COMBINED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022, 2021 AND 2020

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1. Combined financial statements

Unless otherwise stated, the combined financial statements are presented in millions of euros, rounded to the nearest hundred thousand euros. Rounding differences may therefore occur in the financial statements presented.

Combined income statement

(in millions of euros)	Notes	2022	2021(a)	2020(a)
Revenue		**360.7**	**324.3**	**301.4**
Other operating income		32.2	28.7	25.5
Income from operating activities	8.1.	**392.9**	**353.0**	**326.9**
Outside services		(60.9)	(57.4)	(48.8)
Taxes, duties and similar payments		(1.3)	(0.7)	(0.7)
Staff costs, performance incentive scheme and profit sharing		(7.7)	(1.6)	-
Other operating expenses		(1.9)	0.2	0.1
Expenses from operating activities		**(71.9)**	**(59.6)**	**(49.4)**
EBITDA		**321.1**	**293.4**	**277.3**
Change in fair value of investment property	5.3.	120.1	278.7	44.3
Profit/(loss) from acquisitions		(0.1)	(1.1)	(1.5)
Profit/(loss) on asset disposals		6.0	(0.0)	0.2
OPERATING PROFIT/(LOSS)		**447.2**	**571.0**	**320.3**
Cost of gross debt		(30.6)	(28.3)	(23.9)
Net income from cash and cash equivalents, related loans and receivables		(8.7)	(7.7)	(11.2)
Cost of net financial liabilities		**(39.4)**	**(36.0)**	**(35.1)**
Other finance income and expenses		(4.7)	(4.1)	(26.4)
FINANCE INCOME/(EXPENSE)	6.1.4.	**(44.1)**	**(40.2)**	**(61.5)**
Tax expense	9.1.	(4.3)	(2.1)	(4.2)
NET PROFIT/(LOSS)		**398.8**	**528.7**	**254.6**
- Including net profit/(loss) attributable to the Group		**397.2**	**521.6**	**255.2**
- Including net profit/(loss) attributable to non-controlling interests		**1.6**	**7.1**	**(0.6)**
Net profit/(loss) attributable to the Group per share (in €)	7.3.	**9.12**	**12.62**	**6.34**
Diluted earnings per share (in €)		**9.12**	**12.62**	**6.34**

(a) Under IFRS 15, income from service charges recharged to tenants was reclassified from "Outside services" to "Other operating income" for the financial years 2020 and 2021 (see note 8.1).

Combined statement of comprehensive income

(in millions of euros)	2022	2021	2020
NET PROFIT/(LOSS) FOR THE PERIOD	**398.8**	**528.7**	**254.6**
Other comprehensive income:			
- Recyclable to the income statement – Cash flow hedges:	**81.1**	**19.3**	**(9.5)**
- Changes in fair value	81.5	18.7	(8.9)
- Recycling to the income statement	(0.4)	0.5	(0.7)
- Non-recyclable to the income statement	**0.1**	**0.1**	**-**
- Actuarial gains and losses and asset ceiling adjustments	0.1	0.1	-
Total other comprehensive income	**81.2**	**19.3**	**(9.5)**
Including transfer to net profit/(loss)	(0.4)	0.5	(0.7)
COMPREHENSIVE INCOME FOR THE PERIOD	**480.0**	**548.0**	**245.1**
- Including comprehensive income attributable to the Group	**478.5**	**541.0**	**245.7**
- Including comprehensive income attributable to non-controlling interests	**1.6**	**7.1**	**(0.6)**

Combined statement of financial position

ASSETS

(in millions of euros)	Notes	12/31/2022	12/31/2021	12/31/2020
Net intangible fixed assets		0.1	-	-
Investment property	5.1.	6,932.4	6,656.6	5,657.3
Financial assets at fair value through profit or loss	6.1.5.	0.1	0.1	0.1
Financial assets at amortised cost	6.1.5.	64.5	58.7	30.9
Derivative assets	6.1.3.	65.6	0.3	-
Deferred tax assets		0.1	0.0	-
NON-CURRENT ASSETS		7,062.9	6,715.7	5,688.2
Accounts receivable	8.2.1.	8.5	7.8	11.1
Tax receivables		7.1	6.7	4.0
Miscellaneous receivables	8.2.2.	12.5	8.8	15.0
Derivative assets	6.1.3.	0.1	-	-
Cash and cash equivalents	6.1.6.	416.8	171.9	501.7
CURRENT ASSETS		444.9	195.2	531.8
TOTAL ASSETS		**7,507.8**	**6,910.9**	**6,220.1**

LIABILITIES

(in millions of euros)	Notes	12/31/2022	12/31/2021	12/31/2020
Share capital	7.	607.6	601.1	577.4
Share premium		780.8	865.1	898.7
Revaluation reserves	6.1.3.	65.9	(15.2)	(34.5)
Other reserves		2,710.3	2,113.7	1,882.0
Net profit/(loss) attributable to the Group		397.2	521.6	255.2
Equity attributable to the Group		**4,561.8**	**4,086.3**	**3,578.8**
Non-controlling interests	7.4	41.4	38.0	20.6
EQUITY		4,603.2	4,124.3	3,599.3
Provisions	10.1.	0.9	0.9	0.1
Financial liabilities at amortised cost	6.1.1.	2,106.5	2,042.2	2,167.2
Lease liabilities	8.3	3.3	3.4	3.3
Tax liabilities		7.8	8.5	10.5
Deferred tax liabilities	9.3	3.6	3.1	-
Other financial liabilities		18.6	14.8	14.1
Derivative liabilities	6.1.3.	0.8	15.3	35.7
NON-CURRENT LIABILITIES		2,141.5	2,088.0	2,230.8
Provisions	10.1.	-	0.0	-
Financial liabilities at amortised cost	6.1.1.	685.1	451.3	311.1
Lease liabilities	8.3	0.1	0.1	0.1
Tax liabilities		7.4	13.6	13.3
Accounts payable		11.5	16.3	15.0
Miscellaneous payables	8.2.2.	58.8	215.9	49.7
Derivative liabilities	6.1.3.	0.1	1.3	0.7
CURRENT LIABILITIES		763.0	698.5	389.9
TOTAL LIABILITIES AND EQUITY		**7,507.8**	**6,910.9**	**6,220.1**

Combined cash flow statement

(in millions of euros)	Notes	2022	2021	2020
I) OPERATING ACTIVITIES				
Net profit/(loss)		**398.8**	**528.7**	**254.6**
Net depreciation and provision charges		1.1	0.3	0.2
Change in fair value of investment property		(120.2)	(278.7)	(44.3)
Unrealised gains and losses due to changes in fair value		0.6	0.3	(0.8)
Other non-cash income and expenses		(0.0)	(0.4)	1.3
Capital gains or losses on asset disposals		(7.0)	(0.0)	(0.2)
Capital gains or losses on disposals of investments in consolidated companies		-	(0.1)	-
Cash flow from operating activities after cost of net financial liabilities and tax		273.2	**250.0**	**210.7**
Cost of net financial liabilities		37.1	36.1	32.6
Tax expense		4.3	2.1	4.2
Cash flow from operating activities before cost of net financial liabilities and tax		**314.7**	**288.2**	**247.5**
Interest paid		(39.4)	(35.6)	(36.0)
Tax paid (a)		(10.3)	(4.8)	(20.0)
Change in working capital requirement related to operating activities (b)		(166.1)	175.6	(9.0)
NET CASH FLOW FROM OPERATING ACTIVITIES		98.9	423.4	182.5
II) INVESTING ACTIVITIES				
Tangible and intangible fixed assets and investment property				
- acquisitions		(245.5)	(502.0)	(225.5)
- disposals		95.2	3.8	0.2
Change in security deposits paid and received		(1.9)	(27.3)	(23.3)
Operating investments		**(152.3)**	**(525.6)**	**(248.5)**
Fully consolidated companies				
- acquisitions		(1.4)	(228.4)	(27.3)
- disposals		-	12.6	-
- impact of changes in scope of consolidation		1.7	1.5	0.1
Financial investments		**0.3**	**(214.4)**	**(27.1)**
NET CASH FLOW FROM INVESTING ACTIVITIES		(152.0)	(739.9)	(275.7)
III) FINANCING ACTIVITIES				
Amounts received from shareholders on capital increases:				
- paid by Icade Santé shareholders		44.0	159.1	172.7
- paid by OPPCI IHE shareholders (b)		176.0		
Final and interim dividends paid to Icade Santé and OPPCI IHE shareholders	7.2.	(219.2)	(193.1)	(172.9)
Final and interim dividends paid during the year to non-controlling interests of consolidated subsidiaries		(1.7)	(0.8)	-
Repurchase of treasury shares		-	-	(79.7)
Change in cash from capital activities		**(0.9)**	**(34.7)**	**(79.8)**
Bond issues and new financial liabilities		418.0	51.0	645.1
Repayments of lease liabilities		(0.0)	(0.0)	(0.1)
Bond redemptions and repayments of financial liabilities		(48.9)	(136.4)	(53.6)
Acquisitions and disposals of current financial assets and liabilities		(71.2)	106.9	(360.0)
Change in cash from financing activities	6.1.1.	**297.8**	**21.5**	**231.5**
NET CASH FLOW FROM FINANCING ACTIVITIES		297.0	(13.2)	151.6
NET CHANGE IN CASH (I) + (II) + (III)		**243.9**	**(329.8)**	**58.5**
OPENING NET CASH		171.8	501.6	443.1
CLOSING NET CASH		**415.7**	**171.8**	**501.6**
Cash and cash equivalents (excluding interest accrued but not due)		415.7	171.9	501.7
Bank overdrafts (excluding interest accrued but not due)		(0.0)	(0.1)	(0.1)
NET CASH		**415.7**	**171.8**	**501.6**

