



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF June 30, 2022**

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## 1. Condensed consolidated financial statements as of June 30, 2022

Unless otherwise stated, the condensed consolidated 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.

### Consolidated income statement

<i>(in millions of euros)</i>	Notes	06/30/2022	06/30/2021 restated (a)	12/31/2021
<b>Revenue</b>	7.1.	<b>161.8</b>	<b>146.6</b>	<b>297.9</b>
Other operating income		0.0	0.0	0.1
<b>Income from operating activities</b>		<b>161.8</b>	<b>146.6</b>	<b>298.0</b>
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
<b>Expenses from operating activities</b>		<b>(15.9)</b>	<b>(7.7)</b>	<b>(26.0)</b>
<b>EBITDA</b>		<b>145.9</b>	<b>138.9</b>	<b>272.0</b>
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)
<b>OPERATING PROFIT/(LOSS)</b>		<b>266.0</b>	<b>303.4</b>	<b>525.3</b>
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)
<b>FINANCE INCOME/(EXPENSE)</b>	5.1.4.	<b>(17.2)</b>	<b>(18.0)</b>	<b>(33.4)</b>
Tax expense	8.1.	(1.2)	(0.6)	(1.3)
<b>NET PROFIT/(LOSS)</b>		<b>247.5</b>	<b>284.8</b>	<b>490.6</b>
- Including net profit/(loss) attributable to the Group		<b>243.7</b>	<b>284.8</b>	<b>490.7</b>
- Including net profit/(loss) attributable to non-controlling interests		<b>3.8</b>	<b>-</b>	<b>(0.1)</b>
<b>Net profit/(loss) attributable to the Group per share (in €)</b>	<b>6.3.</b>	<b>€6.18</b>	<b>€7.52</b>	<b>€12.92</b>

(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 statement of comprehensive income

<i>(in millions of euros)</i>	06/30/2022	06/30/2021 restated (a)	12/31/2021
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>247.5</b>	<b>284.8</b>	<b>490.6</b>
<b>Other comprehensive income:</b>			
<b>Recyclable to the income statement: cash flow hedges</b>	<b>44.7</b>	<b>10.7</b>	<b>19.3</b>
- Changes in fair value	44.9	10.0	18.7
- Recycling to the income statement	(0.2)	0.8	0.5
<b>Other comprehensive income not recyclable to the income statement:</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>
- Actuarial gains and losses and asset ceiling adjustments	0.1	-	0.1
<b>Total comprehensive income recognised in equity</b>	<b>44.8</b>	<b>10.7</b>	<b>19.3</b>
<b>Including transfer to net profit/(loss)</b>	<b>(0.2)</b>	<b>0.8</b>	<b>0.5</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>292.3</b>	<b>295.6</b>	<b>510.0</b>
- Including comprehensive income attributable to the Group	<b>288.5</b>	<b>295.6</b>	<b>510.1</b>
- Including comprehensive income attributable to non-controlling interests	<b>3.8</b>	<b>-</b>	<b>(0.1)</b>

(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 statement of financial position

### 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
<b>NON-CURRENT ASSETS</b>		<b>6,168.9</b>	<b>5,982.1</b>
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
<b>CURRENT ASSETS</b>		<b>162.0</b>	<b>99.2</b>
<b>TOTAL ASSETS</b>		<b>6,330.9</b>	<b>6,081.4</b>

### 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
<b>Equity attributable to the Group</b>		<b>3,834.6</b>	<b>3,755.8</b>
Non-controlling interests		102.5	100.0
<b>EQUITY</b>		<b>3,937.1</b>	<b>3,855.8</b>
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
<b>NON-CURRENT LIABILITIES</b>		<b>2,036.2</b>	<b>2,080.4</b>
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
<b>CURRENT LIABILITIES</b>		<b>357.7</b>	<b>145.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,330.9</b>	<b>6,081.4</b>

## Consolidated cash flow statement

<i>(in millions of euros)</i>	Notes	06/30/2022	06/30/2021 restated (a)	12/31/2021
<b>I) OPERATING ACTIVITIES</b>				
<b>Net profit/(loss)</b>		<b>247.5</b>	<b>284.8</b>	<b>490.6</b>
Net depreciation and provision charges		0.2	(0.3)	0.3
Change in fair value of investment property		(114.3)	(163.0)	(253.9)
Unrealised gains and losses due to changes in fair value		0.7	0.7	0.3
Other non-cash income and expenses		1.2	0.7	0.6
Capital gains or losses on asset disposals		(7.0)	(1.5)	(0.0)
<b>Cash flow from operating activities after cost of net financial liabilities and tax</b>		<b>128.2</b>	<b>121.4</b>	<b>237.9</b>
Cost of net financial liabilities		12.1	15.8	30.5
Tax expense		1.2	0.6	1.3
<b>Cash flow from operating activities before cost of net financial liabilities and tax</b>		<b>141.5</b>	<b>137.8</b>	<b>269.7</b>
Interest paid		(8.2)	(10.0)	(31.2)
Tax paid (b)		(4.5)	(2.3)	(4.4)
Change in working capital requirement related to operating activities		(4.6)	2.0	3.5
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>124.2</b>	<b>127.4</b>	<b>237.6</b>
<b>II) INVESTING ACTIVITIES</b>				
Tangible and intangible fixed assets and investment property				
- acquisitions		(106.0)	(87.2)	(294.6)
- disposals		82.1	3.3	3.8
Change in security deposits paid and received		(15.7)	0.4	(11.6)
<b>Operating investments</b>		<b>(39.6)</b>	<b>(83.5)</b>	<b>(302.4)</b>
Fully consolidated companies				
- acquisitions		(0.7)	(14.7)	(129.5)
- impact of changes in scope of consolidation		1.6	0.2	1.5
Dividends received and profit/(loss) of tax-transparent equity-accounted companies		0.0	(0.0)	(0.0)
<b>Financial investments</b>		<b>0.9</b>	<b>(14.6)</b>	<b>(128.0)</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(38.8)</b>	<b>(98.1)</b>	<b>(430.4)</b>
<b>III) FINANCING ACTIVITIES</b>				
Amounts received from shareholders on capital increases:				
- paid by Icade Santé shareholders		-	-	138.0
Final and interim dividends paid to Icade Santé shareholders	6.2.	(209.7)	(193.1)	(193.1)
<b>Change in cash from capital activities</b>		<b>(209.7)</b>	<b>(193.1)</b>	<b>(55.1)</b>
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		(10.8)	(6.5)	(56.4)
<b>Change in cash from financing activities</b>	5.1.1.	<b>173.5</b>	<b>(60.9)</b>	<b>(141.9)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(36.3)</b>	<b>(254.0)</b>	<b>(197.0)</b>
<b>NET CHANGE IN CASH (I) + (II) + (III)</b>		<b>49.2</b>	<b>(224.7)</b>	<b>(389.7)</b>
<b>OPENING NET CASH</b>		<b>81.1</b>	<b>470.8</b>	<b>470.8</b>
<b>CLOSING NET CASH</b>		<b>130.3</b>	<b>246.1</b>	<b>81.1</b>
Cash and cash equivalents (excluding interest accrued but not due)		130.4	246.2	81.2
Bank overdrafts (excluding interest accrued but not due)		(0.1)	(0.1)	(0.1)
<b>NET CASH</b>		<b>130.3</b>	<b>246.1</b>	<b>81.1</b>

