

PRESS RELEASE

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ICADE SANTÉ: 2022 HALF YEAR RESULTS

EPRA EARNINGS UP +3.7% VS. H1 2021

PORTFOLIO VALUE UP BY +2.3% LIKE-FOR-LIKE

S&P RATING AFFIRMED AT BBB+ WITH STABLE OUTLOOK

Introduction

As of June 30, 2022, the Icade Group's Healthcare Property Investment business was mainly conducted by Icade Santé SA, 58.30% owned by Icade SA, and additionally via Icade Healthcare Europe, 59.39% owned by Icade SA and holding some of the international assets.

The combined financial statements for H1 2022 of the Icade Group's Healthcare Property Investment Division are available on the websites of Icade and Icade Santé.

The Icade Santé Group's financial statements as of June 30, 2022 have not been significantly impacted by the current inflationary environment and higher government bond yields as a result of the post-Covid-19 global economic recovery combined with the effects of Russia's war on Ukraine. The resilience of the Group's business, its high percentage of fixed rate and hedged debt as well as its lack of exposure to Russia and Ukraine enabled it to successfully deal with this situation in H1. However, the Group is preparing to adapt to changes in the global economic and financial environment by paying particular attention to the short- and medium-term outlook as construction costs, transportation costs for construction materials and interest rates are on the rise.

In H1 2022, Icade Santé consolidated its leading position in the French healthcare property market and began to expand internationally.

As of June 30, 2022, Icade Santé owned **157 healthcare facilities** (vs. 155 at the end of 2021):

- in France, 147 healthcare facilities, including 81 acute care facilities, 28 medium-term care facilities and 38 nursing homes;
- in Portugal, a portfolio of four private hospitals;
- in Spain, an eye clinic and a portfolio of five long-term care facilities.

The Icade Santé Group's financial results as of June 30, 2022 rose significantly compared to H1 2021, including a +10.5% increase in gross rental income as well as a +3.7% increase in EPRA earnings:

	06/30/2022	06/30/2021 (a)	Change	Change (%)
Gross rental income	160.7	145.4	15.3	+10.5%
EPRA earnings	126.5	122.0	4.5	+3.7%
EPRA earnings per share (in €)	3.21	3.22	(0.01)	(0.4)%

(a) As a result of the retrospective application of the fair value model for the measurement of investment property (IAS 40), the financial statements have been restated for comparative purposes

	06/30/2022	12/31/2021	Change (%)
EPRA NDV per share	€102.4	€95.1	+7.7%
EPRA NTA per share	€96.8	€95.8	+1.0%
LTV ratio including duties	35.2%	34.6%	+63 bps
ICR	9.63x	8.91x	+8.0%

Icade Santé's Statutory Auditors performed a limited review of its IFRS consolidated financial statements for the period ended June 30, 2022.

It should be noted that the Group has elected to apply the fair value model for the measurement of investment property (IAS 40) for the first time in the financial statements for the year ended December 31, 2021, believing that this change in policy provides more relevant information on the value of its property assets and aligns the Group with the main real estate companies.

- **Leasing activity was strong, with gross rental income of €161m**, up €15m compared to H1 2021, i.e. **+10.5% on a reported basis**, driven in particular by the acquisitions in H2 2021 in France and Portugal, and by completions.
- **On a like-for-like basis**, gross rental income was up by **+1.6%** (mainly due to index-linked rent reviews).
- **The financial occupancy rate of the portfolio** as of June 30, 2022 remained unchanged at **100%**.
- EPRA earnings stood at €126.5m, up **+€4.5m, i.e. +3.7%, compared with H1 2021**, due to increases in rental income and the investments made.
- **The LTV ratio including duties was 35.2% as of June 30, 2022**, virtually stable compared with December 31, 2021 (34.6%).
- **EPRA NTA as of June 30, 2022 came in at €96.8 per share, up €1.0 (i.e. +1%)** compared with December 31, 2021, reflecting the increase in cash flow and the higher value of the portfolio during the period.