(a) Tax paid primarily includes the exit tax, the company value-added contribution (CVAE) and current tax.
(b) In 2022, OPPCI IHE increased its capital by €176.0 million by issuing new shares paid for by shareholders in 2021.

Combined statement of changes in equity

(in millions of euros)	Share capital	Share premium	Treasury shares	Revaluation reserves	Other reserves and net profit/(loss) attributable to the Group	Equity attributable to the Group	Non-controlling interests	Total equity
EQUITY AS OF 12/31/2019 AS PREVIOUSLY REPORTED	**575.5**	**986.3**		**(24.9)**	**1,877.6**	**3,414.5**	**15.9**	**3,430.4**
Net profit/(loss)					**255.2**	**255.2**	**(0.6)**	**254.6**
Other comprehensive income:								
Cash flow hedges:								
- Changes in value				(8.9)		**(8.9)**		**(8.9)**
- Recycling to the income statement				(0.7)		**(0.7)**		**(0.7)**
Comprehensive income				**(9.5)**	**255.2**	**245.7**	**(0.6)**	**245.1**
Dividends paid		(96.1)			(76.8)	**(172.9)**		**(172.9)**
Capital increases (a)	1.9	8.4	79.7		81.1	**171.1**	1.7	**172.7**
Capital reductions through the cancellation of own shares (a)			(79.7)			**(79.7)**		**(79.7)**
Other					-	**-**	3.6	**3.6**
EQUITY AS OF 12/31/2020 AS PREVIOUSLY REPORTED	**577.4**	**898.7**		**(34.5)**	**2,137.2**	**3,578.8**	**20.6**	**3,599.3**
Net profit/(loss)					**521.6**	**521.6**	**7.1**	**528.7**
Other comprehensive income:								
Cash flow hedges:								
- Changes in value				18.7		**18.7**		**18.7**
- Recycling to the income statement				0.5		**0.5**		**0.5**
Comprehensive income				**19.3**	**521.6**	**540.9**	**7.1**	**548.0**
Dividends paid		(148.2)			(44.9)	**(193.1)**	(0.8)	**(193.8)**
Capital increases (b)	23.7	114.3			20.7	**158.7**	0.4	**159.1**
Other		0.2			0.7	**0.9**	10.7	**11.6**
EQUITY AS OF 12/31/2021	**601.1**	**865.1**		**(15.2)**	**2,635.4**	**4,086.3**	**38.0**	**4,124.3**
Net profit/(loss)					397.2	**397.2**	1.6	**398.8**
Other comprehensive income:								
Cash flow hedges:								
- Changes in value				81.5		**81.5**		**81.5**
- Recycling to the income statement				(0.4)		**(0.4)**		**(0.4)**
Other non-recyclable items:								
- Actuarial gains and losses					0.1	**0.1**		**0.1**
Comprehensive income				**81.1**	**397.4**	**478.5**	**1.6**	**480.0**
Dividends paid (c)		(121.7)			(97.5)	**(219.2)**	(1.7)	**(220.9)**
Capital increases (d)	6.6	37.4			172.5	**216.5**	3.5	**220.0**
Other					(0.3)	**(0.3)**	-	**(0.3)**
EQUITY AS OF 12/31/2022	**607.6**	**780.8**		**65.9**	**3,107.5**	**4,561.8**	**41.4**	**4,603.2**

(a) The share capital was increased in H2 2020 by issuing 1,069,069 new shares. 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 7.3).
(b) In 2021, Icade Santé increased its capital by issuing 1,552,828 new shares (see note 7.3).
(c) In 2022, Icade Santé and OPPCI IHE paid a dividend of €209.7 million and €9.6 million, respectively (see note 2.7).
(d) In H1 2022, OPPCI IHE completed a capital increase of €176.0 million. In December 2022, Icade Santé increased its share capital by €44.0 million (see note 7.3).

2. Notes to the combined financial statements

Note 1 . General principles

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

1.1.1.Presentation of business activities

The Icade Group operates in three different business areas, corresponding to its three business lines, namely Office Property Investment, Healthcare Property Investment and Property Development. The Healthcare Property Investment business assists healthcare and senior services providers with the ownership and development of healthcare properties in Europe through a portfolio worth €6.9 billion at the end of 2022, comprising 214 assets, including 148 in France and 66 in other countries (Germany, Italy, Spain and Portugal).

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

As of December 31, 2022, the Icade Group's Healthcare Property Investment business was operated in France and abroad by Icade Santé SA and its subsidiaries, 58.30% owned by Icade (unchanged compared to December 31, 2021), and via the Icade Healthcare Europe ("**IHE**") OPPCI fund and its subsidiaries, 59.39% owned by Icade SA. Icade also holds a 10.10% direct equity interest in certain subsidiaries with assets in Germany. The Icade Santé Group is fully consolidated in the consolidated financial statements of Icade SA, whose registered office is located at 27, rue Camille Desmoulins, 92130 Issy-les-Moulineaux, France (see note 12.4 for the full scope of the combined financial statements).

1.1.2.Background to the preparation of the combined financial statements

After having embarked on a plan to take its Healthcare Property Investment business public in 2021 in order to finance its investment goals in France and abroad, Icade SA has ultimately decided to postpone the IPO of its subsidiary Icade Santé indefinitely, mainly due to unfavourable conditions in a particularly volatile equity market.

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

1.1.3.Creation of the new Icade Santé Group

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

The creation of the new Icade Santé Group will therefore result from the transfer of entities within the Icade Group which will retain control. Such transfers will constitute restructuring transactions of entities under common control. This type of restructuring is excluded from the scope of IFRS 3 ("Business combinations") and in the absence of an IFRS that specifically applies to this type of transaction, the new Icade Santé Group will elect to account for these transactions using the predecessor value method in the Icade Group's consolidated financial statements prepared in accordance with IFRS. It should be noted that the Icade Group has elected to apply the fair value model for the measurement of investment property for the first time in the financial statements for the year ended December 31, 2021, believing that this change in policy provides more relevant information on the value of its property assets and increased comparability with others in the same industry. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this change in policy was applied retrospectively, based on property asset valuations used for the Icade Group's historical information.

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

1.2. Accounting standards

The Combined Group's combined financial statements as of December 31, 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of December 31, 2022, pursuant to European Regulation No. 1606/2002 dated July 19, 2002, and include comparative information as of December 31, 2021 and 2020 prepared in accordance with the IFRS applicable at the reporting date.

The international accounting standards are issued by the IASB (International Accounting Standards Board) and have been adopted by the European Union. They include the IFRS, the IAS (International Accounting Standards) and their interpretations. These standards are available for viewing on the European Commission's website.

