



**SANTÉ**

**CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AS OF  
June 30, 2021**

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## 1. Condensed consolidated financial statements as of June 30, 2021

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	06/30/2021	06/30/2020	12/31/2020
<b>Gross rental income</b>	7.1.	<b>145.4</b>	<b>141.5</b>	<b>284.7</b>
Other operating income		1.2	-	0.0
<b>Income from operating activities</b>		<b>146.6</b>	<b>141.5</b>	<b>284.7</b>
Outside services		(7.8)	(9.8)	(20.3)
Taxes, duties and similar payments		(0.2)	(0.3)	(0.7)
Other operating expenses		0.3	(0.1)	(0.2)
<b>Expenses from operating activities</b>		<b>(7.7)</b>	<b>(10.2)</b>	<b>(21.1)</b>
<b>EBITDA</b>		<b>138.9</b>	<b>131.3</b>	<b>263.5</b>
Depreciation charges net of government investment grants	4.1.	(59.6)	(59.3)	(118.4)
Charges and reversals related to impairment of tangible, financial and other current assets	4.3.2.	(0.2)	(3.7)	(3.1)
Profit/(loss) from acquisitions		-	(0.1)	(0.2)
Profit/(loss) on asset disposals		0.5	0.0	0.0
<b>OPERATING PROFIT/(LOSS)</b>		<b>79.6</b>	<b>68.2</b>	<b>141.9</b>
Cost of net financial liabilities		(16.2)	(16.3)	(32.9)
Other finance income and expenses		(1.7)	(10.5)	(26.1)
<b>FINANCE INCOME/(EXPENSE)</b>	5.1.4.	<b>(18.0)</b>	<b>(26.8)</b>	<b>(58.9)</b>
Tax expense	8.1.	(0.6)	(1.4)	(2.9)
<b>NET PROFIT/(LOSS)</b>		<b>61.1</b>	<b>39.9</b>	<b>80.0</b>
- Including net profit/(loss) attributable to the Group		<b>61.1</b>	<b>39.9</b>	<b>80.0</b>
<b>Net profit/(loss) attributable to the Group per share (in €)</b>	6.3.	<b>€1.61</b>	<b>€1.06</b>	<b>€2.13</b>

### Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	06/30/2021	06/30/2020	12/31/2020
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>61.1</b>	<b>39.9</b>	<b>80.0</b>
<b>Other comprehensive income:</b>			
<b>Recyclable to the income statement: cash flow hedges</b>	<b>10.7</b>	<b>(10.5)</b>	<b>(9.5)</b>
- Changes in fair value	10.0	(10.1)	(8.9)
- Recycling to the income statement	0.8	(0.3)	(0.7)
<b>Total comprehensive income recognised in equity</b>	<b>10.7</b>	<b>(10.5)</b>	<b>(9.5)</b>
<b>Including transfer to net profit/(loss)</b>	<b>0.8</b>	<b>(0.3)</b>	<b>(0.7)</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>71.8</b>	<b>29.5</b>	<b>70.5</b>
- Including comprehensive income attributable to the Group	<b>71.8</b>	<b>29.5</b>	<b>70.5</b>

## Consolidated statement of financial position

### ASSETS

<i>(in millions of euros)</i>	Notes	06/30/2021	12/31/2020
Investment property	4.1.	3,586.9	3,539.5
Financial assets at fair value through profit or loss	5.1.5.	0.1	0.1
Financial assets at amortised cost	5.1.5.	1.1	1.1
<b>NON-CURRENT ASSETS</b>		<b>3,588.1</b>	<b>3,540.7</b>
Accounts receivable	7.2.	18.0	10.3
Tax receivables	8.	5.7	3.2
Miscellaneous receivables		6.2	9.8
Cash and cash equivalents	5.1.6.	246.2	471.0
<b>CURRENT ASSETS</b>		<b>276.1</b>	<b>494.2</b>
<b>TOTAL ASSETS</b>		<b>3,864.2</b>	<b>4,034.9</b>

### LIABILITIES

<i>(in millions of euros)</i>	Notes	06/30/2021	12/31/2020
Share capital	6.1.	577.4	577.4
Share premium		750.5	898.7
Revaluation reserves	5.1.3.	(23.7)	(34.5)
Other reserves		148.6	113.4
Net profit/(loss) attributable to the Group		61.1	80.0
<b>Equity attributable to the Group</b>		<b>1,513.8</b>	<b>1,635.1</b>
<b>EQUITY</b>		<b>1,513.8</b>	<b>1,635.1</b>
Provisions		0.1	0.1
Financial liabilities at amortised cost	5.1.1.	2,127.0	2,167.2
Lease liabilities		1.8	1.8
Tax liabilities	8.	12.1	10.5
Other financial liabilities	5.1.5.	8.3	7.9
Derivative liabilities	5.1.3.	24.6	35.7
<b>NON-CURRENT LIABILITIES</b>		<b>2,174.0</b>	<b>2,223.2</b>
Financial liabilities at amortised cost	5.1.1.	102.8	110.6
Lease liabilities		0.1	0.0
Tax liabilities	8.	12.5	12.3
Accounts payable		5.2	6.7
Miscellaneous payables		55.2	46.3
Derivative liabilities	5.1.3.	0.6	0.7
<b>CURRENT LIABILITIES</b>		<b>176.4</b>	<b>176.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,864.2</b>	<b>4,034.9</b>