(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.

(b) Tax paid related to the exit tax.

## Consolidated statement of changes in equity

<i>(in millions of euros)</i>	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
<b>EQUITY AS OF 01/01/2021 AS PREVIOUSLY REPORTED</b>	577.4	898.7	(34.5)	1,859.2	3,300.8		3,300.8
<b>Restated net profit/(loss) (a)</b>				284.8			
<b>Other comprehensive income:</b>							
<b>Cash flow hedges:</b>							
- Changes in value			10.0		10.0		10.0
- Recycling to the income statement			0.8		0.8		0.8
<b>Comprehensive income as restated (a)</b>			10.7	284.8	295.6		295.6
Dividends paid		(148.2)		(44.9)	(193.1)		(193.1)
Other				(0.0)	(0.0)		(0.0)
<b>EQUITY AS OF 06/30/2021 AS RESTATED</b>	577.4	750.5	(23.7)	2,099.2	3,403.3		3,403.3
<b>Net profit/(loss)</b>				205.9	205.9	(0.1)	205.8
<b>Other comprehensive income:</b>							
<b>Cash flow hedges:</b>							
- Changes in value			8.8		8.8		8.8
- Recycling to the income statement			(0.2)		(0.2)		(0.2)
<b>Other non-recyclable items:</b>							
- Actuarial gains and losses				0.1	0.1		0.1
<b>Comprehensive income</b>			8.5	206.0	214.5	(0.1)	214.4
Capital increases	23.7	114.3			138.0		138.0
Other		0.2	-	(0.3)	(0.0)	100.1	100.1
<b>EQUITY AS OF 12/31/2021</b>	601.1	865.1	(15.2)	2,304.8	3,755.8	100.0	3,855.8
<b>Net profit/(loss)</b>				243.7	243.7	3.8	247.5
<b>Other comprehensive income:</b>							
<b>Cash flow hedges:</b>							
- Changes in value			44.9		44.9		44.9
- Recycling to the income statement			(0.2)		(0.2)		(0.2)
<b>Other non-recyclable items:</b>							
- Actuarial gains and losses				0.1	0.1		0.1
<b>Comprehensive income</b>	-	-	44.7	243.8	288.5	3.8	292.3
Dividends paid		(121.7)		(88.0)	(209.7)	(2.0)	(211.7)
Other						0.7	0.7
<b>EQUITY AS OF 06/30/2022</b>	601.1	743.3	29.5	2,460.7	3,834.6	102.5	3,937.1

(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.

## 2. Notes to the condensed consolidated financial statements

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## Note 1. General principles

### 1.1. General information

Icade Santé (“the Company”) is a French public limited company (SA, *société anonyme*) with a Board of Directors. Its registered office is situated at 27 rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France. As of June 30, 2022, it was 58.30% owned by the company Icade SA, with no change in the percentage of ownership since December 31, 2021. It is fully consolidated in Icade SA’s consolidated financial statements.

The Company’s condensed consolidated financial statements for the period ended June 30, 2022 reflect the financial position and profits and losses of the Company and its subsidiaries (“the Group”). They were prepared in euros, which is the Company’s functional currency.

The Group operates as a property investor, assisting healthcare and senior services providers with the ownership and development of healthcare properties in France and abroad.

### 1.2. Accounting standards

The Group’s condensed consolidated financial statements for the half-year ended 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 (H1 2021 and/or December 31, 2021) prepared under the accounting standards 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 Group in preparing the condensed consolidated financial statements are identical to those used for the consolidated financial statements as of December 31, 2021, subject to the specific provisions of IAS 34 – Interim Financial Reporting described in note 1.3.3, 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.

#### 1.2.1. Mandatory standards, amendments and interpretations adopted by the European Union which became effective for annual periods beginning on or after January 1, 2022

##### 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 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 Group.

##### Other standards, interpretations, amendments and decisions issued by the IFRS Interpretations Committee (IFRS IC)

- ◆ 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

##### 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 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 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 condensed consolidated financial statements

### 1.3.1. Measurement bases

The condensed consolidated financial statements have been prepared according to the amortised cost method, with the exception of certain financial assets and liabilities and investment property 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, 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 consolidated financial statements is reported.

