CONDENSED COMBINED FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

TABLE OF CONTENTS

1. Combined financial statements

Unless otherwise stated, the combined 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.

Combined income statement

(in millions of euros)	Notes	06/30/2022	06/30/2021	12/31/2021
Revenue	**7.1.**	**179.0**	**158.8**	**324.3**
Other operating income		0.0	0.0	0.2
Income from operating activities		**179.0**	**158.8**	**324.5**
Outside services		(13.1)	(9.7)	(29.0)
Taxes, duties and similar payments		(0.5)	(0.2)	(0.7)
Staff costs, performance incentive scheme and profit sharing		(4.0)	-	(1.6)
Other operating expenses		(0.5)	0.3	0.2
Expenses from operating activities		**(18.1)**	**(9.6)**	**(31.1)**
EBITDA		160.9	149.3	293.4
Change in fair value of investment property	4.3.	136.9	184.5	278.7
Profit/(loss) from acquisitions		(0.1)	(0.1)	(1.1)
Profit/(loss) on asset disposals		6.0	1.4	(0.0)
OPERATING PROFIT/(LOSS)		303.8	335.2	571.0
Cost of gross debt		(14.2)	(15.0)	(28.3)
Net income from cash and cash equivalents, related loans and receivables		(4.6)	(3.8)	(7.7)
Cost of net financial liabilities		(18.8)	(18.8)	(36.0)
Other finance income and expenses		(3.4)	(2.2)	(4.1)
FINANCE INCOME/(EXPENSE)	5.1.4.	(22.2)	(21.0)	(40.2)
Tax expense	8.1.	(2.2)	(0.8)	(2.1)
NET PROFIT/(LOSS)		279.4	313.3	528.7
- Including net profit/(loss) attributable to the Group		**275.3**	**308.7**	**521.6**
- Including net profit/(loss) attributable to non-controlling interests		**4.0**	**4.6**	**7.1**
Net profit/(loss) attributable to the Group per share (in €)	6.3.	**€6.30**	**€7.46**	**€12.62**
Diluted earnings per share (in €)		**€6.30**	**€7.46**	**€12.62**

Combined statement of comprehensive income

(in millions of euros)	06/30/2022	06/30/2021	12/31/2021
NET PROFIT/(LOSS) FOR THE PERIOD	279.4	313.3	528.7
Other comprehensive income:			
Recyclable to the income statement: cash flow hedges	**44.7**	**10.7**	**19.3**
- Changes in fair value	44.9	10.0	18.7
- Recycling to the income statement	(0.2)	0.8	0.5
Tax on other comprehensive income recyclable to the income statement	-	-	-
Other comprehensive income not recyclable to the income statement:	**0.1**	**-**	**0.1**
- Actuarial gains and losses and asset ceiling adjustments	0.1	-	0.1
Total comprehensive income recognised in equity	**44.8**	**10.7**	**19.3**
Including transfer to net profit/(loss)	(0.2)	0.8	0.5
COMPREHENSIVE INCOME FOR THE PERIOD	324.1	324.1	548.1
- Including comprehensive income attributable to the Group	**320.1**	**319.5**	**541.0**
- Including comprehensive income attributable to non-controlling interests	**4.0**	**4.6**	**7.1**

Combined statement of financial position

ASSETS

(in millions of euros)	Notes	06/30/2022	12/31/2021
Investment property	4.1.	6,832.0	6,656.6
Financial assets at fair value through profit or loss	5.1.5.	0.1	0.1
Financial assets at amortised cost	5.1.5.	76.9	58.7
Derivative assets	5.1.3.	30.4	0.3
NON-CURRENT ASSETS		6,939.4	6,715.7
Accounts receivable	7.2.1.	18.8	7.8
Tax receivables		4.9	6.7
Miscellaneous receivables	7.2.2.	14.2	8.8
Cash and cash equivalents	5.1.6.	182.2	171.9
CURRENT ASSETS		220.1	195.2
TOTAL ASSETS		**7,159.6**	**6,910.9**

LIABILITIES

(in millions of euros)	Notes	06/30/2022	12/31/2021
Share capital	6.	601.1	601.1
Share premium		743.3	865.1
Revaluation reserves	5.1.3.	29.5	(15.2)
Other reserves		2,710.5	2,113.7
Net profit/(loss) attributable to the Group		275.3	521.6
Equity attributable to the Group		**4,359.7**	**4,086.3**
Non-controlling interests		43.9	38.0
EQUITY		4,403.6	4,124.3
Provisions	9.1.	0.9	0.9
Financial liabilities at amortised cost	5.1.1.	2,009.3	2,042.2
Lease liabilities		3.4	3.4
Tax liabilities		8.5	8.5
Deferred tax liabilities	9.3	3.1	3.1
Other financial liabilities		16.5	14.8
Derivative liabilities	5.1.3.	2.2	15.3
NON-CURRENT LIABILITIES		2,043.8	2,088.0
Provisions	9.1.	0.0	0.0
Financial liabilities at amortised cost	5.1.1.	639.5	451.3
Lease liabilities		0.1	0.1
Tax liabilities		8.8	13.6
Accounts payable		11.7	16.3
Miscellaneous payables	7.2.2.	51.5	215.9
Derivative liabilities	5.1.3.	0.5	1.3
CURRENT LIABILITIES		712.1	698.5
TOTAL LIABILITIES AND EQUITY		**7,159.6**	**6,910.9**

Combined cash flow statement

(in millions of euros)	Notes	06/30/2022	06/30/2021	12/31/2021
I) OPERATING ACTIVITIES				
Net profit/(loss)		**279.4**	**313.3**	**528.7**
Net depreciation and provision charges		0.2	0.7	0.3
Change in fair value of investment property		(136.9)	(184.5)	(278.7)
Unrealised gains and losses due to changes in fair value		0.7	0.7	0.3
Other non-cash income and expenses		0.9	0.0	(0.4)
Capital gains or losses on asset disposals		(7.0)	(1.5)	(0.0)
Capital gains or losses on disposals of investments in consolidated companies		-	(1.0)	(0.1)
Cash flow from operating activities after cost of net financial liabilities and tax		**137.2**	**127.8**	**250.0**
Cost of net financial liabilities		15.8	18.3	36.1
Tax expense		2.2	0.8	2.1
Cash flow from operating activities before cost of net financial liabilities and tax		**155.2**	**146.8**	**288.2**
Interest paid		(12.0)	(11.9)	(35.6)
Tax paid (a)		(4.8)	(2.3)	(4.8)
Change in working capital requirement related to operating activities (b)		(182.5)	(2.7)	175.6
NET CASH FLOW FROM OPERATING ACTIVITIES		**(44.1)**	**129.9**	**423.4**
II) INVESTING ACTIVITIES				
Tangible and intangible fixed assets and investment property				
- acquisitions		(129.9)	(122.7)	(502.0)
- disposals		82.1	3.3	3.8
Change in security deposits paid and received		(16.4)	(9.0)	(27.3)
Operating investments		**(64.2)**	**(128.4)**	**(525.6)**
Fully consolidated companies				
- acquisitions		(1.4)	(13.6)	(228.4)
- disposals		-	12.6	12.6
- impact of changes in scope of consolidation		1.4	0.2	1.5
Financial investments		**0.0**	**(0.8)**	**(214.4)**
NET CASH FLOW FROM INVESTING ACTIVITIES		**(64.2)**	**(129.3)**	**(739.9)**
III) FINANCING ACTIVITIES				
Amounts received from shareholders on capital increases:				
- paid by Icade Santé shareholders		-	21.1	159.1
- paid by OPPCI IHE shareholders (b)		176.0	-	-
Final and interim dividends paid to Icade Santé and OPPCI IHE shareholders	6.2.	(218.8)	(193.1)	(193.1)
Final and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(1.7)	(0.8)	(0.8)
Change in cash from capital activities		**(44.4)**	**(172.7)**	**(34.7)**
Bond issues and new financial liabilities		202.0	27.4	51.0
Repayments of lease liabilities		(0.0)	(0.0)	(0.0)
Bond redemptions and repayments of financial liabilities		(17.6)	(81.8)	(136.4)
Acquisitions and disposals of current financial assets and liabilities		(21.2)	23.3	106.9
Change in cash from financing activities	5.1.1.	**163.1**	**(31.1)**	**21.5**
NET CASH FLOW FROM FINANCING ACTIVITIES		**118.6**	**(203.8)**	**(13.2)**
NET CHANGE IN CASH (I) + (II) + (III)		**10.3**	**(203.2)**	**(329.8)**
OPENING NET CASH		**171.8**	**501.6**	**501.6**
CLOSING NET CASH		**182.1**	**298.4**	**171.8**
Cash and cash equivalents (excluding interest accrued but not due)		182.2	298.5	171.9
Bank overdrafts (excluding interest accrued but not due)		(0.1)	(0.1)	(0.1)
NET CASH		**182.1**	**298.4**	**171.8**

(a) Tax paid includes exit tax, the company value-added contribution (CVAE) and current tax.

(b) In 2022, OPPCI IHE recognised a capital increase of €176.0 million. The newly issued shares were paid by the shareholders 2021.