## Consolidated cash flow statement

<i>(in millions of euros)</i>	Notes	06/30/2021	06/30/2020	12/31/2020
<b>I) OPERATING ACTIVITIES</b>				
Net profit/(loss)		61.1	39.9	80.0
Net depreciation and provision charges		59.5	63.2	121.7
Unrealised gains and losses due to changes in fair value		0.7	(0.4)	(0.8)
Other non-cash income and expenses		0.7	0.0	1.3
Capital gains or losses on asset disposals		(0.6)	(0.0)	(0.0)
Dividends received		0.0	0.0	-
<b>Cash flow from operating activities after cost of net financial liabilities and tax</b>		<b>121.4</b>	<b>102.7</b>	<b>202.2</b>
Cost of net financial liabilities		15.8	17.1	30.2
Tax expense		0.6	1.4	2.9
<b>Cash flow from operating activities before cost of net financial liabilities and tax</b>		<b>137.8</b>	<b>121.2</b>	<b>235.3</b>
Interest paid		(10.0)	(15.8)	(34.4)
Tax paid (a)		(2.3)	(4.7)	(19.1)
Change in working capital requirement related to operating activities		2.0	(11.9)	(5.5)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>127.4</b>	<b>88.8</b>	<b>176.3</b>
<b>II) INVESTING ACTIVITIES</b>				
Tangible and intangible fixed assets and investment property				
- acquisitions		(87.2)	(29.1)	(134.6)
- disposals		3.3	0.2	0.2
Change in security deposits paid and received		0.4	0.5	0.6
<b>Operating investments</b>		<b>(83.5)</b>	<b>(28.4)</b>	<b>(133.8)</b>
Fully consolidated companies				
- acquisitions		(14.7)	-	(19.4)
- impact of changes in scope of consolidation		0.2	-	0.1
<b>Financial investments</b>		<b>(14.6)</b>	<b>(0.0)</b>	<b>(19.3)</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(98.1)</b>	<b>(28.4)</b>	<b>(153.1)</b>
<b>III) FINANCING ACTIVITIES</b>				
Amounts received from shareholders on capital increases:				
- paid by Icade Santé shareholders		-	(0.0)	90.0
Final and interim dividends paid to Icade Santé shareholders	6.2.	(193.1)	(172.9)	(172.9)
Repurchase of treasury shares		-	-	(79.7)
<b>Change in cash from capital activities</b>		<b>(193.1)</b>	<b>(172.9)</b>	<b>(162.6)</b>
Bond issues and new financial liabilities		27.4	1.6	645.1
Repayments of lease liabilities		(0.0)	(0.0)	(0.0)
Bond redemptions and repayments of financial liabilities		(81.8)	(20.1)	(53.6)
Acquisitions and disposals of current financial assets and liabilities		(6.5)	(111.2)	(408.6)
<b>Change in cash from financing activities</b>	5.1.1.	<b>(60.9)</b>	<b>(129.7)</b>	<b>182.9</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(254.0)</b>	<b>(302.6)</b>	<b>20.3</b>
<b>NET CHANGE IN CASH (I) + (II) + (III)</b>		<b>(224.7)</b>	<b>(242.1)</b>	<b>43.6</b>
<b>OPENING NET CASH</b>		<b>470.8</b>	<b>427.3</b>	<b>427.3</b>
<b>CLOSING NET CASH</b>		<b>246.1</b>	<b>185.2</b>	<b>470.8</b>
Cash and cash equivalents (excluding interest accrued but not due)		246.2	185.7	471.0
Bank overdrafts (excluding interest accrued but not due)		(0.1)	(0.5)	(0.1)
<b>NET CASH</b>		<b>246.1</b>	<b>185.2</b>	<b>470.8</b>

(a) Tax paid related to the exit tax.

## Consolidated statement of changes in equity

<i>(in millions of euros)</i>	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Total equity
<b>EQUITY AS OF 01/01/2020</b>	<b>575.5</b>	<b>986.3</b>	-	<b>(24.9)</b>	<b>190.2</b>	<b>1,727.2</b>	<b>1,727.2</b>
Net profit/(loss)					39.9	39.9	39.9
<b>Other comprehensive income:</b>							
Cash flow hedges							
- Changes in value				(10.1)		(10.1)	(10.1)
- Recycling to the income statement				(0.3)		(0.3)	(0.3)
<b>Comprehensive income for the period</b>				<b>(10.5)</b>	<b>39.9</b>	<b>29.5</b>	<b>29.5</b>
Dividends paid		(96.1)		-	(76.8)	(172.9)	(172.9)
<b>EQUITY AS OF 06/30/2020</b>	<b>575.5</b>	<b>890.2</b>	-	<b>(35.4)</b>	<b>153.4</b>	<b>1,583.8</b>	<b>1,583.8</b>
Net profit/(loss)					40.1	40.1	40.1
<b>Other comprehensive income:</b>							
Cash flow hedges							
- Changes in value				1.3		1.3	1.3
- Recycling to the income statement				(0.3)		(0.3)	(0.3)
<b>Comprehensive income for the period</b>				<b>0.9</b>	<b>40.1</b>	<b>41.0</b>	<b>41.0</b>
Capital increases (a)	16.3	73.7				90.0	90.0
Acquisition of own shares from a shareholder (b)			(79.7)			(79.7)	(79.7)
Capital reductions through the cancellation of own shares (b)	(14.4)	(65.3)	79.7			-	-
Other		-	-	-	0.0	0.0	0.0
<b>EQUITY AS OF 12/31/2020</b>	<b>577.4</b>	<b>898.7</b>	-	<b>(34.5)</b>	<b>193.5</b>	<b>1,635.1</b>	<b>1,635.1</b>
Net profit/(loss)					61.1	61.1	61.1
<b>Other comprehensive income:</b>							
Cash flow hedges							
- Changes in value				10.0	-	10.0	10.0
- Recycling to the income statement				0.8	-	0.8	0.8
<b>Comprehensive income for the period</b>				<b>10.7</b>	<b>61.1</b>	<b>71.8</b>	<b>71.8</b>
Dividends paid		(148.2)	-	-	(44.9)	(193.1)	(193.1)
Other		-	-	-	-	0.0	0.0
<b>EQUITY AS OF 06/30/2021</b>	<b>577.4</b>	<b>750.5</b>	-	<b>(23.7)</b>	<b>209.7</b>	<b>1,513.8</b>	<b>1,513.8</b>

(a) The share capital was increased in H2 2020 by issuing 1,069,069 new shares (see note 6.1.1).