### 1.3.2. Use of judgement and estimates

The preparation of condensed consolidated financial statements requires the Group's management to use estimates and assumptions to determine the value of certain assets, liabilities, income and expenses, to assess any positive or negative contingencies as of the reporting date, as well as the information provided in the notes to the financial statements.

Due to the uncertainties inherent in any measurement process, the 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 consolidated financial statements.

The main estimates made by the Group related to:

- ◆ The fair value of investment property determined by the valuations carried out by independent property valuers (see note 4.2);
- ◆ Measurement of credit risk arising from accounts receivable (see note 5.2.4).

The accounting estimates used to prepare the financial statements as of June 30, 2022 were made amid a crisis that continues to generate uncertainty about the economic and financial outlook. For the period ended June 30, 2022, the Group considered the reliable information at its disposal with respect to the impact of this situation.

In addition to using estimates, the 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 Group's carbon footprint. As such, funds have been allocated on a yearly basis to finance projects to be undertaken. Icade 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 Group is the lessor between operating and finance leases;
- ◆ Determining whether acquisitions qualified as business combinations in accordance with the definition of a business introduced by an amendment to the revised IFRS 3.

### 1.3.3. Specific rules applying to the preparation of condensed consolidated financial statements

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

In addition, the Group's property assets are valued twice a year by independent valuers in accordance with the methods described in note 4.2.

## Note 2. H1 2022 highlights

### 2.1. Health crisis and international backdrop

The 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 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

#### Investments

Investments made in 2022 totalled €104.5 million including €69.3 million outside France, mainly relating to the acquisition of five long-term care facilities in Spain, and €35.3 million in France in the development pipeline (construction or extension projects for PAC facilities and nursing homes).

#### 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. Finance and changes in net financial liabilities

In H1 2022, Icade Santé obtained a €300.0 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.

## Note 3. Segment reporting

The Group's business activities consist in assisting healthcare and senior services providers with the ownership and development of healthcare properties in France and abroad. These properties include acute and post-acute care facilities (private hospitals, rehabilitation centres) as well as long-term facilities (nursing homes).

In H1 2021, all the Group's business was conducted in France.

<i>(in millions of euros)</i>	France		International		Intersegment transactions		Total Group	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
REVENUE	156.0	146.6	6.0	-	(0.2)	-	161.8	146.6
EBITDA	141.3	138.9	4.7	-	-	-	145.9	138.9
OPERATING PROFIT/(LOSS)	257.1	303.4	8.9	-	-	-	266.0	303.4
FINANCE INCOME/(EXPENSE)	(16.8)	(18.0)	(0.5)	-	-	-	(17.2)	(18.0)
NET PROFIT/(LOSS)	239.1	284.8	8.4	-	-	-	247.5	284.8
Net profit/(loss) attributable to non-controlling interests	-	-	3.8	-	-	-	3.8	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	239.1	284.8	4.7	-	-	-	243.7	284.8

<i>(in millions of euros)</i>	France		International		Intersegment transactions		Total Group	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Investment property	5,814.3	5,758.3	283.9	210.4	-	-	6,098.1	5,968.7
Other assets	402.8	215.9	(53.9)	(88.1)	(116.2)	(15.2)	232.8	112.7
TOTAL ASSETS	6,217.1	5,974.2	230.0	122.3	(116.2)	(15.2)	6,330.9	6,081.4
Equity attributable to the Group	3,832.4	3,755.9	2.2	(0.1)	-	-	3,834.6	3,755.8
Non-controlling interests	-	-	102.5	100.0	-	-	102.5	100.0
Financial liabilities	2,302.9	2,125.8	115.6	17.8	(113.5)	(15.1)	2,305.0	2,128.5
Other liabilities	81.8	92.5	9.7	4.6	(2.7)	(0.1)	88.8	97.1
TOTAL LIABILITIES AND EQUITY	6,217.1	5,974.2	230.0	122.3	(116.2)	(15.2)	6,330.9	6,081.4

<i>(in millions of euros)</i>	France		International		Total Group	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
CASH FLOW:						
- acquisitions	(37.8)	(87.2)	(68.2)	-	(106.0)	(87.2)
- disposals	82.1	3.3	-	-	82.1	3.3

## Note 4. Property portfolio and fair value

### 4.1. Property portfolio

#### 4.1.1. Investment property

The Group's property portfolio consists of investment property. It is valued as described in note 4.2 and its fair value is presented in note 4.3. Investments made in H1 2022 totalled €104.5 million, bringing the net value of the Group's property portfolio to €6,098.1 million:

<i>(in millions of euros)</i>	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	5,968.7	74.2	30.3	(16.8)	113.1	(71.4)	6,098.1
<b>Investment property</b>	<b>5,968.7</b>	<b>74.2</b>	<b>30.3</b>	<b>(16.8)</b>	<b>113.1</b>	<b>(71.4)</b>	<b>6,098.1</b>
Investment property held for sale (IFRS 5)	-	-	-	(71.4)	-	71.4	-
<b>VALUE OF THE PROPERTY PORTFOLIO</b>	<b>5,968.7</b>	<b>74.2</b>	<b>30.3</b>	<b>(88.1)</b>	<b>113.1</b>	<b>-</b>	<b>6,098.1</b>
<b>Portfolio distribution:</b>							
France Healthcare	5,758.3	5.0	30.3	(88.1)	108.8	-	5,814.3
International Healthcare	210.4	69.3	-	-	4.2	-	283.9
<b>VALUE OF THE PROPERTY PORTFOLIO</b>	<b>5,968.7</b>	<b>74.2</b>	<b>30.3</b>	<b>(88.1)</b>	<b>113.1</b>	<b>-</b>	<b>6,098.1</b>

(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 appraised value of the property portfolio broke down as follows:

<i>(in millions of euros)</i>	06/30/2022	12/31/2021
<b>VALUE OF THE PROPERTY PORTFOLIO</b>	<b>6,098.1</b>	<b>5,968.7</b>
Lease liabilities	(1.9)	(1.9)
<b>APPRAISED VALUE OF THE PROPERTY PORTFOLIO</b>	<b>6,096.3</b>	<b>5,966.8</b>

**Investments** (acquisitions, construction work and impact of changes in scope of consolidation) during the period amounted to €104.5 million.

