Healthcare Property Investment Divisions.
- An open innovation approach through intrapreneurs and external partners (start-ups, schools, local communities and large companies).

These technical, legal and tax regulations are constantly monitored by Icade and the trade associations to which it belongs (French Real Estate Companies Federation (FSIF), French Real Estate Developers Federation (FPI), etc.) in order to anticipate the impact of any changes.

Strategic:

- Prudent financial policy illustrated by a target LTV ratio of around 40%.
- Diversified funding sources (intermediated and non-intermediated debt) and maturities, which are well-spread over time.
- Increase in undrawn bank credit lines, representing €1,763 million, i.e. 2 years and 9 months' worth of repayments of the existing debt.

Operational:

- Anticipating financing needs over a rolling five-year period as part of the Medium-Term Plan and defining these needs more precisely over a period of 12 to 18 months as part of cash curve management.
- Centralised monitoring of Group treasury and debt.
- Centralised monitoring of covenants, mainly the LTV ratio and ICR. As of December 31, 2018, Icade's credit rating by Standard & Poor's was BBB+.

As of December 31, 2018, as was the case at the end of the previous financial years, the Group complied with all its bank covenants:

– reaching the most restrictive LTV covenant (52%) would require a €2,655 million decrease in asset value, i.e. 23% (assuming debt remains constant);

– reaching the most restrictive ICR covenant (2x) would require either a €197 million increase in 2018 finance costs, or a €394 million decrease in EBITDA.

The liquidity, interest rate, and counterparty risk policies are set by the Risk, Rates, Treasury and Financing Committee (CRTTF), implemented by the Finance Department and regularly presented to the Audit Committee.

Based on this work, Icade considers that its resources are appropriate to its liquidity requirements. Additional numerical data are shown in chapter 2 § 1.4.

Strategic:

- Use of fixed-rate financial instruments.

Operational:

- Centralised management of a portfolio of interest rate derivatives. These derivatives, which are intended to fix interest rates (swaps) or to set a maximum interest rate level (caps), are used solely for hedging purposes. Icade's hedging policy requires a minimum level of debt hedging for the coming years (75%).

Numerical data on interest rate hedges are shown in chapter 2 § 1.4.

Risks | **Impact**

7 Bank counterparty

As a result of its banking transactions, which mainly consist of cash investments, loans, drawdowns of credit lines and interest rate derivatives, Icade is exposed to a risk of default by its bank counterparties.

- Failure of a financing counterparty creating a liquidity risk.
- Reputational risk if the Company is unable to meet its payment obligations.

Insurance counterparty

The financial risks linked to incidents in property assets and Group operations are transferred to insurers, exposing Icade to a risk of insolvency of the insurer.

- Ineffective insurance coverage.
- Deterioration in the financial and cash position.

Customer

The economic environment and changes in habits or technologies may result in some firms or business sectors experiencing financial difficulties, causing late payments or even enterprise deaths.

- Risk of non-payment.

8 Property development

As part of its operations as a property developer for its own account (Property Investment Divisions) or on behalf of third parties (Property Development Division), Icade is exposed to a number of technical and financial risks related in particular to:

- obtaining government permits (third-party objections to building permits, approval of the Departmental Commission for Commercial Development [CDAC], etc.);
- technical ability to undertake projects (construction standards and uncertainties); and
- complying with schedules and anticipated costs.

These projects are also exposed to the uncertainties of the property investment (Property Development Division) and/or rental property markets (Property Investment Divisions).

- Abandonment of projects that may have an impact on the business volume and earnings.
- Delays in project completions.
- Increase in production and distribution costs, affecting the profitability of projects.

9 Vacancy in rental properties/products not matching market needs

As a long-term investor, Icade is exposed to the risk of obsolescence, significantly increasing the risk of prolonged vacancy:

- a range of products and services that may not adequately respond to the needs of the property market in terms of location, product mix or technical performance;
- similarly, there is a risk that the existing properties might become obsolete over time due to changes in technologies, habits, customers' environmental and well-being expectations, etc.

Historical occupancy rates for the portfolio are shown in chapter 2 § 2.2.8. and 2.3.7.

- Earnings objectives not achieved.
- Decline in portfolio value and NAV.

10 Damage to the environment

Icade's activities are not subject to a specific industrial risk. However,

- the construction and operation of office property involve a risk of damaging the environment (CO_2 emissions, biodiversity, water and waste, etc.);
- some technical installations, such as heat or cold generators, use potentially contaminating fluids.

- Legal claims against Icade.
- Growth in asset value over time.

11 Health and safety hazards

Property construction and operation may expose building site personnel and employees, as well as the users of the Group's properties to health and safety hazards.

- Legal claims against Icade.
- Deterioration in the customer relationship.

12 Major incidents

In collaboration with their service providers, property management teams constantly ensure the preservation of the properties through the maintenance and control of equipment and buildings, as well as the implementation of management and alert systems (building management systems, fire detection, etc.).

- Decline in asset values.
- Decline in the business volume and earnings.
- Financial impact of remedial and business interruption actions.

13 Natural disasters and climate change

Property assets are sensitive to higher average temperatures and the increase in extreme weather events (floods, heat waves, drought).

- Financial impact of remedial and business interruption actions.

14 Work carried out by external contractors

Icade uses the services of different third-party companies (architect firms, construction, maintenance and safety companies, utilities and operating equipment suppliers, etc.).

As a result, the Group is exposed to the following risks, among others:

- failure by a service provider to provide an outsourced service;
- non-compliance with labour, health & safety regulations, etc.

- Legal claims against Icade.
- Deterioration in the customer relationship.

Regulatory *Reputational* *Operational* *Financial* *Physical*

Main risk control measures and solutions implemented

- Diversification of funding sources. The portion of debt not granted by financial intermediaries (which is subject to a risk spread over a large number of counterparties) reached 72% at the end of 2018.
- Commitments are limited to major European banks with long-term ratings of A-/A3 and money is spread among different banks.

- The Group's property assets and public liability are insured with Axa.

- Sector diversification of assets and customers (aside from the specific exposure to the health sector).
- Rental risk is spread across a portfolio of over 1,200 leases. The 10 largest tenants of the Office Property Investment Division represent 34.8% of annualised rental income.

Strategic:

- Limiting Group exposure to property development for third parties to a maximum of 10% of its equity.

Operational:

- Operational management of projects by dedicated property development teams.
- Project management structure in line with the size and technical complexity of the projects (general contractors vs. separate subcontractors, consultancy firms, quantity surveyors, etc.).
- Property development projects for third parties only start when they have been at least partially pre-sold (off-plan sales). The proportion of current projects that have been pre-let or pre-sold is shown in chapter 2 § 3.

Strategic:

- Business and investments are focused on the most dynamic geographic areas of Greater Paris and large regional cities, where demand is stronger and less volatile.
- Diversification of the property solutions in terms of product ranges and property uses (conventional leases, office space for start-ups, Smartdesks, etc.).
- Implementation of an asset management policy focused on new or recent assets with the best certifications and labels (HQE, BREEAM, E + C6, etc.).
- Implementation of multiannual programmes for the modernisation and energy transition of existing buildings.

Operational:

- New-build development programmes are jointly prepared by the asset management and development teams of the Icade's Property Development Division.
- Risk limits for speculative developments are defined by the Commitment Committees.
- Proactive operational monitoring of lease expiries by the Asset Management teams (lease extensions, early renewals, etc.).

- Icade is firmly committed to a policy of reducing the environmental footprint of its activities by making very ambitious commitments, particularly in the area of greenhouse gases and energy consumption, circular economy, biodiversity and sustainable mobility. These commitments are detailed in chapter 3.
- In the existing properties, a monitoring framework is in place for all the mandatory controls to be performed on technical installations by specialist property management teams (HSE). In 2018, 2,900 controls were performed, traced and monitored.
- Energy transition policy which reduces the risks of pollution.

- Prevention of health and safety risks: many actions are undertaken to limit the occurrence and severity of such hazards, including regular technical inspections, monitoring of Classified Facilities for Environmental Protection (ICPE) under the French Environmental Code, monitoring of asbestos technical reports, implementation of fire alarms, regular maintenance of technical installations or vocational training for property management teams.
- Constantly monitoring technical innovations and planning works to bring the buildings into compliance with new standards.
- Systematising the use of specialised health & safety service providers (H&S coordinators) in construction and renovation projects.
- Updating regularly the Single Document and submitting it to the Health, Safety and Work Conditions Committee (CHSCT).

Strategic:

- Low concentration of the property portfolio. No individual asset accounts for more than 10% of the total value of the property portfolio.
- Having comprehensive insurance policies based on the reinstatement value of the properties and covering operating losses.

Operational:

- Crisis management plans for risks such as floods, fire, terrorist attacks, explosions and construction site accidents within the framework of ISO 14001 commitments.

- Analysis conducted on the risks associated with the physical impact of climate change on assets in order to gradually adapt the properties (see chapter 3).

Strategic:

- All the key competencies required for business activities, concerning in particular the sourcing and design of property projects, construction project management, property management, as well as marketing and customer relationship activities, are available in-house.

Operational:

- List of preferred suppliers and monitoring of their qualifications, insurance policies, social responsibility and financial strength.
- Regular quality assessment of the major regular suppliers of the Property Investment Divisions and definition of improvement plans.

Risks	Impact	
15 **Misstatements in the financial statements** Publication of financial statements that may contain misstatements, whether caused by errors or fraud, of such a nature as to distort investors' assessment of performance (incomplete or incorrect recognition of complex transactions, errors in the upstream data processing channels, etc.).	Regulatory, Reputational	■ Legal claims against the Company. ■ Icade's image tarnished in the market.
16 **IT system failure** Part of Icade's business relies on the use of an extensive and open IT system which is based on complex databases facing a risk of failure, whether accidental or malicious.	Regulatory, Reputational, Operational	■ Loss of strategic data. ■ Reduced productivity. ■ Legal claims against Icade regarding the handling of personal data.
17 **Ethics and non-compliance** **Commitments** Icade is required to make significant legal and financial commitments as part of its property development activities (acquiring land, launching projects) and its property investment activities (acquisitions, launching new property developments for its own account, disposals). **Business ethics** Icade puts business ethics at the heart of its long-term growth strategy and has defined the main principles in a Code of Ethics applicable to all Group employees. **Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)** Particular attention is paid to the fight against money laundering and financing of terrorism when entering into real estate transactions (property development and investments/disposals) as well as lease agreements.	Regulatory, Reputational, Financial	■ Legal claims against Icade regarding illegal commitments. ■ Damage to brand image and brand value.
18 **Shareholding structure** Caisse des dépôts et consignations directly holds 39.02% of the voting rights in the Company. In the event of low turnout from other shareholders at General Shareholders' Meetings, it might be able to have the resolutions proposed to the Ordinary General Meeting approved or rejected, including those relating to the appointment of members of the Board of Directors, the approval of financial statements or the distribution of dividends. Moreover, Caisse des dépôts and related companies control 8 seats on the Board of Directors (out of a total of 14).	Regulatory	■ Compliance with governance rules.
19 **SIIC tax regime** Icade is subject to the tax regime applicable to listed real estate investment companies (SIIC), under which it is treated as tax transparent in respect of corporate tax related to its property leasing activities (property development is subject to the ordinary tax regime), subject to compliance with specific obligations, especially in terms of dividend distribution. If the Company were to breach any of these obligations, it would be subject to ordinary corporate tax for the relevant financial years and could potentially lose its status.	Regulatory, Financial	■ Deterioration in financial performance if the Company becomes subject to corporate tax. ■ Deterioration in the Company's value.

Regulatory *Reputational* *Operational* *Financial* *Physical*

Main risk control measures and solutions implemented

- Centralised production of accounting and financial information based on standardised procedures for the flow and processing of information.
- Integrated IT systems enabling extensive and secure automation of data processing.
- Detailed budget analysis which ensures the relevance of the financial information generated.
- The financial statements are formally approved by the Board of Directors after hearing the conclusions of the Audit Committee and the Statutory Auditors.
- Strict framework for financial communication.

Strategic:

- Business continuity plan which sets out the relocation of teams and the restoration of IT systems (hardware, software and database access). This plan is regularly tested and can be activated in the event of physical destruction or unavailability of IT facilities or systems.

Operational:

- Physical and logical protection of IT facilities, networks, applications and databases.
- Real-time redundancy of IT production systems on remote sites.
- Monitoring and backup systems.

These different protections are regularly tested by the IT Department.

- Standardised procedure for prior commitment approval and monitoring implemented by Divisional Commitment Committees, a Group Commitment Committee (thresholds) and, as the case may be, by the Board of Directors acting on a proposal from the Strategy and Investment Committee (thresholds).
- Formal framework for delegation of authority and signature authority.
- Implementation of a comprehensive compliance framework for the Group (Code of Ethics, alert procedure, anti-money laundering and financing of terrorism, corruption, staff training, etc.).
- Presence of an internal compliance officer who must be consulted on specific issues (conflicts of interest, gifts, corporate actions, etc.) in a confidential manner.
- Implementation of a specific know-your-customer framework.

- Compliance with the Afep-Medef Code of Corporate Governance.
- Sub-committees of the Board of Directors chaired by independent Directors.

- Proactive monitoring of obligations related to the SIIC tax status by the in-house Tax Department (ownership interests, breakdown of business activities, required distribution level, etc.).

2. Internal control and risk management procedure

Internal control aims to prevent and control the risk of not achieving the objectives set out by Icade, in terms of asset protection, compliance with laws and regulations or the proper functioning of internal processes, including in regard to the production of financial information.

The framework is implemented in the Company through:

- **a control environment** in accordance with the French Financial Markets Authority's (AMF) recommendations, implemented in all of the Group's business activities. It is the subject of a formal annual self-evaluation;
- **delegations of authority;**
- **procedures** governing the Group's operational and financial activities in order to control the risks, among others by performance tests (first level) made by the operational and functional teams. The Audit, Risk, Compliance and Internal Control Department (DARCCI) ensures that the procedures are implemented and coordinates their regular updating.

  In particular, the production of financial information is a standardised process which covers the flow and the processing of information:

  - the procedures for preparing the financial statements explicitly specify, for each operational or financial process, the involved parties, the schedules and the information medium,
  - accounting principles and methods, accounts processing and charts of accounts are standardised and ensure the consistency of information processing across the Group,
  - regulatory reporting (quarterly, semi-annual and annual) is published by press release after approval is obtained and according to a formal procedure and schedule. The half- and full-year financial statements are only made public after being formally approved by the Board of Directors;
- **a permanent control plan** (second level), which aims to ensure the effective implementation of operational control measures. This control plan is implemented by the network of cross-functional internal controllers headed by DARCCI.

  The checks intended to ensure the comprehensiveness, truthfulness and accuracy of accounting entries as well as the relevance of reported information include:

  - interface checks, and checks of the consistency of data entered into the interface against upstream systems in order to ensure the integrity of information production systems. The accounting and financial information system is mainly based on integrated IT tools which are adapted to the Group's activities and maintained by an internal IT team,
  - specific documentation for special transactions, in order to ensure that the associated accounting entries are justified and traceable,
  - a detailed budget analysis, carried out by the management control team, explains any deviations from forecasts and confirms that relevant financial information is being produced.

  The identified key control points (about 350) are reviewed at least every two years, on a rotational basis, with particular attention paid to those covering highly critical risks (biannually) and those whose previous assessment was not fully satisfactory. Checks are independently performed (by members of other business lines) using sampling methods. The use of specialised software ensures the completeness, traceability and documentation of findings and conclusions.

  In 2018, 226 control points were checked (67% of total control points), a level equivalent to the previous financial year. It should be noted that some control points relating to high risks were checked twice. Overall, these checks revealed a **non-compliance rate of 4%, stable** compared to 2017 (3%);
- a list of **incidents** which makes it possible to adjust risk criticality and control measures;
- **an internal audit plan** (periodic control or third level) for key processes, decentralised entities and significant projects is detailed by the Internal Audit Department (DARCCI) in order to provide an assurance as to the compliance of the operations (risk identification and assessment, appropriate and effective coverage), their effective management and planning. About ten audits are performed every year;
- **a continuous improvement plan,** which compiles the action plans resulting from internal audit and which is being implemented by operational teams.

An update on these elements is provided biannually to the Risk Committee (Executive Committee) and the **Audit Committee.**

3. Insurance and disputes

3.1. Insurance

3.1.1. General presentation of Icade's policy regarding insurance

For several years, Icade has had a policy of limiting the number of its insurance brokers.

This approach is part of a process of rationalisation and standardisation within Icade, particularly in order to secure competitive rates, perpetuate risk cover, ensure better control of cover and more efficient claims management, facilitated by notification of the Insurance Department, which may intervene in the event of major claims or physical injury claims.

On a like-for-like basis, the total amount of insurance premiums paid by Icade and its subsidiaries decreased as a result of the three-year agreement negotiated. This agreement has a twofold purpose: to ensure continuity of insurance cover and control the level of premium costs.

As a result of a tendering process in 2016, SATEC has been the insurance broker appointed for all of Icade's and its subsidiaries' insurance policies since January 1, 2017.

Depending on the activities concerned, Icade's main insurance companies are: (i) Axa for professional liability insurance, and public liability insurance under the Hoguet Act; (ii) Axa for comprehensive property insurance; (iii) Albingia and Axa for "damage to works" insurance, insurance for building companies not participating in the construction work and contractor's all risks insurance; and (iv) Allianz for "fleet car insurance" and "employer non-owned car liability coverage" policies.

3.1.2. Risk prevention and assessment of the Company's insurance cover

The diversity of activities in which Icade engages means that risks are covered depending on each business's own insurance obligations and on the main risks identified.

In collaboration with its broker, Icade endeavours to maintain a level of cover that it deems appropriate to each identified risk, subject, among others, to limitations related to the insurance market and according to an estimate of the amount it considers reasonable to cover and the probability of occurrence of a claim.

3.1.3. Icade's main insurance policies

Insurance policies taken out by Icade can be schematically grouped into two main categories: (i) compulsory insurance pursuant to legal or regulatory provisions, and (ii) insurance taken out by Icade in addition to compulsory insurance so as to provide cover for certain other risks.

Due to the large number of business activities undertaken by Icade and the numerous types of insurance policies taken out within the framework of its activities, this section only provides a summary of the main insurance policies taken out by Icade.

3.1.3.1. Main compulsory insurance

Compulsory insurance varies primarily according to Icade's two main business areas: Property Development and Property Investment.

3.1.3.1.1. Property Development

Icade has the compulsory insurance required by Law No. 78-12 of January 4, 1978 covering completed works (called "damage to works" insurance), and the insurance covering the liability of the builder, property developer or vendor in relation to buildings to be built or that were completed less than 10 years ago (called "10-year public liability insurance", or insurance for building companies not participating in the construction work).

Damage to works insurance is taken out by anyone acting as project owner, vendor or agent of the project owner who has building work carried out. This insurance must be taken out as soon as work starts on site and is primarily intended to pre-finance the repair of any problems occurring that fall within the scope of the ten-year warranty. This insurance primarily covers damage which compromises the integrity of the building or which, by affecting any of its constituent parts or any of its fixtures or fittings, makes it unfit for its purpose. This property insurance therefore follows the building and is transferred to purchasers and then to their successors, in the event of a subsequent sale. The damage to works insurer can take legal action against those responsible for the problems, including Icade, if it were to have participated in the building operations in such a way that it is responsible for those problems.

Ten-year liability insurance (or insurance for building companies not participating in the construction work) covers ten-year building liability for the company that carried out the construction work (or company that did not participate in the construction work), that is, the payment for the repairs to the building in which Icade was involved as builder, developer or vendor where it was held liable on the basis of the presumption principle established by Articles 1792 *et seq.* of the French Civil Code. This guarantee only covers the construction cost of buildings for non-housing projects and the amount of repairs for housing projects.

3.1.3.1.2. Property Investment

The Property Investment business requires taking out comprehensive P&C insurance to cover the assets. Cover is very comprehensive with low excesses. In order to protect the Property Investment Division from the consequences of any loss of rent following an incident, a 5-year policy was negotiated, allowing Icade to benefit from a very high level of cover.

Regarding fitting out works and major renovations, Icade decided to take out "damage to works" insurance (*dommages-ouvrage*) and insurance for building companies not participating in the construction work (*constructeur non réalisateur*, CNR). Icade decided to protect its construction projects by taking out "contractor's all-risk" insurance (*tous risques chantier*).

3.1.3.2. Other major insurance taken out by Icade

3.1.3.2.1. Optional insurance covering construction risks

This includes primarily "contractor's all-risk" insurance *(tous risques chantier)* and various policies supplementing the developer's public liability cover, as well as certain specific risks such as fire and natural disasters.

3.1.3.2.2. Optional insurance covering operations

As part of its property investment business, Icade takes out comprehensive property insurance specifically covering owner's public liability and damage (up to a maximum sum corresponding to the reinstatement value of the property). These insurances also include an insurance covering any loss of rent due to the potential unavailability of a property, for a period of up to 60 months.

3.1.3.2.3. Public liability insurance

All of Icade's subsidiaries carry professional liability insurance as part of a Group policy.

This "all-risks except" policy is taken out with Axa France IARD and covers, among others, the financial consequences of liabilities stemming from applicable law (tort, negligence and contractual public liability) which may be incumbent on the insured due to or in the course of its business activities as a result of any damage and/or loss caused to third parties.

3.1.3.2.4. Other insurance

Icade has also taken out other insurance policies covering various risks.

These include in particular:

- "fleet car insurance" and "employer non-owned car liability coverage" policies for those employees who use their own vehicles for work;
- IT all-risk insurance;
- environmental risk insurance;
- cyber risk insurance.

The insurance policies taken out provide extensive protection that goes beyond that required by law. This important choice was made possible by negotiations on cover and fees with our broker SATEC and insurance companies.

3.1.3.3. Cover and excesses

3.1.3.3.1. Cover

The main cover taken out by Icade under these insurance policies currently in force can be summarised as follows:

- with regard to construction insurance, work undertaken is covered up to its cost of completion (works and fees);
- with regard to comprehensive property insurance, buildings are covered up to their reinstatement value, although sometimes subject to a per-claim limit defined by the policy;
- with regard to public liability, the Group policy for Icade and some of its subsidiaries offers a limit of approximately €50 million;
- with regard to other insurance, it usually includes limits based on the replacement values of the damaged goods.

3.1.3.3.2. Excesses

The main excesses applicable in the insurance policies taken out by Icade which are currently in force can be summarised as follows:

- with regard to construction insurance ("damage to works"), the policies taken out by Icade and its subsidiaries do not usually carry an excess; the "contractor's all-risk" and "insurance for building companies not participating in the construction work (CNR)" policies are subject to excess payments of €7,500 and €1,500, respectively;
- with regard to comprehensive property insurance, Icade's policies carry limited excesses that vary according to the nature of the cover;
- with regard to public liability, the Group policy for Icade and some of its subsidiaries has a general excess of €45,734;
- the policies taken out under "other insurance" have minor excesses.

3.2. Disputes

Icade and its subsidiaries are parties (i) to a number of claims or disputes in the normal course of their business activities, primarily property development in respect of construction matters and urban planning permits, as well as (ii) a number of other claims or disputes which, if they prove to be admissible and given the amounts in question, their possible recurrence and their impact in terms of image, might have a significant adverse impact on Icade's business, earnings and financial position.

Where appropriate, these claims or disputes are covered by provisions recorded in the financial statements of the companies concerned for the year ended December 31, 2018, depending on their likely outcome and where it was possible to estimate their financial consequences. Thus, every year, Icade's Legal Department prepares a list of all the disputes involving Icade and its subsidiaries, indicating the amount of any provision required for each significant case or dispute.

As of December 31, 2018, provisions for disputes amounted to €39.1 million for the Group as a whole (including €15.4 million for the Property Development Division).

As part of the acquisition of the stake held by Eurazeo in ANF Immobilier in 2017, Eurazeo gave Icade warranties in respect of certain ongoing disputes, in particular with former managers of ANF Immobilier. In return, Eurazeo has retained some rights relating to monitoring these disputes.

Icade considers that these provisions represent reasonable cover for these claims and disputes.

Declaration relating to disputes

There are no other government, legal or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or threatening and which may have, or have had in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

5. CORPORATE GOVERNANCE

1. Board of Directors' report on corporate governance

This report, prepared by the Board of Directors pursuant to Article L. 225-37, last paragraph of the French Commercial Code, contains the information referred to in Articles L. 225-37-2 to L. 225-37-5 of the French Commercial Code, including:

- information on the Company's corporate governance;
- information on the remuneration of corporate officers; and
- information on the capital structure and elements that might have an impact in the event of a public offer.

This report was prepared with the support of the Legal Department, the Human Resources Department and the Secretary of the Board of Directors.

It was presented to the Appointments and Remuneration Committee before being approved by the Board of Directors at its meeting on March 13, 2019.

1.1. Reference Code

The Company's approach to corporate governance is based on the Afep-Medef Code of Corporate Governance for listed companies ("Afep-Medef Code"), as decided by the Board of Directors on December 11, 2008. Icade announced this decision in a press release on December 12, 2008. This code, which was last revised on June 2018, is available online at: http://www.afep.com

In accordance with the Afep-Medef Code, Article L. 225-37-4 of the French Commercial Code and AMF Recommendation 2012-02 updated on November 30, 2018, the following table presents the provisions from the Afep-Medef Code with which Icade is not in full compliance and explains the reasons behind this deviation.

Disregarded provision	Justification
Meetings of the Board and of the committees (Article 10.3 of the Reference Code: *"It is recommended to hold a meeting each year without the executive corporate officers being present."*)	Since the Board of Directors and the committees had a particularly busy financial year (see below), scheduling an additional meeting without the Chief Executive Officer being present was not deemed appropriate.
Composition of the Appointments and Remuneration Committee (Articles 16.1 and 17.1 of the Reference Code: Article 16.1 *"It must not include any executive corporate officer and must mostly consist of independent directors."* Article 17.1 *"It must not include any executive corporate officer and must mostly consist of independent directors. It is recommended that the Chairman of the committee should be independent and that one of its members should be an employee director."*)	As of December 31, 2018, the proportion of independent directors on the Appointments and Remuneration Committee stood at 50%. Nevertheless, the Company did make sure that the committee was still chaired by an independent member.
Ongoing information (Article 25.1 of the Reference Code: *"All the elements of remuneration of corporate officers, whether potential or vested, must be made public immediately after the Board meeting at which they were approved."*)	The elements of remuneration of corporate officers, whether potential or vested, are not made public immediately after the Board meeting at which they were approved, but when the registration document and the explanatory statement on the resolutions are published.
Annual variable remuneration of executive corporate officers (Article 24.3.2 of the Reference Code: *"Quantitative criteria, which are not necessarily financial criteria, must be simple, relevant and suited to the corporate strategy. Quantitative criteria must be used predominantly."*)	The annual variable remuneration of the Chief Executive Officer, which may not exceed 12.5% of the annual base remuneration, is based on specific objectives, including financial and qualitative objectives. The variable component of remuneration based on financial goals represents 6.25% of the annual base remuneration, and the one based on qualitative goals represents 6.25% of the annual base remuneration. As such, quantitative criteria are not strictly predominant in determining the overall annual variable remuneration of the Chief Executive Officer. Given the weight of the variable component relative to the fixed component, and the suitability of these qualitative criteria to the Company's strategy, it was deemed appropriate to maintain equal weights for the financial and qualitative criteria in the annual variable remuneration of the Chief Executive Officer.

1.2. Governance structure

Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer

On April 29, 2015, the members of the Board of Directors, present or represented, decided unanimously to maintain the separation between the functions of Chairman of the Board and Chief Executive Officer, which was adopted on February 17, 2015, the date of termination of the office of the former Chairman and Chief Executive Officer. The Board of Directors considered that this separation makes governance more efficient, and enables gathering complementary skills, ensuring a better balance of power between the Board of Directors and the Senior Management, managing potential conflicts of interest in a more efficient manner, and aligning Icade's governance model with that of comparable companies.

It should be noted that the Chairman of the Board of Directors, in addition to the general duties provided for by law, was entrusted with the following specific tasks in the Rules of Procedure of the Company's Board of Directors:

- the Chairman of the Board of Directors is kept regularly informed by the Chief Executive Officer of significant events and situations, especially those considered urgent for the Group so that the Chairman may inform the Board of Directors. The Chairman may ask the Chief Executive Officer for any information likely to assist the Board of Directors;
- the Chairman must ensure that the Board of Directors is informed of any issues relating to compliance with the principles of corporate social responsibility, changes in markets, competitive environment and main challenges (including regulatory changes), and that the Chief Executive Officer provides all the information that they deem relevant for this purpose in a timely manner;

- the Chairman of the Board of Directors ensures that shareholders' rights in connection with organising General Meetings are respected;
- the Chairman of the Board of Directors may be entrusted with occasional or special tasks for the purpose of leading or participating in discussions between the Company and its high-level relationships, particularly with major clients and public authorities at national and international levels;
- the Chairman of the Board of Directors may be tasked with managing the relationship between shareholders and the Board of Directors, especially on corporate governance matters.

Restrictions imposed on the powers of the Chief Executive Officer

The Chief Executive Officer has the most extensive powers to act in the name of the Company in all circumstances. He exercises his powers within the scope of the object of the Company and subject to those powers that the law expressly assigns to Shareholders' Meetings and the Board of Directors.

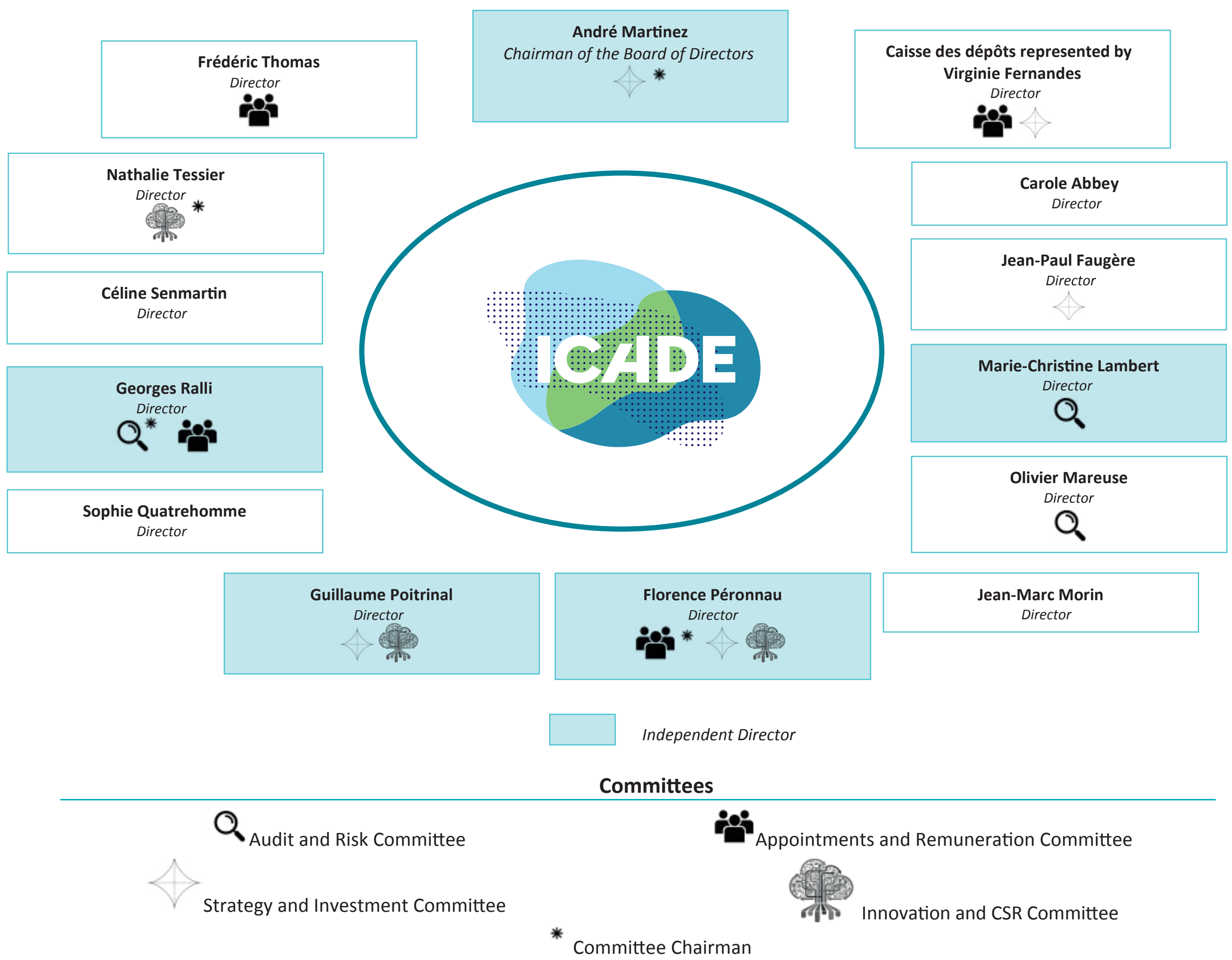
He represents the Company in dealings with third parties. The actions of the Chief Executive Officer that bind the Company include those that are beyond the scope of the object of the Company, unless the Company can prove that the third party knew that the act was beyond the scope of said object or could not have failed to know that fact, given the circumstances, bearing in mind that the publication of the Articles of Association alone is not sufficient proof.

The clauses of the Articles of Association or the decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

The Company's Articles of Association have not imposed limits on the Chief Executive Officer's authority to bind the Company. However, in accordance with Article 3 of its Rules of Procedure, the Board of Directors is responsible for making decisions regarding transactions of strategic significance, including acquisition or disposal transactions, major organic growth investments and internal restructurings (after, as the case may be, a study conducted by the Strategy and Investment Committee), in accordance with the thresholds set out in Article 10.2.2 of the Rules of Procedure of Icade's Board of Directors. The Board of Directors must also approve any significant transactions outside the scope of the strategy announced by the Company before they are carried out.

1.2.1. Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AS OF DECEMBER 31, 2018



CHANGES IN THE COMPOSITION OF GOVERNANCE BODIES DURING THE FINANCIAL YEAR 2018

Governance body	Date	Departure	Appointment/Co-option	Reappointment
Board of Directors	March 15, 2018	Marianne Laurent		
	March 15, 2018		Sophie Quatrehomme [(a)]	
	March 15, 2018		Carole Abbey [(b)]	
	April 3, 2018		Jean-Marc Morin [(c)]	
General Meeting	April 25, 2018			Nathalie Tessier
	April 25, 2018			Sophie Quatrehomme
	June 29, 2018		Guillaume Poitrinal	
Appointments and Remuneration Committee	April 3, 2018		Caisse des dépôts, represented by Virginie Fernandes	
Audit and Risk Committee	May 29, 2018	Frédéric Thomas		
Strategy and Investment Committee	June 29, 2018		Guillaume Poitrinal	
Innovation and CSR Committee	June 29, 2018		Florence Péronnau	
	June 29, 2018		Nathalie Tessier	
	June 29, 2018		Guillaume Poitrinal	

(a) Ratification of Ms Sophie Quatrehomme's co-option as director by the General Meeting on April 25, 2018.
(b) Ratification of Ms Carole Abbey's co-option as director by the General Meeting on April 25, 2018.
(c) Ratification of Mr Jean-Marc Morin's co-option as director by the General Meeting on April 25, 2018.

OVERVIEW OF THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

	Personal information				Experience	Role on the Board				Membership of a committee			
	Age	Gender	Nationality	Number of shares	Number of offices held in listed companies	Independence	Date of first appointment	Expiry of term of office	Years of service on the Board	Audit and Risk Committee	Appointments and Remuneration Committee	Strategy and Investment Committee	Innovation and CSR Committee
André Martinez	66	M	🇫🇷	20	1	✓	04/29/2015	2019 GM	4			✓ Chairman	
Caisse des dépôts, represented by Virginie Fernandes	44	F	🇫🇷	28,895,621	2		09/30/2016	2019 GM	3		✓	✓	
Carole Abbey	43	F	🇫🇷	1	1		03/15/2018	2021 GM	1				
Jean-Paul Faugère	62	M	🇫🇷	220	2		12/20/2012	2021 GM	7			✓	
Marie-Christine Lambert	65	F	🇫🇷	10	1	✓	12/06/2011	2020 GM	8	✓			
Olivier Mareuse	55	M	🇫🇷	1	3		05/31/2011	2021 GM	8	✓			
Jean-Marc Morin	67	M	🇫🇷	1	1		04/03/2018	2020 GM	1				
Florence Péronnau	61	F	🇫🇷	5	1	✓	05/23/2016	2020 GM	3		✓ Chairman	✓	✓
Guillaume Poitrinal	51	M	🇫🇷	10	1	✓	06/29/2018	2022 GM	1			✓	✓
Sophie Quatrehomme	42	F	🇫🇷	1	1		03/15/2018	2022 GM	1				
Georges Ralli	70	M	🇫🇷	775	2	✓	05/23/2016	2020 GM	3	✓ Chairman	✓		
Céline Senmartin	41	F	🇫🇷	1	1		10/19/2016	2019 GM	3				
Nathalie Tessier	56	F	🇫🇷	1	1		04/29/2015	2022 GM	4				✓ Chairman
Frédéric Thomas	62	M	🇫🇷	1	2		05/23/2016	2020 GM	3		✓		

In accordance with Article 10 of the Articles of Association, directors are appointed for a term of four years.

POSITIONS, OFFICES AND BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

André MARTINEZ

Chairman of the Board of Directors
Chairman of the Strategy and Investment Committee
Independent Director
66 years old
Nationality: French

Expertise and professional experience

André Martinez graduated from HEC business school, the Paris Institute of Political Studies (IEP) and holds a Master's degree in Economics (Paris II University). He began his career in 1978 as a contracts negotiator for Airbus Industrie. In 1982, André Martinez joined the Hôtels Méridien company, belonging to the Air France group, as Development Director, and later became Chairman and CEO of Méridien Hôtels Inc. and Chairman of Méridien Canada Ltd. In 1989, he was appointed CEO of Méridien Gestion SA and later CEO of the Hôtels Méridien company. In 1997, he joined the Accor group as CEO of Compagnie des Wagons-lits, and later became Development and Strategy Director of the Hotels Division. From 2003 to 2006, he was a member of the Executive Board and Manager of the hotel business for Europe, Africa and the Middle East. In 2006, André Martinez joined Morgan Stanley Real Estate where he was appointed Managing Director, and then Senior Advisor and Director of the global hotel activity. He was also Chairman of Panorama Hospitality. From 2012 to 2014, he became special advisor to the offices of Pierre Moscovici (Minister of Economy and Finance) and Nicole Bricq (Minister of Foreign Trade). André Martinez is also a director of Financière Sun. Additionally, he is the Managing Director of two family-owned property investment companies (SCI) and Chairman of Financière des Cent Chênes SAS. He was appointed Chairman of the Board of Directors of Icade in April 2015 and he is also the Chairman of the Strategy and Investment Committee of the Company.

First appointed as director:
General Meeting of 04/29/2015

End of term of office:
General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company: 20

Professional address:
27, rue Camille Desmoulins
92130 Issy-les-Moulineaux, France

Other offices and positions currently held

Chairman
- Financière des Cent Chênes SAS [(a)]

Director
- Financière Sun [(a)] (B&B Hotels)

Offices and positions held in the past five years and which have expired

Chairman
- SGP Edifice Capital

Director
- Xiwen Media
- Ville Pour Tous

(a) Non-group company

Virginie FERNANDES

Permanent representative of Caisse des dépôts (CDC) – Director
Member of the Strategy and Investment Committee
Member of the Appointments and Remuneration Committee
44 years old
Nationality: French

Expertise and professional experience

Virginie Fernandes has been Head of Strategic Holdings Management for the Caisse des dépôts group since January 2017.

A graduate of Rouen Business School and the French Society of Financial Analysts (SFAF), Virginie Fernandes started her career in 1998 as a financial auditor at EY. From 2000, she served as financial analyst, first at Oddo Securities and later at Crédit Agricole Cheuvreux. She joined the Caisse des dépôts group in 2010. She then worked in the Finance Department of the French Strategic Investment Fund (FSI) where she was in charge of monitoring strategic holdings. In 2012, she joined the Finance, Strategy and Holdings Division where she served as Head of the Strategic Management of Subsidiaries and, in 2013, she took over as Head of the Real Estate, Housing and Tourism Division.

First appointed as permanent representative of CDC, director:
Board of Directors meeting of 09/30/2016

End of term of office of CDC:
General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company by CDC: 28,895,621

Professional address:
56, rue de Lille
75007 Paris, France

Other offices and positions currently held

Member of the Supervisory Board
- CDC Habitat [(a)]

Director
- Bpifrance Investissement [(a)]
- Bpifrance Participations [(a)]
- SFIL [(a)]
- Transdev group [(a)]
- Compagnie des Alpes [(a)] [(b)]

Offices and positions held in the past five years and which have expired

Member of the Supervisory Board
- Santoline

Director
- Bpifrance
- CDC International Capital
- SCET

Chairman
- HoldCo SIIC
- CDC Elan PME

(a) Icade group/CDC group company.
(b) Listed company.

5

Carole ABBEY
Director
43 years old
Nationality: French

Expertise and professional experience
Since June 2017, Carole Abbey has been Managing Director of Strategic Holdings for Caisse des dépôts in the Real Estate, Housing & Tourism sectors. She participates in the approval of strategic priorities and investment decisions for Icade, Compagnie des Alpes, CDC Habitat and SCET. She develops CDC's views within the governance bodies of these companies.

After being an associate at EY consulting firm, Carole Abbey joined the Agence des Participations de l'État (a division of the French Ministry of Economy and Finance) at the beginning of 2017.

An expert in corporate finance, she joined EY in 1999. For over 15 years, she assisted investment funds and large French and international corporations with complex financial projects. Between 2003 and 2008, she worked at EY's office in Sydney, Australia.

Carole Abbey holds a "DESS" post-graduate degree in Corporate Finance and Financial Engineering from Paris Dauphine University, a degree in Chartered Accountancy and CPA (Certified Public Accountant) certification from the United States.

First appointed as director:
Board of Directors meeting of 03/15/2018

End of term of office:
General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
56, rue de Lille
75007 Paris, France

Other offices and positions currently held
Director
- SCET [(a)]
- Tonus Territoires [(a)]

Offices and positions held in the past five years and which have expired
None

(a) Icade group/CDC group company.

Jean-Paul FAUGÈRE
Director
Member of the Strategy and Investment Committee
62 years old
Nationality: French

Expertise and professional experience
A former student of École polytechnique and the National School of Administration (ENA), Jean-Paul Faugère served as Head of the Prime Minister's Office from 2007 to 2012. Prior to this, he worked as Head of the Office of François Fillon (Minister of Social Affairs and then of National Education) from 2002 to 2005, and Prefect of the Alsace region and Bas-Rhin department from 2005 to 2007. Jean-Paul Faugère has been Chairman of the Board of Directors of CNP Assurances since June 29, 2012. Previously, Jean-Paul Faugère held the following positions and offices: Insurance Auditor (1980-1981), Auditor to the Council of State (1983), Deputy General Secretary of the Council of State (1986-1987), Technical Adviser to the Minister for Infrastructure, Housing, Spatial Planning and Transport (1987-1988), Government Commissioner to the Court of Disputes of the Council of State (1988-1990), Finance Director (1991-1994) of the French Atomic Energy Commission (CEA), Director of Civil Liberties and Legal Affairs for the Ministry of the Interior and Spatial Planning (1994-1997), Prefect of Loir-et-Cher (1997-2001), Prefect of Vendée (2001-2002), and member of the Council of State (1998).

First appointed as director:
Board of Directors meeting of December 20, 2012

End of term of office:
General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 220

Professional address:
4, place Raoul-Dautry
75716 Paris Cedex 15, France

Other offices and positions currently held
Chairman of the Board of Directors
- CNP Assurances [(a) (b)]

Director
- Caixa Seguros Holding SA Brésil [(c)]

Offices and positions held in the past five years and which have expired
Chairman of the Board of Directors
- Icade

(a) Listed company.
(b) Icade group/CDC group company.
(c) Non-group company.

Marie-Christine LAMBERT
Independent director
Member of the Audit and Risk Committee
65 years old
Nationality: French

First appointed as director:
Board of Directors meeting of 12/06/2011

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 10

Home address:
24, rue Rouelle
75015 Paris, France

Expertise and professional experience

Marie-Christine Lambert, a graduate of ESC Dijon with a major in Finance, is now retired. She used to be Deputy CFO and Head of Financial Control for the Orange group. After joining France Télécom in 1992, she served successively as Finance Director of the IT subsidiaries, Chief Financial Officer of the French Mobile Telephony Division, Chief Financial Officer of the Orange Division (the Group's mobile telephony arm), Group Head of Finance and Operations Management in France (fixed and mobile telephony), and then Group Head of Financial Control. Marie-Christine Lambert began her career in 1975 in a French subsidiary of ITT, and then worked in operational finance in the industrial, services and telecommunications sectors.

Other offices and positions currently held

None

Offices and positions held in the past five years and which have expired

Deputy CFO and Head of Financial Control for the Orange group
Director
- Orange France
- Orange Studio
- Buy-in joint venture (Orange/Deutsche Telekom)

Member of the Supervisory Board and Audit Committee
- Orange Polska

Marianne LAURENT [(a)]
Director
57 years old
Nationality: French

Resigned as director:
Board of Directors meeting of 03/15/2018

First appointed as director:
General Meeting of 04/20/2017

End of term of office:
General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
72, avenue Pierre-Mendès-France
75914 Paris Cedex 13, France

Expertise and professional experience

Marianne Laurent, a graduate from the Université de Rennes in banking and finance, started her career in 1984 in the banking sector before joining the Caisse des dépôts group in 1990.

She first managed the unit in charge of institutional relations and relations with subsidiaries' customers for Caisse des dépôts's Banking Services Department. In 2000, she joined the newly-formed CDC Ixis where she worked until 2003. She later joined the Group Finance, Strategy and Holdings Department and managed equity transactions. In 2007, Marianne Laurent joined the Executive Board of Efidis, a subsidiary of the SNI group, where she served as Finance Director. In 2012, she became CEO in charge of the SNI group's finances.

Since January 16, 2017, she has been Head of Loans and Housing for the Savings Funds Department.

Other offices and positions currently held

Director
- Foncière Publique Solidaire [(b)]

Member of the Supervisory Board
- CDC Habitat [(b)]

Head of Loans and Housing for the Savings Funds Department
- Caisse des dépôts

Offices and positions held in the past five years and which have expired

Deputy CEO in charge of Group Finances and Executive Committee member
- CDC Habitat

Director and member of the Audit Committee
- Efidis
- Osica
- Ste Barbe
- Adoma

(a) Resigned as director on March 15, 2018.
(b) Icade group/CDC group company.

Olivier MAREUSE
Director
Member of the Audit and Risk Committee
55 years old
Nationality: French

First appointed as director: Board of Directors meeting of 05/31/2011

End of term of office: General Meeting to be held in 2021 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address: 56, rue de Lille
75007 Paris, France

Expertise and professional experience

A graduate of the Paris Institute of Political Studies (IEP), former student of the National School of Administration (ENA), Olivier Mareuse began his career in 1988 at the Group Insurance Department of CNP Assurances as Deputy Head of the Financial Institutions Department, and then as Technical, Administrative and Accounting Director in 1989. In 1991, he was appointed project officer to the CEO, and then Head of Strategy, Financial Control and Investor Relations in 1993. Appointed Chief Investment Officer of CNP Assurances in 1999, Olivier Mareuse joined Caisse des dépôts in October 2010 as deputy CFO of the Caisse des dépôts group, and became CFO of the Caisse des dépôts group in December 2010. Since September 2016, Olivier Mareuse has been Director of Savings Funds of Caisse des dépôts. Since 2018, he has also been Head of Asset Management for Caisse des dépôts.

Other offices and positions currently held

Head of Asset Management and Director of Savings Funds
- Caisse des dépôts group

Member of the Executive Committee of Caisse des dépôts
- "Caisse des dépôts" Public Institution and Group

Director
- La Société Forestière [b]
- CDC GPI [b]
- CNP Assurances [a] [b]
- Association française des investisseurs institutionnels (AF2i) [c]

Permanent representative of CDC
- Veolia Environnement [a] [c]

Member of the Audit Committee
- CNP Assurances [a] [b]

Member of the Strategic Committee
- CNP Assurances [a] [b]

Offices and positions held in the past five years and which have expired

Group CFO
- Caisse des dépôts

Chief Investment Officer
- CNP Assurances

Director
- Bpifrance Investissement
- AEW Europe
- CDC Infrastructures

Chairman of the Board of Directors
- CDCE-1

Chief Executive Officer
- CDCE-1

Permanent representative of CDC
- CDC GPI (Gestion des Placements Immobiliers)
- CDC GPII (Gestion des Placements Immobiliers Internes)

(a) Listed company.
(b) Icade group/CDC group company.
(c) Non-group company.

Jean-Marc MORIN
Director
67 years old
Nationality: French

First appointed as director: Board of Directors meeting of 04/03/2018

End of term of office: General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address: 56, rue de Lille
75007 Paris, France

Expertise and professional experience

After obtaining a Master's degree in law and studying at the French National School for the Judiciary (ENM), he started his career in 1980 as Deputy Public Prosecutor in Béthune and then became judge at the Tribunal de Grande Instance (regional court) of Paris. From 1990 to 2003, he held a number of legal positions at the Ministry of Budget and then at the Ministry of Economy and Finance. In 2003, he was appointed Head of Legal for AP-HP – the entity managing public hospitals in the Paris region – and member of the AP-HP Management Committee.

He joined Caisse des dépôts in 2011 as Deputy Group Head of Legal and Tax, and then Deputy Group Secretary General. Since 2012, he has been Head of Legal and Tax, and a permanent member of the Executive Committee and the Group Management Committee.

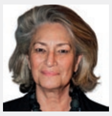
In 2018, he became Advisor to the CEO of Caisse des dépôts. He is a permanent guest of the Executive Committee.

Other offices and positions currently held

None

Offices and positions held in the past five years and which have expired

Non-voting Director
- Board of Directors of CDC-IC



Florence PÉRONNAU

Independent Director
Chairman of the Appointments and Remuneration Committee
Member of the Strategy and Investment Committee
Member of the Innovation and CSR Committee
61 years old
Nationality: French

Expertise and professional experience

After studying economics (bachelor's degree in economics from Paris X University, degree in finance-economics from the Paris Institute of Political Studies), Florence Péronnau spent the first part of her real estate career working for several major institutional investors.

1982-1990: AGP Compagnie du Midi – AXA, Real estate investments.

1990-1993: CPII Promotion Immobilière – design of property projects and sales to investors.

1993-1997: SECL-UAP – Banque Worms – asset valuation and management.

1997-2004: AGF Immobilier Allianz group – Portfolio manager and then Head of Construction Project Management.

In 2006, she joined the Sanofi group to set up the Group Real Estate Department and, as such, switched to the "Users" side.

Once the corporate organisation was implemented at the national and international levels, she rolled out the "workspace" and "green buildings" internal policies, in line with the Group's strategic guidelines.

She completed several major real estate projects in France and abroad, including the Group's global headquarters (2012) and new business campuses (Paris and Lyon in 2015) to address the changes in work and management practices.

Since January 19, 2015, Florence Péronnau has sat on the French State's Real Estate Board as a qualified person.

In 2017, Florence Péronnau started Pollen RE, a real estate strategy consulting firm dedicated to "Users", as she believes that real estate is a tangible as well as an intangible asset for a company.

First appointed as director:
General Meeting of 05/23/2016

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 5

Professional address:
Pollen RE
35, rue Malar
75007 Paris, France

Other offices and positions currently held

Chairwoman
- POLLEN RE [(a)]

Member of the French State's Real Estate Council [(a)]

Board member
- RICS France [(a)] (Royal Institution of Chartered Surveyors)

Offices and positions held in the past five years and which have expired

None

(a) Non-group company.

Guillaume POITRINAL

Independent Director
Member of the Strategy and Investment Committee
Member of the Innovation and CSR Committee
51 years old
Nationality: French

Expertise and professional experience

Guillaume Poitrinal is the former Chairman of the Executive Board of Unibail-Rodamco. He co-founded Woodeum, a property development company specialising in the construction of low-carbon buildings. He created Icamap, a pan-European investment fund active in both listed and unlisted property.

Guillaume Poitrinal has not held any other directorships in listed companies than those mentioned herein. He has been a director at FSIF (French Federation of Real Estate Companies) and he chaired the European Public Real Estate Association (EPRA) from 2009 to 2011.

*The Icamap Investors fund is managed by the management company Icamap S.àr.l. Icamap Investors controls the company Icamap Investments S.àr.l., which in turn owns a 1.83% stake in Icade. Icamap Investments S.àr.l. stated that it is acting in concert with the funds GIC Pte Ltd and Future Fund Board of Guardians – together having a 4.60% shareholding in Icade.

First appointed as director:
General Meeting of 06/29/2018

End of term of office:
General Meeting to be held in 2022 to approve the financial statements for the year ended

Number of shares held in the Company: 10

Professional address:
Woodeum
136 *bis*, rue de Grenelle
75007 Paris, France

Other offices and positions currently held

Director
- UGC [(a)]

Chairman
- Fondation du patrimoine [(a)]

Offices and positions held in the past five years and which have expired

- Capital & Regional
- MAF Properties

(a) Non-group company.

Sophie QUATREHOMME
Director
42 years old
Nationality: French

Expertise and professional experience

Sophie Quatrehomme holds a Master's degree in Modern Literature, a Master of Advanced Studies in National and European Policies of EU Member States, a "DESS" postgraduate degree in European Geopolitics and a degree from the *Centre national de la fonction publique territoriale* (National Centre for Local Public Service). She began her career in 2002 as a Parliamentary Advisor. At the end of 2004, she became a Technical Advisor in charge of Relations with the National Assembly to the Deputy Minister for Parliamentary Relations. In 2007, she was appointed Parliamentary Advisor to the State Secretariat for European Affairs. From 2009 to 2010, she was Parliamentary Advisor to the Minister of Food, Agriculture and Fisheries. In March 2010, she joined the French Financial Markets Authority (AMF) as an Advisor on Parliamentary and Institutional Relations.

Between 2012 and 2014, she was Head of the Office and Advisor to the CEO of Caisse des dépôts. In March 2014, she was appointed Director of the Office of the CEO of Caisse des dépôts and Member of the Management Committees of Caisse des dépôts and the Caisse des dépôts group. Since July 2016, she has served as Communication Director for the Caisse des dépôts group. In March 2018, after the governance structure was reorganised, she joined the newly created Executive Committee and remained a Member of the Management Committee of the Caisse des dépôts group until June 2018.

First appointed as director:
Board of Directors meeting of 03/15/2018

End of term of office:
General Meeting to be held in 2022 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
Caisse des dépôts group
56, rue de Lille
75007 Paris, France

Other offices and positions currently held

Communication Director
- CDC

Member of the Executive Committee
- CDC

Director
- Société du Grand Théâtre des Champs Élysées (SGTCE) (a)

Offices and positions held in the past five years and which have expired

CDC International Capital
- Director (02/13/2014 to 09/01/2016);
- Member of the Audit and Accounting Committee (02/13/2014 to 09/01/2016);
- Member of the Appointments and Remuneration Committee (06/10/2015 to 09/01/2016).

Member of the Management Committee of the Caisse des dépôts group (March 2014 to June 2018).
Member of the Management Committee of the Caisse des dépôts public institution (March 2014 to March 2018).

(a) Icade group/CDC group company.

Georges RALLI
Independent Director
Chairman of the Audit and Risk Committee
Member of the Appointments and Remuneration Committee
70 years old
Nationality: French

Expertise and professional experience

Georges Ralli holds a "DESS" postgraduate degree in Banking and Finance from Paris-V University, a Finance and Economics degree from the Paris Institute of Political Studies, and a degree from the Institut commercial de Nancy business school.

He joined Crédit Lyonnais in 1970 where he held various positions until 1981 (General Accounting Research Department, in charge of monitoring regulatory ratios and consolidation procedures for the Group; Alsace Regional Division, in charge of corporate clients; and Financial Affairs Department, in charge of primary equity market activities).

In 1982, he became Secretary of the Savings Development and Protection Commission.

From 1982 to 1985, he headed the Financial Negotiations Department of Crédit du Nord (primary equity and bond markets, mergers and acquisitions, proprietary investments).

In 1986, he joined Lazard in Paris to develop its primary equity market activity. In 1989, he moved to the Mergers and Acquisitions Department. He became managing partner in 1993 and was appointed as Co-Head of Lazard LLC's Mergers and Acquisitions Department in 1999. From 2000 to 2010, he was Managing Director and Deputy Chairman of the Executive Committee of Lazard LLC (USA). He simultaneously headed the French branch until 2010. In 2010, he resigned his executive positions, but until 2012 he remained Chairman of the European mergers and acquisitions activities and Chairman of the European asset management and private banking activities.

In 2013, he created IPF Partners, an investment fund dedicated to the health sector which invests in biotech, medtech, diagnostics and vaccines companies through structured loans. He is currently Partner and Managing Director of IPF Partners.

Lastly, in 2017, he participated in the creation of LLC Real Estate Fund SCA, an investment fund dedicated to property in Luxembourg (75%) and neighbouring countries (excluding France).

First appointed as director:
General Meeting of 05/23/2016

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 775

Professional address:
IPF Partners
8, rue Toepffer
CH – 1206 Geneva, Switzerland

Other offices and positions currently held

Non-voting Director
- Chargeurs SA (b) (a)

Managing Director
- IPF Management 1 SARL (Luxembourg) (b)
- Kampos SARL (Switzerland) (b)
- IPF Partners SARL (Switzerland) (b)
- LLC RE Management SARL (Luxembourg) (b)

Director
- Quadrature Investment Managers (b)

Offices and positions held in the past five years and which have expired

Director
- Carrefour SA
- Chargeurs SA
- Veolia Environnement
- Silic SA

(a) Listed company.
(b) Non-group company.

Céline SENMARTIN
Director
41 years old
Nationality: French

First appointed as director:
Board of Directors meeting of 10/19/2016

End of term of office:
General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
Caisse des dépôts
Direction du réseau et des territoires
72, avenue Pierre-Mendès-France
75914 Paris Cedex 13, France

Expertise and professional experience

A graduate of the Bordeaux Institute of Political Studies (IEP), she joined Caisse des dépôts in 2001. After a first professional experience in HR management, in 2005 she started working in the Strategy Department of the Retirement Division of Caisse des dépôts as Head of the department in charge of institutional relations and governance, before being appointed General Secretary of the ERAFP (Public Service Additional Pension Scheme).

She became Advisor (August 2007) to and later Deputy Head (2011) of the Office of the CEO of the Caisse des dépôts group. From August 2012 to February 2015 she served as Caisse des dépôts Picardie Regional Manager. On March 1, 2015, she became Deputy Head of the Network and Territory Management Department.