Combined statement of changes in equity

(in millions of euros)	Share capital	Share premium	Revaluation reserves	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
EQUITY AS OF 01/01/2021	577.4	898.7	(34.5)	2,137.2	3,578.8	20.6	3,599.3
Net profit/(loss)				**308.7**	**308.7**	**4.6**	**313.3**
Other comprehensive income:							
Cash flow hedges:							
- Changes in value			10.0		**10.0**		**10.0**
- Recycling to the income statement			0.8		**0.8**		**0.8**
Comprehensive income			**10.7**	**308.7**	**319.5**	**4.6**	**324.1**
Dividends paid		(148.2)		(44.9)	**(193.1)**	(0.8)	**(193.8)**
Capital increases				20.7	**20.7**	0.4	**21.1**
Other				(0.1)	**(0.1)**	11.7	**11.7**
EQUITY AS OF 06/30/2021	577.4	750.5	(23.7)	2,421.7	3,725.8	36.6	3,762.4
Net profit/(loss)				**212.9**	**212.9**	**2.5**	**215.4**
Other comprehensive income:							
Cash flow hedges:							
- Changes in value			8.8		**8.8**		**8.8**
- Recycling to the income statement			(0.2)		**(0.2)**		**(0.2)**
Other non-recyclable items:							
- Actuarial gains and losses				0.1	**0.1**		**0.1**
Comprehensive income			**8.5**	**213.0**	**221.5**	**2.5**	**224.0**
Capital increases	23.7	114.3			**138.0**		**138.0**
Other		0.2		0.7	**1.0**	(1.0)	**(0.0)**
EQUITY AS OF 12/31/2021	601.1	865.1	(15.2)	2,635.4	4,086.3	38.0	4,124.3
Net profit/(loss)				**275.3**	**275.3**	**4.0**	**279.4**
Other comprehensive income:							
Cash flow hedges:							
- Changes in value			44.9		**44.9**		**44.9**
- Recycling to the income statement			(0.2)		**(0.2)**		**(0.2)**
Other non-recyclable items:							
- Actuarial gains and losses				0.1	**0.1**		**0.1**
Comprehensive income			**44.7**	**275.4**	**320.1**	**4.0**	**324.1**
Dividends paid (a)		(121.7)		(97.5)	**(219.2)**	(1.7)	**(220.9)**
Capital increases (b)				172.5	**172.5**	3.5	**176.0**
Other				(0.0)	**(0.0)**	0.0	**0.0**
EQUITY AS OF 06/30/2022	601.1	743.3	29.5	2,985.8	4,359.7	43.9	4,403.6

(a) In 2022, Icade Santé and OPPCI IHE paid a dividend of €209.7 million and €9.6 million, respectively (see note 2.5).
(b) In H1 2022, OPPCI IHE recognised a capital increase of €176.0 million.

2. Notes to the combined financial statements

Note 1 . General principles

1.1. Presentation of business activities and background to the preparation of the combined financial statements

1.1.1. Presentation of business activities

The Icade Group operates in three different business areas, corresponding to its three business lines, namely Office Property Investment, Healthcare Property Investment and Property Development. The Healthcare Property Investment business assists healthcare and senior services providers with the ownership and development of healthcare properties in Europe through a portfolio worth €6.8 billion at the end of June 2022, comprising 209 assets, including 147 in France and 62 in other countries (Germany, Italy, Spain and Portugal).

Its property portfolio is made up of acute, post-acute and long-term care facilities (nursing homes).

As of June 30, 2022, the Icade Group's Healthcare Property Investment business was operated in France and abroad by Icade Santé SA and its subsidiaries, 58.30% owned by Icade (unchanged compared to December 31, 2021), and via Icade Healthcare Europe ("**IHE**") and its subsidiaries, 59.39% owned by Icade SA. Icade also holds a 10.10% direct equity interest in certain subsidiaries with assets in Germany. The Icade Santé Group is fully consolidated in the consolidated financial statements of Icade SA, whose registered office is located at 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France (see note 10.4 for the full scope of the combined financial statements).

1.1.2. Background to the preparation of the combined financial statements

After having embarked on a plan to take its Healthcare Property Investment business public in 2021 in order to finance its investment goals in France and abroad, Icade SA has ultimately decided to postpone the IPO of its subsidiary Icade Santé indefinitely, mainly due to unfavourable conditions in a particularly volatile equity market. The aim of the initially proposed transaction included raising funds with a view to investing in the healthcare real estate market. This objective remains unchanged even if it is now subject to a timetable and course of action that need to be reset. It is against this background that these combined financial statements have been prepared by the Group.

The "Combined Group" consists of Icade Santé SA, IHE and their subsidiaries.

1.1.3. Creation of the new Icade Santé Group

A number of legal requirements must be met at the appropriate time in order to set up the new Icade Santé Group (the "**Combined Group**") including the contribution in kind of 98% of the IHE shares by the company's current shareholders to Icade Santé. These transactions have been taken into consideration and included in the preparation of the combined financial statements.

The creation of the new Icade Santé Group will therefore result from the transfer of entities within the Icade Group which will retain control. Such transfers will constitute restructuring transactions of entities under common control. This type of restructuring is excluded from the scope of IFRS 3 ("Business combinations") and in the absence of an IFRS that specifically applies to this type of transaction, the new Icade Santé Group will elect to account for these transactions using the predecessor value method in the Icade Group's consolidated financial statements prepared in accordance with IFRS. It should be noted that the Icade Group has elected to apply the fair value model for the measurement of investment property 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 increased comparability with others in the same industry. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this change in policy was applied retrospectively, based on property asset valuations used for the Group's historical information.

As the combined financial statements have been prepared on the basis of the carrying amounts of the various entities within Icade's scope of consolidation, these financial statements provide a relatively accurate overview of the new Icade Santé Group upon its formation.

1.2. Accounting standards

The Combined Group's combined financial statements as of June 30, 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of June 30, 2022, pursuant to European Regulation No. 1606/2002 dated July 19, 2002, and include comparative information as of June 30, 2021 and December 31, 2021 prepared in accordance with the IFRS applicable at the reporting date.

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, the IAS (International Accounting Standards) and their interpretations. These standards are available for viewing on the European Commission's website.

The accounting policies and measurement bases used by the Combined Group in preparing the condensed combined financial statements are identical to those used for the combined financial statements as of December 31, 2021, subject to the specific provisions of IAS 34 – Interim Financial Reporting described in note 1.3.4, and except for those mandatory standards, interpretations and amendments to be applied for periods beginning on or after January 1, 2022, which are detailed in note 1.2.1 below.

The accounting policies and measurement bases used by the Combined Group in preparing the combined financial statements as of June 30, 2022 are identical to those used for the combined financial statements as of December 31, 2021.

1.2.1. Mandatory standards, amendments and interpretations

As of January 1, 2022

- Amendments to IFRS 3 – Updating a Reference to the Conceptual Framework.
- Annual improvements to IFRS Standards – 2018–2020 Cycle (narrow-scope amendments to IFRS 1, IFRS 9, IAS 41, IFRS 16).

These amendments have had no impact on the Combined Group.

- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract
  These amendments specify the costs an entity includes in determining the "cost of fulfilling" a contract for the purpose of assessing whether a contract is onerous.
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use.

These amendments are not applicable to the Combined Group.

<u>Other standards, interpretations, amendments and decisions issued by the IFRS Interpretations Committee (IFRS IC)</u>

- IFRS 9 – Financial Instruments and IAS 20 – Government Grants – TLTRO III Transactions – February 2022
- IAS 7 – Statement of Cash Flows – Demand Deposits with Restrictions on Use
- IFRS 15 – Revenue from Contracts with Customers – Principal versus Agent: Software Reseller

1.2.2. Standards, amendments and interpretations issued but not yet mandatory for annual periods beginning on or after January 1, 2022

Standards, amendments and interpretations issued by the IASB effective for annual periods beginning on or after January 1, 2023 adopted by the European Union

- Amendments to IAS 1 – Disclosure of Accounting Policies

These amendments aim to clarify the disclosures to be made in the financial statements regarding material accounting policies ("material" as defined in IAS 1). IFRS Practice Statement 2: Making Materiality Judgements has been amended by adding guidance on how to identify material accounting policy information and examples of how to apply IAS 1 as amended.

- Amendments to IAS 8 – Definition of Accounting Estimates

The objective of these amendments is to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". They also specify that entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty (monetary amounts that are not directly observable).

The Combined Group did not early apply these standards which became mandatory for annual periods beginning on or after January 1, 2023.

- IFRS 17 – Insurance Contracts (replacing IFRS 4)

This standard is not applicable to the Combined Group.

Standards, amendments and interpretations issued by the IASB effective for annual periods beginning on or after January 1, 2023 but not yet adopted by the European Union

- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These amendments specify how companies should recognise deferred tax when they account for transactions, such as leases, by recognising both an asset and a liability.

- Initial Application of IFRS 17 and IFRS 9 – Comparative Information.
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

These amendments aim to clarify the criteria for the classification of a liability as either current or non-current.

1.3. Basis of preparation and presentation of the combined financial statements

1.3.1. Combination method

In the absence of IFRS requirements for the combined financial statements, the Combined Group has defined the combination policies and conventions presented below, with particular regard to Regulation 2020-01 of the French Accounting Standards Authority (ANC). The basis of preparation hereunder describes how IFRS as adopted by the European Union have been applied in preparing the combined financial statements.

In this context, the combined financial statements may differ from the consolidated financial statements that would have been prepared had the transaction to form the Combined Group occurred on a date earlier than its actual occurrence.

The combined financial statements have been prepared in euros, the functional currency of Icade Santé SA.

The scope of the Combined Group is described in note 10.4.

Intercompany transactions between the Combined Group and the Icade Group's other entities

All balances relating to non-regulated transactions between the Combined Group and other entities of the Icade Group are shown in the balance sheet as third-party assets or liabilities in the combined financial statements.

All loans and borrowings between the Combined Group and other entities of the Icade Group are shown as financial assets or liabilities in the combined financial statements.

Equity

Equity in the combined financial statements is the net investment of the Combined Group's shareholders and represents the excess of total net assets over total liabilities.

Insofar as the Combined Group does not have a single ultimate parent, the distinction between share capital, share premium and other reserves required by the Articles of Association is not applicable.

Changes in equity for the relevant periods reflect:

- The comprehensive income of the Combined Group for each of the periods presented;
- Shareholder contributions to Icade Santé SA and IHE share capital;
- Dividends paid to shareholders.

Earnings per share

Earnings per share have been included in the combined financial statements. As IAS 33 does not specifically address the case of combined financial statements, and in particular the method for determining the number of shares to be taken into account in the calculation, the number of shares was determined as follows: determination of the average number of undiluted shares and the average number of diluted shares of Icade Santé SA, to which was added the theoretical average number of shares that would have been issued by Icade Santé SA in consideration for the contribution of IHE. This number was calculated on the basis of the ratio between the valuation of IHE and that of Icade Santé at the beginning and end of each financial year (see note 6.3 for more details). The purpose of this treatment is to obtain a relevant earnings per share figure, as the earnings of the Combined Group include the earnings of IHE and its subsidiaries.