- ◆ Outside France, the Group invested €69.3 million in Spain by acquiring five long-term care facilities (€56.0 million) and an eye clinic in Madrid (€13.3 million).
- ◆ 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 to a French institutional investor for €78.3 million. 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 and assumptions

#### 4.2.1. Valuation assignments

The Group's property assets are valued twice a year by independent property valuers for the publication of the half-year and annual consolidated financial statements, 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, CBRE Valuation and Catella Valuation.

In accordance with the SIIC Code of Ethics, after seven years Icade 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 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.

In 2022, Icade Santé appointed new property valuers for 17% of its portfolio in value terms.

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 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 the land bank and projects under development, were valued as of June 30, 2022 according to the procedures currently in place within the Group, with the exception of:

- ◆ Properties subject to a preliminary sale agreement as of the end of the reporting period or those for which an offer has been received and that are valued based on the contractual sale price (or the price agreed as part of exclusive talks if applicable);
- ◆ Properties acquired less than three months before the end of the reporting period, which are valued at their acquisition price excluding duties.

The 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.

However, the property valuers considered market evidence as of the valuation date to be sufficient and relevant, allowing them to form an opinion of value for the appraised properties.

Healthcare properties in France and Portugal are valued by the property valuers based on the mean of the values obtained using the rent capitalisation method (also known as "estimated rental value" method) and the discounted cash flow method. 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 Group.

#### 4.2.3. Main valuation assumptions for investment property

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%
Spain	Capitalisation	N/A	N/A	4.5% - 5.0%
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

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

(in millions of euros)	Yields (a)	
	+50 bps	-50 bps
	06/30/2022	06/30/2022
<b>FRANCE HEALTHCARE</b>		
Paris region	(80.5)	100.1
France outside the Paris region	(453.6)	556.2
<b>TOTAL FRANCE HEALTHCARE</b>	<b>(534.1)</b>	<b>656.3</b>
Portugal	(20.9)	26.0
Spain	(6.9)	8.5
<b>TOTAL INTERNATIONAL HEALTHCARE</b>	<b>(27.8)</b>	<b>34.5</b>
<b>TOTAL ICADE SANTÉ GROUP</b>	<b>(561.9)</b>	<b>690.8</b>

(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 FY 2021 broke down as follows:

(in millions of euros)	06/30/2022	12/31/2021
France Healthcare	110.1	253.9
International Healthcare	4.2	-
<b>CHANGES IN VALUE RECOGNISED IN THE INCOME STATEMENT</b>	<b>114.3</b>	<b>253.9</b>
Other (a)	(1.3)	(0.2)
<b>CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY</b>	<b>4.1</b>	<b>253.7</b>

(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

As of June 30, 2022, net financial liabilities stood at €2,146.7 million and broke down as follows:

<i>(in millions of euros)</i>	12/31/2021	Cash flow from financing activities			06/30/2022
		New financial liabilities	Repayments	Fair value adjustments and other changes (a)	
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	-	(10.7)	8.0	-
Liabilities to Icade SA	100.0	-	-	-	100.0
Bank overdrafts	0.1	-	-	-	0.1
<b>TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES</b>	<b>2,133.4</b>	<b>202.0</b>	<b>(28.3)</b>	<b>(2.5)</b>	<b>2,304.6</b>
Interest accrued and amortised issue costs	(4.9)	-	-	5.3	0.4
<b>GROSS FINANCIAL LIABILITIES (b)</b>	<b>5.1.2. 2,128.5</b>	<b>202.0</b>	<b>(28.3)</b>	<b>2.8</b>	<b>2,304.9</b>
Interest rate derivatives	5.1.3. 16.2	-	-	(44.0)	(27.8)
Financial assets (c)	5.1.5. (0.1)	-	-	-	(0.1)
Cash and cash equivalents (d)	5.1.6. (81.2)	-	-	(49.2)	(130.4)
<b>NET FINANCIAL LIABILITIES</b>	<b>2,063.5</b>	<b>202.0</b>	<b>(28.3)</b>	<b>(90.4)</b>	<b>2,146.7</b>

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

(b) Gross financial liabilities included €2,009.3 million of non-current financial liabilities and €295.7 million of current financial liabilities.

(c) Excluding security deposits paid.

(d) 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 €300.0 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 €173.5 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 €28.3 million decrease).