Céline Senmartin was also "Auditeur Jeune" at the Institute of Advanced Studies in National Defence (IHEDN) in 1998 and she has been certified as a company director by the French Institute of Company Directors (2012).

Other offices and positions currently held

Member of the Supervisory Board
- Fondation Partage & Vie [(a)]

Offices and positions held in the past five years and which have expired

Non-voting Director, representative of Bpifrance Investissement
- Board of non-voting Directors of Picardie Investissement

Director, representative of Bpifrance Investissement
- Board of Directors of Picardie Avenir

Qualified person, appointed by the Oise Departmental Council
- Board of Directors of OPAC de l'Oise (OPH)

Qualified person, appointed of the Somme Departmental Council
- Board of Directors of OPSOM (OPH) from 10/23/2012 to 04/30/2015

Director, representative of CDC
- Board of Directors of CDC Développement Solidaire
- Board of Directors of Agence de Développement de l'Aisne
- Board of Directors of Picardie Active
- Board of Directors of Improve SAS
- Board of Directors of Société d'Équipement du Département de l'Aisne – SEDA (semi-public company)
- Board of Directors of SEM Amiens Aménagement – SEMAA (semi-public company)
- Board of Directors of Société pour l'Immobilier d'Entreprise de l'Aisne – SIMEA (semi-public company)

Permanent representative of CDC
- Shareholders' Meeting of CADEMCE SAS
- General Meeting of Teloise SAS

Member, permanent representative of CDC
- Strategic Committee of Teloise SAS

(a) Non-group company.

Nathalie TESSIER
Director
Chairwoman of the Innovation and CSR Committee
56 years old
Nationality: French

First appointed as director:
General Meeting of 04/29/2015

End of term of office:
General Meeting to be held in 2022 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
2, avenue Pierre-Mendès-France
75013 Paris, France

Expertise and professional experience

Nathalie Tessier is a graduate of ISG business school and holds a postgraduate degree in financial management (Conservatoire national des arts et métiers) and real estate management (Nanterre). She began her career in 1983 in a French urban planning semi-public company (SEM) located in the Paris region, and in 1992 she joined Crédit Foncier de France as Head of the Semi-Public Sector Division. She was also in charge of loans in the Social Housing Department. She joined Caisse des dépôts in 1998, where she held the following positions within the Île-de-France Regional Division: Head of the Semi-Public Sector Division, then Head of the Seine-et-Marne/Val-de-Marne area, and later Head of Investments, and Deputy Regional Head. In 2007, she left to participate in the creation of Établissement foncier d'Île-de-France, as Deputy Managing Director in charge of development. In 2010, she came back to the Regional Division of Caisse des dépôts as Deputy Regional Head, in charge, among others, of the Greater Paris project. From January 2013 to June 2018, she was General Secretary of the Supervisory Board of Caisse des dépôts. Since June 2018, she has been Head of Mission for Land, Urban Development and Urban Planning within the Île-de-France Regional Division of Banque des Territoires.

Other offices and positions currently held

General Secretary of the Supervisory Board
- CDC

Offices and positions held in the past five years and which have expired

Member of the Supervisory Board
- CDC Habitat

Frédéric THOMAS
Director
Member of the Audit, Risk and Sustainable Development Committee
Member of the Appointments and Remuneration Committee
62 years old
Nationality: French

First appointed as director:
General Meeting of 05/23/2016

End of term of office:
General Meeting to be held in 2020 to approve the financial statements for the year ended

Number of shares held in the Company: 1

Professional address:
CAA
16-18, boulevard de Vaugirard
75015 Paris, France

Expertise and professional experience

Frédéric Thomas began his career with the Crédit Agricole Pas-de-Calais regional bank in 1982, where he held various positions, including Head of Financing from 1993 to 1996, and later Head of Networks from 1996 to 2000. In 2000, Frédéric Thomas was appointed Deputy CEO of the Charente-Maritime Deux-Sèvres regional bank. In 2007, Frédéric Thomas became CEO of the Crédit Agricole Normandie-Seine regional bank and Chairman of Crédit Agricole Technologies. He has been a member of the Board of Adicam since 2010.

Since September 2015, Frédéric Thomas has been CEO of Crédit Agricole Assurances and CEO of Predica. He is a member of the Executive Committee of Crédit Agricole SA.

Frédéric Thomas graduated in agronomic engineering from ENSA Rennes and holds a "DESS" postgraduate degree in business administration.

Other offices and positions currently held

Member of the Executive Committee
- Crédit Agricole SA [(a)] [(b)]

Chief Executive Officer
- Crédit Agricole Assurances [(a)] [(b)]
- Predica [(b)]

Director
- Pacifica SA [(b)]
- Spirica SA [(b)]
- CA Indosuez Wealth Management (SA) [(b)]
- CAGIP SAS [(b)]
- LCL SA [(b)]

Member of the Board of Directors
- Adicam (SARL) [(b)]

Permanent representative of CAA, director
- Caci SA [(b)]

Non-voting Director
- La Médicale de France SA [(b)]

Vice-Chairman
- CA Vita (SPA) [(b)]
- Groupement français des Bancassureurs [(b)]

Chairman and permanent representative of Prédica
- Fonds stratégique de participations (SICAV) [(b)]

Permanent representative of CAA, legal entity serving as director
- Crédit Agricole Assurances Solutions SAS [(b)]

Member of the Supervisory Board
- Crédit Agricole Innovations & Territoires SAS [(b)]

Chairman of the Supervisory Board
- F/I Venture (SAS) [(b)]

Offices and positions held in the past five years and which have expired

Chief Executive Officer
- Crédit Agricole Normandie-Seine regional bank

Chairman
- Crédit Agricole Technologies et services
- Delta
- Progica SAS

Director
- Caagis SAS
- LCL (SA, issuer of listed debt securities)
- Crédit Agricole Services
- Ifcam
- Acticam
- Cité de l'agriculture
- Uni Éditions
- CA Consumer Finance
- CA Leasing & Factoring
- NCI Normandie Capital Investissement

Representative of the Normandie-Seine regional bank
- Uni Expansion Ouest

Managing Director
- SCI Montaigne
- SEP Normandie Seine

Permanent representative of Predica, member of the Supervisory Board
- CA Grands Crus SAS

Member of FNCA (Fédération Nationale du Crédit Agricole)
- Member of the HR commission
- Vice-Chairman of the national union office

Non-voting Director
- CA Immobilier

(a) Listed company.
(b) Non-group company.

CHANGES IN GOVERNANCE FOLLOWING THE BOARD OF DIRECTORS MEETING HELD ON MARCH 13, 2019

On the recommendation of the Appointments and Remuneration Committee of March 12, 2019, the Board of Directors, at its meeting held on March 13, 2019, stated that, at its meeting to be held after the General Meeting of April 24, 2019:

- it shall elect as Chairman of the Board of Directors Mr Frédéric THOMAS, CEO of Crédit Agricole Assurances and CEO of Predica, to replace Mr André MARTINEZ, as his term of office as independent director will expire at the end of the General Meeting and he does not wish to be reappointed;
- it shall appoint a Vice-Chairman, who will also serve as Lead Independent Director, from among independent directors;
- it shall reappoint Mr Olivier WIGNIOLLE as CEO of Icade for a term of four years, i.e. until the General Meeting to be held in 2023.

Lastly, on the recommendation of the Appointments and Remuneration Committee, the Board of Directors decided to propose the following for approval at the General Meeting:

- the appointment as director, for a term of four years, i.e. until the General Meeting to be held in 2023 to approve the financial statements for the year ended, of:
  - Mr Emmanuel CHABAS, Head of Real Estate Investments for Crédit Agricole Assurances;
  - Mr Waël RIZK, a senior civil servant, Deputy CFO of the Caisse des dépôts group, to replace Ms Céline SENMARTIN, Director of Banque des Territoires for the Normandie region;
  - Mr Gonzague de PIREY, Chairman of the Lapeyre group, to replace Mr André MARTINEZ, as independent director;
- reappointment as director of:
  - Caisse des dépôts, for a term of four years, i.e. until the General Meeting to be held in 2023 to approve the financial statements for the year ended.

Following the General Meeting to be held on April 24, 2019, the number of members of the Board of Directors would thus increase from 14 to 15, including 5 independent directors.

1.2.1.1. General rules relating to the composition of the Board of Directors and the appointment of directors

Independent Directors

The Company adheres to the independence criteria as set out by the Afep-Medef Code (see table below).

Based on the reference table below, the Board of Directors and the Appointments and Remuneration Committee assess the independence of directors annually and every time a director is co-opted, appointed or reappointed.

Independence criteria required by the Afep-Medef Code:

Criterion 1: Employee corporate officer within the previous five years

Not being and not having been during the previous five years:

- an employee or executive corporate officer of the Company;
- an employee, executive corporate officer or director of an entity consolidated within the Company;
- an employee, executive corporate officer or director of the Company's parent company or a company consolidated within the parent company.

Criterion 2: Cross-directorships

Not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: Significant business relationships

Not being a customer, supplier, commercial banker, investment banker or consultant:

- that is significant to the Company or its group;
- or for which the Company or its group represents a significant portion of its business.

The evaluation of the significance or otherwise of the relationship with the Company or its group must be discussed by the Board. The quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc) must be explicitly stated in the annual report.

Criterion 4: Family ties

Having no close family ties with a corporate officer.

Criterion 5: Auditor

Not having been an auditor of the Company within the previous five years.

Criterion 6: Term of office exceeding 12 years

Not having been a director of the Company for more than 12 years. Loss of the status of independent director occurs on the date of the 12th anniversary.

Criterion 7: Status of non-executive corporate officer

A non-executive corporate officer cannot be considered independent if they receive variable remuneration, in cash or in the form of securities, or any remuneration linked to the performance of the Company or group.

Criterion 8: Status of the major shareholder

Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Appointments Committee, should systematically review the qualification as independent in the light of the Company's shareholding structure and the existence of a potential conflict of interest.

Directors	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Assessment of compliance by the Board of Directors
André Martinez	✓	✓	✓	✓	✓	✓	✓	✓	Complies
Caisse des dépôts, represented by Virginie Fernandes	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Carole Abbey	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Jean-Paul Faugère	×	✓	✓	✓	✓	✓	✓	✓	Does not comply
Marie-Christine Lambert	✓	✓	✓	✓	✓	✓	✓	✓	Complies
Olivier Mareuse	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Jean-Marc Morin	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Florence Péronnau	✓	✓	✓	✓	✓	✓	✓	✓	Complies
Guillaume Poitrinal	✓	✓	✓	✓	✓	✓	✓	✓	Complies
Sophie Quatrehomme	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Georges Ralli	✓	✓	✓	✓	✓	✓	✓	✓	Complies
Céline Senmartin	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Nathalie Tessier	×	✓	✓	✓	✓	✓	✓	×	Does not comply
Frédéric Thomas	✓	✓	×	✓	✓	✓	✓	×	Does not comply

In this table, ✓ means that the independence criterion is satisfied and × means that the independence criterion is not satisfied.

No independent director of Icade has business connections with the Company.

As stipulated in the Rules of Procedure of the Board of Directors of Icade, the Board may take the position that a director, although meeting the above criteria, cannot be considered as independent due to their specific situation or that of the Company, given its ownership structure or for any other reason. Conversely, the Board can take the position that a director, although not fulfilling the above criteria, is nevertheless independent.

Icade, whose Board of Directors was composed of 14 directors including 5 independent directors (36%) as of December 31, 2018, complies with the proportion of independent members required by recommendation 8.3 of the Afep-Medef Code.

1.2.1.2. Diversity policy

The Board of Directors and the Appointments and Remuneration Committee assess the composition of the Board and its committees on a regular basis, as well as the different qualifications and experience of each director.

The Board of Directors strives to maintain the diversity and complementarity of technical qualifications and professional experience, balanced gender representation and a proportion of independent directors above the threshold of at least one third recommended by the Afep-Medef Code, for controlled companies as defined by Article L. 233-3 of the French Commercial Code.

As part of succession plans established by the Appointments and Remuneration Committee and approved by the Board of Directors, director appointments and reappointments are suggested in order to maintain these balances and have directors with qualifications in line with the Company's business and the tasks assigned to the committees of the Board of Directors.

The diversity of qualifications represented on the Board of Directors is presented in the paragraph below.

1.2.1.3. Directors' areas of expertise

	Real estate/ Asset management/ Urban planning	Banking/ Finance/ Insurance	International experience	CSR/Innovation/ Digital technologies	Governance/ Management of listed companies	Strategy/M&A	Change management
André Martinez	X	X	X	X	X	X	X
Caisse des dépôts represented by Virginie Fernandes	X	X			X	X	
Jean-Paul Faugère	X	X			X	X	
Marie-Christine Lambert		X	X	X	X	X	
Olivier Mareuse	X	X		X	X	X	
Florence Péronnau	X		X	X	X		X
Georges Ralli	X	X	X	X	X	X	
Céline Senmartin	X	X					
Nathalie Tessier	X	X		X			X
Frédéric Thomas	X	X		X	X	X	
Sophie Quatrehomme				X			X
Carole Abbey	X	X	X			X	
Jean-Marc Morin		X			X		
Guillaume Poitrinal	X	X	X	X	X	X	X

1.2.2. Organisation and operation of the Board of Directors

1.2.2.1. Duties and work

Icade's Board of Directors sets the Company's business strategy and supervises its implementation. Subject to the powers expressly reserved for Shareholders' Meetings and within the scope of the object of the Company, it addresses any questions relating to the proper functioning of the Company and settles matters concerning it through its discussions. The Board of Directors meets at least twice a year and whenever the interests of the Company so require.

It also endeavours to promote long-term value creation by the Company by considering the social and environmental aspects of its activities. If applicable, it proposes any changes to the Company's Articles of Association that it considers appropriate.

In relation to the strategy it has defined, the Board of Directors regularly reviews the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly.

In addition to the matters and decisions resting with the Board of Directors according to the law (approving the annual and half-year financial statements and reports; convening the General Meeting to approve, among others, the financial statements for the last financial year, forward planning documents, rules for distributing attendance fees among directors, annual authorisation given to the Chief Executive Officer to grant sureties, endorsements and guarantees, investment and disinvestment proposals, the Group's strategy, etc), the Board examined or adopted the following points, among others:

- revision of the Rules of Procedure of the Board of Directors;
- operation of the Board of Directors, self-assessment of the work of the Board of Directors and reporting of the work of the Board of Directors and its committees;
- determination of the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer as well as performance criteria used to determine the variable component of the Chief Executive Officer's remuneration for the 2018 financial year;
- renewal of the authorisation given to the Chief Executive Officer to issue bonds which do not entitle their holders to shares in the Company;
- renewal of financial authorisations relating to sureties, endorsements, guarantees, NEU CP, NEU MTN and bond issues;
- 2019 budget and the 2022 medium term plan;
- internal audit activity in 2018 and 2019 program;
- implementation of the Company's share repurchase program for the purpose of repurchasing its own shares;
- assessment of the independence of independent directors;
- acknowledgement of the resignation of a director, proposal to appoint new directors and renewal of a director;
- distribution of attendance fees;
- change in composition of the committees;
- creation of an Innovation and CSR Committee;
- approval of investment or disinvestment commitment proposals after, as applicable, a study conducted by the Strategy and Investment Committee in accordance with the Rules of Procedure of Icade's Board of Directors;

- forward planning documents;
- the ANF Immobilier transaction.

The minutes of Board meetings are prepared after each meeting and communicated to the directors for approval at the next meeting.

1.2.2.2. Convening and preparing the meetings of the Board of Directors

The current Articles of Association provide that meetings of the Board of Directors are convened by its Chairman at least five days in advance and by any written or electronic method.

Prior to a meeting, each director receives information relevant to effective participation in the Board's proceedings so that they are able to effectively carry out their duties. The same applies at all times in the life of the Company, between Board meetings, when the importance or urgency of the information so requires.

A director may ask the Chairman for any additional information that they consider necessary to effectively carry out their duties, especially regarding the agenda of meetings.

A director may ask the Chairman for permission to meet the senior management of the Group, even without the Chairman being present.

During each Board meeting, the Chairman notifies the members of the main significant facts and events regarding the life of the Group which have occurred since the previous Board meeting.

Furthermore, in accordance with Article 3 of the Rules of Procedure, the Board of Directors is informed of the Company's financial and cash positions as well as of the commitments made by the Company.

In the event of a conflict of interest of one or more directors on a topic which is submitted to the Board for consideration, the director(s) in question is(are) required to refrain from taking part in the discussions and in the vote. In the financial year ended December 31, 2018, this rule was applied to several investment transactions.

1.2.2.3. Frequency of meetings of the Board of Directors

The Board of Directors of Icade met 13 times during the financial year 2018. The attendance rate of the members of the Board of Directors was 90%.

The table below presents each director's attendance rate at meetings of the Board of Directors, in 2018:

Directors	Meetings attended	Total number of meetings	Individual attendance rate
Caisse des dépôts et consignations	13	13	100%
Carole Abbey	10	10	100%
Jean-Paul Faugère	13	13	100%
Marie-Christine Lambert	13	13	100%
Marianne Laurent	1	4	25%
Olivier Mareuse	12	13	92%
André Martinez	13	13	100%
Jean-Marc Morin	7	8	87.5%
Florence Péronnau	13	13	100%
Guillaume Poitrinal	5	5	100%
Sophie Quatrehomme	10	10	100%
Georges Ralli	13	13	100%
Céline Senmartin	11	13	85%
Nathalie Tessier	10	13	77%
Frédéric Thomas	12	13	92%

1.2.2.4. Assessment of the work of the Board of Directors

It should be borne in mind that, in accordance with the Afep-Medef Code and Article 6 of the Rules of Procedure of the Board of Directors, the Board of Directors must assess each year its ability to meet shareholders' expectations, by analysing its own composition, organisation and operation as well as those of its committees.

During the financial year 2018, the Board of Directors performed an assessment of its own ability to meet shareholders' expectations based on a comprehensive questionnaire on the following topics: (i) rules of operation of the Board of Directors and of its committees, (ii) checking that major issues were suitably prepared and discussed during meetings, and (iii) determining the effective contribution of each director to the Board's work.

The results of this assessment were presented and discussed at the meeting of the Board of Directors held on March 13, 2019.

The conclusion of this self-assessment is that the directors consider that the issues related to the organisation of the Board of Directors and its committees, and to the management of conflicts of interest are adequately dealt with, whether it is in relation to skills, expertise and complementarity of directors, the proportion of independent members, and the gender balance. Greater diversity in terms of professional experience could, however, be beneficial for the Board's debates. In addition, a more proportional representation of the main shareholders should be implemented. However, some directors would like to reduce the size of the Board to make it more agile.

Areas for improvement have been identified in regard to the operation of the Board, especially concerning the heavy meeting schedule and making more condensed presentations at Board and committee meetings. In particular, directors have insisted on the need to highlight the major issues related to each of the topics discussed during committee meetings, so that these issues can be reported to the Board in a more concise manner, allowing for richer discussions in which each member can participate more actively. Broadly speaking, the view has been expressed that meetings should be more in line with the schedule set at the end of the previous year.

Directors also expressed their wish to receive more information on the competitive environment in the area of governance.

As regards the operation of the committees, directors indicated that they would like information to be provided sufficiently in advance.

1.2.3. Organisation and operation of the committees of the Board of Directors

In the interests of transparency and public information, Icade has established the various committees described below. These committees have an advisory role and operate under the authority of the Board of Directors. They make recommendations to the Board of Directors.

The committees consist of a minimum of three and a maximum of five members, chosen by the Board of Directors from among its members. They are appointed in a personal capacity and may only be represented by another member of the committee.

For the financial year, committee members receive additional attendance fees of €1,750 per meeting; the Chairman of each committee meeting receives an additional fee of €1,750 per meeting. It should be recalled that André Martinez does not receive attendance fees for his office as a director and as Chairman of the Strategy and Investment Committee.

1.2.3.1. Strategy and Investment Committee

Duties

According to the Rules of Procedure of Icade's Board of Directors, one of the duties of the Strategy and Investment Committee is to examine any investment or disinvestment project of the Company which exceeds €50 million, and any external growth transaction or disposal of equity interests or businesses which exceeds €30 million. It also examines the organic and/or external growth policy and the Group's strategic directions. It issues opinions and recommendations to facilitate the work of the Board of Directors.

Composition

As of December 31, 2018, the five members of the Strategy and Investment Committee were André Martinez (Chairman and independent director), Jean-Paul Faugère, Florence Péronnau (independent director), Caisse des dépôts, represented by Virginie Fernandes, and Guillaume Poitrinal (independent director).

Frequency of meetings and summary of the committee's activities

This committee met eight times during the financial year 2018. The attendance rate was 85.7%.

The table below presents each member's attendance rate at meetings of the Strategy and Investments Committee, in 2018:

Members	Meetings attended	Total number of meetings	Individual attendance rate
André Martinez (Chairman)	8	8	100%
Caisse des dépôts represented by Virginie Fernandes	5	5	100%
Jean-Paul Faugère	5	8	62.5%
Florence Péronnau	8	8	100%
Guillaume Poitrinal	2	3	66%

The Strategy and Investment Committee examined and issued recommendations on the following issues, among others:

- Office Property Investment operations;
- external growth or disposal transactions;
- real estate investment projects;
- off-plan sale projects;
- mixed-use property projects;
- presentation of the Company's strategic plan;
- examination of the proposed creation of an Innovation and CSR Committee (CIRSE).

The Strategy and Investment Committee has been kept informed of the progress of major projects and the conditions in the commercial real estate market.

The committee gave an account of its work to the Board, which took note thereof and followed all its recommendations.

1.2.3.2. Audit and Risk Committee

Duties

The Audit and Risk Committee is responsible for assisting the Board of Directors in assessing the annual separate and consolidated financial statements as well as the quality of internal control and information provided to shareholders and to the market, and for approving the provision of services other than the audit of financial statements by the auditors.

It assesses significant risks and ensures compliance with (i) the individual and collective values on which Icade's actions are based, and (ii) the rules of conduct that apply to all its staff.

Composition

As of December 31, 2018, the three members of the Audit and Risk Committee, two of whom are independent directors, were: Georges Ralli (Committee Chairman and independent director), Marie-Christine Lambert (independent director) and Olivier Mareuse.

All members of the Audit and Risk Committee have specific experience and skills in financial matters and in the area of risk management (see their background and expertise in section 1.2.1.3 of this chapter).

Frequency of meetings and summary of the committee's activities

This committee met nine times during the financial year 2018. The attendance rate was 96%.

The table below presents each member's attendance rate at meetings of the Audit and Risk Committee, in 2018:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Georges Ralli (Chairman)	9	9	100%
Marie-Christine Lambert	9	9	100%
Olivier Mareuse	8	9	89%

The Audit and Risk Committee has examined or issued recommendations on the following issues:

- draft annual and half-year financial statements and draft corporate governance report from the Board of Director;
- 2018 results of the internal control process and presentation of the 2019 audit plan;
- guidance and dividend distribution policy;
- assessment of risk monitoring within the Company by the Audit, Risk and Internal Control Department;
- financial policy of the Company (funding structure and sources) and related financial risks (liquidity, interest rate and income statement);
- assessment of the CSR policy;
- assessment of proposed disposals and acquisitions in relation to the full-year and half-year financial results;
- analysis of the impact of the audit reform on the Statutory Auditors' work;
- prior approval of services provided by the Statutory Auditors other than the audit of financial statements which do not fall within the scope of their statutory tasks;
- summary of the valuation of the Office and Healthcare Property Investment Divisions;
- implementation of the EU General Data Protection Regulation (GDPR);
- presentation of the 2019-2022 strategic plan;
- 2019 budget and medium term plan;
- updating the risks identified;
- examination of the Auditors' report to the Audit and Risk Committee;
- several internal audit assignments.

The committee gave an account of its work to the Board, which took note thereof and followed all its recommendations.

It should be noted that, in accordance with the Rules of Procedure of the Board of Directors, the committee's review of the financial statements is accompanied by a note from the Statutory Auditors indicating the most important issues not only regarding the results but also the accounting methods used, as well as a note from the CFO describing the Company's risk exposure, including social and environmental risks, and significant off-balance-sheet commitments. The committee may call upon outside experts whenever deemed necessary (Statutory Auditors, asset valuation consultants, etc).

The committee had two days to review the financial statements.

To complete these various tasks, the committee benefited from presentations made by members of Management and Internal Audit.

1.2.3.3. Appointments and Remuneration Committee

Duties

The Appointments and Remuneration Committee is responsible, among others, for assessing applications for the appointment of corporate officers and for making suggestions as regards their remuneration. It is involved in developing the Company's performance incentive scheme and making suggestions on (i) decisions to grant subscription and/or purchase options for the Company's shares to all or some of the employees and (ii) bonus share grants. It is also responsible for proposing the total annual amount of attendance fees, which is submitted to the General Meeting for approval, and the rules for distributing such attendance fees among the members of the Board of Directors. It has designed a succession plan for corporate officers, subject to the opinion of the Chairman of the Board, in order to be able to offer replacement solutions to the Board of Directors should a position unexpectedly become vacant. Finally, each year, the committee discusses the status of independent director.

Composition

As of December 31, 2018, the four members of the Appointments and Remuneration Committee were Florence Péronnau (Committee Chairwoman and independent director), Frédéric Thomas (director), Georges Ralli (independent director), and Caisse des dépôts represented by Virginie Fernandes.

Frequency of meetings and summary of the committee's activities

Icade's Appointments and Remuneration Committee met seven times during the financial year 2018. The attendance rate was 89%.

The table below presents each member's attendance rate at meetings of the Appointments and Remuneration Committee, in 2018:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Florence Péronnau (Chairwoman)	7	7	100%
Frédéric Thomas	6	7	86%
Georges Ralli	7	7	100%
Caisse des dépôts represented by Virginie Fernandes	5	7	71%

The Appointments and Remuneration Committee issued recommendations on the following issues, among others:

- determination of the variable component of the CEO's remuneration paid in 2019 for the financial year 2018, determination of his gross annual remuneration for the financial year 2018 and performance criteria used to determine the variable component of his remuneration for the financial year 2018;
- determination of the Chairman of the Board's remuneration;
- renewal of the directors' terms of office;
- director candidates;
- authorisation of a bonus share plan for all the employees and authorisation of a performance share plan for some executives (excluding the Chairman of the Board and the CEO);
- continuation of bonus shares and stock options granted to former employees;
- change in composition of the committees;
- assessment of the independence of directors;
- implementation of succession plans for independent directors and corporate officers;
- comparative analysis of the remuneration of corporate officers.

1.2.3.4. Innovation and CSR Committee

Duties

In the areas falling within its remit, the committee is responsible for, among others:

- sharing the strategic priorities in terms of innovation and CSR proposed by senior management, representing the actions of senior management on these two matters and inform the Board of Directors of these actions;
- prioritising the areas for action in innovation and CSR while ensuring that the objectives are in line with the growth strategy in each of Icade's business lines.

CSR

The committee monitors new practices in the property sector and, more generally, in the world of business. Once a year, it reviews the CSR report to control the results of the policies, as well as the consistency and changes in these results.

Innovation

The committee, which may rely on external, scientific, economic and sociological resources, in particular the group of experts which advises senior management, provides senior management with insights and assists in the definition of strategic priorities. Senior management sets the priorities and proposes an action plan and the means by which it will be delivered. Subsequently, the committee assesses the economic benefits from the actions undertaken and their ability to differentiate Icade's products and services. It also monitors the plan's implementation across all of Icade's business lines and departments.

At least twice a year, the committee consults with the CSR Advisory Committee, which defines the CSR strategy, as well as the Innovation Department and the heads of the different business lines.

Thematic priorities include:

- energy transition and preservation of resources;
- new habits and lifestyles, especially the increasing role of ICTs; partnerships with local authorities and communities; and social and societal performance.

Composition

As of December 31, 2018, the three members of the Innovation and CSR Committee were Nathalie Tessier (Committee Chairwoman and director), Florence Péronnau (independent director) and Guillaume Poitrinal (independent director).

Frequency of meetings and summary of the committee's activities

Icade's Innovation and CSR Committee met once during the financial year 2018. The attendance rate was 100%.

The table below presents each member's attendance rate at meetings of the Innovation and CSR Committee, in 2018:

Members	Meetings attended	Total number of meetings	Individual attendance rate
Nathalie Tessier (Chairwoman)	1	1	100%
Florence Péronnau	1	1	100%
Guillaume Poitrinal	1	1	100%

The Innovation and CSR Committee issued recommendations on the following issues, among others:

- Innovation & CSR goals and priorities for Icade;
- 2018 annual integrated report.

1.2.4. Senior Management

Executive Committee

The members of Icade's Executive Committee are recognised by their peers. They rely on their expertise and experience to contribute to local economic and social development and to the expansion of Icade. This committee meets each week to discuss issues relating to Icade's strategy regarding finances, organisation, customers and staff.

The Executive Committee comprises the following members as of the date of this document:

Olivier Wigniolle
Chief Executive Officer
55 years old

Olivier Wigniolle is a graduate of HEC business school (1985). He began his career at Arthur Andersen as an accounting and financial auditor.

He then held various positions in real estate groups: Deputy Head of the Key Accounts Department at Auguste-Thouard, Deputy CEO of SARI Conseil, Associate Director at DTZ Jean Thouard and Sales Director at Bouygues Immobilier Conseil.

From 1998 to 2005, Olivier Wigniolle was Deputy CEO of Société Foncière Lyonnaise. From 2006 to 2009, he was CEO of Crédit Agricole Immobilier.

From 2009 to March 2015, he was CEO of Allianz Real Estate France and a member of Allianz Real Estate's Executive Committee.

On March 19, 2015, Olivier Wigniolle was appointed CEO of Icade by a unanimous decision of the Board of Directors. He was also appointed member of the Management Committee of the Caisse des dépôts group.

He is a member of RICS (Royal Institution of Chartered Surveyors).

Distinctions: Olivier Wigniolle was awarded three "Pierres d'Or": in 2014 in the category "Investor of the year", in 2009 in the category "Asset, Property, Facility managers" and in 2017 in the category "Professional of the year".

First appointed:
Board of Directors meeting of April 29, 2015

End of term of office:
General Meeting to be held in 2019 to approve the financial statements for the year ended

Number of shares held in the Company: 16,000

Other offices and positions currently held

Director
- Icade Management GIE [(a)]

Chairman
- Icade Promotion SAS [(a)]
- Duguesclin et Associés Montagnes SAS [(a)]
- Duguesclin Développement SAS [(a)]
- Atrium Développement Boulogne Billancourt SAS [(a)]

Managing Director
- SNC Du Canal Saint Louis [(a)]
- SARL Soc D'aménagement Des Coteaux De Lorry [(a)]
- SARL Le Levant Du Jardin [(a)]
- SCI Batignolles Patrimoine [(a)]
- SNC Du Plessis Botanique [(a)]
- SARL Cœur De Ville [(a)]
- SARL Las Closes [(a)]

Offices and positions held in the past five years and which have expired

Chairman of the Supervisory Board
- ANF Immobilier SA

Chairman
- SAS Allianz Logistique
- SAS Madeleine Opéra
- SAS Duguesclin Développement
- SAS Allianz Forum Seine
- SAS Allianz Serbie
- SAS Allianz Rivoli
- SAS Allianz Platine
- SAS Passage Des Princes
- SAS Allianz Étoile
- Allianz Real Estate France
- Real Fr Haussmann SAS
- SAS 20 Pompidou
- Real Faubourg Haussmann SAS
- Allianz Grenelle
- SAS SMDH
- Société Immobilière 173-175 Bd Haussmann
- Vernon SAS
- Société Foncière Européenne
- Invco
- Société de Négociation Immobilières Mobilières Malevill

Managing Director
- Via Pierre I
- SCI Volnay
- SCI 46 Desmoulins
- EURL 20-22 Rue Le Peletier
- SCI Allianz Messine
- Sis De Sacy
- Allianz Invest Pierre
- SCI Allianz Châteaudun
- Sis Greffulhe
- Sis Lisbonne
- Sis Branly
- SCI Le Surmelin
- Sis La Bourdonnais
- Sc Remaupin
- SCI 43 Caumartin
- SCI 10 Port Royal
- S.I.S Wagram
- Sis Petrarque Schloesing
- SCI 19 General Mangin
- Sis Victor Hugo
- Phenix Immobilier
- Sis Miromesnil
- Sis Versailles
- Ldw Station
- Relais De La Nautique

(a) Icade group/CDC group company.

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Victoire AUBRY
In charge of Finance, Legal, IT, and Work Environment
52 years old

Victoire Aubry holds a Master's degree and a "DESS" postgraduate degree in Finance from Paris Dauphine University, an Executive MBA from HEC and a Director Certificate from the Institute of Corporate Directors (IFA) and Sciences Po.

After 10 years in the Ixis investment bank, in 2000 she joined the Finance and Strategy Department of the Caisse des dépôts group, in charge of competitive financial activities for the CDC group. In 2003, her tasks included the sale of the Ixis investment bank to Caisse Nationale des Caisses d'Epargne (CNCE).

In September 2005, she joined CNP Assurances as Head of the Performance Management Department for the CNP Assurances group and became a member of the Extended Executive Committee of this insurance company. In 2012, she became a member of the Executive Committee in charge of Finance, Risk, IT, Procurement and Legal at Compagnie des Alpes, a listed company and a leader in the operation of ski areas.

Victoire Aubry joined Icade on September 1, 2015 as a member of the Executive Committee in charge of Finance, Legal, IT, and Work Environment.

In addition, Victoire Aubry is an independent director and member of the Audit Committee of Agence France Locale – a bank that finances local authorities – and a director and member of the Audit Committee of BPI Participations and BPI Investissements as a representative of CDC.

Distinction: in October 2016, Victoire Aubry received the title of Chevalier in the National Order of Merit.

Emmanuelle BABOULIN
In charge of the Office Property Investment Division
54 years old

Emmanuelle Baboulin is a graduate of École supérieure des travaux publics (National School of Public Works).

She started her career at Bateg, an SGE group company, as a commercial engineer, in 1986.

In 1990, she joined Sorif, a subsidiary of the Vinci group, as Property Development Manager, and later Property Development Director. In 2004, she became Head of the Commercial Real Estate Department and was appointed member of the Management Committee of Vinci Immobilier.

She joined Icade in 2008 as Head of Office Property Development for the Paris region and became a member of the Management Committee of Icade's Property Development Division.

Emmanuelle Baboulin is a member of "Club de l'Immobilier" and the Development Committee of the ESTP foundation.

Since September 1, 2015, she has served as a member of Icade's Executive Committee in charge of the Office Property Investment Division.

Distinctions: Emmanuelle Baboulin has won two "Pierres d'Or" – one in 2014 in the "Property Developers" category and one in 2018 in the "Green & Innovations" category.

Marianne DE BATTISTI
In charge of Innovation, Institutional Relations and Communication
63 years old

A graduate of the Institutes of Political Studies (IEP) of Grenoble and Paris, as well as École nationale des ponts et chaussées (National School of Civil Engineering), Marianne de Battisti is a real estate specialist, both in the private (residential and offices) and public sectors (healthcare, education, administrative buildings). At Icade, she successively held the positions of Development Director in Lyon, Branch Director in Grenoble and Rouen, and Head of the North and Paris Region Division. At the same time, she headed several semi-public real estate companies. In 2001, she took the position of Managing Director of Icade Cités.

In 2004, Marianne de Battisti became a member of the Executive Committee of Icade, in charge of Foreign Operations, Communication and Marketing.

After foreign operations were sold, she was appointed member of the Executive Committee in charge of Key Accounts, Institutional Relations and Communication.

Since 2015, Marianne de Battisti has been in charge of Innovation and Communication.

She is a director of Entreprises & Médias, SCET *(Société de conseil et d'expertise des territoires),* and an ASC-certified company director (IFA 2012). Marianne de Battisti is a member of RICS (Royal Institution of Chartered Surveyors). She is a member of the Real Estate Women's Circle, the Association of Real Estate Directors, Vice-President of Alter Egales (the network of women in managerial positions in the Caisse des dépôts group), and a member of the Steering Committee of IEIF.

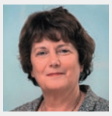
Distinction: in September 2012, Marianne de Battisti received the title of Chevalier in the National Order of Merit.

Antoine DE CHABANNES
In charge of Portfolio Management
40 years old

Antoine de Chabannes is a graduate of ESCP Europe.

He started his career in 2004 as an external auditor at Ernst & Young, where he became a senior consultant in 2007, within the Transactions Advisory Services team. In early 2011, he joined the Corporate Finance Department of Allianz France. In September 2012, he became Head of Portfolio Management and Corporate Management, and a member of the Management Committee of Allianz Real Estate France.

Antoine de Chabannes joined Icade on November 7, 2016 as a member of the Executive Committee in charge of Portfolio Management. He supervises the valuation and performance of the portfolio, as well as studies and research.



Françoise DELETTRE
In charge of the Healthcare Property Investment Division
66 years old

Françoise Delettre holds a bachelor's degree in law as well as in History and Geography, and she is a graduate of the French Management Institute (IFG). She started her career as a property negotiator in 1976. In 1978, she became Head of Property Management at SADEC (a property development company in the form of a cooperative subsidiary of Crédit Agricole).

In 1982, she joined the Property Management Department of SCIC, and from 1987 to 1995, she held various positions in the Finance Department of SCIC.

In 1995, she was appointed Treasury and Financing Director at Icade, and then Managing Director of Icade Foncière Publique. She became CEO of SIICInvest in 2007.

She has been CEO of Icade Santé since 2008.

Since September 1, 2015, Françoise Delettre has served as a member of Icade's Executive Committee in charge of the Healthcare Property Investment Division.

Distinction: in January 2016, Françoise Delettre received the title of Chevalier in the National Order of Merit.

Marc LE BLANC
In charge of Human Resources
42 years old

Marc le Blanc graduated from Université Paris V – René Descartes with a Masters in Accounting and Finance (MSTCF) and from Université Paris XI – Jean Monnet with a "DESS" post-graduate degree in HR Management Control.

Marc le Blanc has spent his entire career working at the Icade group, making his debut in 1997 at SCIC Développement. After working for around ten years in various HR positions, Marc le Blanc became Head of Business IT Systems and Procedures and then Head of Business IT Systems and Digital Technology for Icade Promotion in 2009.

In 2016, he was named OpenID Project Director, which encompasses digital and managerial issues in addition to the relocation of Icade's headquarters.

Since May 1, 2018, Marc le Blanc has been a member of Icade's Executive Committee in charge of HR and CSR.

Laurent POINSARD
In charge of Audit, Risk, Compliance and Internal Control
53 years old

A Chartered Accountant who holds a Master's degree in Accounting, Financial Control and Audit, Laurent Poinsard began his career in 1990 as a financial auditor at PwC.

In 1994, he became financial controller for Groupama. After spending 10 years in the Finance Department of Silic, he joined Icade in 2013 as Organisation and Performance Director before becoming Head of Audit, Risk and Internal Control in October 2015.

Laurent Poinsard joined Icade's Executive Committee on September 1, 2017, in charge of Audit, Risk, Compliance and Internal Control.

He is also a member of RICS (Royal Institution of Chartered Surveyors).

Maurice SISSOKO
In charge of the Property Development Division
52 years old

Maurice Sissoko is a graduate of École nationale des impôts (ENI, French National Tax School). He began his career in 1987 at the French Ministry of Economy and Finance, within the Directorate-General for Taxation, and then within the Inspectorate-General for Finance between 2001 and 2005.

He then joined the Caisse des dépôts (CDC) group as Head of loans and housing for the Savings Fund with a focus on stemming the decline in outstanding loans and reviving the lending policy and growth policy of the distribution network, within a regulated framework. From 2008 to 2010, he served as a member of Icade's Executive Committee in charge of the Property Services Division. He was then appointed CEO of the Economic Interest Group (GIE) "Informatique CDC" and Head of the digital subsidiaries of the CDC group. Until now, Maurice Sissoko had been a director of Icade (Permanent Representative of Caisse des dépôts) since September 2013 and a director of SCET *(Société de conseil et d'expertise des territoires),* which he used to chair. Since July 2015, he had been an Adviser to the CEO of CDC, in charge of the preparatory mission for a public-sector property investment company dedicated to housing.

Maurice Sissoko joined Icade on July 4, 2016 as member of the Executive Committee in charge of the Property Development Division.

Maurice Sissoko is an Inspector-General of Finance, a Chevalier in the National Order of Merit and a Chevalier of the Legion of Honor.

1.3. Remuneration and benefits of corporate officers

The information below has been established with the support of the Appointments and Remuneration Committee and is presented in accordance with the Afep-Medef Code, the activity reports of the High Committee of Corporate Governance, AMF Recommendation No. 2012-02 on corporate governance and the remuneration of corporate officers referring to the Afep-Medef Code, and the Guide to preparing registration documents updated by the AMF on April 13, 2015.

1.3.1. Remuneration policy for corporate officers

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total remuneration and the benefits of any kind that may be awarded to the Chairman of the Board of Directors, the Chief Executive Officer or any other corporate officer, are set out below.

Based on this information, on April 24, 2019, the General Meeting will be asked to vote on the remuneration policy for corporate officers. It should be noted that resolutions of this kind are submitted at least once a year for approval to the General Meeting of Shareholders as provided for by law.

In the event the General Meeting fails to approve these resolutions on April 24, 2019, remuneration shall be determined in accordance with the remuneration policy previously approved for prior years or, in the absence of a previously approved remuneration policy, in accordance with the remuneration awarded for the prior year or, in the absence of remuneration awarded for the prior year, in accordance with the Company's prevailing practices.

It should be noted that payment of the variable components of the remuneration awarded for the year ended for the corporate office shall be subject to approval from the Ordinary General Meeting of the remuneration components for the corporate officer under consideration for the financial year ended.

Remuneration policy for the Chairman of the Board of Directors (non-executive corporate officer)

Chairman of the Board of Directors	
Annual fixed remuneration	The remuneration policy defined by the Board of Directors provides that the Chairman of the Board of Directors, as a non-executive corporate officer, may only receive an annual fixed remuneration and no other element of remuneration (excluding benefits in kind). The amount of this fixed component is determined based on specific criteria for each person concerned (experience, length of service, responsibilities, etc) and on criteria related to the business sector and the general economic environment.
Annual variable remuneration	The Chairman of the Board of Directors does not receive variable remuneration.
Multi-year cash variable remuneration	N/A
Stock options, performance shares or other securities granted	N/A
Exceptional remuneration	N/A
Directors' attendance fees	Attendance fees may be paid.
Valuation of benefits of any kind	A company car may be assigned under the rules defined within the Company.
Severance payment	N/A
Non-compete payment	N/A
Supplementary pension scheme	N/A

Remuneration policy for the Chief Executive Officer (executive corporate officer)

Chief Executive Officer	
Annual fixed remuneration	The remuneration policy for corporate officers defined by the Board of Directors of the Company provides for a maximum gross annual fixed remuneration for the Chief Executive Officer. The amount of this fixed component is determined based on specific criteria for each person concerned (experience, length of service, responsibilities, etc) and on criteria related to the business sector and the general economic environment.
Annual variable remuneration	The annual variable remuneration of the Chief Executive Officer, which may not exceed 12.5% of the annual base fixed remuneration, is based on specific objectives, including financial and qualitative objectives. The variable component of remuneration based on quantitative financial goals (change in net current cash flow and share price performance relative to the EPRA index) represents 6.25% of the annual fixed remuneration; these quantitative criteria were precisely predefined but are not publicly disclosed for confidentiality reasons. The level of achievement of these quantitative criteria was also precisely predefined but is not publicly disclosed for confidentiality reasons. The variable component of remuneration based on qualitative goals (especially in terms of social dialogue and implementation of the CSR policy) represents 6.25% of the annual fixed remuneration; these qualitative criteria were precisely predefined but are not publicly disclosed for confidentiality reasons. As such, quantitative criteria are not strictly predominant to determine the overall annual variable remuneration of the Chief Executive Officer. Given the weight of the variable component relative to the fixed component, and the suitability of qualitative criteria to the Company's strategy, it was deemed appropriate to maintain equal weights for the financial and qualitative criteria in the annual variable remuneration of the Chief Executive Officer.
Multi-year cash variable remuneration	N/A
Stock options, performance shares or other securities granted	At this time, corporate officers do not benefit from the bonus share and performance share plans issued by the Board of Directors
Exceptional remuneration	N/A
Directors' attendance fees	N/A
Valuation of benefits of any kind	Company car in accordance with the rules defined by the Company. Unemployment insurance from the GSC association (insurance for corporate officers). This insurance covers 70% of net earned income for tax purposes, with a maximum duration of benefits of 12 months, extended to 24 months after one year of membership. Voluntary employer-sponsored supplementary contingency insurance taken out by Caisse des dépôts with CNP Assurances. Caisse des dépôts will charge Icade for the share of contributions corresponding to the Chief Executive Officer's insurance, which will be considered additional remuneration, and as such will be subject to tax and social security contributions.
Reminder of the commitments made pursuant to Article L. 225-42-1 of the French Commercial Code and agreements entered into between the Chief Executive Officer and a controlled company as referred to in Article L. 233-16 of the French Commercial Code or another company which controls it under the same article: Severance payments	
Severance payment	The remuneration policy for executive corporate officers defined by the Board of Directors provides that the Chief Executive Officer will receive a severance payment, subject to certain conditions. This severance payment is subject to the following cumulative conditions being met: (i) dismissal and (ii) change of control or disagreement on strategy. No severance payment is due in case of resignation, dismissal for serious or gross misconduct, retirement, or non-renewal of term of office. This severance payment is subject to performance conditions assessed over a two-year period. It is equal to the total gross remuneration (including fixed and variable remuneration) received over the twelve months preceding the date of dismissal. The severance payment is subject to the Board of Directors acknowledging the satisfaction of performance conditions. The severance payment is subject to performance conditions, as set out below: In the event of dismissal, the Company will pay the Chief Executive Officer the severance payment if the most recent net profit/(loss) attributable to the Group ("NPAG") is greater than or equal to the NPAG for the reference period. For the purposes of assessing the performance condition: ▪ NPAG is the net profit/(loss) attributable to the Group as reported by the Company in its consolidated financial statements and after adjustment for capital gains on disposals; ▪ the most recent NPAG means the Company's most recent NPAG known for the financial year preceding the date of dismissal; ▪ the NPAG for the reference period means the arithmetic mean of the Company's NPAGs over the two financial years immediately preceding the most recent NPAG.
Non-compete payment	N/A
Supplementary pension scheme	N/A

1.3.2. Elements of remuneration paid or granted for the financial year 2018

Pursuant to Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of total remuneration and the benefits of any kind that may be paid or granted for the previous financial year must be approved at the Annual General Meeting, in accordance with the remuneration principles and criteria approved at the Annual General Meeting held on April 25, 2018, through separate resolutions for the Chairman of the Board of Directors and the Chief Executive Officer. The payment of variable remuneration components payable for the financial year ended is subject to the approval of the General Meeting.

On April 24, 2019, the General Meeting will be asked to approve the elements of remuneration payable or granted for the financial year 2018 to the Chairman of the Board of Directors and the Chief Executive Officer, as detailed below.

Mr André Martinez, Chairman of the Board of Directors

Elements of remuneration payable or granted for the financial year 2018, in accordance with the remuneration principles and criteria approved at the General Meeting held on April 25, 2018	Amounts or accounting valuation to be put to a vote
Annual fixed remuneration	€240,000
Valuation of benefits of any kind	€3,300

Mr Olivier Wigniolle, Chief Executive Officer

Elements of remuneration payable or granted for the financial year 2018, in accordance with the remuneration principles and criteria approved at the General Meeting held on April 25, 2018			Amounts or accounting valuation to be put to a vote
Annual fixed remuneration			€400,000
Annual variable remuneration			€41,088
	Target	Level reached	Bonus amount
Quantitative objectives			
Improvement in net current cash flow. The bonus amount related to this criterion is €12,500 if the objective is met and the maximum that can be paid for this criterion is 115% of this amount.	*€382m*	*€382m*	*€12,500*
Relative performance of Icade's share price compared to the FTSE EPRA Euro index between 90% and 115%. The bonus amount related to this criterion is €12,500 if the target of 115% is achieved. It will be zero if the relative performance is less than 90% and the maximum that can be paid for this criterion is 115% of this amount.	*between 90% and 115%*	*92.87%*	*€3,588*
Qualitative objectives			
Continued implementation of the strategic plan defined in 2015 while complying with the budget for 2018, maintaining quality social dialogue and ensuring that the teams are adequately managed. The bonus amount related to this criterion is €12,500 if the objective is met and the maximum that can be paid for this criterion is 115% of this amount.		*100%*	*€12,500*
Proposal and approval of a new strategic plan for the years 2019-2023 according to schedule and implementation of this plan for the current year. The bonus amount related to this criterion cannot exceed €12,500.		*100%*	*€12,500*
Benefits in kind			€43,140
including company car			*€4,405*
including unemployment insurance			*€31,245*
including voluntary employer-sponsored contingency insurance			*€7,490*
Severance payment			No amount has been put to a vote

1.3.3. Presentation of tables of remuneration paid or payable for the financial year 2018 to each corporate officer

**TABLE SUMMARISING THE REMUNERATION, OPTIONS AND SHARES GRANTED TO EACH CORPORATE OFFICER
TABLE 1 OF THE 2009-16 AMF RECOMMENDATIONS**

	Year 2017	Year 2017	Year 2018	Year 2018
Name and position of the corporate officer ***(in thousands of euros)***	MARTINEZ André, Chairman	WIGNIOLLE Olivier, Chief Executive Officer	MARTINEZ André, Chairman	WIGNIOLLE Olivier, Chief Executive Officer
Remuneration due for the financial year (detailed in Table 2)	203.4	476.1	243.3	484.2
Value of options granted during the financial year (detailed in Table 4)	N/A	N/A	N/A	N/A
Value of performance shares granted during the financial year (detailed in Table 6)	N/A	N/A	N/A	N/A
Value of other long-term remuneration plans	N/A	N/A	N/A	N/A
TOTAL	**203.4**	**476.1**	**243.3**	**484.2**

TABLE SUMMARISING THE REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER
TABLE 2 OF THE 2009-16 AMF RECOMMENDATIONS

	Year 2017		Year 2018	
WIGNIOLLE Olivier, Chief Executive Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed remuneration	400.0	400.0	400.0	400.0
Annual variable remuneration	50.0	50.0	41.1	50.0
Exceptional remuneration				
Directors' attendance fees	0.0	0.0	0.0	0.0
Benefits in kind (car, GSC insurance, voluntary employer-sponsored supplementary contingency insurance)	26.1	26.1	43.1	43.1
TOTAL	**476.1**	**476.1**	**484.2**	**493.1**

TABLE SUMMARISING THE REMUNERATION OF EACH NON-EXECUTIVE CORPORATE OFFICER
TABLE 3 OF THE 2009-16 AMF RECOMMENDATIONS

	Year 2017		Year 2018	
MARTINEZ André, Chairman	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed remuneration	200.0	200.0	240.0	240.0
Annual variable remuneration				
Exceptional remuneration				
Directors' attendance fees	0.0	0.0	0.0	0.0
Benefits in kind – car	3.4	3.4	3.3	3.3
TOTAL	**203.4**	**203.4**	**243.3**	**243.3**

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE YEAR TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY WITHIN THE GROUP
TABLE 4 OF THE 2009-16 AMF RECOMMENDATIONS

None.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH CORPORATE OFFICER
TABLE 5 OF THE 2009-16 AMF RECOMMENDATIONS

None.

BONUS SHARES GRANTED TO EACH CORPORATE OFFICER
TABLE 6 OF THE 2009-16 AMF RECOMMENDATIONS

None.

TABLE 7 OF THE 2009-16 AMF RECOMMENDATIONS

None.

HISTORY OF GRANTS OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS INFORMATION REGARDING SHARE SUBSCRIPTION OR PURCHASE OPTIONS
TABLE 8 OF THE 2009-16 AMF RECOMMENDATIONS

Date of the General Meeting	**04/15/2009**
Date of the Board of Directors' meeting	02/16/2011
Total number of shares that can be subscribed or purchased	147,500
Options exercised by corporate officers during the financial year	NA
Expiry date	03/03/2019

HISTORY OF BONUS SHARE GRANTS INFORMATION REGARDING BONUS SHARES
TABLE 10 OF THE 2009-16 AMF RECOMMENDATIONS

The summary of bonus share plans and performance share plans implemented by Icade and still in effect is shown in chapter 8 of the registration document. Corporate officers do not benefit from bonus share plans, whether with or without performance conditions.

TABLE SUMMARISING THE MULTIANNUAL VARIABLE REMUNERATION OF EACH CORPORATE OFFICER
TABLE 10 OF APPENDIX 3 TO THE AFEP-MEDEF CODE

None.

TABLE SUMMARISING BENEFITS DUE OR LIKELY TO BE DUE IN THE EVENT OF TERMINATION OR CHANGE OF POSITION (EMPLOYMENT CONTRACT, PENSION SCHEMES, COMPENSATION OR BENEFITS, OR COMPENSATION RELATING TO A NON-COMPETE CLAUSE)
TABLE 11 OF THE 2009-16 AMF RECOMMENDATIONS

	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due in the event of termination or change of position		Compensation relating to a non-compete clause	
Corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
MARTINEZ André Chairman Start of term of office: 04/29/2015 End of term of office: General Meeting to be held in 2019 to approve the financial statements for the year ended		X		X		X		X
WIGNIOLLE Olivier Chief Executive Officer Start of term of office: 04/29/2015 End of term of office: General Meeting to be held in 2019 to approve the financial statements for the year ended		X		X	X			X

Obligations and benefits in favour of Mr Olivier Wigniolle as of December 31, 2018

On April 29, 2015, the Board of Directors of Icade agreed to pay Olivier Wigniolle a severance payment in the event of dismissal resulting from a change of control (under Article L. 233-3 of the French Commercial Code) or from a strategic disagreement with the Board of Directors. It should be noted that the Combined General Meeting of May 23, 2016, having read the Statutory Auditors' special report on related party agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code, approves the commitment given by the Company in respect of benefits that might be payable in the event of termination of office.

In accordance with Article L. 225-42-1 of the French Commercial Code, payment of these benefits shall be subject to compliance with the beneficiary's performance conditions in terms of value created by Icade, as detailed below.

In the paragraph below, the NPAG (net profit(/loss) attributable to the Group) is indicated after adjustment for capital gains from disposals.

Determination of the change in net profit(/loss) attributable to the Group (NPAG)

The change in NPAG shall be measured by comparing the last NPAG known during the calendar year preceding the date of dismissal of Olivier Wigniolle (hereinafter referred to as the "most recent NPAG") and its average value in the two calendar years preceding the most recent NPAG (hereinafter referred to as "NPAG for the reference period").

If the most recent NPAG is equal to or higher than the NPAG for the reference period, the payment shall be due.

Taking into account changes in market conditions

This severance payment will be equal to the total gross remuneration (including fixed and variable remuneration) received over the twelve months preceding the date of dismissal.

On April 29, 2015, Icade's Board of Directors authorised the Company to take out an unemployment insurance policy for Olivier Wigniolle from the GSC association *(garantie sociale des chefs et dirigeants d'entreprise)*. For the year 2018, the amount of contributions totalled €38,734.90.

On April 29, 2015, Icade's Board of Directors also decided to grant Olivier Wigniolle a company car in accordance with the rules defined within Icade.

On the same day, Icade's Board of Directors approved the grant of a voluntary employer-sponsored contingency insurance for Olivier Wigniolle, taken out by Caisse des dépôts with CNP Assurances. Caisse des dépôts will charge Icade for the share of contributions corresponding to Mr Olivier Wigniolle's insurance, which will be considered additional remuneration, and as such will be subject to tax and social security contributions.

Obligations and benefits in favour of other corporate officers

As of December 31, 2018, no compensation is provided for the other corporate officers of Icade in the event of termination of their office within the Company (excluding the Chief Executive Officer).

As of the same date, Icade has not provided any pension or similar benefits to its corporate officers. Moreover, no corporate officer of Icade has a voluntary employer-sponsored supplementary pension scheme.

As of the date of this document, Icade has not granted any loan, advance or guarantee to its corporate officers. There is no agreement in place between the members of the Board of Directors and Icade or its subsidiaries that provides for the granting of benefits.

1.3.4. Directors' remuneration

For financial years beginning on or after January 1, 2017 and until otherwise decided, the Combined General Meeting held on April 20, 2017 set the annual amount of attendance fees to be allocated to directors at €400,000. The distribution of directors' attendance fees as approved by the Board of Directors is shown in the table below.

Meeting actually attended	Attendance fees per person and per meeting *(in €)*
Director/Board of Directors	1,750
Member/Committees of the Board of Directors (Audit and Risks; Appointments and Remuneration; Strategy and Investments; and Innovation and CSR)	1,750
Chairperson/Committees of the Board of Directors (Audit and Risks; Appointments and Remuneration; Strategy and Investments; and Innovation and CSR)	3,500

It should be recalled that André Martinez does not receive attendance fees for his office as a director and as Chairman of the Strategy and Investment Committee.

In accordance with these principles, attendance fees paid during the financial years 2017 and 2018 were as follows:

TABLE SUMMARISING THE DIRECTORS' ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS
TABLE 3 OF THE 2019-16 AMF RECOMMENDATIONS

Non-executive corporate officers	Paid in 2017 for the financial year 2016	Paid in 2018 for the financial year 2017
ABBEY CAROLE (1)		
Directors' attendance fees	NA	NA
Other remuneration	NA	NA
CAISSE DES DÉPÔTS		
Directors' attendance fees	122.1	105.0
Other remuneration	0.0	0.0
DAUBIGNARD CÉCILE (2)		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
DONNET ÉRIC (3)		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
FAUGÈRE JEAN-PAUL		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
GRIVET JÉRÔME (4)		
Directors' attendance fees	7.5	NA
Other remuneration	0.0	NA
LAMBERT MARIE-CHRISTINE		
Directors' attendance fees	28.5	29.8
Other remuneration	0.0	0.0
LAURENT MARIANNE (5)		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
MAES BENOÎT (6)		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
MAREUSE OLIVIER		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0

(in thousands of euros)

(1) *Appointed 03/15/2018.*
(2) *Term of office expires 07/17/2017.*
(3) *Term of office expires 07/17/2017.*
(4) *Term of office expires 05/23/2016.*
(5) *Term of office expires 03/15/2018.*
(6) *Term of office expires 07/17/2017.*

Non-executive corporate officers	Paid in 2017 for the financial year 2016	Paid in 2018 for the financial year 2017
MORIN JEAN-MARC [(7)]		
Directors' attendance fees	NA	NA
Other remuneration	NA	NA
PERONNAU FLORENCE		
Directors' attendance fees	13.5	36.8
Other remuneration	0.0	0.0
POITRINAL GUILLAUME [(8)]		
Directors' attendance fees	NA	NA
Other remuneration	NA	NA
QUATREHOMME SOPHIE [(9)]		
Directors' attendance fees	NA	NA
Other remuneration	NA	NA
RALLI GEORGES		
Directors' attendance fees	15.6	50.8
Other remuneration	0.0	0.0
SCEMAMA CÉLINE [(10)]		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
SENMARTIN CÉLINE		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
SILVENT FRANCK [(11)]		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
TESSIER NATHALIE		
Directors' attendance fees	0.0	0.0
Other remuneration	0.0	0.0
THOMAS FRÉDÉRIC		
Directors' attendance fees	13.5	24.5
Other remuneration	0.0	0.0
TOTAL	**200.7**	**246.8**

(in thousands of euros)

(7) Appointed 04/03/2018.
(8) Appointed 06/29/2018.
(9) Appointed 03/15/2018.
(10) Term of office expires 10/19/2017.
(11) Term of office expires 03/15/2018.