(b) In H2 2020, Icade Santé acquired 946,744 own shares from a shareholder for €79.7 million and immediately cancelled them as part of a capital reduction (see note 6.1.1).

## 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 simplified joint-stock company (*SAS, société par actions simplifiée*). Its registered office is situated at 27 rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France. As of June 30, 2021, it was 58.30% owned by the company Icade SA, with no change in the percentage of ownership since December 31, 2020. It is fully consolidated in Icade SA’s consolidated financial statements.

The Company’s condensed consolidated financial statements for the period ended June 30, 2021 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.

As of June 30, 2021, the Group operates as a property investor, assisting healthcare and senior services providers with the ownership and development of healthcare properties across France.

### 1.2. Accounting standards

The Group’s condensed consolidated financial statements for the half-year ended June 30, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of June 30, 2021, pursuant to European Regulation No. 1606/2002 dated July 19, 2002, and include comparative information (H1 2020 and/or December 31, 2020) 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 methods 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, 2020, 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, 2021, which are detailed in note 1.2.1 below.

#### **Standards, amendments and interpretations**

##### **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, 2021**

###### **◆ Amendments to IAS 39, IFRS 7 and IFRS 9 – Interest Rate Benchmark (IBOR) Reform – Phase 2**

On September 26, 2019, the IASB published an amendment to IFRS 9 and IAS 39 with respect to the reform of interest rate benchmarks, which are used to value many financial instruments. The Group did not early adopt this amendment, whose application became mandatory for annual periods beginning on or after January 1, 2021, in preparing its consolidated financial statements as of December 31, 2020.

This amendment was introduced against the backdrop of interbank offered rates (IBOR) being replaced with new benchmarks worldwide. In Europe, the main rates affected include EONIA and EURIBOR which have been replaced by ESTER and a hybrid EURIBOR respectively.

The main consequences of the reform relate to the possible discontinuation of hedge accounting, the modification or derecognition of certain contracts and the recognition of gains or losses resulting from the modification of certain contracts.

Phase 1 of the reform deals solely with the effect on hedge accounting before new interest rate benchmarks come into effect. For the Group, Phase 1 applies to interest rate swaps as described in note 5.1.3 that are considered cash flow hedges with maturities starting after January 1, 2022, the date at which EURIBOR will no longer be published. The Group has worked on amending hedging contracts and hedged debt alongside its banking partners since 2019 with this work scheduled for completion by 2022.

The IASB published an exposure draft in April 2020 for Phase 2 of the reform which deals specifically with the consequences of the modifications made to the contracts. Phase 2 became effective for annual periods beginning on or after January 1, 2021. The Group is still working on assessing the impact of Phase 2 of the reform on its hedging contracts. This amendment has had no impact on the financial statements as of June 30, 2021.

The Group does not expect the adoption of this amendment, which became mandatory for annual periods beginning on or after January 1, 2021, to have a material impact on its financial statements as of December 31, 2021.



### 1.2.2. Standards, amendments and interpretations issued by the IASB but not adopted by the European Union

Effective from April 1, 2021:

- ◆ Amendment to IFRS 16 – Covid-19-related rent concessions beyond June 30, 2021. This amendment extends by one year the Covid-19-related rent concessions amendment issued in May 2020. This new amendment applies to rent concessions for payments due on or before June 30, 2022. As the Group has received no rent concessions, this amendment is not relevant to its operations.

Effective from January 1, 2022:

- ◆ Amendment to IFRS 3 – Updating references to the Conceptual Framework
- ◆ Annual improvements to IFRS Standards – 2018–2020 Cycle (IFRS 1, IFRS 9, IAS 41, IFRS 16)
- ◆ Amendment to IAS 16 – Proceeds before intended use
- ◆ Amendment to IAS 37 – Onerous contracts – Cost of fulfilling a contract

Effective from January 1, 2023:

- ◆ Amendment to IAS 1 – Classification of liabilities as current or non-current
- ◆ Amendment to IAS 1 – Disclosure of accounting policies
- ◆ IFRS 17 – Insurance contracts. Originally issued with a mandatory effective date of January 1, 2021, the IASB decided in March 2020 to defer the effective date of this standard to January 1, 2023. It applies to any company that writes insurance contracts, reinsurance contracts or investment contracts with discretionary participation features. It is not applicable to the Group.
- ◆ Amendments to IAS 8 – Definition of accounting estimates. The objective of this amendment is to clarify the definition of accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendment also specifies that an entity should develop an accounting estimate to achieve the objective set out by the accounting policy (which may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated).
- ◆ Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

## 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 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.

The Group does not employ staff. It has delegated the management of its property assets as well as advisory and assistance work to its parent company Icade SA.

### 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 related to the measurement of recoverable amounts, in particular in the valuation of property assets carried out by independent property valuers (see note 4.2).

Accounting estimates were made by the Group amid a health and economic crisis (the “Covid-19 crisis”) that created considerable uncertainty about the economic and financial outlook. The Group considered the reliable information at its disposal with respect to the impact of this crisis. The future results of the operations concerned may differ from the estimates made.

In addition to using estimates, the Group’s management uses its judgement to define the appropriate accounting treatment for certain operations and transactions where current IFRS and their interpretations do not specifically address the accounting issues raised. In particular, management has exercised its judgement in:

- ◆ Determining depreciation periods for investment property;

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- ◆ 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**

Condensed consolidated financial statements 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, 2020.

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 2021 highlights

### 2.1. Health crisis

In H1 2021, the economy continued to feel the effects of the Covid-19 health crisis. The steps taken by the Group in 2020 to adapt its organisation to the consequences of the government's health measures continued into H1 2021. This crisis had no material impact on the Group's H1 2021 consolidated financial statements.

The Group will remain vigilant and proactive with respect to the evolving Covid-19 crisis and its potential consequences in H2 2021.