### 5.1.2. Components of financial liabilities

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

Gross financial liabilities at amortised cost, including issue costs and premiums and the impact of amortising them by applying the effective interest method, stood at €2,304.6 million as of June 30, 2022. They broke down as follows:

(in millions of euros)	Balance sheet value as of 06/30/2022	Current		Non-current				Fair value as of 06/30/2022
		< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	
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
<b>Fixed rate debt</b>	<b>1,284.2</b>	<b>60.3</b>	<b>9.9</b>	<b>59.4</b>	<b>14.9</b>	<b>20.1</b>	<b>1,119.8</b>	<b>1,081.4</b>
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
Bank overdrafts	0.1	0.1	-	-	-	-	-	0.1
<b>Variable rate debt</b>	<b>1020.4</b>	<b>226.6</b>	<b>36.3</b>	<b>148.7</b>	<b>349.9</b>	<b>174.4</b>	<b>84.6</b>	<b>1009.6</b>
<b>TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES</b>	<b>2,304.6</b>	<b>286.9</b>	<b>46.2</b>	<b>208.0</b>	<b>364.7</b>	<b>194.4</b>	<b>1,204.4</b>	<b>2,091.0</b>

The average debt maturity was 5.3 years as of June 30, 2022 (6.2 years as of December 31, 2021).

#### 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
<b>Bonds</b>			<b>1,100.0</b>			<b>1,100.0</b>

### 5.1.3. Derivative instruments

#### Presentation of the fair value of derivatives in the consolidated 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	Disposals	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	06/30/2022
Interest rate swaps – fixed-rate payer	(16.2)	-	(0.9)	44.9	27.8
<b>TOTAL INTEREST RATE DERIVATIVES</b>	<b>(16.2)</b>	<b>-</b>	<b>(0.9)</b>	<b>44.9</b>	<b>27.8</b>
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 Group for the effective portion of interest rate hedges for a net asset position of €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)	12/31/2021	Recycling to the income statement	Changes in value recognised in equity	06/30/2022
Revaluation reserves – CFH reserves – Interest rate swaps	(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:

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

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

As of June 30, 2022, the average maturity of variable rate debt was 3.3 years and that of the associated hedges was 3.8 years.

#### 5.1.4. Finance income/(expense)

Finance income/(expense) consists primarily of:

- ◆ Cost of gross financial liabilities (primarily including interest expenses on financial liabilities and derivatives);
- ◆ Other finance income and expenses primarily including the change in fair value of derivatives.

The Group recorded a net finance expense of €17.2 million as of June 30, 2022.

<i>(in millions of euros)</i>	06/30/2022	06/30/2021	12/31/2021
Interest expenses on financial liabilities	(11.0)	(11.1)	(21.2)
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	(1.0)	(1.4)	(2.3)
<b>COST OF NET DEBT</b>	<b>(15.2)</b>	<b>(16.2)</b>	<b>(30.5)</b>
Changes in fair value of derivatives recognised in the income statement	(0.9)	0.1	0.3
Commitment fees	(0.6)	(0.5)	(0.9)
Restructuring costs for financial liabilities	(0.4)	(1.9)	(2.6)
Finance income/(expense) from lease liabilities	(0.1)	(0.1)	(0.1)
Other finance income and expenses	(0.1)	0.6	0.5
<b>Total other finance income and expenses</b>	<b>(2.1)</b>	<b>(1.7)</b>	<b>(2.9)</b>
<b>FINANCE INCOME/(EXPENSE)</b>	<b>(17.2)</b>	<b>(18.0)</b>	<b>(33.4)</b>

#### 5.1.5. Financial assets and liabilities

##### Changes in financial assets and liabilities during the period

Financial liabilities as of June 30, 2022 related to deposits and guarantees received from tenants (€10.4 million) and had an average maturity of more than 5 years.

Financial assets totalled €40.3 million, mainly consisting of deposits and guarantees paid, including €21.5 million maturing after 5 years.

#### 5.1.6. Cash and cash equivalents

<i>(in millions of euros)</i>	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)	120.4	71.2
<b>CASH AND CASH EQUIVALENTS</b>	<b>130.4</b>	<b>81.2</b>

(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

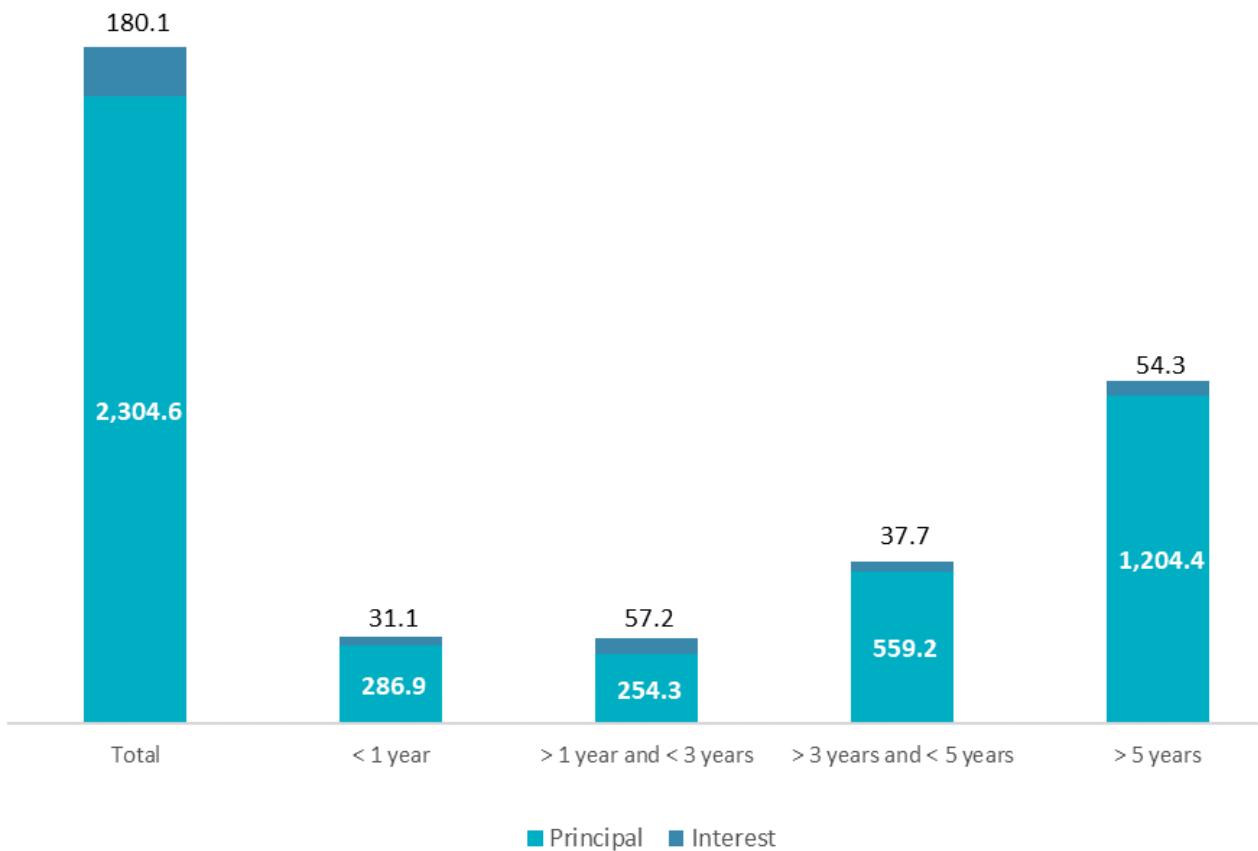
In H1 2022, the Icade Santé Group strengthened its liquidity profile, in particular by entering into a five-year €400 million revolving credit facility (RCF) with a two-year extension option. Secured on very favourable terms, this new facility allowed Icade Santé to cancel a €200 million credit line provided by Icade.