1.4. Additional corporate governance information

1.4.1. Information that might have an impact in the event of a public offer

In accordance with the provisions of Article L. 225-37-5 of the French Commercial Code, we draw your attention to the information that might have an impact in the event of a public offer.

- **Shareholding structure**

  This information is detailed in chapter 8 of this registration document.

- **Restrictions to the exercise of voting rights and to share transfers provided for by the Company's Articles of Association, or terms of agreements that have been notified to the Company**

  None (excluding the provisions of Article 6 of the Articles of Association in the event of non-compliance with the disclosure obligation set out in the Articles of Association in the event of crossing of the shareholding threshold of 0.5% of share capital or voting rights: one or more shareholders holding at least 5% of the share capital may issue a request, which shall be included in the minutes of the General Meeting, that the voting rights attached to the shares exceeding the fraction which should have been declared be suspended in respect of any Shareholders' Meeting to be held in the two years following the date of the regularisation declaration).

- **Direct and indirect interests in the Company of which it is aware under Articles L. 233-7 and L. 233-12**

  This information is detailed in chapter 8 of this registration document.

- **List of holders of securities with special control rights and description of these securities (preference shares)**

  None.

- **Control mechanisms applying where an employee shareholding scheme is in place and the control rights attached to employee-owned shares are not exercised by employee shareholders**

  The Company has not implemented any employee shareholding scheme where control rights are not exercised by the employees with the exception of the FCPE Icade Actions, which is invested in Icade shares and offered to employees as part of the Group Savings Plan as described in chapter 8 of this registration document. Icade employees who hold shares in the Icade Actions fund are represented at Icade's Annual General Meeting by an employee representative appointed at a meeting of the FCPE's Supervisory Board.

- **Shareholder agreements of which the Company is aware that could restrict share transfers and the exercise of voting rights**

  As far as the Company is aware, there is no shareholder agreement in place that could restrict share transfers or the exercise of voting rights of the Company.

- **Rules governing the appointment and replacement of members of the Board of Directors**

  These rules comply with applicable law and regulations.

- **Rules governing amendments to the Company's Articles of Association**

  Pursuant to Article L. 225-96 of the French Commercial Code, the Extraordinary General Meeting has the exclusive authority to amend the Company's Articles of Association; any amendment made in contravention of this rule shall be deemed not to have been made.

- **Powers of the Board of Directors, especially in respect of the issue or repurchase of shares**

  See the summary table of authorisations and delegations of authority referred to in paragraph 1.4.3 of this chapter of the registration document. Unless prior approval has been obtained from the General Meeting, such delegations shall be suspended during a pre-offer period or a public offer initiated by a third party for the Company's shares until the end of the offer period (except for authorisations/delegations relating to employee shareholding).

- **Agreements entered into by the Company that will change or terminate if there is a change of control of the Company, unless disclosure of such agreements would severely damage its interests (except where such disclosure is required by law)**

  Some financing terms with external creditors were obtained by the Company as a result of Caisse des dépôts being a shareholder of the Company. However, in most cases, these debt repayment terms only apply in the event of Icade's credit rating being significantly downgraded following a change of control.

- **Agreements on severance payments for Icade Board of Directors members or employees if they resign or are dismissed without just cause, or if their employment is terminated because of a public offer**

  None.

1.4.2. Related party agreements and commitments

Agreements and commitments approved during the year ended and approved since the end of the financial year

None.

Agreements and commitments approved during prior financial years whose performance continued during the financial year ended

Pursuant to Article L. 225-40-1 of the French Commercial Code, which is based on Ordinance No. 2014-863 of July 31, 2014, the following agreements and commitments approved in previous financial years whose performance continued during the financial year ended were reviewed on March 13, 2019 by the Board of Directors, which noted the continuation of these agreements and commitments.

Contingency insurance policy for Olivier Wigniolle in his capacity as Chief Executive Officer of Icade

A group contingency insurance policy (contrat d'assurance prévoyance) was taken out by Caisse des dépôts with CNP Assurances on February 15, 2012. This policy covers certain senior executives of the subsidiaries of the Caisse des dépôts group.

In this context, Olivier Wigniolle, Chief Executive Officer of Icade, is one of the insured persons under this policy, under which he benefits from insurance cover as a corporate officer.

Caisse des dépôts decided to charge Icade for the share of the payments made under the group contingency insurance policy corresponding to the cover granted to Olivier Wigniolle as Chief Executive Officer of Icade. The recharge by Caisse des dépôts of this group contingency insurance policy and the payment by Icade of invoices to be issued in this context shall indicate the existence of a recharge agreement, even if this recharge agreement is not evidenced by a written contract.

On April 29, 2015, the Board of Directors authorised the signing of this commitment and acknowledged the merits of this contingency insurance policy, particularly i) with regard to pricing conditions, considered fair and equitable for Icade for this type of insurance cover, and ii) considering how complex it would be to take out a new insurance policy for the senior executive concerned. The amount of the recharge did not exceed €10,000 for 2018.

Allocation of a severance payment in the event of dismissal of Olivier Wigniolle as Chief Executive Officer of Icade

At its meetings of March 19, 2015 and April 29, 2015, the Board of Directors approved all the terms and conditions relating to the corporate office of Olivier Wigniolle, which are in line with market practices and compliant with the guidelines and principles for the senior executives of Caisse des dépôts.

In the event of dismissal related to a change of control (within the meaning of Article L. 233-3 of the French Commercial Code) or a strategic disagreement with the Board of Directors, Olivier Wigniolle, Chief Executive Officer of Icade, will receive a severance benefit equal to the gross overall remuneration (fixed and variable) received over the twelve months preceding his dismissal.

In accordance with Article L. 225-42-1 of the French Commercial Code, the severance benefit shall only be paid if the following performance condition has been satisfied: the most recent NPAG (net profit(/loss) attributable to the Group as reported in the consolidated financial statements and after adjustment for capital gains from disposals) for the financial year preceding the dismissal is greater than or equal to the arithmetic mean of the NPAGs for the two financial years immediately preceding the most recent NPAG.

1.4.3. Summary table of financial delegations and authorisations

Types of securities concerned	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount	Used during the financial year 2018
Authorisation to have the Company repurchase its own shares	04/25/2018	Resolution 15	18 months i.e. until 10/24/2019	10% of the shares making up the share capital as adjusted for any capital increase or reduction occurring during the programme period Maximum purchase price: €110 per share Maximum total amount: €735m	Used in the context of the liquidity contract for: ▪ purchases: 927,222 shares ▪ sales: 819,722 shares Used in the context of the share repurchase mandate agreement for: ▪ purchases: 115,032 shares ▪ sales: 0 shares
Authorisation to reduce the share capital through the cancellation of treasury shares	04/25/2018	Resolution 17	18 months i.e. until 10/24/2019	10% of the share capital calculated as of the date of the cancellation decision, net of any shares cancelled in the previous 24 months	None
Delegation to increase the share capital with preferential subscription right (reserved for existing shareholders)	04/25/2018	Resolution 18	26 months i.e. until 07/24/2020	€38m (Power to issue only ordinary shares)	None
Delegation to increase the share capital in consideration for contributions in kind	04/25/2018	Resolution 19	26 months i.e. until 07/24/2020	10% of the share capital as of the date of use of this delegation by the Board of Directors [(a)]	None
Authorisation to grant free shares to employees and corporate officers	04/25/2018	Resolution 20	38 months i.e. until 07/24/2021	1% of the diluted share capital as of the date of use of this authorisation by the Board of Directors [(b)]	▪ 58,100 bonus shares granted under Resolution 20 ▪ 39,360 bonus shares granted under Resolution 23 (Works Council)
Delegation to increase the share capital through an issue reserved for employees as part of the Company Savings Plan (PEE)	04/25/2018	Resolution 21	26 months i.e. until 06/24/2020	1% of the diluted share capital as of the date of the General Meeting	None
Delegation to increase the share capital by capitalisation of reserves, profits, share premiums or other items	04/20/2017	Resolution 16	26 months i.e. until 06/19/2019	Shares: €15m	None

(a) Combined maximum amount: €38m.
(b) Maximum sub-amount for corporate officers: 2% of shares granted during the relevant financial year.

1.4.4. Procedures for the participation of shareholders in General Meetings

The procedures relating to the participation of shareholders in General Meetings are stipulated in Article 15 of the Company's Articles of Association, whose provisions are shown in chapter 8 "Information on the issuer and its capital" of this registration document.

2. Other information

2.1. Transactions in Icade shares made by members of governance or management bodies

For the financial year 2018, the following transactions in Icade shares were carried out by members of the management bodies:

Declaring party	Date	Transaction	Financial instrument	Price per share *(in euros)*	Volume
Victoire AUBRY, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	1,611
Emmanuelle BABOULIN, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	1,611
Marianne DE BATTISTI, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	1,312
Antoine DE CHABANNES, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	934
Françoise DELETTRE, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	1,288
Marc LE BLANC, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	412
Laurent POINSARD, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	757
Maurice SISSOKO, member of the Executive Committee	11/08/2018	Bonus shares granted	Share	0	1,971

2.2. Loans and guarantees granted to members of governance or management bodies

None.

2.3. Conflicts of interest – convictions for fraud

At the time of writing and to the best of the Company's knowledge:

- there are no family ties between the members of the Board of Directors and/or members of Senior Management;
- no convictions for fraud have been recorded in the last five years against any member of the Board of Directors and/or member of Senior Management;
- no members of the Board of Directors or of Senior Management have been associated with a bankruptcy, receivership or liquidation in the last five years as members of an administrative, management or supervisory body or as Chief Executive Officer;
- no members of the Board of Directors or Senior Management have been incriminated and/or officially sanctioned;
- none has ever been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from managing or directing the affairs of an issuer in the last five years.

Pursuant to the Rules of Procedure, members of the Board of Directors must notify the Chairman of the Board of Directors and the Chairman of the Appointments and Remuneration Committee of any conflict of interest, whether actual or potential, with the Company, and refrain from voting in the matters relating thereto. No conflicts of interest, whether actual or potential, have been brought to the attention of the Chairman of the Board of Directors or the Chairman of the Appointments and Remuneration Committee. To the Company's knowledge, members of the Board of Directors or Senior Management have no conflicts of interest between their duties towards the issuer and their private interests and/or other duties.

2.4. Prevention of insider trading – ethical trading policy

Corporate officers and persons treated as such, as well as persons having close personal ties to them, must report any trading in the Company's shares. In addition, management must refrain from trading in the Company's shares in a personal capacity during the following periods:

- for each calendar quarter, during the 15 calendar days preceding the release of the Company's consolidated revenue which would occur during the quarter under consideration;
- for each calendar half-year, during the 30 calendar days preceding the release of the Company's full-year or half-year consolidated financial statements which would occur during the quarter under consideration;
- during the period between the date when Icade becomes aware of information which if made public might have a significant influence on the price of the securities and the date when this information is made public.

This obligation to refrain from trading was extended to employees who are considered permanent insiders. Lastly, employees can be classified as occasional insiders and may occasionally be subject to the same obligation for periods in which transactions that might influence Icade's share price are carried out.

6. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated financial statements

Consolidated income statement

(in millions of euros)	Notes	12/31/2018	12/31/2017 restated [(a)]
Revenue	**8.2**	**1,771.5**	**1,620.0**
Other income from operations		3.8	4.1
Income from operating activities		**1,775.3**	**1,624.1**
Purchases used		(923.1)	(846.6)
Outside services		(94.2)	(101.2)
Taxes, duties and similar payments		(5.9)	0.8
Staff costs, performance incentive scheme and profit sharing		(134.7)	(123.2)
Other operating expenses		(27.2)	(18.1)
Expenses from operating activities		**(1,185.2)**	**(1,088.3)**
EBITDA		590.1	535.8
Depreciation charges net of government investment grants		(380.4)	(339.5)
Charges and reversals related to impairment of tangible, financial and other current assets	4.2.2	40.1	49.4
Profit/(loss) from acquisitions		(0.5)	(7.0)
Profit/(loss) on asset disposals		90.9	75.4
Share of profit/(loss) of equity-accounted companies	8.1	1.1	9.1
OPERATING PROFIT/(LOSS)		341.4	323.2
Cost of gross debt		(104.7)	(89.6)
Net income from cash and cash equivalents, related loans and receivables		6.2	6.0
Cost of net debt		**(98.5)**	**(83.6)**
Other finance income and expenses		(25.0)	(43.2)
FINANCE INCOME/(EXPENSE)	5.1.2	(123.5)	(126.7)
Tax expense	8.4	(31.1)	1.5
Profit/(loss) from discontinued operations		(1.4)	0.3
NET PROFIT/(LOSS)		185.4	198.3
Net profit/(loss) attributable to non-controlling interests	6.3	30.4	32.8
Net profit/(loss) attributable to the Group		**154.9**	**165.5**
Net profit/(loss) attributable to the Group per share *(in €)*	**6.1**	**2.09**	**2.24**
Diluted net profit/(loss) attributable to the Group per share *(in €)*	**6.1**	**2.09**	**2.24**

NET PROFIT/(LOSS) FOR THE PERIOD		185.4	198.3
Other comprehensive income:			
Other comprehensive income recyclable to the income statement:		**(8.4)**	**26.0**
Available-for-sale financial assets			1.7
- Changes in fair value recognised directly in equity			1.7
- Transfer of available-for-sale securities to the income statement			-
Cash flow hedges recyclable to the income statement	5.1.4	(8.4)	24.3
- Changes in fair value recognised directly in equity		(11.3)	11.3
- Transfer of non-hedging instruments to the income statement		3.0	12.9
Other comprehensive income not recyclable to the income statement:		**(0.1)**	**0.7**
- Actuarial gains and losses and asset ceiling adjustments		0.1	0.8
- Taxes on actuarial gains and losses and asset ceiling adjustments		(0.1)	(0.1)
Total comprehensive income recognised in equity		**(8.4)**	**26.7**
Including transfer to net profit/(loss)		3.0	12.9
COMPREHENSIVE INCOME FOR THE PERIOD		176.9	224.9
- Attributable to non-controlling interests		28.1	34.2
- Attributable to the Group		148.8	190.7

(a) *The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".*

Consolidated balance sheet

Assets (in millions of euros)	Notes	12/31/2018	12/31/2017 restated [a]
Goodwill	4.4	46.1	46.1
Net intangible fixed assets		9.5	8.5
Net tangible fixed assets	4.2.1	16.9	66.1
Net investment property	4.2.1	9,235.7	9,176.2
Equity-accounted investments	8.1	139.7	150.1
Financial assets at fair value through profit or loss	5.1.5	23.1	27.4
Financial assets at amortised cost	5.1.5	6.4	5.8
Derivative assets	5.1.4	5.1	10.9
Deferred tax assets	8.4.3	11.6	9.9
NON-CURRENT ASSETS		9,494.0	9,500.9
Inventories and work in progress	8.3.1	479.7	443.4
Contract assets	8.3.2	367.3	226.4
Accounts receivable	8.3.2	353.7	312.1
Tax receivables		4.4	33.1
Miscellaneous receivables	8.3.3	359.2	291.4
Other financial assets at amortised cost	5.1.5	61.9	68.0
Derivative assets	5.1.4	2.4	2.2
Cash and cash equivalents	5.1.6	634.6	420.3
Assets held for sale and discontinued operations	8.3.5	2.0	11.1
CURRENT ASSETS		2,265.1	1,808.1
TOTAL ASSETS		**11,759.2**	**11,309.0**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and presenting information in accordance with IFRS 9.

Liabilities (in millions of euros)	Notes	12/31/2018	12/31/2017 restated [a]
Share capital	6.2	113.6	113.0
Share premium		2,712.2	2,690.7
Treasury shares		(37.2)	(16.3)
Revaluation reserves	5.1.4	(8.2)	(1.0)
Other reserves		249.9	401.3
Net profit/(loss) attributable to the Group		154.9	165.5
Equity attributable to the Group		**3,185.2**	**3,353.0**
Non-controlling interests	6.3	751.5	774.3
EQUITY		3,936.7	4,127.3
Provisions	7	29.7	27.9
Financial liabilities at amortised cost	5.1.1	5,238.5	4,907.4
Tax liabilities		6.1	6.8
Deferred tax liabilities	8.4.3	15.5	15.7
Other financial liabilities	5.1.5	65.4	63.2
Derivative liabilities	5.1.4	27.4	17.7
NON-CURRENT LIABILITIES		5,382.6	5,038.9
Provisions	7	33.4	41.1
Financial liabilities at amortised cost	5.1.1	1,049.3	1,073.7
Tax liabilities		19.4	15.6
Contract liabilities		9.6	13.7
Accounts payable		668.7	498.9
Miscellaneous payables	8.3.4	646.0	488.5
Other financial liabilities	5.1.5	1.4	1.5
Derivative liabilities	5.1.4	2.2	0.8
Liabilities held for sale and discontinued operations	8.3.5	9.8	9.0
CURRENT LIABILITIES		2,439.9	2,142.7
TOTAL LIABILITIES AND EQUITY		**11,759.2**	**11,309.0**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and presenting information in accordance with IFRS 9.

Consolidated cash flow statement

(in millions of euros)	Notes	12/31/2018	12/31/2017 restated [a]
I) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss)		**185.4**	**198.3**
Net depreciation and provision charges		339.3	288.4
Unrealised gains and losses due to changes in fair value		2.0	13.2
Other non-cash income and expenses		10.9	(18.8)
Capital gains or losses on asset disposals		(95.8)	(115.4)
Capital gains or losses on disposals of investments in consolidated subsidiaries		0.2	-
Share of profit/(loss) of equity-accounted companies		(1.1)	(9.1)
Cash flow from operating activities after cost of net financial liabilities and tax		**440.9**	**356.5**
Cost of net financial liabilities		86.8	73.0
Tax expense		36.2	(0.3)
Cash flow from operating activities before cost of net financial liabilities and tax		**563.9**	**429.2**
Interest paid		(96.1)	(84.7)
Tax paid [b]		(24.5)	(27.0)
Change in working capital requirement related to operating activities	8.3.6	(87.1)	19.9
NET CASH FLOW FROM OPERATING ACTIVITIES		356.3	337.4
II) CASH FLOW FROM INVESTING ACTIVITIES			
Tangible and intangible fixed assets and investment properties			
▫ acquisitions		(525.4)	(677.9)
▫ disposals		591.0	661.8
Change in deposits paid and received		(2.7)	(1.3)
Change in financial accounts receivable		1.3	1.2
Operating investments		**64.4**	**(16.2)**
Unconsolidated, equity-accounted subsidiaries			
▫ acquisitions		(3.5)	(2.8)
▫ disposals		3.0	4.2
Fully-consolidated subsidiaries			
▫ acquisitions		(77.7)	(240.6)
▫ disposals		0.1	0.5
▫ impact of changes in scope of consolidation		3.7	26.9
Dividends received and profit/(loss) of tax-transparent equity-accounted companies		10.4	(11.0)
Financial investments		**(64.0)**	**(222.8)**
NET CASH FLOW FROM INVESTING ACTIVITIES		0.3	(239.0)
III) CASH FLOW FROM FINANCING ACTIVITIES			
Amounts received from shareholders on capital increases			
▫ paid by non-controlling interests of consolidated subsidiaries		63.0	43.3
Dividends paid during the financial year			
▫ final and interim dividends paid by Icade during the year		(317.8)	(295.6)
▫ final and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(62.6)	(47.9)
Repurchase of treasury shares		(15.4)	1.1
Acquisition of non-controlling interests		(31.1)	(146.0)
Change in cash from capital activities		**(363.8)**	**(445.1)**
Bond issues and new financial liabilities		1,447.7	1,905.6
Bond redemptions and repayment of financial liabilities		(1,241.9)	(1,450.0)
Acquisitions and disposals of current financial assets and liabilities		11.5	17.9
Change in cash from financing activities	**5.1.1**	**217.3**	**473.6**
NET CASH FLOW FROM FINANCING ACTIVITIES		(146.5)	28.4
NET CHANGE IN CASH (I) + (II) + (III)		**210.1**	**126.8**
OPENING NET CASH		361.6	234.9
CLOSING NET CASH		**571.7**	**361.6**
Cash and cash equivalents (excluding interest accrued but not due)		633.6	419.5
Bank overdrafts (excluding interest accrued but not due)		(61.9)	(57.9)
NET CASH		**571.7**	**361.6**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".
(b) In 2018, the amount of tax paid includes the income received for the refund of the 3% tax on dividends paid.

Statement of changes in consolidated equity

(in millions of euros)	Share capital	Share premium	Treasury shares [a]	Revaluation reserves [b]	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
12/31/2016 REPORTED	113.0	2,690.7	(16.3)	(25.6)	673.5	3,435.2	665.2	4,100.4
Impact of applying IFRS 15					21.5	21.5	0.2	21.6
01/01/2017 RESTATED FOR IFRS 15 IMPACT	113.0	2,690.7	(16.3)	(25.6)	695.0	3,456.7	665.4	4,122.0
Capital increase	-	-				-	43.5	43.5
Treasury shares			-	-	0.1	0.1	-	0.1
Dividends paid					(295.6)	(295.6)	(47.7)	(343.3)
Restated net profit/(loss) [c]					165.5	165.5	32.8	198.3
Other comprehensive income:								
◘ cash flow hedges				22.8	-	22.8	1.4	24.3
◘ available-for-sale securities				1.7	-	1.7	-	1.7
◘ actuarial gains and losses (IAS 19)					0.7	0.7	-	0.7
Other				-	1.2	1.2	78.9	80.1
12/31/2017 RESTATED FOR IFRS 15 IMPACT	113.0	2,690.7	(16.3)	(1.1)	566.7	3,353.0	774.3	4,127.3
Impact of applying IFRS 9				(1.1)	(1.1)	(2.3)	-	(2.3)
01/01/2018 RESTATED FOR IFRS 15 AND 9 IMPACTS	113.0	2,690.7	(16.3)	(2.2)	565.6	3,350.8	774.3	4,125.0
Capital increase	0.6	21.5				22.2	62.7	84.9
Treasury shares [a]			(20.9)	-	-	(20.9)	-	(20.9)
Dividends paid					(317.8)	(317.8)	(62.4)	(380.2)
Net profit/(loss)					154.9	154.9	30.4	185.4
Other comprehensive income:								
◘ cash flow hedges				(6.0)	-	(6.0)	(2.3)	(8.4)
◘ actuarial gains and losses (IAS 19)					(0.1)	(0.1)	-	(0.1)
Other [d]				-	2.1	2.1	(51.2)	(49.0)
12/31/2018	**113.6**	**2,712.2**	**(37.2)**	**(8.2)**	**404.8**	**3,185.2**	**751.5**	**3,936.7**

(a) Treasury shares went up from 206,644 as of December 31, 2017 to 488,116 as of December 31, 2018 due to the conversion of ANF Immobilier treasury shares into Icade shares as a result of the merger and the repurchases of treasury shares.
(b) Including the equity impact related to available-for-sale securities up to December 31, 2017, which was transferred to other reserves on January 1, 2018, in accordance with IFRS 9.
(c) The net profit/(loss) for 2017 has been restated for the impact of applying IFRS 15.
(d) The change in non-controlling interests during the period mainly resulted from transactions with non-controlling interests due to the merger of ANF Immobilier into Icade on June 29, 2018 and from the impact of dilution of the non-controlling interests of Icade Santé following a capital increase unevenly subscribed by its shareholders on June 27, 2018.

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand euros. Rounding differences may therefore occur in the financial statements presented.

2. Notes to the consolidated financial statements

Note 1. Accounting principles

1.1. Standards applied

The consolidated financial statements of the Icade group ("the Group") as of December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union pursuant to European Regulation No. 1606/2002 dated July 19, 2002. The financial statements were approved by the Board of Directors on February 15, 2019.

The International Accounting Standards are issued by the IASB (International Accounting Standards Board) and have been adopted by the European Union. They include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations. These standards are available for viewing on the European Commission's website [1].

The consolidated financial statements published by the Group for the year ended December 31, 2017 had been prepared and approved using the same principles and methods, with the exception of those indicated below.

Mandatory standards, amendments and interpretations adopted by the European Union to be applied for financial years starting on or after January 1, 2018

- **IFRS 15 "Revenue from contracts with customers":**

  This new standard, which supersedes IAS 18, IAS 11 and related interpretations, provides a single model for recognising revenue based on the transfer of control of the promised good or service. This standard applies to all contracts with customers with the exception of leases which fall within the scope of IAS 17 "Leases". As a result, this standard does not apply to lease income from property investment activities.

  As the preparatory work for the implementation of IFRS 15 has been completed, the expected impact of this first-time application has been confirmed.

  The impact on the Group's financial statements mainly affects property development activities and includes:

  – accelerated recognition of revenue and profit margins from off-plan sale contracts as a result of the recognition of land in proportion to the construction work completed, as control of the land is transferred to the purchaser upon signing the deed of acquisition;

  – a contract asset or contract liability reported on the balance sheet which accounts for the amount recognised in proportion to the construction work completed net of any payment made by the customer.

  The Group has elected to apply IFRS 15 retrospectively starting on January 1, 2018, by restating the reported 2017 comparative periods and by applying the practical expedient covered by paragraph C5, c) of IFRS 15.

  The initial application of IFRS 15 had a positive impact on equity attributable to the Group as of January 1, 2017 of €21.5 million with a corresponding increase in the working capital requirement.

  The negative impact of -€4.8 million on net profit attributable to the Group for 2017 resulted from the percentage of completion of the various property development projects.

- **IFRS 9 "Financial instruments":**

  This new standard supersedes IAS 39 and is based on three main pillars. The impact on the Group as of January 1, 2018 of applying the new principles of each pillar of the standard and its amendment is set out below:

  – classification and measurement:

  The classification and measurement of categories of financial assets set out by IFRS 9 relies on the joint analysis of the inherent characteristics of the financial instrument and the business model implemented by the Group. From its initial application, this new approach will require the Group to:

    - recognise investments in unconsolidated companies in a new category on the balance sheet, "Financial assets at fair value through profit or loss" in accordance with the Group's business model for this type of financial asset,
    - analyse the accounting treatment of modifications of financial liabilities. In this regard, the change in accounting method related to the initial application of IFRS 9 had a negative impact of -€2.3 million on equity attributable to the Group as of January 1, 2018;

  – impairment model for financial assets:

  IFRS 9 introduces a new impairment model based on expected losses rather than incurred losses as per IAS 39.

  Due to the nature of its property investment and property development activities, the methods used to determine the impairment of the Group's trade receivables fall within the scope of this Standard. However, the new model introduced by IFRS 9 has no impact on estimating the impairment risk of these receivables;

  – hedge accounting:

  In accordance with the option given by the standard, the Group has elected to apply this pillar from January 1, 2018. The key changes compared to IAS 39 include:

    - the designation of a hedging relationship is now assessed on the basis of the risk management practices implemented by the company aligning the accounting treatment with management's intentions,
    - the eligibility conditions for hedged items have been extended to non-financial items,
    - the criteria for hedge effectiveness testing have been modified (removal of thresholds). As a result, while the ineffectiveness is still measured and recognised in profit or loss, it no longer leads to the hedging relationship being disqualified.

  As of January 1, 2018, the Group has not identified any impact from applying this pillar of the standard. Hedging documentation has been updated to reflect these new provisions.

Company value-added contribution

Following a tax analysis in the light of IAS 12, the Group has concluded that the company value-added contribution complies with the definition of a tax calculated on the basis of taxable income. Therefore, beginning on January 1, 2018, this contribution shall be recorded as a tax expense instead of under the heading "Taxes, duties and similar payments" in the operating income section of the income statement.

Given this change in accounting policy, the comparative consolidated income statement was restated to ensure comparability.

(1) http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The impact on the Group's financial statements of applying these two new standards and reclassifying the company value-added contribution as a tax expense are presented in the following tables:

Comparative income statement as of December 31, 2017

Income statement as of 12/31/2017 (in millions of euros)	12/31/2017 reported	IFRS 15 impact	Reclassification of CVAE [(a)]	12/31/2017 restated
Revenue	**1,654.2**	**(34.2)**	**-**	**1,620.0**
OPERATING PROFIT/(LOSS)	323.7	(7.3)	6.8	323.2
FINANCE INCOME/(EXPENSE)	(126.7)	-	-	(126.7)
Tax expense	5.7	2.6	(6.8)	1.5
NET PROFIT/(LOSS)	**203.1**	**(4.8)**	**-**	**198.3**
Net profit/(loss) attributable to non-controlling interests	32.8	-	-	32.8
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**170.3**	**(4.8)**	**-**	**165.5**

(a) Reclassification of CVAE from operating expenses to "Tax expense".

Comparative balance sheet as of December 31, 2017

(in millions of euros)	12/31/2017 reported	IFRS 15 impact [(a)]	12/31/2017 restated	IFRS 9 impact	01/01/2018
ASSETS					
Non-current assets	9,499.9	1.0	9,500.9	-	9,500.9
Current assets	1,729.9	78.2	1,808.1	-	1,808.1
TOTAL ASSETS	**11,229.8**	**79.2**	**11,309.0**	**-**	**11,309.0**

(in millions of euros)	12/31/2017 reported	IFRS 15 impact [(a)]	12/31/2017 restated	IFRS 9 impact	01/01/2018
LIABILITIES					
Equity attributable to the Group	3,336.3	16.7	3,353.0	(2.3)	3,350.8
Non-controlling interests	774.1	0.2	774.3	-	774.3
EQUITY	4,110.4	16.9	4,127.3	(2.3)	4,125.0
Non-current liabilities	5,030.0	8.9	5,038.9	2.2	5,041.1
Current liabilities	2,089.4	53.3	2,142.7	0.1	2,142.8
TOTAL LIABILITIES AND EQUITY	**11,229.8**	**79.2**	**11,309.0**	**-**	**11,309.0**

(a) The €21.5 million impact of adopting IFRS 15 on equity attributable to the Group as of January 1, 2017 is partly offset by the -€4.8 million impact on net profit for 2017.

In the cash flow statement, applying IFRS 15 and reclassifying CVAE only affects the breakdown of cash flow from operating activities. The net profit/(loss), the share of profit/(loss) of equity-accounted companies and the tax expense have been adjusted with corresponding entries made to "Tax paid" and "Change in working capital requirement".

The interpretation and amendments discussed below, which have been mandatory since January 1, 2018, have had no impact on the Group's consolidated financial statements:

- IFRIC interpretation 22 "Foreign currency transactions and advance consideration";
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- amendments to IAS 40 "Transfers of investment property";
- annual improvements to IFRS Standards 2014–2016 Cycle.

Mandatory standards, amendments and interpretations adopted by the European Union to be applied for financial years starting on or after January 1, 2019:

- **IFRS 16 "Leases":**

  On October 31, 2017, the European Union adopted IFRS 16 which supersedes IAS 17 and related interpretations. This new standard, which will become effective on January 1, 2019, with earlier application permitted, no longer makes a distinction between finance leases and operating leases. It will result in the recognition on the lessee's balance sheet of a right-of-use asset with a corresponding lease liability, for all types of contracts qualifying as leases.

  The main leases identified by the Group within the scope of IFRS 16 relate to building leases and property leases. Icade shall apply this new standard in its consolidated financial statements for financial years starting on or after January 1, 2019 using the modified retrospective approach. This should result in the Group recognising a right-of-use asset of around €70.0 million with a corresponding lease liability;

- amendments to IFRS 9 "Prepayment features with negative compensation";
- IFRIC 23 "Uncertainty over income tax treatments".

Main standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) not yet adopted by the European Union for financial years starting on or after January 1, 2019:

- amendments to IAS 28 "Long-term interests in associates and joint ventures";
- amendments to IAS 19 "Plan amendment, curtailment or settlement";
- annual improvements to IFRS Standards 2015–2017 Cycle.

Mandatory standards, amendments and interpretations not yet adopted by the European Union to be applied for financial years starting on or after January 1, 2020:

- amendments to IAS 1 and IAS 8 "Definition of Material".

The Group has not early adopted any standards.

1.2. Basis of measurement, judgement and use of estimates

The financial statements have been prepared according to the amortised cost method, with the exception of certain financial instruments which are recognised at fair value, and of assets and liabilities held for sale recognised at the lower of their carrying amount and their fair value, less the costs associated with the sale in accordance with IFRS 5.

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, the assessment of any positive or negative unanticipated events as of the reporting date, and income and expenses for the financial year.

Significant estimates made by the Group in preparing its financial statements mainly include:

- the valuation of real estate assets by independent valuers in accordance with the methods described in notes 1.9 and 4.1;
- the measurement of revenue based on the percentage of completion method for construction and off-plan sale contracts following the review of its property developments whose land is controlled by Icade *(note 1.6);*
- the measurement of employee benefits and provisions *(notes 1.19 and 1.20).*

Due to the uncertainties inherent in any measurement process, the Group reviews its estimates on the basis of regularly updated information. The future revenues of the projects concerned may differ from estimates made at the reporting date.

In addition to using estimates, the Group's management uses its judgement to define the appropriate accounting treatment for certain operations and transactions where current IFRS interpretations do not specifically address the accounting issues raised. In particular, management has exercised its judgement to classify the types of leases (operating lease or finance lease), to determine if the criteria for classifying assets and liabilities as held for sale and discontinued operations are satisfied in accordance with IFRS 5.

Finally, according to the principle of relevance and the ensuing materiality notion, only information deemed relevant and useful to the users' understanding of the consolidated financial statements is reported.

1.3. Consolidation methods

The consolidation method is determined in accordance with the control exercised:

- the full consolidation method is applied for the subsidiaries over which the Group exercises control. The latter exists when the Group:
  - has power over the entity in terms of voting rights,
  - has rights to variable returns from its involvement with the entity,
  - has the ability to use its power to affect the amount of these returns.

  Potential voting rights as well as the power to govern the financial and operating policies of the entity are also part of the factors taken into account by the Group in order to assess control.

  Subsidiaries are consolidated from the date the Group acquires control over them until the date that such control ceases.

  Non-controlling interests represent the share of interest which is not directly or indirectly attributable to the Group. These are presented in equity as "Non-controlling interests" and in the income statement as "Net profit/(loss) attributable to non-controlling interests";
- the equity method is applied for joint ventures and associates:
  - joint ventures are the entities over which the Group exercises joint control by virtue of a contractual agreement. Joint control exists where unanimous consent of the partners is required in the choice of financial and operating policies relating to the entity,
  - associates are the entities in which the Group has a significant influence over the financial and operating policies but not control.

The consolidated financial statements include the Group's share of total profits, losses and other comprehensive income recognised by the joint ventures and associates, starting from the date on which joint control or significant influence is gained until the date that such control or influence ceases.

For fully-consolidated companies, all intra-group transactions and balances are eliminated in full. On the other hand, for equity-accounted companies, only intra-group profits and dividends are eliminated based on the Group's ownership interest.

The list of fully-consolidated and equity-accounted companies is shown in note 11.5.

1.4. Business combinations and asset acquisitions

In the event of an acquisition, an analysis is carried out in order to ascertain whether it is a business combination or the acquisition of an isolated asset.

- the acquisition of shares in legal entities holding one or more investment properties as the principal asset is recognised in accordance with the revised IFRS 3, depending on the date of the takeover, in line with the principles described below;
- the acquisition of isolated assets meeting the definition of investment properties is recognised in accordance with IAS 40;
- the accounting method for investment properties and their impairment methods are described in notes 1.9 and 1.11;
- business combinations completed in or after 2010 are recognised using the acquisition method in accordance with the revised IFRS 3.

The consideration transferred must include any contingent consideration, which must be measured at fair value.

According to the acquisition method, the acquirer must, at the acquisition date, recognise the identifiable assets, liabilities and contingent liabilities of the acquiree at fair value at that date.

Goodwill is measured as the difference between, on the one hand, the fair value of the consideration transferred and, on the other hand, the net of the acquisition-date amounts of the identifiable assets and the liabilities assumed measured at fair value.

For each business combination, "Non-controlling interests" in the acquiree can be recognised either at acquisition-date fair value (full goodwill method) or on the basis of their share in the identifiable net assets of the acquiree (partial goodwill method).

For each acquisition, goodwill can be determined by either of the two methods, each of which takes a different approach to non-controlling interests:

- in the partial goodwill method, goodwill is the difference between:
  - the consideration paid, and
  - the purchaser's share of the fair value of the identifiable net assets acquired.

  This amount does not include goodwill attributable to non-controlling interests;
- in the full goodwill method, goodwill is the sum of:
  - the goodwill recognised for the interest acquired by the purchaser, and
  - the goodwill attributable to minority interests.

  Therefore, this amount includes both the goodwill attributable to the Group and that attributable to non-controlling interests.

This difference is recorded as an asset if positive and recognised immediately in the income statement if negative.

Share acquisition costs are recorded as expenses under the heading "Profit/(loss) from acquisitions" in the consolidated income statement.

Since January 1, 2010, changes in scope of consolidation have been recognised in accordance with the revised IAS 27.

Changes in ownership interest that do not affect control (additional acquisition or disposal) shall result in a new apportionment of equity between the Group's share and the share of non-controlling interests.

Changes in ownership interest resulting in a change in the nature of control over an entity shall give rise to the recognition of a profit or loss on the disposal and remeasurement of the fair value of the ownership interest retained as a corresponding entry of the profit or loss.

The acquirer has 12 months from the acquisition date to definitively determine the fair value of the assets and liabilities acquired.

Goodwill is not amortised but tested for impairment on a yearly basis, or more frequently if there is an indication of impairment. The procedures for carrying out impairment tests are set out in note 1.11.

1.5. Segment reporting

The segment information shown results from the structure of internal reporting to the Group's management.

The Group's structure reflects its three business lines. Each segment presents specific risks and rewards:

- the Office Property Investment business focuses primarily on holding office properties and business parks for the rental of these assets and active management of this asset portfolio;
- the Healthcare Property Investment business focuses on holding healthcare properties for the rental of these assets through long-term partnerships with the operators;
- the Property Development business focuses primarily on building property assets with a view to selling them.

In the segment information, holding company activities are classified in the Office Property Investment Division.

The column called "Intersegment transactions and other items" in the segment information mainly includes discontinued operations as well as eliminations and reclassifications relating to intersegment transactions.

1.6. Income from operating activities

The Group's income from operating activities encompasses revenue and other income from operations.

The Group's revenue consists of lease income within the scope of IAS 17 and revenue from ordinary activities within the scope of IFRS 15, which became effective on January 1, 2018. Revenue from ordinary activities comprises two types of income:

- construction and off-plan sale contracts;
- provision of services.

Other income from operations includes income that is not directly related to the operations described in the paragraph "Revenues".

Lease income, including finance lease income

Income from operating leases

Lease income from operating leases includes rent from office properties, business parks, healthcare establishments, and other non-core assets.

Lease income is recorded using the straight-line method over the remaining terms of the leases (to break option or expiry). Consequently, any specific clauses and incentives specified in the leases (rent-free periods, progressive rent, lease premiums) are spread over the shorter of the entire lease term and the period to the next break option, without taking rent escalation into account. The reference period used is the shorter of the entire lease term and the period to the next break option.

Any expenses directly incurred and paid to third parties to set up a lease are recorded as assets, under the heading "Investment properties", and depreciated over the shorter of the entire lease term and the period to the next break option.

Service charges recharged to tenants are deducted from the corresponding charges accounts and excluded from revenues.

Uncollected lease income as of the end of the financial year is recognised in accounts receivable.

Income from finance leases

Income from finance leases includes finance income from property assets leased as part of projects carried out with public-sector partners.

When first recognised, an asset held under a finance lease is presented as a receivable at an amount equal to the net investment in the lease. Such receivable, including initial direct costs, is presented under the heading "Accounts receivable".

After the initial recognition, income is spread over the lease term. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease. Lease payments received for the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned income. Initial direct costs included in the initial measurement of the finance lease receivable reduce the amount of income recognised over the lease term.

Construction and off-plan sale contracts

The Group builds and sells residential and office properties under contracts with customers. Such contracts include a single performance obligation for a distinct good. Under such contracts, the purchaser obtains control of the asset in proportion to the construction work completed, with the exception of the land, whose control is transferred to the purchaser upon signing the deed of acquisition.

Therefore, revenue is recognised over time, pro rata on the basis of cumulative costs incurred at the end of the financial year (including the price of land for off-plan sale contracts) and commercial work completed based on lots sold, less any revenue recognised in previous financial years in respect of projects already in the construction phase at the beginning of the year.

The Group recognises a contract asset or contract liability in the statement of financial position at an amount equal to cumulative revenue from construction and off-plan sale contracts, for which the performance obligation has been satisfied over time, net of any consideration paid by the customer that has been collected to date. If the amount is positive, it is recognised as an asset under "Contract assets". If it is negative, it is recognised as a liability under "Contract liabilities".

In accordance with IFRS 9, a contract asset is credit-impaired if a credit risk has been identified. Furthermore, when it is probable that total contract costs will exceed total contract revenue, the Group recognises a "loss on the entire contract" as an expense for the period.

Provision of services

The Group renders project design and project management support services. Such services are recognised as a performance obligation that is satisfied over time. Revenue related to such services is recognised by reference to the stage of completion of the contract.

Fees stemming from other service activities are recognised when the service is provided.

Uncollected amounts due for services at the end of the financial year are recognised in accounts receivable.

1.7. Earnings per share

Undiluted earnings per share (basic earnings per share) are calculated by dividing net profit/(loss) attributable to the Group (ordinary shares) by the weighted average number of shares outstanding during the period. The average number of shares outstanding during the period is the average number of ordinary shares outstanding at the beginning of the financial year, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.

In calculating diluted earnings per share, the average number of shares outstanding is adjusted to take into account the diluting effect of equity instruments issued by the Company and likely to increase the number of shares outstanding.

1.8. Intangible fixed assets

An intangible asset is a non-monetary asset that does not have any physical substance but is both identifiable and controlled by the Company as a result of past events which may bring future economic benefits. An intangible asset is identifiable if it can be separated from the acquiree or if it stems from legal or contractual rights.

Intangible fixed assets whose useful lives can be determined are amortised using the straight-line method over their estimated useful lives.

Intangible fixed assets	Useful life	Depreciation method
New contracts and customer relationships	Duration of contracts	Straight line
Other [(a)]	1 to 3 years	Straight line

(a) Other intangible assets consist primarily of software.

1.9. Tangible fixed assets and investment properties

Tangible fixed assets mainly comprise office equipment which has been depreciated according to the straight-line method.

IAS 40 defines investment property as property held by the owner to earn rentals or for capital appreciation or both. This category of property cannot be held for use in the production or supply of goods or services or for administrative purposes.

Furthermore, the existence of building rights, leasehold rights or a building lease also falls within the definition of investment property.

Property that is being developed for future use as investment property, as well as advances paid on those properties, are classified as investment property.

In accordance with the option offered by IAS 40, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses *(see note 1.11).*

The cost of investment properties consists of:

- the purchase price stated in the deed of acquisition or the construction costs, including non-refundable taxes, after deducting any trade discounts, rebates or cash discounts;
- the cost of restoration work;
- all directly attributable costs incurred in order to put the investment property in a condition to be leased in accordance with the use intended by management. Thus, transfer duties, fees, commissions and fixed legal expenses related to the acquisition, and commissions related to leasing are included in the cost;
- costs of bringing the property into compliance with safety and environmental regulations;
- capitalised borrowing costs *(see note 1.13).*

Any government investment grants received are deducted from the value of the corresponding assets. These are therefore recognised as income over the useful life of the asset depreciable by way of a reduced depreciation charge.

The gross value of an investment property is split into separate components which each have their own useful lives.

Investment properties are depreciated using the straight-line method over periods which correspond to their expected useful life. Land is not depreciated. The depreciation periods used by the Group (in years) are as follows:

	Offices and business parks			
Components	**"Haussmann" buildings**	**Other properties**	**Healthcare**	**Other assets [a]**
Roads, networks, distribution	100	40 - 60	80	15 - 50
Structural works	100	60	80	30 - 50
External structures	30	30	20 - 40	20 - 25
General and technical equipment	20 - 25	10 - 25	20 - 35	10 - 25
Internal fittings	10 - 15	10 - 15	10 - 20	10 - 25
Specific equipment	10 - 30	10 - 30	20 - 35	10 - 25

(a) Other assets consist of hotels, homes and business premises.

Useful lives are revised at each reporting date, particularly in respect of investment properties which are the subject of a restoration decision.

In accordance with IAS 36, where events, changes in the market environment or internal factors indicate a risk of impairment of investment properties, these are tested for impairment *(see note 1.11)*.

The Office Property Investment Division operates primarily in the office and business park segment in the Paris region and in the major French cities outside Paris. The Healthcare Property Investment Division operates in the healthcare facilities segment. The methods and assumptions used to value the property portfolio are described in note 4.1.

The fair values shown in note 4.3 are appraised values excluding duties, except for those assets acquired at the end of the financial year and those held for sale whose fair values are defined in note 1.10.

1.10. Assets held for sale and discontinued operations

In accordance with IFRS 5, if the Group decides to dispose of an asset or group of assets, it should be classified as held for sale if:

- the asset or group of assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets;
- it is highly likely to be sold within one year.

Consequently, this asset or group of assets is shown separately as "Current assets" under the heading "Assets held for sale" on the balance sheet. The liabilities related to this asset or group of assets are also shown separately on the liabilities side of the balance sheet.

Given the nature of its assets and based on its market experience, the Group generally considers that the only assets or groups of assets falling within this category are those under a preliminary sale agreement.

According to IFRS 5, a discontinued operation is a component of the Group which has been disposed of or is classified as held for sale, and which represents either a separate major line of business or a geographical area of operations.

If the component qualifies as a discontinued operation, the profit or loss as well as the capital gain and loss from the sale of this operation are also shown, net of taxes and actual or estimated selling costs, on a separate line of the income statement.

Cash flow from discontinued operations is also shown separately in the cash flow statement.

The same accounting treatments are applied to the income statement and the cash flow statement for the preceding financial year, which are shown as comparative information.

1.11. Procedures for carrying out asset impairment tests

IAS 36 provides that goodwill and intangible assets with an indefinite useful life must be tested at least once a year and other non-financial long-term assets, such as investment properties, must be checked to see if there is any indication that they may have been impaired.

Indications of impairment include:

- a substantial decline in the market value of the asset;
- a change in the technological, economic or legal environment.

Impairment of an asset is recognised where its recoverable amount is less than its carrying amount.

Procedures for impairment of investment properties

The recoverable amount of investment properties is the fair value less any costs to sell. The fair value is the market value excluding duties, determined by independent property valuers *(see note 4.1.1)*.

If there is any indication of impairment, and where the estimated recoverable amount is less than the net carrying amount, the difference between those two figures is recognised as an impairment loss. Recognising an impairment loss entails a review of the depreciable amount and, as the case may be, of the depreciation schedule for the investment properties concerned.

If there is no longer an indication of impairment or if there is an indication that an impairment loss may have decreased, the impairment relating to the investment property may subsequently be reversed if the recoverable value again becomes higher than the net carrying amount. The value of the asset after reversal of the impairment loss should not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

Although carried out by independent property valuers, it should be remembered that valuing a property asset is a complex estimation exercise, which is also subject from one half-year to the next to the changing economic climate and the volatility of some of the market parameters used, particularly yields and discount rates.

Therefore, in order to take into account the inherent difficulties of valuing a property asset and to avoid recognising an impairment loss that the Group would have to fully or partially reverse in the next financial statements, the Group only recognises an impairment loss if the unrealised capital loss of the property assets is more than 5% of the net carrying amount before impairment. It is determined whether or not this threshold has been crossed for each individual asset or for each group of assets, where these assets are interdependent as, for example, in the case of business park assets. If this threshold is exceeded, the impairment loss recognised is the total amount of unrealised capital losses.

This impairment loss is adjusted upwards or downwards at each reporting date to reflect changes in the value of the asset or group of assets and its net carrying amount, remembering that if the impairment loss is less than 5% of the carrying amount before impairment, the previously recognised impairment loss is reversed.

For properties acquired less than three months before the reporting date and recognised in the financial statements at their acquisition price including transfer taxes, the unrealised capital loss corresponding to registration fees and other acquisition costs is not recognised as an impairment loss.

Procedures for impairment of goodwill, intangible fixed assets and other tangible fixed assets

These assets are tested individually or combined with other assets if they do not generate any cash flow independently of other assets.

If there is no longer an indication of impairment or if there is an indication that an impairment loss may have decreased, the impairment relating to intangible and tangible fixed assets may subsequently be reversed if the recoverable value again becomes higher than the net carrying amount.

Reversal of an impairment loss for goodwill is not permitted.

For the Property Development business, goodwill and intangible asset impairment tests are carried out in the respective groups of cash-generating units to which these items belong. The value used for these impairment tests is the arithmetic mean of the values obtained with three methods: DCF, comparable transaction analysis and comparable company analysis. This valuation is based on an independent appraisal.

In the discounted cash flows (DCF) method, the cash flows generated by each company over the period of its business plan as well as the cash flows calculated by extending those from the business plan over an additional 10-year period are discounted, and a terminal value calculated by applying a perpetual growth rate to the cash flows is added. The risk-free rate used is the 5-year average yield of the 10-year OAT TEC (variable-rate fungible treasury bond) plus three risk premia are used: a market risk premium, a size premium and a specific risk premium. The discount rates used are determined before tax.

1.12. Leases

In the course of its business activities, the Group uses assets taken or given under leases.

These leases are classified as either operating leases or finance leases based on the situations described and criteria provided in IAS 17.

Finance leases are leases which transfer virtually all the risks and rewards of the asset concerned to the lessee. All leases which do not fall within the definition of a finance lease are classified as operating leases.

Accounting by lessees

Finance lease

When first recognised, an asset used as part of a finance lease is recorded as a tangible fixed asset with a financial liability as the corresponding entry. The asset is recorded at the fair value of the leased asset at the inception of the lease or the present value of the minimum lease payments if that is lower.

Operating lease

For operating leases, lease payments (other than costs for services such as insurance and maintenance) are recognised as an expense in the income statement over the lease term on a straight-line basis.

Accounting by lessors

The accounting treatment of income from operating and finance leases is described in note 1.6.

1.13. Capitalised borrowing costs

Borrowing costs directly attributable to the construction or production of an asset are included in the cost of that asset until work is completed.

Capitalised borrowing costs are determined as follows:

- where funds are borrowed in order to build a specific asset, the borrowing costs that are eligible for capitalisation are the costs actually incurred over the financial year less any investment income on the temporary investment of those borrowings;
- where the borrowed funds are used to build several assets, the borrowing costs that are eligible for capitalisation are determined by applying a capitalisation rate to the construction costs. This capitalisation rate is equal to the weighted average of borrowing costs for the year other than those of borrowings taken out for the purpose of building specific assets. The capitalised amount may not exceed the amount of costs actually borne.

1.14. Financial assets

Presentation of financial assets

Under IFRS 9, an entity shall classify and measure financial assets either at amortised cost or fair value. In order to determine how best to classify and measure financial assets, the Group has taken into consideration its business model for managing such assets and analysed the characteristics of their contractual cash flows. The Group's financial assets fall into two categories:

- **financial assets carried at fair value through profit or loss:**

  These assets relate to investments in unconsolidated companies carried at fair value at the end of the reporting period. Fair value is determined using recognised valuation techniques (reference to recent market transactions, discounting of future cash flows, net asset value, quoted price if available, etc.);
- **financial assets carried at amortised cost:**

  The other financial assets consist primarily of receivables associated with equity investments, loans, deposits and guarantees paid on contract assets and accounts receivable carried at amortised cost.

IFRS 9 established an "expected loss" model for financial assets that requires any expected losses and changes in such losses to be accounted for as soon as the receivable is recognised at each reporting date to reflect the change in credit risk since initial recognition.

Given the Group's counterparties, this new approach had no material effect on the measurement of the Group's financial assets.

1.15. Inventories

Inventories and work in progress are recognised at acquisition or production cost. At each reporting date, they are valued at the lower of their cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion or the estimated costs necessary to make the sale.

An impairment loss is recognised if the net realisable value is less than the recognised cost.

Inventories primarily consist of land and land banks, work in progress and unsold units from the Property Development business.

1.16. Cash and cash equivalents

Cash includes liquid assets in current bank accounts and demand deposits. Cash equivalents consist of money-market UCITS and investments maturing in less than three months, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, held for the purpose of meeting short-term cash commitments.

Overdrafts are excluded from cash and cash equivalents and are recognised as current financial liabilities.

1.17. Accounting treatment of agency transactions

As an agent, the Group keeps its principals' accounts and represents them on its own balance sheet. Specific balance sheet items are used under the headings "Miscellaneous receivables" and "Miscellaneous payables". The principals' accounts on the balance sheet thus represent the position of managed funds and accounts.

1.18. Provisions

A provision is recognised if the Group has a present obligation to a third party, that arises from past events, the settlement of which is expected to result in an outflow from the Group of resources embodying economic benefits and the value of which can be estimated reliably. If the settlement date of that obligation is expected to be in more than one year, the present value of the provision is calculated and the effects of such calculation are recorded as finance income/(expense).

Identified risks of any kind, particularly operational and financial risks, are monitored on a regular basis, which makes it possible to determine the amount of provisions deemed necessary.

1.19. Employee benefits

Post-employment benefits: retirement benefit liabilities

Companies of the Icade Economic and Social Unit (UES)

Contributions paid under plans which are considered as defined contribution plans, i.e. where the Group has no obligation other than to pay the contributions, are recognised as an expense for the year.

Retirement benefit plans, similar payments and other employee benefits, which are considered as defined benefits plans (plans under which the Group undertakes to guarantee a defined amount or level of benefit), are recognised on the balance sheet on the basis of an actuarial assessment of liabilities as of the reporting date, less the fair value of the assets of the related plan which are dedicated to them. This assessment is performed by an independent actuary.

The provision recorded in the consolidated financial statements is calculated according to the projected unit credit method and takes into account the related social security expenses.

Actuarial gains and losses are due to differences between the assumptions used and reality, or changes in the assumptions used to calculate liabilities and the assets assigned to cover them:

- employee turnover rates;
- rates of salary increases;
- discount rates;
- mortality tables;
- rates of return on plan assets.

In accordance with IAS 19, actuarial gains and losses on post-employment benefit plans are recognised directly in equity for the financial year in which they are measured and included in comprehensive income under the heading "Other comprehensive income not recyclable to the income statement".

In the event of legislative or regulatory changes or agreements affecting pre-existing plans, pursuant to IAS 19, the Group shall immediately recognise the impact in the income statement.

Other long-term employee benefits

Anniversary bonuses

A provision is recorded in respect of anniversary bonuses, which are measured by an independent actuary based on the likelihood of employees reaching the seniority required for each milestone. It is updated at the end of each reporting period. For these other long-term benefits, actuarial gains or losses for the financial year are recognised immediately and in full in the income statement.

Employee profit sharing

The provision for the employee profit sharing plan is determined in accordance with the current Group agreement.

1.20. Share-based payments

Pursuant to IFRS 2 relating to share-based payments, share subscription or purchase option plans as well as bonus shares granted give rise to the recognition of a staff expense in respect of the fair value of the services to be rendered during the vesting period based on an assessment performed by an independent actuary. The fair value of the financial instrument granted is determined on the grant date. It is not subsequently adjusted for changes in market parameters. Only the number of share subscription or purchase options is adjusted during the vesting period based on the satisfaction of service conditions or internal performance conditions. For plans subject to vesting conditions, this expense is spread on a straight-line basis over the vesting period with a corresponding increase in reserves.

1.21. Financial liabilities and interest rate hedges

Financial liabilities

Borrowings and other interest-bearing financial liabilities are valued, after their initial recognition, according to the amortised cost method using the effective interest rate of the loan. Issue costs and premiums affect the opening value and are spread over the life of the loan using the effective interest rate.

In the case of financial liabilities resulting from the recognition of finance leases, the financial liability recognised as the corresponding entry of the asset is initially measured at the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Hedging instruments

The Group uses financial derivatives to hedge its exposure to the market risk stemming from interest rate fluctuations. Derivatives are used as part of a Group policy on interest rate risk management. The financial risk management strategies and methods used to determine the fair value of financial derivatives are set out in notes 5.2.3 and 5.3.

Financial derivatives are recorded on the balance sheet at fair value.

The Group uses derivatives to hedge its fixed or variable rate debt against interest rate risk (cash flow hedging) and applies hedge accounting where documentation requirements are met. In this case, changes in fair value of the financial derivative are recognised net of tax in "Other comprehensive income" until the hedged transaction occurs in respect of the effective portion of the hedge. The ineffective portion is recognised immediately in the income statement for the period. Gains and losses accumulated in equity are reclassified in the income statement under the same heading as the hedged item for the same periods as those during which the hedged cash flow has an impact on the income statement.

Where financial derivatives do not qualify for hedge accounting under the standard, they are classified under the category of trading instruments and any changes in their fair value are recognised directly in the income statement for the period.

The fair value of derivatives is measured using commonly accepted models (discounted cash flow method, Black and Scholes model, etc.) and based on market data.

1.22. Fair value hierarchy of financial instruments

Financial instruments (assets or liabilities) recognised at fair value are measured using three methods, each reflecting a different level of priority. Each method is presented in note 5.3.

1.23. Tax

Eligible companies of the Group benefit from the specific tax regime for French listed real estate investment companies (SIICs). Ordinary tax rules apply to the other companies of the Group.

SIIC tax regime

Icade SA and its eligible subsidiaries have opted for the SIIC tax regime. Two segments have been identified within these companies:

- a SIIC segment exempt from tax on current income from leasing activities, capital gains on disposals and dividends received from subsidiaries which have opted for the SIIC tax status;
- a segment that is taxable under ordinary tax rules in respect of other operations.

Entities to which the SIIC tax regime applies must pay out:

- 95% of profits from leasing activities;
- 70% of capital gains on disposals, since January 1, 2018;
- 100% of dividends paid by subsidiaries which have opted for the SIIC tax regime.

Entry into the SIIC tax regime

At the time of entry into the SIIC tax regime, an "exit tax" of 19% is levied on any unrealised capital gains relating to investment properties and partnerships not subject to corporate tax. A quarter of the tax amount is payable from December 15 of the financial year on which the company begins to apply the tax regime and the remainder is spread over the following three financial years.