### 2.2. Investments

The main transactions completed during the half-year included:

- ◆ The acquisition of several nursing homes, private hospitals and post-acute care facilities in Rouffiac-Tolosan (Haute-Garonne), Le Chambon-sur-Lignon (Haute-Loire), Valenciennes (Nord), Champcueil (Essonne) and Choisy-le-Roi (Val-de-Marne);
- ◆ Four new facilities located in Narbonne, Lunel, Saintes and Perpignan were handed over in H1 to healthcare and senior services providers.

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

In addition to scheduled repayments, the Group early repaid some of its debt.

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

### 2.4. Liquidity event

On June 7, 2021, Icade SA announced it was preparing a liquidity event for its subsidiary Icade Santé. It indicated that it was leaning towards an IPO on Euronext Paris by the end of 2021, subject to market conditions.

The purpose of this transaction is to finance the Icade Santé Group's growth and investment plan.

### 2.5. Dividend distribution

Dividends distributed by the Company to its shareholders amounted to €193.1 million in 2021 (€172.9 million in 2020), i.e. €5.10 per share (€4.58 per share in 2020).

See note 6. "Equity and earnings per share" for further information about dividends paid out by the Group in the financial year 2021.

## 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 across France. These properties include short- and medium-term care facilities (private hospitals, rehabilitation centres) as well as long-term facilities (nursing homes).

During the periods presented, the Group measured the performance of its operations taken as a whole.

As a result, it only reports on one operating segment.

## 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 2021 totalled €109.9 million, bringing the net value of the Group's property portfolio to €3,585.1 million:

<i>(in millions of euros)</i>	12/31/2020	Acquisitions, construction work and impact of changes in scope of consolidation (a)	Disposals	Net depreciation charges	Net change in impairment losses	Other changes (b)	06/30/2021
Net value of investment property	3,539.5	109.9	(2.7)	(59.6)	(0.2)	-	3,586.9
Liabilities relating to investment property (c)	(1.9)		-			(0.0)	(1.9)
<b>TOTAL PROPERTY PORTFOLIO</b>	<b>3,537.7</b>	<b>109.9</b>	<b>(2.7)</b>	<b>(59.6)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>3,585.1</b>

(a) Including capitalised finance costs for €0.2 million.

(b) Other changes related to repayments of lease liabilities.

(c) Liabilities relating to investment property consist of lease liabilities relating to building leases.

**Investments** (acquisitions, construction work and impact of changes in scope of consolidation) amounted to €109.9 million during the period and primarily included the following:

- ◆ The acquisition, for a total of €66.2 million, of several nursing homes, private hospitals and post-acute care facilities in Rouffiac-Tolosan (Haute-Garonne), Le Chambon-sur-Lignon (Haute-Loire), Valenciennes (Nord), Champcueil (Essonne) and Choisy-le-Roi (Val-de-Marne);
- ◆ Development projects totalling €36.1 million including ongoing healthcare facility projects in Caen (Calvados), Blagnac (Haute-Garonne), Cabestany (Pyrénées-Orientales), La Roche-sur-Yon (Vendée), Le Perreux-Sur-Marne (Val-de-Marne) and the private hospitals completed during the period in Narbonne (Aude), Saintes (Charente-Maritime), Perpignan (Pyrénées-Orientales) and Lunel (Hérault);
- ◆ Other capital expenditures for €7.6 million.

There were no significant disposals during the financial year.

#### Breakdown of the net value of investment property

Investment property consists of owned property, property held under finance leases and right-of-use assets relating to building leases.

The net carrying amount of investment property for the period is broken down as follows based on how it is held:

<i>(in millions of euros)</i>	Owned property	Property held under finance leases	Right-of-use asset	TOTAL
As of 12/31/2020:				
Gross value	3,773.5	595.5	2.0	4,371.0
Depreciation	(732.8)	(90.7)	(0.1)	(823.6)
Impairment losses	(7.9)	-	-	(7.9)
<b>NET CARRYING AMOUNT AS OF 12/31/2020</b>	<b>3,032.9</b>	<b>504.8</b>	<b>1.9</b>	<b>3,539.5</b>
Acquisitions, construction work and impact of changes in scope of consolidation	59.1	50.8	-	109.9
Disposals	(2.7)	-	-	(2.7)
Net depreciation charges	(52.0)	(7.6)	(0.0)	(59.6)
Net impairment losses	(0.2)	-	-	(0.2)
<b>NET CARRYING AMOUNT AS OF 06/30/2021</b>	<b>3,037.1</b>	<b>548.0</b>	<b>1.9</b>	<b>3,586.9</b>
Including gross amount	3,824.4	646.3	2.0	4,472.6
Including depreciation	(782.2)	(98.3)	(0.1)	(880.6)
Including impairment	(5.1)	-	-	(5.1)

### 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 according to a framework consistent with the SII 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.

The valuers are selected through competitive bidding. The property valuers consulted are selected from among members of AFREXIM (*Association française des sociétés d'expertise immobilière*, French Association of Property Valuation Companies).

In accordance with the SIIC Code of Ethics, after seven years the 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 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, the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations), published in April 2009 in the Blue Book, as well as the Red Book standards of the Royal Institution of Chartered Surveyors (RICS).

These various texts specify the required qualifications for the property valuers, a code of conduct and ethics, and the main definitions (values, floor areas, rates and main valuation methods).

During each valuation session and when valuers submit their valuation reports, the Group makes sure that the methods used by the different property valuers to value its assets are consistent.

Valuations are 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, 2021 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. They take into account changes in the market environment due to the health and economic crisis.

Private hospitals and other healthcare properties are valued by property valuers based on the mean of the values obtained using the rent capitalisation method (also known as "estimated rental value" method) and the discounted cash flow method.