The accounting policies and measurement bases used by the Combined Group in preparing the combined financial statements as of December 31, 2022 are identical to those used for the combined financial statements as of December 31, 2021, except for those mandatory standards, interpretations and amendments to be applied for annual periods beginning on or after January 1, 2022, which are detailed in note 1.2.1 below.

These combined financial statements were approved by the Board of Directors of Icade Santé SA on February 16, 2023.

1.2.1.Mandatory standards, amendments and interpretations

As of January 1, 2022

- Amendments to IFRS 3 – Updating a Reference to the Conceptual Framework.
- Annual improvements to IFRS Standards – 2018–2020 Cycle (narrow-scope amendments to IFRS 1, IFRS 9, IAS 41, IFRS 16).
- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use.

These amendments have had no material impact on the Combined Group.

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

- IFRS IC agenda decision on the configuration or customisation costs in a cloud computing arrangement (IAS 38 – Intangible Assets).
- IFRS 9 – Financial instruments and IAS 20 – Government Grants.
- IAS 7 – Statement of Cash Flows – Demand Deposits with Restrictions on Use.
- IFRS 15 – Revenue from Contracts with Customers – Principal versus Agent: Software Reseller.

These standards and amendments have had no impact on the Combined Group's consolidated financial statements.

1.2.2.Standards, amendments and interpretations issued but not yet mandatory

Standards, amendments and interpretations issued, effective for annual periods beginning on or after January 1, 2023 and 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).

- 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.

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

- IFRS 17 – Insurance Contracts (replacing IFRS 4)
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

  These standards are not applicable to the Group.

Standards, amendments and interpretations issued by the IASB effective for annual periods beginning after December 31, 2022 but not yet adopted by the European Union

- 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.

- Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback.

These amendments are to become effective for annual periods beginning on or after January 1, 2024.

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

1.3.1.Combination method

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

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

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

The scope of the Combined Group is described in note 12.4.

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

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

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

Equity

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

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

Changes in equity for the relevant periods reflect:

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

Earnings per share

Earnings per share have been included in the combined financial statements. As IAS 33 does not specifically address the case of combined financial statements, and in particular the method for determining the number of shares to be taken into account in the calculation, the number of shares was determined as follows: determination of the average number of undiluted shares and the average number of diluted shares of Icade Santé SA, to which was added the theoretical average number of shares that would have been issued by Icade Santé SA in consideration for the contribution of IHE. This number was calculated on the basis of the ratio between the valuation of IHE and that of Icade Santé at the beginning and end of each financial year (see note 7.3 for more details). The purpose of this treatment is to obtain a relevant earnings per share figure, as the earnings of the Combined Group include the earnings of IHE and its subsidiaries.

Events after the reporting period

The combined financial statements as of December 31, 2022, 2021 and 2020 have been prepared on the basis of the contribution of Icade Santé SA and IHE and their subsidiaries to the consolidated financial statements of Icade SA as of December 31, 2022, 2021 and 2020, as approved by the Board of Directors on February 16, 2023, February 18, 2022 and February 19, 2021, respectively, and by the General Shareholders' Meeting. As of the date of preparation of the combined financial statements for the period ended December 31, 2022, there have been no events occurring after the reporting date that would require adjustment to the financial statements as originally prepared.

1.3.2.Measurement bases

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

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

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

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

1.3.3.Use of judgement and estimates

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

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

The main estimates made by the Combined Group related to the fair value of investment property determined based on the valuations carried out by independent property valuers (see note 5.2).

The accounting estimates used to prepare the combined financial statements as of December 31, 2022 were made amid volatility and uncertainty about the economic and financial outlook both in France and elsewhere in Europe. The Combined Group considered the reliable information at its disposal with respect to the impact of this situation.

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

Management exercised its judgement in:

- Determining the classification of leases in which the Combined Group is the lessor between operating and finance leases;
- Determining the degree of control (sole or joint) by the Group over its investments or the existence of significant influence;
- Recognising deferred tax assets, in particular tax loss carry forwards;
- Determining whether certain assets and related liabilities meet the criteria to be classified as held for sale in accordance with IFRS 5;
- Determining whether acquisitions qualified as business combinations in accordance with the new definition of a business introduced by an amendment to the revised IFRS 3.

1.3.4. Effects of climate change

The 2015 Paris Climate Agreement has stepped up the fight against climate change which lies at the heart of the environmental and societal concerns of major European economic players.

As such, in order to reduce its greenhouse gas emissions, the Combined Group has been on a very ambitious low-carbon pathway and aimed even higher by setting an objective of -35% by 2030 for its portfolio in Europe.

The Combined Group has also integrated this into its investment and expenditure policy in line with applicable regulations and its strategy to reduce its carbon footprint.

For this purpose, when determining the fair value of investment properties, planned investments, including climate-related ones, are reported to independent property valuers. Such property valuers carry out their work in accordance with their professional standards, as described in note 5.2.1 "Valuation assignments". Based on their knowledge of the market, they found no evidence that sustainability criteria had a material impact on transaction prices in 2022. However, they remain attentive to any changes in the real estate market in this regard.

As of December 31, 2022, the inclusion of climate change effects has had no significant impact on the judgement and key estimates required to prepare the combined financial statements.

Note 2 . Highlights

2.1. Economic environment

The Combined Group's financial statements as of December 31, 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 which has exerted considerable pressure on the European energy market.

The resilience of the Combined Group's business, its high percentage of fixed rate and hedged debt as well as its lack of exposure to Russia and Ukraine enabled it to successfully deal with this situation in 2022. However, the Combined Group has adapted 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 the Combined Group's financing and investment costs.

In line with the government's purchasing power support measures, the Group granted bonuses to 33% of its employees earning up to three times the minimum wage.

2.2. Investments and disposals completed

Financial year 2022:

Investments

The main transactions in 2022 totalled €241.7 million and included:

- €92.7 million invested in France, mainly in the development pipeline (construction or extension projects for PAC facilities and nursing homes).
- €149.0 million elsewhere in Europe, mainly in Spain and Italy.

Asset disposals

A portfolio of four assets in France was sold for close to €78 million during the year, 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 5.1.1 "Investment property".

See note 5. "Property portfolio" for further information about investments and disposals carried out by the Group.

Financial year 2021:

The main transactions completed in 2021 included:

- In France:
    - The acquisition of 12 facilities including six nursing homes, three post-acute care facilities, two acute care facilities and a psychiatric hospital located in Rouffiac-Tolosan (Haute-Garonne), Grenoble (Isère), Le Chambon-sur-Lignon (Haute-Loire), Olivet (Loiret), Valenciennes (Nord), Vaivre-et-Montoille (Haute-Saône), Grainville-sur-Odon (Calvados), Champcueil (Essonne) and in the Paris region;
    - Further investments in the development pipeline with four new facilities (Narbonne, Lunel, Saintes and Perpignan) handed over to healthcare and senior services providers and the construction of other facilities in Caen (Calvados), Blagnac (Haute-Garonne), La Roche-sur-Yon (Vendée) and Le Perreux-sur-Marne (Val-de-Marne) in addition to a nursing home in Bellerive-sur-Allier (Allier).
- In Italy:
    - The acquisition of two nursing homes in operation, one in Castenaso (the seventh and last facility in a nursing home portfolio, pursuant to an agreement signed in 2019) and the other in Grosseto;
    - The acquisition of five facilities operated by La Villa located in the regions of Lombardy, Liguria, Le Marche and Emilia-Romagna;
    - The signing of a preliminary agreement for sale-and-leaseback transactions with Gruppo Villa Maria to acquire four nursing homes in the regions of Tuscany, Liguria, Emilia-Romagna and Puglia between the end of 2021 and the end of 2022. One of the assets was acquired in late December 2021 in Bologna.
- In Germany: the acquisition of two nursing homes in Berlin and Papenburg.
- The Combined Group also invested for the first time in Spain and Portugal:
    - In Spain: the signing of preliminary agreements to acquire three nursing homes under construction from the Amavir Group. These facilities will be acquired upon completion of the ongoing development work (between the end of 2022 and H1 2023).
    - In Portugal: the acquisition of 100% of the Fundo de Investimento Imobiliario Fechado Saudeinveste fund holding a portfolio of four private hospitals at the end of December 2021.