The "exit tax" liability is discounted according to its payment schedule on the basis of a market rate plus a premium.

The impact of discounting is deducted from the tax liability and the tax expense initially recognised. At the end of each reporting period until maturity, a finance expense is recognised as an offsetting entry for the unwinding of the discount on the tax liability.

Tax at the standard rate

Tax at the standard rate is recognised in accordance with IAS 12 for entities subject to corporate tax that have not opted for the SIIC tax regime and on taxable income for companies that have opted for the SIIC regime.

Company value-added contribution

Beginning on January 1, 2018, this contribution shall be recorded as a tax expense instead of under the heading "Taxes, duties and similar payments" in the operating income section of the income statement.

Deferred tax

Deferred tax is calculated for taxable companies on any temporary differences that exist at the end of the reporting period between the carrying amount of an asset or liability and its tax base. Deferred tax assets are recognised only to the extent that they are likely to be used to reduce future taxable income. Deferred tax is recognised using the liability method.

The impact of changes in tax rates and/or tax rules for existing deferred tax assets and deferred tax liabilities affect the profit or loss for the period.

The Group's deferred tax liabilities are primarily generated by the mismatch between the percentage of completion method and the completed contract method involving the Property Development Division's projects.

Note 2. Main transactions affecting the scope of consolidation

2.1. Acquisitions

Office Property Investment

After having obtained control of ANF Immobilier in late 2017, Icade increased its stake in this company in 2018, increasing the percentage of shares held to 90.84% compared to 85.17% as of December 31, 2017.

Icade then successfully merged ANF Immobilier into itself, after obtaining approval from the Combined General Meetings of both companies on June 28 and 29, 2018, based on a share exchange ratio of three Icade shares for eleven ANF Immobilier shares, i.e. 0.273 Icade share for one ANF Immobilier share.

This transaction resulted in an increase in Icade's share capital through the creation of 420,242 new shares, for a total of €24.1 million, including a nominal value of €0.6 million and a merger premium of €23.5 million.

Icade also acquired minority stakes totalling €10.2 million in ANF Immobilier subsidiaries, including SCI New Way which the Group now wholly owns.

Healthcare Property Investment

Icade Santé carried out a €160.0 million capital increase, €97.3 million of which was subscribed by Icade, bringing its ownership interest from 56.51% to 56.77%.

As part of implementing its diversification strategy, Icade Santé made its first investment in the nursing home sector during the financial year, through the acquisition of the Patrimoine et Santé group consisting of 15 legal entities which own 14 facilities located outside the Paris region and operated by the Residalya network, for a total of €189.7 million.

In addition, over the same period, Icade Santé merged its MSR and Patrimoine et Santé subsidiaries into itself.

Note 3. Segment reporting

As of December 31, 2018, holding company activities are classified in the Office Property Investment Division, as was the case in the financial year 2017.

In 2018, 100% of revenue was generated in France.

	Office Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	12/31/2018	12/31/2017 restated (a)	12/31/2018	12/31/2017 restated (a)	12/31/2018	12/31/2017 restated (a)	12/31/2018	12/31/2017	12/31/2018	12/31/2017 restated (a)
INCOME STATEMENT										
Consolidated revenue	**423.7**	**397.2**	**241.0**	**214.9**	**1,148.2**	**1,037.6**	**(41.4)**	**(29.7)**	**1,771.5**	**1,620.0**
Intersegment sales (Group)	(46.3)	(45.2)	-	-	(10.6)	(11.8)	(41.4)	(29.7)	(98.3)	(86.7)
Total sales, including intersegment sales (Group)	470.0	442.4	241.0	214.9	1,158.8	1,049.4	-	-	1,869.8	1,706.7
EBITDA	315.1	295.1	223.4	200.3	59.9	45.0	(8.2)	(4.6)	590.1	535.8
Depreciation and impairment	(227.2)	(192.6)	(115.5)	(98.3)	1.9	0.2	0.5	0.6	(340.3)	(290.2)
Profit/(loss) from acquisitions	-	(6.8)	(1.3)	(0.2)	-	(0.0)	0.8	-	(0.5)	(7.0)
Profit/(loss) on asset disposals	90.7	74.9	-	0.2	-	-	0.2	0.3	90.9	75.4
Share of equity-accounted companies	(10.5)	(1.9)	-	-	11.6	11.0	-	-	1.1	9.1
OPERATING PROFIT/(LOSS)	168.0	168.8	106.6	102.0	73.4	56.2	(6.6)	(3.8)	341.4	323.2
Cost of net debt	(66.7)	(53.9)	(29.6)	(28.4)	(2.2)	(1.2)	-	-	(98.5)	(83.6)
Other finance income and expenses	(12.4)	(38.6)	(10.7)	(0.8)	(1.9)	(3.8)	-	-	(25.0)	(43.2)
FINANCE INCOME/(EXPENSE)	(79.1)	(92.5)	(40.3)	(29.2)	(4.1)	(5.0)	-	-	(123.5)	(126.7)
Tax expense	(5.1)	11.7	(1.5)	(1.7)	(24.5)	(15.4)	-	6.9	(31.1)	1.5
Profit/(loss) from discontinued operations	-	-	-	-	-	-	(1.4)	0.3	(1.4)	0.3
NET PROFIT/(LOSS)	83.7	88.0	64.8	71.1	44.8	35.7	(8.0)	3.5	185.4	198.3
Net profit/(loss) attributable to non-controlling interests	(0.1)	-	28.1	30.9	2.4	2.3	-	(0.4)	30.4	32.8
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**83.8**	**88.0**	**36.7**	**40.2**	**42.4**	**33.5**	**(8.0)**	**3.9**	**154.9**	**165.5**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

	Office Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Acquisition of intangible and tangible fixed assets and investment properties	520.4	425.8	121.7	268.4	3.9	0.7	-	-	646.0	694.9
CASH FLOWS										
Tangible and intangible investments and investment properties	(387.9)	(406.1)	(133.6)	(270.7)	(3.9)	(0.7)	-	(0.5)	(525.4)	(677.9)
Disposal of tangible and intangible assets and investment properties	588.8	254.9	2.2	6.9	-	-	-	400.0	591.0	661.8

	Office Property Investment		Healthcare Property Investment		Property Development		Intersegment transactions and other items		Total	
(in millions of euros)	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017 restated [(a)]	12/31/2018	12/31/2017	12/31/2018	12/31/2017 restated [(a)]
CLOSING BALANCE SHEET										
Non-current assets	8,046.0	8,161.0	2,184.4	2,100.5	(57.0)	(57.6)	(679.3)	(703.0)	9,494.0	9,500.9
Current assets	1,056.3	812.3	99.4	24.8	1,340.6	1,045.8	(231.1)	(74.9)	2,265.1	1,808.1
TOTAL ASSETS	**9,102.2**	**8,973.3**	**2,283.8**	**2,125.4**	**1,283.6**	**988.2**	**(910.4)**	**(777.9)**	**11,759.2**	**11,309.0**
Equity attributable to the Group	3,089.5	3,108.1	(4.4)	39.1	134.6	150.4	(34.5)	55.4	3,185.2	3,353.0
Non-controlling interests	22.3	69.6	727.9	694.2	1.3	1.5	-	8.9	751.5	774.3
Non-current financial liabilities	4,368.5	4,300.0	1,427.4	1,188.0	100.0	100.0	(657.4)	(680.6)	5,238.5	4,907.4
Other non-current liabilities	94.5	85.9	27.5	21.9	22.1	23.8	-	-	144.1	131.5
Current financial liabilities	1,028.9	951.6	52.2	119.5	173.1	70.6	(204.8)	(68.0)	1,049.3	1,073.7
Other current liabilities	498.5	458.1	53.2	62.7	852.5	641.9	(13.6)	(93.7)	1,390.6	1,069.0
TOTAL LIABILITIES AND EQUITY	**9,102.2**	**8,973.3**	**2,283.8**	**2,125.4**	**1,283.6**	**988.2**	**(910.4)**	**(777.9)**	**11,759.2**	**11,309.0**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and presenting information in accordance with IFRS 9.

Note 4. Portfolio and fair value

4.1. Valuation of the property portfolio: methods and assumptions

The property portfolio consists primarily of investment properties and financial receivables.

4.1.1. Valuation assignments

The Group's property assets are valued twice a year by independent property valuers for the publication of the half-year and annual financial statements, according to a framework consistent with the SIIC Code of Ethics published in July 2008 by the French Federation of Real Estate Companies (*Fédération des sociétés immobilières et foncières*).

Property valuations were entrusted to Jones Lang LaSalle Expertises, Cushman & Wakefield Valuation France, CBRE Valuation, Catella Valuation FCC and BNP Paribas Real Estate Valuation.

For all contracts having expired on December 31, 2017, the Group invited the main property valuation firms to a selection process in order to assign one or more of them the twice-yearly valuation of part of its Office Property Investment Division's assets (property portfolio outside the Paris region resulting from the merger with ANF) but also of its Healthcare Property Investment portfolio. Property valuers were selected based on criteria of independence, qualification, reputation, expertise in property valuation, organisational capacity, responsiveness and price. Following this selection process, the contracts of Catella Valuation FCC and Jones Lang LaSalle Expertises were renewed for the Icade Santé portfolio. The same two valuation firms were appointed to value the portfolio resulting from the merger with ANF.

Property valuation fees are billed to the Group on the basis of a fixed service fee that takes into account the specificities of the properties (number of units, number of square metres, number of current leases, etc.) and that is not based on the value of the assets.

The assignments of the property valuers, whose main valuation methods and conclusions are presented hereafter, are performed according to professional standards, in particular:

- the Property Valuation Charter *(Charte de l'expertise en évaluation immobilière)*, fifth edition, published in March 2017;
- the Barthès de Ruyter report from the French Securities and Exchange Commission (COB), which is part of the French Financial Markets Authority (AMF), dated February 3, 2000, on the valuation of the property assets of publicly traded companies;
- on an international level, the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations), published in April 2009 in the Blue Book, as well as the Red Book standards of the Royal Institution of Chartered Surveyors (RICS).

These various texts specify the required qualifications for the property valuers, a Code of Conduct and ethics and the main definitions (values, floor areas, rates and main valuation methods).

During each valuation session and when valuers submit their valuation reports, the Group makes sure that the methods used by the different property valuers to value its assets are consistent.

Valuations are calculated both inclusive and exclusive of duties, the values excluding duties being net of duties and fixed legal expenses calculated by the property valuers.

Operating office properties of significant value, i.e. the Millénaire shopping centre, the Fresnes retail and business park and other business parks are subject to a double appraisal approach. On June 30, 2018, the application of the double appraisal approach was extended to cover office development projects (excluding off-plan acquisitions) of the Office Property Investment Division with a valuation or a capex budget of €10 million or more.

On-site visits are systematically conducted by the property valuers for all new assets added to the portfolio. Further on-site visits are then organised according to a multi-year schedule or each time that a specific event in the life of the building requires it (occurrence of significant changes in its structure or environment).

All of the Group's assets, including its land bank and projects under development, were valued as of December 31, 2018 according to the procedures currently in place within the Group, with the exception of:

- properties subject to a preliminary sale agreement as of the end of the reporting period or those for which an offer has been received and that are valued based on the contractual sale price;
- public properties and projects held as part of a public-private partnership (PPP) which are not subject to a formal valuation due to the fact that ownership ultimately returns to the State at the end of these contracts. These assets are therefore still recognised based on their net carrying amount in the fair value of the property portfolio reported by the Group *(see note 4.3.1);*
- properties acquired less than three months before the end of the half-yearly or annual reporting period, which are valued based on their net carrying amount.

Note: In 2015, the Group also established a process of internal valuations performed by its asset management teams, in order to verify the asset values obtained by the property valuers, and to gain a better understanding of the future performance of the portfolio on the basis of the business plans defined. This procedure is updated on a yearly basis. However, assets whose business plan changes materially are subject to a half-yearly update.

4.1.2. Methods used by the property valuers

The methods used by the property valuers are identical to those used in the previous financial year.

4.1.2.1. Portfolio of the Office Property Investment Division

Investment properties are valued by the property valuers who use two methods simultaneously: the income method (the property valuer uses the most appropriate method between net rent capitalisation and discounted cash flows) and the direct sales comparison method which is based on the prices of transactions noted on the market for assets equivalent in type and location.

The net income capitalisation method involves applying a yield to income streams, whether that income is reported, existing, theoretical or potential (estimated rental value). This approach may be implemented in different ways depending on the type of income considered (effective rent, estimated rental value and net rental income), as different yields are associated with each type.

The discounted cash flow method assumes that the value of the assets is equal to the present value of the cash flows expected by the investor, including the sale at the end of the holding period. In addition to the resale value obtained by applying a market yield to the previous year's rents, cash flows include rents, the different charges not recovered by the owner and the major maintenance and repair work. The discount rate to be applied to the cash flows is calculated based either on a risk-free rate plus a risk premium (related both to the property market and to the building considered taking into account its characteristics in terms of location, construction and security of income) or on the weighted average cost of capital.

Whichever method is used, valuation calculations are carried out on a lease by lease basis, except for particular cases and justified exceptions.

The land bank and properties under development are also the subject of a valuation taken into account in calculating the net asset value and in performing impairment tests on property assets. The methods used by the property valuers primarily include the residual method and/or the discounted cash flow method, and also in certain cases the sales comparison method.

The residual method involves calculating the residual value of a project from the point of view of a property developer to whom the land has been offered. From the sale price of the building at the time of completion, the property valuer deducts all the costs to be incurred, including construction costs, fees and profit, finance costs and any land-related costs.

For properties under development, all outstanding costs linked to the completion of the project, along with carrying costs until completion, must be deducted from the buildings' estimated sale price.

Projects under development are valued on the basis of a clearly identified and approved project, as soon as the building permit can be processed and implemented.

The land bank of the Rungis business park is valued separately. It should be noted that, in the Rungis business park, there is a remaining buildable area on plots already developed. The Group valued the difference between the constructed area and the potential area in the context of a 25-year redevelopment plan. This plan provides for the net construction of 230,000 sq.m, resulting from the construction of a total of 340,000 sq.m, including 142,000 sq.m, 55,000 sq.m and 143,000 sq.m of premium, mid-range and mixed-use office space, respectively, all located in strategic areas for the development of the business park, and from the demolition of the most obsolete buildings, representing nearly 110,000 sq.m.

The method is based on:

- applicable urban planning rules;
- estimated absorption rate;
- current market for new offices (estimated rental value, yield);
- redevelopment plan for the site on 5-, 10-, 15-, 20- and 25-year horizons: 34,300 sq.m in the first five years, 48,150 sq.m between the 5th and the 10th year, 64,700 sq.m between the 10th and the 15th year, 38,500 sq.m between the 15th and the 20th year, and 44,100 sq.m between the 20th and the 25th year.

The estimated value of the remaining buildable area is based on the value of building land in the business park. A land coefficient of 18% is applied including a developer's profit of 8%. This coefficient is the result of the average price per square meter of the land and of a coefficient observed in business parks in the outskirts of Paris (2nd/3rd Ring). The values thus obtained are discounted based on the 5-, 10-, 15-, 20- and 25-year redevelopment periods provided for in the projected plan with the respective rates of 3.25%, 5.25%, 6.25%, 7.25% and 8.25%. This land bank made up of vacant land and existing buildings is valued at €66.0 million as of December 31, 2018.

Additionally, the Group identified floor space awaiting refurbishment (not leased) in its assets: buildings that are completely vacant, held for sale, or due to be redeveloped or demolished, and for which a project will be initiated at a later stage. This space is valued at €18.7 million as of December 31, 2018.

Whichever method is selected, it is ultimately up to the property valuers to set a value and discount rate in line with the risks inherent in each project and, in particular, the state of progress of the various approval and construction stages (demolition permit, building permit, objections, stage of completion of work, any pre-commitment, or rent guarantee). From the exit value, the property valuers must explain which procedure they followed in estimating the degree of risk and revaluation attached to the building in the light of the circumstances under which they work and the information made available to them.

4.1.2.2. Portfolio of the Healthcare Property Investment Division

The buildings of private hospitals or other healthcare establishments are valued by property valuers based on the mean of the values obtained using the rent capitalisation method (also known as "estimated rental value" method) and the discounted cash flow method.

The market value of a hospital is essentially dependent on its operation and its ability to generate sufficient income to provide a reasonable return on the property investment. These buildings fall under the category of single-use buildings and their value determined by the property valuer is totally related to their operation and consequently to the value of their business. Also, since these premises are unsuitable for any other use without substantial conversion works, they are not subject to rent ceilings upon lease renewals or rent reviews or to the traditional rules for determining the estimated rental value.

The estimated rental value used by the property valuers thus takes into account a share of the average revenue or EBITDA that the establishment has generated during the last years of operation, with or without adjustment for category, administrative environment, quality of operating structure (price positioning, hospital fee agreement with the French Social Security, income statement, etc.) and competitive position. Alternatively, the establishment's premises can be valued by capitalisation of the rental income reported by the Group.

4.1.3. Main valuation assumptions for investment properties

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)	Estimated rental value *(in €/sq.m)*
OFFICES & BUSINESS PARKS					
Offices					
Paris	Capitalisation and DCF	3.5% - 7.5%	3.2% - 7.0%	3.3% - 7.5%	€225 - €930
La Défense/Peri-Défense	Capitalisation and DCF	4.5% - 6.0%	4.5% - 6.5%	4.3% - 10.0%	€220 - €470
Other Western Crescent	Capitalisation and DCF	3.5% - 4.5%	4.1% - 6.0%	3.8% - 5.5%	€400 - €645
Inner Ring	Capitalisation and DCF	4.5% - 5.5%	4.4% - 5.8%	4.3% - 7.0%	€240 - €370
Outer Ring	Capitalisation and DCF	8.8% - 9.3%	15.3% - 15.8%	14.8% - 15.3%	€120 - €125
Outside the Paris region	Capitalisation and DCF	5.0% - 10.0%	5.1% - 12%	4.9% - 10.5%	€65 - €260
Business parks					
Inner Ring	DCF	5.25% - 10.5%	5% - 10.0%		€85 - €330
Outer Ring	DCF	4.5% - 10.0%	5.3% - 10.0%		€50 - €290
Other Office Property Investment Division assets					
Hotels	Capitalisation and DCF	7.6% - 7.9%	6.0% - 6.25%	5.8% - 7.5%	(a)
Retail	Capitalisation and DCF	5.6% - 7.0%	5.5% - 10.8%	5.8% - 7.9%	€80 - €245
Warehouses	Capitalisation and DCF	7.0% - 10.0%	8.8% - 9.2%	8.3% - 12.0%	€40 - €55
Residential	Comparison	NA	NA	NA	NA
HEALTHCARE					
Paris region	Capitalisation and DCF	5.3% - 8.0%	4.9% - 7.7%	4.5% - 7.4%	(a)
Outside the Paris region	Capitalisation and DCF	5.1% - 8.1%	4.7% - 8.5%	4.4% - 8.0%	(a)

(a) Not subject to the traditional rules for determining market rental value, due to the layout and highly-specific use of the premises.

4.2. Property portfolio

4.2.1. Balance sheet value

As of December 31, 2018, the net carrying amount of the property portfolio stood at €9,434.1 million compared to €9,448.4 million at the start of the financial year.

(in millions of euros)	12/31/2017 restated (a)	Acquisitions and construction work (b)	Disposals	Depreciation charges	Net reversals of impairment charges	Impact of changes in scope of consolidation	Other changes (c)	12/31/2018
Gross amount	61.5	0.7	(62.3)	-	-	-	-	-
Depreciation	(11.2)	-	12.9	(1.7)	-	-	-	-
OPERATING PROPERTIES (d)	50.3	0.7	(49.4)	(1.7)	-	-	-	-
Gross amount	11,137.2	635.0	(664.6)	-	-	189.7	(1.1)	11,296.2
Depreciation	(1,673.4)	-	123.1	(370.7)	-	-	-	(1,921.0)
Impairment	(287.7)	-	106.4	-	41.7	-	-	(139.6)
INVESTMENT PROPERTIES (e)	9,176.2	635.0	(435.1)	(370.7)	41.7	189.7	(1.1)	9,235.7
Properties held for sale	10.4	-	(9.3)	-	(0.1)	-	1.1	2.0
Investment properties held by equity-accounted companies (Group share)	129.4	1.4	-	(7.0)	(8.2)	-	-	115.7
Financial receivables and other assets	82.1	-	-	-	-	-	(1.4)	80.8
TOTAL PROPERTY PORTFOLIO	**9,448.4**	**637.1**	**(493.9)**	**(379.3)**	**33.5**	**189.7**	**(1.4)**	**9,434.1**
Portfolio distribution:								
Office – Offices	4,556.6	418.2	(101.9)	(194.6)	6.9	-	-	4,685.2
Office – Business parks	1,548.9	92.8	(363.9)	(62.4)	41.5	-	-	1,257.0
Office – Other assets	381.5	4.4	(26.6)	(14.5)	(7.3)	-	(1.4)	336.1
Office Property Investment	6,487.0	515.3	(492.3)	(271.6)	41.1	-	(1.4)	6,278.2
Healthcare Property Investment	2,961.4	121.7	(1.5)	(107.8)	(7.7)	189.7	-	3,155.9

(a) The portfolio distribution as of December 31, 2017 has been restated for asset reclassifications carried out in 2018 between the various segments of the Office Property Investment Division.
(b) Including capitalised finance costs for €5.1 million.
(c) Other changes relate mainly to reclassifications of investment properties to assets held for sale.
(d) On the balance sheet, in 2017, the heading "Tangible fixed assets" includes property improvements and other tangible fixed assets in addition to the headquarters building sold in 2018.
(e) Including investment properties under finance leases:

	12/31/2017	Acquisitions and construction work	Disposals	Depreciation charges	Net reversals of impairment charges	Impact of changes in scope of consolidation	Options exercised	12/31/2018
Gross amount	632.0	-	-	-	-	64.7	(79.9)	616.7
Depreciation	(101.5)	-	-	(20.3)	-	-	20.6	(101.1)
Impairment	(32.4)	-	-	-	-	-	32.4	-
Properties under finance leases – net value	**498.1**	**-**	**-**	**(20.3)**	**-**	**64.7**	**(26.9)**	**515.6**

Acquisitions and construction work associated with the investment properties of the Office Property Investment Division amounted to **€515.3 million** and primarily included the following:

- off-plan sales projects for **€193.5 million**, mainly including the following:
  - the Go Spring development in Nanterre (Hauts-de-Seine) for €58.7 million and the property scheme on avenue Gambetta (20th district of Paris) for €56.4 million,
  - investments in the portfolio of assets located outside the Paris region for €78.3 million;
- projects under development for **€219.0 million** including, in the office segment, the Origine project (Nanterre) for €109.2 million and the Pulse project (Aubervilliers) for €53.4 million;
- other capex for **€83.5 million,** consisting primarily of renovation costs for business parks and offices (major maintenance and repairs, restoration work on premises).

The investments of the Healthcare Property Investment Division for €311.4 million include mainly:

- the acquisition of the real estate of 14 nursing homes for **€189.7 million**;
- the acquisition of the Montévrain facility for **€17.7 million**;
- projects under development for **€47.9 million**, including €24.1 million for healthcare facilities completed during the financial year;
- other works and other investments for **€52.0 million**.

Other changes relate to reclassifications of investment properties to assets held for sale. As of December 31, 2018, assets subject to preliminary sale agreements are classified on the balance sheet as "Assets held for sale" for a total of €2.0 million.

During the financial year, the Group sold a number of assets for a total selling price of €590.0 million including €588.5 million for Office Property Investment and €1.5 million for Healthcare Property Investment. These disposals generated a net capital gain of €90.9 million.

4.2.2. Impact of impairment charges on the income statement

In the income statement for the full year, "Impairment" showed a net reversal for investment properties of €41.7 million, resulting from a charge of €8.4 million and a reversal of €50.1 million.

4.3. Fair value of the property portfolio

4.3.1. Unrealised capital gains on the property portfolio

	12/31/2018			12/31/2017 restated [(a)]			Change		
(in millions of euros)	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains	Fair value	Net carrying amount	Unrealised capital gains
Operating properties	-	-	-	88.6	50.3	38.3	(88.6)	(50.3)	(38.3)
Investment properties	13,173.1	9,235.7	3,937.5	12,447.1	9,176.2	3,270.9	726.1	59.5	666.6
Properties held for sale	3.2	2.0	1.1	16.6	10.4	6.3	(13.5)	(8.3)	(5.1)
Financial receivables and other assets	89.6	80.8	8.8	90.6	82.1	8.4	(1.0)	(1.4)	0.4
Property portfolio of fully-consolidated companies	**13,265.9**	**9,318.4**	**3,947.5**	**12,642.9**	**9,319.0**	**3,323.9**	**623.1**	**(0.6)**	**623.6**
Investment properties of equity-accounted companies	**131.2**	**115.7**	**15.5**	**144.0**	**129.4**	**14.6**	**(12.8)**	**(13.7)**	**1.0**
TOTAL PROPERTY PORTFOLIO	13,397.1	9,434.1	3,963.0	12,786.9	9,448.4	3,338.4	610.3	(14.3)	624.6
Portfolio distribution:									
Office – Offices	6,758.6	4,685.2	2,073.4	6,289.1	4,556.6	1,732.5	469.5	128.6	340.8
Office – Business parks	1,742.5	1,257.0	485.6	1,994.3	1,548.9	445.4	(251.8)	(292.0)	40.2
Office – Other assets	411.7	336.1	75.6	467.7	381.5	86.2	(56.0)	(45.4)	(10.6)
Office Property Investment	**8,912.8**	**6,278.2**	**2,634.5**	**8,751.1**	**6,487.0**	**2,264.1**	**161.6**	**(208.8)**	**370.4**
Healthcare Property Investment	**4,484.4**	**3,155.9**	**1,328.5**	**4,035.7**	**2,961.4**	**1,074.2**	**448.7**	**194.5**	**254.2**
TOTAL PROPERTY PORTFOLIO	13,397.1	9,434.1	3,963.0	12,786.9	9,448.4	3,338.5	610.2	(14.3)	624.5

(a) The portfolio distribution as of December 31, 2017 has been restated for asset reclassifications carried out in 2018 between the various segments of the Office Property Investment Division.

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4.3.2. Sensitivity of the net carrying amounts of appraised assets to potential changes in fair value

Impact on net carrying amounts (in millions of euros)	Changes in fair value of investment properties			
	(5.00)%	(2.50)%	+2.50%	+5.00%
La Défense/Peri-Défense	(5.4)	(2.3)	2.3	4.5
Outer Ring	(0.1)	(0.1)	0.1	0.1
Outside the Paris region	(3.9)	(0.0)	(0.0)	0.0
TOTAL OFFICES	**(9.4)**	**(2.3)**	**+2.3**	**+4.7**
Outer Ring	(40.8)	(20.4)	20.4	40.8
TOTAL BUSINESS PARKS	**(40.8)**	**(20.4)**	**+20.4**	**+40.8**
TOTAL OFFICES AND BUSINESS PARKS	(50.2)	(22.7)	+22.7	+45.4
Other assets	(4.9)	(1.7)	+1.7	+3.5
TOTAL OFFICE PROPERTY INVESTMENT	**(55.1)**	**(24.5)**	**+24.4**	**+48.9**
Healthcare [(a)]				
Total Paris region	(0.5)	(0.3)	0.3	0.5
Outside the Paris region	(14.1)	(8.3)	0.1	0.2
TOTAL HEALTHCARE PROPERTY INVESTMENT [(a)]	(14.6)	(8.5)	+0.4	+0.7
TOTAL PROPERTY PORTFOLIO	**(69.8)**	**(33.0)**	**+24.8**	**+49.6**

(a) Net carrying amounts based on full consolidation.

4.4. Goodwill impairment tests

(in millions of euros)	12/31/2018			12/31/2017		
	Office Property Investment	Property Development [(a)]	Total	Office Property Investment	Property Development [(a)]	Total
GOODWILL	**3.8**	**42.3**	**46.1**	**3.8**	**42.3**	**46.1**

(a) Relates to the Residential Property Development Division.

An impairment test was performed as of December 31, 2018 and December 31, 2017 (note 1.11). No impairment was detected.

In the discounted cash flows (DCF) valuation, the discount rate before tax used to determine the value in use of the Residential Property Development group of CGUs is 8.6% for the financial year 2018 (vs. 9.6% for 2017).

Note 5. Financing and financial instruments

5.1. Financial structure and contribution to net profit/(loss)

5.1.1. Change in net financial liabilities

(in millions of euros)		12/31/2018	12/31/2017
Medium- and long-term financial liabilities		5,238.5	4,907.4
Short-term financial liabilities		1,049.3	1,073.7
GROSS FINANCIAL LIABILITIES	5.1.3	6,287.8	5,981.1
Interest rate derivatives (assets and liabilities)	5.1.4	22.1	5.4
GROSS FINANCIAL LIABILITIES INCLUDING DERIVATIVES		6,309.9	5,986.5
Financial assets [a]	5.1.5	(82.5)	(95.2)
Cash and cash equivalents	5.1.6	(634.6)	(420.3)
NET FINANCIAL LIABILITIES		**5,592.8**	**5,471.0**

(a) Excluding deposits paid.

(in millions of euros)	12/31/2017	Cash flow	Changes with no impact on cash flows: Changes in scope of consolidation	Changes with no impact on cash flows: Fair value through profit or loss	Changes with no impact on cash flows: Fair value through reserve	Other changes	12/31/2018
Financial liabilities	5,981.1	215.6	86.5	-	-	4.6	6,287.8
Derivative liabilities	18.5	(0.3)	0.3	(1.3)	12.2	0.1	29.6
Other financial liabilities	64.7	(0.3)	2.1	-	-	0.2	66.8
TOTAL LIABILITIES	6,064.3	215.0	89.0	(1.3)	12.2	4.9	6,384.2
Derivative assets	(13.1)	6.3	-	0.3	(1.0)	-	(7.5)
Other financial assets	(73.8)	(4.1)	0.5	-	-	9.4	(68.2)
TOTAL ASSETS	(86.9)	2.2	0.5	0.3	(1.0)	9.4	(75.7)
TOTAL FINANCIAL ASSETS AND LIABILITIES	**5,977.4**	**217.3**	**89.5**	**(1.0)**	**11.3**	**14.3**	**6,308.5**
Exclusion of deposits and guarantees:							
◻ deposits and guarantees received	(64.4)		(2.1)			(0.2)	(66.8)
◻ deposits and guarantees paid	6.0		-			2.8	8.9
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**5,919.0**	**217.3**	**87.3**	**(1.0)**	**11.3**	**17.0**	**6,250.7**
Other financial liabilities	(0.3)						(0.1)
Financial assets at fair value through profit or loss [a]	(27.4)						(23.2)
Cash and cash equivalents	(420.3)						(634.6)
TOTAL NET FINANCIAL LIABILITIES	**5,471.0**						**5,592.8**

(a) This item consists of unconsolidated subsidiaries.

The **€306.7 million** increase in gross debt (excluding derivatives) compared to December 31, 2017 stems primarily from:

- the issue of a new, 10-year, **€600.0 million** bond with an annual coupon of 1.625% and the repurchase of three existing bonds for €200.0 million. This bond repurchase resulted in a termination payment of €11.3 million;
- two new bank loans taken out totalling **€200.0 million** and a finance lease entered into for **€28.6 million** involving Icade Santé;
- a **€82.9 million** increase in loans from credit institutions and finance leases due to the addition of 14 nursing homes acquired as part of a share deal to the scope of consolidation;
- two new drawdowns of credit lines for **€56.7 million**;
- the normal amortisation of loans from credit institutions (including credit lines) and finance leases for **€263.6 million**;
- early repayment of loans from credit institutions (including credit lines) and finance leases for **€78.3 million**;
- a net decrease in outstanding NEU Commercial Paper for **€132.6 million**.

5.1.2. Finance income/(expense)

(in millions of euros)	12/31/2018	12/31/2017
Interest expenses from financial liabilities	(96.5)	(85.0)
Interest expenses from derivatives	(9.7)	(5.8)
Recycling to the income statement of interest rate hedging instruments	1.6	1.2
COST OF GROSS DEBT	(104.7)	(89.6)
Interest income from cash and cash equivalents	1.3	1.0
Income from receivables and loans	4.8	5.1
Net income from cash and cash equivalents, related loans and receivables	**6.2**	**6.0**
COST OF NET DEBT	(98.5)	(83.6)
Profit/(loss) from disposals of available-for-sale securities		2.8
Change in fair value of derivatives recognised in the income statement	1.0	(0.3)
Commitment fees	(6.7)	(6.1)
Restructuring costs for financial liabilities	(17.2)	(34.6)
Other finance income and expenses	(2.0)	(5.0)
Total other finance income and expenses	**(25.0)**	**(43.2)**
FINANCE INCOME/(EXPENSE)	**(123.5)**	**(126.7)**

The increase in interest expenses from financial liabilities is mainly explained by a volume effect and a reduced average cost of debt.

In addition, "Restructuring costs for financial liabilities" representing -€17.2 million include -€11.3 million of termination payments for the repurchase of three bonds.

5.1.3. Components of financial liabilities

Gross financial liabilities: type of rate, maturity and fair value

Gross financial liabilities at amortised cost, including issue costs and premiums and the impact of spreading them by applying the effective interest method, stood at **€6,287.8 million** and broke down as follows:

(in millions of euros)	Balance sheet value as of 12/31/2018	Current	Non-current					Fair value as of 12/31/2018
		Maturing in < 1 year	Maturing in 1 to 2 years	Maturing in 2 to 3 years	Maturing in 3 to 4 years	Maturing in 4 to 5 years	Maturing in > 5 years	
Fixed rate debt	**4,755.3**	**819.1**	**9.7**	**326.3**	**492.7**	**309.0**	**2,798.4**	**4,743.8**
Bonds	3,750.3	240.1	(4.8)	300.1	479.6	296.4	2,438.9	3,741.0
Borrowings from credit institutions	332.9	3.7	3.4	17.4	4.4	4.1	299.9	327.8
Finance leases	106.7	10.0	11.1	8.9	8.6	8.6	59.5	109.6
Other loans and similar liabilities	0.1	-	-	-	-	-	0.1	0.1
Payables associated with equity interests	2.8	2.8	-	-	-	-	-	2.8
NEU Commercial Paper	562.4	562.4	-	-	-	-	-	562.4
Variable rate debt	**1,532.6**	**230.2**	**244.5**	**152.0**	**27.7**	**75.3**	**802.9**	**1,532.8**
Borrowings from credit institutions	1,235.8	76.4	231.3	133.8	17.4	62.8	714.0	1,234.1
Finance leases	101.6	11.1	10.7	15.7	7.8	9.9	46.5	102.2
Other loans and similar liabilities	55.0	2.5	2.5	2.5	2.6	2.6	42.4	56.2
Payables associated with equity interests	78.3	78.3	-	-	-	-	-	78.3
Bank overdrafts	61.9	61.9	-	-	-	-	-	61.9
GROSS FINANCIAL LIABILITIES AS OF 12/31/2018	**6,287.8**	**1,049.3**	**254.2**	**478.3**	**520.4**	**384.3**	**3,601.3**	**6,276.6**
GROSS FINANCIAL LIABILITIES AS OF 12/31/2017	**5,981.1**	**1,073.7**	**349.9**	**259.2**	**641.0**	**563.9**	**3,093.4**	**6,164.3**

Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 12/31/2017	Increase	Decrease	Nominal value as of 12/31/2018
FR0011577188	09/30/2013	09/29/2023	300.0	Fixed rate 3.375%	Interest only	300.0	-	-	300.0
FR0011577170	09/30/2013	01/30/2019	500.0	Fixed rate 2.25%	Interest only	245.1	-	33.8	211.3
FR0011847714	04/16/2014	04/16/2021	500.0	Fixed rate 2.25%	Interest only	454.7	-	150.1	304.6
FR0012942647	09/14/2015	09/14/2022	500.0	Fixed rate 1.875%	Interest only	500.0	-	16.1	483.9
FR0013181906	06/10/2016	06/10/2026	750.0	Fixed rate 1.75%	Interest only	750.0	-	-	750.0
FR0013218393	11/15/2016	11/17/2025	500.0	Fixed rate 1.125%	Interest only	500.0	-	-	500.0
FR0013281755	09/13/2017	09/13/2027	600.0	Fixed rate 1.5%	Interest only	600.0	-	-	600.0
FR0013320058	02/28/2018	02/28/2028	600.0	Fixed rate 1.625%	Interest only	-	600.0	-	600.0
BONDS						**3,349.8**	**600.0**	**200.0**	**3,749.8**

The average debt maturity was 6.4 years as of December 31, 2018 (excluding NEU Commercial Paper). Thanks to the debt raised in 2018, especially the bond issue and the repurchase of existing bonds, the average maturity of the Group's debt remained above six years.

The average maturity is 4.8 years for variable rate debt and 5.9 years for the related hedges, allowing adequate hedging and anticipating coverage of future financing needs.

5.1.4. Derivative instruments

Presentation of derivatives on the balance sheet

	Fair value as of 12/31/2017	Additions to the scope of consolidation	Acquisitions	Disposals	Payment for guarantee	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	Fair value as of 12/31/2018
(in millions of euros)	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8) = (1) to (7) inclusive**
Presentation of derivatives on the balance sheet:								
Derivative instruments – Assets	13.1	-	-	(7.4)	1.1	(0.3)	1.0	7.5
Derivative instruments – Liabilities	(18.5)	(0.3)	-	0.3	-	1.3	(12.3)	(29.6)
TOTAL	(5.4)	(0.3)	-	(7.0)	1.1	1.0	(11.3)	(22.1)
Breakdown of derivative instruments by type:								
Interest rate swaps – fixed-rate payer	*(3.8)*	*(0.2)*	-	*(7.4)*	-	*0.2*	*(11.3)*	*(22.6)*
◘ including ineffective portion	-	-	-	-	-	0.2	-	(0.2)
Cash flow hedges	**(3.8)**	**(0.2)**	**-**	**(7.4)**	**-**	**0.2**	**(11.3)**	**(22.6)**
Interest rate swaps – fixed-rate payer	*(3.4)*	*(0.1)*	-	*0.3*	-	*1.1*	-	*(2.1)*
Interest rate options	0.6	-	-	-	-	(0.3)	-	0.2
Non-hedging instruments	**(2.8)**	**(0.1)**	**-**	**0.3**	**-**	**0.8**	**-**	**(1.9)**
INTEREST RATE DERIVATIVES EXCLUDING MARGIN CALLS	(6.7)	(0.3)	-	(7.0)	-	1.0	(11.3)	(24.5)
Derivatives: margin calls	1.3	-	-	-	1.1	-	-	2.4
TOTAL INTEREST RATE DERIVATIVES	**(5.4)**	**(0.3)**	**-**	**(7.0)**	**1.1**	**1.0**	**(11.3)**	**(22.1)**

Changes in hedge reserves

(in millions of euros)	12/31/2017	Recycling to the income statement [a]	Other comprehensive income [b]	12/31/2018
CFH reserves – Interest rate swaps	(5.1)	3.0	(11.3)	(13.5)
TOTAL REVALUATION RESERVES	(5.1)	3.0	(11.3)	(13.5)
Attributable to the Group [c]	**(2.2)**	**3.4**	**(9.5)**	**(8.2)**

(a) Cash flow hedge reserves recycled to the income statement during the period.
(b) Changes in value of cash flow hedges.
(c) The revaluation reserves presented on the balance sheet as of December 31, 2017 include available-for-sale reserves for €1.1 million which were transferred on January 1, 2018 to other reserves as a result of applying IFRS 9.

Derivatives: analysis of notional amounts by maturity

	12/31/2018							
			Portion due in < 1 year		Portion due in > 1 year and < 5 years		Portion due in > 5 years	
(in millions of euros)	Total	Average rate	Amount	Average rate	Amount	Average rate	Amount	Average rate
PORTFOLIO OF OUTSTANDING DERIVATIVES								
Interest rate swaps – fixed-rate payer	1,107.4	0.6%	32.5	2.0%	546.1	0.6%	528.8	0.6%
Interest rate options – caps	213.9	1.2%	165.7	2.0%	48.2	0.7%	-	-
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES	1,321.3		198.2		594.4		528.8	
PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES								
Interest rate swaps – fixed-rate payer	219.4	1.2%	0.5	0.9%	4.7	0.9%	214.2	1.2%
TOTAL PORTFOLIO OF OUTSTANDING FORWARD START DERIVATIVES	219.4		0.5		4.7		214.2	
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2018	**1,540.7**		**198.7**		**599.0**		**743.0**	
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2017	**1,625.1**		**215.4**		**765.1**		**644.6**	

These derivatives are used as part of the Group's interest rate hedging policy *(see note 5.2.3. "Interest rate risk")*.

5.1.5. Other financial assets and liabilities

(in millions of euros)	01/01/2018 [a]	Acquisitions	Disposals/ repayments	Impact of changes in fair value recognised in the income statement	Net charges related to impairment losses recognised in the income statement	Impact of changes in scope of consolidation and capital	Other	12/31/2018
Financial assets at fair value through profit or loss [b]	27.4	-	(4.3)	-	-	-	-	23.1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**27.4**	**-**	**(4.3)**	**-**	**-**	**-**	**-**	**23.1**
Receivables associated with equity investments and other related parties	42.3	9.8	(12.0)	-	(0.8)	(0.5)	-	38.8
Loans	0.4	-	-	-	-	-	-	0.4
Deposits and guarantees paid	6.0	3.3	(0.4)	-	-	-	-	8.9
Shareholder loans	24.9	-	-	-	-	-	(4.9)	20.1
Other	0.1	-	-	-	-	-	-	0.1
FINANCIAL ASSETS AT AMORTISED COST	**73.8**	**13.1**	**(12.4)**	**-**	**(0.8)**	**(0.5)**	**(4.9)**	**68.2**

(a) Amounts after reclassifications resulting from the application of IFRS 9: available-for-sale securities have been reclassified as financial assets at fair value through profit or loss.
(b) Financial assets at fair value through profit or loss consist of investments in unconsolidated companies.

Financial assets by maturity

		Current	Non-current	
(in millions of euros)	12/31/2018	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
Receivables associated with equity investments and other related parties	38.8	38.8	-	-
Loans	0.4	0.1	0.1	0.2
Deposits and guarantees paid	8.9	2.9	3.2	2.8
Shareholder loans	20.1	20.1	-	-
Other	0.1	-	-	-
OTHER FINANCIAL ASSETS AT AMORTISED COST	**68.2**	**61.9**	**3.3**	**3.0**

Other financial liabilities consist mostly of deposits and guarantees received from tenants for **€66.8 million** as of December 31, 2018.

5.1.6. Cash and cash equivalents

(in millions of euros)	12/31/2018	12/31/2017
Term deposit accounts	36.1	30.0
Cash assets (including bank interest receivable)	598.5	390.3
CASH AND CASH EQUIVALENTS	**634.6**	**420.3**

5.2. Management of financial risks

The monitoring and management of financial risks are centralised within the Corporate and Financing Division of the Finance Department.

That division reports on a regular basis to the Group's Risk, Rates, Treasury and Finance Committee, in the presence of the CEO, Head of Risk and CFO, on all matters relating to finance, investment and interest rate risk management policies.

5.2.1. Liquidity risk

The Group's undrawn amounts of short- and medium-term credit lines total **€1,763 million**, which are fully available. This amount does not include the undrawn amounts of credit lines that may have been opened for specific property developments.

The Group has continued to access liquidity on favourable terms and is still fully able to raise more funds if necessary.

The residual contractual maturities of financial liabilities (excluding construction and off-plan sale contracts) can be analysed as follows:

	12/31/2018								
	Portion due in < 1 year		Portion due in > 1 year and < 3 years		Portion due in > 3 years and < 5 years		Portion due in > 5 years		
(in millions of euros)	Repayments	Interest	Repayments	Interest	Repayments	Interest	Repayments	Interest	Total
Bonds	211.3	68.3	304.6	127.1	783.9	104.3	2,450.0	135.4	4,185.0
Borrowings from credit institutions	80.3	19.5	389.4	37.2	91.2	40.5	1,016.6	117.0	1,791.8
Finance leases	20.4	4.2	45.3	7.2	33.9	6.1	105.4	6.9	229.3
Other loans and similar liabilities	2.4	1.1	4.9	2.1	5.1	1.9	42.3	6.9	66.8
Payables associated with equity interests	80.6	-	-	-	-	-	-	-	80.6
NEU Commercial Paper	562.4	-	-	-	-	-	-	-	562.4
Bank overdrafts	61.9	-	-	-	-	-	-	-	61.9
Accounts payable and tax liabilities	688.1	-	6.1	-	-	-	-	-	694.2
Financial derivatives		11.6		17.8		4.0		(10.1)	23.3
TOTAL	**1,707.5**	**104.7**	**750.3**	**191.5**	**914.1**	**156.8**	**3,614.3**	**256.2**	**7,695.3**

Future interest payments on loans and derivative instruments are determined based on anticipated market interest rates.

5.2.2. Covenants and financial ratios

The Group monitors the following elements:

Financial covenants

		Covenants	12/31/2018
LTV bank covenant	Maximum	< 52%	41.7%
ICR	Minimum	> 2	6.00x
CDC's stake	Minimum	34%	38.8%
Value of Property Investment assets [a]	Minimum	from > €1.7bn to > €7bn	€13.4bn
Debt from Property Development subsidiaries/consolidated gross debt	Maximum	< 20%	0.8%
Security interests in assets	Maximum	< 20% of property investment assets	6.9%

(a) *Around 6% of the debt subject to a covenant on the value of the Property Investment Division's portfolio has a limit of €1.7 billion, 13% of the debt has a limit of €2 billion, 11% of the debt has a limit of €5 billion and the remaining 70% has a limit of €7 billion.*

Loans taken out by the Group may be subject to covenants based on financial ratios (loan-to-value and interest coverage ratios) and to a clause on the level of control by Caisse des dépôts which may trigger early repayment. All covenants were met as of December 31, 2018.

As of December 31, 2018, Caisse des dépôts held 39.02% of voting rights and a 38.77% stake in Icade.

LTV bank covenant

The LTV (loan-to-value) bank covenant, which is the ratio of net financial liabilities and the latest valuation of the property portfolio excluding duties, stood at 41.7% as of December 31, 2018 (compared with 42.8% as of December 31, 2017).

Interest coverage ratio

The interest coverage ratio based on EBITDA plus the Group's share in profit/(loss) of equity-accounted companies was 6.00x for the financial year 2018 (6.53x in 2017). The ratio remains at a high level, demonstrating the Company's ability to comfortably comply with its bank covenants.

5.2.3. Interest rate risk

Interest rate risk includes, in the event of increased interest rates, the risk of increased finance expenses related to variable rate financial liabilities and, in the event of reduced interest rates, the risk of reduced finance income related to variable rate financial assets.

The Group has decided to focus its interest rate risk management policy on variable rate liabilities, thereby excluding the management of interest rate risk related to the assets:

	12/31/2018									
	Financial assets (A)		Financial liabilities (B)		Net exposure before hedging (C) = (B) - (A)		Interest rate hedging instruments (D)		Net exposure after hedging (E) = (D) - (C)	
(in millions of euros)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate [a]	Fixed rate	Variable rate
< 1 year			819.1	230.2	819.1	230.2	-	198.7	(819.1)	(31.5)
1 to 2 years			9.7	244.5	9.7	244.5	-	173.8	(9.7)	(70.7)
2 to 3 years			326.3	152.0	326.3	152.0	-	37.8	(326.3)	(114.2)
3 to 4 years			492.7	27.7	492.7	27.7	-	347.0	(492.7)	319.3
4 to 5 years			309.1	75.3	309.1	75.3	-	40.5	(309.1)	(34.8)
> 5 years			2,798.4	802.9	2,798.4	802.9	-	743.0	(2,798.4)	(59.9)
TOTAL			**4,755.3**	**1,532.6**	**4,755.3**	**1,532.6**	**-**	**1,540.7**	**(4,755.3)**	**8.1**

(a) *Interest rate hedges include forward start derivatives (see 5.1.4. Derivatives: analysis of notional amounts by maturity).*

To finance its investments, the Group uses variable rate debt, thus remaining able to prepay loans without penalty. As of December 31, 2018, the Group's total debt (excluding debt associated with equity interests and bank overdrafts), consisting of 77% fixed rate debt and 23% variable rate debt, was 98% hedged against interest rate risk.

The Group has continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts covering future financing needs (vanilla swaps).

In particular, 7- to 10-year swaps and forward swaps for a notional amount of €450.0 million were taken out to lock in today's historically low interest rates in the long term.

The average maturity of variable rate debt is 4.8 years and that of the associated hedges is 5.9 years.

Finally, the Group favours classifying its hedging instruments as "cash flow hedges" according to IFRS standards; therefore, any changes in fair value of such instruments are recognised directly in equity (for the effective portion) rather than in the income statement.

Due to the Group's hedging structure and the trend in interest rates in the last few financial years, changes in fair value of hedging instruments had a negative impact of €11.3 million.

The accounting impacts of a change in interest rates on the value of derivatives are described below:

	12/31/2018	
(in millions of euros)	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	70.6	2.0
Impact of a (1)% change in interest rates	(77.1)	(1.6)

5.2.4. Currency risk

Since the Group does not enter into any foreign currency transactions, it is not exposed to currency risk.

5.2.5. Credit risk

Part of credit and/or counterparty risk concerns cash and cash equivalents, as well as the banks where they are deposited. The investments chosen have maturities of less than one year and a very low risk profile, and are monitored daily. A regular review of authorised vehicles complements the control process. Additionally, in order to limit its counterparty risk, Icade only deals in interest rate derivatives with banking institutions which help fund its expansion. Furthermore, Icade only enters into financial transactions with major banking institutions and applies a principle of risk dispersion, avoiding concentration of exposure to any single counterparty.

Credit and/or counterparty risk also applies in respect of tenants. The Group has introduced procedures to verify the credit quality of customers and third parties before dealing with them. In the Property Investment Division, a customer solvency analysis is carried out and, in the Property Development Division, a check is made on the financing of insurance and guarantees. These procedures are subject to regular monitoring.

The Group's exposure to credit risk corresponds primarily to the carrying amount of accounts receivable less deposits received from customers, i.e. €421.8 million as of December 31, 2018, compared with €233.2 million as of December 31, 2017, restated for the impact of applying IFRS 15.

The Group is not significantly exposed to credit concentration risk owing to the diversity of its business activities and customers.

5.3. Fair value of financial assets and liabilities

(in millions of euros)	Carrying amount as of 12/31/2018	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 12/31/2018
ASSETS					
Financial assets at fair value through profit or loss	23.1	-	-	23.1	23.1
Financial assets at amortised cost	68.2	68.2	-	-	68.2
Derivatives	7.5	2.4	4.9	0.2	7.5
Current and non-current financial assets and derivatives	98.9	70.6	4.9	23.4	98.9
Contract assets	367.3	367.3	-	-	367.3
Accounts receivable	353.7	353.7	-	-	353.7
Other operating receivables (a)	38.5	38.5	-	-	38.5
Cash equivalents	36.1	-	-	36.1	36.1
TOTAL FINANCIAL ASSETS	**894.5**	**830.1**	**4.9**	**59.5**	**894.5**
LIABILITIES					
Current and non-current financial liabilities	6,287.8	6,287.8	-	-	6,276.5
Other current and non-current financial liabilities	66.8	66.8	-	-	66.8
Derivatives	29.6	-	27.5	2.1	29.6
Contract liabilities	9.6	9.6	-	-	9.6
Accounts payable	668.7	668.7	-	-	668.7
Other operating payables (a)	342.8	342.8	-	-	342.8
TOTAL FINANCIAL LIABILITIES	**7,405.4**	**7,375.7**	**27.5**	**2.1**	**7,394.0**

(a) Excluding agency transactions, prepaid expenses/income and social security and tax receivables/payables.

Fair value hierarchy of financial instruments

The table below presents a three-level hierarchy of the fair value of financial instruments:

- level 1: the fair value of the financial instrument corresponds to unadjusted prices quoted in active markets for identical assets or liabilities;
- level 2: the fair value of the financial instrument is established on the basis of observable data, either directly (i.e. prices), or indirectly (i.e. data derived from prices);
- level 3: the fair value of the financial instrument is determined using market data not directly observable.

(in millions of euros)	Notes	12/31/2018 Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on non-observable data	Fair value as of 12/31/2018
ASSETS					
Derivatives excluding margin calls	5.1.4		5.1		5.1
Financial assets at fair value through profit or loss	5.1.5			23.1	23.1
Cash equivalents	5.1.6	36.1			36.1
LIABILITIES					
Derivative instruments	5.1.4		29.6		29.6

The financial instruments whose fair value is determined using a valuation technique based on non-observable data are investments in unconsolidated, unlisted companies.

Note 6. Earnings per share and equity

6.1. Earnings per share

(in millions of euros)		12/31/2018	12/31/2017 restated [(a)]
Net profit/(loss) attributable to the Group from discontinued operations		(1.4)	0.3
Net profit/(loss) attributable to the Group from continuing operations		156.3	165.1
Net profit/(loss) attributable to the Group	**(A)**	**154.9**	**165.5**
Opening number of shares		74,111,186	74,111,186
Increase in the average number of shares as a result of the capital increase		214,441	-
Average number of treasury shares outstanding		(287,615)	(213,338)
Average undiluted number of shares	**(B)**	**74,038,012**	**73,897,848**
Impact of dilutive instruments (stock options and bonus shares)		76,645	73,786
Average diluted number of shares	**(C)**	**74,114,657**	**73,971,634**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE *(in €)*	**(A)/(B)**	**€2.09**	**€2.24**
Net profit/(loss) attributable to the Group from discontinued operations per share		€(0.02)	€0.00
Net profit/(loss) attributable to the Group from continuing operations per share		€2.11	€2.23
DILUTED NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE *(in €)*	**(A)/(C)**	**€2.09**	**€2.24**
Diluted net profit/(loss) attributable to the Group from discontinued operations per share		€(0.02)	€0.00
Diluted net profit/(loss) attributable to the Group from continuing operations per share		**€2.11**	**€2.23**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

6.2. Equity

Share capital

	12/31/2018		12/31/2017	
Shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Caisse des dépôts	28,895,621	38.77%	28,895,631	38.99%
Crédit Agricole Assurances Group [(a)]	13,704,789	18.39%	13,704,789	18.49%
Icamap Investments S.ar.l/GIC Pte Ltd/Future Fund Board of Guardians acting in concert [(b)]	3,858,476	5.18%	-	0.00%
Public	27,395,820	36.76%	31,111,533	41.98%
Employees	192,919	0.26%	192,589	0.26%
Treasury shares	488,116	0.65%	206,644	0.28%
TOTAL	**74,535,741**	**100.00%**	**74,111,186**	**100.00%**

(a) Number of shares held notified to the Company as of December 31, 2018.
(b) Disclosure of crossing of a shareholding threshold in accordance with the last notification send to the Company on September 27, 2018.

Change in the number of shares outstanding

	Number	Capital *(in €m)*
SHARE CAPITAL AS OF 12/31/2017	74,111,186	113.0
Capital increase in consideration for the transfer value received from ANF Immobilier	420,242	0.6
Exercise of stock options	4,313	0.0
SHARE CAPITAL AS OF 12/31/2018	74,535,741	113.6

Shares of parent company Icade SA held by third parties and that are pledged

As of December 31, 2018, no shares registered directly with Icade (not with an agent of Icade) were pledged.

Dividends

(in millions of euros)	12/31/2018	12/31/2017
Payment to shareholders of Icade SA		
◻ dividends deducted from tax-exempt fiscal profit/(loss) (in accordance with the SIIC status)	275.6	159.8
◻ dividends deducted from profit taxable at the ordinary rate	42.2	135.8
TOTAL	**317.8**	**295.6**

Dividends per share distributed in 2018 and 2017 in respect of profits for the financial years 2017 and 2016 were €4.30 and €4.00, respectively.

6.3. Non-controlling interests

In 2018, the main non-controlling interests related to:

- the Office Property Investment business;
- the Healthcare Property Investment business. In 2018, Icade Santé carried out a €160.0 million capital increase, €97.3 million of which was subscribed by the Group, bringing its ownership interest from 56.51% to 56.77% as of December 31, 2018;
- the Property Development business.

Change in non-controlling interests

(in millions of euros)	12/31/2018	12/31/2017 restated [(a)]
OPENING POSITION	774.3	665.4
Icade Santé capital increase subscribed by minority shareholders	62.7	43.5
Change in fair value of derivatives	(2.3)	1.4
Impact of changes in scope of consolidation [(b)]	(51.2)	78.9
Profit/(loss)	30.4	32.8
Dividends	(62.4)	(47.7)
CLOSING POSITION	**751.5**	**774.3**
Including Healthcare Property Investment	727.9	694.2
Including Office Property Investment	22.3	69.6
Including Property Development	1.3	1.5
Including other [(c)]	-	8.9

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.
(b) Changes in scope of consolidation mainly relate to the acquisition of ANF Immobilier and its subsidiaries.
(c) In 2017, consists of assets and liabilities held for sale.

Financial information on non-controlling interests

The share of non-controlling interests in the main items on the balance sheet, the income statement and the cash flow statement of fully-consolidated entities which are not fully owned by the Group is presented below:

Balance sheet

	12/31/2018				12/31/2017 restated [(a)]				
(in millions of euros)	Office Property Investment	Healthcare Property Investment	Property Development	Total	Office Property Investment	Healthcare Property Investment	Property Development	Other [(b)]	Total
Investment properties	152.4	1,364.2	-	1,516.6	222.6	1,287.9	-	-	1,510.5
Other non-current assets	0.1	0.6	0.3	0.9	0.7	0.9	0.3	-	1.9
Total non-current assets	**152.5**	**1,364.8**	**0.3**	**1,517.6**	**223.3**	**1,288.8**	**0.3**	**-**	**1,512.4**
Total current assets	**13.9**	**7.6**	**84.8**	**106.3**	**6.0**	**10.8**	**42.2**	**8.9**	**67.9**
TOTAL ASSETS	166.4	1,372.4	85.0	1,623.9	229.3	1,299.6	42.5	8.9	1,580.3
Non-current financial liabilities	44.7	617.0	-	661.7	95.0	516.6	-	-	611.6
Other non-current liabilities	1.2	11.9	0.2	13.3	3.2	9.5	0.3	-	13.0
Total non-current liabilities	**45.8**	**628.9**	**0.2**	**675.0**	**98.2**	**526.1**	**0.3**	**-**	**624.6**
Current financial liabilities	87.8	(7.3)	32.9	113.4	56.0	51.9	19.6	-	127.5
Other current liabilities	10.4	23.0	50.7	84.1	5.6	27.3	21.2	-	54.0
Total current liabilities	**98.2**	**15.7**	**83.6**	**197.5**	**61.6**	**79.2**	**40.7**	**-**	**181.5**
TOTAL LIABILITIES	144.1	644.6	83.8	872.4	159.7	605.3	41.0	-	806.1
NET ASSETS	**22.3**	**727.9**	**1.2**	**751.5**	**69.6**	**694.2**	**1.5**	**8.9**	**774.3**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.
(b) Consists of assets and liabilities held for sale as of December 31, 2017.