The market value of a 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	4.7% - 6.3%	4.5% - 6.1%	4.3% - 5.7%
France outside the Paris region	Capitalisation and DCF	4.7% - 8.6%	4.4% - 8.3%	4.2% - 7.7%

## 4.3. Fair value of the property portfolio

### 4.3.1. Unrealised capital gains on the property portfolio

Unrealised capital gains amounted to €1,890.4 million as of June 30, 2021, representing an increase of €223.8 million compared to the previous financial year:

<i>(in millions of euros)</i>	06/30/2021	12/31/2020	Chg. 2021 vs. 2020
Fair value	5,475.5	5,204.2	271.2
Net carrying amount	3,585.1	3,537.7	47.4
<b>UNREALISED CAPITAL GAINS</b>	<b>1,890.4</b>	<b>1,666.6</b>	<b>223.8</b>

### 4.3.2. Impact of impairment losses on the income statement

The impact of impairment losses on the income statement is shown under the heading “Charges and reversals related to impairment of tangible, financial and other current assets” of the consolidated income statement.

As of June 30, 2021, impairment losses on investment property held by Group companies totalled €0.2 million.

### 4.3.3. Sensitivity of the net carrying amounts of appraised assets to potential changes in fair value

The sensitivity of the net carrying amounts of appraised assets to potential changes in fair value ranging from -5.00% to +5.00% is shown in the table below.

<i>Impact on net carrying amounts</i> <i>(in millions of euros)</i>	Changes in fair value of investment property			
	(5.00)%	(2.50)%	+ 2.50%	+ 5.00%
Total as of 12/31/2020	(16.7)	(2.9)	0.2	0.5
<b>Total as of 06/30/2021</b>	<b>(9.2)</b>	<b>(1.0)</b>	<b>0.2</b>	<b>0.5</b>

## 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, 2021, net financial liabilities stood at €2,008.8 million and broke down as follows:

<i>(in millions of euros)</i>	12/31/2020	Cash flow from financing activities			06/30/2021
		New financial liabilities	Repayments	Fair value adjustments and other changes (a)	
Bonds	1,100.0	-	-	-	1,100.0
Borrowings from credit institutions	763.2	-	(42.5)	0.0	720.6
Finance lease liabilities	220.2	27.4	(15.1)	0.0	232.4
Other borrowings and similar liabilities	49.8	-	(24.1)	-	25.7
Liabilities to Icade SA	150.0	-	-	-	150.0
Bank overdrafts	0.1	-	-	(0.0)	0.1
<b>TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES</b>	<b>2,283.3</b>	<b>27.4</b>	<b>(81.8)</b>	<b>(0.0)</b>	<b>2,228.9</b>
Interest accrued and amortised issue costs	(5.4)	-	-	6.4	1.0
<b>GROSS FINANCIAL LIABILITIES (b)</b>	<b>5.1.2. 2,277.8</b>	<b>27.4</b>	<b>(81.8)</b>	<b>6.4</b>	<b>2,229.9</b>
Interest rate derivatives	5.1.3. 36.4	-	(1.0)	(10.1)	25.3
Financial assets (c)	5.1.5. (0.1)	(5.4)	-	5.4	(0.1)
Cash and cash equivalents (d)	5.1.6. (471.0)	-	-	224.7	(246.2)
<b>NET FINANCIAL LIABILITIES</b>	<b>1,843.2</b>	<b>22.0</b>	<b>(82.8)</b>	<b>226.4</b>	<b>2,008.8</b>

(a) Other changes related to changes in scope of consolidation, cash flow from bank overdrafts and cash and cash equivalents.

(b) Gross financial liabilities included €2,127.0 million of non-current financial liabilities and €102.8 million of current financial liabilities.

(c) Excluding security deposits paid.

(d) Cash included a cash pooling current account with Icade SA totalling €234.0 million as of June 30, 2021 (€459.0 million as of December 31, 2020).

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

- ◆ The scheduled repayments of borrowings from credit institutions for €9.7 million and finance lease liabilities for €10.7 million;
- ◆ Borrowings prepaid for €57.0 million;
- ◆ A €27.4 million increase in finance lease liabilities mainly related to new finance leases taken out as part of development projects.

#### 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 €2,228.9 million as of June 30, 2021. They broke down as follows:

<i>(in millions of euros)</i>	Balance sheet value as of 06/30/2021	Maturity						Fair value as of 06/30/2021
		Current < 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Non-current > 5 years	
Bonds	1,100.0	-	-	-	-	-	1,100.0	1,127.3
Borrowings from credit institutions	1.6	0.6	0.6	0.3	0.0	-	-	1.7
Finance lease liabilities	88.3	13.2	8.6	8.8	9.0	14.5	34.3	95.3
Liabilities to Icade SA	150.0	50.0	50.0	-	50.0	-	-	155.0
<b>Fixed rate debt</b>	<b>1,339.9</b>	<b>63.8</b>	<b>59.2</b>	<b>9.1</b>	<b>59.0</b>	<b>14.5</b>	<b>1,134.3</b>	<b>1,379.2</b>
Borrowings from credit institutions	719.0	12.9	13.0	13.2	140.5	335.7	203.8	737.5
Finance lease liabilities	144.1	14.9	11.1	20.3	5.3	10.9	81.6	144.8
Other borrowings and similar liabilities	25.7	1.3	1.4	1.4	1.4	1.5	18.8	30.0
Bank overdrafts	0.1	0.1	-	-	-	-	-	0.1
<b>Variable rate debt</b>	<b>889.0</b>	<b>29.1</b>	<b>25.5</b>	<b>34.9</b>	<b>147.3</b>	<b>348.1</b>	<b>304.1</b>	<b>912.4</b>
<b>TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES</b>	<b>2,228.9</b>	<b>92.9</b>	<b>84.7</b>	<b>44.0</b>	<b>206.3</b>	<b>362.6</b>	<b>1,438.4</b>	<b>2,291.6</b>

The average debt maturity was 6.6 years as of June 30, 2021 (6.8 years as of December 31, 2020).

As of June 30, 2021, the average maturity of variable rate debt was 5.2 years and that of the associated hedges was 4.4 years.