In addition, Icade Santé had €130.4 million in closing net cash.

As of June 30, 2022, cash and available credit lines covered two years of debt principal and interest payments.

In addition, the Icade Santé 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.

**Maturity analysis for gross interest-bearing financial liabilities**  
(in €m)



## 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.

<i>(in millions of euros)</i>	06/30/2022		
	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
Liabilities to Icade SA	100.0	(0.0)	100.0
<b>Total gross interest-bearing financial liabilities</b>	<b>1,284.2</b>	<b>1,020.3</b>	<b>2,304.6</b>
<b>Breakdown before hedging (in %)</b>	<b>56%</b>	<b>44%</b>	<b>100%</b>
Impact of interest rate hedges (a)	5.1.3. 707.8	(707.8)	-
<b>BREAKDOWN AFTER HEDGING</b>	<b>1,992.0</b>	<b>312.5</b>	<b>2,304.6</b>
<b>Breakdown after hedging (in %)</b>	<b>86%</b>	<b>14%</b>	<b>100%</b>

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

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

As of June 30, 2022, the Group's total debt consisted of 56% fixed rate debt and 44% variable rate debt, with fixed rate and hedged debt representing 86% of the total. This lower percentage of fixed rate and hedged debt compared to December 31, 2021 (94%) is due to a €200 million drawdown on a bridge-to-bond facility in H1.

The average maturity of variable rate debt was 3.3 years and that of the associated hedges was 3.8 years.

The Group has continued its prudent debt management policy, maintaining limited exposure to interest rate risk by entering into appropriate hedging contracts (to date, only swaps). More specifically, in H1 Icade Santé entered into a €33.1 million micro-hedge forward-start swap beginning in April 2025 in order to extend the protection of an existing hedge.

It should be noted that the 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 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 on other comprehensive income of €44.9 million as of June 30, 2022.

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

<i>(in millions of euros)</i>	06/30/2022	
	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. Credit risk

In the course of its business, the 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 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 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 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 Group's exposure to credit risk corresponds primarily to the net carrying amount of receivables less deposits received from tenants, i.e. €6.3 million as of June 30, 2022.

### 5.2.5. Covenants and financial ratios

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

		Covenants	06/30/2022
LTV bank covenant	Maximum	< 60%	35.2%
ICR	Minimum	> 2	9.63x
Value of the property portfolio	Minimum	> €2bn	€6.1bn
Security interests in assets	Maximum	< 30% of the property portfolio	4.5%

Loans taken out by the 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 35.2% as of June 30, 2022 (compared with 34.6% as of December 31, 2021).

#### Interest coverage ratio (ICR)

The interest coverage ratio, which is the ratio of EBITDA to the interest expense for the period, was 9.63x as of June 30, 2022 (8.6x as of June 30, 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 June 30, 2022:

<i>(in millions of euros)</i>	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
<b>ASSETS</b>					
Financial assets	40.4	40.3	-	0.1	40.4
Derivative instruments	30.4	-	30.4	-	30.4
Accounts receivable	16.7	16.7	-	-	16.7
Other operating receivables (a)	3.5	3.5	-	-	3.5
Cash equivalents	10.0	10.0	-	-	10.0
<b>TOTAL FINANCIAL ASSETS</b>	<b>101.1</b>	<b>70.6</b>	<b>30.4</b>	<b>0.1</b>	<b>101.1</b>
<b>LIABILITIES</b>					
Financial liabilities	2,305.0	2,305.0	-	-	2,091.0
Lease liabilities	1.9	1.9	-	-	1.9
Other financial liabilities	10.4	10.4	-	-	10.4
Derivative instruments	2.7	-	2.7	-	2.7
Accounts payable	9.0	9.0	-	-	9.0
Other operating payables (a)	26.6	26.6	-	-	26.6
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>2,355.5</b>	<b>2,352.9</b>	<b>2.7</b>	<b>-</b>	<b>2,141.5</b>

(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 Group in accordance with IFRS 13 are presented in note 1.3.1 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, the 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).

These values appear directly in the consolidated statement of financial position as of June 30, 2022 and December 31, 2021.