Income statement

	12/31/2018				12/31/2017 restated [a]				
(in millions of euros)	Office Property Investment	Healthcare Property Investment	Property Development	Total	Office Property Investment	Healthcare Property Investment	Property Development	Other	Total
Revenue	6.6	104.2	45.7	156.5	1.9	92.9	28.5	-	123.3
EBITDA	5.4	96.2	2.9	104.5	1.5	86.7	2.4	-	89.8
Operating profit/(loss)	1.6	46.1	2.9	50.6	0.4	44.3	2.4	-	46.2
Finance income/(expense)	(1.7)	(17.4)	(0.2)	(19.3)	(0.3)	(12.6)	(0.1)	-	(13.0)
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	(0.4)	(0.4)
NET PROFIT/(LOSS)	**(0.1)**	**28.0**	**2.5**	**30.4**	**-**	**30.9**	**2.3**	**(0.4)**	**32.8**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

Cash flow statement

(in millions of euros)	12/31/2018	12/31/2017 restated [a]
Net cash flow from operating activities	58.3	65.9
Net cash flow from investing activities	(105.0)	(78.1)
Net cash flow from financing activities	74.4	27.0
NET CHANGE IN CASH	**27.8**	**14.8**
Opening net cash	14.5	2.7
Closing net cash	42.3	17.5

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

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Note 7. Provisions

(in millions of euros)	12/31/2017	Charges	Use	Reversals	Changes in scope of consolidation	Actuarial gains and losses	Reclassification	12/31/2018
Lump-sum final payments and similar liabilities	23.1	0.5	(0.2)	-	-	(0.1)	-	23.3
Losses on contracts	0.8	0.3	(0.3)	(0.1)	-	-	-	0.7
Tax risks	3.9	-	(5.4)	(0.1)	-	-	1.6	-
Liabilities and charges – Other	41.3	15.7	(12.3)	(4.1)	0.1	-	(1.6)	39.1
PROVISIONS FOR LIABILITIES AND CHARGES	**69.0**	**16.5**	**(18.2)**	**(4.3)**	**0.1**	**(0.1)**	**-**	**63.1**
Non-current provisions	27.9	4.3	(0.9)	-	0.1	(0.1)	(1.6)	29.7
Current provisions	41.1	12.1	(17.2)	(4.2)	-	-	1.6	33.4

Provisions are made whenever the risks identified which result from past events have given rise to a current obligation and that obligation is likely to cause an outflow of resources.

The determination and analysis of lump-sum final payments and similar liabilities are described in note 9.1.

Note 8. Other items

8.1. Equity-accounted investments

The Group's share in the net assets of equity-accounted investments decreased from **€150.1 million** as of December 31, 2017 to **€139.7 million** as of December 31, 2018:

(in millions of euros)	12/31/2018 Joint ventures	12/31/2018 Associates	12/31/2018 Total value of equity-accounted companies	12/31/2017 restated [a] Joint ventures	12/31/2017 restated [a] Associates	12/31/2017 restated [a] Total value of equity-accounted companies
OPENING SHARE IN NET ASSETS	150.2	(0.1)	150.1	120.7	(0.1)	120.6
Share of profit/(loss) for the financial year	0.6	0.6	1.1	9.1	-	9.1
Dividends paid	(14.7)	(0.1)	(14.9)	13.2	(0.1)	13.1
Impact of changes in scope of consolidation and capital	3.5	(0.1)	3.4	7.2	0.1	7.3
CLOSING SHARE IN NET ASSETS	**139.5**	**0.2**	**139.7**	**150.2**	**(0.1)**	**150.1**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

The key information on the financial position of joint ventures is presented below on a Group share basis.

Balance sheet

(in millions of euros)	12/31/2018 Office Property Investment	12/31/2018 Property Development	12/31/2018 Total	12/31/2017 restated [a] Office Property Investment	12/31/2017 restated [a] Property Development	12/31/2017 restated [a] Total
Total non-current assets	**116.1**	**0.5**	**116.6**	**129.8**	**0.4**	**130.2**
Total current assets	**30.9**	**172.4**	**203.3**	**25.3**	**193.5**	**219.0**
TOTAL ASSETS	146.9	173.0	319.9	155.1	193.9	349.3
Other non-current liabilities	1.6	0.2	1.8	1.5	0.2	1.7
Total non-current liabilities	**1.6**	**0.2**	**1.8**	**1.5**	**0.2**	**1.7**
Current financial liabilities	19.8	69.0	88.8	24.8	72.1	97.1
Other current liabilities	8.7	81.1	89.9	5.6	94.7	100.1
Total current liabilities	**28.5**	**150.2**	**178.7**	**30.4**	**166.8**	**197.4**
TOTAL LIABILITIES	30.1	150.4	180.5	31.9	167.0	199.1
NET ASSETS	**116.9**	**22.6**	**139.5**	**123.3**	**26.9**	**150.2**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

Income statement

(in millions of euros)	12/31/2018 Office Property Investment	12/31/2018 Property Development	12/31/2018 Total	12/31/2017 restated [a] Office Property Investment	12/31/2017 restated [a] Property Development	12/31/2017 restated [a] Total
Revenue	8.8	102.7	111.5	9.8	122.5	132.3
EBITDA	5.0	11.4	16.4	5.8	11.5	17.1
Operating profit/(loss)	(10.2)	11.2	1.0	(1.3)	11.1	9.8
Finance income/(expense)	(0.4)	(0.1)	(0.5)	(0.6)	(0.1)	(0.7)
Income tax	-	-	-	-	(0.3)	(0.1)
NET PROFIT/(LOSS)	**(10.5)**	**11.1**	**0.6**	**(1.9)**	**11.0**	**9.1**
including depreciation net of government grants	(7.0)	(0.2)	(7.2)	(6.9)	(0.3)	(7.3)

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

8.2. Revenue

Revenue by category breaks down as follows:

(in millions of euros)	12/31/2018	12/31/2017 restated [(a)]
REVENUE	**1,771.5**	**1,620.0**
Including:		
Gross rental income from Office Property Investment	402.4	375.4
Gross rental income from Healthcare Property Investment	241.0	214.9
Construction and off-plan sale contracts from Property Development	1,122.5	1,016.6

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

The Property Development backlog, including joint ventures, represented **€1,162.8 million** as of December 31, 2018, of which €661.8 million for services not yet rendered for construction and off-plan sale contracts entered into by fully-consolidated companies.

8.3. Components of the working capital requirement

8.3.1. Inventories and work in progress: changes

	Property Development					
(in millions of euros)	Land bank	Work in progress	Unsold finished lots	Total	Office Property Investment	Total
Gross value as of 12/31/2017 restated [(a)]	136.4	300.4	26.5	463.3	1.0	464.4
GROSS VALUE AS OF 12/31/2018	114.1	352.5	29.6	496.2	1.0	497.2
Impairment as of 12/31/2017 restated [(a)]	(9.7)	(6.7)	(4.5)	(20.9)	(0.1)	(20.9)
IMPAIRMENT AS OF 12/31/2018	(9.3)	(6.6)	(1.6)	(17.5)	(0.0)	(17.5)
Net value as of 12/31/2017 restated [(a)]	126.7	293.7	22.0	442.4	0.9	443.4
NET VALUE AS OF 12/31/2018	**104.8**	**346.0**	**28.1**	**478.8**	**0.9**	**479.7**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.3.2. Contract assets and liabilities and accounts receivable

Changes in trade receivables are as follows:

(in millions of euros)	12/31/2017 restated [(a)]	Change for the period	Net reversals of impairment losses recognised in the income statement	Other [(b)]	12/31/2018
Construction contracts (advances from customers)	12.3	(3.4)	-	-	8.9
Advances, down payments and credit notes to be issued	1.5	(0.8)	-	-	0.7
CONTRACT LIABILITIES	**13.7**	**(4.2)**	**-**	**-**	**9.6**
Construction contracts	226.4	140.9	-	-	367.3
CONTRACT ASSETS – NET VALUE	**226.4**	**140.9**	**-**	**-**	**367.3**
Accounts receivable – operating leases	216.1	(1.5)	-	1.8	216.4
Financial accounts receivable – finance leases	80.3	(1.3)	-	-	78.9
Accounts receivable from revenue from ordinary activities	45.8	46.7	-	-	92.5
ACCOUNTS RECEIVABLE – GROSS VALUE	342.2	43.8	-	1.8	387.8
Impairment of receivables from leases	(26.7)	-	(0.7)	(1.8)	(29.2)
Impairment of receivables from ordinary activities	(3.3)	-	(1.6)	-	(4.9)
ACCOUNTS RECEIVABLE – IMPAIRMENT	(30.1)	-	(2.3)	(1.8)	(34.1)
ACCOUNTS RECEIVABLE – NET VALUE	**312.1**	**43.8**	**(2.3)**	**-**	**353.7**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.
(b) Other changes relate to discontinued operations.

As of December 31, the repayment schedule of accounts receivable and related accounts, net of impairment and excluding financial receivables, was as follows:

			Due				
(in millions of euros)	Total	Not yet due	< 30 days	30 < X < 60 days	60 < X < 90 days	90 < X < 120 days	> 120 days
2018	274.8	251.5	8.4	1.7	1.1	1.6	10.6
2017 [(a)]	231.9	186.2	5.9	1.2	(0.3)	2.9	36.0

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.3.3. Miscellaneous receivables

	12/31/2018			12/31/2017 restated [(a)]
(in millions of euros)	Gross	Impairment	Net	Net
Advances to suppliers	19.0	-	19.0	17.2
Receivables from asset disposals	0.6	-	0.6	1.7
Agency transactions	66.7	-	66.7	32.4
Prepaid expenses	3.1	-	3.1	14.3
Social security and tax receivables	251.0	-	251.0	206.1
Other receivables	20.1	(1.3)	18.9	19.8
TOTAL MISCELLANEOUS RECEIVABLES	**360.4**	**(1.3)**	**359.2**	**291.4**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.3.4. Miscellaneous payables

(in millions of euros)	12/31/2018	12/31/2017 restated [(a)]
Advances from customers – property investment activities	48.5	63.6
Payables on asset acquisitions	278.5	151.9
Agency transactions	66.7	32.4
Prepaid income	38.0	32.5
Tax and social security payables excluding income taxes	198.6	186.2
Other debt	14.7	22.0
TOTAL MISCELLANEOUS PAYABLES	**646.0**	**488.5**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.

8.3.5. Other assets and liabilities held for sale and discontinued operations

(in millions of euros)	12/31/2018	12/31/2017
TOTAL ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**2.0**	**11.1**
TOTAL LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS	**9.8**	**9.0**

- Assets held for sale and discontinued operations for €2.0 million relate to property assets subject to preliminary sale agreements as of December 31, 2018.
- Liabilities held for sale for €9.8 million mainly come from the remaining balance of provisions made for discontinued operations.

8.3.6. Cash flow from components of the working capital requirement

(in millions of euros)	12/31/2018	12/31/2017 restated (a)
Office Property Investment	(40.3)	(13.4)
Healthcare Property Investment	10.2	(8.3)
Property Development	(57.1)	44.3
Other	0.1	(2.7)
TOTAL CASH FLOW FROM COMPONENTS OF THE WORKING CAPITAL REQUIREMENT	**(87.1)**	**19.9**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

The **€87.1 million** increase in working capital as of December 31, 2018 is mainly attributable to:

- an increase in accounts receivable and other receivables for a total of €8.5 million and a decrease in accounts payable and other payables for a total of €21.6 million for the Property Investment Division;
- an increase in inventories and receivables for a total of €249.3 million and an increase in accounts payable and other payables for a total of €192.2 million for the Property Development Division.

8.4. Tax

8.4.1. Analysis of tax expense

(in millions of euros)	12/31/2018	12/31/2017 restated (a)
Current and deferred tax expense	(23.8)	8.3
"Exit tax" (SIIC status)	0.3	-
Company value-added contribution	(7.7)	(6.8)
TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(31.1)**	**1.5**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15 and for the reclassification of the company value-added contribution (CVAE) to "Tax expense".

The corporate tax expense amounts to €23.8 million and relates primarily to the Property Development Division.

In 2017, the tax expense included accrued income of €35.0 million received in 2018 from the refund in connection with the 3% contribution on dividends, which the French Constitutional Court had declared to be unconstitutional.

8.4.2. Reconciliation of tax expense

(in millions of euros)	12/31/2018
Profit/(loss) before tax	**216.5**
Profit/(loss) from discontinued operations	**(1.4)**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	217.9
Theoretical tax rate	**34.43%**
THEORETICAL TAX EXPENSE	(75.0)
Impact on the theoretical tax expense of:	-
Permanent differences (a)	(67.7)
Tax-exempt segment under the SIIC regime	119.2
Change in unrecognised tax assets (tax loss carry forwards)	(1.8)
Tax rate differences (France and other countries)	(0.1)
Tax borne by non-controlling interests	0.6
Other impacts (including CVAE, exit tax, provision for taxes, etc.)	(6.4)
EFFECTIVE TAX EXPENSE	**(31.1)**
EFFECTIVE TAX RATE	**14.29%**

(a) Permanent differences mainly relate to differences between the consolidated income and the taxable fiscal income from companies benefiting from the SIIC tax regime.

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8.4.3. Breakdown of deferred tax

(in millions of euros)	12/31/2018	12/31/2017 restated [(a)]
Deferred tax relating to temporary differences		
◻ Provisions for non-deductible assets	3.3	3.0
◻ Provisions for employee benefit liabilities	3.3	3.4
◻ Provisions for non-deductible liabilities	1.7	0.9
◻ Finance leases	(5.1)	(5.1)
◻ Other [(b)]	(7.4)	(8.3)
Deferred tax assets related to tax loss carry forwards	0.3	0.2
NET DEFERRED TAX POSITION	**(3.9)**	**(5.9)**
Net deferred tax assets	11.6	9.9
Net deferred tax liabilities	15.5	15.8
NET DEFERRED TAX POSITION	**(3.9)**	**(5.9)**

(a) The 2017 financial statements have been restated for the impact of applying IFRS 15.
(b) Other sources of deferred taxes mainly relate to the difference in revenue recognition between the percentage of completion method and the completed contract method for some Property Development companies.

As of December 31, 2018, unused tax loss carry forwards amounted to €22.6 million (tax base).

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Note 9. Employee compensation and benefits

9.1. Employee benefit liabilities

9.1.1. Change in employee benefit liabilities

Post-employment benefits

Lump-sum final payments and other benefits

(in millions of euros)		12/31/2018	12/31/2017
OPENING NET LIABILITIES	(1)	19.6	19.0
Impact of changes in scope of consolidation and other changes	**(2)**	**0.2**	**0.6**
Cost of services provided during the year	(a)	1.4	1.3
Finance cost for the year	(a)	0.4	0.2
Costs for the period	**∑(a)**	**1.8**	**1.5**
Benefits paid out	(3)	(1.2)	(0.7)
Net expense recognised in the income statement	**(b) = Σ(a) + (3)**	**0.6**	**0.8**
Actuarial (gains) losses for the year	(4)	(0.3)	(0.8)
Closing actuarial debt	**(A) = (1) + (2) + (b) + (4)**	**20.1**	**19.6**
Plan assets	(5)	(0.2)	-
CLOSING NET LIABILITIES	**(B) = (A) + (5)**	**19.9**	**19.6**

For the Icade group, employee benefit liabilities were valued as of December 31, 2018 according to the terms of the Single Group Agreement signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate of 1.63% as of December 31, 2018 and 1.45% as of December 31, 2017. The discount rate used for the period ended December 31, 2018 is defined based on the "iBoxx € Corporates AA 10+" reference index. This reference index represents the yields of top-rated corporate bonds as of December 31, 2018;
- male/female mortality tables:
  - male/female INSEE tables for 2012-2016 as of December 31, 2018,
  - male/female INSEE tables for 2013-2015 as of December 31, 2017;
- retirement age calculated according to statutory provisions.

Rates of salary increase and employee turnover are defined by job, occupational group and age group. Social security and tax rates on salaries are defined by job and occupational group. Lump-sum final payments are valued based on lump-sum retirement payments.

Other long-term employee benefits

Anniversary bonuses

The Group recognises long-term liabilities related to anniversary bonuses.

(in millions of euros)	12/31/2018	12/31/2017
Anniversary bonuses	3.4	3.5
TOTAL	**3.4**	**3.5**

9.1.2. Sensitivity of carrying amounts of employee benefit liabilities

Impact on net carrying amounts

(in millions of euros)

Change in discount rate	Lump-sum final payments and pensions	Anniversary bonuses	Other benefits	Total
(1.00)%	(0.1)	(0.4)	(0.5)	(1.0)
(0.50)%	(0.1)	(0.4)	(0.5)	(1.0)
+1.00%	(0.1)	(0.3)	(0.4)	(0.8)
+0.50%	(0.1)	(0.3)	(0.4)	(0.8)

9.1.3. Projected flows

(in millions of euros)

Years	Lump-sum final payments and pensions	Anniversary bonuses	Other benefits	Total
N+1	2.5	0.3	0.0	2.8
N+2	0.6	0.3	0.1	1.0
N+3	0.6	0.3	0.0	0.9
N+4	0.9	0.3	0.1	1.3
N+5	1.3	0.3	0.0	1.6
Beyond	17.3	2.1	0.6	20.0
TOTAL	**23.2**	**3.6**	**0.8**	**27.6**
Discounting	(3.7)	(0.2)	(0.2)	(4.1)
Liabilities as of 12/31/2018	19.5	3.4	0.6	23.5

9.1.4. Employee termination benefits

In the light of the decisions taken by management, termination benefits relating to the Group's employees (excluding related parties, *see note 11.1*) are not covered by any provision.

(in millions of euros)	12/31/2018	12/31/2017
Potential termination benefits	0.7	0.7
TOTAL NOT RECOGNISED	**0.7**	**0.7**

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9.2. Staff

	Average number of staff					
	Executives		Non-executives		Total employees	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Office Property Investment	315.6	295.5	104.4	107.6	420.0	403.1
Property Development	433.2	404.2	273.6	272.4	706.8	676.6
TOTAL NUMBER OF STAFF	**748.8**	**699.7**	**378.0**	**380.0**	**1,126.8**	**1,079.7**

9.3. Description of stock option and bonus share plans

9.3.1. Stock option plans

The characteristics of the stock option plan in place at December 31, 2018 and changes occurred during financial year 2018 are presented in the following table:

		Characteristics of the plans					Changes for the period					
Plans	Grant date	Vesting period	Duration of the plans	Initial strike price [(a)]	Number of options initially granted [(a)]	Strike price after applying the exchange ratio [(b)]	Number of options outstanding as of January 1, 2018	Number of options resulting from the merger with ANF [(c)]	Number of options exercised	Number of options outstanding as of December 31, 2018	Including those exercisable at the end of the period	Including those attributable to related parties
1-2011 plan	03/03/2011	4 years	8 years	80.86	147,500	80.86	24,800		4,313	20,487	20,487	6,900
2009 plan [(c)]	12/14/2009	4 years	10 years	22.55	224,659	82.60		36,066			36,066	
2010 plan [(c)]	12/15/2010	4 years	10 years	23.72	219,323	86.89		44,461			44,461	
2011 plan [(c)]	12/22/2011	4 years	10 years	21.53	216,075	78.86		4,288			4,288	
2012 plan [(c)]	04/02/2013	4 years	10 years	21.81	52,915	79.89		8,462			8,462	
2013 plan [(c) (d)]	06/23/2014	4 years	10 years	23.88	106,575	87.47		17,816			17,816	
2014 plan [(c) (d)]	11/12/2014	4 years	10 years	21.83	50,000	79.96		10,237			10,237	
TOTAL PLANS							**24,800**	**121,330**	**4,313**	**20,487**	**141,817**	**6,900**
Weighted average strike price per share *(in euros)*							**80.86**	**84.34**	**80.86**	**80.86**	**83.84**	**80.86**

(a) The number of shares and strike price at the beginning of the plan are expressed before the exchange ratio is applied for plans resulting from the merger.
(b) Strike price expressed after the exchange ratio has been applied for plans resulting from the merger.
(c) Plans initially adopted by ANF. After the merger of ANF into Icade, existing plans as of the date of entry into the Icade group were converted into Icade shares based on the exchange ratio of the merger.
(d) Plans initially adopted by ANF. The vesting period for stock options was 4 years or accelerated in the event of a change in control of the company. Such options became vested and exercisable as a result of Icade's takeover of ANF on October 23, 2017.

9.3.2. Bonus share plans

The characteristics of the bonus share plans in place as of December 31, 2018 are presented in the following table:

Original characteristics of the plans					As of January 1, 2018			Changes for the period					As of December 31, 2018		
Plans	**Grant date**	**Vesting period**	**Duration of the plans**	**Number of shares granted at the beginning of the plan [(a)]**	**Shares granted**	**Vested shares**	**Incl. contingent shares**	**Number of bonus shares resulting from the merger with ANF [(b)]**	**Shares granted**	**Vested shares**	**Released shares (that reached the end of the mandatory holding period)**	**Cancelled shares**	**Shares granted**	**Vested shares**	**Incl. contingent shares**
1-2014 plan	03/04/2014	2 years	4 years	21,990		19,095					19,095				
2-2014 plan	03/04/2014	2 years	4 years	14,250		1,256					1,256				
2015 plan [(b)]	05/23/2016	3 years	10 years	19,674				5,360				383	4,977		737
1-2016 plan	11/07/2016	2 years	3 years	31,560	27,690		-			25,680		(2,010)		25,680	
2-2016 plan [(c)]	11/07/2016	2 years	4 years	52,959	46,096		46,096			41,938		(4,158)		41,938	
1-2018 plan [(d)]	10/18/2018	2 years	3 years	44,800					44,800			(1,760)	43,040		
2-2018 plan [(e)]	12/03/2018	2 years	4 years	52,660					52,660			(428)	52,232		52,232
TOTAL					**73,786**	**20,351**	**46,096**	**5,360**	**97,460**	**67,618**	**20,351**	**(7,973)**	**100,249**	**67,618**	**52,969**

(a) The number of shares is expressed before the exchange ratio has been applied for plans resulting from the merger.
(b) Plan initially adopted by ANF. After the merger of ANF into Icade and based on the merger's exchange ratio, 19,674 unvested shares from the 2015 plan as of the date of entry into the Icade group were converted into 5,360 Icade shares.
(c) The performance conditions required to grant bonus shares in respect of the 2-2016 plan have been satisfied. These conditions were based 50% on EPRA triple net asset value per share as reported in the financial statements and 50% on the performance of Icade's share price relative to the FTSE EPRA Euro Zone Index.
(d) Plan granted to all permanent employees.
(e) Bonus share awards from the 2-2018 plan are subject to performance conditions that are based 50% on a NAV-based TSR and 50% on the performance of Icade's share price relative to the FTSE EPRA/NAREIT Eurozone Index (assuming no reinvestment of dividends). These awards may be increased by 15% in the event performance exceeds the benchmark.

9.3.3. Impact of bonus share plans on the income statement

Taking into account the vesting conditions based on the length of service in the Group, the bonus share plans represented an expense of €1.7 million for financial year 2018, including an expense of €0.2 million for related parties, to be compared with an expense of €1.6 million for financial year 2017, including an expense of €0.2 million for related parties.

Note 10. Off-balance-sheet commitments

10.1. Off-balance-sheet commitments

Commitments made

(in millions of euros)			12/31/2018	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
COMMITMENTS RELATED TO THE SCOPE OF CONSOLIDATION			15.9	14.2	-	1.7
		Put options given	7.3	7.3	-	-
		Call options given	6.9	6.9	-	-
		'No undisclosed liabilities' warranties given	1.7	-	-	1.7
FINANCING COMMITMENTS			1,005.7	92.6	373.1	540.0
Mortgage financing and lender's liens		Mortgages	496.4	17.5	128.8	350.1
		Lender's liens	218.5	52.9	154.1	11.6
Mortgage charge promises and assignments of claims		Mortgage charges promised and claims assigned as loan guarantees	290.5	22.2	90.2	178.1
Pledged securities		Pledged shares in unconsolidated subsidiaries	0.3	-	-	0.3
COMMITMENTS RELATED TO OPERATING ACTIVITIES			1,444.4	1,249.3	195.0	-
Commitments made relating to business development and asset disposals	Residual commitments in construction contracts	Property Investment: residual commitments in construction, property development and off-plan sale contracts – property under construction or refurbishment	410.2	370.4	39.7	-
	Off-plan leases	Off-plan leases – Property Investment – commitments made	183.9	143.9	40.0	-
	Commitments to sell given	Commitments to sell given – Property Investment – tangible fixed assets	3.9	3.9	-	-
	Commitments to buy given	Commitments to buy given – Property Investment – tangible fixed assets	72.4	72.4	-	-
		Commitments to buy given – Property Development – land	214.9	128.5	86.4	-
	Property Development: orders including tax	Property Development: orders including tax	491.9	491.9	-	-
	Office Property Development – Preliminary agreements signed with customers for off-plan sale and property development contracts	Office Property Development – preliminary agreements signed with customers for off-plan sale and property development contracts	8.6	8.6	-	-
Commitments made relating to the execution of operating contracts	Demand guarantees given	Demand guarantees given	21.4	-	21.4	-
	Sureties and guarantees given in respect of operating contracts	Sureties and guarantees given in respect of operating contracts	2.6	-	2.6	-
	Other commitments made	Other commitments made	34.7	29.8	4.9	-

Commitments received

(in millions of euros)			12/31/2018	Portion due in < 1 year	Portion due in > 1 year and < 5 years	Portion due in > 5 years
COMMITMENTS RELATED TO THE SCOPE OF CONSOLIDATION			24.7	15.4	9.2	-
		Put options received	6.9	6.9	-	-
		Call options received	7.3	7.3	-	-
Commitments received as part of disposals of equity investments		'No undisclosed liabilities' warranties received	10.5	1.2	9.2	-
FINANCING COMMITMENTS			1,863.0	35.1	1,827.8	-
Unused credit lines		Unused credit lines	1,863.0	35.1	1,827.8	-
COMMITMENTS RELATED TO OPERATING ACTIVITIES			3,344.3	737.5	1,374.4	1,232.4
Other contractual commitments received related to operating activities	Commitments to sell received	Commitments to sell received – Property Investment – tangible fixed assets	71.9	71.9	-	-
	Commitments to buy received	Commitments to buy received – Property Investment – tangible fixed assets	1.4	1.4	-	-
		Commitments to buy received – Property Development – land	214.9	128.5	86.4	-
	Preliminary agreements signed with customers for off-plan sale and property development contracts	Office Property Development	8.6	8.6	-	-
	Residual commitments in construction contracts	Property Investment: Property development and off-plan sale contracts – property under construction or refurbishment	6.8	6.8	-	-
		Off-plan lease agreements – commitments received	584.6	153.3	184.8	246.5
	Residual commitments in construction contracts	Bank guarantees received – construction work	47.1	39.5	7.6	-
	Demand guarantees	Demand guarantees received – rent guarantees – Property Investment	27.6	2.0	2.1	23.6
		Demand guarantees received – Property Development	37.8	11.3	26.5	-
Other commitments received		Security deposits received for rents – private healthcare facilities	2,253.7	275.2	1,042.1	936.4
		Security deposits received for rents – other assets	73.7	23.1	24.9	25.8
		Other sureties and guarantees received	16.1	15.9	0.1	-

10.2. Information on leases (from the lessor's and lessee's perspective)

10.2.1. Finance leases and operating leases (from the lessor's perspective)

(in millions of euros)		12/31/2018	12/31/2017
Existing finance leases at the reporting date			
Total gross initial investment in the lease	**A**	**178.5**	**178.5**
Lease payments due	**B**	**45.7**	**40.1**
Gross initial investment in the lease to be made not later than one year		5.7	5.6
Gross initial investment in the lease to be made later than one year and not later than five years		23.8	23.4
Gross initial investment in the lease to be made later than five years		103.4	109.4
GROSS INVESTMENT IN THE LEASE AT THE REPORTING DATE	C = A - B	132.8	138.4
Earned finance income at the reporting date	**D**	**38.3**	**34.1**
Unearned finance income at the reporting date	**E = C - I - D - F**	**54.7**	**59.0**
Impact of unwinding of discount	**F**	**(10.0)**	**(8.0)**
Present value of unguaranteed residual values accruing to the lessor	G	-	-
Present value of the minimum lease payments to be received not later than one year		3.4	3.6
Present value of the minimum lease payments to be received later than one year and not later than five years		12.5	12.9
Present value of the minimum lease payments to be received later than five years		33.9	36.8
TOTAL PRESENT VALUE OF THE MINIMUM LEASE PAYMENTS TO BE RECEIVED	H = C - D - E - F - G	49.8	53.3
Net investment in the lease	**I**	**49.8**	**53.3**
Unguaranteed residual values accruing to the lessor		**-**	**-**

(in millions of euros)	12/31/2018	12/31/2017
MINIMUM LEASE PAYMENTS TO BE RECEIVED UNDER OPERATING LEASES	3,991.9	3,690.9
Not later than one year	606.9	600.2
Later than one year and not later than five years	1,992.6	1,841.7
Later than five years	1,392.3	1,249.0

10.2.2. Operating leases (from the lessee's perspective)

(in millions of euros)	12/31/2018	12/31/2017
Lease expenses	**(12.9)**	**(9.6)**
Not later than one year	(10.2)	(6.8)
Later than one year and not later than five years	(30.6)	(14.7)
Later than five years	(82.4)	(50.1)
MINIMUM LEASE PAYMENTS TO BE MADE UNDER OPERATING LEASES	(123.2)	(71.6)

Note 11. Additional information

11.1. Related parties

11.1.1. Management personnel compensation

(in millions of euros)	12/31/2018	12/31/2017
Short-term employee benefits (salaries, bonuses, etc.) [(a)]	6.0	5.5
Share-based payments	0.2	0.2
BENEFITS RECOGNISED	6.2	5.7
Termination benefits	0.7	0.7
TOTAL NOT RECOGNISED	0.7	0.7
TOTAL	**6.9**	**6.4**

(a) Figures include employer contributions.

Management personnel consists of the persons who, during or at the end of the reporting period, were directors or members of the Executive Committee of Icade SA.

11.1.2. Related party relationships

	12/31/2018			12/31/2017		
	Parent company	Other	Total	Parent company	Other	Total
Related receivables	0.1	62.6	62.7	0.4	26.4	26.8
Related payables	0.2	87.8	88.0	1.1	0.5	1.6

Related-party transactions are entered into with companies related to the Caisse des dépôts group.

In the income statement, the main transactions relate to property developments by the Property Development Division for a total price of €40.6 million.

11.2. Events after the reporting period

None.

11.3. Statutory Auditors' fees

	MAZARS				PRICEWATERHOUSE COOPERS AUDIT			
	(in millions of euros)		*(in %)*		*(in millions of euros)*		*(in %)*	
	2018	2017	2018	2017	2018	2017	2018	2017
Audit, certification, review of individual and consolidated financial statements								
Issuer	0.5	0.5	39.9%	35.7%	0.5	0.6	42.8%	43.8%
Fully-consolidated subsidiaries	0.6	0.7	52.6%	51.9%	0.5	0.7	50.7%	51.9%
Services other than the certification of financial statements								
Issuer	0.1	0.1	5.5%	7.5%	0.1	0.1	6.2%	4.3%
Fully-consolidated subsidiaries	-	0.1	2.0%	4.9%	-	-	0.0%	-
TOTAL	**1.2**	**1.4**	**100.0%**	**100.0%**	**1.1**	**1.3**	**100.0%**	**100.0%**

Services provided by the Board of Statutory Auditors to Icade SA and its controlled entities other than the certification of financial statements primarily include the provision of various certificates (bank covenants, net asset value, etc.), the independent third-party body report on social, environmental and societal disclosures, work performed in the context of bond issues (comfort letters) and due diligence assignments.

11.4. Registered office

The registered office of the company Icade SA is situated at 27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France.

11.5. Scope of consolidation

Full = full consolidation Equity = equity method	Legal form	12/31/2018 % direct stake	% 2018 ownership interest	Joint ventures/ Associates	Method of consolidation	2017 % 2017 ownership interest
OFFICE PROPERTY INVESTMENT DIVISION						
ICADE	SA		Parent company		Full	
GIE ICADE MANAGEMENT	GIE	100.00	100.00		Full	100.00
BUSINESS PARKS						
BATI GAUTIER	SCI	100.00	100.00		Full	100.00
OFFICES						
PARC DU MILLÉNAIRE	SCI	100.00	100.00		Full	100.00
68 VICTOR HUGO	SCI	100.00	100.00		Full	100.00
PDM 1	SCI	100.00	100.00		Full	100.00
PDM 2	SCI	100.00	100.00		Full	100.00
ICADE LÉO LAGRANGE (formerly VILLEJUIF)	SCI	100.00	100.00		Full	100.00
MESSINE PARTICIPATIONS	SCI	100.00	100.00		Full	100.00
MORIZET	SCI	100.00	100.00		Full	100.00
CAMILLE DESMOULINS	SCI	100.00	100.00		Full	100.00
1 TERRASSE BELLINI	SCI	33.33	33.33	Joint ventures	Equity	33.33
ICADE RUE DES MARTINETS	SCI	100.00	100.00		Full	100.00
ICADE TOUR EQHO	SAS	100.00	100.00		Full	100.00
LE TOLBIAC	SCI	100.00	100.00		Full	100.00
ÉVRY MOZART	SCI	100.00	100.00		Full	100.00
SAS ICADE TMM	SAS	100.00	100.00		Full	100.00
SCI ISSY HOLDING CŒUR DE VILLE	SCI	49.00	49.00	Associates	Equity	49.00
SA ANF IMMOBILIER	SA		Merger			89.02
SNC LES BASSINS À FLOTS	SNC	100.00	100.00		Full	89.02
SCI LAFAYETTE	SCI	54.98	54.98		Full	48.06
SCI STRATÈGE	SCI	54.98	54.98		Full	48.06
SCI SILKY WAY	SCI	70.00	70.00		Full	57.86
SCI FUTURE WAY	SCI	50.55	50.55		Full	45.00
SCI NEW WAY	SCI	100.00	100.00		Full	44.75
SCI ORIANZ	SCI	65.31	65.31		Full	58.14
SCI FACTOR E.	SCI	65.31	65.31		Full	58.14
SAS FINANCIÈRE DES BROTTEAUX	SAS		Disposal			17.80
OTHER ASSETS						
BASSIN NORD	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BÂTIMENT SUD DU CENTRE HOSP PONTOISE	SCI	100.00	100.00		Full	100.00
SCI BSM DU CHU DE NANCY	SCI	100.00	100.00		Full	100.00
SARVILEP	SAS	100.00	100.00		Full	100.00
SCI ANF IMMOBILIER HOTELS	SCI	77.00	77.00		Full	68.55
OTHER						
ICADE 3.0	SASU	100.00	100.00		Full	100.00
CYCLE-UP	SAS	50.00	50.00	Joint ventures	Equity	50.00
HEALTHCARE PROPERTY INVESTMENT						
ICADE SANTÉ	SAS	56.77	56.77		Full	56.77
SAS FONCIÈRE MSR	SAS		Merger			56.51
SAS PATRIMOINE ET SANTÉ	SAS		Acquisition and merger			
SCI TONNAY INVEST	SCI	100.00	56.77		Full	
SCI PONT DU CHÂTEAU INVEST	SCI	100.00	56.77		Full	
SNC SEOLANES INVEST	SNC	100.00	56.77		Full	
SCI SAINT AUGUSTINVEST	SCI	100.00	56.77		Full	
SCI CHAZAL INVEST	SCI	100.00	56.77		Full	

Full = full consolidation Equity = equity method	Legal form	12/31/2018 % direct stake	% 2018 ownership interest	Joint ventures/ Associates	Method of consolidation	2017 % 2017 ownership interest
SCI DIJON INVEST	SCI	100.00	56.77		Full	
SCI COURCHELETTES INVEST	SCI	100.00	56.77		Full	
SCI ORLÉANS INVEST	SCI	100.00	56.77		Full	
SCI MARSEILLE LE ROVE INVEST	SCI	100.00	56.77		Full	
SCI GRAND BATAILLER INVEST	SCI	100.00	56.77		Full	
SCI SAINT CIERS INVEST	SCI	100.00	56.77		Full	
SCI SAINT SAVEST	SCI	100.00	56.77		Full	
SCI BONNET INVEST	SCI	100.00	56.77		Full	
SCI GOULAINE INVEST	SCI	100.00	56.77		Full	
OPPCI ICADE HEALTHCARE EUROPE	SPPPICAV	100.00	100.00		Full	
PROPERTY DEVELOPMENT						
RESIDENTIAL PROPERTY DEVELOPMENT						
SCI DU CASTELET	SCI	100.00	100.00		Full	100.00
SARL B.A.T.I.R. ENTREPRISES	SARL	100.00	100.00		Full	100.00
SCI LONGCHAMP CENTRAL FAC	SCI	100.00	100.00		Full	100.00
ST CHARLES CHANCEL	SCI	100.00	100.00		Full	100.00
SARL FONCIÈRE ESPACE ST CHARLES	SARL	86.00	86.00		Full	86.00
MONTPELLIERAINE DE RENOVATION	SARL	86.00	86.00		Full	86.00
SCI ST CHARLES PARVIS SUD	SCI	58.00	58.00		Full	58.00
MSH	SARL	100.00	100.00		Full	100.00
SARL GRP ELLUL-PARA BRUGUIERE	SARL	100.00	100.00		Full	100.00
SNC LE CLOS DU MONESTIER	SNC	100.00	100.00		Full	100.00
SCI LES ANGLES 2	SCI	75.50	75.50		Full	75.50
SARL DOMAINE DE LA GRANGE	SARL	51.00	51.00		Full	51.00
SCI CASTEL D'UZEGES	SCI	62.50	62.50		Full	62.50
SNC MARINAS DEL SOL	SNC	100.00	100.00		Full	100.00
SCI LE BELEM	SCI	100.00	100.00		Full	100.00
SCI CŒUR MARINE	SCI	99.00	99.00		Full	99.00
SCI LES BASTIDES D'UZEGES	SCI	62.50	62.50		Full	62.50
SCI LES JARDINS D'HARMONY	SCI	100.00	100.00		Full	100.00
SCI CŒUR CATALUNA	SCI	100.00	100.00		Full	100.00
SNC MÉDITERRANÉE GRAND ARC	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI ROYAL PALMERAIE	SCI	100.00	100.00		Full	100.00
SCI LA SEIGNEURIE	SCI	62.50	62.50		Full	62.50
ICADE PROMOTION LOGEMENT	SAS	100.00	100.00		Full	100.00
CAPRI PIERRE	SARL	99.92	99.92		Full	99.92
SNC CHARLES	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI TERRASSE GARONNE	SCI	49.00	49.00	Joint ventures	Equity	49.00
SCI MONNAIE – GOUVERNEURS	SCI	70.00	70.00		Full	70.00
SCI ERSTEIN LA FILATURE 3	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI STIRING WENDEL	SCI	75.00	75.00		Full	75.00
STRASBOURG R. DE LA LISIÈRE	SCI	33.00	33.00	Joint ventures	Equity	33.00
SCI KEMBS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LES SYMPHONIES	SNC	66.70	66.70		Full	66.70
SCI LES PLEIADES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC LA POSÉIDON	SNC	100.00	100.00		Full	100.00
JARDINS D ALMERIA	SCI	50.00	50.00	Joint ventures	Equity	50.00
TERRASSES ALHAMBRA	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PARC	SCI	50.00	50.00	Joint ventures	Equity	50.00
LE PRINTEMPS DES ROUGIÈRES	SARL	96.00	96.00		Full	96.00
LES ALPINES	SCI	100.00	100.00		Full	100.00
SNC MONTBRILLAND	SNC	87.00	87.00		Full	87.00

Full = full consolidation Equity = equity method	Legal form	12/31/2018 % direct stake	% 2018 ownership interest	Joint ventures/ Associates	Method of consolidation	2017 % 2017 ownership interest
SNC STE FOY – VALLON DES PRÉS	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI PIERRE AUDRY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BRENIER	SCI	95.00	95.00		Full	95.00
SCI GERLAND ILÔT 3	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI GERLAND ILÔT 4	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI 460 AVENUE DE PESSICART	SCI	50.00	50.00	Joint ventures	Equity	50.00
PARC DU ROY D'ESPAGNE	SNC	50.00	50.00	Joint ventures	Equity	50.00
LE DOMAINE DU ROY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI JEAN DE LA FONTAINE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI 101 CHEMIN DE CREMAT	SCI	50.00	50.00	Joint ventures	Equity	50.00
MARSEILLE PINATEL	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC 164 PONT DE SÈVRES	SNC	65.00	65.00		Full	65.00
SCI LILLE LE BOIS VERT	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LES LYS DE MARGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI GARCHES 82 GRANDE RUE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI RUEIL CHARLES FLOQUET	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VALENCIENNES RESIDENCE DE L'HIPPODROME	SCI	75.00	75.00		Full	75.00
SCI COLOMBES ESTIENNES D'ORVES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI VILLA DES GARDES	SCI	75.00	75.00		Full	75.00
SCI BOULOGNE SEINE D2	SCI	17.33	17.33	Associates	Equity	17.33
BOULOGNE VILLE A2C	SCI	17.53	17.53	Associates	Equity	17.53
BOULOGNE VILLE A2D	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2E	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE VILLE A2F	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B1	SCI	18.23	18.23	Associates	Equity	18.23
BOULOGNE 3-5 RUE DE LA FERME	SCI	13.21	13.21	Associates	Equity	13.21
BOULOGNE PARC B2	SCI	17.30	17.30	Associates	Equity	17.30
SCI LIEUSAINT RUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
BOULOGNE PARC B3A	SCI	16.94	16.94	Associates	Equity	16.94
BOULOGNE PARC B3F	SCI	16.94	16.94	Associates	Equity	16.94
SCI ROTONDE DE PUTEAUX	SCI	33.33	33.33	Joint ventures	Equity	33.33
SAS AD2B	SAS	100.00	100.00		Full	100.00
SCI CHÂTILLON AVENUE DE PARIS	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI FRANCONVILLE – 1 RUE DES MARAIS	SCI	49.90	49.90	Joint ventures	Equity	49.90
LES TUILERIES	SCI		Dissolution			50.00
ESSEY LÈS NANCY	SCI	75.00	75.00		Full	75.00
SCI LE CERCE DES ARTS – HOUSING	SCI	37.50	37.50		Full	37.50
LE CLOS STANISLAS	SCI	75.00	75.00		Full	75.00
LES ARCHES D'ARS	SCI	75.00	75.00		Full	75.00
ZAC DE LA FILATURE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LA SUCRERIE – HOUSING	SCI	37.50	37.50		Full	37.50
SCI LA JARDINERIE – HOUSING	SCI	37.50	37.50		Full	37.50
LES COTEAUX DE LORRY	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI LE PERREUX ZAC DU CANAL	SCI	72.50	72.50		Full	72.50
SCI BOULOGNE VILLE A3 LA	SCI	17.40	17.40	Associates	Equity	17.40
SNC NANTERRE MH17	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC SOISY AVENUE KELLERMAN	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC ST FARGEAU HENRI IV	SNC	60.00	60.00		Full	60.00
SCI ORLÉANS ST JEAN LES CÈDRES	SCI	49.00	49.00	Joint ventures	Equity	49.00
RUE DE LA VILLE	SNC	100.00	99.99		Full	99.99
BEAU RIVAGE	SCI	100.00	99.99		Full	99.99
33 RUE DE LA RÉPUBLIQUE	SCI	55.00	55.00		Full	55.00

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JARDINS DE LA SEIGNEURERIE	SCI	60.00	60.00		Full	60.00
RUE DU 11 NOVEMBRE	SCI	100.00	100.00		Full	100.00
RUE GUSTAVE PETIT	SCI	100.00	100.00		Full	100.00
RUE DEBLORY	SCI	100.00	100.00		Full	100.00
RUE DU MOULIN	SCI	100.00	100.00		Full	100.00
IMPASSE DU FORT	SCI	100.00	100.00		Full	100.00
RUE CHATEAUBRIAND	SCI	100.00	100.00		Full	100.00
SCI AVENUE DE GUISE	SCI	100.00	100.00		Full	100.00
LE GAND CHÊNE	SCI	100.00	100.00		Full	100.00
DUGUESCLIN DÉVELOPPEMENT	SAS	100.00	100.00		Full	100.00
DUGUESCLIN & ASSOCIÉS MONTAGNE	SAS	100.00	100.00		Full	100.00
CHALET DE LA VANNOISE	SCI	33.33	33.33	Joint ventures	Equity	33.33
BALCONS DU SOLEIL	SCI	40.00	40.00	Joint ventures	Equity	40.00
DU LIZE LE MAS DES OLIVIERS	SCI	50.00	50.00	Joint ventures	Equity	50.00
CDP THONON	SCI	33.33	33.33	Joint ventures	Equity	33.33
SCI RÉSID. SERVICE DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI RÉSID. HOTEL DU PALAIS	SCI	100.00	100.00		Full	100.00
SCI LE VERMONT	SCI	40.00	40.00	Joint ventures	Equity	40.00
SCI HAGUENAU RUE DU FOULON	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC URBAVIA	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI GERTWILLER 1	SCI	50.00	50.00		Full	50.00
SCCV LES VILLAS DU PARC	SCCV	100.00	100.00		Full	100.00
SCI RUE BARBUSSE	SCI	100.00	100.00		Full	100.00
SCI SOPHIA PARK	SCI	50.00	50.00	Joint ventures	Equity	50.00
LES HAUTS DE L'ESTAQUE	SCI	51.00	51.00		Full	51.00
ROUBAIX RUE DE L'OUEST	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCV CHATILLON MERMOZ FINLANDE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DES COSTIÈRES	SCI	60.00	60.00		Full	60.00
SARL LAS CLOSES	SARL	50.00	50.00	Joint ventures	Equity	50.00
SCI CHAMPS S/MARNE RIVE GAUCHE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI BOULOGNE SEINE D3 PP	SCI	33.33	33.33	Associates	Equity	33.33
SCI BOULOGNE SEINE D3 D1	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 E	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 DEF COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 ABC COMMERCES	SCI	27.82	27.82	Associates	Equity	27.82
SCI BOULOGNE SEINE D3 F	SCI	16.94	16.94	Associates	Equity	16.94
SCI BOULOGNE SEINE D3 C1	SCI	16.94	16.94	Associates	Equity	16.94
SCCV SAINTE MARGUERITE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC ROBINI	SNC	50.00	50.00	Joint ventures	Equity	50.00
SCI LES TERRASSES DU SABLASSOU	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV LES PATIOS D'OR – GRENOBLE	SCCV	80.00	80.00		Full	80.00
SCI DES AUBÉPINES	SCI	60.00	60.00		Full	60.00
SCI LES BELLES DAMES	SCI	66.70	66.70		Full	66.70
SCI PLESSIS LÉON BLUM	SCI	80.00	80.00		Full	80.00
SCCV RICHET	SCCV	100.00	100.00		Full	100.00
SCI BOULOGNE PARC B4B	SCI	20.00	20.00	Associates	Equity	20.00
SCI ID	SCI	53.00	53.00		Full	53.00
SNC PARIS MACDONALD PROMOTION	SNC	100.00	100.00		Full	100.00
RESIDENCE LAKANAL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
CŒUR DE VILLE	SARL	70.00	70.00		Full	70.00
SCI CLAUSE MESNIL	SCCV	50.00	50.00	Joint ventures	Equity	50.00
ROUEN VIP	SCCV	100.00	100.00		Full	100.00

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OVALIE 14	SCCV	80.00	80.00		Full	80.00
SCCV VILLA ALBERA	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI ARKADEA LA ROCHELLE	SCI	100.00	100.00		Full	100.00
SCCV FLEURY MÉROGIS LOT1.1	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MÉROGIS LOT1.2	SCCV	70.00	70.00		Full	70.00
SCCV FLEURY MÉROGIS LOT3	SCCV	100.00	100.00		Full	100.00
SCI L'ENTREPÔT MALRAUX	SCI	65.00	65.00		Full	65.00
SCCV CERGY – LES PATIOS D'OR	SCCV	67.00	67.00		Full	67.00
MULHOUSE LES PATIOS D'OR	SCCV	40.00	40.00	Joint ventures	Equity	40.00
SCCV CLERMONT-FERRAND LA MONTAGNE	SCCV	90.00	90.00		Full	90.00
SCCV NICE GARE SUD	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SEP COLOMBES MARINE	SEP	25.00	25.00	Joint ventures	Equity	25.00
SCI CLAYE SOUILLY – L'ORÉE DU BOIS	SCI	80.00	80.00		Full	80.00
SCI BONDOUFLE – LES PORTES DE BONDOUFLE	SCI	80.00	80.00		Full	80.00
SCCV ÉCOPARK	SCCV	90.00	90.00		Full	90.00
SCI FI BAGNOLET	SCI	90.00	90.00		Full	90.00
SCI ARKADEA TOULOUSE LARDENNE	SCI	100.00	100.00		Full	100.00
SCCV 25 BLD ARMÉE DES ALPES	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV HORIZON PROVENCE	SCCV	58.00	58.00		Full	58.00
SARL DOMAINE DE FAHAM	SARL	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CROIX ROUSSE	SCI	70.00	70.00	Joint ventures	Equity	70.00
SCCV SÈTE – QUAI DE BOSC	SCCV	90.00	90.00		Full	90.00
SCI SAINT FARGEAU CENTRE	SCI	70.00	70.00		Full	70.00
SCCV RIVES DE SEINE – BOULOGNE YC2	SCCV	80.00	80.00		Full	80.00
SCI BLACK SWANS	SCI	85.00	85.00		Full	85.00
SCCV CANAL STREET	SCCV	100.00	100.00		Full	100.00
SCCV BLACK SWANS TOUR B	SCCV	85.00	85.00		Full	85.00
SCCV ORCHIDÉES	SCCV	51.00	51.00		Full	51.00
SCCV MEDICADE	SCCV	80.00	80.00		Full	80.00
SCI PERPIGNAN LESAGE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC TRIGONES NÎMES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV BAILLY CENTRE VILLE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV MONTLHÉRY LA CHAPELLE	SCCV	100.00	100.00		Full	100.00
SCI ARKADEA MARSEILLE SAINT VICTOR	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCCV SAINT FARGEAU 23 FONTAINEBLEAU	SCCV	70.00	70.00		Full	70.00
SCCV CARENA	SCCV	51.00	51.00		Full	51.00
SCCV BLACK SWANS TOUR C	SCCV	85.00	85.00		Full	85.00
SCCV TOURS RÉSIDENCE SENIOR MÉLIÈS	SCCV	99.96	99.96		Full	99.96
SCI CAEN LES ROBES D'AIRAIN	SCI	60.00	60.00		Full	60.00
SCI CAPITAINE BASTIEN	SCI	80.00	80.00		Full	80.00
SCCV THERESIANUM CARMÉLITES	SCCV	65.00	65.00		Full	65.00
SCI PERPIGNAN CONSERVATOIRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI LILLE WAZEMMES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV ANTONY	SCCV	100.00	100.00		Full	80.00
SCCV SAINT FARGEAU LEROY BEAUFILS	SCCV	65.00	65.00		Full	65.00
SCI ST ANDRÉ LEZ LILLE – LES JARDINS DE TASSIGNY	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV CARIVRY	SCCV	51.00	51.00		Full	51.00
SCCV L'ÉTOILE HOCHE	SCCV	60.00	60.00		Full	60.00
SCCV LES PINS D'ISABELLA	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SCCV LES CÔTEAUX LORENTINS	SCCV	100.00	100.00		Full	100.00
SCCV ROSNY 38-40 JEAN JAURÈS	SCCV	100.00	100.00		Full	100.00
SCCV CARETTO	SCCV	51.00	51.00		Full	51.00

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SNC MASSY VILGENIS	SNC	50.00	50.00		Full	50.00
SCCV MASSY CHÂTEAU	SCCV	50.00	50.00		Full	50.00
SCCV MASSY PARC	SCCV	50.00	50.00	Associates	Equity	50.00
SCCV NEUILLY S/MARNE QMB 10B	SCCV	50.00	50.00		Full	50.00
SCCV VITA NOVA	SCCV	70.00	70.00		Full	70.00
SCCV NEUILLY S/MARNE QMB 1A	SCCV	44.45	44.45	Associates	Equity	44.45
SCCV LE RAINCY RSS	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV LE MESNIL SAINT DENIS SULLY	SCCV	90.00	90.00		Full	99.99
SCCV 1-3 RUE D'HOZIER	SCCV	45.00	45.00	Joint ventures	Equity	40.06
SAS LE CLOS DES ARCADES	SAS	50.00	50.00	Joint ventures	Equity	50.00
SCCV LE PETIT ROBINSON	SCCV	50.00	50.00		Full	50.00
SCCV CUGNAUX – LÉO LAGRANGE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV COLOMBES MARINE LOT A	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT B	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT D	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV COLOMBES MARINE LOT H	SCCV	25.00	25.00	Joint ventures	Equity	25.00
SCCV LES BERGES DE FLACOURT	SCCV	65.00	65.00		Full	
SCCV LE PLESSIS-ROBINSON ANCIENNE POSTE	SCCV	75.00	75.00		Full	
SCCV QUAI 56	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV CARE44	SCCV	51.00	51.00		Full	
SCCV LE PIAZZA	SCCV	70.00	70.00		Full	
SCCV ICAGIR RSS TOURS	SCCV	50.00	50.00	Joint ventures	Equity	
SSCV ASNIÈRES PARC B8 B9	SCCV	50.00	50.00	Joint ventures	Equity	
SSCV SAINT FARGEAU 82-84 AVENUE DE FONTAINEBLEAU	SCCV	70.00	70.00		Full	
SAS PARIS 15 VAUGIRARD LOT A	SAS	50.00	50.00	Joint ventures	Equity	
SCCV PARIS 15 VAUGIRARD LOT C	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV SARCELLES – RUE DU 8 MAI 1945	SCCV	51.00	51.00		Full	
SCCV SARCELLES – RUE DE MONTFLEURY	SCCV	51.00	51.00		Full	
SCCV MASSY PARC 2	SCCV	50.00	50.00	Associates	Equity	
SCCV CANTEROUX	SCCV	50.00	50.00		Full	
SCCV SOHO	SCCV	51.00	51.00		Full	
SCCV IPK NIMES CRESPON	SCCV	51.00	51.00		Full	
SCCV BEARN	SCCV	65.00	65.00		Full	
SCCV ASNIÈRES PARC B2	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV PERPIGNAN AVENUE D'ARGELÈS	SCCV	50.00	50.00	Joint ventures	Equity	
SCCV 117 AVENUE DE STRASBOURG	SCCV	70.00	70.00		Full	
SCCV MARCEL PAUL VILLEJUIF	SCCV	100.00	100.00		Full	
SCCV MAISON FOCH	SCCV	40.00	40.00		Full	
SCCV CHÂTENAY MALABRY LA VALLÉE	SCCV	50.10	50.10		Full	
SCCV LOT 2G2 IVRY CONFLUENCES	SCCV	51.00	51.00		Full	
SCCV LA PÉPINIÈRE	SCCV	100.00	100.00		Full	
SNC IP1R	SNC	100.00	100.00		Full	
SNC IP3M LOGT	SNC	100.00	100.00		Full	
OFFICE PROPERTY DEVELOPMENT						
PARIS BERTHELOT	SCI	50.00	50.00	Joint ventures	Equity	50.00
SNC ICADE PROMOTION TERTIAIRE	SNC	100.00	100.00		Full	100.00
ICADLEO	SNC	66.67	66.67		Full	66.67
SORIF ICADE LES PORTES D'ESPAGNE	SNC	50.00	50.00	Joint ventures	Equity	50.00
PORTES DE CLICHY	SCI	50.00	50.00	Joint ventures	Equity	50.00
MONTROUGE CAP SUD	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCCV SAINT DENIS LANDY 3	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SNC SAMICADE	SNC	50.00	50.00	Joint ventures	Equity	50.00

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SNC DU PLESSIS BOTANIQUE	SNC	100.00	100.00		Full	100.00
SNC GERLAND 1	SNC	50.00	50.00	Joint ventures	Equity	50.00
SNC GERLAND 2	SNC	50.00	50.00	Joint ventures	Equity	50.00
CITE SANITAIRE NAZARIENNE	SNC	60.00	60.00		Full	60.00
SNC DU CANAL ST LOUIS	SNC	100.00	100.00		Full	100.00
CAP EST LOISIR	SCI	50.00	50.00	Joint ventures	Equity	50.00
ICAPROM	SNC	45.00	45.00	Joint ventures	Equity	45.00
SCCV LE PERREUX CANAL	SCCV	72.50	72.50		Full	72.50
ARKADEA SAS	SAS	50.00	50.00	Joint ventures	Equity	50.00
SAMICADE GUADELOUPE	SNC		Dissolution			40.00
CHRYSALIS DÉVELOPPEMENT	SAS	35.00	35.00	Joint ventures	Equity	35.00
MACDONALD BUREAUX	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCI 15 AVENUE DU CENTRE	SCI	50.00	50.00	Joint ventures	Equity	50.00
SAS CORNE OUEST VALORISATION	SAS	25.00	25.00	Associates	Equity	25.00
SAS ICADE-FF-SANTÉ	SAS	65.00	65.00		Full	65.00
SCI BOURBON CORNEILLE	SCI	100.00	100.00		Full	100.00
SCI SEINE CONFLUENCES	SCI	50.00	50.00	Joint ventures	Equity	50.00
SCI ARKADEA FORT DE FRANCE	SCI	51.00	51.00		Full	51.00
SCCV SKY 56	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV OCEAN COMMERCES	SCCV	100.00	100.00		Full	100.00
SCCV SILOPARK	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SCCV TECHNOFFICE	SCCV	50.00	50.00	Joint ventures	Equity	50.00
SARL LE LEVANT DU JARDIN	SARL	50.67	50.67		Full	50.67
SAS OCEAN AMÉNAGEMENT	SAS	51.00	51.00		Full	51.00
SCI ARKADEA RENNES TRIGONE	SCI	51.00	51.00	Joint ventures	Equity	51.00
SCI ARKADEA LYON CREPET	SCI	65.00	65.00	Joint ventures	Equity	65.00
SCCV LE SIGNAL/LES AUXONS	SCCV	51.00	51.00		Full	51.00
SCCV LA VALBARELLE	SCCV	49.90	49.90	Joint ventures	Equity	49.90
SNC ISSY CŒUR DE VILLE PROMOTION BUREAUX	SNC	49.00	49.00	Joint ventures	Equity	49.00
SAS ANF IMMOBILIER DÉVELOPPEMENT	SAS	100.00	100.00		Full	89.02
SCCV HOTELS A1-A2	SCCV	50.00	50.00	Joint ventures	Equity	44.51
SCCV BUREAUX B-C	SCCV	50.00	50.00	Joint ventures	Equity	44.51
SCCV MIXTE D-E	SCCV	50.00	50.00	Joint ventures	Equity	44.51
SCCV CASABONA	SCCV	51.00	51.00		Full	
SNC VERSAILLES PION	SNC	100.00	100.00		Full	
SCCV GASTON ROUSSEL ROMAINVILLE	SCCV	75.00	75.00		Full	
SNC IP2T	SNC	100.00	100.00		Full	

3. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2018

To the Shareholders of Icade,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Icade for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 1.1 to the consolidated financial statements, which describes the impacts of the change in accounting policy as a result of the first-time application of IFRS 9 and IFRS 15 and of the change in accounting policy relating to the tax charge "value-added contributions".