Financial year 2020:

Investments made by the Combined Group in 2020 totalled €325.8 million.

- Those made in France amounted to €174.3 million and related primarily to the following acquisitions:
    - In June 2020: a nursing home operated by Korian in Carcassonne (Aude);
    - In September 2020: a nursing home operated by Orpea in Marseille (Bouches-du-Rhône);
    - In October 2020: the real estate of the Navarre polyclinic operated by Groupe Bordeaux Nord Aquitaine (GBNA) in Pau (Pyrénées-Atlantiques);
    - In December 2020: four nursing homes operated by Korian in Beaune (Côte-d'Or), Thise (Doubs), Saint-Saturnin-du-Bois (Charente-Maritime) and Saint-Georges-de-Didonne (Charente-Maritime).
- International investments stood at €151.6 million and mainly related to:
    - The acquisition in Q3 of seven nursing homes in Germany from the operator, Orpea;
    - The acquisition in Q4 of a nursing home operated by the Gheron group. This transaction was part of the preliminary agreement to purchase seven healthcare facilities in Northern Italy from Lagune International.

2.3. Financing transactions

Financial year 2022:

Icade Santé secured €400.0 million in financing from credit institutions including a fully drawn down €300 million bridge-to-bond facility.

Financial year 2021:

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

Financial year 2020:

- €600 million inaugural social bond issued maturing in 2030 with a fixed coupon of 1.375%. These funds were raised with a 155-bp spread over the reference rate;
- Early repayment by Icade Santé of three loans to Icade SA for an aggregate amount of €360.0 million;
- Additional shareholder loans between Icade SA and IHE for €81.9 million.

See note 6. "Finance and financial instruments" for further information about the Combined Group's funding sources for the periods presented.

2.4. Icade Santé's change of legal status and amendments to the Articles of Association

Financial year 2021:

The General Meeting held on September 21, 2021 decided to convert Icade Santé into a French public limited company (SA, *société anonyme*) with a Board of Directors, which led to the terms of office of the corporate officers and Oversight Committee members being terminated, new Articles of Association being adopted and Board directors being appointed.

At its September 21, 2021 meeting, the Board of Directors approved Icade Santé's governance and appointed Olivier Wigniolle as Chairman of the Board of Directors and Xavier Cheval as Chief Executive Officer.

2.5. Organisational structure of Icade Santé

Financial year 2021:

Since October 1, 2021, the Company has had its own staff (see note 11. "Employee remuneration and benefits") and the agreements with Icade SA have been reviewed (see note 12.1. "Related parties").

2.6. Changes in share capital

Financial year 2022:

- In 2022, OPPCI IHE completed a capital increase of €176.0 million through the issue of 275,000,000 new shares. The impact on the Combined Group's equity was an increase in consolidated reserves.
- In December 2022, Icade Santé carried out a capital increase through the issue of 429,561 new shares for a total of €44 million including €6.6 million of share capital and €37.4 million of share premium.

Financial year 2021:

- In December 2021, Icade Santé carried out a capital increase through the issue of 1,552,828 new shares for a total of €138 million including €23.7 million of share capital and €114.3 million of share premium;
- In 2021, IHE also increased its capital by issuing 35,834,237 new shares totalling €21 million.

Financial year 2020:

- In H2 2020, Icade Santé carried out a capital increase through the issue of 1,069,069 new shares, i.e. €90 million. It then acquired 946,744 own shares from a shareholder for €79.7 million and immediately cancelled them as part of a capital reduction (see note 7.3).
- In 2020, IHE also increased its capital by issuing 142,645,862 new shares totalling €82.7 million.

2.7. Dividend distribution

Dividends distributed:

- By Icade Santé to its shareholders amounted to €209.7 million in 2022 (€193.1 million in 2021 and €172.9 million in 2020), i.e. €5.32 per share (€5.10 per share in 2021 and €4.58 per share in 2020);
- By IHE to its shareholders amounted to €9.6 million in 2022 (zero in 2020 and 2021), i.e. €0.01 per share.

See note 7. "Equity and earnings per share" for further information about dividends paid out by the Group in the financial year 2022.

Note 3 . Consolidation principles and combined scope

ACCOUNTING PRINCIPLES

Consolidation principles

The combined financial statements include the financial statements of the fully consolidated subsidiaries of Icade Santé SA and IHE. The Combined Group does not hold any interests in joint ventures or associates, or any other entities in which it does not have direct, indirect or joint control, or significant influence over their financial and operating policies. The consolidation method is determined in accordance with the degree of control by the Combined Group.

♦ Subsidiaries

A subsidiary is an entity that is directly or indirectly controlled by the Combined Group. Control exists when the Combined Group:

- Has power over the entity in terms of voting rights;
- Has rights to variable returns from its involvement with the entity;
- Has the ability to use its power to affect the amount of these returns.

Potential voting rights as well as the power to govern the financial and operating policies of the entity are also among the factors taken into account by the Combined Group in order to assess control.

Subsidiaries are fully consolidated from the date the latter acquires control over them until the date that such control ceases.

All intragroup transactions and balances between the Combined Group's subsidiaries are eliminated in the combined financial statements.

Non-controlling interests represent the share of interest which is not directly or indirectly attributable to the Combined Group. These are presented in equity as "Non-controlling interests" and in the income statement as "Net profit/(loss) attributable to non-controlling interests".

Business combinations

To determine whether a transaction is a business combination under the revised IFRS 3, the Combined Group analyses whether an integrated set of activities and assets has been acquired and not just property and whether this integrated set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output.

The consideration transferred must include any contingent consideration, which must be measured at fair value.

According to the acquisition method, the acquirer must, at the acquisition date, recognise the identifiable assets, liabilities and contingent liabilities of the acquiree at fair value at that date.

Goodwill is measured as the difference between, on the one hand, the fair value of the consideration transferred and, on the other hand, the net of the acquisition-date amounts of the identifiable assets and liabilities assumed measured at fair value. If positive, goodwill is accounted for on the asset side of the balance sheet. If negative, goodwill may be referred to as "negative goodwill" or "badwill" or "bargain purchase gain" (arising as a result of a bargain purchase) and is recognised immediately in the income statement under the heading "Profit/(loss) from acquisitions".

Costs of business acquisitions are recorded as expenses in "Profit/(loss) from acquisitions" in the combined income statement.

The companies included in the combined scope are listed in note 12.4.

Financial year 2022

In 2022, changes in scope of consolidation related to the creation and merger of legal entities over the period.

Financial year 2021

Acquisition of 100% of the Fundo de Investimento Imobiliario Fechado Saudeinveste fund

In December 2021, the Combined Group acquired 100% of the units making up the Fundo de Investimento Imobiliario Fechado Saudeinveste fund holding a portfolio of four private hospitals in Portugal.

Since this acquisition meets the new definition of a business under the amendment to IFRS 3, it was recognised in accordance with the revised IFRS 3. Therefore, the Group measured the identifiable assets acquired and liabilities assumed at this company's acquisition date. This resulted in the recognition of investment property for €210.6 million, financial liabilities for €2.7 million and deferred tax liabilities for €3.1 million, i.e. net assets estimated at €204.3 million on a proportionate consolidation basis. No goodwill was recognised.

Other changes in scope of consolidation mainly related to IHE selling a portion of its investments in its German subsidiaries to Icade SA and the merger of legal entities over the period.

Financial year 2020

In 2020, changes in scope of consolidation related to the merger of legal entities over the period.

The impact of these changes in scope of consolidation on the main line items of the consolidated statement of financial position is shown in the corresponding notes.

Note 4 . Segment reporting

ACCOUNTING PRINCIPLES

In accordance with IFRS 8 – Operating segments, segment information must be structured according to the operating segments for which results are regularly reviewed by the chief operating decision maker in order to assess their performance and make decisions about resources to be allocated to such segments. Segment information must be consistent with internal reporting to the chief operating decision maker.

The Combined Group’s business activities consist in assisting healthcare and senior services providers with the ownership and development of acute and post-acute care facilities and long-term elderly care facilities across Europe.