Events after the reporting period

The combined financial statements as of June 30, 2022 and December 31, 2021 have been prepared on the basis of the contribution of Icade Santé SA and IHE and their subsidiaries to the consolidated financial statements of Icade SA as of June 30, 2022 and December 31, 2021, as approved by the Board of Directors on July 20, 2022 and February 15, 2022, respectively. As of the date of preparation of the combined financial statements for the period ended June 30, 2022, there have been no events occurring after the reporting date that would require adjustment to the financial statements as originally prepared.

1.3.2. Measurement bases

The combined financial statements have been prepared according to the amortised cost method, with the exception of investment property and certain financial assets and liabilities measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 – Fair Value Measurement utilises a fair value hierarchy across three levels:

- Level 1: fair value measured based on unadjusted prices quoted in active markets for identical assets or liabilities;
- Level 2: fair value measured based on models using observable data other than prices quoted in active markets, either directly (i.e. prices), or indirectly (i.e. data derived from prices);
- Level 3: fair value measured based on market data not directly observable.

According to the principle of relevance and the ensuing materiality notion, only information deemed relevant and useful to the users' understanding of the combined financial statements is reported.

1.3.3. Use of judgement and estimates

The preparation of combined financial statements requires the Combined Group's management to use estimates and assumptions to determine the carrying amount of certain assets, liabilities, income and expenses, as well as for the information provided in the notes to the combined financial statements.

Due to the uncertainties inherent in any measurement process, the Combined Group revises its estimates on the basis of regularly updated information. The future results of the operations concerned may differ from the estimates made at the reporting date of the combined financial statements.

The main estimates made by the Combined Group related to the fair value of investment property determined by the valuations carried out by independent property valuers (see note 4.2).

The accounting estimates used to prepare the combined financial statements as of June 30, 2022 were made amid uncertainty about the economic and financial outlook. The Combined Group considered the reliable information at its disposal with respect to the impact of this situation.

In addition to using estimates, the Combined Group's management used its judgement to define the appropriate accounting treatment for certain operations and transactions where current IFRS and their interpretations did not specifically address the accounting issues raised.

For example, the Group's management has taken into account climate change and sustainable development issues through its investment and expenditure policy in line with applicable regulations and its strategy to reduce the Combined Group's carbon footprint. As such, funds have been allocated on a yearly basis to finance projects to be undertaken. The Combined Group has also actively pursued its strategy of using sustainable finance for its business activities by implementing a new Green Bond Framework in late 2021.

In addition, management exercised its judgement in:

- Determining the classification of leases in which the Combined Group is the lessor between operating and finance leases;
- Determining whether acquisitions qualified as business combinations in accordance with the new definition of a business introduced in 2020 by an amendment to the revised IFRS 3.

1.3.4. Specific rules applying to the preparation of condensed combined financial statements

The condensed combined financial statements as of June 30, 2022 do not include all the financial information required for annual combined financial statements and should therefore be read in conjunction with the Group's combined financial statements as of December 31, 2021.

Note 2 . Highlights

2.1. Health crisis and international backdrop

The Combined 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 Combined 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 Combined 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 for construction costs and transportation costs for construction materials and to rising interest rates in the financial markets and their impact on financing costs.

2.2. Investments and disposals completed

Investments

The main transactions in 2022 totalled €127.6 million and included:

- €35.3 million in France, mainly in the development pipeline (construction or extension projects for PAC facilities and nursing homes).
- €92.3 million in Southern Europe, more specifically in Spain and Italy.

Asset disposals

A portfolio of four assets in France was sold for close to €78 million in H1, 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.

For further information about investments and disposals completed during the period, an analysis has been provided in note 4.1.1 "Investment property".

2.3. Financing transactions

In H1 2022, Icade Santé obtained a €300 million bridge-to-bond facility, with €200.0 million having been drawn down.

See note 5 "Finance and financial instruments" for further information about the Combined Group's funding sources.

2.4. Changes in share capital

In 2022, OPPCI IHE recognised a capital increase of €176.0 million through the issue of 275,000,000 new shares. The impact on the Combined Group's equity was an increase in consolidated reserves.

2.5. Dividend distribution

Dividends distributed:

- By Icade Santé to its shareholders amounted to €209.7 million in 2022 (€193.1 million in 2021), i.e. €5.54 per share (€5.10 per share in 2021);
- By IHE to its shareholders amounted to €9.6 million in 2022 (zero in 2021), i.e. €0.01 per share.

See note 6. "Equity and earnings per share" for further information about dividends paid out by the Group in the financial year 2022.

Note 3 . Segment reporting

3.1. Segmented income statement

(in millions of euros)	France Healthcare 06/30/2022	France Healthcare 06/30/2021	International Healthcare 06/30/2022	International Healthcare 06/30/2021	Intersegment transactions 06/30/2022	Intersegment transactions 06/30/2021	Total Combined Group 06/30/2022	Total Combined Group 06/30/2021
REVENUE	156.0	146.6	23.8	12.2	(0.8)	-	179.0	158.8
EBITDA	141.3	138.9	19.6	10.3	-	-	160.9	149.3
OPERATING PROFIT/(LOSS)	257.4	303.4	46.4	31.8	-	-	303.8	335.2
FINANCE INCOME/(EXPENSE)	(16.8)	(18.0)	(5.4)	(3.0)	-	-	(22.2)	(21.0)
NET PROFIT/(LOSS)	**239.4**	**284.8**	**40.0**	**28.5**	**-**	**-**	**279.4**	**313.3**
Net profit/(loss) attributable to non-controlling interests	-	-	4.0	4.6	-	-	4.0	4.6
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**239.4**	**284.8**	**35.9**	**23.9**	**-**	**-**	**275.3**	**308.7**

In 2022, 86.8% of the Combined Group's revenue was generated in France (92.3% as of June 30, 2021), 6.0% in Germany (5.7% as of June 30, 2021), 4.0% in Italy (2.0% as of June 30, 2021) and 3.1% in Portugal (zero in 2021).

3.2. Segmented statement of financial position

(in millions of euros)	France Healthcare 06/30/2022	France Healthcare 12/31/2021	International Healthcare 06/30/2022	International Healthcare 12/31/2021	Intersegment transactions 06/30/2022	Intersegment transactions 12/31/2021	Total Combined Group 06/30/2022	Total Combined Group 12/31/2021
Investment property	5,814.3	5,758.3	1,017.8	898.3	-	-	6,832.0	6,656.6
Other assets	402.8	215.9	41.0	54.9	(116.4)	(16.6)	327.6	254.3
TOTAL ASSETS	**6,217.1**	**5,974.2**	**1,058.8**	**953.2**	**(116.4)**	**(16.6)**	**7,159.6**	**6,910.9**
Equity attributable to the Group	3,832.4	3,755.9	527.4	330.4	-	-	4,359.7	4,086.3
Non-controlling interests	-	-	43.9	38.0	-	-	43.9	38.0
Financial liabilities	2,302.9	2,125.8	459.3	382.8	(113.5)	(15.1)	2,648.8	2,493.5
Other liabilities	81.8	92.5	28.2	202.0	(2.9)	(1.5)	107.2	293.1
TOTAL LIABILITIES AND EQUITY	**6,217.1**	**5,974.2**	**1,058.8**	**953.2**	**(116.4)**	**(16.6)**	**7,159.6**	**6,910.9**

3.3. Segmented cash flow from fixed assets and investment property

(in millions of euros)	France Healthcare 06/30/2022	France Healthcare 06/30/2021	International Healthcare 06/30/2022	International Healthcare 06/30/2021	Total Combined Group 06/30/2022	Total Combined Group 06/30/2021
CASH FLOW:						
- acquisitions	(37.8)	(87.2)	(92.1)	(35.6)	(129.9)	(122.7)
- disposals	82.1	3.3	-	-	82.1	3.3

Note 4 . Property portfolio

4.1. Investment property

The Combined Group's property portfolio mainly consists of investment property. It is valued as described in note 5.2. Changes in investment property can be broken down as follows:

(in millions of euros)		12/31/2021	Acquisitions	Construction work (a)	Disposals	Changes in fair value recognised in the income statement	Other changes (b)	06/30/2022
Investment property measured at fair value		6,656.6	96.9	30.7	(16.8)	136.0	(71.4)	6,832.0
Investment property		**6,656.6**	**96.9**	**30.7**	**(16.8)**	**136.0**	**(71.4)**	**6,832.0**
Investment property held for sale (IFRS 5)		-	-	-	(71.4)	-	71.4	-
VALUE OF THE PROPERTY PORTFOLIO	4.3.	6,656.6	96.9	30.7	(88.1)	136.0	-	6,832.0
<u>**Portfolio distribution:**</u>								
France Healthcare		5,758.3	5.0	30.3	(88.1)	108.8	-	5,814.3
International Healthcare		898.3	91.9	0.4	-	27.2	-	1,017.8
VALUE OF THE PROPERTY PORTFOLIO	4.3.	6,656.6	96.9	30.7	(88.1)	136.0	-	6,832.0

(a) Construction work includes €0.1 million in capitalised finance costs.

(b) Other changes relate mainly to reclassifications of investment property to assets held for sale.

The carrying amount of the property portfolio is its fair value determined on the basis of valuations carried out in accordance with the methods and assumptions described in note 4.2, adjusted for residual lease liabilities.

Investments (acquisitions, construction work and impact of changes in scope of consolidation) during the period amounted to €127.6 million.