Investments

So far in 2022, investments have totalled €104.5m.

Outside France, the Group invested €69.3m in Spain, where it acquired five long-term care facilities (€56.0m) and an eye clinic in Madrid (€13.3m).

Investments **in France** added up to €35.3m, including:

- €5.0m in **acquisitions**, including a medical centre in Lyon for €2.4m;
- €23.1m in **pipeline projects**, including the extension of the Saint-Augustin private hospital in Bordeaux for €4.3m, a PAC facility in Salon-de-Provence for €2.3m, the extension and renovation of the Les Cèdres private hospital in Brive-la-Gaillarde for €2.4m and the construction of a nursing home in Bellerive-sur-Allier for €1.8m;
- **Other capex** amounted to €7.2m.

Disposals

A property portfolio of four healthcare facilities in France was sold for close to €78m in H1 2022, **nearly 10% above** its most recent appraised value. This once again demonstrates the quality of the Company's healthcare facilities and the **continued appeal of this asset class**.

In addition, Korian acquired the project for the PAC facility in Blagnac for around €13m in February 2022.

Appraised values as of June 30, 2022

As of June 30, 2022, Icade Santé's portfolio was worth €6.1bn (excluding duties, on a full consolidation basis), an increase of +2.2% on a reported basis and of +2.3% like-for-like compared with December 31, 2021.

This rise reflects the strength and attractiveness of the asset class, which was reinforced by the sale of acute care assets in France in H1 2022 (5-bp yield compression in the acute care portfolio in France).

Consistently strong credit ratings

In H1 2022, Icade Santé continued to **strengthen its funding structure and reduce its use of intercompany financing**, with the signing in March 2022 of:

- A 5-year €400m revolving credit facility (RCF), which can be extended by 2 years. This facility was secured on very favourable terms, allowing Icade Santé to cancel the €200m credit line provided by Icade, thus replacing intercompany financing with debt from outside sources.
- A 12-month €300m bridge-to-bond facility with a 12-month extension option (2024), also on very favourable terms, allowing Icade Santé to plan its next bond issue with confidence.

Icade Santé's gross financial liabilities outstanding as of June 30, 2022 amounted to €2,305m, up €177m compared to December 31, 2021, due in particular to the drawdown of €200m on the bridge-to-bond facility.

Icade Santé's net financial liabilities outstanding as of June 30, 2022 amounted to €2,147m, up €83m compared to December 31, 2021. As of June 30, 2022, Icade Santé had €130.4m in closing net cash.

In addition, rating agency S&P **affirmed Icade Santé's rating at BBB+ with a stable outlook** following its annual review in July 2022.

ABOUT ICADE SANTÉ
PLACES THAT CARE FOR PEOPLE

Icade Santé is the leading investor in private healthcare facilities in France. A 58.30%-owned subsidiary of the Icade Group, Icade Santé is dedicated to helping healthcare and senior services providers successfully execute their sale-and-leaseback and property development strategies. Icade Santé's teams have wide-ranging expertise in real estate investment and complex project management, and in-depth knowledge of the challenges facing the healthcare sector. As of June 30, 2022, Icade Santé held a portfolio of 147 healthcare facilities in France, 6 in Spain and 4 in Portugal, representing assets worth €6.1 billion (excluding duties, on a full consolidation basis). Icade and Icade Santé are rated BBB+ with a stable outlook by the rating agency S&P.

The text of this press release and Icade Santé's consolidated financial statements prepared in accordance with IFRS are available on the Company's website: <https://icade-sante.eu>

CONTACTS

Charlotte Pajaud-Blanchard
Press Relations Manager
+33 (0)1 41 57 71 19
charlotte.pajaud-blanchard@icade.fr

Yoann Nguyen
Investor Relations Manager at Icade Santé
+33 (0)6 31 58 97 31
yoann.nguyen@icade.fr