The performance indicators for these activities which are used by the chief operating decision maker are grouped by country. As countries other than France represent individually less than 10% of the Combined Group’s key indicators, they are aggregated into the International segment.

The “Intersegment transactions” column includes eliminations and reclassifications relating to transactions between business lines.

4.1. Segmented income statement

	France Healthcare			International Healthcare			Inter-segment transactions	Total Combined Group		
(in millions of euros)	2022	2021	2020	2022	2021	2020	2022	2022	2021	2020
REVENUE	312.3	297.8	284.7	50.1	27.3	16.8	(1.7)	360.7	324.5	301.4
EBITDA	278.8	272.0	263.5	42.2	21.9	13.8	-	321.1	293.4	277.3
OPERATING PROFIT/(LOSS)	409.9	525.5	311.5	37.3	45.5	8.9	-	447.2	571.0	320.3
FINANCE INCOME/(EXPENSE)	(31.7)	(33.4)	(58.9)	(12.4)	(6.8)	(2.6)	-	(44.1)	(40.2)	(61.5)
NET PROFIT/(LOSS)	**375.9**	**490.8**	**249.6**	**22.9**	**37.9**	**5.0**	**-**	**398.8**	**528.7**	**254.6**
Net profit/(loss) attributable to non-controlling interests	-	-	-	1.6	7.1	(0.6)	-	1.6	7.1	(0.6)
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**375.9**	**490.8**	**249.6**	**21.3**	**30.8**	**5.6**	**-**	**397.2**	**521.6**	**255.2**

In 2022, 86.2% of the Combined Group’s revenue was generated in France (91.6% in 2021 and 94.4% in 2020), 5.9% in Germany (5.8% in 2021 and 4.5% in 2020), 4.4% in Italy (2.6% in 2021 and 1.1% in 2020), 3.0% in Portugal (zero in 2021 and 2020) and 0.5% in Spain (zero in 2021 and 2020).

4.2. Segmented statement of financial position

	France Healthcare			International Healthcare			Intersegment transactions		Total Combined Group		
(in millions of euros)	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2020
Investment property	5,888.3	5,758.3	5,205.3	1,044.1	898.3	452.0	-	-	6,932.4	6,656.6	5,657.3
Other assets	678.9	215.9	495.4	27.4	54.9	67.5	(131.0)	(16.6)	575.4	254.3	562.8
TOTAL ASSETS	**6,567.2**	**5,974.2**	**5,700.6**	**1,071.5**	**953.2**	**519.4**	**(131.0)**	**(16.6)**	**7,507.8**	**6,910.9**	**6,220.1**
Equity attributable to the Group	4,049.1	3,755.9	3,300.9	512.7	330.4	277.9	-	-	4,561.8	4,086.3	3,578.8
Non-controlling interests	-	-	-	41.4	38.0	20.6	-	-	41.4	38.0	20.6
Financial liabilities	2,446.5	2,125.8	2,277.8	475.4	382.8	200.5	(130.3)	(15.1)	2,791.6	2,493.5	2,478.3
Other liabilities	71.6	92.5	121.9	42.0	202.0	20.4	(0.7)	(1.5)	113.0	293.1	142.4
TOTAL LIABILITIES AND EQUITY	**6,567.2**	**5,974.2**	**5,700.6**	**1,071.5**	**953.2**	**519.4**	**(131.0)**	**(16.6)**	**7,507.8**	**6,910.9**	**6,220.1**

4.3. Segmented cash flow from fixed assets and investment property

	France Healthcare			International Healthcare			Total Combined Group		
(in millions of euros)	2022	2021	2020	2022	2021	2020	2022	2021	2020
CASH FLOW:									
- acquisitions	(92.6)	(294.6)	(134.6)	(152.9)	(207.4)	(90.9)	(245.5)	(502.0)	(225.5)
- disposals	95.2	3.8	0.2	-	-	-	95.2	3.8	0.2

Note 5 . Property portfolio

5.1. Investment property

ACCOUNTING PRINCIPLES

IAS 40 – Investment property defines investment property as property held by the owner to earn rentals or for capital appreciation or both. This category of property cannot be held for use in the production or supply of goods or services or for administrative purposes. Furthermore, the existence of building rights, leasehold rights or building leases also falls within the definition of investment property.

Property that is being developed for future use as investment property is classified as investment property.

In accordance with the option offered by IAS 40, investment property is measured at fair value.

Investment property

Investment property is initially measured at cost, which includes:

- The purchase price stated in the deed of acquisition or the construction costs, including non-refundable taxes, after deducting any trade discounts, rebates or cash discounts;
- The cost of restoration work;
- All directly attributable costs incurred in order to put the investment property in a condition to be leased in accordance with the use intended by management. Thus, transfer duties, fees, commissions and fixed legal expenses related to the acquisition, and leasing commissions are included in the cost;
- Costs of bringing the property into compliance with safety and environmental regulations;
- Capitalised borrowing costs.

Following initial recognition, investment property is measured at fair value.

The fair value of investment property is measured based on independent property valuations whose methods and assumptions are described in note 5.2. The fair values are appraised values excluding duties, except for those assets acquired at the end of the year for which the fair value is measured based on the acquisition price.

Investment property under construction, or undergoing major renovation, is valued according to the general principle of fair value unless it is not possible to determine its fair value reliably and continuously. In the latter case, the property is valued at cost less any impairment losses.

In accordance with IAS 36, investment property whose fair value cannot be determined reliably and which is provisionally measured at cost is tested for impairment as soon as an indication of impairment is identified (event leading to a decrease in the asset's market value and/or a change in the market environment). If the net carrying amount of the asset exceeds its recoverable amount (market value excluding duties, determined by independent property valuers) and if the unrealised capital loss exceeds 5% of the net carrying amount before impairment, the difference is recognised as an impairment loss.

Investment property which meets the criteria to be classified as non-current assets held for sale is presented as a separate line item in the consolidated statement of financial position but remains measured at fair value under IAS 40.

The change in fair value of the property portfolio during the period is recognised in the income statement, after deducting capital expenditure and other capitalised costs, such as capitalised borrowing costs and broker fees.

Gains or losses on disposal are calculated as the difference between the proceeds from the sale of the asset net of selling costs and the asset's carrying amount as per the most recent valuations.

Right-of-use assets relating to building leases

For the investment assets whose land base is subject to a building lease the fair value is determined by the property valuers as if the assets were a single building complex, in accordance with the fair value model under IAS 40 and with IFRS 13.

The fair value of the complex is determined on the basis of the expected net cash flows, including the expected cash outflows under the building lease. The latter are also recognised as part of the lease liability measured in accordance with IFRS 16, as described in note 8.3. The Combined Group adds back the value of the lease liability to the value of the investment assets so as not to recognise this liability twice, in accordance with IAS 40.

Borrowing costs

Borrowing costs directly attributable to the construction or production of an asset are included in the cost of that asset until work is completed.

Capitalised borrowing costs are determined as follows:

Where funds are borrowed in order to build a specific asset, the borrowing costs that are eligible for capitalisation are the costs actually incurred over the financial year less any investment income on the temporary investment of those borrowings.

Where the borrowed funds are used to build several assets, the borrowing costs that are eligible for capitalisation are determined by applying a capitalisation rate to the construction costs. This capitalisation rate is equal to the weighted average of current borrowing costs for the financial year other than those of borrowings taken out for the purpose of building specific assets. The capitalised amount may not exceed the amount of costs actually borne.

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

Financial year 2022

(in millions of euros)		12/31/2021	Acquisitions	Business combination	Construction work (a)	Disposals	Changes in fair value recognised in the income statement	12/31/2022
Investment property measured at fair value		6,656.6	162.7		79.0	(88.2)	122.3	6,932.4
VALUE OF THE PROPERTY PORTFOLIO	5.3.	6,656.6	162.7	-	79.0	(88.2)	122.3	6,932.4
Portfolio distribution:								
France Healthcare		5,758.3	16.2	-	76.5	(88.2)	125.5	5,888.3
International Healthcare		898.3	146.5	-	2.5	-	(3.2)	1,044.1
VALUE OF THE PROPERTY PORTFOLIO	5.3.	6,656.6	162.7	-	79.0	(88.2)	122.3	6,932.4

(a) Construction work includes €0.3 million in capitalised finance costs.