The Group invested €92.3 million outside France including:

- €69.3 million in Spain by acquiring five long-term care facilities for people with disabilities (€56.0 million) and an eye clinic in Madrid (€13.3 million);
- €22.6 million in Italy, mainly through the acquisition of a private hospital in Rapallo as part of a preliminary agreement signed with Gruppo Villa Maria in 2021 to acquire three private hospitals in 2022;

Investments in France totalled €35.3 million including:

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

The Group sold four healthcare properties in France for €78.3 million. This sale is part of the optimisation of Icade Santé's portfolio. Gains on disposal for the period, mainly relating to this transaction, amounted to €6.0 million.

In addition, Korian acquired a project for a PAC facility in Blagnac for €13.2 million in February 2022 after exercising its purchase option in October 2021.

4.2. Valuation of the property portfolio: methods, assumptions and sensitivity

4.2.1. Valuation assignments

The Combined Group's property assets are valued twice a year by independent property valuers according to a framework consistent with the SIIC Code of Ethics (*sociétés d'investissement immobilier cotées*, French listed real estate investment companies) 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 and Catella Valuation for assets located in France and to CBRE Valuation for assets located in Germany, Spain, Italy and Portugal.

Valuers are selected through a competitive process. Those tasked with valuing the French portfolio are selected from among members of the French Association of Property Valuation Companies (*Association française des sociétés d'expertise immobilière*, AFREXIM).

In accordance with the SIIC Code of Ethics, after seven years the Combined Group shall ensure that there is an internal turnover of the teams responsible for the valuation of its assets in the selected property valuation company. The valuer signing the valuation may not be appointed for more than two consecutive terms of four years except where the valuer has met the requirement with regard to the internal turnover of the teams.

Property valuation fees are billed to the Combined Group on the basis of a fixed service fee that takes into account the specificities of the properties (number of units, floor area, number of existing 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 French 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, TEGoVA's (The European Group of Valuers' Associations) European Valuation Standards as set out in its Blue Book published in May 2016, 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 Combined Group makes sure that the methods used by the different property valuers to value its assets are consistent.

Valuations are presented both inclusive and exclusive of duties, the values excluding duties being net of duties and fixed legal expenses calculated by the property valuers.

On-site inspections are systematically conducted by the property valuers for all new assets added to the portfolio. Further on-site inspections 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 the assets, including projects under development, were valued at each reporting date according to the procedures currently in place within the Combined 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 price indicated in the agreement excluding duties and other costs;
- Properties acquired less than three months before the end of the annual reporting period, which are valued at their acquisition price.

The Combined Group also has in place a process of internal valuation 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 process is updated on a yearly basis. However, assets whose business plan changes materially are subject to a half-yearly update.

4.2.2. Methods used by the property valuers

The methods used by the property valuers are identical to those used for the previous financial year.

Given the uncertainty and volatility that have prevailed since the beginning of the year, trends in market data are difficult to predict.

Healthcare properties in France and Portugal are valued by the property valuers using the rent capitalisation method (also known as "estimated rental value" method) and the discounted cash flow method. For the assets located in Germany and Italy, the property valuers use the discounted cash flow method. Assets in Spain are valued using the rent capitalisation method.

The market value of a healthcare facility is essentially dependent on its operation and its ability to generate sufficient revenue 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 the underlying 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 average EBITDA that the facility 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 healthcare property can be valued by capitalisation of the gross rental income reported by the Combined Group. It should be noted that in Germany the portion of revenue allocated to lease payments is subject to local rules. Property valuers have taken into account this specific factor (*I-Kost*) in determining the estimated rental value.

4.2.3. Main valuation assumptions for investment property

Given the limited availability of public data, the complexity of property valuations and the fact that property valuers use the Combined Group's confidential occupancy statuses for their valuations, the Combined Group considered Level 3, within the meaning of IFRS 13 (see note 1.3.2), to be the classification best suited to its assets. In addition, unobservable inputs such as rental growth rate assumptions and capitalisation rates are used by the property valuers to determine the fair values of the Combined Group's assets.

Inputs used in valuations as of June 30, 2022

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)
Paris region	Capitalisation and DCF	3.3% - 6.2%	3.1% - 5.9%	3.1% - 5.5%
France outside the Paris region	Capitalisation and DCF	4.6% - 9.7%	4.3% - 9.3%	4.2% - 9.0%
Germany	DCF	4.2% - 6.5%	3.7% - 6.0%	N/A
Spain	Capitalisation	N/A	N/A	4.5% - 5.0%
Italy	DCF	5.5% - 7.4%	4.8% - 6.4%	N/A
Portugal	Capitalisation and DCF	6.6% - 8.8%	4.8% - 7.0%	4.8% - 6.8%

4.2.4. Sensitivity of the fair value of property assets by operating segment

The impact of changes in yields on the fair value of property assets by operating segment is presented in the table below:

	Yields (a)	
(in millions of euros)	+50 bps	-50 bps
HEALTHCARE		
Paris region	(80.5)	100.1
France outside the Paris region	(453.6)	556.2
International	(103.9)	131.6
- Germany	(50.5)	65.4
- Spain	(6.9)	8.5
- Italy	(25.6)	31.7
- Portugal	(20.9)	26.0
TOTAL HEALTHCARE	(637.9)	787.9

(a) Yield on the operating property portfolio, including duties.

4.3. Change in fair value of investment property

The change in fair value of investment property for H1 2022 and H1 2021 as restated broke down as follows:

(in millions of euros)		06/30/2022	06/30/2021
France Healthcare		110.1	163.0
International Healthcare:		26.8	21.5
- Germany Healthcare		18.2	20.0
- Spain Healthcare		1.2	-
- Italy Healthcare		4.4	1.5
- Portugal Healthcare		3.1	-
CHANGES IN VALUE RECOGNISED IN THE INCOME STATEMENT		136.9	184.5
Other (a)		0.9	(0.6)
CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY	5.1	136.0	185.1

(a) Relates to the straight-lining of assets and liabilities relating to investment property.

The change in fair value of investment property was positive in both 2021 and 2022. This increase in fair value was due to yield and discount rate compression for the assets making up the portfolio, reflecting investor appetite for the healthcare asset class both in France and elsewhere in Europe.

Note 5 . Finance and financial instruments

5.1. Financial structure and contribution to profit/(loss)

5.1.1. Change in net financial liabilities

Breakdown of net financial liabilities at end of period

Net financial liabilities broke down as follows:

(in millions of euros)		12/31/2021	Cash flow from financing activities: New financial liabilities	Cash flow from financing activities: Repayments	Fair value adjustments and other changes (a)	06/30/2022
Bonds		1,100.0	-	-	-	1,100.0
Borrowings from credit institutions		712.6	200.0	(7.1)	2.7	908.2
Finance lease liabilities		218.0	2.0	(10.5)	(13.1)	196.3
Other borrowings and similar liabilities		2.7	-	-	(2.7)	-
Total borrowings		**2,033.3**	**202.0**	**(17.6)**	**(13.1)**	**2,204.6**
Liabilities to Icade SA (b)		447.1	-	(21.1)	-	426.0
Other shareholder loans		15.9	-	-	-	15.9
Bank overdrafts		0.1	-	-	(0.0)	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		2,496.4	202.0	(38.8)	(13.1)	2,646.5
Interest accrued and amortised issue costs		(2.9)	-	-	5.2	2.3
GROSS FINANCIAL LIABILITIES (c)	**5.1.2.**	**2,493.5**	**202.0**	**(38.8)**	**(7.9)**	**2,648.8**
Interest rate derivatives	5.1.3.	16.2	-	-	(44.0)	(27.8)
Financial assets (d)	5.1.5.	(0.1)	-	-	(0.0)	(0.1)
Cash and cash equivalents (e)	5.1.6.	(171.9)	-	-	(10.3)	(182.2)
NET FINANCIAL LIABILITIES		**2,337.8**	**202.0**	**(38.8)**	**(62.2)**	**2,438.8**

(a) Other changes related to cash flow from bank overdrafts and cash and cash equivalents.

(b) Liabilities to Icade SA included €50 million of long-term debt as of June 30, 2022 (€50 million as of December 31, 2021). The remainder consisted of short-term debt and shareholder loans.

(c) Gross financial liabilities included €2,009.3 million of non-current financial liabilities and €639.5 million of current financial liabilities.

(d) Excluding security deposits paid.

(e) Cash consisted of a cash pooling current account with Icade SA totalling €112.6 million as of June 30, 2022 (€65.9 million as of December 31, 2021).

The change in gross debt (excluding derivatives) for the period mainly resulted from:

- Borrowings from credit institutions and other borrowings:
  - A €300 million bridge-to-bond facility secured, with €200.0 million having been drawn down;
  - Scheduled repayments for €7.1 million.
- Finance lease liabilities:
  - New leases for €2.0 million;
  - Scheduled and early repayments for €23.6 million.

The €163.1 million change in cash flow from financing activities in the cash flow statement mainly included cash flow relating to net financial liabilities (€202.0 million increase and €38.8 million decrease).

5.1.2. Components of financial liabilities

Gross financial liabilities: type of rate, maturity and fair value

Gross interest-bearing financial liabilities (gross financial liabilities excluding interest accrued and issue costs amortised using the effective interest method) stood at €2,646.5 million as of June 30, 2022. They broke down as follows:

(in millions of euros)	Balance sheet value as of 06/30/2022	Current < 1 year	Non-current 1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Fair value as of 06/30/2022
Fixed rate debt	**1,300.1**	**76.2**	**9.9**	**59.4**	**14.9**	**20.1**	**1,119.8**	**1,097.6**
Bonds	1,100.0	-	-	-	-	-	1,100.0	902.5
Borrowings from credit institutions	2.0	1.4	0.7	-	-	-	-	2.1
Finance lease liabilities	82.2	8.9	9.2	9.4	14.9	20.1	19.8	78.2
Liabilities to Icade SA	100.0	50.0	-	50.0	-	-	-	98.6
Other shareholder loans	15.9	15.9	-	-	-	-	-	16.2
Variable rate debt	**1,346.4**	**552.5**	**36.3**	**148.7**	**349.9**	**174.4**	**84.6**	**1,335.6**
Borrowings from credit institutions	906.2	213.0	13.2	140.5	335.7	160.9	42.9	899.8
Finance lease liabilities	114.1	13.5	23.2	8.2	14.2	13.5	41.7	109.7
Liabilities to Icade SA	326.0	326.0	-	-	-	-	-	326.0
Bank overdrafts	0.1	0.1	-	-	-	-	-	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES AS OF 06/30/2022	**2,646.5**	**628.7**	**46.2**	**208.0**	**364.7**	**194.4**	**1,204.4**	**2,433.2**

The average debt maturity was 4.8 years as of June 30, 2022.

Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 06/30/2022
FR0013457967	11/04/2019	11/04/2029	500.0	Fixed rate 0.875%	Bullet	500.0
FR0013535150	09/17/2020	09/17/2030	600.0	Fixed rate 1.375%	Bullet	600.0
Bonds			**1,100.0**			**1,100.0**

5.1.3. Derivative instruments

Presentation of the fair value of derivatives in the combined statement of financial position

Derivative instruments consist of interest rate cash flow hedges. As of June 30, 2022, the fair value of these instruments was a net asset position of €27.8 million vs. a net liability position of €16.2 million as of December 31, 2021.

Detailed changes in fair value of hedging derivatives as of June 30, 2022 were as follows:

(in millions of euros)	12/31/2021 (1)	Additions to the scope of consolidation (2)	Disposals (3)	Payments for guarantee (4)	Changes in fair value recognised in the income statement (5)	Changes in fair value recognised in equity (6)	06/30/2022 (7) = (1) to (6) inclusive
Interest rate swaps – fixed-rate payer	(16.2)	-	-	-	(0.9)	44.9	27.8
TOTAL INTEREST RATE DERIVATIVES	**(16.2)**	**-**	**-**	**-**	**(0.9)**	**44.9**	**27.8**
Including derivative assets	0.3	-	-	-	-	30.1	30.4
Including derivative liabilities	(16.6)	-	-	-	(0.9)	14.8	(2.7)

Changes in revaluation reserves

Revaluation reserves consisted exclusively of fair value adjustments to financial instruments used by the Combined Group for the effective portion of interest rate hedges for €29.5 million as of June 30, 2022.

Changes in revaluation reserves in consolidated equity as of June 30, 2022 are shown in the table below:

(in millions of euros)	Period start	Recycling to the income statement	Changes in value recognised in equity	Period end
Revaluation reserves	(15.2)	(0.2)	44.9	**29.5**

Derivatives: analysis of notional amounts by maturity

The derivative portfolio as of June 30, 2022 was as follows:

		< 1 year	> 1 year and < 5 years	> 5 years
(in millions of euros)	Total	Amount	Amount	Amount
Outstanding derivatives – Interest rate swaps – Fixed-rate payer	707.8	147.1	405.3	155.4
Forward start derivatives – Interest rate swaps – Fixed-rate payer	33.1	-	4.7	28.4
TOTAL INTEREST RATE DERIVATIVES AS OF 06/30/2022	740.9	147.1	410.0	183.8
Outstanding derivatives – Interest rate swaps – Fixed-rate payer	714.8	98.4	382.6	233.8
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2021	714.8	98.4	382.6	233.8

These derivatives are used as part of the Group's interest rate hedging policy (see note 5.2.2).

5.1.4. Finance income/(expense)

Finance income/(expense) consists primarily of:

- Cost of net financial liabilities, primarily including interest expenses on financial liabilities and derivatives;
- Other finance income and expenses primarily relating to the change in fair value of derivatives and commitment fees.

The Combined Group recorded a net finance expense of €22.2 million as of June 30, 2022. It mainly consisted of interest expenses on financial liabilities and derivatives, and prepayment penalties.

(in millions of euros)	06/30/2022	06/30/2021	12/31/2021
Interest expenses on financial liabilities	(11.0)	(11.2)	(21.3)
Interest expenses on derivatives	(3.5)	(4.0)	(7.5)
Recycling to the income statement of interest rate hedging instruments	0.2	0.3	0.5
Expenses on loans and credit lines from Icade	(4.6)	(3.8)	(7.7)
COST OF NET DEBT	(18.8)	(18.8)	(36.0)
Changes in fair value of derivatives recognised in the income statement	(0.9)	0.1	0.3
Commitment fees	(1.3)	(0.8)	(1.9)
Restructuring costs for financial liabilities	(0.4)	(1.9)	(2.6)
Finance income/(expense) from lease liabilities	(0.1)	(0.1)	(0.3)
Other finance income and expenses	(0.6)	0.5	0.4
Total other finance income and expenses	**(3.4)**	**(2.2)**	**(4.1)**
FINANCE INCOME/(EXPENSE)	**(22.2)**	**(21.0)**	**(40.2)**

5.1.5. Other financial assets and liabilities

Financial assets related to deposits and guarantees paid for €76.9 million as of June 30, 2022 and €58.7 million as of December 31, 2021. As of June 30, 2022, 63% of the financial assets were due to mature within 3 years with the remainder after 5 years.

Financial liabilities related to deposits and guarantees received from tenants for €16.5 million as of June 30, 2022 and €14.8 million as of December 31, 2021. As of June 30, 2022, deposits and guarantees received from tenants were due to mature after 5 years and totalled €15.6 million.

5.1.6. Cash and cash equivalents

(in millions of euros)	06/30/2022	12/31/2021
Cash equivalents (term deposit accounts)	10.0	10.0
Cash on hand and demand deposits (including bank interest receivable) (a)	172.2	161.9
CASH AND CASH EQUIVALENTS	**182.2**	**171.9**

(a) Cash mainly consisted of a cash pooling current account with Icade SA totalling €112.6 million as of June 30, 2022 (€65.9 million as of December 31, 2021).

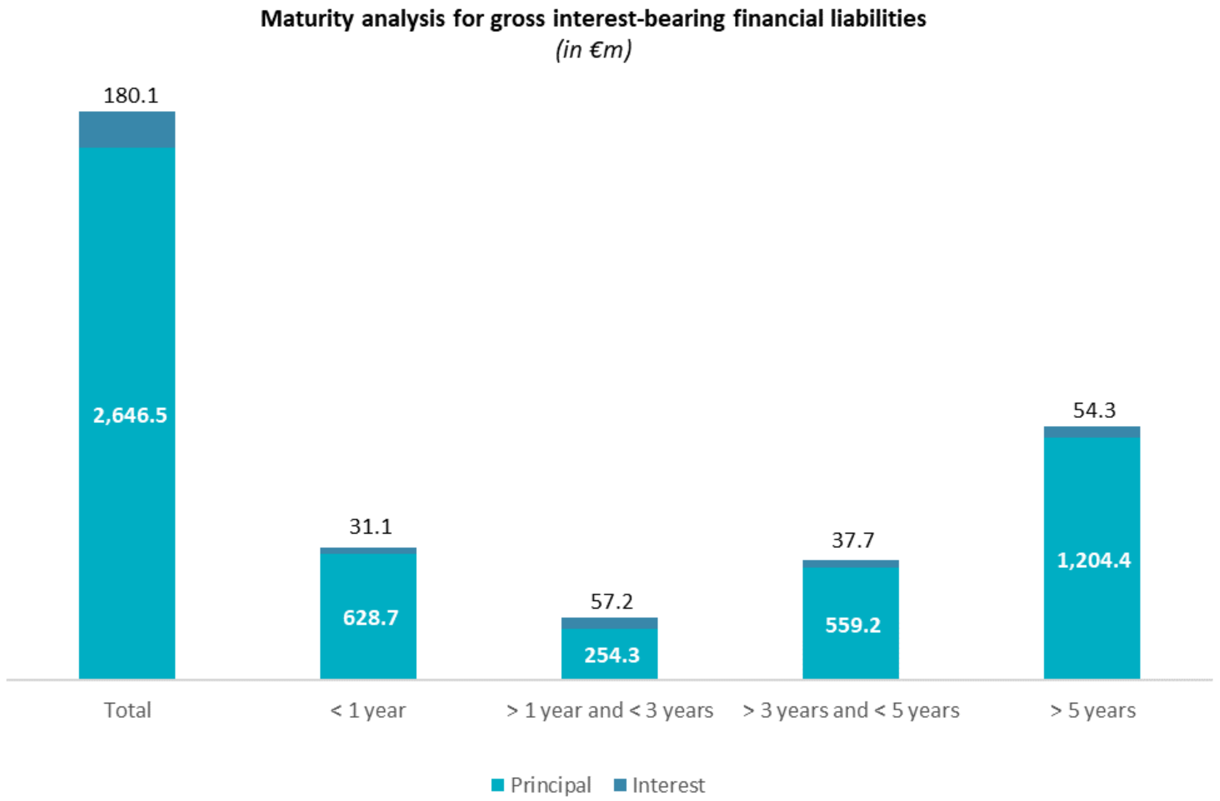
5.2. Management of financial risks

5.2.1. Liquidity risk

As of June 30, 2022, the Combined Group's cash net of overdrafts stood at €182.1 million. The Combined Group also had undrawn amounts of short- and medium-term credit lines:

- In March 2022, Icade Santé entered into a five-year €400 million revolving credit facility (RCF) with a two-year extension option; and
- IHE had access to several intercompany credit lines for a cumulative amount of €500.8 million as of June 30, 2022 (€325.9 million drawn down) vs. €575.6 million as of December 31, 2021 (€347.1 million drawn down). The decrease in credit lines provided by Icade to IHE is explained by the transfer of Spanish entities historically held by IHE to Icade Santé. It should be noted that the credit lines granted to IHE are to be repaid to Icade, in the context of the formation of the Combined Group, and will be held directly by Icade Santé.

In addition, the Combined Group ensures disciplined management and monitoring of the maturities of its main credit lines as shown in the bar chart below. This chart presents the cumulative future principal repayments on its financial liabilities and interest payments as estimated up to the maturity dates.