## Note 6. Equity and earnings per share

### 6.1. Share capital and shareholding structure

#### 6.1.1. Share capital

Changes in the number of shares and share capital between December 31, 2021 and June 30, 2022 were as follows:

	Number	Capital (in €m)
SHARE CAPITAL AS OF 12/31/2020	37,863,101	577.4
Capital increases	1,552,828	23.7
SHARE CAPITAL AS OF 12/31/2021	39,415,929	601.1
SHARE CAPITAL AS OF 06/30/2022	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.

#### 6.1.2. Shareholding structure

The Company's shareholding structure, in terms of both number of shares and percentage of share capital held, was as follows:

Shareholders	06/30/2022		12/31/2021	
	Number of shares	% of capital	Number of shares	% of capital
Icade SA	22,978,643	58.30%	22,978,643	58.30%
Messidor	6,674,515	16.93%	6,674,515	16.93%
Sogecapimmo	4,066,143	10.32%	4,066,143	10.32%
C Santé	3,604,035	9.14%	3,604,035	9.14%
Holdipierre	2,092,593	5.31%	2,092,593	5.31%
<b>TOTAL</b>	<b>39,415,929</b>	<b>100.00%</b>	<b>39,415,929</b>	<b>100.00%</b>

### 6.2. Dividends

Dividends per share 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	12/31/2021
Payment to Icade Santé shareholders	209.7	193.1
<b>Total</b>	<b>209.7</b>	<b>193.1</b>
Number of shares	39,415,929	37,863,101
<b>DIVIDEND PER SHARE (IN €)</b>	<b>€5.32</b>	<b>€5.10</b>

Dividends distributed by the Company to its shareholders in 2022 for the financial year 2021 totalled €209.7 million, i.e. €5.32 per share. Dividends distributed in 2021 for the financial year 2020 amounted to €193.1 million, i.e. €5.10 per share.

### 6.3. Earnings per share

Since the Group did not have any dilutive instruments, its diluted net profit/(loss) per share was equal to its basic net profit/(loss) per share, which is shown below:

(in millions of euros)		06/30/2022	06/30/2021 restated (a)	12/31/2021
Net profit/(loss) attributable to the Group from continuing operations	(A)	243.7	284.8	490.7
<b>Net profit/(loss) attributable to the Group</b>		<b>243.7</b>	<b>284.8</b>	<b>490.7</b>
Opening number of shares		39,415,929	37,863,101	37,863,101
Increase in the average number of shares as a result of a capital increase or reduction	(B)	-	-	129,402
Average undiluted number of shares	(A/B)	39,415,929	37,863,101	37,992,503
<b>NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)</b>		<b>€6.18</b>	<b>€7.52</b>	<b>€12.92</b>

(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.

## Note 7. Operational information

### 7.1. Gross rental income

The 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:

<i>(in millions of euros)</i>	06/30/2022		06/30/2021		12/31/2021	
Elsan group	78.8	49.0%	75.3	51.8%	152.0	51.3%
Ramsay Santé group	36.5	22.7%	36.2	24.9%	72.7	24.5%
Other operators	39.6	24.6%	33.9	23.3%	70.7	23.8%
<b>GROSS RENTAL INCOME – FRANCE HEALTHCARE</b>	<b>154.9</b>	<b>96.40%</b>	<b>145.4</b>	<b>100.0%</b>	<b>295.4</b>	<b>99.6%</b>
LUSÍADAS	5.5	3.42%	-	-	-	-
MIRANZA	0.3	0.2%	-	-	-	-
<b>GROSS RENTAL INCOME – INTERNATIONAL HEALTHCARE</b>	<b>5.8</b>	<b>3.60%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other rental income	-	-	-	-	1.2	0.4%
<b>TOTAL RENTAL INCOME</b>	<b>160.7</b>	<b>100.0%</b>	<b>145.4</b>	<b>100.0%</b>	<b>296.6</b>	<b>100.0%</b>

In H1 2022, the Group generated gross rental income of €154.9 million (€145.4 million in H1 2021), a 7% 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 consolidated income statement amounted to €14.5 million in H1 2022 and €13.3 million in H1 2021.

### 7.2. Accounts receivable

Changes in accounts receivable were as follows:

<i>(in millions of euros)</i>	12/31/2021	Change for the period	Net change in impairment losses recognised in the income statement	06/30/2022
Accounts receivable – Gross value	9.5	9.8		19.3
Accounts receivable – Impairment	(2.5)	(0.0)	(0.0)	(2.6)
<b>ACCOUNTS RECEIVABLE – NET VALUE</b>	<b>7.0</b>	<b>9.8</b>	<b>(0.0)</b>	<b>16.7</b>

## Note 8. Other items of the consolidated income statement and consolidated statement of financial position

### 8.1. Income tax

The tax expense recognised in the consolidated income statement, which consists primarily of the company value-added contribution (CVAE), is detailed below:

<i>(in millions of euros)</i>	06/30/2022	06/30/2021	12/31/2021
Company value-added contribution (CVAE)	(0.8)	(0.8)	(1.6)
Current taxes	(0.4)	0.2	0.2
<b>TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT</b>	<b>(1.2)</b>	<b>(0.6)</b>	<b>(1.3)</b>

As of June 30, 2022, the current tax expense related to a tax expense in Portugal.

The profit generated by the Group came exclusively from its tax-exempt segment under the SIIC tax regime. As a result, no corporate tax was paid on that profit.