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation and impairment risk of investment properties (Notes 1.9, 1.11 and 4 to the consolidated financial statements)

Description of risk

At December 31, 2018, the carrying value of investment properties amounted to €9,236 million in the consolidated balance sheet, representing 79% of the Group's assets. Investment properties are held to earn rentals or for capital appreciation (or both).

Investment properties are recognised at cost less accumulated depreciation and any impairment, which is determined based on their fair value. Fair value is also used to determine key indicators of the Group's performance and financial situation, such as net asset value and the loan-to-value ratio. Management has implemented a process for determining the fair value of the investment property portfolio, based on valuations performed by independent external appraisers and supplemented by an internal valuation process.

Measuring the fair value of a property asset is a complex exercise which involves making estimations. Thorough knowledge of the investment property market and significant judgement are required to determine the most appropriate valuation assumptions, such as: yield rate, discount rate, market rental values, cost estimates for construction work to be carried out and the estimated date of completion (in particular, for investment property under development) and any lease incentives (rent-free periods, works, etc) granted to tenants.

We deemed the valuation and impairment risk of investment properties to be a key audit matter due to the materiality of the corresponding amounts in the consolidated financial statements, the high degree of judgement and estimation involved in determining the main valuation assumptions used and the potentially high sensitivity of the investment properties' fair value to these assumptions.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the process implemented by management to communicate data inputs to the external appraisers and to review the related values provided by said appraisers;
- collecting the external appraisers' engagement letters and assessing their competency and independence with respect to the Group;
- obtaining the appraisal valuation reports; critically assessing (i) the valuation methods used, (ii) the market inputs used (yield rate, discount rate, market rental values, etc.) and (iii) the assetspecific assumptions used (in particular, the cost estimates for construction work to be carried out and the estimated date of completion for investment property under development); and testing, on a sample basis, the data used (construction costs, rental market conditions, etc.);
- conducting interviews with management and the external appraisers to discuss their valuation of the overall property portfolio and the individual asset values with the most significant or unexpected fluctuations;
- verifying the amounts booked with respect to impairment;
- verifying the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Measurement of revenue and income from property development activities (Notes 1.6 and 1.15 to the consolidated financial statements)

Description of risk

Revenue from property development activities amounted to €1,122 million in 2018, representing 63% of consolidated revenue.

The Group carries out its property development activities through construction contracts and off-plan sales (VEFA), for which revenue and margins are booked based on the estimated percentage of the construction and commercial work completed at the end of the year and recognised using the percentage of completion method. A provision for loss at completion is recognised when it is probable that the final overall cost of a project will be higher than the expected revenue.

The amounts recognised with respect to revenue, margins and provisions for loss at completion depend on the ability of management to reliably estimate the construction costs incurred on a project at the reporting date and the construction costs still to be incurred as well as the amount of future revenue until the end of the project. This is notably the case for projects with specific characteristics or significant deviations from initial estimates, in terms of construction costs or the percentage of completion of construction or commercial work.

We deemed the measurement of revenue and income from property development activities to be a key audit matter due to the materiality of the corresponding amounts recognised in the consolidated financial statements, the number of ongoing projects and the high degree of judgement and estimation involved in forecasting revenue and final construction costs.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the processes implemented by management to estimate revenue and construction costs and selecting a sample of projects to review the components of the cost, forecast revenue and the percentage of completion of construction and commercial work;
- for projects requiring specific attention (for example, because of significant or unusual changes in costs or in the percentage of completion of construction or commercial work), performing additional procedures, including conducting interviews with management and, where appropriate, gathering supporting evidence to confirm our understanding of the percentage of completion of said projects and to verify that they have been properly recognised in the consolidated financial statements;
- on the basis of all operating budgets, ensuring the proper recognition of revenue and margins to be booked using the percentage of completion method and of losses at completion;
- verifying the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the management report includes the consolidated non-financial information statement required under Article L. 225-102-1 of the French Commercial Code. However, in accordance with Article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Icade by the General Meetings held on March 22, 2006 for Mazars and June 22, 2012 for PricewaterhouseCoopers Audit.

At December 31, 2018, Mazars and PricewaterhouseCoopers Audit were in the thirteenth and the seventh year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Paris La Défense and Neuilly-sur-Seine, March 18, 2019

The Statutory Auditors

Mazars	**Pricewaterhousecoopers Audit**
Gilles MAGNAN	Éric BULLE

7. SEPARATE ANNUAL FINANCIAL STATEMENTS

1. Financial statements

Balance sheet

Assets (in thousands of euros)	Notes	Gross amount	Depreciation and impairment	Net amount as of 12/31/2018	Net amount as of 12/31/2017
Uncalled capital (I)		-	-	-	-
FIXED ASSETS					
Intangible fixed assets					
Research and development costs		-	-	-	-
Concessions, patents and similar rights		2,202	1,518	684	-
Real property rights and technical merger deficits		23	19	4	838
Other intangible fixed assets		1,095	-	1,095	177
Advances and down payments on intangible fixed assets		-	-	-	-
TOTAL INTANGIBLE FIXED ASSETS	3	3,320	1,537	1,783	1,015
Tangible fixed assets					
Land		1,233,904	82,803	1,151,101	1,145,371
Buildings		2,972,048	1,145,764	1,826,284	2,053,373
Other tangible fixed assets		900,548	116,044	784,504	858,974
Assets under construction		588,825	94	588,731	232,571
Advances and down payments on tangible fixed assets		7,749	-	7,749	6,065
TOTAL TANGIBLE FIXED ASSETS	3	5,703,074	1,344,705	4,358,369	4,296,354
Financial fixed assets					
Equity investments	4	2,423,460	129,890	2,293,570	2,517,306
Receivables associated with equity investments	5.1	1,147,823	-	1,147,823	1,231,954
Other long-term securities		-	-	-	-
Loans		411	-	411	199
Other financial fixed assets (including treasury shares)		95,559	4,626	90,933	15,612
Advances and down payments on financial fixed assets		-	-	-	-
TOTAL FINANCIAL FIXED ASSETS		3,667,253	134,516	3,532,737	3,765,071
TOTAL FIXED ASSETS (II)		**9,373,647**	**1,480,758**	**7,892,889**	**8,062,440**
CURRENT ASSETS					
Inventories					
Raw materials and supplies		-	-	-	-
Land and land bank		957	47	910	949
Advances and down payments on orders		**9,491**	-	**9,491**	**6,278**
Receivables					
Accounts receivable and related accounts	6.1	137,081	27,281	109,800	102,951
Other receivables	6.1	77,106	1,262	75,844	87,522
Group and associates	5.1	565,313	-	565,313	306,916
Called-up capital		-	-	-	-
Miscellaneous					
Investment securities (including treasury shares)		7,919	819	7,100	4
Derivative instruments	7.1.1	12,303	363	11,940	29,015
Cash assets	7.1.2	452,672	-	452,672	231,079
Accruals and prepayments					
Prepaid expenses		257	-	257	3,492
TOTAL CURRENT ASSETS (III)		**1,263,099**	**29,772**	**1,233,327**	**768,206**
Deferred charges (IV)	7.1.3	17,551	-	17,551	20,321
Bond redemption premiums (V)	7.1.3	23,242	-	23,242	17,501
TOTAL ASSETS (I TO V)		**10,677,539**	**1,510,530**	**9,167,009**	**8,868,468**

Liabilities (in thousands of euros)	Notes	12/31/2018	12/31/2017
EQUITY			
Share capital	8.1	113,614	112,967
Share premiums, merger premiums, contribution premiums, etc.		2,712,196	2,690,667
Revaluation differences		185,729	185,729
Legal reserve		11,297	11,297
Reserves required by the Articles of Association or contractually		-	-
Regulated reserves		-	-
Other reserves		-	-
Retained earnings		89,970	279,143
Including interim dividends		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		185,833	128,616
TOTAL		**3,298,639**	**3,408,419**
Government investment grants		6,652	6,798
Regulated provisions		8,961	6,256
TOTAL EQUITY (I)	8.3	3,314,252	3,421,473
OTHER EQUITY INSTRUMENTS			
Bonds redeemable in shares		-	-
Conditional advances		-	-
TOTAL OTHER EQUITY INSTRUMENTS (II)		-	-
PROVISIONS FOR LIABILITIES AND CHARGES			
Provisions for liabilities		16,648	19,962
Provisions for charges		7,374	3,394
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (III)	9	24,022	23,356
DEBT			
Financial liabilities	**7.2**		
Other bonds		3,783,354	3,378,349
Loans and borrowings from credit institutions		688,963	806,479
Miscellaneous borrowings and financial liabilities		610,839	743,827
Group and associates		356,006	229,606
Operating liabilities	**6.3**		
Advances and down payments received for work in progress		31,165	35,432
Accounts payable and related accounts		56,503	51,702
Tax and social security liabilities		26,769	25,483
Liabilities on fixed assets and related accounts		219,022	90,638
Other debt		13,074	25,799
Miscellaneous			
Derivative instruments		6,859	14
Accruals and prepayments			
Prepaid income		36,181	36,310
TOTAL DEBT (IV)		5,828,735	5,423,639
TOTAL LIABILITIES (I TO IV)		**9,167,009**	**8,868,468**

Income statement

(in thousands of euros)	Notes	12/31/2018	12/31/2017
Operating income			
Revenue	11.1.1	298,355	284,242
Capitalised production			
Government operating grants		133	-
Reversals of depreciation and provision, reclassification of expenses		158,411	134,611
Other operating income		105,369	93,977
TOTAL OPERATING INCOME		562,268	512,830
Operating expenses			
Purchases and changes in inventory		64,460	61,454
Outside services		89,754	85,523
Taxes, duties and similar payments		51,538	47,659
Wages and salaries	10.1	6,566	4,252
Social security expenses	10.1	2,628	1,807
Depreciation and impairment charges		212,836	193,847
Impairment charges on current assets		10,378	18,900
Provisions for liabilities and charges		11,767	2,110
Other expenses		3,368	12,461
TOTAL OPERATING EXPENSES		453,295	428,013
OPERATING PROFIT/(LOSS)	**11.1.2**	**108,973**	**84,817**
Joint operations			
Profit or loss borne		-	-
Finance income			
Finance income from equity investments		251,627	178,603
Income from other securities and fixed asset receivables			
Other interest and similar income		2,896	7,158
Reversals of provisions, impairment and reclassification of expenses		5,983	2,748
Net gains on disposal of investment securities		4,408	158
TOTAL FINANCE INCOME		264,914	188,667
Finance expenses			
Depreciation, impairment and provision charges for financial assets		25,009	7,597
Interest and similar expenses		122,541	136,654
Net losses on disposal of investment securities		6,110	18
TOTAL FINANCE EXPENSES		153,660	144,269
FINANCE INCOME/(EXPENSE)	**11.2**	**111,254**	**44,398**
RECURRING PROFIT/(LOSS) BEFORE TAX		**220,227**	**129,215**
Non-recurring income			
Non-recurring income from management transactions		2,333	10
Non-recurring income from capital transactions		470,534	29,943
Reversals of provisions, impairment and reclassification of expenses		4,322	451
TOTAL NON-RECURRING INCOME		477,189	30,404
Non-recurring expenses			
Non-recurring expenses from management transactions		56	3
Non-recurring expenses from capital transactions		504,272	47,383
Non-recurring depreciation, impairment and provision charges		2,920	4,244
TOTAL NON-RECURRING EXPENSES		507,248	51,630
NON-RECURRING PROFIT/(LOSS)	**11.3**	**(30,059)**	**(21,226)**
Employee profit-sharing plans		-	-
Corporate tax		4,335	(20,627)
TOTAL INCOME		**1,304,371**	**731,901**
TOTAL EXPENSES		**1,118,538**	**603,285**
NET PROFIT/(LOSS)		**185,833**	**128,616**

2. Notes to the financial statements

Note 1. Main events of the financial year

1.1. Merger with ANF

In October 2017, Icade acquired Eurazeo's controlling interest in ANF Immobilier. In H1 2018, Icade raised its stake in this company by increasing the percentage of shares held to 90.84% compared to 85.17% as of December 31, 2017.

On June 28 and 29, 2018, the Combined General Meetings of Icade and ANF Immobilier approved the merger of ANF Immobilier into Icade based on a share exchange ratio of 3 Icade shares for 11 ANF Immobilier shares, i.e. 0.273 Icade share for one ANF Immobilier share. This transaction is retroactive to January 1, 2018 from an accounting and tax standpoint.

This transaction resulted in an increase in Icade's share capital through the creation of 420,242 new shares, for a total of €24,129 thousand, including a nominal value of €641 thousand and a merger premium of €23,489 thousand before deduction of merger costs.

1.2. Financing put in place in the financial year 2018 and restructuring of financial liabilities

In 2018, Icade carried out:

- the issue of a 10-year, €600,000 thousand bond with an annual coupon of 1.625% and the repurchase of three existing bonds for €200,000 thousand. This bond repurchase resulted in a termination payment of €11,310 thousand.

Furthermore, in 2018, Icade:

- prepaid €158,675 thousand in bank loans.

1.3. Other legal restructuring

Icade's Board of Directors authorised the legal restructuring measures set out in the table below. These were carried out at book value.

Company	Decision of Icade's Board of Directors	Type of measure	Effective legal date	Effective accounting and tax date	Accounting impact
ANF IMMOBILIER SA	05/16/2018	Merger	06/30/2018	01/01/2018	Merger deficit of €98,052 thousand
ICADE REIT B.V.	07/20/2018	Merger	10/02/2018	06/01/2018	Merger reserve of €8,354 thousand

Note 2. Accounting methods and principles

2.1. Standards applied

The annual financial statements of the Company were prepared as of December 31, 2018 in accordance with the requirements of the French Commercial Code, the general chart of accounts and other applicable requirements. They were approved by Icade's Board of Directors on February 15, 2019. The previous annual financial statements published by Icade for the year ended December 31, 2017 had been prepared and approved using the same principles and methods.

2.2. Basis of measurement, judgement and use of estimates

The financial statements were prepared based on a historical cost approach.

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, the assessment of any positive or negative unanticipated events as of the reporting date, and income and expenses for the financial year.

The significant estimates made by the Company to prepare its financial statements mainly related to the recoverable amount of tangible and intangible fixed assets as specified in the paragraph "Procedures for carrying out tangible and intangible asset impairment tests", financial fixed assets as specified in the paragraph "Equity investments, receivables associated with equity investments and other long-term securities", and the measurement of employee benefits and provisions as specified in the paragraphs "Provisions" and "Employee benefits".

Due to the uncertainties inherent in any measurement process, the Company reviews its estimates on the basis of regularly updated information. The future revenues of the projects concerned may differ from those estimates.

2.3. Activity of the Company

The Company engages in three main activities:

- leasing property assets including offices, business parks, warehouses and residential units;
- managing healthcare property assets;
- operating as a holding company and providing financing to the subsidiaries of the Icade group.

As a result, the Company's revenues mainly consist of two types of income:

- lease income from property assets including offices, business parks, warehouses and residential units;
- services such as property management, asset management, administrative and accounting management, particularly for the Healthcare business activity carried out by the Company Icade Santé and its subsidiaries.

Other operating income is mainly composed of the following three types of income:

- service charges and taxes recharged to tenants in accordance with their lease agreements;
- expenses incurred on behalf of subsidiaries and recharged to them;
- royalties for the Icade trademark.

2.4. Intangible fixed assets

An intangible asset is a non-monetary asset that does not have any physical substance but is both identifiable and controlled by the Company as a result of past events and which may bring future economic benefits. An intangible asset is identifiable if it can be separated from the acquiree or if it stems from legal or contractual rights.

Intangible fixed assets whose useful lives can be determined are amortised using the straight-line method over their estimated useful lives.

Procedures for impairment of intangible fixed assets

- Finance leases are measured on an individual basis as follows: the fair value of the lease is equal to the fair value of the property asset (as determined by an independent valuer) less the outstanding principal amount. The fair value of each lease is compared to the sum of the tangible and intangible asset, as the case may be. In the event of impairment, the intangible asset is impaired first, and then the tangible asset. If the impairment amount is greater than the value of the assets, a provision for liabilities is recorded as a liability.
- Real property rights are tested on an individual basis as follows: the fair value of the property asset (as determined by an independent valuer) is compared to the sum of the intangible and tangible asset, as the case may be. In the event of impairment, the intangible asset is impaired first, and then the tangible asset.

Impairment losses may subsequently be reversed if the recoverable amount again becomes higher than the net carrying amount.

2.5. Tangible fixed assets

Tangible fixed assets consist mainly of properties held to earn rentals or for capital appreciation, or both.

In accordance with ANC Regulation No. 2014-03, the properties are recognised at cost, less accumulated depreciation and any impairment as specified in the paragraph "Procedures for carrying out tangible and intangible asset impairment tests".

Cost of properties

The cost of properties consists of:

- the purchase price stated in the deed or the construction costs, including non-refundable taxes, after deducting any trade discounts, rebates or cash discounts;
- the cost of restoration work;
- all directly attributable costs incurred in order to put the property in a condition to be leased in accordance with the use intended by management. Thus, transfer duties, fees, commissions and fixed legal expenses related to the acquisition, and commissions related to leasing are included in the cost;
- costs of bringing the property into compliance with safety and environmental regulations;
- capitalised borrowing costs as specified in the paragraph "Capitalised borrowing costs".

Depreciation procedures

In accordance with ANC Regulation No. 2014-03, the gross carrying amount is split into separate components which have their own useful lives.

Properties are depreciated on a straight-line basis over periods which correspond to their expected useful lives. Land is not depreciated. The depreciation periods used (in years) are as follows:

	Offices and business parks			
Components	**Haussmann building**	**Other properties**	**Residential**	**Other assets**
Roads, networks, distribution	100	40-60	50	15
Structural works	100	60	50	30
External structures	30	30	25	20
General and technical equipment	20-25	10-25	25	10-15
Internal fittings	10-15	10-15	15-25	10-15
Specific equipment	10-30	10-30	15-25	10

Useful lives are revised at each reporting date, particularly in respect of properties which are the subject of a restoration decision.

Where events, changes in the market environment or internal factors indicate a risk of impairment of investment properties, they are tested for impairment, as specified in the paragraph "Procedures for carrying out tangible and intangible asset impairment tests".

Properties which, on an exceptional basis, are leased with an option to buy, are not divided into components and are the subject of financial depreciation.

Compensation for termination of lease

When a lease is terminated, the Company may have to pay compensation to a former tenant. Three types of situations may arise:

- termination compensation is paid in order to vacate premises which require reconstruction or renovation; it is then capitalised by including it in the cost of the related tangible assets;
- termination compensation is paid in order to vacate premises for a potential future tenant; it is then recognised as an expense for the financial year in which it was incurred;
- termination compensation is paid following advanced negotiations for the signing of a lease with a new tenant; it is then capitalised and amortised over the lease term on the same basis as lease income.

Government investment grants

Government investment grants received are recognised in equity. These are recognised as income over the useful life of the depreciable asset.

Procedures for carrying out intangible and tangible asset impairment tests

Pursuant to ANC Regulation No. 2014-03, at each reporting date and at the time of each interim financial report, assets must be checked to see if there is any indication that they may have been impaired.

Indications of impairment include:

- a substantial decline in the market value of the asset;
- a change in the technological, economic or legal environment.

Impairment of an asset is recognised where its recoverable amount is less than its net carrying amount.

Procedures for impairment of property

The recoverable amount of a property is the higher of the fair market value less disposal costs, and the value in use. The fair market value is the market value excluding duties, as determined by independent property valuers. The value in use is the present value of expected lease income from those assets.

If there is any indication of impairment, and where the estimated recoverable amount is less than the net carrying amount, the difference between those two figures is recognised as an impairment loss. Recognising an impairment loss entails a review of the depreciable amount and, as the case may be, of the depreciation schedule for the properties concerned. Impairment tests take into account any technical merger deficits allocated to property assets.

Impairment losses on properties may subsequently be reversed if the recoverable amount again becomes higher than the net carrying amount. The value of the asset after reversal of the impairment loss should not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

Although carried out by independent property valuers, it should be remembered that valuing a property asset is a complex estimation exercise, which is also subject from one year to the next to the changing economic climate and the volatility of some of the market parameters used, particularly yields and discount rates.

Therefore, in order to take into account the inherent difficulties of valuing a property asset and to avoid recognising an impairment loss that Icade might have to fully or partially reverse in the next financial statements, the Company only recognises an impairment loss if the unrealised capital loss on the property assets is more than 5% of the net carrying amount before impairment. It is determined whether or not this threshold has been crossed for each individual asset or for each group of assets, where these assets are interdependent as, for example, in the case of business park assets. If this threshold is exceeded, the impairment loss recognised is the total amount of unrealised capital losses.

This impairment loss is adjusted upwards or downwards at each reporting date to reflect changes in the value of the asset and its net carrying amount, remembering that if the impairment loss is less than 5% of the net carrying amount before impairment, the previously recognised impairment loss is reversed.

For properties acquired less than three months before the reporting date and recognised in the financial statements at their acquisition price including transfer taxes, the unrealised capital loss corresponding to transfer taxes and other acquisition costs is not recognised as an impairment loss.

2.6. Operating and finance leases

In the course of its business activities, the Company uses assets taken under operating or finance leases and assets given under operating leases.

Accounting by lessees

For both operating and finance leases, lease payments are recognised as an expense over the lease term on a straight-line basis.

Accounting by lessors

Lease income from operating leases is recognised by lessors on a straight-line basis over the shorter of the entire lease term and the period to the next break option. Consequently, any specific clauses and incentives specified in the leases (rent-free periods, progressive rent, lease premiums) are spread over the shorter of the entire lease term and the period to the next break option, without taking rent escalation into account. The reference period used is the shorter of the entire lease term and the period to the next break option.

Any expenses directly incurred and paid to third parties to set up a lease are recorded as assets, under the heading "Tangible fixed assets", and depreciated over the shorter of the entire lease term and the period to the next break option.

2.7. Capitalised borrowing costs

The Company has elected to include borrowing costs directly attributable to construction or production in the cost of the corresponding asset.

Borrowing costs are deducted from finance expenses and included in the construction costs up to the completion date of the works.

Capitalised borrowing costs are determined as follows:

- where funds are borrowed in order to build a specific asset, the borrowing costs that are eligible for capitalisation are the costs actually incurred over the financial year less any investment income on the temporary investment of those borrowings;
- where the borrowed funds are used to build several assets, the borrowing costs that are eligible for capitalisation are determined by applying a capitalisation rate to the construction costs. This capitalisation rate is equal to the weighted average of borrowing costs for the year, other than those of borrowings taken out for the purpose of building specific assets. The capitalised amount may not exceed the amount of costs actually borne.

2.8. Equity investments, receivables associated with equity investments and other long-term securities

Equity investments and other long-term securities are recognised as assets at cost, contribution or subscription value, excluding expenses. Receivables associated with equity investments are recognised at their nominal value.

If the recoverable amount is lower than the net carrying amount, an impairment loss is recognised as a finance expense.

Equity investments

Subsequent to their purchase, equity instruments, whether listed or not, are measured based on their value in use. This value is primarily determined in accordance with the following criteria: the adjusted net asset value and the profitability of the Company, estimated mainly by reference to the enterprise value net of financial liabilities. The enterprise value is calculated using the discounted cash flow method and, where appropriate, the multiples method. In the particular instance of the investment in Icade Promotion, the enterprise value is determined by an independent valuer based on a multi-criteria analysis. Investments in property investment companies are valued based on the net asset value including any unrealised capital gains or losses on property assets, measured using the fair values determined by independent property valuers.

Receivables associated with equity investments and other related parties

Cash advances subject to a repayment schedule are classified as "Receivables associated with equity investments and other related parties". Other cash advances are classified as "Advances to associates". Advances are intended to cover the financing needs of subsidiaries' operations.

Receivables associated with equity investments are only impaired if the corresponding securities have previously been fully impaired. The impairment loss is equal to the recoverable amount of the securities less their carrying amount, within the limit of the nominal value of the receivable.

Assessment of the recoverability of receivables associated with equity investments in partnerships also takes into account the situation of other associates.

Other long-term securities

For investments in listed companies, the recoverable amount is determined on the basis of the average price over the last month of the financial year.

For investments in unlisted companies, the recoverable amount is estimated using recognised valuation methods (reference to recent transactions, discounted cash flow, share of net assets, etc.). On an exceptional basis, some securities which do not have a quoted price in an active market and whose recoverable amount cannot be measured reliably, are valued at acquisition cost.

2.9. Inventories

Inventories are recognised at acquisition or production cost. At each reporting date, they are valued at the lower of their cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion or the estimated costs necessary to make the sale.

2.10. Accounts receivable

Accounts receivable primarily consist of short-term receivables. An impairment loss is recognised if the carrying amount is higher than the recoverable amount. Accounts receivable are impaired on a case-by-case basis according to various criteria such as collection problems, litigation or the debtor's situation.

2.11. Investment securities

Investment securities are recognised as assets at acquisition price. An impairment loss is recognised if the realisable value is less than the net carrying amount.

2.12. Icade treasury shares

Treasury shares held under the liquidity contract are classified as "Investment securities". Other treasury shares are classified as "Other financial fixed assets". As these are listed shares, the recoverable amount is defined as the average share price over the last month of the period in order to determine any impairment at the reporting date. Impairment losses are recognised for unrealised capital losses.

2.13. Provisions

A provision is recognised if the Company has a probable obligation that arises from past events, the settlement of which is expected to result in an outflow of resources without an offsetting inflow at least equivalent, and the value of which can be estimated reliably.

Identified risks of any kind, particularly operational and financial risks, are monitored on a regular basis, which makes it possible to determine the amount of provisions deemed necessary.

2.14. Employee benefits

Retirement benefit and anniversary bonus liabilities

Retirement benefit plans, similar payments and other employee benefits, which are considered as defined benefits plans (plans under which the Company undertakes to guarantee a defined amount or level of benefit), are recognised on the balance sheet on the basis of an actuarial assessment of liabilities as of the reporting date, less the fair value of the assets of the related plan which are dedicated to them. Contributions paid under plans which are considered as defined contribution plans, i.e. where the Company has no obligation other than to pay the contributions, are recognised as an expense for the year.

The provision recorded in the financial statements is calculated according to the projected unit credit method and takes into account the related social security expenses.

Actuarial gains and losses are due to differences between the assumptions used and reality, or changes in the assumptions used to calculate liabilities and the assets assigned to cover them:

- employee turnover rates;
- rates of salary increases;
- discount rates;
- mortality tables;
- rates of return on plan assets.

Actuarial gains or losses are recognised as profit or loss for the financial year in which they are incurred.

As the accounting rules do not provide for a specific treatment in the case of legislative or regulatory reforms impacting an existing plan, the Company elected to consider that such reforms result in a change of plan and the impact is treated as past service costs to be spread over the remaining vesting period.

A provision calculated based on the likelihood of employees reaching the seniority required for each milestone is recorded in respect of anniversary bonuses and such bonuses are recalculated at each reporting date.

Retirement benefit and anniversary bonus liabilities are valued by an independent actuary.

Employee profit sharing and performance incentive plans

The provision for the employee profit sharing plan and the provision for the employee performance incentive plan are determined in accordance with the agreements currently in place for the Icade group.

2.15. Financial liabilities and interest rate hedges

Financial liabilities

Loans and other interest-bearing financial liabilities are recognised at their nominal repayment value. Issue costs and premiums are generally recognised as assets and spread out on a straight-line basis over the loan period.

Derivatives and hedge accounting

The Company uses financial derivatives (swaps, interest rate options and swaptions) to hedge its exposure to market risk stemming from interest rate fluctuations. Derivatives are used as part of a Group policy on interest rate risk management.

Unrealised capital gains and losses resulting from the difference between the market value of contracts estimated at the reporting date and their nominal value are not recorded.

The fair value of derivatives as shown in the notes is measured using commonly accepted models (discounted cash flow method, Black and Scholes model, etc.) and based on market data.

Premiums paid when interest rate options are purchased are amortised on a straight-line basis over the life of these instruments.

When an instrument eligible for hedge accounting is unwound or reaches maturity, two scenarios are possible:

- first case: the hedging instrument is unwound or reaches maturity while the hedged item still exists.

  In this case, hedge accounting continues to apply to the gain or loss realised on the unwound hedging instrument. The gain or loss realised is then carried over to a balance sheet suspense account provided that the hedged item itself has no impact on the income statement. Otherwise, it is recognised through profit or loss over the remaining life of the hedged item to offset the profit or loss recognised for the hedged item itself;
- second case: the hedging instrument is unwound or reaches maturity and the hedged item also reaches maturity.

  In this case, hedge accounting ceases to apply to the gain or loss realised on the hedging instrument. Termination payments in respect of hedges are immediately recognised through profit or loss.

2.16. Tax

The Company is eligible for the tax regime for French listed real estate investment companies ("SIICs", under Article 208 C of the French General Tax Code), which provides for an exemption from tax on net lease income and capital gains on disposal of investment property.

In return for exemption from corporate tax, the application of the SIIC tax regime entails, among others, specific dividend payment obligations:

- 95% of profits from leasing activities;
- 70% of capital gains on disposals;
- 100% of dividends paid by subsidiaries which have opted for the SIIC tax regime.

Furthermore, the Company's fiscal income is divided into two separate segments:

- a segment exempt from tax on current income from leasing activities, capital gains on disposals and dividends received from subsidiaries subject to the SIIC tax regime;
- a segment that is taxable under ordinary tax rules in respect of other operations.

Note 3. Fixed assets, investments and gains or losses on disposal of intangible and tangible assets

3.1. Intangible and tangible fixed assets

Gross fixed assets (in thousands of euros)	12/31/2017	Mergers and contributions	Increases, acquisitions, asset creations	Decreases, disposals or scrapped assets	Transfer from one line item to another	12/31/2018
Intangible fixed assets	9	1,447	-	-	746	2,202
Real property rights and technical merger deficits	16,724	24	-	(16,724)	-	24
Including technical merger deficits on intangible fixed assets	*13,030*	-	-	*(13,030)*	-	-
Other intangible fixed assets	177	-	1,664	-	(746)	1,095
INTANGIBLE FIXED ASSETS	16,910	1,470	1,664	(16,724)	-	3,321
Land	1,228,732	29,685	18,461	(42,974)	-	1,233,904
Buildings	2,016,890	72,267	18,679	(245,288)	16,381	1,878,929
Fixtures and fittings	1,228,820	30,440	13,926	(225,550)	45,483	1,093,118
Other tangible fixed assets	1,050,901	709	-	(186,024)	34,962	900,547
Including technical merger deficits on land	*465,156*	*297*	-	*(61,716)*	*9,575*	*413,311*
Including technical merger deficits on buildings, fixtures and fittings	*584,576*	-	-	*(124,177)*	*25,387*	*485,787*
Tangible fixed assets under construction	237,678	53,857	413,683	(21,976)	(94,416)	588,825
Advances on tangible fixed assets	6,065	-	4,094	-	(2,410)	7,749
TANGIBLE FIXED ASSETS	5,769,086	186,957	468,842	(721,812)	-	5,703,073
TOTAL GROSS FIXED ASSETS	**5,785,996**	**188,428**	**470,506**	**(738,536)**	**-**	**5,706,393**

The decrease in "Real property rights and technical merger deficits" is due to the sale of a warehouse in Strasbourg which benefited from a permission to temporarily occupy a plot of land belonging to the Independent Port of Strasbourg and the sale of the Axe Seine building which was held under a finance lease.

For the year 2018, the amount of borrowing costs included in the gross value of fixed assets totalled €1,919 thousand.

The main disposals in the financial year are described in note 3.5 "Gains or losses on disposal of property assets".

3.2. Investments made during the financial year

Investments (in thousands of euros)	Operating property asset acquisitions	Off-plan property asset acquisitions	Projects under development	Other investments	12/31/2018
Offices	47,593	153,760	133,676	40,876	375,905
Business parks	-	-	57,382	34,571	91,953
Other property assets	-	-	-	984	984
INVESTMENTS IN PROPERTY ASSETS	47,593	153,760	191,058	76,431	468,842
Other tangible fixed assets	-	-	-	-	-
TOTAL INVESTMENTS	**47,593**	**153,760**	**191,058**	**76,431**	**468,842**

During the financial year 2018, Icade exercised its option under the finance lease for the Axe Seine building located in Nanterre to purchase this building for €47,593 thousand with a view to subsequently selling it.

Investments in off-plan property developments related to:

- the construction of Latécoère's future headquarters in Toulouse for €12,708 thousand;
- the continuation of the avenue Gambetta (completion in 2019) and Go Spring projects for €56,430 thousand and €58,686 thousand, respectively; and the Eko Active and Le Castel (in Marseille) buildings for €15,190 thousand and €10,746 thousand, respectively.

Projects under development related mainly to the following buildings: Origine for €109,186 thousand, Pulse for €53,386 thousand, and a building in the Portes de Paris business park for €12,589 thousand.

Other investments, which added up to €76,431 thousand, related primarily to:

- works to business parks in operation for a total of €29,849 thousand (including Portes de Paris for €11,372 thousand and Rungis for €10,885 thousand);
- works to office buildings in operation for €33,576 thousand;
- lease incentives and broker fees for €10,160 thousand.

3.3. Depreciation and impairment of intangible and tangible fixed assets

Depreciation and impairment (in thousands of euros)	12/31/2017	Mergers and contributions	Depreciation and impairment charges	Decreases	Transfer from one line item to another	12/31/2018
Intangible fixed assets	(9)	(1,303)	(206)	0	-	(1,518)
Real property rights and technical merger deficits	(15,886)	(18)	(72)	15,957	-	(20)
Including technical merger deficits on intangible fixed assets	*(13,030)*	-	-	*13,030*	-	-
Other intangible fixed assets	-	-	-	-	-	-
INTANGIBLE FIXED ASSETS	(15,895)	(1,321)	(279)	15,957	-	(1,538)
Land	(83,361)	-	(1,160)	1,718	-	(82,803)
Buildings	(542,309)	(9,169)	(73,053)	85,716	26	(538,789)
Fixtures and fittings	(650,028)	(13,596)	(89,612)	146,287	(26)	(606,975)
Other tangible fixed assets	(191,927)	(288)	(42,374)	118,545	-	(116,044)
Including technical merger deficits on land	*(97,520)*	-	*(42)*	*88,591*	-	*(8,971)*
Including technical merger deficits on buildings, fixtures and fittings	*(93,155)*	-	*(42,261)*	*29,666*	-	*(105,750)*
Tangible fixed assets under construction	(5,107)	-	-	5,014	-	(94)
TANGIBLE FIXED ASSETS	(1,472,732)	(23,053)	(206,200)	357,280	(0)	(1,344,705)
DEPRECIATION AND IMPAIRMENT	**(1,488,627)**	**(24,374)**	**(206,479)**	**373,238**	**(0)**	**(1,346,242)**
NET CARRYING AMOUNTS OF FIXED ASSETS	**4,297,369**	**164,054**	**264,027**	**(365,299)**	**(0)**	**4,360,151**

3.4. Impairment losses by type of property asset

Impairment losses by type of property asset (in thousands of euros)	12/31/2017	Charges	Reversals relating to assets sold	Other reversals	Transfer from one line item to another	12/31/2018
Offices	(119,451)	(1,745)	21,887	7,658	-	(91,651)
Business parks	(97,728)	(26)	40,981	46,166	10,095	(513)
Other property assets	(7,125)	(10)	2,114	5,085	(10,095)	(10,030)
PROPERTY ASSETS	(224,303)	(1,781)	64,982	58,910	-	(102,193)
Other tangible fixed assets	-	-	-	-	-	-
TOTAL	**(224,303)**	**(1,781)**	**64,982**	**58,910**	**-**	**(102,193)**

3.5. Gains or losses on disposal of property assets

Gains or losses on disposals of property assets (in thousands of euros)	12/31/2018	12/31/2017
Selling price of property assets	470,066	24,406
Net carrying amounts of assets sold or scrapped	(489,196)	(44,015)
Disposal costs	(9,834)	(758)
GAINS OR LOSSES ON DISPOSALS	(28,964)	(20,368)
Reversals of impairment losses on property assets and receivables recognised on a straight-line basis	73,351	26,018
GAINS OR LOSSES ON DISPOSALS AFTER REVERSALS OF IMPAIRMENT LOSSES	**44,387**	**5,650**

In the financial year 2018, Icade sold two non-strategic business parks (Paris Nord and Colombes) and the Axe Seine office building located in Nanterre to an investor for an aggregate amount of €434,000 thousand, as well as office buildings and warehouses for €15,684 thousand. In addition, disposals of residential assets amounted to €10,432 thousand.

In 2017, Icade had sold the warehouse located in Saint-Quentin Fallavier, the Arago tower in La Défense and the Les Bourgognes building in Colombes for an aggregate amount of €17,676 thousand. Disposals of residential assets amounted to €6,669 thousand.

Note 4. Equity investments, income from equity investments and gains or losses on disposals

4.1. Changes in equity investments and income for the financial year

Details on the gross and net carrying amounts of equity investments, as well as debt and profit levels are shown in the table on subsidiaries and equity investments *(see note 13.4)*.

Equity investments (in thousands of euros)	12/31/2017	Mergers and contributions	Creations, acquisitions, capital increases	Decreases, disposals	12/31/2018	Dividends and profits allocated to Icade
Consolidated property investment companies	2,479,840	(379,142)	160,278	(2)	2,260,974	129,739
Consolidated property development companies	135,089	-	-	-	135,089	54,989
Unconsolidated companies	18,140	9,257	-	-	27,397	510
TOTAL EQUITY INVESTMENTS	**2,633,069**	**(369,885)**	**160,278**	**(2)**	**2,423,460**	**185,238**

The main changes related to:

- the acquisition of shares in ANF Immobilier for €23,955 thousand, increasing Icade's holding to 90.84% of the company's share capital; followed by the merger of ANF Immobilier into Icade for -€382,244 thousand and the integration of its subsidiaries for €3,102 thousand;
- the merger of Icade REIT BV into Icade for -€4 thousand and the integration of its sole subsidiary, the company Icade REIM Arnulfstrasse MK9 for €9,261 thousand;
- the acquisition of shares in the company New Way for €9,096 thousand, raising Icade's stake to 100%;
- the recapitalisation of the companies New Way and Bassins à Flots for €16,198 thousand;
- the increase in the capital of Icade Santé of €97,290 thousand to finance its growth;
- the creation of the company Icade Healthcare Europe whose purpose is the international expansion of Icade's Healthcare Property Investment Division for €12,600 thousand.

4.2. Impairment of equity investments

Impairment of equity investments (in thousands of euros)	12/31/2017	Mergers and contributions	Charges	Reversals	12/31/2018
Consolidated property investment companies	115,759	21	4,871	(21)	120,630
Consolidated property development companies	-	-	-	-	-
Unconsolidated companies	4	(4)	9,261	-	9,261
IMPAIRMENT OF EQUITY INVESTMENTS	**115,763**	**17**	**14,132**	**(21)**	**129,891**

As regards property investment companies, impairment losses on equity investments included, among others, €2,538 thousand for Sarvilep, a company holding a residential property, €2,008 thousand for SCI Icade Camille Desmoulins, €269 thousand for SCI Icade TMM and €56 thousand for SCI Évry Mozart. Reversals of impairment losses consisted of a reversal of €21 thousand for SCI Silky Way.

As regards investments in unconsolidated companies, impairment losses on equity investments included, among others, €9,261 thousand for SCI Icade REIM Arnulfstrasse MK9 GmbH.

4.3. Gains or losses on disposal of equity investments

Gains or losses on disposals of equity investments (in thousands of euros)	12/31/2018	12/31/2017
Selling price of equity investments	127	5,391
Net carrying amounts of investments sold	(52)	(2,724)
Disposal costs	-	114
GAINS OR LOSSES ON DISPOSALS	75	2,781
Reversals of impairment losses on equity investments	-	672
GAINS OR LOSSES ON DISPOSALS AFTER REVERSALS OF IMPAIRMENT LOSSES	**75**	**3,453**

In 2018, proceeds from disposals related primarily to the company Financière des Brotteaux for €73 thousand and generated a capital gain of €20 thousand.

In 2017, proceeds from disposals related primarily to six public-private partnership companies for €4,337 thousand and generated a capital gain of €2,706 thousand. Reversals of impairment losses related to the disposal of Icade Expertise and the liquidation of SCI Pays de Loire.

Reversals of impairment losses are recognised as finance income.

Note 5. Intra-group financing

5.1. Financing granted to subsidiaries and equity investments

Financing granted to subsidiaries and equity investments (in thousands of euros)	12/31/2017	Mergers and contributions	New debt, increases	Repayments, decreases	12/31/2018	Finance interest
Receivables associated with equity investments						
Consolidated property investment companies	1,126,252	-	50,000	(130,204)	1,046,048	29,311
Consolidated property development companies	100,475	-	-	-	100,475	1,886
Unconsolidated companies	9,117	(7,817)	-	-	1,300	
TOTAL RECEIVABLES ASSOCIATED WITH EQUITY INVESTMENTS	**1,235,844**	**(7,817)**	**50,000**	**(130,204)**	**1,147,823**	**31,197**
Intra-group shareholder loans						
Consolidated property investment companies	234,710	128,238	51,516	(34,275)	380,189	4,048
Consolidated property development companies	26,830	-	105,344	(13,018)	119,156	1,034
Unconsolidated companies	41	-	-	-	41	-
INTRA-GROUP SHAREHOLDER LOANS (I)	261,581	128,238	156,860	(47,293)	499,386	5,082
Share of profits of partnerships and dividends to be received						
Consolidated property investment companies	45,335	2,354	53,047	(34,808)	65,928	-
Consolidated property development companies	-	-	-	-	-	-
Unconsolidated companies	-	-	-	-	-	-
SHARE OF PROFITS AND DIVIDENDS TO BE RECEIVED (II)	45,335	2,354	53,047	(34,808)	65,928	-
TOTAL GROUP AND ASSOCIATES (III = I + II)	**306,916**	**130,592**	**209,907**	**(82,101)**	**565,314**	**5,082**

Changes in receivables associated with equity investments related mainly to the financing of Icade Santé, which was the subject of restructuring with:

- a €83,916 thousand prepayment with a €9,304 thousand penalty;
- a new €50,000 thousand loan entered into at prevailing interest rates.

The change in shareholder loans to property investment companies mainly resulted from:

- the funding of the development projects of ANF subsidiaries for €40,308 thousand;
- decreases in connection with prepayments by SCI Bassin Nord for -€6,291 thousand and Icade Tour Eqho for -€7,500 thousand;
- the €128,238 thousand increase associated with mergers, i.e. funding provided to the subsidiaries of the ANF group following the merger of ANF Immobilier into Icade effective January 1, 2018.

5.2. Impairment of receivables associated with equity investments

Impairment of receivables associated with equity investments (in thousands of euros)	12/31/2017	Mergers and contributions	Charges	Reversals	12/31/2018
Consolidated property investment companies	-	956	-	(956)	-
Consolidated property development companies	-	-	-	-	-
Unconsolidated companies	3,890	(3,890)	-	-	-
IMPAIRMENT OF RECEIVABLES ASSOCIATED WITH EQUITY INVESTMENTS	**3,890**	**(2,934)**	**-**	**(956)**	**-**

5.3. Financing granted to Icade by subsidiaries and equity investments

Financing received (in thousands of euros)	12/31/2017	Mergers and contributions	Increases	Decreases	12/31/2018	2018 interest expenses
Intra-group shareholder loans						
Consolidated property investment companies	214,535	14,675	169,909	(58,445)	340,674	-
Consolidated property development companies	4,231	-	-	(2,274)	1,957	-
Unconsolidated companies	1,313	-	-	-	1,313	-
INTRA-GROUP SHAREHOLDER LOANS	220,079	14,675	169,909	(60,719)	343,944	-
Share of profits of partnerships					-	
Consolidated property investment companies	9,507	613	5,457	(3,536)	12,041	-
Consolidated property development companies	-	-	-	-	-	-
Unconsolidated companies	20	-	-	-	20	-
SHARE OF PROFITS	9,527	613	5,457	(3,536)	12,061	-
GROUP AND ASSOCIATES	**229,606**	**15,288**	**175,366**	**(64,255)**	**356,005**	**-**

Note 6. Maturities of assets and liabilities, impairment of other assets

6.1. Asset maturities

Asset maturities (in thousands of euros)	12/31/2018					
	Total	< 1 year	Between 1 and 5 years	> 5 years	including accrued income	12/31/2017
Receivables associated with equity investments	1,147,823	66,340	571,419	510,064	(7,290)	1,235,844
Other long-term securities	-	-	-	-	-	-
Loans	411	119	57	235	-	199
Other financial fixed assets	95,560	65,261	137	30,161	-	17,242
including treasury shares	*29,302*	-	-	*29,302*	-	*16,339*
Advances and down payments on financial fixed assets	-	-	-	-	-	-
FIXED ASSETS	1,243,794	131,721	571,613	540,460	(7,290)	1,253,285
Advances and down payments made and credit notes to be received	9,491	9,491	-	-	-	6,278
Accounts receivable	137,081	137,081	-	-	116,593	126,857
Staff and related accounts	13	13	-	-	-	52
Social security and other social agencies	-	-	-	-	-	-
State – Corporate tax	178	178	-	-	-	32,141
State – Value-added tax	69,124	69,124	-	-	-	44,877
State – Other taxes and duties	930	930	-	-	46	926
Miscellaneous debtors	6,862	6,862	-	-	3,722	9,875
Group and associates	565,313	565,313	-	-	1,196	306,916
Derivative instruments	12,303	2,785	9,518	-	(3)	29,638
Prepaid expenses	257	257	-	-	-	3,492
CURRENT ASSETS	801,551	792,033	9,518	-	121,554	561,053
DEFERRED CHARGES AND BOND REDEMPTION PREMIUMS	17,551	3,063	9,470	5,018	-	37,822
TOTAL RECEIVABLES	**2,062,895**	**926,817**	**590,601**	**545,478**	**114,265**	**1,852,161**

Intra-group accounts receivable stood at €15,801 thousand as of December 31, 2018.

6.2. Impairment losses on other financial fixed assets and current assets

Impairment losses on other financial fixed assets and current assets (in thousands of euros)	12/31/2017	Mergers and contributions	Charges	Reversals	Other changes	12/31/2018	Bad debt
Treasury shares	1,630	-	4,512	(1,524)		4,618	-
Security deposits		8	-	-		8	-
IMPAIRMENT LOSSES ON OTHER FINANCIAL FIXED ASSETS	**1,630**	**8**	**4,512**	**(1,524)**	**-**	**4,626**	**-**
Inventories	60	-	-	(12)		48	-
Accounts receivable	23,906	2,086	14,900	(13,611)		27,281	744
Other receivables	351	70	841	-		1,262	-
Investment securities	-	2,719	819	(2,719)		819	-
Derivative instruments	-	-	-	-		-	-
IMPAIRMENT LOSSES ON CURRENT ASSETS	**24,317**	**4,875**	**16,560**	**(16,342)**	**-**	**29,410**	**744**

6.3. Liability maturities

Liability maturities (in thousands of euros)	12/31/2018 Total	< 1 year	Between 1 and 5 years	> 5 years	*including accrued expenses and accrued interest*	12/31/2017
Bonds	3,783,354	244,854	1,088,500	2,450,000	*33,554*	3,378,349
Ornane bonds	-	-	-	-	-	-
OTHER BONDS	3,783,354	244,854	1,088,500	2,450,000	*33,554*	3,378,349
Borrowings from credit institutions	668,185	17,366	124,959	525,860	*202*	784,905
Bank credit balances	20,778	20,778	-	-	-	21,575
LOANS AND BORROWINGS FROM CREDIT INSTITUTIONS	688,963	38,144	124,959	525,860	*202*	806,479
Other borrowings and commercial paper	562,594	562,427	108	59	*1*	695,217
Deposits and guarantees received	48,245	423	212	47,611	-	48,609
Payables associated with equity interests	-	-	-	-	-	-
MISCELLANEOUS BORROWINGS AND FINANCIAL LIABILITIES	610,839	562,850	319	47,670	*1*	743,826
Intra-group current accounts	343,945	343,945	-	-	-	220,079
Other intra-group liabilities	12,061	12,061	-	-	-	9,527
GROUP AND ASSOCIATES	356,006	356,006	-	-	-	229,606
Advances and down payments received in respect of orders	31,165	31,165	-	-	-	35,432
Accounts payable and related accounts	56,503	56,503	-	-	*52,958*	51,702
Staff and related accounts	3,072	3,072	-	-	*2,990*	2,829
Social security and other social agencies	2,192	2,192	-	-	*1,526*	1,764
State – Corporate tax	488	488	-	-	-	-
State – Value-added tax	18,813	18,813	-	-	-	19,208
State – Other taxes and duties	2,204	2,204	-	-	*2,204*	1,682
Suppliers of fixed assets	219,022	219,022	-	-	*201,339*	90,638
Other liabilities	13,074	13,074	-	-	-	25,799
OPERATING LIABILITIES	346,533	346,533	-	-	*261,017*	229,055
Financial derivatives	6,859	826	3,289	2,743	*5*	14
Prepaid income	36,181	2,806	1,512	31,863	-	36,310
TOTAL LIABILITIES	**5,828,735**	**1,552,019**	**1,218,580**	**3,058,137**	***294,779***	**5,423,640**

Prepaid income includes a total of €33,438 thousand in payments under the building leases relating to the Millénaire shopping center held by SCI Bassin Nord and to the offices of SCI 69 Victor Hugo. These lease payments were made in full at the beginning of the leases.

Note 7. Financial assets, financial liabilities and cost of debt

7.1. Derivative instruments and other financial assets

7.1.1. Derivative instruments

Derivative instruments (in thousands of euros)	12/31/2017 net amount	Increases	Decreases (impact on the income statement)		Payment for guarantee	Change in interest accrued but not due	12/31/2018 net amount
			Deferral over the life of the underlying asset	Expense not spread relating to the early redemption of the underlying asset			
Interest accrued	(10)	-	-	-	-	7	(3)
Premiums paid in respect of derivatives	165	-	(139)	-	-	-	26
Termination payments in respect of unwound derivatives	27,560	-	(18,042)	-	-	-	9,518
Margin calls paid in respect of derivatives	1,300	-	-	-	1,100	-	2,400
TOTAL DERIVATIVE ASSETS	**29,015**	**-**	**(18,182)**	**-**	**1,100**	**7**	**11,940**
Termination payments received in respect of unwound derivatives	-	7,366	(512)	-	-	-	6,854
TOTAL DERIVATIVE LIABILITIES	**-**	**7,366**	**(512)**	**-**	**-**	**-**	**6,854**

Notional amounts of hedging contracts (excluding forward start derivatives) (in thousands of euros)	Average rate	12/31/2017	Increases	Decreases	12/31/2018	Fair value as of 12/31/2018	Interest expenses and income
Swaps	0.32%	450,000	-	-	450,000	544	(2,956)
Interest rate options – caps	1.50%	325,000	-	(200,000)	125,000	-	-
Interest rate options – floors		-	-	-	-	-	-
INTEREST RATE SWAPS AND OPTIONS		**775,000**	**-**	**(200,000)**	**575,000**	**544**	**(2,956)**
Maturing in less than 1 year					125,000		
Maturing in 1 to 5 years					200,000		
Maturing in more than 5 years					250,000		

Termination payments were spread according to accounting principles set forth in the paragraph "Financial liabilities and interest rate hedges".

In the financial year 2018, Icade unwound forward swaps (entered into in 2017) following the issue of a new bond. As a result, a €7,366 thousand termination payment was received and is to be spread over the term of the hedging relationship.

Furthermore, termination payments remaining to be spread at the beginning of the financial year 2018, mainly resulting from the cancellation of hedging instruments by the company Silic prior to its merger into Icade on December 31, 2013, continued to be spread at the same pace as initially, with an impact on finance income of €18,042 thousand.

7.1.2. Cash

Cash and cash equivalents (in thousands of euros)	12/31/2018	12/31/2017	12/31/2018	
			Interest income	Proceeds from disposals net of expenses
Treasury shares – liquidity contract	7,913	-	-	(1,703)
Money-market UCITS	-	-	-	-
UCITS part of the liquidity contract	-	-	-	-
Other securities	6	4	-	-
INVESTMENT SECURITIES	7,919	4	-	(1,703)
Term deposit accounts or term deposits	28,733	27,680	903	-
Bank debit balances	423,939	203,399	406	-
CASH ASSETS	452,672	231,079	1,309	-
TOTAL CASH AND CASH EQUIVALENTS	**460,590**	**231,083**	**1,309**	**(1,703)**

7.1.3. Fees and commissions recorded as deferred charges in respect of borrowings

Deferred charges and premiums in respect of bonds (in thousands of euros)	12/31/2017	Increases	Decreases (impact on the income statement)		12/31/2018
			Deferrals over the life of the borrowings	Deferrals due to the early repayment of borrowings	
Costs of bonds	9,475	2,208	(1,610)	(311)	9,762
Costs of borrowings from credit institutions	10,846	1,418	(4,249)	(227)	7,788
Costs of other borrowings	-	-	-	-	-
DEFERRED CHARGES IN RESPECT OF BORROWINGS	20,321	3,626	(5,859)	(538)	17,551
Bond redemption premiums	17,501	9,372	(3,239)	(391)	23,242
TOTAL DEFERRED CHARGES AND PREMIUMS IN RESPECT OF BONDS	**37,822**	**12,998**	**(9,098)**	**(929)**	**40,793**

7.2. Financial liabilities and cost of debt

7.2.1. Changes in financial liabilities

Financial liabilities (in thousands of euros)	12/31/2017	Mergers and contributions	New debt	Repayments	Interest accrued but not due and other changes	12/31/2018	*Incl. fixed rate debt*	*Incl. variable rate debt*	Interest expenses
Bonds	3,378,349	-	600,000	(200,000)	5,005	3,783,354	*3,783,354*	-	(67,462)
OTHER BONDS	3,378,349	-	600,000	(200,000)	5,005	3,783,354	*3,783,354*	-	(67,462)
Borrowings from credit institutions [(a)]	784,905	11,967	30,000	(158,651)	(36)	668,185	*236,864*	*431,322*	(6,778)
Bank credit balances	21,575	(8,202)	-	-	7,404	20,777	-	-	(62)
LOANS AND BORROWINGS FROM CREDIT INSTITUTIONS	806,479	3,765	30,000	(158,651)	7,369	688,962	*236,864*	*431,322*	(6,839)
Other borrowings	217	-	-	(24)	-	193	*193*	-	(6)
Commercial paper	695,000	-	562,400	(695,000)	-	562,400	*562,400*	-	2,215
Deposits and guarantees received	48,609	1,779	-	(2,142)	-	48,245	-	-	
Payables associated with equity interests	-	1	-	-	-	1	*1*	-	-
MISCELLANEOUS BORROWINGS AND FINANCIAL LIABILITIES	743,826	1,780	562,400	(697,167)	-	610,839	*562,594*	-	2,209
Intra-group shareholder loans	220,079	1,099	-	-	122,767	343,945	-	*343,945*	-
Other intra-group liabilities	9,527	15,288	-	-	(12,754)	12,061	-	-	-
GROUP AND ASSOCIATES	229,606	16,387	-	-	110,013	356,006	-	*343,945*	-
TOTAL FINANCIAL LIABILITIES	**5,158,260**	**21,932**	**1,192,400**	**(1,055,817)**	**122,386**	**5,439,161**	***4,582,811***	***775,267***	**(72,092)**

(a) These borrowings are hedged and are further guaranteed through:
- mortgages or lender's liens totalling €349,727 thousand;
- pledged securities for €323 thousand.

The main changes in financial liabilities resulted from:

- the issue by Icade of a new 10-year, €600,000 thousand bond with an annual coupon of 1.625% and the repurchase of three existing bonds for €200,000 thousand. This bond repurchase resulted in a termination payment of €11,310 thousand;
- two new drawdowns of credit lines for €30,000 thousand;
- a net decrease in NEU Commercial Paper outstanding of €132,600 thousand (including a €562,400 thousand increase and a €695,000 thousand decrease);
- the normal amortisation of loans from credit institutions (including credit lines) for €158,675 thousand.

7.2.2. Maturity dates and characteristics of bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Fixed rate	Repayment profile	Nominal value as of 12/31/2017	Increases	Decreases	Nominal value as of 12/31/2018	Interest expenses for the period
FR0011577188	09/30/2013	09/29/2023	300,000	3.375%	Interest only	300,000			300,000	(10,125)
FR0011577170	09/30/2013	01/30/2019	500,000	2.250%	Interest only	245,100		(33,800)	211,300	(4,875)
FR0011847714	04/16/2014	04/16/2021	500,000	2.250%	Interest only	454,700		(150,100)	304,600	(7,390)
FR0012942647	09/14/2015	09/14/2022	500,000	1.875%	Interest only	500,000		(16,100)	483,900	(9,121)
FR0013181906	06/10/2016	06/10/2026	750,000	1.750%	Interest only	750,000			750,000	(13,125)
FR0013211893	11/15/2016	11/17/2025	500,000	1.125%	Interest only	500,000			500,000	(5,625)
FR0013281755	09/13/2017	09/13/2027	600,000	1.500%	Interest only	600,000			600,000	(9,000)
FR0013320058	02/28/2018	02/28/2028	600,000	1.625%	Interest only		600,000		600,000	(8,201)
BONDS			**4,250,000**			**3,349,800**	**600,000**	**(200,000)**	**3,749,800**	**(67,462)**

Note 8. Share capital

8.1. Change in the number of shares outstanding

	Number	Share capital *(in thousands of euros)*
SHARE CAPITAL AS OF 12/31/2016	74,111,186	112,967
SHARE CAPITAL AS OF 12/31/2017	74,111,186	112,967
Capital increase in consideration for the transfer value received from ANF Immobilier	420,242	641
Exercise of stock options	4,313	6
SHARE CAPITAL AS OF 12/31/2018	74,535,741	113,614

8.2. Shareholding structure

	12/31/2018		12/31/2017	
Shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Caisse des dépôts	28,895,621	38.77%	28,895,631	38.99%
Crédit Agricole Assurances group [(a)]	13,704,789	18.39%	13,704,789	18.49%
Icamap Investments S.ar.l/GIC Pte Ltd/Future Fund Board of Guardians acting in concert [(b)]	3,858,476	5.18%	-	0.00%
Public	27,395,820	36.76%	31,111,533	41.98%
Employees	192,919	0.26%	192,589	0.26%
Treasury shares	488,116	0.65%	206,644	0.28%
TOTAL	**74,535,741**	**100.00%**	**74,111,186**	**100.00%**

(a) Number of shares held notified to the Company as of December 31, 2018.
(b) Disclosure of crossing of a shareholding threshold in accordance with the last notification sent to the Company on September 27, 2018.