## Characteristics of the bonds

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 12/31/2020	Increase	Decrease	Nominal value as of 06/30/2021
FR0013457967	11/04/2019	11/04/2029	500.0	Fixed rate 0.875%	Bullet	500.0			500.0
FR0013535150	09/17/2020	09/17/2030	600.0	Fixed rate 1.375%	Bullet	600.0			600.0
<b>Bonds</b>						<b>1,100.0</b>	-	-	<b>1,100.0</b>

### 5.1.3. Derivative instruments

#### Presentation of derivatives in the consolidated statement of financial position

As of June 30, 2021, derivatives mainly consisted of interest rate derivatives designated as cash flow hedges on the liability side of the balance sheet for €25.3 million.

Detailed changes in fair value of derivative instruments as of June 30, 2021 were as follows:

(in millions of euros)	12/31/2020	Disposals	Changes in fair value recognised in the income statement	Changes in fair value recognised in equity	06/30/2021
Interest rate swaps – fixed-rate payer	(36.4)	1.0	0.1	10.0	(25.3)
<b>TOTAL INTEREST RATE DERIVATIVES</b>	<b>(36.4)</b>	<b>1.0</b>	<b>0.1</b>	<b>10.0</b>	<b>(25.3)</b>
Including derivative liabilities	(36.4)	1.0	0.1	10.0	(25.3)

#### Changes in hedge reserves

Hedge reserves consisted exclusively of fair value adjustments to financial instruments used by the Group for interest rate hedging purposes (effective portion). As of June 30, 2021, hedge reserves amounted to a negative €23.7 million and broke down as shown in the table below:

(in millions of euros)	12/31/2020	Recycling to the income statement	Changes in value recognised in equity	06/30/2021
Revaluation reserves – CFH reserves – Interest rate swaps	(34.5)	0.8	10.0	(23.7)

#### Derivatives: analysis of notional amounts by maturity

The derivative portfolio as of June 30, 2021 was as follows:

(in millions of euros)	Total	< 1 year	> 1 year and < 5 years	> 5 years
Outstanding derivatives – Interest rate swaps – Fixed-rate payer	721.8	14.0	470.6	237.2
<b>TOTAL INTEREST RATE DERIVATIVES AS OF 06/30/2021</b>	<b>721.8</b>	<b>14.0</b>	<b>470.6</b>	<b>237.2</b>
<b>TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2020</b>	<b>757.9</b>	<b>15.5</b>	<b>301.9</b>	<b>440.5</b>

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 gross financial liabilities (primarily including interest expenses on financial liabilities and derivatives);
- ◆ Other finance income and expenses primarily including restructuring costs for financial liabilities.

The Group recorded a net finance expense of €18.0 million as of June 30, 2021.



<i>(in millions of euros)</i>	06/30/2021	06/30/2020	12/31/2020
Interest expenses on financial liabilities	(11.1)	(7.7)	(17.5)
Interest expenses on derivatives	(4.0)	(3.4)	(7.1)
Recycling to the income statement of interest rate hedging instruments	0.3	0.3	0.7
Expenses on loans and advances from Icade	(1.4)	(5.6)	(8.9)
<b>COST OF NET DEBT</b>	<b>(16.2)</b>	<b>(16.3)</b>	<b>(32.9)</b>
Change in fair value of derivatives recognised in the income statement	0.1	0.1	0.1
Commitment fees	(0.5)	(0.3)	(0.8)
Restructuring costs for financial liabilities (a)	(1.9)	(10.2)	(24.9)
Finance income/(expense) from lease liabilities	(0.1)	(0.1)	(0.1)
Other finance income and expenses	0.6	(0.0)	(0.4)
<b>Total other finance income and expenses</b>	<b>(1.7)</b>	<b>(10.5)</b>	<b>(26.1)</b>
<b>FINANCE INCOME/(EXPENSE)</b>	<b>(18.0)</b>	<b>(26.8)</b>	<b>(58.9)</b>

(a) In 2020, restructuring costs for financial liabilities related to prepayment penalties for financial liabilities which were paid to Icade SA.

### 5.1.5. Financial assets and liabilities

#### Change in financial assets and liabilities during the financial year

Financial liabilities as of June 30, 2021 related to deposits and guarantees received from tenants (€8.3 million) and had an average maturity of more than 5 years.

Financial assets consisted primarily of deposits and guarantees paid maturing after 5 years.

### 5.1.6. Cash and cash equivalents

<i>(in millions of euros)</i>	06/30/2021	12/31/2020
Cash equivalents (term deposit accounts)	10.0	10.0
Cash on hand and demand deposits (including bank interest receivable) (a)	236.2	461.0
<b>CASH AND CASH EQUIVALENTS</b>	<b>246.2</b>	<b>471.0</b>

(a) Cash mainly consisted of a cash pooling current account with Icade SA totalling €234.0 million as of June 30, 2021 (€459.0 million as of December 31, 2020).

## 5.2. Management of financial risks

### 5.2.1. Liquidity risk

In H1 2021, both money markets and capital markets continuously provided abundant liquidity on excellent terms.

As of June 30, 2021 and December 31, 2020, the Group's undrawn amounts of short- and medium-term credit lines totalled €200 million, which were fully available.

In H1 2021, Icade Santé had no need to draw down on its credit lines and thus still has the entire undrawn amount at its disposal.

As of June 30, 2021, the Group's cash stood at €246.2 million.

The Group is still fully able to raise more funds if necessary. As of June 30, 2021, cash and available credit lines covered 3.3 years of debt principal and interest payments.

Besides, the Group ensures disciplined management and monitoring of the maturities of its main credit lines as shown in the table below.