### 8.2. Provisions

Provisions as of June 30, 2022 mainly related to lump sum payments on retirement:

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

### 8.3. 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 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 9. Restated financial statements for the period ended June 30, 2021

The 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 aligns the Group with its peers. As a result, the figures as of June 30, 2021 presented in these financial statements have been restated using the new policy for comparative purposes. The impact of this restatement is shown below:

### Consolidated income statement: reconciliation of previously reported to restated figures

<i>(in millions of euros)</i>	06/30/2021 restated	Adjustments	06/30/2021 reported
<b>EBITDA</b>	138.9	-	138.9
Depreciation charges net of government investment grants	-	59.6	(59.6)
Charges and reversals related to impairment of tangible, financial and other current assets	-	0.2	(0.2)
Change in fair value of the property portfolio	163.0	163.0	-
Profit/(loss) from acquisitions	-	-	-
Profit/(loss) on asset disposals	1.4	1.0	0.5
<b>OPERATING PROFIT/(LOSS)</b>	<b>303.4</b>	<b>223.8</b>	<b>79.6</b>
<b>FINANCE INCOME/(EXPENSE)</b>	<b>(18.0)</b>	<b>-</b>	<b>(18.0)</b>
Tax expense	(0.6)	-	(0.6)
<b>Net profit/(loss) from continuing operations</b>	<b>284.8</b>	<b>223.8</b>	<b>61.1</b>
<b>NET PROFIT/(LOSS)</b>	<b>284.8</b>	<b>223.8</b>	<b>61.1</b>
<b>Including net profit/(loss) attributable to the Group</b>	<b>284.8</b>	<b>223.8</b>	<b>61.1</b>
- Including continuing operations	284.8	223.8	61.1
<b>Basic earnings per share attributable to the Group (in €)</b>	<b>€7.52</b>	<b>€5.91</b>	<b>€1.61</b>

### Consolidated statement of comprehensive income: reconciliation of previously reported to restated figures

<i>(in millions of euros)</i>	06/30/2021 restated	Adjustments	06/30/2021 reported
<b>NET PROFIT/(LOSS)</b>	<b>284.8</b>	<b>223.7</b>	<b>61.1</b>
<b>COMPREHENSIVE INCOME</b>	<b>295.6</b>	<b>223.7</b>	<b>71.8</b>
<b>- Attributable to the Group</b>	<b>295.6</b>	<b>223.8</b>	<b>71.8</b>

### Consolidated cash flow statement: reconciliation of previously reported to restated figures

<i>(in millions of euros)</i>	06/30/2021 restated	Adjustments	06/30/2021 reported
<b>I) OPERATING ACTIVITIES</b>			
<b>Net profit/(loss)</b>	<b>284.8</b>	<b>223.8</b>	<b>61.1</b>
Net depreciation and provision charges	(0.3)	(59.8)	59.5
Change in fair value of investment property	(163.0)	(163.0)	-
Unrealised gains and losses due to changes in fair value	0.7	-	0.7
Other non-cash income and expenses	0.7	-	0.7
Capital gains or losses on asset disposals	(1.5)	(1.0)	(0.6)
<b>Cash flow from operating activities after cost of net financial liabilities and tax</b>	<b>121.4</b>	<b>-</b>	<b>121.4</b>
<b>Cash flow from operating activities before cost of net financial liabilities and tax</b>	<b>137.8</b>	<b>-</b>	<b>137.8</b>
Interest paid	(10.0)	-	(10.0)
Tax paid	(2.3)	-	(2.3)
Change in working capital requirement related to operating activities	2.0	-	2.0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>127.4</b>	<b>-</b>	<b>127.4</b>
<b>II) INVESTING ACTIVITIES</b>			
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(98.1)</b>	<b>-</b>	<b>(98.1)</b>
<b>III) FINANCING ACTIVITIES</b>			
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(254.0)</b>	<b>-</b>	<b>(254.0)</b>
<b>NET CHANGE IN CASH (I) + (II) + (III)</b>	<b>(224.7)</b>	<b>-</b>	<b>(224.7)</b>
<b>OPENING NET CASH</b>	<b>470.8</b>	<b>-</b>	<b>470.8</b>
<b>CLOSING NET CASH</b>	<b>246.1</b>	<b>-</b>	<b>246.1</b>

## Note 10. Other information

### 10.1. Off-balance sheet commitments

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

### 10.2. Events after the reporting period

None

### 10.3. Scope of consolidation

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

Company name	Legal form	06/30/2022	12/31/2021
		% ownership June 2022	% ownership December 2021
<b>France</b>			
ICADE SANTÉ	SA	Parent company	Parent company
SCI TONNAY INVEST	SCI	100%	100%
SCI PONT DU CHÂTEAU INVEST	SCI	100%	100%
SNC SEOLANES INVEST	SNC	100%	100%
SCI SAINT AUGUSTINVEST	SCI	100%	100%
SCI CHAZAL INVEST	SCI	100%	100%
SCI DIJON INVEST	SCI	100%	100%
SCI COURCHELLETES INVEST	SCI	100%	100%
SCI ORLÉANS INVEST	SCI	100%	100%
SCI MARSEILLE LE ROVE INVEST	SCI	100%	100%
SCI GRAND BATAILLER INVEST	SCI	100%	100%
SCI SAINT CIERS INVEST	SCI	100%	100%
SCI SAINT SAVEST	SCI	100%	100%
SCI BONNET INVEST	SCI	100%	100%
SCI GOULAINÉ INVEST	SCI	100%	100%
<b>International</b>			
IHE SPAIN 1	SLU	100%	
IHE GESTIONÉ ITALIANA	SRL	100%	100%
IHE SALUD MANAGEMENT	SL	100%	100%
SAS ISIHE 1	SAS	100%	100%
FUNDO DE INVESTIMENTO IMOBILIARIO FECHADO SAUDEINVESTE	-	51%	51%
IHE SPAIN 2	SLU	100%	