APPENDICES

Consolidated income statement

<i>(in millions of euros)</i>	Notes	06/30/2022	06/30/2021 restated (a)	12/31/2021
Revenue	7.1.	161.8	146.6	297.9
Other operating income		0.0	0.0	0.1
Income from operating activities		161.8	146.6	298.0
Outside services		(11.1)	(7.8)	(24.0)
Taxes, duties and similar payments		(0.4)	(0.2)	(0.6)
Staff costs, performance incentive scheme and profit sharing		(4.0)	-	(1.6)
Other operating expenses		(0.4)	0.3	0.2
Expenses from operating activities		(15.9)	(7.7)	(26.0)
EBITDA		145.9	138.9	272.0
Change in fair value of investment property	4.3.	114.3	163.0	253.9
Profit/(loss) from acquisitions		(0.3)	-	(0.5)
Profit/(loss) on asset disposals		6.0	1.4	(0.0)
OPERATING PROFIT/(LOSS)		266.0	303.4	525.3
Cost of gross debt		(14.2)	(14.8)	(28.3)
Net income from cash and cash equivalents, related loans and receivables		(1.0)	(1.4)	(2.2)
Cost of net financial liabilities		(15.2)	(16.2)	(30.5)
Other finance income and expenses		(2.1)	(1.7)	(2.9)
FINANCE INCOME/(EXPENSE)	5.1.4.	(17.2)	(18.0)	(33.4)
Tax expense	8.1.	(1.2)	(0.6)	(1.3)
NET PROFIT/(LOSS)		247.5	284.8	490.6
- Including net profit/(loss) attributable to the Group		243.7	284.8	490.7
- Including net profit/(loss) attributable to non-controlling interests		3.8	-	(0.1)
Net profit/(loss) attributable to the Group per share (in €)	6.3.	€6.18	€7.52	€12.92

(a) As a result of the retrospective application of the fair value model for the measurement of investment property (IAS 40), the financial statements have been restated for comparative purposes. The impact of these restatements is set out in note 9.

Consolidated balance sheet

ASSETS

<i>(in millions of euros)</i>	Notes	06/30/2022	12/31/2021
Investment property	4.1.	6,098.1	5,968.7
Financial assets at fair value through profit or loss	5.1.5.	0.1	0.1
Financial assets at amortised cost	5.1.5.	40.3	13.1
Derivative assets	5.1.3.	30.4	0.3
NON-CURRENT ASSETS		6,168.9	5,982.1
Accounts receivable	7.2.	16.7	7.0
Tax receivables	8.	3.1	5.3
Miscellaneous receivables		11.8	5.8
Cash and cash equivalents	5.1.6.	130.4	81.2
CURRENT ASSETS		162.0	99.2
TOTAL ASSETS		6,330.9	6,081.4

LIABILITIES

<i>(in millions of euros)</i>	Notes	06/30/2022	12/31/2021
Share capital	6.1.	601.1	601.1
Share premium		743.3	865.1
Revaluation reserves	5.1.3.	29.5	(15.2)
Other reserves		2,217.0	1,814.1
Net profit/(loss) attributable to the Group		243.7	490.7
Equity attributable to the Group		3,834.6	3,755.8
Non-controlling interests		102.5	100.0
EQUITY		3,937.1	3,855.8
Provisions		0.9	0.9
Financial liabilities at amortised cost	5.1.1.	2,009.3	2,042.2
Lease liabilities		1.8	1.8
Tax liabilities	8.	8.5	8.5
Deferred tax liabilities		3.1	3.1
Other financial liabilities	5.1.5.	10.4	8.7
Derivative liabilities	5.1.3.	2.2	15.3
NON-CURRENT LIABILITIES		2,036.2	2,080.4
Financial liabilities at amortised cost	5.1.1.	295.7	86.3
Lease liabilities		0.1	0.0
Tax liabilities	8.	6.2	11.6
Accounts payable		9.0	13.4
Miscellaneous payables		46.2	32.6
Derivative liabilities	5.1.3.	0.5	1.3
CURRENT LIABILITIES		357.7	145.2
TOTAL LIABILITIES AND EQUITY		6,330.9	6,081.4