The carrying amount of the property portfolio is its fair value determined on the basis of valuations carried out in accordance with the methods and assumptions described in note 5.2, adjusted for residual lease liabilities.

Investments (acquisitions, construction work and impact of changes in scope of consolidation) during the period amounted to €241.7 million.

The Group invested €149.0 million outside France including:

- In Spain, €69.3 million to acquire five long-term care facilities (€56.0 million) and an eye clinic in Madrid (€13.3 million);
- In Italy, €62.4 million to complete the acquisition of two private hospitals in Rapallo and Montecatini Terme (€34.9 million) pursuant to a preliminary agreement signed with Gruppo Villa Maria in 2021, a new nursing home in Vigonza (€14.6 million) and the San Martino di Lupari long-term care facility in Veneto (€12.5 million);
- In Germany, €14.8 million to acquire a nursing home in Wathlingen;
- Other capex amounted to €2.5 million.

Investments in France totalled €92.7 million including:

- €16.2 million in acquisitions, including the Les Jardins de Sophia facility in the Hérault department for €11.2 million;
- €58.1 million in pipeline projects, including the extension of the Saint-Augustin private hospital in Bordeaux, a PAC facility in Salon-de-Provence, the extension and renovation of the Les Cèdres private hospital in Brive-la-Gaillarde, the extension of the Pic Saint Loup PAC facility in Saint-Clément-de-Rivière and the construction of a nursing home in Bellerive-sur-Allier;
- Other capex amounted to €18.5 million.

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

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

Financial year 2021

(in millions of euros)	12/31/2020	Acquisitions	Business combination	Construction work	Disposals	Changes in fair value recognised in the income statement	12/31/2021
Investment property measured at fair value	5,657.3	510.6	210.6	18.6	(20.9)	280.4	6,656.6
VALUE OF THE PROPERTY PORTFOLIO	**5,657.3**	**510.6**	**210.6**	**18.6**	**(20.9)**	**280.3**	**6,656.6**
Portfolio distribution:							
France Healthcare	5,205.3	300.8	-	18.4	(20.9)	254.7	5,758.3
International Healthcare	452.0	209.8	210.6	0.2	-	25.7	898.3
VALUE OF THE PROPERTY PORTFOLIO	**5,657.3**	**510.6**	**210.6**	**18.6**	**(20.9)**	**280.3**	**6,656.6**

Investments (acquisitions, construction work and impact of changes in scope of consolidation) in 2021 amounted to €739.8 million and primarily included the following:

- In France, acquisitions totalling €210.0 million including several nursing homes, private hospitals and post-acute care facilities, mainly in Paris, Grenoble (Isère), Olivet (Loiret), Valenciennes (Nord) and Choisy-le-Roi (Val-de-Marne);
- Acquisitions outside France totalling €420.4 million, including four private hospitals in Portugal (Lisbon, Porto, Albufeira and Lagos) as a result of acquiring the Fundo de Investimento Imobiliario Fechado Saudeinveste fund. They also include several nursing homes and psychiatric facilities acquired in Italy as part of the Group's further expansion into that country and diversification into the acute care segment. The Combined Group also continued expanding into Germany through the acquisition of several facilities;
- Development projects totalling €90.8 million including ongoing healthcare facility projects in Bellerive-sur-Allier (Allier), Le Perreux-sur-Marne (Val-de-Marne), Blagnac (Haute-Garonne), Caen (Calvados), Cabestany (Pyrénées-Orientales), La Roche-sur-Yon (Vendée) and those completed during the period in Narbonne (Aude), Saintes (Charente-Maritime), Perpignan (Pyrénées-Orientales) and Lunel (Hérault);
- Other capital expenditures for €18.6 million.

There were no significant **disposals** in 2021.

Financial year 2020

(in millions of euros)	12/31/2019	Acquisitions	Construction work	Changes in fair value recognised in the income statement	12/31/2020
Investment property measured at fair value	5,287.0	248.9	77.0	44.3	5,657.3
VALUE OF THE PROPERTY PORTFOLIO	**5,287.0**	**248.9**	**77.0**	**44.3**	**5,657.3**
Portfolio distribution:					-
France Healthcare	4,983.2	99.8	-	47.9	5,205.3
International Healthcare	303.9	149.2	2.5	(3.6)	452.0
VALUE OF THE PROPERTY PORTFOLIO	**5,287.0**	**249.0**	**77.0**	**44.3**	**5,657.3**

Investments (acquisitions, construction work and impact of changes in scope of consolidation) in 2020 amounted to €325.9 million and primarily included the following:

- International acquisitions for a total of €149.2 million, consisting of a number of nursing homes and polyclinics in Germany operated by the Orpea group and in Italy for those operated by the Gheron group;
- In France, the acquisition of several nursing homes and a polyclinic for €99.8 million. These assets are located in Pau (Pyrénées-Atlantiques), Marseille (Bouches-du-Rhône), Carcassonne (Aude), Beaune (Côte-d'Or), Saint-Georges-de-Didonne (Charente-Maritime), Thise (Doubs) and Saint-Saturnin-du-Bois (Charente-Maritime). These facilities are operated by Groupe Bordeaux Nord Aquitaine, Orpea and Korian;
- Development projects for €49.9 million including healthcare facility projects in Montredon-des-Corbières (Aude), Caen (Calvados), Lunel (Hérault), Perpignan (Pyrénées-Orientales), La Roche-sur-Yon (Vendée) and Cabestany (Pyrénées-Orientales);
- Other capital expenditures for €26.0 million.

There were no significant **disposals** in 2020.

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

5.2.1.Valuation assignments

The Combined Group's property assets are valued twice a year by independent property valuers according to a framework consistent with the SIIC Code of Ethics (*sociétés d'investissement immobilier cotées*, French listed real estate investment companies) published in July 2008 by the French Federation of Real Estate Companies (*Fédération des sociétés immobilières et foncières*).

Property valuations were entrusted to Jones Lang LaSalle Expertises, Catella Valuation and CBRE.

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

In 2022, the Combined Group appointed new property valuers for 17% of its portfolio in value terms.

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

Property valuation fees are billed to the Combined Group on the basis of a fixed service fee that takes into account the specificities of the properties (number of units, floor area, number of existing leases, etc.) and that is not based on the value of the assets.

The assignments of the property valuers, whose main valuation methods and conclusions are presented hereafter, are performed according to professional standards, in particular:

- The French Property Valuation Charter (*Charte de l'expertise en évaluation immobilière*), fifth edition, published in March 2017;
- The Barthès de Ruyter report from the French Securities and Exchange Commission (COB), which is part of the French Financial Markets Authority (AMF), dated February 3, 2000, on the valuation of the property assets of publicly traded companies;
- On an international level, TEGoVA's (The European Group of Valuers' Associations) European Valuation Standards as set out in its Blue Book published in April 2009, as well as the Red Book standards of the Royal Institution of Chartered Surveyors (RICS).

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

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

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

On-site inspections are systematically conducted by the property valuers for all new assets added to the portfolio. Further on-site inspections are then organised according to a multi-year schedule or each time that a specific event in the life of the building requires it (occurrence of significant changes in its structure or environment).

All the assets, including projects under development, were valued as of December 31, 2022 according to the procedures currently in place within the Combined Group, with the exception of:

- Properties subject to a preliminary sale agreement as of the end of the reporting period or those for which an offer has been received and that are valued based on the price indicated in the agreement excluding duties and fees;
- Properties acquired less than three months before the end of the annual reporting period, which are valued at their acquisition price.

The Combined Group also has in place a process of internal valuation by its asset management teams in order to verify the asset values obtained by the property valuers and to gain a better understanding of the future performance of the portfolio on the basis of the business plans defined. This process is updated on a yearly basis. However, assets whose business plan changes materially are subject to a half-yearly update.

5.2.2.Methods used by the property valuers

The Combined Group's investment property is valued by the property valuers using the net income capitalisation method and/or the discounted cash flow method (the property valuer may use the average or a weighted average of the two methods or the most appropriate one, as the case may be).