As of December 31, 2018, Caisse des dépôts and the Crédit Agricole Assurances group held a 38.77% and 18.39% stake in Icade, respectively.

All issued shares are fully paid up.

Icade's consolidated financial statements are consolidated into those of Caisse des dépôts according to the full-consolidation method, and into those of Crédit Agricole according to the equity method.

8.3. Changes in equity

Equity (in thousands of euros)	12/31/2017	Appropriation of profits: Reserves	Appropriation of profits: Dividends	Merger with ANF	Other changes	12/31/2018
Share capital	112,967	-	-	641	6	113,614
Share premiums	1,454,049	-	-	-	342	1,454,391
Merger premiums	1,030,116	-	-	21,187	-	1,051,303
including merger reserve	*68,723*	-	-	-	-	*68,723*
Contribution premiums	143,359	-	-	-	-	143,359
Premiums for conversions of bonds into shares	63,142	-	-	-	-	63,142
Special revaluation reserve	12,734	-	-	-	-	12,734
SIIC 2003 revaluation differences	172,995	-	-	-	-	172,995
Legal reserve	11,297	-	-	-	-	11,297
Other reserves	-	-	-	-	-	-
Retained earnings	279,143	128,616	(317,789)	-	-	89,970
Profit/(loss) for the previous financial year	128,616	(128,616)	-	-	-	-
Profit/(loss) for the financial year		-	-	-	185,833	185,833
TOTAL	3,408,418	-	(317,789)	21,828	186,181	3,298,638
Government investment grants	6,798	-	-	-	(146)	6,652
Regulated provisions	6,256	-	-	-	2,705	8,961
EQUITY	**3,421,472**	**-**	**(317,789)**	**21,828**	**188,740**	**3,314,251**

Note 9. Provisions for liabilities and charges

Provisions for liabilities and charges (in thousands of euros)	Description	12/31/2017	Mergers Contributions	Charges	Reversals of used provisions	Reversals of unused provisions	12/31/2018
Risks related to subsidiaries	Financial	1,464	-	1,916	-	(368)	3,012
Tax risks	Extraordinary	4,746	-	-	(4,643)	(103)	-
Disputes and other provisions for liabilities	Extraordinary/ Operational	13,752	713	7,301	(7,091)	(1,039)	13,636
PROVISIONS FOR LIABILITIES		19,962	713	9,217	(11,734)	(1,510)	16,648
Post-employment benefits	Operational	1,757	57	627	(284)	-	2,156
Anniversary bonuses	Operational	31	-	-	(4)	-	27
Other provisions for charges	Operational	1,606	-	4,054	(144)	(325)	5,191
PROVISIONS FOR CHARGES		3,394	57	4,681	(432)	(325)	7,374
PROVISIONS FOR LIABILITIES AND CHARGES		**23,355**	**769**	**13,898**	**(12,166)**	**(1,835)**	**24,022**

Icade has identified several types of provisions. In addition to lump-sum final payments and similar liabilities, which are addressed separately *(see note 10.4)*, provisions are made whenever the liabilities and charges identified are the result of past events creating an obligation likely to cause an outflow of resources.

The following liabilities and charges were identified:

- tax risks: as of December 31, 2017, provisions covered estimated risks for which tax adjustment notices had been received. In 2018, all payment demands were paid. Reversals of provisions were made for the corresponding demanded amounts;
- in the course of its business, Icade may be faced with disputes. On the basis of a risk assessment conducted by management and its advisers, provisions made are considered adequate at the reporting date, and the Company considers that it possesses all the information required to support its position. Provisions that are individually significant as of December 31, 2018 primarily concern tenant disputes, labour tribunal disputes, and contractual commitments made in the normal course of business.

Note 10. Post-employment remuneration and benefits

10.1. Staff costs net of recharges to subsidiaries

Net staff costs (in thousands of euros)	12/31/2018	12/31/2017
Staff seconded to subsidiaries	842	204
Recharges of staff costs (rounded to the nearest euro) incurred for subsidiaries	154	382
RECHARGES OF STAFF COSTS	996	586
Salaries	(6,566)	(4,251)
Social security expenses	(2,628)	(1,807)
Taxes on salaries	(740)	(511)
STAFF COSTS	(9,933)	(6,569)
NET STAFF COSTS	**(8,937)**	**(5,983)**

10.2. Average number of staff

Average number of staff	12/31/2018	12/31/2017
Executives	16.3	9.0
Employees	3.3	0.0
Executives seconded	1.0	1.6
AVERAGE FULL-TIME EQUIVALENT NUMBER OF STAFF	**20.6**	**10.6**

10.3. Potential termination benefits and other deferred remuneration for senior executives

Potential benefits (in thousands of euros)	12/31/2018	12/31/2017
Icade – Executive Committee members	658	658
Icade – other employees	-	-
TOTAL NOT RECOGNISED	**658**	**658**

10.4. Post-employment benefits

Liabilities in respect of lump-sum final payments and life-contingent pensions
(in thousands of euros)

		12/31/2018	12/31/2017
OPENING ACTUARIAL DEBT	**A**	**1,757**	**1,503**
Past service cost not recognised at the beginning of the period	b		-
OPENING NET LIABILITIES	C	1,757	1,503
Impact of changes in scope of consolidation and other changes	d	844	-
Integration of ANF Immobilier's insurance policy	e	(240)	-
Current service cost	f	50	50
Financial cost for the year	g	29	17
Costs for the period	**h = e + f + g**	**(161)**	**67**
Benefits paid during the year	i	(84)	101
Past service cost spread	j	-	-
Actuarial gains for the year	k	(200)	86
Net expenses recognised in the income statement	**l = h + i + j + k**	**(445)**	**254**
CLOSING NET LIABILITIES	M = C + D + L	2,156	1,757
Plan assets		240	-
Past service cost not recognised at the reporting date	n = b + j	-	-
CLOSING ACTUARIAL DEBT	**O = A + D + G + H + J**	**2,396**	**1,757**

Employee benefit liabilities were valued as of December 31, 2018 according to the terms of the Single Agreement for the Icade group signed on December 17, 2012.

The following actuarial assumptions were used:

- discount rate: 1.63% as of December 31, 2018 and 1.45% as of December 31, 2017;
- the discount rate used is defined based on the "iBoxx € Corporates AA 10+" reference index. This reference index explicitly represents the yields of top-rated corporate bonds;
- male/female mortality tables:
  - male/female Insee tables for 2014-2016 as of December 31, 2018,
  - male/female Insee tables for 2013-2015 as of December 31, 2017;
- retirement age calculated according to statutory provisions.

The turnover rate is defined for all entities of the Property Investment Division of the Icade group, by occupational category and by 10-year age group. It takes into account the reasons for exit in the case of resignations. Departures of employees aged 55 and over are not considered in the calculation of the turnover rate.

The rates of salary increases used are defined and applied to all companies of the Icade economic and social unit (UES), by occupational category and age group.

Social security and tax rates for salaries are defined for all entities of the Property Investment Division of the Icade group by occupational category.

Lump-sum final payments are valued based on lump-sum retirement payments.

10.5. Remuneration and benefits granted for the financial year to directors and members of the Executive Committee

Remuneration and benefits granted to directors and members of the Executive Committee
(in thousands of euros)

	12/31/2018	12/31/2017
Remuneration paid	3,491	3,157
Attendance fees paid (including ANF Immobilier for the financial year 2018)	354	201
TOTAL	**3,845**	**3,358**

10.6. Stock option and bonus share plans

The stock option plans in place as of December 31, 2018 are presented below:

10.6.1. Description of the 2011 stock option plans

The characteristics of stock option plans in place as of December 31, 2018 and changes occurred during financial year 2018 are presented in the following table:

		Characteristics of the plans					Changes for the period					
Plans	**Grant date**	**Vesting period**	**Duration of the plans**	**Initial strike price** [(a)]	**Number of options initially granted** [(a)]	**Strike price after applying the exchange ratio** [(b)]	**Number of options outstanding as of January 1, 2018**	**Number of options resulting from the merger with ANF** [(c)]	**Number of options exercised**	**Number of options outstanding as of December 31, 2018**	**Including those exercisable at the end of the period**	**Including those attributable to related parties**
1-2011 plan	03/03/2011	4 years	8 years	80.86	147,500	80.86	24,800		4,313	20,487	20,487	6,900
2009 plan [(c)]	12/14/2009	4 years	10 years	22.55	224,659	82.60		36,066			36,066	
2010 plan [(c)]	12/15/2010	4 years	10 years	23.72	219,323	86.89		44,461			44,461	
2011 plan [(c)]	12/22/2011	4 years	10 years	21.53	216,075	78.86		4,288			4,288	
2012 plan [(c)]	04/02/2013	4 years	10 years	21.81	52,915	79.89		8,462			8,462	
2013 plan [(c)(d)]	06/23/2014	4 years	10 years	23.88	106,575	87.47		17,816			17,816	
2014 plan [(c)(d)]	11/12/2014	4 years	10 years	21.83	50,000	79.96		10,237			10,237	
TOTAL PLANS							**24,800**	**121,330**	**4,313**	**20,487**	**141,817**	**6,900**
Weighted average strike price per share ***(in euros)***							80.86	84.34	80.86	80.86	83.84	80.86

(a) The number of shares and strike price at the beginning of the plan are expressed before the exchange ratio is applied for plans resulting from the merger.
(b) Strike price expressed after the exchange ratio has been applied for plans resulting from the merger.
(c) Plans initially adopted by ANF. After the merger of ANF into Icade, existing plans as of the date of entry into the Icade group were converted into Icade shares based on the exchange ratio of the merger.
(d) Plans initially adopted by ANF. The vesting period for stock options was four years or accelerated in the event of a change in control of the Company. Such options became vested and exercisable as a result of Icade's takeover of ANF on October 23, 2017.

10.6.2. Bonus share plans

The "1-2016" bonus share plan provides for the grant of 30 bonus shares per employee.

The "2-2016" bonus share plan is dedicated to the members of the Executive Committee (excluding the CEO), to the members of the Coordination Committee, and to the senior executives appointed by the Executive Committee. The vesting of bonus shares is conditional exclusively on the satisfaction of market and non-market related performance conditions.

The characteristics of the bonus share plans in place as of December 31, 2018 are presented in the following table:

Original characteristics of the plans					As of January 1, 2018			Changes for the period					As of December 31, 2018		
Plans	**Grant date**	**Vesting period**	**Duration of the plans**	**Number of shares granted at the beginning of the plan** [(a)]	**Shares granted**	**Vested shares**	**Incl. contingent shares**	**Number of bonus shares resulting from the merger with ANF** [(b)]	**Shares granted**	**Vested shares**	**Released shares (that reached the end of the mandatory holding period)**	**Cancelled shares**	**Shares granted**	**Vested shares**	**Incl. contingent shares**
1-2014 plan	03/04/2014	2 years	4 years	21,990		19,095					19,095				
2-2014 plan	03/04/2014	2 years	4 years	14,250		1,256					1,256				
2015 plan [(b)]	05/23/2016	3 years	10 years	19,674				5,360				383	4,977		737
1-2016 plan	11/07/2016	2 years	3 years	31,560	27,690		-			25,680		(2,010)		25,680	
2-2016 plan [(c)]	11/07/2016	2 years	4 years	52,959	46,096		46,096			41,938		(4,158)		41,938	
1-2018 plan [(d)]	10/18/2018	2 years	3 years	44,800					44,800			(1,760)	43,040		
2-2018 plan [(e)]	12/03/2018	2 years	4 years	52,660					52,660			(428)	52,232		52,232
TOTAL					**73,786**	**20,351**	**46,096**	**5,360**	**97,460**	**67,618**	**20,351**	**(7,973)**	**100,249**	**67,618**	**52,969**

(a) The number of shares is expressed before the exchange ratio has been applied for plans resulting from the merger.
(b) Plan initially adopted by ANF. After the merger of ANF into Icade and based on the merger's exchange ratio, 19,674 unvested shares from the 2015 plan as of the date of entry into the Icade group were converted into 5,360 Icade shares.
(c) The performance conditions required to grant bonus shares in respect of the 2-2016 plan have been satisfied. These conditions were based 50% on EPRA triple net asset value per share as reported in the financial statements and 50% on the performance of Icade's share price relative to the FTSE EPRA Euro Zone Index.
(d) Plan granted to all permanent employees.
(e) Bonus share awards from the 2-2018 plan are subject to performance conditions that are based 50% on a NAV-based TSR and 50% on the performance of Icade's share price relative to the FTSE EPRA/NAREIT Eurozone Index (assuming no reinvestment of dividends). These awards may be increased by 15% in the event performance exceeds the benchmark.

Note 11. Income statement

11.1. Operating income by function

11.1.1. Revenue

Revenue (in thousands of euros)	12/31/2018	12/31/2017
Gross rental income	281,929	271,002
Sales of goods	237	57
Property services	10,774	7,989
Administrative and accounting services	4,454	4,069
Recharge of staff secondments	842	204
Miscellaneous services	119	922
REVENUE	**298,355**	**284,242**

100% of revenue is generated in France.

11.1.2. Operating income by function

Operating profit/(loss) (in thousands of euros)	12/31/2018	12/31/2017
Gross rental income	281,929	271,002
Land-related costs	(1,966)	(1,902)
Recoverable service charges not recovered from tenants	(16,901)	(21,073)
Non-recoverable property-related expenses	(6,497)	(17,185)
NET RENTAL INCOME	256,564	230,842
Property, administrative, accounting and other services	15,347	12,980
Royalties for the Icade trademark charged to subsidiaries	7,432	9,176
Other miscellaneous income	3,077	91
Purchases used	(2,905)	(62)
Other external operating expenses	(58,800)	(53,712)
Net staff costs	(8,939)	(5,983)
Taxes and duties (excluding rental management activity)	(4,197)	(2,423)
Other expenses	(2,406)	(3,859)
NET OPERATING COSTS	(51,391)	(43,791)
Sales of goods	237	57
Purchases and changes in inventory	(51)	(179)
MISCELLANEOUS INCOME AND EXPENSES	185	(122)
Finance lease payments for investment properties	(3,528)	(4,500)
Depreciation charges on fixed assets	(204,653)	(186,054)
Depreciation charges on deferred charges	(6,397)	(5,010)
Net impairment charges on property assets	128,819	111,089
Net provisions for liabilities and charges excluding investment properties	(9,731)	(408)
Net impairment charges on inventories and other receivables	(897)	(17,230)
OPERATING PROFIT/(LOSS)	**108,973**	**84,817**

11.1.3. Changes in net rental income

Net rental income (in thousands of euros)	12/31/2017	Acquisitions/ completions	Disposals/ refurbishments	Leasing activity	12/31/2018
Gross rental income	271,002	12,338	(5,462)	4,052	281,929
Land-related costs	(1,902)	-	(27)	(38)	(1,966)
Recoverable service charges not recovered from tenants	(21,073)	(923)	3,313	1,781	(16,901)
Non-recoverable property-related expenses [(a)]	(17,185)	(27)	1,933	8,781	(6,497)
NET RENTAL INCOME	**230,842**	**11,388**	**(244)**	**14,577**	**256,564**
Net rental income/gross rental income	*85.2%*				*91.0%*

(a) The item "Non-recoverable property-related expenses" includes provisions for disputes, impairment losses on accounts receivable and bad debt.

Rental income amounted to €281,929 thousand in 2018, a rise of €10,928 thousand (+4.0%) compared to the previous financial year.

The increase in rental income is attributable to properties previously owned by the company ANF Immobilier for €9,470 thousand and to the completions of the Go Spring and Défense 4-5-6 buildings in 2017 for €2,868 thousand. The impact of disposals and refurbishments on rental income amounted to -€5,462 thousand, including -€1,657 thousand for business parks sold at the end of 2018 and -€3,235 thousand for properties under development.

On a like-for-like basis, rental income rose by €4,052 thousand. The main increases related to the Arc Ouest and Crystal Park buildings for €3,703 thousand. The like-for-like decrease in non-recoverable property-related expenses of €8,781 thousand resulted, among others, from a number of compensations paid and demolition works carried out in 2017 on assets held for sale in business parks.

11.2. Finance income/(expense)

Finance income/(expense) (in thousands of euros)	12/31/2018	12/31/2017
Income from equity investments and share of profit/(loss) of tax transparent companies	186,131	120,784
Finance income from equity investments	36,278	40,255
Finance expenses from equity investments	1	-
Impairment losses net of reversals on equity investments and financing related to equity investments	(13,154)	(3,197)
FINANCE INCOME/(EXPENSE) FROM EQUITY INVESTMENTS	209,257	157,842
Interest income on financial assets	1,312	970
Interest income and premium amortisation on derivative instruments	-	847
Reclassification of finance expenses	1,919	675
Net gains on disposal of investment securities	4,408	158
Interest expenses from financial liabilities	(72,092)	(65,260)
Interest expenses and premium amortisation on derivative instruments	(3,096)	(3,117)
Net losses on disposal of investment securities	(6,110)	(18)
Amortisation of premiums or discounts on financial assets and liabilities	(3,630)	(2,263)
Impairment losses net of reversals on other financial assets	-	-
COST OF NET DEBT	(77,290)	(68,007)
Commitment fees net of recharges to subsidiaries	(5,501)	(4,740)
Penalties and net termination payments relating to the restructuring of financial liabilities	(1,876)	(10,433)
Deferrals of termination payments on disposal of derivatives	(17,530)	(33,675)
Impairment losses net of reversals on treasury shares and liquidity contract	(2,612)	1,401
Provisions net of reversals on liabilities and charges	(1,548)	(1,464)
Other finance income and expenses	8,355	3,475
OTHER FINANCE INCOME AND EXPENSES	(20,712)	(45,437)
FINANCE INCOME/(EXPENSE)	**111,254**	**44,398**

Dividends for the year totalled €130,093 thousand compared with €82,335 thousand in 2017.

Commitment fees before recharges to subsidiaries amounted to -€6,573 thousand.

The net impact of the restructuring of financial liabilities was -€1,876 thousand, including, on the one hand, the impact of repurchasing three bonds for -€11,310 thousand and, on the other hand, recharges to subsidiaries for a total of €9,435 thousand.

The net impact of termination payments from the unwinding of hedges, i.e. -€17,530 thousand, is described in section 7.1.1 "Derivative instruments".

Other finance income and expenses, which totalled €8,355 thousand, related exclusively to mergers occurred during the financial year.

11.3. Non-recurring items

Non-recurring income/(expense) (in thousands of euros)	12/31/2018	12/31/2017
Gains or losses on disposal of property assets	(28,964)	(20,368)
Gains or losses on disposal of equity investments	75	2,781
Share of government grants	146	146
Depreciation and provision charges net of reversals	1,402	(3,793)
Other non-recurring income and expenses	(2,718)	8
NON-RECURRING INCOME/(EXPENSE)	**(30,058)**	**(21,227)**

The impact of disposals of property assets made in 2018 on profit/(loss) is described in note 3.5 "Gains or losses on disposal of property assets".

Net reversals of provisions for €1,402 thousand related to special depreciation charges for the PDM4 building and a reversal of provision for the tax risk associated with tax audits for the financial years 2009-2011 and 2013-2014, which represented €4,322 thousand.

Other non-recurring income mainly comprises reliefs from property taxes (household waste tax) for €2,278 thousand for the years 2013 and 2014.

11.4. Income tax

Under the SIIC tax regime, Icade recorded a taxable profit of -€556 thousand as of December 31, 2018.

No current tax expense was recorded for the financial year 2018.

Corporate tax, which stood at €4,335 thousand, principally includes:

- the financial consequences of tax inspections between 2011 and 2016 for €4,479 thousand;
- late penalties received in 2018 for €142 thousand with respect to the refund of the tax on dividends paid for the financial years 2014 to 2016.

As of December 31, 2017, corporate tax also included the refund of the tax on dividends paid for the financial years 2014 to 2016 for a total of €18,256 thousand plus penalty interest of €2,306 thousand.

Note 12. Off-balance-sheet commitments

12.1. Commitments made

(in thousands of euros)	12/31/2018	Remaining term < 1 year	1-5 years	> 5 years
Commitments relating to the scope of consolidation	**19,832**	**19,832**	**-**	**-**
Equity investment commitments:				
Put options given	7,262	7,262		
Call options given	6,920	6,920		
Commitments made as part of disposals of equity investments:				
'No undisclosed liabilities' warranties given	5,650	5,650	-	-
Financing commitments	**842,552**	**479,514**	**113,727**	**249,311**
Unused advances granted to subsidiaries	466,457	466,457	-	-
Mortgages	225,000	-	-	225,000
Lender's liens	124,727	10,574	103,293	10,860
Pledged securities	323	-	-	323
Sureties and guarantees given in respect of financing	26,045	2,483	10,434	13,128
Commitments relating to operating activities	**413,796**	**367,361**	**16,504**	**29,931**
Commitments made relating to business development and asset disposals:				
Property Investment: residual commitments in construction, property development and off-plan sale contracts – property under construction or refurbishment	291,497	287,300	4,197	-
Commitments to sell given – Property Investment – tangible fixed assets	74,422	74,422	-	-
Commitments made relating to the execution of operating contracts:				
Operating leases: minimum lease payments to be made	38,523	1,750	6,842	29,931
Demand guarantees given	579	-	579	-
Other commitments made	8,775	3,889	4,886	-

12.2. Commitments received

(in thousands of euros)	12/31/2018	Remaining term < 1 year	1-5 years	> 5 years
Commitments relating to the scope of consolidation	**14,182**	**14,182**	**-**	**-**
Put options received	6,920	6,920	-	-
Call options received	7,262	7,262	-	-
Financing commitments	**1,750,000**	**-**	**1,750,000**	**-**
Unused credit lines	1,750,000		1,750,000	
Finance leases – lessor (social landlord)	-	-	-	-
Sureties and guarantees received in respect of financing	-	-	-	-
Commitments relating to operating activities	**1,610,225**	**359,058**	**747,914**	**503,253**
Other contractual commitments received relating to operating activities:				
Operating leases – minimum lease payments to be received	1,056,319	220,542	586,780	248,997
Commitments to sell received – Property Investment – tangible fixed assets	70,972	70,972	-	-
Commitments to buy received – Property Investment – tangible fixed assets	450	450	-	-
Off-plan lease agreements – commitments received	394,832	9,442	143,359	242,031
Property Investment: residual commitments received in construction, property development and off-plan sales contracts – property under construction or refurbishment	7,177	7,070	107	-
Bank guarantees received – construction work	47,059	39,481	7,578	-
Demand guarantees received – rent guarantees – Property Investment	4,090	2,007	2,083	-
Other commitments received	51	5	-	46
Assets taken as security, by mortgage or pledge, as well as security deposits received:				
Security deposits received for rents – other assets	29,275	9,089	8,007	12,179
Other sureties and guarantees received	-	-	-	-

Note 13. Other information

13.1. Events after the reporting period

No significant events have taken place since the end of the financial year, on December 31, 2018.

13.2. Related entities

Transactions entered into with companies wholly owned, directly or indirectly, by Icade are not mentioned, in accordance with Article 833-16 of the French Charter of Accounts. Furthermore, transactions entered into with other related parties are not detailed as they are not significant and/or they were entered into on normal market terms.

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13.3. Statutory Auditors' fees

	Mazars				PricewaterhouseCoopers Audit			
	(in thousands of euros)		*(in %)*		*(in thousands of euros)*		*(in %)*	
	2018	2017	2018	2017	2018	2017	2018	2017
Audit, certification, review of individual and consolidated financial statements	478	493	88.0%	82.7%	482	593	87.3%	91.7%
Services other than the certification of financial statements	65	103	12.0%	17.3%	70	54	12.7%	8.3%
TOTAL	**543**	**596**	**100.0%**	**100.0%**	**552**	**646**	**100.0%**	**100.0%**

Services provided during the financial year by the Board of Statutory Auditors to Icade SA other than the certification of financial statements primarily include the provision of various certificates (including covenants), the independent third-party body report on social, environmental and societal disclosures, work performed in the context of bond issues (comfort letters) and due diligence assignments.

13.4. Table of subsidiaries and equity investments

					Carrying amount of equity investments								
(in thousands of euros)		Share capital	Equity excluding share capital	% holding	Gross	Net	Loans (excl. interest accrued but not due)	Advances (excl. interest accrued but not due)	Guarantees given to subsidiaries	Revenue	Profit/(loss) for the last financial year	Dividends received	Obs. (last reporting date)
SASU	Icade Santé	552,023	1,067,118	57	960,088	960,088	567,400	-	-	235,444	53,617	74,595	2018
SAS	Icade Tour Eqho	268,660	100,209	100	405,842	405,842	237,586	50,676	-	28,537	79	-	2018
SAS	Sarvilep	1,000	50,605	100	156,500	51,605	-	-	-	14,654	(2,538)	-	2018
SCI	Icade-Léo Lagrange	121,911	263	100	121,911	121,911	23,700	263	-	4,541	263	-	2018
SCI	68 Victor Hugo	116,594	5,544	100	116,594	116,594	116,539	5,581	-	22,407	5,581	-	2018
SCI	Icade-Rue des Martinets	99,177	(6,891)	100	99,177	99,177	31,330	-	-	5,638	(704)	-	2018
SCI	Du Bassin Nord	103,889	20,226	50	72,762	72,762	-	9,655	-	9,152	(21,409)	-	2018
SCI	PDM 2	42,702	(369)	100	42,702	42,702	-	-	-	-	(369)	-	2018
SCI	PDM 1	39,652	988	100	39,652	39,652	19,031	6,407	-	6,710	988	-	2018
SCI	1 Terrasse Bellini	91,469	5,780	33	37,179	37,179	-	10,063	-	12,375	5,780	1,258	2018
SCI	Icade-Camille Desmoulins	33,500	51,336	100	35,507	33,499	14,950	51,334	-	3,928	51,336	-	2018
SCI	Messine Participations	24,967	10,747	100	34,388	34,388	8,128	24,368	-	5,526	1,991	-	2018
GIE	Icade Management	10,000	9,368	100	23,240	19,368	-	-	-	34,920	-	-	2018
SCI	Le Tolbiac	22,938	641	100	22,938	22,938	13,741	641	-	2,559	641	-	2018
SCI	New Way	6,200	515	100	15,295	15,295	-	24,150	-	2,537	515	-	2018
SAS	Icade Tmm	13,200	(510)	100	13,200	12,931	-	13,400	-	1,382	(525)	-	2018
SAS	Icade Healthcare Europe	12,600		100	12,600	12,600	-	-	-	-	-	-	-
SCI	Évry Mozart	7,257	(3,574)	100	12,268	3,683	-	-	-	376	(56)	-	2018
SCI	Bati Gautier	1,530	2,296	100	11,497	11,497	-	1,854	-	2,944	1,854	-	2018
SCI	Icade-Morizet	9,100	1,292	100	10,234	10,234	6,828	3,677	-	2,172	1,292	-	2018
SNC	Les Bassins à Flots	10,100	573	99	10,155	10,155	-	13,594	-	2,406	573	-	2018
SCI	Immobilier Hotels	1	10,373	77	2,788	2,788	-	26,839	-	4,649	2,126	-	2018
SCI	BSM du CHU de Nancy	1,400	(11,955)	100	1,400	1,400	-	-	-	4,281	(1,055)	-	2018
SASU	Icade 3.0	1,000	(3,135)	100	1,000	-	-	5,033	-	1,156	(1,916)	-	2018
SCI	Silky Way	1	(2,002)	70	984	984	-	25,651	-	6,807	(497)	-	2018
SA	Cycle Up	1,500	(850)	50	750	750	-	-	-	94	(850)	-	2018
SCI	Lafayette	2	354	55	95	95	-	20,990	-	3,664	19	-	2018
SCI	Stratege	2	1,839	55	84	84	-	8,758	-	3,671	1,620	-	2018
SCI	Orianz	10	(167)	65	65	65	-	20,902	-	666	(1,053)	-	2018
SCI	Factor E	10	485	65	65	65	-	8,851	-	-	(23)	-	2018
SCI	BSP	10	(500)	99	10	10	-	-	-	1,214	(249)	-	2018

(in thousands of euros)		Share capital	Equity excluding share capital	% holding	Carrying amount of equity investments		Loans (excl. interest accrued but not due)	Advances (excl. interest accrued but not due)	Guarantees given to subsidiaries	Revenue	Profit/(loss) for the last financial year	Dividends received	Obs. (last reporting date)
					Gross	Net							
SCIA	Le Parc du Millénaire	5	(722)	86	5	5	-	103,924	-	-	(722)	-	2018
SCI	Sci Future Way	2	(1,135)	51	1	1	-	8,410	-	-	(691)	-	2018
SCI	Issy Holding Cœur de Ville	1	(1)	49	-	-	-	1	-	-	-	-	2018
SCCV	1-3 Rue d'Hozier	1	18	45	-	-	-	40	-	50	18	-	2016
SAS	Immobilier Développement	-	489	100	-	-	-	-	-	-	(125)	-	2017
CONSOLIDATED PROPERTY INVESTMENT COMPANIES					2,260,976	2,140,347	1,039,233	445,062					
SASU	Icade Promotion	29,683	217,434	100	135,089	135,089	100,000	119,014		715,960	45,570	54,989	2017
CONSOLIDATED PROPERTY DEVELOPMENT COMPANIES					135,089	135,089	100,000	119,014					
SPPICAV	Boutiques Premium	64,181	(2,917)	47	18,105	18,105	-	-	-	662	(2,917)	510	2017
GmbH	Icade Reim Arnulfstrasse MK9 GmbH	25	(902)	100	9,261	-	1,300	-	-	-	(113)	-	2018
SEM	Plaine Développement	4,314	(4,314)	-	17	17	-	-	-	-	-	-	-
SIC	Semhach	-	-	-	6	6	-	-	-	-	-	-	-
SCI	La Sucrière	5	38	99	4	4	-	40	-	-	(2)	-	2016
SEM	SEMGEP	-	-	-	3	3	-	-	-	-	-	-	-
SNC	SNC Capri Danton	1	-	100	1	1	-	-	-	-	-	-	2017
UNCONSOLIDATED COMPANIES					27,397	18,136	1,300	40	-				
TOTAL					**2,423,462**	**2,293,572**	**1,140,533**	**564,116**					

3. Statutory Auditors' report on the annual financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2018

To the Shareholders of Icade,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying annual financial statements of Icade for the year ended December 31, 2018.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the annual financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the annual financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the annual financial statements.

Valuation and impairment risk of tangible fixed assets (Notes 2.5 and 3 to the annual financial statements)

Description of risk

At December 31, 2018, the carrying value of tangible fixed assets amounted to €4,358 million, representing 48% of the Company's assets. Tangible fixed assets mostly comprise property assets held to earn rentals or for capital appreciation (or for both).

Property assets are recognised at cost less accumulated depreciation and any impairment, which is determined based on their fair value. Management has implemented a process for determining the fair value of the investment property portfolio, based on valuations performed by independent external appraisers and supplemented by an internal valuation process.

Measuring the fair value of a property asset is a complex exercise which involves making estimations. Thorough knowledge of the investment property market and significant judgement are required to determine the most appropriate valuation assumptions, such as: yield rate, discount rate, market rental values, cost estimates for construction work to be carried out and the estimated date of completion (in particular, for investment property under development) and any lease incentives (rent-free periods, works, etc) granted to tenants.

We deemed the valuation and impairment risk of tangible fixed assets to be a key audit matter due to the materiality of the corresponding amounts in the annual financial statements, the high degree of judgement and estimation involved in determining the main valuation assumptions to be used and the potentially high sensitivity of the tangible fixed assets' fair value to these assumptions.

How our audit addressed this risk

We carried out the following procedures:

- gaining an understanding of the process implemented by management to communicate data inputs to the external appraisers and to review the related values provided by said appraisers;
- collecting the external appraisers' engagement letters and assessing their competency and independence with respect to the Company;
- obtaining the appraisal valuation reports; critically assessing (i) the valuation methods used, (ii) the market inputs used (yield rate, discount rate, market rental values, etc.) and (iii) the assetspecific assumptions used (in particular, the cost estimates for construction work to be carried out and the estimated date of completion for investment property under development); and testing, on a sample basis, the data used (construction costs, rental market conditions, etc.);
- conducting interviews with management and the external appraisers to discuss their valuation of the overall property portfolio and the individual asset values with the most significant or unexpected fluctuations;
- verifying the amounts booked with respect to impairment;
- verifying the appropriateness of the disclosures provided in the notes to the annual financial statements.

Valuation of equity investments and associated receivables (Notes 2.8 and 4 to the annual financial statements)

Description of risk

The Company holds shares in property development and property investment companies. At December 31, 2018, these equity investments and associated receivables amounted to €2,294 million and €1,148 million respectively, representing 25% and 13% of the Company's assets.

After their acquisition, equity investments and associated receivables are recognised at their value in use. For equity investments in property investment companies, value in use is the adjusted net asset value including any unrealised gains on investment properties, estimated at fair value (determined with the assistance of external appraisers). For equity investments in property development companies, value in use is determined with the assistance of an independent appraiser using both the discounted cash flow and comparable multiples methods.

For both types of investments (and associated receivables), estimating their value in use requires in-depth knowledge of the property market. For property investment companies, it requires the same significant judgements as those described above under the "valuation and impairment risk of tangible fixed assets" key audit matter. For property development companies, the judgements rely in particular on forecast data, such as business plans and discount rates.

We deemed the valuation of equity investments and associated receivables to be a key audit matter due to the materiality of the corresponding amounts recognised in the annual financial statements, the high degree of judgement and estimation involved in determining the main valuation assumptions used and the potential significance of the sensitivity of the fair value of the related assets to these assumptions.

How our audit addressed this risk

We carried out the following procedures:

- verifying the appropriateness of the valuation methods used by management depending on the type of equity investment;
- comparing the carrying amounts of equity investments with the shareholders' equity of the related companies;
- verifying, when applicable, the information used to estimate value in use:
  - for equity investments in property investment companies, on a sample basis:
    - ensuring that the shareholders' equity values used were consistent with the annual financial statements of the related entities valued,
    - ensuring that any adjustments made to calculate the adjusted net asset value, in particular by taking into account any unrealised capital gains on investment property assets, were estimated based on the fair values determined by management with the assistance of external appraisers;
  - for equity investments in property development companies, based on a report prepared by an independent appraiser:
    - collecting the independent appraiser's engagement letter and assessing his/her competency and independence with respect to the Company,
    - collecting the independent appraiser's report and critically assessing the valuation methods used,
    - gaining an understanding of the main inputs used to implement the discounted cash flow and comparable multiples methods;
- verifying the amounts booked with respect to impairment;
- verifying the appropriateness of the disclosures provided in the notes to the annual financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the annual financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the annual financial statements of the information given with respect to the payment terms referred to in Article D. 441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the annual financial statements, or with the underlying information used to prepare these annual financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L. 225-37-5 of the French Commercial Code relating to those items your Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the acquisition of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Icade by the General Meetings held on March 22, 2006 for Mazars and June 22, 2012 for PricewaterhouseCoopers Audit.

At December 31, 2018, Mazars and PricewaterhouseCoopers Audit were in the thirteenth and the seventh year of their engagement, respectively.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the annual financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the annual financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the annual financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Paris La Défense and Neuilly-sur-Seine, March 18, 2019

The Statutory Auditors

Mazars	**Pricewaterhousecoopers Audit**
Gilles MAGNAN	Éric BULLE

8. CAPITAL, SHARES AND DISTRIBUTION POLICY

1. Information on the issuer and its capital

1.1. Legal information on the issuer

Registered office, legal form and applicable legislation

Company name	Icade
Registered office	27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France
Legal form	French public limited company (*société anonyme*, SA) with a Board of Directors
Legislation	French legislation
Date of incorporation and expiry of the Company's duration	The Company was incorporated on October 27, 1955. The period fixed for the duration of the Company shall expire on December 31, 2098.
Trade and companies register	Registered in the Nanterre Trade and Companies Register (RCS) under No. 582 074 944
Identification number	SIRET code: 582 074 944 01211
APE code (classification of activities)	6820 B
LEI code	969500UDH342QLTE1M42
Financial year	The financial year runs for twelve months from January 1 to December 31.

Tax regime for French listed real estate investment companies (SIICs)

The Company opted for the tax regime introduced by the Finance Act 2003 of December 30, 2002, applicable from January 1, 2003, which provided for the creation of listed real estate investment companies (*Sociétés d'Investissement Immobilier Cotées,* SIICs). Companies opting for this tax regime may benefit from an exemption from tax on income and capital gains realised as part of their activities as real estate investment companies, provided that they pay an exit tax now calculated at a rate of 19% on unrealised capital gains existing at the date on which the tax regime is elected, and whose payment is to be spread over four years. In return for this tax exemption, SIICs are required to distribute 95% of their tax-exempt rental income and 70% of their tax-exempt capital gains since December 31, 2018 within two years, and 100% of profits received from subsidiaries.

1.2. Articles of Association

1.2.1. Object of the Company (Article 2 of the Articles of Association)

The object of the Company is:

- to acquire, build and operate, in any form whatsoever, any property, land and real property rights or buildings located in France or abroad, and in particular any business premises, offices, shops, dwellings, warehouses or public salesrooms, restaurants, drinks outlets, any means of communication, any securities, corporate rights and any assets that may be attached to such assets;
- to carry out all types of research relating to those business activities, both for its own account and on behalf of its subsidiaries or third parties;
- to carry out any transport, transit and handling operations, forwarding agency, auxiliary transport and related activities;
- to assist with and provide any administrative, accounting, financial and management services to all subsidiaries and partly-owned companies as well as to contribute to the companies in its Group with any material or financial resources, particularly through cash transactions, in order to secure or promote their expansion as well as to carry out or assist with any economic, technical, legal, financial or other research without any restriction other than compliance with current legislation;
- to carry out business as an estate agency company, or as an intermediary for movable, immovable or commercial assets.

To that end, to create, acquire, lease, set up and operate any establishments relating to the estate agency business:

- to perform all types of property management agreements and in particular the collection of rents and tenant charges;
- to perform any activities related to the operation of the properties or provide services to the occupants;
- to take a direct or indirect interest or holding in any existing or future industrial, commercial or financial activities or operations, or in activities or operations related to movable or immovable property, of any kind, in any form whatsoever, in France or abroad, provided those activities or operations directly or indirectly relate to the object of the Company or to similar, related or complementary objects;
- and more generally speaking, to perform any operations, whether economic or legal, financial, trading or non-trading, which may be directly or indirectly associated with the object of the Company or with similar, related or complementary objects.

1.2.2. Rights and obligations attached to the shares (Articles 6 to 8 of the Articles of Association)

1.2.2.1. Types of shares and identities of shareholders

Fully paid-up shares are in registered or bearer form, at the shareholder's discretion, within the framework of, and subject to, legal provisions in force.

The shares give rise to an account entry under the conditions of, and in accordance with, the procedures provided for by current legislation and are transferred by inter-account transfer.

The Company may at any time request information on the composition of its shareholders in accordance with the provisions of Article L. 228-2 of the French Commercial Code and/or any other statutory provision which may supplement or supersede it.

1.2.2.2. Rights attached to each share

The ownership of one share entails agreement with the Articles of Association and decisions of the General Meeting.

Where it is necessary to own a certain number of shares in order to exercise a right, it shall be up to the shareholders who do not own the required number of shares to make suitable pooling arrangements to reach the required number of shares.

All shares which make up or will make up the share capital of the Company and which belong to the same category, have the same nominal value and are fully paid up at the same price, shall have all the same characteristics as existing shares as soon as they entitle their holders to the same dividend rights as existing shares.

In addition to the non-pecuniary rights provided for by current legislation or by these Articles of Association, each share shall entitle its holder to a portion of the profits or liquidation dividend in proportion to the number of existing shares.

1.2.2.3. Payment for shares

The value of shares issued as part of a capital increase and to be paid in cash is payable under the conditions laid down by the applicable legal and regulatory provisions.

Calls for payments for any unpaid amounts relating to shares shall be brought to the attention of the subscribers and shareholders concerned at least fifteen days before the date set for each payment, by means of a notice published in a legal notice newspaper for the area where the registered office is located or through an individual registered letter.

Any delay in paying any amounts due in relation to shares shall, automatically and without the need for any formalities, entail payment of interest calculated *prorata temporis* at the legal interest rate plus two hundred (200) basis points, without prejudice to any personal action that the Company may initiate against the defaulting shareholder or to any forced execution measures provided for by current regulations.

1.2.3. General Meetings (Article 15 of the Articles of Association)

1.2.3.1. Notice of meeting

Shareholders' meetings shall be called and held and deliberations shall take place as provided for by current regulations.

1.2.3.2. Access to meetings

General Meetings shall include all shareholders whose shares are fully paid up (meaning that any amounts owing have been paid) and, in accordance with the provisions of Article R. 225-85 of the French Commercial Code, whose right to participate in General Meetings has been justified by the registration of their shares either in the name of the shareholder or, if the shareholder is not domiciled in France, in the name of the intermediary registered on their behalf, before the third working day preceding the meeting at midnight (Paris time).

The shares must be registered either in the registered securities accounts kept by the Company or in the bearer securities accounts kept by the authorised intermediary, within the time limit mentioned in the previous paragraph.

Access to the General Meeting is open to its members on production of proof of their titles and identities. If it sees fit, the Board of Directors may give shareholders individual, personal admission cards and require these to be produced.

Any shareholder may, in accordance with the law, vote by post or be represented by another shareholder, their spouse or "civil solidarity pact" partner, or by any other natural or legal person of their choice.

In accordance with legal and regulatory requirements, shareholders may send their postal ballots or proxies, as well as a share ownership certificate, in paper or electronic form, at least three days before the date of the General Meeting. They may also vote electronically. The procedures for sending these documents shall be specified by the Board of Directors in the notice of meeting. The Board of Directors may shorten or remove this three-day period.

A shareholder who has already voted by postal ballot, submitted a proxy, or requested their admission card or a share ownership certificate may at any time transfer ownership of all or part of their shares.

However, if the transfer is made before the second working day preceding the meeting at midnight, Paris time, the Company shall invalidate or amend accordingly, as appropriate, the postal vote, proxy, admission card or share ownership certificate. To this end, the authorised intermediary and account keeper shall notify the Company or its representative of the transfer of ownership and provide the necessary information to the Company.

No transfer of ownership carried out after the second working day preceding the meeting at midnight, Paris time, regardless of the method used, can be notified by the authorised intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

1.2.3.3. Voting rights

Each member of the Ordinary or Extraordinary Meeting holds the same number of voting rights as the number of shares they own or represent.

Pursuant to Article L. 225-123, paragraph 3 of the French Commercial Code, the Combined General Meeting held on April 29, 2015 decided not to grant double voting rights for those shares for which it had been justified that they had been registered in the name of the same shareholder for at least two years.

1.2.3.4. Composition, attendance sheet and minutes

Meetings shall be chaired by the Chairman of the Board of Directors or, in their absence, by the Vice-Chairman or a director specially appointed by the Board. Otherwise, the Chairman shall be elected by the members of the meeting themselves.

Minutes shall be drawn up and copies shall be certified and distributed in accordance with current regulations.

Two members of the Works Council (if any), both appointed by that committee, one of them belonging to the "technicians and supervisors" category and the other one to the "employees and labourers" category or, as the case may be, the persons referred to in the third and fourth paragraphs of Article L. 432-6 of the French Labour Code, may attend the General Meetings.

1.3. Information on the capital

1.3.1. General information

1.3.1.1. Value of the share capital

Icade's share capital stands at €113,613,795.19 and is divided into 74,535,741 fully paid-up, no-par-value shares, all of the same category. As far as the Company is aware and as of the date of this document, none of the Company's 74,535,741 shares have been pledged.

1.3.1.2. Capital authorised but not issued

List of delegations and other authorisations to increase the share capital granted by the General Meeting to the Board of Directors

Pursuant to Article L. 225-100 of the French Commercial Code, the table summarising the authorisations and delegations in force or which have expired since the last General Shareholders' Meeting is shown in section § 1.4.3 of chapter 5.

List of authorisations and delegations to be submitted for approval at the Combined General Meeting on April 24, 2019

Types of securities concerned	Date of the General Meeting	Resolution number	Period and expiry date	Maximum authorised amount
Authorisation to have the Company repurchase its own shares	04/24/2019	16th resolution	18 months i.e. until 10/23/2020	10% of the shares making up the share capital as adjusted for any capital increase or reduction occurring during the programme period. Maximum purchase price: €110 per share. Maximum total amount: €735 million.
Authorisation to reduce the share capital through the cancellation of treasury shares	04/24/2019	17th resolution	18 months i.e. until 10/23/2020	10% of the share capital as calculated as of the date of the cancellation decision, net of any shares cancelled in the previous 24 months.
Delegation to increase the share capital by capitalisation of reserves, profits and/or share premiums	04/24/2019	18th resolution	26 months i.e. until 06/23/2021	Maximum nominal amount of €15,000,000.

1.3.2. Non-equity shares

There are no shares not representing Icade's equity capital.

1.3.3. Securities held by Icade or for its own account

The Company's Combined General Meeting of April 25, 2018 renewed a resolution before its expiry date which authorised the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, for a period of eighteen months, to have the Company repurchase its own shares, in one or more transactions and at such times as it deems appropriate, subject to a maximum limit of 10% of the number of shares making up the Company's share capital, adjusted where appropriate to take into account any increases or reductions in the share capital occurring during the period of the share repurchase programme.

This authorisation is intended to enable the Company to:

- stimulate the secondary market or ensure the liquidity of Icade shares by entering into a liquidity contract with an investment service provider. It should be noted that within this context, the number of shares used for the purpose of calculating the abovementioned limit is the number of shares purchased, less the number of shares resold;
- retain the shares so purchased for subsequent use in exchange or as payment for potential external growth transactions;
- meet the obligations arising from stock option plans and/or bonus share plans (or similar plans) for Group employees and/or corporate officers, as well as any share allocations as part of company or Group Savings Plans (or similar plans), or as part of an employee profit-sharing plan and/or any other forms of allocating shares to Group employees and/or corporate officers;
- ensure that a sufficient number of shares is available to meet the obligations arising from securities entitling their holders to Company shares, as allowed under current regulations;
- potentially cancel the shares so purchased.

Shares may be purchased by any means, including block trades, and at such times as the Board of Directors deems appropriate.

Except in cases where prior approval has been obtained from the General Meeting, the Board of Directors may not use this authorisation during a "pre-offer" period or a public offer initiated by a third party for the Company's shares until the end of the offer period.

The Company reserves the right to use options or other derivatives pursuant to applicable regulations.

The maximum purchase price is set at €110 per share. In the event of corporate actions affecting equity, especially share splits, reverse share splits or bonus shares granted to shareholders, the above-mentioned amount will be adjusted in the same proportion (multiplication factor equal to the number of shares making up share capital before the transaction divided by the number of shares after the transaction).

The maximum amount of the transaction is set at €735 million.

On April 25, 2018, the Company's Board of Directors decided to implement the share repurchase programme in respect of all the objectives set out by the Combined General Meeting of April 25, 2018.

On December 19, 2018, Icade entered into an agreement with an investment service provider for the purpose of repurchase its own shares over the period from December 19, 2018 to June 19, 2019. The maximum number of shares that may be acquired under this agreement is the higher of (i) 372,679 shares or (ii) 0.5% of the number of shares making up Icade's share capital.

Situation as of December 31, 2018

Of the 488,116 treasury shares representing 0.65% of the share capital as of December 31, 2018, 107,500 are held by the Company as part of the liquidity contract.

2018 information (cumulative data)	Shares	% of capital
Total number of shares making up the issuer's capital at the start of the programme (January 1, 2011)	51,802,133	
Directly- and indirectly-held treasury shares at the start of the programme	705,205	
Number of shares held as of December 31, 2018	488,116	0.65%
Number of shares repurchased during the year	1,042,254 [(a)]	1.40%
Number of shares sold during the year	819,722 [(b)]	1.10%
Average price of repurchases	78.99	
Average price of sales	81.65	
Transaction costs excluding tax	50,000	
Portfolio net book value		
Portfolio nominal value		

(a) Excluding shares issued for the Icade-ANF merger: 126,558.
(b) Excluding shares granted to employees under the 2016 plans: 67,618.

1.3.4. Complex securities

1.3.4.1. Convertible bonds

As of December 31, 2018, Icade has not issued any convertible bonds.

1.3.4.2. Stock options

The information and history of stock option grants are described in § 3.3 of this chapter of this registration document.

1.3.4.3. Bonus share grants

The information and history of bonus share grants are described in § 3.2 of this chapter of this registration document.

1.3.5. Option or agreement relating to the capital of Icade or companies in its Group

As of the date of this registration document, there are no commitments to purchase or sell (i) all or part of Icade's capital or (ii) all or part of the capital of a direct subsidiary of Icade.

1.3.6. Changes in Icade's capital over the last three years

Date	Action	Number of shares issued/ cancelled	Nominal value of the capital increase or reduction *(in €)*	Share premiums, contribution premiums or merger premiums *(in €)*	Cumulative capital amount *(in €)*	Cumulative number of shares
May 23, 2016	Capital increase in consideration for the contributions made for the purposes of the merger of HoldCo SIIC into Icade	38,491,773	58,672,475.25	3,017,970,913.85 [(a)] (2,426,710.62) [(b)]	171,639,127.28	112,602,959
May 23, 2016	Capital reduction due to the cancellation of shares in the Company transferred by HoldCo SIIC to the Company for the purposes of the merger of HoldCo SIIC into Icade	(38,491,773)	(58,672,475.25)	(3,016,900,864.43) [(c)]	112,966,652.03	74,111,186
June 29, 2018	Capital increase in consideration for the contributions made for the purposes of the merger of ANF Immobilier into Icade	420,242	640,568.91	21,187,096.81 [(d)]	113,607,220.94	74,531,428
Between August 1 and 31, 2018	Capital increase due to the exercise of Icade stock options (noted by the Board of Directors on October 18, 2018)	4,313	6,574.25	342,174.95	113,613,795.19	74,535,741

(a) Including €2,755,076,346.47 for the "legal" merger premium, €261,824,733.38 for the badwill recorded in a sub-account of this merger premium, and €1,069,834.00 recorded in a sub-account for losses for the interim period.
(b) Equal to duties and costs payable as a result of the merger, including -€2,096,710.62 recorded in the "legal" merger premium account and -€330,000 recorded as losses for the interim period.
(c) Recorded in the merger premium account formed as a result of the merger, after deducting any duties and costs payable as a result of the merger (including the portion recorded in the sub-account of the merger premium account for badwill), the remaining balance being recorded in other merger premium accounts which were on the Company's balance sheet before the merger.
(d) Including €23,489,140.74 for the "legal" merger premium and deduction of -€2,302,043.93 of duties and costs payable as a result of the merger.

1.3.7. Changes in the distribution of Icade's capital over the last three years

	12/31/2018		12/31/2017		12/31/2016	
Shareholders	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Caisse des dépôts	28,895,621	38.77	28,895,631	38.99	28,895,631	38.99
Groupama Holding [a]					9,596,200	12.95
Crédit Agricole Assurances group [b]	13,704,789	18.39	13,704,789	18.49	4,219,304	5.69
Icamap Investments Sarl/GIC Pte Ltd/Future Fund Board of Guardians acting in concert [c]	3,858,476	5.18	-	-	-	-
Public	27,395,820	36.76	31,111,533	41.98	30,987,735	41.81
Employees	192,919	0.26	192,589	0.26	205,672	0.28
Treasury shares	488,116	0.65	206,644	0.28	206,644	0.28
TOTAL	**74,535,741**	**100**	**74,111,186**	**100**	**74,111,186**	**100**

(a) By letters of June 22 and 23, 2017, Caisse des dépôts and the company Groupama Holding informed the French Financial Markets Authority (AMF) that, following the sale by Groupama Holding of its entire stake in Icade, the shareholder agreement they had entered into on May 23, 2016, whereby they were considered to be acting in concert in relation to Icade, had been terminated.
(b) Number of shares held notified to the Company as of December 31, 2018.
(c) Disclosure of crossing of a shareholding threshold in accordance with the last notification sent to the Company on September 27, 2018.

As far as the Company is aware, no other shareholders hold more than 5% of the capital or voting rights.

1.3.8. Crossing of shareholding thresholds (Article 6 III of the Articles of Association)

In addition to the thresholds provided for by applicable law, any natural or legal person who, acting alone or in concert, exceeds or falls below a threshold of 0.5% or more of the Company's capital or voting rights, or any whole multiple of that percentage below 5%, must, within the time limits and in accordance with the provisions set out in Article L. 233-7 of the French Commercial Code (or any other article which may replace it), inform the Company, by registered letter with acknowledgement of receipt, of the total number of shares and voting rights they hold as well as the total number of securities entitling their holders to shares and associated voting rights in the Company.

Beyond 5% and up to a threshold of 50% (without prejudice to any additional legal requirement), the disclosure obligation mentioned in the previous paragraph shall apply when a threshold of 1% or more, or any whole multiple of that percentage, of the Company's capital or voting rights is crossed upwards or downwards.

For the purposes of this article, the holding of the person concerned shall be calculated in the same way as for legal thresholds. In respect of thresholds being crossed as a result of a purchase or sale on a regulated market, the time limit mentioned in Article L. 233-7 of the French Commercial Code shall begin to run from the date on which the securities are traded and not the date of their delivery.

In the event of non-compliance with this disclosure obligation, the sanctions provided for in Article L. 233-14 of the French Commercial Code shall apply; in particular, shareholders holding at least 5% of the share capital may issue a request, which shall be included in the minutes of the General Meeting, that the voting rights attached to the shares exceeding the fraction which should have been declared be suspended in respect of any Shareholders' Meetings held within two years of disclosing the crossing of the threshold.

To the best knowledge of the Company and based on the crossings of shareholding thresholds provided for by law or by the Articles of Association which were notified by shareholders to the Company and/or the AMF, below is the list of the positions last notified by the relevant shareholders:

Declaring party	Crossing date	Number of shares held after the threshold was crossed	% of total number of shares	Date of the notification letter sent to the Company	Threshold crossed in terms of share capital	Threshold crossed in terms of voting rights
Moneta Asset Management	02/08/2018	320,000	0.43%	02/13/2018	Downward	Downward
UBS Investment Bank	03/07/2018	397,846	0.54%	03/13/2018	Downward	Downward
Icamap Investments Sarl [(a)]	04/05/2018	1,585,488	2.14%	04/11/2018	Upward	Upward
UBS Investment Bank	04/11/2018	413,005	0.56%	04/17/2018	Upward	Upward
Icamap Investments Sarl [(b)]	04/13/2018	1,877,672	2.50%	04/17/2018	Upward	Upward
GIC Pte Ltd	04/13/2018	375,644	0.50%	04/17/2018	Upward	Upward
UBS Investment Bank	04/17/2018	/	0.50%	04/19/2018	Downward	Downward
Icamap Investments Sarl [(c)]	04/23/2018	2,310,134	3.00%	04/26/2018	Upward	Upward
Fund Board of Guardians	04/24/2018	378,573	0.50%	04/26/2018	Upward	Upward
UBS Investment Bank	04/23/2018	470,307	0.63%	04/26/2018	Upward	Upward
UBS Investment Bank	04/24/2018	/	0.50%	04/26/2018	Downward	Downward
UBS Investment Bank	04/26/2018	468,287	0.63%	04/30/2018	Upward	Upward
ING Groep N.V.	04/30/2018	449,018	0.50%	05/01/2018	Upward	Upward
Moneta Asset Management	05/02/2018	420,000	0.50%	05/03/2018	Upward	Upward
UBS Investment Bank	04/30/2018	/	0.50%	05/04/2018	Downward	Downward
ING Groep N.V.	05/07/2018	235,193	0.50%	05/08/2018	Downward	Downward
Crédit Agricole SA [(d)]	05/04/2018	13,904,789	18.50%	05/10/2018	Upward	Upward
CACEIS	05/07/2018	595,000	0.50%	05/10/2018	Upward	Upward
Crédit Agricole SA [(e)]	05/07/2018	14,299,789	19%	05/10/2018	Upward	Upward
Icamap Investments Sarl [(f)]	05/08/2018	2,652,654	3.50%	05/11/2018	Upward	Upward
GIC Pte Ltd	05/10/2018	750,715	1.00%	05/11/2018	Upward	Upward
UBS Investment Bank	05/08/2018	443,490	0.60%	05/14/2018	Upward	Upward
UBS Investment Bank	05/10/2018	/	0.50%	05/14/2018	Downward	Downward
CACEIS [(g)]	05/10/2018	/	0.50%	05/14/2018	Downward	Downward
Crédit Agricole SA [(h)]	05/10/2018	13,704,789	19% 18.50%	05/14/2018	Downward	Downward
Icamap Investments Sarl [(i)]	05/22/2018	3,033,533	4.00%	05/25/2018	Upward	Upward
Future Fund Board of Guardians	05/28/2018	757,314	1.00%	05/31/2018	Upward	Upward
Icamap Investments Sarl [(j)]	06/04/2018	3,409,491	4.50%	06/07/2018	Upward	Upward
Amundi	06/18/2018	1,130,881	1.50%	06/18/2018	Upward	Upward
Icamap Investments Sarl [(k)]	07/02/2018	3,730,290	5.00%	07/05/2018	Upward	Upward
Icamap Investments Sarl [(l)]	09/04/2018	3,725,611	5.00%	09/07/2018	Downward	Downward
Icamap Investments Sarl [(m)]	09/24/2018	3,858,476	5.00%	09/27/2018	Upward	Upward
Future Fund Board of Guardians	09/24/2018	1,170,073	1.5	09/27/2018	Upward	Upward
Axa Investment Managers	10/17/2018	1,125,774	1.5	10/19/2018	Upward	Upward

(a) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (2.14% of share capital and voting rights).
(b) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (2.53% of share capital and voting rights).
(c) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (3.12% of share capital and voting rights).
(d) Threshold indirectly crossed as a result of CACEIS, a direct subsidiary of Crédit Agricole SA, borrowing 200,000 Icade shares.
(e) Threshold indirectly crossed as a result of CACEIS, a direct subsidiary of Crédit Agricole SA, borrowing 395,000 Icade shares.
(f) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (3.58% of share capital and voting rights).
(g) Threshold directly crossed as a result of CACEIS, a direct subsidiary of Crédit Agricole SA, returning the Icade shares it had borrowed.
(h) Threshold indirectly crossed as a result of CACEIS, a direct subsidiary of Crédit Agricole SA, returning the Icade shares it had borrowed.
(i) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (4.09% of share capital and voting rights).
(j) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (4.60% of share capital and voting rights).
(k) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (5.00% of share capital and voting rights).
(l) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (4.999% of share capital and voting rights).
(m) GIC Pte Ltd and Future Fund Board of Guardians acting in concert (5.18% of share capital and voting rights).