• CONSOLIDATED FINANCIAL STATEMENTS •

	06/30/2021										Grand total
	< 1 year		> 1 year and < 3 years		> 3 years and < 5 years		> 5 years		Total principal	Total interest	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
<i>(in millions of euros)</i>											
Bonds	-	12.7	-	25.5	-	25.5	1,100.0	59.3	1,100.0	123.1	1,223.1
Borrowings from credit institutions	13.5	3.9	27.1	9.5	476.2	9.8	203.8	4.2	720.6	27.4	748.0
Finance lease liabilities	28.0	3.2	48.8	5.5	39.7	4.1	115.9	8.3	232.4	21.1	253.5
Other borrowings and similar liabilities	1.3	0.5	2.8	0.9	2.9	0.8	18.8	2.1	25.7	4.2	29.9
Liabilities to Icade SA	50.0	2.6	50.0	2.1	50.0	0.9	-	-	150.0	5.5	155.5
Bank overdrafts	0.1	-	-	-	-	-	-	-	0.1	-	0.1
<b>Total gross interest-bearing financial liabilities</b>	<b>92.9</b>	<b>22.9</b>	<b>128.7</b>	<b>43.4</b>	<b>568.8</b>	<b>41.1</b>	<b>1,438.4</b>	<b>74.0</b>	<b>2,228.8</b>	<b>181.3</b>	<b>2,410.2</b>
Financial derivatives		7.1		10.4		4.8		2.3		24.7	24.7
Lease liabilities	0.1	0.1	0.1	0.3	0.1	0.3	1.7	3.5	1.9	4.2	6.1
Accounts payable and tax liabilities	17.7	-	12.1	-	-	-	-	-	29.8	-	29.8
<b>TOTAL</b>	<b>110.6</b>	<b>30.2</b>	<b>140.9</b>	<b>54.1</b>	<b>568.9</b>	<b>46.1</b>	<b>1,440.1</b>	<b>79.8</b>	<b>2,260.5</b>	<b>210.2</b>	<b>2,470.7</b>

### 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>	06/30/2021		
	Fixed rate	Variable rate	Total
Bonds	1,100.0	-	1,100.0
Borrowings from credit institutions	1.6	719.0	720.6
Finance lease liabilities	88.3	144.1	232.4
Other borrowings and similar liabilities	-	25.7	25.7
Liabilities to Icade SA	150.0	-	150.0
<b>BREAKDOWN OF BORROWINGS</b>	<b>1,339.9</b>	<b>888.9</b>	<b>2,228.8</b>
<b>Breakdown of borrowings (in %)</b>	<b>60%</b>	<b>40%</b>	<b>100%</b>
Impact of interest rate hedges (a)			
			5.1.3.
	721.8	(721.8)	-
<b>BREAKDOWN AFTER HEDGING</b>	<b>2,061.7</b>	<b>167.1</b>	<b>2,228.8</b>
<b>Breakdown after hedging (in %)</b>	<b>93%</b>	<b>7%</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, 2021, the Group's total debt, consisting of 60% fixed rate debt and 40% variable rate debt, was 93% hedged against interest rate risk.

The average maturity of variable rate debt was 5.2 years and that of the associated hedges was 4.4 years.

The Group has continued its prudent debt management policy, maintaining limited exposure to interest rate risk while taking advantage of low interest rates, by entering into appropriate hedging contracts.

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 negative impact on other comprehensive income of €23.7 million as of June 30, 2021.

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>	06/30/2021	
	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	29.9	0.2
Impact of a -1% change in interest rates	(32.0)	(0.2)

### 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 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 deals in interest rate derivatives with banking institutions which help fund its expansion. Furthermore, 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. These principles are set out in the Bank Counterparty Risk Policy managed by the Group's Finance Department. Despite the Covid-19 crisis, this risk did not materialise.

Regarding its tenants, the Group believes that it is exposed to limited credit risk thanks to its diversified tenant portfolio and the individual size of lease commitments. In addition, the Group has introduced procedures to verify the creditworthiness of tenants prior to signing leases. 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 which have fallen due less deposits received from tenants. As of June 30, 2021, this exposure was not material.

### 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	06/30/2021
LTV bank covenant	Maximum	< 60%	36.7%
ICR	Minimum	> 2	8.55x
Value of the property portfolio	Minimum	> €2bn	€5.5bn
Security interests in assets	Maximum	< 30% of the property portfolio	6.1%

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, 2021.

#### LTV bank covenant

The LTV (loan-to-value) bank covenant, which is the ratio of net financial liabilities to the latest valuation of the property portfolio excluding duties, stood at 36.7% as of June 30, 2021 (compared with 35.4% as of December 31, 2020).

#### Interest coverage ratio (ICR)

The interest coverage ratio, which is the ratio of EBITDA to the interest expense for the period, was 8.55x as of June 30, 2021 (8.0x as of December 31, 2020). The ratio remains at a high level, demonstrating the Company's ability to comfortably comply with its bank covenants.

## 5.3. Fair value of financial assets and liabilities

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

Below is the reconciliation of the net carrying amount and fair value of financial assets and liabilities as of June 30, 2021:

<i>(in millions of euros)</i>	Carrying amount as of 06/30/2021	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 06/30/2021
<b>ASSETS</b>					
Financial assets	1.1	1.1	-	0.1	1.1
Accounts receivable	18.0	18.0	-	-	18.0
Other operating receivables (a)	2.7	2.7	-	-	2.7
Cash equivalents	10.0			10.0	10.0
<b>TOTAL FINANCIAL ASSETS</b>	<b>31.8</b>	<b>21.7</b>	<b>-</b>	<b>10.1</b>	<b>31.8</b>
<b>LIABILITIES</b>					
Financial liabilities	2,229.9	2,229.9	-	-	2,291.6
Lease liabilities	1.9	1.9	-	-	1.9
Other financial liabilities	8.3	8.3	-	-	8.3
Derivative instruments	25.3	0.0	24.7	0.6	25.3
Accounts payable	5.2	5.2	-	-	5.2
Other operating payables (a)	37.8	37.8	-	-	37.8
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>2,308.3</b>	<b>2,283.0</b>	<b>24.7</b>	<b>0.6</b>	<b>2,370.0</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 non-observable data are investments in unconsolidated, unlisted companies.