5.2.2. 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 breakdown of borrowings by type of rate, excluding and including hedging derivatives, is presented in the table below:

		06/30/2022		
(in millions of euros)		**Fixed rate**	**Variable rate**	**Total**
Bonds		1,100.0	-	1,100.0
Borrowings from credit institutions		2.0	906.2	908.2
Finance lease liabilities		82.2	114.1	196.3
Other borrowings and similar liabilities		-	-	-
Liabilities to Icade SA		100.0	326.0	426.0
Other shareholder loans		15.9	-	15.9
Bank overdrafts		-	0.1	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**1,300.1**	**1,346.4**	**2,646.5**
Breakdown of borrowings (in %)		**49%**	**51%**	**100%**
Impact of interest rate hedges (a)	5.1.3.	707.8	(707.8)	0.0
BREAKDOWN AFTER HEDGING		**2,007.9**	**638.6**	**2,646.5**
Breakdown after hedging (in %)		**76%**	**24%**	**100%**

(a) Taking into account interest rate hedges entered into by the Group (see note 5.1.3).

In addition, the Combined Group may use variable rate debt to finance its investments, thus remaining able to prepay loans without penalty.

As of June 30, 2022, the Combined Group's total debt consisted of 49% fixed rate debt and 51% variable rate debt, with fixed rate and hedged debt representing 76% of the total. vs. 81% as of December 31, 2021. The decrease in the percentage of fixed rate and hedged debt in H1 is due to a €200 million drawdown on a bridge-to-bond facility.

The average maturity of variable rate debt was 2.9 years and that of the associated hedges was 3.8 years.

The Combined Group has continued its prudent debt management policy by entering into hedging contracts to limit exposure to interest rate risk.

Finally, the Combined Group favours classifying its hedging instruments as "cash flow hedges" according to IFRS 9; therefore, any changes in fair value of such instruments are recognised in equity (for the effective portion).

Due to the Combined 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 positive impact of €44.9 million on other comprehensive income as of June 30, 2022 vs. a positive impact of €18.7 million as of December 31, 2021.

The accounting impact of a -1% or +1% change in interest rates on the value of derivatives is described below:

	06/30/2022	
(in millions of euros)	**Impact on equity before tax**	**Impact on the income statement before tax**
Impact of a +1% change in interest rates	21.6	0.0
Impact of a -1% change in interest rates	(23.0)	(0.0)

5.2.3. Currency risk

Since the Group does not enter into any foreign currency transactions, it is not exposed to currency risk.

5.2.4. Counterparty and credit risk

In the course of its business, the Combined Group is exposed to two major types of counterparties: financial institutions and its tenants.

Regarding financial institutions, credit and/or counterparty risk relates to cash and cash equivalents, and to the banks where they are deposited. The investments chosen have maturities of less than one year with a very low risk profile. They are monitored daily and a regular review of authorised investments complements the control process. Additionally, in order to limit its counterparty risk, the Combined Group only enters into financial transactions with major banking institutions and applies a principle of risk dispersion, avoiding concentration of exposure to any single counterparty.

As regards its tenants, the Combined Group believes that it is not exposed to significant credit risk thanks to its ever more diversified tenant portfolio and ever-expanding geographic footprint. In addition, the Combined Group has introduced procedures to verify the creditworthiness of tenants prior to signing leases and on a regular basis thereafter. In particular, the tenants' parent companies guarantee payment of any amount owed by them. These procedures are subject to regular monitoring.

The Combined Group's exposure to credit risk corresponds primarily to the net carrying amount of receivables less deposits received from tenants, i.e. €2.3 million as of June 30, 2022.

5.2.5. Covenants and financial ratios

In addition, the Combined Group is required to comply with the financial covenants listed below, which are covered by the Combined Group's financial risk monitoring and management processes.

		Covenants	06/30/2022
LTV bank covenant	Maximum	< 60%	35.7%
ICR	Minimum	> 2	8.5x
Value of the property portfolio	Minimum	> €2bn or €3bn	€6.8bn
Security interests in assets	Maximum	< 30% of portfolio value	4.0%

Loans taken out by the Combined Group may be subject to covenants based on financial ratios (loan-to-value [LTV] ratio and interest coverage ratio [ICR]). All covenants were met as of June 30, 2022.

LTV bank covenant

The LTV (loan-to-value) ratio as defined in the bank covenants, which is the ratio of net financial liabilities to the latest valuation of the property portfolio excluding duties, stood at 35.7% as of June 30, 2022 vs. 35.1% as of December 31, 2021, well below the covenant of 60%.

Interest coverage ratio (ICR) bank covenant

The interest coverage ratio, which is the ratio of EBITDA to the interest expense for the period, was 8.5x for H1 2022 vs. 7.9x for H1 2021. This high ratio was significantly above the covenant minimum of 2x.

5.3. Fair value of financial assets and liabilities

5.3.1. Reconciliation of the net carrying amount to the fair value of financial assets and liabilities

Below is the reconciliation of the net carrying amount to the fair value of financial assets and liabilities as of the end of the financial years presented:

(in millions of euros)	Carrying amount as of 06/30/2022	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 06/30/2022
ASSETS					
Financial assets	77.0	76.9	-	0.1	77.0
Derivative instruments	30.4	-	30.4	-	30.4
Accounts receivable	18.8	18.8	-	-	18.8
Other operating receivables (a)	3.8	3.8	-	-	3.8
Cash equivalents	10.0	10.0	-	-	10.0
TOTAL FINANCIAL ASSETS	**140.1**	**109.6**	**30.4**	**0.1**	**140.1**
LIABILITIES					
Financial liabilities	2,648.8	2,648.8	-	-	2,433.2
Lease liabilities	3.5	3.5	-	-	3.5
Other financial liabilities	16.5	16.5	-	-	16.5
Derivative instruments	2.7	-	2.7	-	2.7
Accounts payable	11.7	11.7	-	-	11.7
Other operating payables (a)	30.7	30.7	-	-	30.7
TOTAL FINANCIAL LIABILITIES	**2,713.9**	**2,711.2**	**2.7**	**-**	**2,498.3**

(a) Excluding prepaid expenses and income, and excluding social security and tax receivables and payables.

5.3.2. Fair value hierarchy of financial instruments

The three levels in the fair value hierarchy of financial instruments which are used by the Combined Group in accordance with IFRS 13 are presented in note 1.3.2 on measurement bases.

The financial instruments whose fair value is determined using a valuation technique based on unobservable data are investments in unconsolidated, unlisted companies.

As of June 30, 2022 and December 31, 2021, the Combined Group's financial instruments consisted of:

- Derivative assets and liabilities measured based on observable data (Level 2 of the fair value hierarchy);
- Financial assets at fair value through profit or loss, measured based on market data not directly observable (Level 3 of the fair value hierarchy);
- Cash equivalents (Level 1 of the fair value hierarchy).

As of June 30, 2022, the Combined Group did not hold any financial assets or liabilities classified within Level 1 of the fair value hierarchy.

Below is a summary table of the fair value hierarchy of financial instruments as of June 30, 2022:

		06/30/2022			
(in millions of euros)	Notes	Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on unobservable data	Fair value as of 06/30/2022
ASSETS					
Derivatives excluding margin calls			30.4		30.4
Financial assets at fair value through profit or loss				0.1	0.1
LIABILITIES					
Derivative instruments			2.7		2.7

Note 6 . Equity and earnings per share

6.1. Capital increases subscribed by shareholders

During the periods presented, the Combined Group's shareholders subscribed to the following capital increases:

(in millions of euros)	06/30/2022	06/30/2021	12/31/2021
Icade Santé	-	-	138.0
Icade Healthcare Europe	176.0	21.1	21.1
Capital increases	**176.0**	**21.1**	**159.1**

6.2. Dividends

Total dividends distributed in 2022 and 2021 in respect of profits for the financial years 2021 and 2020, respectively, were as follows:

(in millions of euros)	06/30/2022	06/30/2021	12/31/2021
Payment to Icade Santé shareholders	209.7	193.1	193.1
Payment to OPPCI IHE shareholders	9.6	-	-
Total	**219.2**	**193.1**	**193.1**

6.3. Earnings per share

6.3.1. Determination of the number of shares

The average number of shares used to determine earnings per share was based on the shares of Icade Santé SA, future parent company of the Combined Group.

This average number of shares was then adjusted to take into account the average number of shares that would have been issued by Icade Santé SA in consideration for the contributions of IHE shares.

Number of Icade Santé SA shares

	06/30/2022		12/31/2021	
	Number	Capital in €m	Number	Capital in €m
OPENING SHARE CAPITAL	39,415,929	601.1	37,863,101	577.4
Capital increases			1,552,828	23.7
CLOSING SHARE CAPITAL	**39,415,929**	**601.1**	**39,415,929**	**601.1**

As of June 30, 2022, share capital consisted of 39,415,929 ordinary shares with a par value of €15.25 each. All the shares issued are fully paid up.

Adjustment to the number of Icade Santé SA shares for the shares that would have been issued in consideration for IHE's contributions

The number of shares that would have been issued in consideration for IHE's contributions was determined as the arithmetic mean of the following two numbers:

- number of shares based on the ratio of the opening net asset value of Icade Santé to the opening net asset value of IHE;
- number of shares based on the ratio of the closing net asset value of Icade Santé to the closing net asset value of IHE.

	06/30/2022	06/30/2021	12/31/2021
Average undiluted number of Icade Santé SA shares	39,415,929	37,863,101	37,992,503
Adjustment to the number of Icade Santé SA shares for the shares that would have been issued in consideration for IHE's contributions	4,294,930	3,504,530	3,356,629
Average undiluted number of Icade Santé SA shares after adjustment	**43,710,859**	**41,367,631**	**41,349,132**

6.3.2. Calculation of earnings per share

Earnings per share for each period were as follows:

(in millions of euros)		06/30/2022	06/30/2021	12/31/2021
Net profit/(loss) attributable to the Group from continuing operations		275.3	308.7	521.6
Net profit/(loss) attributable to the Group	**(A)**	**275.3**	**308.7**	**521.6**
Average undiluted number of shares	(B)	43,710,859	41,367,631	41,349,132
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)	**(A/B)**	**€6.30**	**€7.46**	**€12.62**

6.3.3. Calculation of diluted earnings per share

Since the Combined Group does not have any dilutive instruments, the diluted net profit/(loss) attributable to the Group per share is equal to its net profit/(loss) per share.