1.4. Shareholding structure

The following table shows the number of shares, percentage of capital and corresponding percentage of voting rights held by the Company's shareholders as of December 31, 2018.

Shareholders (as of 12/31/2018)	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Caisse des dépôts	28,895,621	38.77	28,895,621	39.02
Crédit Agricole Assurances group [(a)]	13,704,789	18.39	13,704,789	18.51
Icamap Investments S.ar.l/GIC Pte Ltd/Future Fund Board of Guardians acting in concert [(b)]	3,858,476	5.18	3,858,476	5.21
Public	27,395,820	36.76	27,395,820	37.00
Employees (FCPE Icade)	192,919	0.26	192,919	0.26
Treasury shares	488,116	0.65	0	0.00
TOTAL	**74,535,741**	**100.00**	**74,047,625**	**100.00**

(a) Number of shares held notified to the Company as of December 31, 2018.
(b) Disclosure of crossing of a shareholding threshold in accordance with the last notification sent to the Company on 09/27/2018.

In accordance with Icade's Articles of Association, no shareholder holds any special voting rights. Changes in Icade's shareholding structure are shown in the section "Events after the reporting period".

1.4.1. Legal or natural persons who may exercise control over the Company

Under Article L. 233-3 I, 4° of the French Commercial Code, Caisse des dépôts exercises sole control over the Company.

In the interests of good corporate governance, Icade has taken a number of actions to prevent conflicts of interest and has five independent Directors on its Board of Directors (i.e. over one third). Furthermore, three committees of the Board of Directors (Appointments and Remuneration Committee; Audit and Risk Committee; and Strategy and Investment Committee) are chaired by independent Directors.

1.4.2. Agreements relating to the control of the Company

As far as the Company is aware, there are no agreements which could entail a change of control of Icade.

As of December 31, 2018, Icade had in place a set of measures intended to prevent conflicts of interest, amongst which:

- the presence of five independent Directors on the Board of Directors made up of fourteen members. The proportion of independent Directors on the Board of Directors is in compliance with Article 8.3 of the Afep-Medef Code of Corporate Governance;
- the existence of four committees including independent Directors: Appointments and Remuneration Committee (half of the members are independent Directors, including the Chairwoman); Audit and Risk Committee (two thirds of the members are independent Directors, including the Chairman); the Strategy and Investment Committee (over half of the members are independent Directors, including the Chairman); and the Innovation and CSR Committee (two thirds of the members are independent Directors);
- the ownership ties between Caisse des dépôts and Icade are described in this document. No related-party agreements within the meaning of Article L. 225-38 of the French Commercial Code were entered into during the financial year ended December 31, 2018 and two related-party commitments entered into during a prior financial year were still ongoing during this financial year *(see the Statutory Auditors' special report on regulated related-party agreements, section 9.3).*

2. The Company's shares

As of December 31, 2018, Icade's share capital stood at €113,613,795.19, divided into 74,535,741 shares. As of December 31, 2018, the Company's market capitalisation was €4,957 million.

2.1. Data sheet

CAPITALISATION
as of 12/31/2018
€4,957m

NUMBER OF LISTED SHARES
as of 12/31/2018
74,535,741

DATA SHEET

ISIN code	FR0000035081
Ticker	ICAD
Listing market	Euronext Paris – Euronext – Local equities
Specific market	Local equities – Compartment A (Blue Chips)
Industry (Euronext classification)	6570, Real Estate Investment Trusts
PEA (French share savings scheme)	Not eligible (except for shares purchased before October 21, 2011)
SRD (deferred settlement service)	Eligible
Industry Classification Benchmark (ICB)	ICB Industrial & Office REITS, 8671
Indices	EPRA, SBF 120, CAC All-Tradable, Euronext 100, Euronext IEIF SIIC France, CAC All Shares, CAC Mid & Small, CAC Mid 60, CAC Financials, Vigeo Eur 120 Euronext, Euronext IEIF REIT Europe

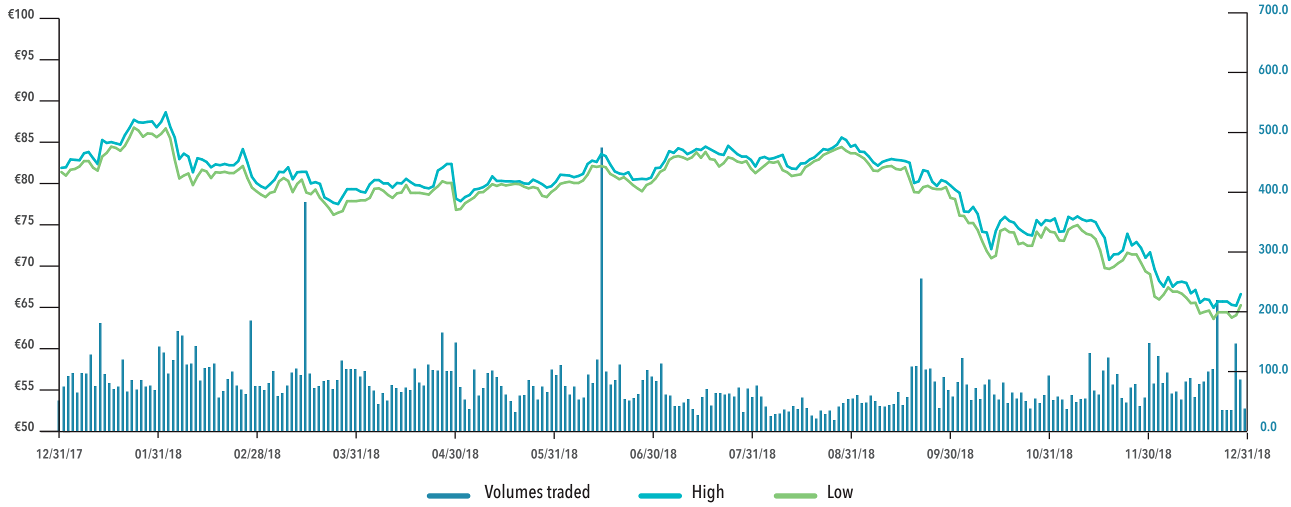
2.2. Icade shares from January 1 to December 31, 2018

	Price *(in €)*		Trading volumes	
2018	**High**	**Low**	**Securities traded** *(in number)*	**Capital traded** *(in M€)*
January	87.75	86.80	2,074,829	175.38
February	88.65	86.70	2,160,525	177.59
March	82.00	80.70	2,179,802	172.71
April	82.40	77.90	1,804,490	143.82
May	82.40	76.85	1,739,502	138.19
June	83.60	79.10	2,085,280	169.97
July	84.60	80.10	1,320,190	109.46
August	85.60	80.95	925,737	76.75
September	84.70	78.95	1,499,902	121.46
October	80.25	71.00	1,528,763	114.80
November	76.05	69.40	1,582,628	114.97
December	71.70	63.65	1,761,222	116.30
			20,662,870	**1,631.40**

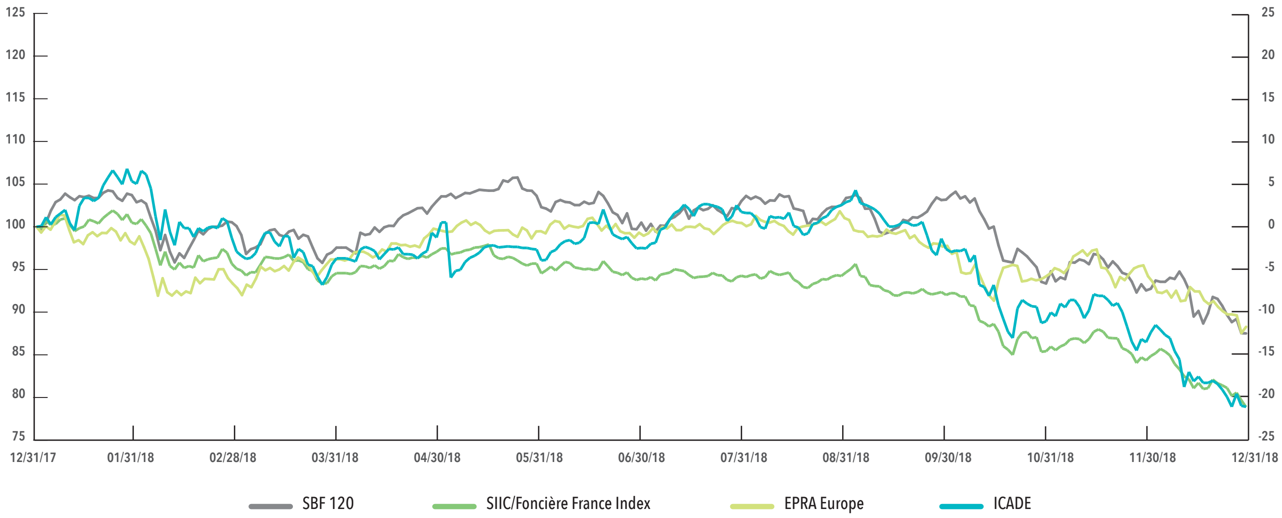
(Sources: Euronext/Bloomberg).

ICADE'S SHARE PRICE IN 2018 AND VOLUMES OF SHARES TRADED ON EURONEXT *(in thousands of shares)*

Volumes of shares traded *(in thousands of shares)*



Icade's share price vs. EPRA Europe, SIIC France, SBF 120 from 12/31/2017 to 12/31/2018 *(Icade's share price rebased to 100 at 12/31/2017)*



As of December 31, 2018, the Icade share's price stood at €66.5 after suffering, just like its peers, substantial capital outflows in a context of significant market downturn across all sectors. With -18.83%, the share declined to a lesser extent than the sector as a whole, which was down -21.51% (SIIC/Foncière France Index).

3. Employee shareholding

In order to involve employees in Icade's performance and strengthen their sense of belonging to the Group, regardless of rank or position, Icade has implemented a series of employee share ownership plans including a Group Savings Plan with an "FCPE" employee-shareholding fund, bonus shares and performance shares, as well as stock option plans.

3.1. Group Savings Plan

All employees of Icade's economic and social unit (UES) who have completed at least three months of service in the Icade group benefit from the Group Savings Plan.

To invest these funds, Icade's Group Savings Plan offers employees several "FCPE" employee-shareholding funds, including four multi-company funds and the Icade fund.

FCPE Icade Action represents 35.8% of outstanding investments in the Group Savings Plan, and 41% of employee shareholders hold shares in this particular fund.

As of December 31, 2018, FCPE Icade Action held all employee-owned Icade shares, that is: 192,919 shares, i.e. 0.26% of capital.

As of December 31, 2018, no other "FCPE" employee-shareholding funds held Icade shares.

3.2. Bonus share plans and performance share plans

3.2.1. 2016 bonus share plans and performance share plans

In accordance with the authorisation given by Icade's Combined General Meeting of May 23, 2016, Icade's Board of Directors, at its meeting of October 19, 2016, approved a bonus share plan for the employees of Icade and its subsidiaries within the Icade economic and social unit (UES) (Icade SA, Sarvilep, Icade Management, SMDH, Icade Promotion) holding a permanent employment contract on October 1, 2016.

In 2016, a bonus share plan for all employees and a performance share plan were launched. The grant of 30 bonus shares to each employee became final after a two-year vesting period that started November 7, 2016, and subject to satisfaction of the condition of continued service within the Group or within the subsidiaries belonging to the Icade economic and social unit (UES).

After the vesting period, the beneficiaries became owners of the bonus shares, which are registered in their names on an account. They may only sell their bonus shares at the end of a one-year mandatory holding period.

The performance shares granted to senior executives (members of the Executive Committee and Coordination Committee, excluding the CEO) and to managers appointed in 2016 became final after a two-year vesting period that ended November 8, 2018, subject to satisfaction of the condition of continued service within the Group or within the subsidiaries belonging to the Icade economic and social unit (UES) and to satisfaction of performance conditions as assessed according to the following two criteria:

- **criterion 1:** relative performance of Icade's share price compared to the FTSE EPRA Eurozone Index. This criterion applied to 50% of the performance shares granted;
- **criterion 2:** operational and financial performance assessed based on the achievement of objectives in terms of EPRA triple net asset value over two years compared to EPRA triple net asset value as of the end of 2015. This criterion applied to 50% of the performance shares granted.

The objectives set out by the two performance conditions have been achieved. 100% of the shares subject to these criteria have been permanently granted.

3.2.2. 2018 bonus share plans and performance share plans

In accordance with the authorisation given by Icade's Combined General Meeting on April 25, 2018, Icade's Board of Directors, at its meetings of October 18, 2018 and November 22, 2018, approved two bonus share plans for the employees of Icade and its subsidiaries within the Icade economic and social unit (UES) (Icade SA, Sarvilep, Icade Management, Icade Promotion). A bonus share plan for all employees and a performance share plan were launched.

The grant of 40 bonus shares to each employee holding a permanent employment contract on September 30, 2018 will only become final after a two-year vesting period that started October 18, 2018, and subject to satisfaction of the condition of continued service within the Group or within the subsidiaries belonging to the Icade economic and social unit (UES).

After the vesting period, the beneficiaries will become owners of the bonus shares that were granted to them and the shares will be registered in their names on an account. As from the vesting date, they may only sell their bonus shares at the end of a one-year mandatory holding period.

The performance shares granted to senior executives (members of the Executive Committee and Coordination Committee, excluding the CEO) and to managers appointed in 2018 will only become final after a two-year vesting period that started December 3, 2018, and subject to satisfaction of the condition of continued service within the Group or within the subsidiaries belonging to the Icade economic and social unit (UES) and to satisfaction of performance conditions as assessed according to the following two criteria:

- **criterion 1:** relative performance of Icade's share price compared to the FTSE EPRA/NAREIT Eurozone Index. This criterion applies to 50% of the performance shares granted.

  Vesting of performance shares will be contingent on the relative performance of Icade's share price compared to the FTSE EPRA/NAREIT Eurozone Index, as described in the following table:

RELATIVE PERFORMANCE: LEVEL OF THE ICADE SHARE COMPARED TO THE FTSE EPRA/NAREIT EUROZONE INDEX

Relative performance of the Icade share compared to the FTSE EPRA/NAREIT Eurozone Index	< (1.5)%	≥ (1.5)% and < (0.5)%	≥ (0.5)% and ≤ index	> index and < +1%	≥ +1% and ≤ +1.5%	> +1.5%
% of shares vested	0%	33.3%	66.7%	80%	100%	115%

This criterion will be assessed based on a two-year period for the purpose of vesting calculations (vesting date in December 2020). For this calculation, the difference between the percentage change in Icade's share price and the percentage change in the index over the period from October 30, 2018 to October 31, 2020 (100 = October 31, 2018) will be assessed (determined at the end of October 2020 to allow calculation).

- **criterion 2:** operational and financial performance assessed based on the achievement of objectives in terms of two-year change in NAV TSR, between June 30, 2018 and June 30, 2020. This criterion applies to 50% of the performance shares granted.

PERFORMANCE: CHANGE IN NAV TSR

2-year change in average TSR (assessed based on the financial statements as of June 30, 2018 and June 30, 2020)	< +3%	≥ +3% and < +4.5%	≥ +4.5% and < +6%	≥ +6% and < +8.1%	≥ +8.1% and < +9.5%	> +9.5%
% of shares vested	0%	33.3%	66.7%	80%	100%	115%

This criterion will be assessed at the end of the preparation of the half-year financial statements in June 2020 for the purpose of vesting calculations (vesting date in December 2020).

After the vesting period, the beneficiaries will become owners of the shares that were granted to them and the shares will be registered in their names on an account. As from the vesting date, they may only sell their bonus shares at the end of a two-year mandatory holding period.

3.2.3. Summary of current bonus share plans and performance share plans

The table below shows the features of all bonus share plans and performance share plans implemented by Icade and still in effect.

	1-2014 plan	2-2014 plan	1-2016 plan	2-2016 plan	1-2018 plan	2-2018 plan
Date of the General Meeting	06/22/2012	06/22/2012	05/23/2016	05/23/2016	04/25/2018	04/25/2018
Date of the Board of Directors' meeting	02/19/2014	02/19/2014	10/19/2016	10/19/2016	10/18/2018	12/03/2018
Maximum number of shares that may be granted	519,962 [a]	519,962 [a]	370,555 [e]	370,555 [e]	745,357 [i]	745,357 [i]
Total number of shares initially granted	21,990	14,250	31,560	52,959	44,800	52,660
Total number of shares that may vest	21,990 [b]	14,250	31,560 [f]	52,959	44,800 [j]	52,660
- in favour of the top ten non-corporate officer employee awardees		*9,550*		*13,237*		*11,360*
- in favour of other non-corporate officer employee awardees		*4,700*		*39,722*		*41,300*
- in favour of corporate officers [e]						
Total number of beneficiaries	1,466	34	1,052	220	1,120	218
Grant date	03/04/2014	03/04/2014	11/07/2016	11/07/2016	10/18/2018	12/03/2018
Vesting date	03/04/2016	03/04/2016	11/08/2018	11/08/2018	10/19/2020	12/04/2020
Release date (end of the mandatory holding period)	03/04/2018	03/04/2018	11/07/2019	11/07/2020	10/18/2021	12/03/2022
Grant price	€68.81 [c]	€68.8 1[c]	€66.49 [g]	€66.49 [g]	€77.32 [k]	€73.16 [l]
Vesting subject to a condition of service on the vesting date	yes	yes	yes	yes	yes	yes
Vesting subject to performance conditions	no	yes [d]	no	yes [h]	no	yes [m]
Cancelled shares (II) including:	2,895	12,994	5,880	11,021	1,760	428
Vested shares (III)	19,095	1,256	25,680	41,938	0	0
- in favour of the top ten non-corporate officer employee awardees		*692*		*12,293*		
- in favour of other non-corporate officer employee awardees		*564*		*29,645*		
- in favour of corporate officers [e]						
Remaining shares as of 12/31/2018 (IV)= (I)-(II)-(III)	0	0	0	0	43,040	52,232

(a) The 16th resolution of the Combined General Meeting of June 22, 2012 states that: "the General Meeting decided that the total number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
(b) That is, 30 shares per employee holding a permanent employment contract on December 31, 2013 and still working for the Company on the grant date.
(c) Average of the 20 most recent closing prices as of March 4, 2014.
(d) 100% of these shares will vest in favour of their beneficiary subject to a condition of service on the vesting date, and to EPRA earnings per share and the relative performance of Icade's share price compared to the FTSE EPRA Eurozone Index reaching the objectives set as part of the plan's performance conditions, with each of these criteria relating to 50% of the performance shares granted.
(e) The 22nd resolution of the Combined General Meeting of May 23, 2016 states that: "the General Meeting decided that the total number of shares granted cannot represent a nominal capital increase exceeding 0.5% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
(f) That is, 30 shares per employee holding a permanent employment contract on October 1, 2016 and still working for the Company on the grant date.
(g) Average of the 20 most recent opening prices as of November 7, 2016.
(h) 100% of these shares vested in favour of their beneficiary as they met the condition of service on November 7, 2018, and as EPRA triple net asset value per share and the relative performance of Icade's share price compared to the FTSE EPRA Eurozone Index reached 100% of the objectives set as part of the plan's performance conditions.
(i) The 20th resolution of the Combined General Meeting of April 25, 2018 states that: "The total number of bonus shares granted under this authorisation cannot exceed 1% of share capital as of the date on which the decision to grant the shares is made. [...] It is granted for a period of thirty-eight months starting on the date of this meeting."
(j) That is, 40 shares per employee holding a permanent employment contract on September 30, 2018 and still working for the Company on the grant date.
(k) Average of the 20 most recent opening prices as of October 18, 2018.
(l) Average of the 20 most recent opening prices as of December 3, 2018.
(m) 100% of these shares will vest in favour of their beneficiary subject to a condition of service on the vesting date, and to the change in NAV TSR and Icade's share price reaching the objectives set as part of the plan's performance conditions, with each of these criteria relating to 50% of the performance shares granted. These awards may be increased by 15% if the performance of either of the indicators exceeds that of the respective benchmark.

In addition, when ANF was acquired on October 23, 2017 and merged into Icade on July 1, 2018, the performance share plan established by the Executive Board on May 23, 2016 by delegation from the Extraordinary General Meeting of May 11, 2016 and authorisation from the Company's Supervisory Board (meeting of March 14, 2016), having obtained the opinion of the Appointments and Remuneration Committee on March 7, 2016, was converted into an Icade bonus share plan by applying the exchange ratio used for the merger (3 Icade shares for 11 ANF shares).

The 19,674 shares from the 2015-2016 plan shall vest after a 3-year vesting period ending on May 23, 2019, provided that their beneficiary still works for Icade on the vesting date and, for three employees who did not opt for the calculation of performance conditions as of the date on which ANF was taken over by Icade, provided that the post-conversion performance conditions are met.

3.3. Stock options – history of grants and information

No stock option plan was introduced in the financial year 2018.

One plan established by Icade—the 1-2011 plan—is still in effect and its main features are described below:

	1-2011 plan
Date of the General Meeting	04/15/2009
Date of the Board of Directors' meeting	02/16/2011
Maximum number of options that may be granted	498,377 (a)
Total number of options initially granted	147,500
Total number of shares that may vest	147,500 (b)
- in favour of the top ten non-corporate officer employee awardees	*80,500*
- in favour of other non-corporate officer employee awardees	*27,000*
- in favour of corporate officers	*40,000*
Total number of beneficiaries	32
Grant date	03/03/2011
Start date of the exercise period	03/03/2015
End date of the plan	03/03/2019
Strike price	€80.86 (c)
Vesting subject to a condition of service on the vesting date	yes
Vesting subject to performance conditions (b)	yes
Options cancelled	122,700
including those cancelled for failing to meet performance conditions	80,190
Options exercised:	4,313
- in favour of the top ten non-corporate officer employee awardees	*0*
- in favour of other non-corporate officer employee awardees	*0*
- in favour of corporate officers	*0*
Remaining options as of 12/31/2016	20,487

(a) The 18th resolution of the Combined General Meeting of April 15, 2009 states that: "the General Meeting decided that the total number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".

(b) 35% of options are not subject to any performance condition but only to the beneficiary still working for the Company on the exercise date.
65% of options are subject to performance conditions in addition to the condition of the beneficiary still working for the Company on the exercise date:
– for half of the performance-contingent options, achieving the objectives depends on the change in Icade's share price compared to the IEIF index; objectives will be achieved if, over the reference periods, the change in Icade's share price (average of the 20 opening prices as of January 2 of each period) is between 4% and 16% greater than the change in the IEIF benchmark index over the same periods. However, if the change in Icade's share price between January 2, 2011 and January 2, 2015 is more than 16% greater than the change in the IEIF benchmark index over the same period, and the independently determined conditions for each of the periods have not been met, 80% of the performance-contingent options may be exercised by the beneficiaries;
– for half of the performance-contingent options, the objectives will be achieved if, in the first 4 financial years, 2011 cash flow reaches €240 million, 2012 cash flow reaches €284 million, 2013 cash flow reaches €291 million, and 2014 cash flow reaches €337 million. However, if in year 4 the objective is 100% achieved, 80% of the options contingent on cash flow may be exercised by the beneficiaries.

(c) Average of the 20 most recent opening prices as of March 3, 2011.

8

In accordance with the authorisation given by the Combined General Meeting of Icade Emgp (renamed "Icade") of April 15, 2009, Icade's Board of Directors meeting of February 16, 2011 approved a 1-2011 plan in favour of corporate officers (Article L. 225-185 of the French Commercial Code) including the Chairman of simplified joint stock companies (SAS) in the Group, and/or a salaried individual of a company of the Group and member of the Executive Committee or Coordination Committee of the Company, or performing management duties within a company of the Group.

In accordance with the delegation granted to him by Icade's Board of Directors on February 16, 2011, the Chairman and Chief Executive Officer decided that the grant of options provided for by the 1-2011 plan would take place on March 3, 2011.

The main characteristics of this 1-2011 plan are described below:

1-2011 plan

Maximum number of options that can be subscribed if all the options are granted and exercised	751,361 [(a)] and 498,377 per financial year
Total number of stock options initially granted	147,500
Total number of shares that can be subscribed by exercising options	147,500, of which 80,500 shares can be subscribed by the top ten non-corporate officer employee awardees, 26,000 can be subscribed by other non-corporate officer employee awardees, and 40,000 can be subscribed by Serge Grzybowski, Chairman and Chief Executive Officer and the only corporate officer concerned.
Total number of beneficiaries	32
Start of the stock option exercise period	March 4, 2015
Expiry date	March 3, 2019
Subscription price	€80.86
Exercise terms and conditions	These options can be exercised by their beneficiaries from the start of the stock option exercise period under the following terms and conditions: ▪ up to 35% of the total number of options granted to them; and ▪ for the remainder, i.e. up to 65% of the total number of options granted (the "Performance-Contingent Options"), 32.5% of options shall be exercisable or not depending on the change in the price of the Icade share relative to the change in the IEIF benchmark index [(b)] and the remaining 32.5% depending on the achievement of objectives in terms of net current cash flow.
Cancelled stock options	122,700 (including 80,190 for failing to meet objectives set as part the performance conditions)
Exercised stock options	4,313
Outstanding stock options as of 12/31/2018	20,487

(a) The 18th resolution of the Combined General Meeting of April 15, 2009 states that: "the General Meeting decided that the number of options granted cannot provide entitlement to a total number of shares resulting in a nominal capital increase exceeding 1.5% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months) and 1% of the diluted capital determined as of the day of this meeting, per financial year".

(b) Thus, these objectives will be achieved for half of the performance-contingent options if, over the reference periods, the change in Icade's share price (average of the 20 opening prices as of January 2 of each period) is between 4% and 16% greater than the change in the IEIF benchmark index over the same periods. However, if the change in Icade's share price between January 2, 2011 and January 2, 2015 is more than 16% greater than the change in the IEIF benchmark index over the same period, and the independently determined conditions for each of the periods have not been met, 80% of the performance-contingent options may be exercised by the beneficiaries.
Similarly, the objectives will be achieved for half of the performance-contingent options if, in the first 4 financial years, 2011 cash flow reaches €240 million, 2012 cash flow reaches €284 million, 2013 cash flow reaches €291 million, and 2014 cash flow reaches €337 million. However, if in year 4 the objective is 100% achieved, 80% of the options contingent on cash flow may be exercised by the beneficiaries.

In addition, when ANF was acquired on October 23, 2017 and merged into Icade on July 1, 2018, the stock option plans established by the Executive Board on December 14, 2009, December 15, 2010, December 22, 2011, April 2, 2013, June 23, 2014 and November 12, 2014 were converted into Icade bonus share plans by applying the exchange ratio used for the merger (3 Icade shares for 11 ANF shares).

3.4. Bonus shares

3.4.1. 1-2014 plan and 2-2014 plan for Icade bonus shares

In accordance with the authorisation given by Icade's Combined General Meeting of June 22, 2012, Icade's Board of Directors, at its meeting of February 19, 2014, approved a bonus share plan for the employees of Icade and its subsidiaries within the Icade economic and social unit (UES) (i.e.: Icade SA, Sarvilep, Icade Promotion, Icade Transactions, Icade Property Management, I Porta, Icade Conseil, Icade Expertise, Icade Asset Management, Socomie) holding a permanent employment contract on December 31, 2013.

In accordance with the delegation granted to him by Icade's Board of Directors on February 19, 2014, the Chairman and Chief Executive Officer decided that the assignment of bonus shares under the two 2014 plans would take place on March 3, 2014.

The main characteristics of the 1-2014 and 2-2014 plans are described below:

1-2014 plan

Maximum number of shares that may be granted	519,962 [(a)]
Total number of shares initially granted	21,990
Total number of shares that may vest	21,990, i.e. 15 shares per employee holding a permanent employment contract on December 31, 2013 and still working for the Company on the grant date.
Total number of beneficiaries	1,466
Vesting date	March 4, 2016
Release date (end of the mandatory holding period)	March 4, 2018
Grant price	€68.81 [(b)]
Vesting terms and conditions	These shares will vest provided that their beneficiary still works for the Company on the vesting date.
Cancelled shares	2,895
Vested shares [(c)]	19,095
Remaining shares as of 12/31/2018	0

(a) The 16th resolution of the Combined General Meeting of June 22, 2012 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
(b) Average of the 10 most recent prices as of March 3, 2014.
(c) As of 12/31/2015, there were two cases of early vesting in accordance with the rules defined in the plan's regulations (i.e. 30 shares for death).

2-2014 plan

Maximum number of shares that may be granted	519,962 [(a)]
Total number of shares initially granted	14,250
Total number of shares that may vest	14,250, of which 9,300 shares may vest in favour of the top ten non-corporate officer employee awardees and 4,950 in favour of other non-corporate officer employee awardees.
Total number of beneficiaries	34
Vesting date	March 4, 2016
Release date (end of the mandatory holding period)	March 4, 2018
Grant price	€68.81 [(b)]
Exercise terms and conditions	100% of these shares will vest provided that their beneficiary still works for the Company on the vesting date and that EPRA earnings per share and the price of the Icade share reach the objectives set as part of the plan's performance conditions.
Cancelled shares	12,994
Vested shares	1,256
Remaining shares as of 12/31/2018	0

(a) The 16th resolution of the Combined General Meeting of June 22, 2012 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
(b) Average of the 10 most recent prices as of March 3, 2014.

3.4.2. 1-2016 plan and 2-2016 plan for Icade bonus shares

In accordance with the authorisation given by Icade's Combined General Meeting of May 26, 2016, Icade's Board of Directors, at its meeting of October 19, 2016, approved a bonus share plan for the employees of Icade and its subsidiaries within the Icade economic and social unit (UES) (i.e.: Icade SA, Sarvilep, Icade Management, SMDH, Icade Promotion) holding a permanent employment contract on October 1, 2016.

The main characteristics of the 1-2016 plan and 2-2016 plan are described below:

1-2016 plan

Maximum number of shares that may be granted	370,555 [(a)]
Total number of shares initially granted	31,560
Total number of shares that may vest	31,560, i.e. 30 shares per employee holding a permanent employment contract on October 1, 2016 and still working for the Company on the grant date.
Total number of beneficiaries	1,052
Vesting date	November 7, 2018
Release date (end of the mandatory holding period)	November 7, 2019
Grant price	€66.49 [(b)]
Vesting terms and conditions	These shares will vest provided that their beneficiary still works for the Company on the vesting date.
Cancelled shares	5,880
Vested shares	25,680
Remaining shares as of 12/31/2018	0

(a) The 22nd resolution of the Combined General Meeting of May 23, 2016 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 0.5% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".

(b) Average of the 20 most recent prices as of November 7, 2016.

2-2016 plan

Maximum number of shares that may be granted	370,555 [(a)]
Total number of shares initially granted	52,959
Total number of shares that may vest	52,959, of which 13,237 shares may vest in favour of the top ten non-corporate officer employee awardees and 39,722 in favour of other non-corporate officer employee awardees.
Total number of beneficiaries	220
Vesting date	November 7, 2018
Release date (end of the mandatory holding period)	November 7, 2020
Grant price	€66.49 [(b)]
Exercise terms and conditions	100% of these shares will vest provided that their beneficiary still works for the Company on the vesting date and that EPRA earnings per share and the price of the Icade share reach the objectives set as part of the plan's performance conditions. [(c)]
Cancelled shares	11,021
Vested shares	41,938
Remaining shares as of 12/31/2018	0

(a) The 22nd resolution of the Combined General Meeting of May 23, 2016 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 0.5% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".

(b) Average of the 20 most recent prices as of November 7, 2016.

(c) At the end of the vesting period, the objectives set as part of the performance conditions were 100% met.

3.4.3. 1-2018 plan and 2-2018 plan for Icade bonus shares

In accordance with the authorisation given by Icade's Combined General Meeting of April 25, 2018, Icade's Board of Directors, at its meeting of October 18, 2018, approved two bonus share plans for the employees of Icade and its subsidiaries within the Icade economic and social unit (UES) (i.e.: Icade SA, Sarvilep, Icade Management, and Icade Promotion).

The main characteristics of the 1-2018 and 2-2018 plans are described below:

1-2018 plan

Maximum number of shares that may be granted	745,357 [(a)]
Total number of shares initially granted	44,800
Total number of shares that may vest	44,800, i.e. 40 shares per employee holding a permanent employment contract on September 30, 2018 and still working for the Company on the grant date.
Total number of beneficiaries	1,120
Vesting date	October 19, 2020
Release date (end of the mandatory holding period)	October 19, 2021
Grant price	€77.32 [(b)]
Vesting terms and conditions	These shares will vest provided that their beneficiary still works for the Company on the vesting date.
Cancelled shares	1,760
Vested shares	0
Remaining shares as of 12/31/2018	43,040

(b) The 20th resolution of the Combined General Meeting of April 25, 2018 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
(b) Average of the 20 most recent prices as of October 18, 2018.

2-2018 plan

Maximum number of shares that may be granted	745,357 [(a)]
Total number of shares initially granted	52,660
Total number of shares that may vest	52,660, of which 11,360 shares may vest in favour of the top ten non-corporate officer employee awardees and 41,300 in favour of other non-corporate officer employee awardees.
Total number of beneficiaries	218
Vesting date	December 4, 2020
Release date (end of the mandatory holding period)	December 4, 2022
Grant price	€73.16 [(b)]
Exercise terms and conditions	100% of these shares will vest provided that their beneficiary still works for the Company on the vesting date and that the change in NAV TSR and the price of the Icade share reach the objectives set as part of the plan's performance conditions
Cancelled shares	428
Vested shares	0
Remaining shares as of 12/31/2018	52,232

(a) The 20th resolution of the Combined General Meeting of April 25, 2018 states that: "the General Meeting decided that the number of shares granted cannot represent a nominal capital increase exceeding 1% of the diluted capital determined as of the day of this meeting during the period of this authorisation (i.e. 38 months)".
(b) Average of the 20 most recent prices as of December 3, 2018.

3.5. Information on stock options granted by the Company and exercised by non-corporate officer employees during the year

Date on which the options were granted Grant and exercise of stock options for current and former non-corporate officer employees (aggregate information)	4,313
Grant of March 3, 2011	
Options granted by the Company during the financial year to the 10 non-corporate officer employees who received the highest number of options	-
Share subscription price	€80.86

Stock options granted to the top ten non-corporate officer employee awardees and options exercised by the latter during the financial year	Total number of options granted/shares subscribed or purchased	Weighted average price
Options granted during the financial year by the issuer or any company included within the scope of grant of options to the ten employees of the issuer or any company within this scope, who received the highest number of options (aggregate information).	-	-
Options held against the issuer or the above-mentioned companies which were exercised during the year by the ten employees of the issuer or of these companies who received the highest number of options (aggregate information).	-	-

4. Appropriation of profits and dividend distribution policy

4.1. History of dividends and proposed appropriation of profits

Icade	2016	2017	2018
Dividend proposed by the annual OGM for the financial year ***(in €m)*** [(a)]	296.4	318.7 [(b)]	342.9 [(e)]
Dividend per share ***(in €)***	4.00	4.30	4.60 [(f)]
Number of shares (including treasury shares)	74,111,186 [(c)]	74,111,186 [(c)]	74,535,741 [(d)]
Number of shares (excluding treasury shares)	73,904,542 [(c)]	73,904,542 [(c)]	74,047,625 [(d)]

(a) Including treasury shares.
(b) Subject to the approval of the annual OGM to be held to approve the financial statements. This sum will be adjusted to the number of shares in existence on the day of the annual OGM.
(c) Number of shares as of the date of the annual OGM to be held to approve the financial statements for the year.
(d) Number of shares as of 12/31/2018 at midnight.
(e) Including €67.1 million deducted from the merger premium.
(f) Including €0.90 deducted from the merger premium.

4.2. Obligation related to the SIIC tax regime and dividend distribution

The ratio of activities not eligible for the SIIC status on the parent company's balance sheet stood at 10.25% as of December 31, 2018.

In 2018, Icade's net profit was €185.8 million, corresponding to a fiscal profit of €260.8 million.

This tax base breaks down between the various business activities as follows:

- €35.0 million in tax-exempt current income from SIIC activities, subject to a 95% distribution obligation;
- €169.3 million in tax-exempt income from disposals, subject to a 70% distribution obligation;
- €57.1 million in tax-exempt dividends from SIIC subsidiaries, subject to a 100% distribution obligation;

The taxable profit stood at -€0.6 million.

These results generated a total distribution obligation of €208.8 million for the financial year 2018, broken down as follows:

- €33.2 million relating to the rental business (95% obligation);
- €118.5 million relating to asset disposals (70% obligation);
- €57.1 million relating to dividends from SIIC subsidiaries (100% obligation).

	Fiscal profit/ (loss)	Distribution obligation		Fiscal profit/ (loss)	Distribution obligation	
(in millions of euros)	12/31/2018	%	Amount	12/31/2017	%	Amount
Current profit/(loss) from SIIC activities	35.0	95%	33.2	17.0	95%	16.2
Profit/(loss) from asset disposals	169.3	70%	118.5	16.4	60%	9.8
Dividends from SIIC subsidiaries	57.1	100%	57.1	33.1	100%	33.1
Taxable profit/(loss)	(0.6)	0%	-	0.6	0%	-
TOTAL	**260.8**		**208.8**	**67.1**		**59.1**
Obligations limited to tax-exempt profit			NA			NA
Distribution obligations taken over from acquired companies			NA			NA
TOTAL	**260.8**		**208.8**	**67.1**		**59.1**

The distribution of a dividend of €4.60 per share will be proposed at the Annual General Meeting to be held to approve the financial statements for the year ended December 31, 2018. Based on the number of existing shares as of December 31, 2018, i.e. 74,535,741 shares, the dividend amount proposed at the General Meeting will be €342.9 million.

The payment of the dividend in two equal instalments, consisting of an interim dividend of €2.30 per share paid on March 21, 2019 with shares going ex-dividend on March 19 and a balance payment on 4 July, 2019 with shares going ex-dividend on July 2, 2019, will be proposed at the Combined General Meeting on April 24, 2019. From now on, this modality will be used each year, in particular to provide shareholders with more regular income streams.

	12/31/2018	12/31/2017
Dividend distributed for the financial year ***(in €m)*** (a)	343.7	318.7
Including ordinary dividend	*275.0*	*318.7*
Including merger reserve	*67.1*	-
Including merger premium	*0.7*	-
Dividend per share ***(in €)*** (a)	4.60	4.30
Including ordinary dividend	*3.69*	*4.30*
Including merger reserve	*0.90*	-
Including merger premium	*0.1*	-

(a) The number of shares used is the number of shares making up the capital, i.e. 74,535,741 as of December 31, 2018 and 74,111,186 as of December 31, 2017.

4.3. Non-tax deductible expenses

The financial year's expenses do not include expenses that are not considered deductible by the tax authorities, as defined by the provisions of Articles 39-4 and 223 *quater* of the French General Tax Code.

9. ADDITIONAL INFORMATION

1. Persons responsible

1.1. Person responsible for this document

Mr Olivier Wigniolle, Chief Executive Officer of Icade.

1.2. Declaration by the person responsible for the registration document

I, the undersigned, Olivier Wigniolle, Chief Executive Officer of Icade, certify that, having taken all reasonable care to ensure such is the case, the information contained in this registration document, to the best of my knowledge, is in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company, and of all the companies included in its scope of consolidation, and that the information contained in the management report, whose correspondence table is shown on page 307, gives a fair view of the business, results and financial position of the Company and of all the companies included in its scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors stating that they have completed their assignment, which included checking the information relating to the financial position and the financial statements presented in this registration document, and that they have also read the entire document.

Paris, on March 29, 2019

Olivier Wigniolle

Chief Executive Officer

1.3. Persons responsible for audits

1.3.1. Principal Statutory Auditors

PricewaterhouseCoopers Audit

Member of Compagnie regionale des commissaires aux comptes de Versailles

63, rue de Villiers
92200 Neuilly-sur-Seine, France

Registered in the Nanterre Trade and Companies Register (RCS) under No. 672 006 483

Represented by Éric Bulle

First appointed: June 22, 2012

Reappointed: April 25, 2018

End of term: at the end of the Annual General Meeting of Shareholders to be held to approve the financial statements for the year ended December 31, 2023.

Mazars

Member of Compagnie regionale des commissaires aux comptes de Versailles

Tour Exaltis
61, rue Henri-Regnault
92400 Courbevoie, France

Registered in the Nanterre Trade and Companies Register (RCS) under No. 784 824 153

Represented by Gilles Magnan

First appointed: March 22, 2006

Reappointed: April 12, 2013

End of term: at the end of the Annual General Meeting of Shareholders to be held to approve the financial statements for the year ended December 31, 2018.

1.3.2. Alternate Statutory Auditors

Charles de Boisriou

Alternate for Mazars

Tour Exaltis
61, rue Henri-Regnault
92400 Courbevoie, France

First appointed: April 12, 2013

End of term: at the end of the Annual General Meeting of Shareholders to be held to approve the financial statements for the year ended December 31, 2018.

1.4. Fees of the Statutory Auditors and members of their networks for the financial year 2018

The fees charged by the Statutory Auditors are detailed in note 11.3 to the consolidated financial statements (chapter 6 of this registration document).

1.5. Person responsible for financial disclosures

Olivier Wigniolle

Chief Executive Officer

27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France

Telephone: +33 1 41 57 70 01

olivier.wigniolle@icade.fr

Victoire Aubry

Member of the Executive Committee in charge of Finance, Legal, IT, and Work Environment

27, rue Camille-Desmoulins, 92130 Issy-les-Moulineaux, France

Telephone: +33 1 41 57 70 12

victoire.aubry@icade.fr

2. Third-party information, statements by experts and declarations of interest – independent property valuers' condensed report

2.1. General background of the valuation assignment

General background

As part of our agreement entered into with Icade ("**the Company**"), we were requested to estimate the fair value of the property assets in Icade's portfolio. This condensed report, which summarises the circumstances surrounding our assignment, was drawn up to be included in the Company's registration document.

Our assignments have been carried out totally independently.

Our Company has no ownership ties with Icade.

Our Company confirms that the valuations have been carried out by and under the responsibility of qualified independent valuers and that our Company has carried out its assignment as an independent valuation company qualified for the assignment.

Our annual fees charged to the Company represent less than 10% of our Company's revenue recorded in the previous accounting year.

We have not identified any conflicts of interest during these assignments.

The assignments comply with the AMF's recommendation regarding the presentation of the valuations and risks associated with the property assets of listed companies published on February 8, 2010.

Current assignment

Our assignments included estimating the fair values of the properties based on their occupancy as of December 31, 2018.

We confirm that, in accordance with IFRS 13, the assets were appraised based on their "highest and best use value".

We only included alternative use values in situations where either the conditions for its implementation had been met, or the following three conditions had been met: the operation is physically possible, legally permissible and financially feasible.

It is recalled that when the client is the lessee under the terms of a finance lease, the property valuer only values the assets underlying the agreement and not the agreement itself. In the same way, where property was owned by a special purpose company, its value was estimated assuming the sale of the underlying property asset and not that of the Company.

2.2. Procedures for performing the assignment

Information reviewed

This assignment has been carried out based on the documents and information provided to us, which are assumed to be accurate and inclusive of all the information and documents in the Company's possession or of which the Company is aware, and which might have an impact on the fair values of the properties.

Valuation standards

The property appraisals and valuations have been carried out in accordance with:

- national standards:
  - the recommendations of the Barthès de Ruyter report on the valuation of the property assets of publicly traded companies published in February 2000,
  - the Property Valuation Charter,
  - principles set out in the Code of Ethics for French Listed Real Estate Investment Companies (SIIC);
- international standards, which may be applied as alternatives or in combination:
  - TEGoVA's (The European Group of Valuers' Association) European Valuation Standards published in its "Blue Book",
  - and also the standards of the Royal Institution of Chartered Surveyors' (RICS) Red Book published in its document "RICS Valuation – Professional Standards",
  - the IVSC's (International Valuation Standards Committee) provisions.

Methods used

Valuations are based on the discounted cash flow method, the income capitalisation method, the residual method and the comparable sales method.

2.3. Total fair value as of December 31, 2018

The total fair value is the sum of the individual values of all assets and is calculated both excluding duties (after deducting transfer duties and fees) and including duties (fair value before deducting transfer duties and fees).

Name of the independent property valuer	Assets appraised	Number of assets appraised	Number of assets inspected during the December 2018 campaign	Fair value excluding duties as of 12/31/2018 [(a)] on a full consolidation basis *(in M€)*
BNPP Paribas Real Estate Valuation	Offices/Business parks	77	9	914
CBRE Valuation	Offices/Business parks/Homes	185	18	1,973
Cushman & Wakefield Valuation France	Offices/Business parks/Shopping centre	179	53	3,369
Jones Lang Lasalle Expertise	Offices/Healthcare/Hotels	120	33	5,798
Catella Valuation FCC	Offices/Warehouses/Healthcare/Shopping centre	85	5	6,485
Impact of assets subject to a double appraisal approach				(5,269)
Non-appraised assets or assets measured at a different value				127
TOTAL ASSETS				**13,397**

(a) Fair value excluding duties and tax, and excluding fixed legal expenses, adjusted for the share not attributable to Icade for assets held by equity-accounted companies in the consolidated financial statements. Including the ANF Immobilier portfolio

2.4. General comments

These values are subject to market stability and to the absence of significant changes in the properties between the date the valuations were carried out and the value date.

This condensed report cannot be considered separately from the body of work carried out in respect of the valuation assignment.

Each of the five independent property valuers confirms the values of the properties that they appraised or updated, and may not be held responsible for the values determined by the other independent property valuers.

Christophe Adam
Director
Jones Lang LaSalle Expertises

Philippe Dorion
Director
Cushman & Wakefield Valuation France

Anne Digard
Chairman
CBRE Valuation

Jean-François Drouets
Chairman
Catella Valuation FCC

Jean-Claude Dubois
Chairman
BNP Paribas Real Estate Valuation

3. Statutory Auditors' report on related party agreements and commitments

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General Meeting for the approval of the financial statements for the year ended December 31, 2018

To the General Meeting of the Icade company,

In our capacity as Statutory Auditors of Icade, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R. 225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the General Meeting

We were not informed of any agreements or commitments authorised and entered into during the year to be submitted for approval at the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the General Meeting

Agreements and commitments approved during prior financial years

a) that continued to be implemented during the year ended December 31, 2018

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Meeting in previous years, remained in force during the year ended December 31, 2018.

Contingency insurance policy for Olivier Wigniolle in his capacity as Chief Executive Officer of Icade

A group contingency insurance policy *(contrat d'assurance prévoyance)* was taken out by Caisse des dépôts with CNP Assurances on February 15, 2012. This policy covers certain senior executives of the subsidiaries of the Caisse des dépôts group.

In this context, Olivier Wigniolle, Chief Executive Officer of Icade, is one of the insured persons under this policy, under which he benefits from insurance cover as a corporate officer.

Caisse des dépôts decided to charge Icade for the share of the payments made under the group contingency insurance policy corresponding to the cover granted to Olivier Wigniolle as Chief Executive Officer of Icade. The rebilling by Caisse des dépôts of this group contingency insurance policy and the payment by Icade of invoices to be issued in this context shall constitute a rebilling agreement, even if this rebilling agreement is not evidenced by a written contract.

On April 29, 2015, the Board of Directors authorised the signing of this commitment and acknowledged the merits of this contingency insurance policy, particularly i) with regard to the pricing conditions, considered fair and equitable for Icade for this type of insurance cover, and ii) considering how complex it would be to take out a new insurance policy for the senior executive concerned. The amount rebilled did not exceed €10,000 for the financial year 2018.

Icade directors concerned: Caisse des dépôts represented by Virginie Fernandes, Jean-Paul Faugère, Olivier Mareuse, Céline Senmartin, Nathalie Tessier, Sophie Quatrehomme, Carole Abbey and Jean-Marc Morin.

b) that were not implemented during the year ended December 31, 2018

In addition, we were informed that the following agreements and commitments, approved by the General Meeting in previous years, were not implemented during the year ended December 31, 2018.

Allocation of a severance payment in the event of dismissal of Olivier Wigniolle as Chief Executive Officer of Icade

At its meetings of March 19, 2015 and April 29, 2015, the Board of Directors approved all the terms and conditions relating to the corporate office of Olivier Wigniolle, which are in line with market practices and compliant with the guidelines and principles for the senior executives of Caisse des dépôts.

In the event of dismissal related to a change of control (within the meaning of Article L. 233-3 of the French Commercial Code) or a strategic disagreement with the Board of Directors, Olivier Wigniolle, Chief Executive Officer of Icade, will receive a severance payment equal to the gross overall remuneration (fixed and variable) received over the twelve months preceding his dismissal.

In accordance with Article L. 225-42-1 of the French Commercial Code, the severance payment shall only be paid if the following performance condition has been satisfied: the most recent NPAG (net profit/loss) attributable to the Group as reported in the consolidated financial statements and after adjustment for capital gains from disposals) for the financial year preceding the dismissal is greater than or equal to the arithmetic mean of the NPAGs for the two financial years immediately preceding the most recent NPAG.

Corporate officer concerned: *Olivier Wigniolle.*

Paris La Défense and Neuilly-sur-Seine, March 18, 2019

The Statutory Auditors

Mazars	**PricewaterhouseCoopers Audit**
Gilles MAGNAN	Éric BULLE

4. Documents on display

The Articles of Association, minutes of General Meetings and other corporate documents of Icade, as well as historical financial information, all the valuations or declarations issued by an independent valuer at Icade's request that are required to be made available to the shareholders, and any other document required to be made available to the shareholders in accordance with applicable legislation, are available at Icade's registered office: 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France.

The regulated information as defined in Article 221-3 of the AMF General Regulation is available on Icade's website (www.icade.fr).

Copies of this registration document are available free of charge from Icade (27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France), on its website (www.icade.fr), and on the French Financial Markets Authority's (AMF) website (www.amf-france.org).

5. Schedule of financial publications and events in 2019

Publications	Estimated publication dates (AMF press releases)	Quiet Period [(a)]	Blackout Period [(b)]
Q4 2018 revenue **2018 full-year financial statements**	February 18, 2019 *before the market opens*	February 3, 2019 to February 18, 2019	January 19, 2019 to February 19, 2019 inclusive
Q1 2019 revenue	April 25, 2019 *before the market opens*	April 18, 2019 to April 25, 2019	April 10, 2019 to April 26, 2019 inclusive
Q2 2019 revenue **2019 half-year financial statements**	July 22, 2019 *before the market opens*	July 7, 2019 to July 22, 2019	June 22, 2019 to July 23, 2019 inclusive
Q3 2019 revenue	October 17, 2019 *after the market closes*	October 10, 2019 to October 17, 2019	October 2, 2019 to October 18, 2019 inclusive

(a) **Quiet Period:** *period preceding the announcement of full-year and half-year results, and quarterly financial data. During that period, Icade must not contact analysts, investors and the media in order to avoid the risk of disclosing insider information.*
Specific rules applying to Icade: 7 days for Q1 and Q3 results and the Investor Day, and 15 days for full-year and half-year results. The quiet period ends as soon as the relevant publication is issued to the market.

(b) **Blackout Period:** *period during which Icade's insiders must refrain from trading in Icade shares if they become aware of insider information, and until such information is made public.*
Specific rules applying to Icade: 15 days for Q1 and Q3 results and the Investor Day, and 30 days for full-year and half-year results. The prohibition is extended until the day after the publication date (inclusive).

6. Correspondence tables

6.1. Correspondence table for the registration document

Subjects (headings of Appendix 1 of Commission Regulation No. 809/2004)	Registration document
1. Persons responsible	
1.1 Name and position of persons responsible	Chap. 9 p. 299
1.2 Declaration from persons responsible	Chap. 9 p. 299
2. Statutory Auditors	**Chap. 9 p. 301**
3. Selected financial information	**Chap. 1 p. 6, 8**
4. Risk factors	**Chap. 4 p. 141-152**
5. Information about the issuer	
5.1 History and development of the Company	
5.1.1 Legal and commercial name of issuer	Chap. 8 § 1.1. p. 280
5.1.2 Place of registration and registration number of the issuer	Chap. 8 § 1.1. p. 280
5.1.3 Date of incorporation and length of life of the issuer	Chap. 8 § 1.1. p. 280
5.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates	Chap. 8 § 1.1. p. 280
5.1.5 Important events	Chap. 2 § 1.1. p. 16-17
5.2 Investments	–
5.2.1 Description of investments made during the financial year	Chap. 2 p. 16-17, 32-34. 48, Chap. 6 p. 204-205
5.2.2 Description of future investments	Chap. 2 p. 33, 48
6. Business overview	
6.1 Principal activities	Chap. 1 p. 8, Chap. 2 p. 25, 28, 45, 56
6.2 Principal markets	Chap. 2 p. 29-30, 46-47, 57
6.3 Exceptional factors	Chap. 2 p. 16-17
6.4 Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	None
6.5 The basis for any statements made by the issuer regarding its competitive position	Chap. 1 p. 12, Chap. 2 p. 30, 47, 57, Chap. 4 p. 144-145
7. Organisational structure	
7.1 Brief description of the Group	Chap. 1 p. 8
7.2 List of significant subsidiaries	Chap. 6 p. 231-237
8. Property, plants and equipment	
8.1 Material tangible fixed assets	Chap. 2 p. 27-33, 47-48, Chap. 6 p. 204-205
8.2 Environmental issues that may affect the issuer's utilisation of the tangible fixed assets	Chap. 3, Correspondence tables p. 136-138
9. Financial review	
9.1 Financial condition	Chap. 2 p. 17-63, Chap. 6 p. 186-189
9.2 Operating results	Chap. 2 p. 17-18, 20, 25-62, Chap. 6 p. 186
10. Capital resources	
10.1 Information concerning capital resources	Chap. 6 p. 189, 215
10.2 Sources and amounts of cash flows	Chap. 6 p. 188
10.3 Information on borrowing requirements and funding structure	Chap. 2 p. 22-25, Chap. 6 p. 207-213
10.4 Restrictions on the use of capital resources that have materially affected, or could materially affect the Company's operations	Chap. 2 p. 23, Chap. 6 p. 212, 226, Chap. 8 p. 286
10.5 Anticipated sources of funds needed to fulfil firm investment commitments made by the managers and planned tangible fixed assets	Chap. 2 p. 22-25 Chap. 6 p. 207-213
11. Research and development, patents and licences	**None**

Subjects (headings of Appendix 1 of Commission Regulation No. 809/2004)		Registration document
12.	**Trend information**	**Chap. 1 p. 12-14**
13.	**Profit forecasts or estimates**	**None**
14.	**Board of Directors and senior management**	
14.1	Information on the members of the Board of Directors and senior management	Chap. 5 p. 157-164, 171-173
14.2	Conflicts of interest	Chap. 5 p. 183
15.	**Remuneration and benefits**	
15.1	Amount of remuneration paid and benefits in kind granted	Chap. 5 p. 174-178, Chap. 6 p. 229, Chap. 7 p. 265
15.2	Amount set aside or accrued to provide pension, retirement or similar benefits	Chap. 5 p. 178
16.	**Board practices**	
16.1	Date of expiry of current terms of office	Chap. 5 p. 156
16.2	Service contracts binding the members of the Board of Directors	None
16.3	Information concerning committees	Chap. 5 p. 168-170
16.4	Statement of compliance with the corporate governance regime	Chap. 5 p. 154
17.	**Employees**	
17.1	Number of employees	Chap. 1 p. 6, Chap. 3 p. 103-104, Chap. 6 p. 224
17.2	Shareholdings and stock options of corporate officers	Chap. 5 p. 177-178, Chap. 8 p. 291-293
17.3	Arrangement providing for employee shareholding	Chap. 8 p. 289-297
18.	**Major shareholders**	
18.1	Shareholders holding more than 5% of the share capital or voting rights	Chap. 8 p. 284-286
18.2	Existence of different voting rights	None
18.3	Control of the issuer	Chap. 8 p. 286
18.4	Any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	Chap. 8 p. 286
19.	**Related party transactions**	**Chap. 2 p. 64**
20.	**Financial information concerning the issuer's assets and liabilities, financial position, and profits and losses**	
20.1	Historical financial information	Chap. 6 p. 185-237, Chap. 7 p. 243-273
20.2	*Pro forma* financial information	None
20.3	Financial statements	Chap. 6 p. 185-237, Chap. 7 p. 243-273
20.4	Statutory Auditors' reports	Chap. 6 p. 238-241, Chap. 7 p. 274-277
20.5	Date of latest financial information	p. 1
20.6	Interim and other financial information	None
20.7	Dividend policy	Chap. 8 § 4. p. 297-298
20.8	Legal and arbitration proceedings	Chap. 4 § 3.2. p. 152
20.9	Significant change in the financial or trading position	None
21.	**Additional information**	
21.1	Share capital	Chap. 8 p. 282-283
21.2	Memorandum and Articles of Association	Chap. 8 § 1.2.1. p. 280
22.	**Material contracts**	**Chap. 2 § 4.3. p. 64**
23.	**Third-party information, statements by experts and declarations of interest**	**Chap. 9 § 2. p. 300-301**
24.	**Documents on display**	**Chap. 9 § 4. p. 306**
25.	**Information on holdings**	**Chap. 7 p. 272-273**

6.2. Correspondence table for the financial report

The following table identifies the information required by the French Financial Markets Authority (AMF) in respect of the annual financial report, in accordance with Article 212-13 VI of its General Regulation.

Subjects (in compliance with Article 222-3 of the AMF General Regulation)	Registration document
1. Annual financial statements	**Chap. 7 p. 243-273**
2. Consolidated financial statements	**Chap. 6 p. 185-237**
3. Statutory Auditors' reports on the annual financial statements and consolidated financial statements	**Chap. 7 p. 274-277, Chap. 6 p. 238-241**
4. Management report	
4.1 Activity of the Company and its subsidiaries	Chap. 2 p. 15-63
4.2 Appropriation of profits, and dividends	Chap. 8 § 4 p. 297-298
4.3 Subsidiaries and holdings	Chap. 6 p. 231-237, Chap. 7 § 13.3. p. 270-273
4.4 Treasury shares	Chap. 8 p. 282-283
4.5 Employee shareholding	Chap. 8 § 3 p. 289-297
4.6 Other information	
4.6.1 Payment terms	Chap. 2 p. 64
4.6.2 Corporate officers' transactions in the Company's securities	Chap. 5 § 2.1. p. 183
4.7 Social, environmental and R&D information, and opinion of the independent third-party body	Chap. 3 p. 66-139
5. Corporate governance report	**Chap. 5 § 1 p. 154-182**

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ADDITIONAL INFORMATION...

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