Healthcare properties in France and Portugal are valued by the property valuers using the rent capitalisation method (also known as "estimated rental value" method) and the discounted cash flow method. For the assets located in Germany, Spain and Italy, the property valuers use 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 Combined Group. It should be noted that in Germany the portion of revenue allocated to lease payments is subject to local rules. Property valuers have taken into account this specific factor (*I-Kost*) in determining the estimated rental value.

5.2.3.Main valuation assumptions for investment property

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

2022 assumptions

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)
Paris region	Capitalisation and DCF	3.5% - 7.0%	3.2% - 6.0%	3.2% - 5.6%
France outside the Paris region	Capitalisation and DCF	4.9% - 10.0%	4.1% - 9.7%	4.0% - 9.7%
Germany	DCF	4.4% - 7.1%	3.9% - 6.2%	N/A
Spain	DCF	6.2% - 6.9%	4.4% - 4.9%	N/A
Italy	DCF	5.8% - 7.6%	5.1% - 6.7%	N/A
Portugal	Capitalisation and DCF	6.9% - 8.8%	4.9% - 6.8%	4.9% - 6.5%

2021 assumptions

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)
Paris region	Capitalisation and DCF	4.5% - 6.2%	4.5% - 5.9%	4.2% - 5.5%
France outside the Paris region	Capitalisation and DCF	4.7% - 9.2%	4.4% - 8.8%	4.2% - 8.5%
International	DCF	4.3% - 7.3%	3.8% - 6.4%	N/A

2020 assumptions

Asset types	Methods generally used	Rates for discounting cash flows (DCF)	Exit yields (DCF)	Market yields (income capitalisation)
Paris region	Capitalisation and DCF	4.9% - 6.8%	4.8% - 6.7%	4.5% - 6.2%
France outside the Paris region	Capitalisation and DCF	4.7% - 8.6%	4.4% - 8.3%	4.2% - 7.6%
International	DCF	4.2% - 8.0%	3.7% - 7.5%	N/A

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

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

Financial year 2022

	Yields (a)			
	+25 bps		+50 bps	
Impact on the valuation (excluding duties) of the operating property portfolio	in %	in millions of euros	in %	in millions of euros
HEALTHCARE				
Paris region	-5.0%	(43.0)	-9.6%	(81.0)
France outside the Paris region	-4.7%	(238.0)	-9.1%	(455.2)
International	-5.2%	(54.0)	-9.9%	(103.0)
- Germany	-5.5%	(25.2)	-10.4%	(47.6)
- Spain	-5.1%	(3.6)	-9.8%	(6.9)
- Italy	-4.9%	(15.2)	-9.4%	(28.9)
- Portugal	-5.0%	(10.3)	-9.5%	(19.6)
TOTAL HEALTHCARE	-4.8%	(335.0)	-9.2%	(639.3)

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

Financial year 2021

	Yields (a)			
	+25 bps		+50 bps	
Impact on the valuation (excluding duties) of the operating property portfolio	in %	in millions of euros	in %	in millions of euros
HEALTHCARE				
Paris region	-5.0%	(40.6)	-9.5%	(77.3)
France outside the Paris region	-4.8%	(233.5)	-9.1%	(445.8)
International	-5.2%	(46.2)	-9.9%	(87.8)
- Germany	-5.7%	(24.8)	-10.7%	(46.9)
- Spain	N/A	N/A	N/A	N/A
- Italy	-4.8%	(11.7)	-9.2%	(22.3)
- Portugal	-4.6%	(9.7)	-8.9%	(18.6)
TOTAL HEALTHCARE	-4.8%	(320.3)	-9.2%	(610.9)

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

Financial year 2020

	Yields (a)			
	+25 bps		+50 bps	
Impact on the valuation (excluding duties) of the operating property portfolio	in %	in millions of euros	in %	in millions of euros
HEALTHCARE				
Paris region	-4.5%	(31.6)	-8.7%	(60.4)
France outside the Paris region	-4.5%	(200.9)	-8.7%	(384.3)
International	-5.1%	(22.5)	-9.6%	(42.7)
- Germany	N/A	N/A	N/A	N/A
- Spain	N/A	N/A	N/A	N/A
- Italy	N/A	N/A	N/A	N/A
- Portugal	N/A	N/A	N/A	N/A
TOTAL HEALTHCARE	-4.5%	(255.0)	-8.7%	(487.4)

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

5.3. Change in fair value of investment property

The change in fair value of investment property for the financial years 2022, 2021 and 2020 broke down as follows:

(in millions of euros)		2022	2021	2020
France Healthcare		125.0	254.1	47.9
International Healthcare:		(4.9)	24.7	(3.6)
- Germany Healthcare		(4.9)	21.2	(2.6)
- Italy Healthcare		2.6	3.7	(1.0)
- Portugal Healthcare		(3.7)	(0.2)	-
CHANGES IN VALUE RECOGNISED IN THE INCOME STATEMENT		**120.1**	**278.7**	**44.3**
Other (a)		(2.2)	1.6	-
CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY	**5.1**	**122.3**	**280.3**	**44.3**

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

The increase in fair value stems from H1 yield compression in Germany and in the acute and medium-term care segments in France. This increase was almost entirely recorded in H1 as the value of healthcare facilities was stable in H2.

Note 6 . Finance and financial instruments

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

6.1.1. Change in net financial liabilities

ACCOUNTING PRINCIPLES

Financial liabilities

Borrowings and other interest-bearing financial liabilities are valued, after their initial recognition, according to the amortised cost method using the effective interest rate of the borrowings. When first recognised, issue costs and premiums reduce the nominal value of the borrowings and are amortised to profit or loss over the life of the borrowings using the effective interest rate.

For financial liabilities resulting from the recognition of finance leases, the financial liability recognised as the corresponding entry of the asset is initially carried at the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Derivatives and hedge accounting

The Combined Group uses financial derivatives to hedge its exposure to market risk stemming from interest rate fluctuations. Derivatives are used as part of a policy implemented by the Combined Group on interest rate risk management. The financial risk management strategies are set out in note 6.2.2 and the methods used to determine the fair value of financial derivatives are set out in note 6.3.

Financial derivatives are recorded at fair value in the combined statement of financial position.

The Combined Group uses derivatives to hedge its variable rate debt against interest rate risk (cash flow hedging) and applies hedge accounting where documentation requirements are met. In this case, changes in fair value of the financial derivative are recognised net of tax in "Other items" in the combined statement of comprehensive income until the hedged transaction occurs in respect of the effective portion of the hedge. The ineffective portion is recognised immediately in the income statement for the period. Gains and losses accumulated in equity are reclassified to the income statement under the same heading as the hedged item for the same periods during which the hedged cash flow has an impact on the income statement.

Where financial derivatives do not qualify for hedge accounting under the standard, they are classified as non-hedge derivatives and any changes in their fair value are recognised directly in the income statement for the period.

The fair value of derivatives is measured using commonly accepted models (discounted cash flow method, Black and Scholes model, etc.) and based on market data.

Breakdown of net financial liabilities at end of period

Net financial liabilities broke down as follows:

(in millions of euros)		12/31/2021	Cash flow from financing activities: New financial liabilities	Cash flow from financing activities: Repayments	Fair value adjustments and other changes (a)	12/31/2022
Bonds		1,100.0	-	-	-	1,100.0
Borrowings from credit institutions		712.6	400.0	(14.3)	2.7	1,101.1
Finance lease liabilities		218.0	18.0	(34.6)	-	201.4
Other borrowings and similar liabilities		2.7	-	-	(2.7)	-
Total borrowings		**2,033.3**	**418.0**	**(48.9)**	**0.0**	**2,402.4**
Liabilities to Icade SA (b)		447.1	-	(71.1)	-	376.0
Other shareholder loans		15.9		-	-	15.9
Bank overdrafts		0.1	-	-	(0.1)	0.0
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**2,496.4**	**418.0**	**(120.0)**	**(0.1)**	**2,794.3**
Interest accrued and amortised issue costs		(2.9)	-	-	0.1	(2.8)
GROSS FINANCIAL LIABILITIES (c)	**6.1.2.**	**2,493.5**	**418.0**	**(120.0)**	**0.1**	**2,791.6**
Interest rate derivatives	6.1.3.	16.2	-	-	(81.0)	(64.7)
Financial assets (d)	6.1.5.	(0.1)	-	-	(0.0)	(0.1)
Cash and cash equivalents (e)	6.1.6.	(171.9)	-	-	(244.9)	(416.8)
NET FINANCIAL LIABILITIES		**2,337.8**	**418.0**	**(120.0)**	**(325.8)**	**2,310.0**

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

(b) Liabilities to Icade SA included €50 million of non-current debt as of December 31, 2022 (vs. €50.0 million as of December 31, 2021). The remainder consisted of current debt and shareholder loans.