6.4. Non-controlling interests

6.4.1. Change in non-controlling interests

(in millions of euros)	06/30/2022	12/31/2021
OPENING POSITION	**38.0**	**20.6**
IHE capital increase subscribed by minority shareholders	3.5	0.4
Impact of changes in scope of consolidation (a)	0.0	10.7
Profit/(loss)	4.0	7.1
Dividends	(1.7)	(0.8)
CLOSING POSITION	**43.9**	**38.0**
Including International Healthcare	43.9	38.0

(a) In 2021, IHE sold Icade SA a portion of its investment in its German subsidiaries.

6.4.2. Financial information on non-controlling interests

The main line items of the consolidated statement of financial position, consolidated income statement and consolidated cash flow statement of subsidiaries with non-controlling interests are presented below on a proportionate consolidation basis:

(in millions of euros)	06/30/2022	12/31/2021
Investment property	76.0	74.6
Other current and non-current assets	6.2	5.6
TOTAL ASSETS	**82.2**	**80.2**
Current and non-current financial liabilities	36.4	37.0
Other current and non-current liabilities	1.8	5.2
TOTAL LIABILITIES	**38.4**	**42.1**
NET ASSETS	**43.9**	**38.0**

As of June 30, 2022, the share of profit/(loss) and the cash flows were not significant.

Note 7 . Operational information

7.1. Gross rental income

The Combined Group assists major operators of healthcare and senior services facilities with the ownership and development of healthcare properties. Leases are signed on a facility-by-facility basis. Gross rental income by operator broke down as follows:

(in millions of euros)	06/30/2022		06/30/2021		12/31/2021	
Elsan group	78.8	44.1%	75.3	47.4%	152.0	47.0%
Ramsay Santé group	36.5	20.5%	36.2	22.8%	72.7	22.5%
Other operators	39.6	22.2%	33.9	21.3%	70.6	21.8%
GROSS RENTAL INCOME – FRANCE HEALTHCARE	**154.9**	**86.8%**	**145.4**	**91.6%**	**295.3**	**91.3%**
EMVIA Living	6.7	3.8%	6.3	4.0%	12.7	3.9%
Sereni Orizzonti	0.8	0.4%	-	0.0%	1.6	0.5%
ORPEA	4.0	2.2%	2.7	1.7%	6.2	1.9%
Kos	2.2	1.2%	-	0.0%	2.8	0.9%
Gheron	1.6	0.9%	1.1	0.7%	2.6	0.8%
Other operators	8.4	4.7%	2.1	1.3%	1.2	0.4%
GROSS RENTAL INCOME – INTERNATIONAL HEALTHCARE	**23.6**	**13.2%**	**12.2**	**7.7%**	**27.1**	**8.4%**
GROSS RENTAL INCOME	**178.5**	**100.0%**	**157.6**	**99.2%**	**322.4**	**99.6%**
Other rental income	-	0.0%	1.2	0.8%	1.2	0.4%
GROSS RENTAL INCOME	**178.5**	**100.0%**	**158.8**	**100.0%**	**323.6**	**100.0%**

As of June 30, 2022, the Combined Group generated gross rental income of €178.5 million (€157.6 million as of June 30, 2021), a 13.3% increase year-on-year.

No individual tenant operating a healthcare facility accounts for more than 10% of total gross rental income.

Service charges recharged to tenants included in the "Outside services" line of the combined income statement amounted to €14.8 million as of June 30, 2022 and €13.6 million as of June 30, 2021.

7.2. Components of the working capital requirement

The working capital requirement consists primarily of the following items:

- Accounts receivable and miscellaneous receivables on the asset side of the combined statement of financial position;
- Miscellaneous payables on the liability side of the combined statement of financial position.

7.2.1. Accounts receivable

Changes in accounts receivable were as follows:

(in millions of euros)	12/31/2021	Change for the period	Net change in impairment losses and fair value adjustments through profit or loss	06/30/2022
Accounts receivable – Gross value	10.3	11.1	-	21.4
Accounts receivable – Impairment	(2.5)	(0.0)	(0.1)	(2.6)
ACCOUNTS RECEIVABLE – NET VALUE	**7.8**	**11.1**	**(0.1)**	**18.8**

The Combined Group has maintained its impairment policy. As at each reporting date, a case-by-case analysis was carried out to assess the risk of non-payment of receivables and to impair, where appropriate, receivables from tenants at risk of default.

7.2.2. Miscellaneous receivables and payables

Miscellaneous receivables consisted mainly of tax and social security receivables, advances and down payments to suppliers and prepaid expenses. Miscellaneous payables consisted mainly of payables on investment property acquisitions, tax and social security payables, advances from customers and prepaid income.

Miscellaneous receivables broke down as follows:

(in millions of euros)	06/30/2022	12/31/2021
Advances to suppliers	2.8	1.2
Prepaid expenses	5.4	1.5
Social security and tax receivables	5.0	5.0
Other receivables	1.1	1.0
TOTAL MISCELLANEOUS RECEIVABLES	**14.2**	**8.8**

No impairment losses were recognised at the end of the financial years presented. As a result, the gross values of miscellaneous receivables were equal to the net values.

Miscellaneous payables broke down as follows:

(in millions of euros)	06/30/2022	12/31/2021
Advances from customers	1.0	1.5
Payables on acquisitions of fixed assets	27.5	28.5
Dividends payable to shareholders	0.4	
Prepaid income	1.9	2.4
Tax and social security payables excluding income taxes	18.8	3.7
Other payables (a)	1.8	179.7
TOTAL MISCELLANEOUS PAYABLES	**51.5**	**215.9**

(a) Including €176.0 million as of December 31, 2021 for share subscriptions received by IHE for its capital increase, pending publication of the net asset values as of the end of the financial year.

Note 8 . Income tax

8.1. Tax expense

The tax expense recognised in the combined income statement consists primarily of the company value-added contribution (CVAE). The tax expense is detailed in the table below:

(in millions of euros)	06/30/2022	06/30/2021	12/31/2021
Company value-added contribution (CVAE)	(0.8)	(0.8)	(1.6)
Current and deferred tax expense	(1.4)	(0.1)	(0.5)
TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(2.2)**	**(0.8)**	**(2.1)**

As of June 30, 2022, the tax expense consisted of CVAE and tax paid in Germany and Portugal.

Note 9 . Provisions and contingent liabilities

9.1. Provisions

(in millions of euros)	12/31/2021	Charges	Use	Reversals	Actuarial gains and losses	06/30/2022
Lump sum payments on retirement and similar liabilities	0.8	0.1	(0.0)	-	(0.1)	0.8
Liabilities and charges – Other	0.1	0.0	-	-	-	0.1
PROVISIONS FOR LIABILITIES AND CHARGES	**0.9**	**0.2**	**(0.0)**	**-**	**(0.1)**	**0.9**
Non-current provisions	0.9	0.1	(0.0)	-	(0.1)	0.9
Current provisions	0.0	0.0	(0.0)	-	-	0.0

9.2. Contingent liabilities

At the end of 2020, DomusVi, the operator of 13 nursing homes owned by Icade Santé SA, initiated proceedings against the Group before the Tribunal Judiciaire de Paris (Judicial Court of Paris) to amend some of the clauses in the commercial leases signed in July 2018. The Combined Group considers this claim to be unfounded and has a strong case that should lead to its dismissal.

The proceedings were still ongoing as of June 30, 2022.

Note 10 . Other information

10.1. Related parties

10.1.1. Related parties identified by the Combined Group

Related parties identified by the Combined Group include:

- The parent company of the Combined Group, Icade SA, and its subsidiaries not included in the combined scope of the Combined Group;
- The subsidiaries of the Combined Group;
- The CEO of Icade SA: Icade SA, which is a legal person acting as Chairperson of the Combined Group, is represented by the CEO of Icade SA, who is a natural person.

10.1.2. Related party transactions

Transactions have been concluded under normal market conditions, i.e. comparable to those that would usually take place between independent parties.

Transactions with the parent company Icade SA

Non-financial agreements

Icade Santé has had its own staff since October 1, 2021. As a result, the property management agreement and the analysis, assistance and advisory agreement in connection with valuations, investments and disposals entered into with parent company Icade SA were terminated effective October 4, 2021 and new agreements were entered into:

- **Property management framework agreement:** this agreement covers (i) the property, administrative, financial and accounting management of the healthcare facilities owned by Icade Santé and its subsidiaries in France and (ii) the relationship with the outside property managers responsible for the assets located outside France owned (or managed) by Icade Santé and its subsidiaries. In exchange, Icade SA receives remuneration equal to a percentage of the rental income (excluding tax) invoiced over the year for assets both in France and abroad.

This agreement took effect on October 4, 2021 and will expire on December 31, 2023.

- **Assistance and service provision agreement:** this agreement provides that Icade Santé and its subsidiaries will be assisted by the support functions of Icade SA, particularly in the following areas:
  - Routine IT services
  - Accounting and financial assistance
  - Tax and administrative assistance (including insurance but excluding legal assistance)
  - Human resources
  - Portfolio management

In exchange, Icade SA receives remuneration equal to the costs it incurred to provide these services plus 5%.
This agreement was signed on December 21, 2021, took effect on October 4, 2021 and will expire on December 31, 2023.

- **Trademark licence agreement:** this agreement provides that Icade SA grants Icade Santé and its subsidiaries, including those located abroad, a non-exclusive licence to use the Icade logo and trademark in the course of their business. In exchange, Icade SA receives remuneration equal to a percentage of the rental income (excluding tax) invoiced over the year for property assets located in France or abroad owned (or managed) by Icade Santé and its subsidiaries.

This agreement was signed on December 21 took effect on October 4, 2021 and will expire on December 31, 2023.