As of June 30, 2021, 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, 2021 and December 31, 2020.

## 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, 2020 and June 30, 2021 were as follows:

	Number	Capital (in €m)
<b>SHARE CAPITAL AS OF 12/31/2019</b>	<b>37,740,836</b>	<b>575.5</b>
Capital reductions	(946,744)	(14.4)
Capital increases	1,069,009	16.3
<b>SHARE CAPITAL AS OF 12/31/2020</b>	<b>37,863,101</b>	<b>577.4</b>
<b>SHARE CAPITAL AS OF 06/30/2021</b>	<b>37,863,101</b>	<b>577.4</b>

In the financial year 2020, Icade Santé completed several transactions affecting its share capital:

- ◆ In September, the acquisition of 946,744 own shares from a minority shareholder for €79.7 million. The shares were immediately cancelled as part of a capital reduction. Following this transaction, the share capital and share premium decreased by €14.4 million and €65.3 million, respectively;
- ◆ In December, a capital increase through the issue of 1,069,069 new shares for a total of €90.0 million including €16.3 million of share capital and €73.7 million of share premium.

As of June 30, 2021, share capital consisted of 37,863,101 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	06/30/2021		12/31/2020	
	Number of shares	% of capital	Number of shares	% of capital
Icade SA	22,073,377	58.30%	22,073,377	58.30%
Messidor	6,411,566	16.93%	6,411,566	16.93%
Sogecapimmo	3,905,953	10.32%	3,905,953	10.32%
C Santé	3,462,051	9.14%	3,462,051	9.14%
Holdipierre	2,010,154	5.31%	2,010,154	5.31%
<b>TOTAL</b>	<b>37,863,101</b>	<b>100.00%</b>	<b>37,863,101</b>	<b>100.00%</b>

### 6.2. Dividends

Dividends per share distributed in 2021 and 2020 in respect of profits for the financial years 2020 and 2019, respectively, were as follows:

(in millions of euros)	06/30/2021	12/31/2020
Payment to Icade Santé shareholders	193.1	172.9
<b>Total</b>	<b>193.1</b>	<b>172.9</b>
Number of shares	37,863,101	37,740,836
<b>DIVIDEND PER SHARE (IN €)</b>	<b>€5.10</b>	<b>€4.58</b>

### 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)		06/30/2021	06/30/2020	12/31/2020
Net profit/(loss) attributable to the Group from continuing operations	(A)	61.1	39.9	80.0
<b>Net profit/(loss) attributable to the Group</b>		<b>61.1</b>	<b>39.9</b>	<b>80.0</b>
Opening number of shares		37,863,101	37,740,836	37,740,836
Increase in the average number of shares as a result of a capital increase or reduction	(B)	-	-	(226,497)
Average undiluted number of shares	(A/B)	37,863,101	37,740,836	37,514,339
<b>NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)</b>		<b>€1.61</b>	<b>€1.06</b>	<b>€2.13</b>

## 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>	06/30/2021		06/30/2020		12/31/2020	
Elsan group	75.3	51.8%	75.9	53.6%	152.2	53.5%
Ramsay Santé group	36.2	24.9%	37.3	26.4%	71.7	25.2%
Other operators	33.9	23.3%	28.3	20.0%	60.7	21.3%
<b>GROSS RENTAL INCOME</b>	<b>145.4</b>	<b>100.00%</b>	<b>141.5</b>	<b>100.00%</b>	<b>284.7</b>	<b>100.00%</b>

In H1 2021, the Group generated gross rental income of €145.4 million (€141.5 million in H1 2020), a 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 consolidated income statement amounted to €13.3 million in H1 2021 and €12.3 million in H1 2020.

### 7.2. Accounts receivable

Changes in accounts receivable were as follows:

<i>(in millions of euros)</i>	12/31/2020	Change for the period	Net change in impairment losses recognised in the income statement	06/30/2021
Accounts receivable – Gross value	13.4	7.4		20.8
Accounts receivable – Impairment	(3.1)	-	0.3	(2.8)
<b>ACCOUNTS RECEIVABLE – NET VALUE</b>	<b>10.3</b>	<b>7.4</b>	<b>0.3</b>	<b>18.0</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 consists primarily of the company value-added contribution (CVAE).

The profit generated as of June 30, 2021 came exclusively from the Group's tax-exempt segment under the SIIC tax regime. As a result, no corporate tax was paid.

### 8.2. Provisions and contingent liabilities

As of December 31, 2020 and June 30, 2021, the amount of provisions for liabilities and charges recognised by the Group was not material.

At the end of 2020, DomusVi, the operator of 14 nursing homes owned by Icade Santé SAS, initiated proceedings against the Group before the Tribunal Judiciaire de Paris (Judicial Court of Paris). It is seeking to have the rent escalation clauses contained in the commercial leases signed in July 2018 declared invalid. The Group considers this claim to be unfounded and has a strong case that should lead to its dismissal.

In any event, if the Court were to find that the rent ceiling provisions are invalid, the Group considers, on the basis of recent Court of Cassation case law, that such invalidity could be limited to those provisions only, without affecting the rent escalation clause as a whole, so that the leases would still contain such a clause.

## Note 9. Other information

### 9.1. Off-balance sheet commitments

On June 29, 2021, Icade Santé signed a preliminary agreement to acquire a post-acute care facility in France from the Orpea Group for €27.7 million in Olivet (Loiret).

### 9.2. Events after the reporting period

None

### 9.3. Scope of consolidation

The companies included in the scope of consolidation as of December 31, 2020 and June 30, 2021 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	2021	2020
		2021 % ownership	2020 % ownership
ICADE SANTÉ	SAS	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%
SCI HAUTERIVE	SCI	Merger	100%
SA NCN ASSOCIÉS	SA		Merger
SCI SOCIÉTÉ DU CONFLUENT	SCI		Merger
SAS LE CHÂTEAU	SAS		Acquisition and 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	100%	