Financial agreements

- **Long-term intra-group loan agreements**

Icade Santé entered into the following long-term intra-group loan agreements with Icade SA:

Signing date (a)	Maturity	Repayment	Rate	Outstanding as of 12/31/2021	Increase	Prepayment	Repayment	Outstanding as of 06/30/2022
06/28/2018	06/28/2025	bullet	fixed annual rate of 1.40%	50.0	-	-	-	50.0
10/01/2015	10/01/2022	bullet	fixed annual rate of 2.54%	50.0	-	-	-	50.0
Total				**100.0**	**-**	**-**	**-**	**100.0**

(a) The agreement comes into effect on the date of disbursement.

- **Intercompany credit lines**

Icade Santé SA terminated a credit line agreement entered into with Icade SA on April 1, 2018 which was due to expire on June 30, 2025.

IHE entered into the following credit line agreements with Icade SA:

Signing date (a)	Maturity	Rate	Outstanding as of 12/31/2021	Increase	Prepayment (b)	Repayment	Outstanding as of 06/30/2022
02/01/2019	03/31/2023	EUR3M + 2.64%	26.0	-	-	-	26.0
12/10/2019	12/31/2023	EUR3M + 1.55%	93.2	-	-	-	93.2
09/22/2020	09/22/2022	EUR3M + 2.04%	51.9	-	-	-	51.9
11/10/2020	12/31/2022	EUR3M + 3.00%	24.2	-	-	-	24.1
12/15/2020	12/31/2023	EUR3M + 3.00%	19.7	-	-	-	20.8
04/27/2021	06/30/2023	EUR3M + 2.64%	11.3	-	-	-	11.3
07/08/2021	06/30/2023	EUR3M + 2.07%	15.5	-	(15.5)	-	-
07/21/2021	06/30/2023	EUR3M + 2.15%	6.7	-	(6.7)	-	-
10/01/2021	12/31/2023	EUR3M + 2.51%	14.9	-	-	-	14.9
11/10/2021	12/31/2023	EUR3M + 2.51%	5.3	-	-	-	5.3
11/10/2021	12/31/2023	EUR3M + 2.51%	26.0	-	-	-	26.0
11/10/2021	12/31/2023	EUR3M + 1.44%	1.4	-	-	-	1.4
12/16/2021	12/31/2023	EUR3M + 1.44%	7.0	-	-	-	7.0
12/16/2021	12/31/2023	EUR3M + 1.82%	44.0	-	-	-	44.0
Total			**347.1**	**-**	**(22.2)**	**-**	**326.0**

(a) The agreement comes into effect on the date of disbursement.

(b) Prepayments may result in penalty payments. See note 5.1.4. "Finance income/(expense)".

Transactions with SASU Icade Promotion and its subsidiaries

SASU Icade Promotion is wholly owned by Icade SA.
In connection with its property development projects, Icade Santé SA has entered into delegated project management contracts, property development contracts and off-plan sale contracts with Icade Promotion and its subsidiaries. The main characteristics of these contracts are set out below.

- **Delegated project management contracts**

The purpose of delegated project management contracts is to transfer the management of real estate projects as project owner to Icade Promotion in order for this company to draft and manage contractor agreements and oversee technical inspectors and health and safety coordinators. In addition, Icade Promotion must carry out technical, administrative, legal, accounting and financial assignments relating to the contract.

- **Property development contracts**

Property development contracts awarded to Icade Promotion or its subsidiaries allow them to act as project manager and/or property developer on construction projects. By way of consideration, Icade Promotion or its subsidiaries receive a fixed fee as provided for in the contract.

- **Off-plan sale contracts**

The purpose of off-plan sale contracts is to assign the construction of a project to a property developer. Such property developers ensure buyers that construction will be completed. Ownership of the property is transferred to the buyer as each stage of the work is completed. The property developer remains the project manager until construction is completed. By way of consideration, the property developer is paid in tranches set out in the contract as each stage of the work is completed.

Transactions with subsidiaries of the Combined Group

Transactions between subsidiaries of the Combined Group have been eliminated in the combined financial statements and are not itemised in this note.

10.1.3. Impact on the combined financial statements

The amounts of related party transactions in the combined income statements for the financial years presented were as follows:

(in millions of euros)	06/30/2022	06/30/2021	12/31/2021
Purchases used	(0.4)	-	
Outside services	(7.3)	(7.5)	(14.8)
EBITDA	**(7.6)**	**(7.5)**	**(14.8)**
Other costs and expenses related to investment property disposals		(0.0)	(0.0)
Operating profit/(loss)	**(7.6)**	**(7.5)**	**(14.9)**
Interest expenses on liabilities to Icade SA	(1.0)	(1.6)	(2.9)
Interest expenses on shareholder loans and credit lines received	(3.6)	(2.1)	(5.0)
Prepayment penalties for financial liabilities to Icade SA	(0.4)	-	-
Commitment fees	(1.0)	(0.8)	(1.9)
Finance income/(expense)	**(5.9)**	**(4.5)**	**(9.7)**

Cash and liabilities in the combined statement of financial position associated with related party transactions were as follows:

(in millions of euros)	06/30/2022	12/31/2021
Miscellaneous receivables (a)	2.0	0.7
Cash and cash equivalents (b)	112.6	65.9
TOTAL ASSETS	**114.6**	**66.7**
Liabilities to Icade SA (including interest accrued but not due)	428.2	449.1
Accounts payable	0.2	3.9
Miscellaneous payables (c)	0.6	105.6
TOTAL LIABILITIES	**429.0**	**558.6**

(a) Miscellaneous receivables mainly consisted of debit balances in "suppliers of fixed assets" accounts.

(b) Cash and cash equivalents related to a cash pooling current account with Icade SA.

(c) Miscellaneous payables consisted of share subscriptions received by IHE for its capital increase, pending publication of the net asset values as of the end of 2021, as well as payables on investment property acquisitions.

10.2. Off-balance sheet commitments

No significant off-balance sheet commitments have been identified since December 31, 2021.

10.3. Events after the reporting period

No significant events have taken place since June 30, 2022.

10.4. Combined scope

The companies included in the combined scope as of June 30, 2022 and December 31, 2021 are listed in the table below. All the companies in the combined scope are fully consolidated into the combined financial statements.

Company name	Legal form	06/30/2022	12/31/2021
		% ownership	% ownership
France Healthcare	SA		
ICADE SANTÉ	SAS	Parent company	Parent company
SCI TONNAY INVEST	SCI	100.00	100.00
SCI PONT DU CHÂTEAU INVEST	SCI	100.00	100.00
SNC SEOLANES INVEST	SNC	100.00	100.00
SCI SAINT AUGUSTINVEST	SCI	100.00	100.00
SCI CHAZAL INVEST	SCI	100.00	100.00
SCI DIJON INVEST	SCI	100.00	100.00
SCI COURCHELETTES INVEST	SCI	100.00	100.00
SCI ORLÉANS INVEST	SCI	100.00	100.00
SCI MARSEILLE LE ROVE INVEST	SCI	100.00	100.00
SCI GRAND BATAILLER INVEST	SCI	100.00	100.00
SCI SAINT CIERS INVEST	SCI	100.00	100.00
SCI SAINT SAVEST	SCI	100.00	100.00
SCI BONNET INVEST	SCI	100.00	100.00
SCI GOULAINE INVEST	SCI	100.00	100.00
SCI HAUTERIVE	SCI		Merger
SCI DES 2 ET 4 DE LA RUE DES VIVIERS	SCI		Acquisition and merger
SCI DENTELLIÈRE	SCI		Acquisition and merger
SAS ROLLIN LECLERC	SAS		Acquisition and merger
Germany Healthcare			
SAS IHE GESUNDHEIT	SAS	88.10	88.10
SAS IHE RADENSLEBEN	SAS	88.10	88.10
SAS IHE NEURUPPIN	SAS	88.10	88.10
SAS IHE TREUENBRIETZEN	SAS	88.10	88.10
SAS IHE ERKNER	SAS	88.10	88.10
SAS IHE KYRITZ	SAS	88.10	88.10
SAS IHE HENNIGSDORF	SAS	88.10	88.10
SAS IHE COTTBUS	SAS	88.10	88.10
SAS IHE BELZIG	SAS	88.10	88.10
SAS IHE FRIEDLAND	SAS	88.10	88.10
SAS IHE KLAUSA	SAS	88.10	88.10
SAS IHE AUENWALD	SAS	88.10	88.10
SAS IHE KLT GRUNDBESITZ	SAS	88.10	88.10
SAS IHE ARN GRUNDBESITZ	SAS	88.10	88.10
SAS IHE BRN GRUNDBESITZ	SAS	88.10	88.10
SAS IHE FLORA MARZINA	SAS	88.10	88.10
SAS IHE KOPPENBERGS HOF	SAS	88.10	88.10
SAS IHE LICHTENBERG	SAS	88.10	88.10
SAS IHE TGH GRUNDBESITZ	SAS	88.10	88.10
SAS IHE PROMENT BESITZGESELLSCHAFT	SAS	88.10	88.10
SAS IHE BREMERHAVEN	SAS	88.10	88.10
SAS ORESC 7	SAS	49.98	49.98
SAS ORESC 8	SAS	88.10	88.10
SAS ORESC 12	SAS	49.98	49.98
SAS IHE 1	SAS	100.00	100.00

	Legal form	06/30/2022	12/31/2021
		% ownership	% ownership
Italy Healthcare			
SALUTE ITALIA - FUND	REIF	98.00	98.00
IHE GESTIONE ITALIANA	SRL	100.00	100.00
Spain Healthcare			
SAS IHE Salud Ibérica	SAS	Merger	98.00
IHE SPAIN 1	SLU	100.00	98.00
IHE SALUD MANAGEMENT	SL	100.00	100.00
IHE SPAIN 2	SLU	100.00	
Portugal Healthcare			
FUNDO DE INVESTIMENTO IMOBILIARIO FECHADO SAUDEINVESTE	-	99.02	99.02
Other countries			
OPPCI ICADE HEALTHCARE EUROPE	SPPICAV	98.00	98.00