(c) Gross financial liabilities included €2,106.5 million of non-current financial liabilities and €685.1 million of current financial liabilities.

(d) Excluding security deposits paid.

(e) Cash consisted of a cash pooling current account with Icade SA totalling €345.5 million as of December 31, 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:
  - €400.0 million secured, including a fully drawn down €300 million bridge-to-bond facility;
  - Scheduled repayments for €14.3 million.
- Finance lease liabilities:
  - New leases for €18.0 million;
  - Scheduled and early repayments for €34.6 million.

The €297.8 million change in cash flow from financing activities in the cash flow statement mainly included cash flow relating to net financial liabilities (€418.0 million increase and €120.0 million decrease).

(in millions of euros)		12/31/2020	Cash flow from financing activities New financial liabilities	 Repayments	Changes in scope of consolidation	Fair value adjustments and other changes (a)	12/31/2021
Bonds		1,100.0		-	-	-	1,100.0
Borrowings from credit institutions		763.2	-	(50.5)	-		712.6
Finance lease liabilities		220.2	51.0	(36.1)	-	(17.1)	218.0
Other borrowings and similar liabilities		49.8		(49.8)	2.7	-	2.7
Total borrowings		**2,133.1**	**51.0**	**(136.4)**	**2.7**	**(17.1)**	**2,033.3**
Liabilities to Icade SA (b)		334.2	240.2	(127.3)		-	447.1
Other shareholder loans		15.4	-	(5.0)	5.4		15.9
Bank overdrafts		0.1	-	-	-		0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**2,482.9**	**291.2**	**(268.7)**	**8.1**	**(17.1)**	**2,496.4**
Interest accrued and amortised issue costs		(4.6)	-	-		1.7	(2.9)
GROSS FINANCIAL LIABILITIES (c)	**6.1.2.**	**2,478.3**	**291.2**	**(268.7)**	**8.1**	**(15.4)**	**2,493.5**
Interest rate derivatives	6.1.3.	36.4	-	(1.0)	-	(19.1)	16.2
Financial assets (d)	6.1.5.	(0.1)	-	-			(0.1)
Cash and cash equivalents (e)	6.1.6.	(501.7)	-	-	(1.5)	331.3	(171.9)
NET FINANCIAL LIABILITIES		**2,012.9**	**291.2**	**(269.7)**	**6.6**	**296.8**	**2,337.8**

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

(b) Liabilities to Icade SA included €50 million of long-term debt as of December 31, 2021 (€100 million as of December 31, 2020). The remainder consisted of short-term debt and shareholder loans.

(c) Gross financial liabilities included €2,049.9 million of non-current financial liabilities and €446.5 million of current financial liabilities.

(d) Excluding security deposits paid.

(e) Cash included a cash pooling current account with Icade SA totalling €65.9 million as of December 31, 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 €14.9 million and finance lease liabilities for €36.1 million;
- The early repayment of other borrowings for €49.8 million, borrowings from credit institutions for €35.5 million and a decrease in finance lease liabilities of €17.1 million following a lease transfer;
- A €51.0 million increase in finance lease liabilities due to three new finance leases entered into as part of development projects.

The €21.5 million change in cash flow from financing activities in the cash flow statement mainly included cash flow relating to net financial liabilities (€291.2 million increase and €269.7 million decrease).

(in millions of euros)		12/31/2019	Cash flow from financing activities		Changes in scope of consolidation	Fair value adjustments and other changes (a)	12/31/2020
			New financial liabilities	Repayments			
Bonds		500.0	600.0	-	-	-	1,100.0
Borrowings from credit institutions		781.3	-	(29.5)		11.4	763.2
Finance lease liabilities		196.7	45.1	(21.6)	-		220.2
Other borrowings and similar liabilities		52.3	-	(2.4)	-		49.8
Total borrowings		**1,530.2**	**645.1**	**(53.6)**		**11.4**	**2,133.1**
Liabilities to Icade SA (b)		659.7	-	(325.5)	-	-	334.2
Other shareholder loans		1.1	-	(28.4)	41.9	0.9	15.4
Bank overdrafts		0.6	-	-	-	(0.5)	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**2,191.6**	**645.1**	**(407.4)**	**41.9**	**11.7**	**2,482.9**
Interest accrued and amortised issue costs		(2.0)	-	-	0.9	(3.5)	(4.6)
GROSS FINANCIAL LIABILITIES (c)	**6.1.2.**	**2,189.6**	**645.1**	**(407.4)**	**42.8**	**8.2**	**2,478.3**
Interest rate derivatives	6.1.3.	27.7	-	-	-	8.7	36.4
Financial assets (d)	6.1.5.	-	-	-	0.0	(0.1)	(0.1)
Cash and cash equivalents (e)	6.1.6.	(443.7)	-	-	(0.2)	(57.8)	(501.7)
NET FINANCIAL LIABILITIES		**1,773.6**	**645.1**	**(407.4)**	**42.6**	**(41.0)**	**2,012.9**

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

(b) Liabilities to Icade SA included €510.0 million of long-term debt as of December 31, 2019 and €100 million as of December 31, 2020. The remainder consisted of short-term debt and shareholder loans.

(c) Gross financial liabilities included €2,167.2 million of non-current financial liabilities and €311.1 million of current financial liabilities.

(d) Excluding security deposits paid.

(e) Cash included a cash pooling current account with Icade SA totalling €459.0 million as of December 31, 2020 (€371.8 million as of December 31, 2019).

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

- The issue of a €600.0 million social bond;
- The prepayment of three loans to Icade SA for €360.0 million resulting in a €24.9 million prepayment penalty being paid during the financial year;
- A €45.1 million increase in finance lease liabilities and an €11.4 million increase in borrowings from credit institutions as a result of acquisitions during the period, with a finance lease entered into for €49.0 million (including €38.5 million drawn down) for the construction of the Grand Narbonne Private Hospital in Montredon-des-Corbières (Aude);
- The normal amortisation of borrowings from credit institutions for €29.5 million, finance lease liabilities for €21.6 million, liabilities to Icade SA for €47.4 million and other borrowings for €2.4 million.

The €231.5 million change in cash flow from financing activities in the cash flow statement mainly included cash flow relating to net financial liabilities (€645.1 million increase and €407.5 million decrease) and the acquisition of financial assets (€5.9 million).

6.1.2.Components of financial liabilities

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

Gross interest-bearing financial liabilities (gross financial liabilities excluding interest accrued and issue costs amortised using the effective interest method) stood at €2,794.3 million as of December 31, 2022, €2,496.4 million as of December 31, 2021 and €2,482.9 million as of December 31, 2020. They broke down as follows:

		Current	Non-current					
(in millions of euros)	Balance sheet value as of 12/31/2022	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Fair value as of 12/31/2022
Fixed rate debt	**1,678.8**	**352.8**	**10.0**	**74.0**	**15.5**	**31.4**	**1,195.1**	**1,369.4**
Bonds	1,100.0	-	-	-	-	-	1,100.0	826.5
Borrowings from credit institutions	101.4	1.4	-	7.5	7.5	7.5	77.5	88.1
Finance lease liabilities	85.5	9.6	10.0	16.5	8.0	23.9	17.6	76.0
Liabilities to Icade SA	376.0	326.0	-	50.0	-	-	-	363.8
Other shareholder loans	15.9	15.9	-	-	-	-	-	15.1
Variable rate debt	**1,115.5**	**326.9**	**163.3**	**132.6**	**310.1**	**91.4**	**91.2**	**1,088.1**
Borrowings from credit institutions	999.7	313.1	141.8	118.1	303.3	84.4	38.9	981.3
Finance lease liabilities	115.8	13.8	21.4	14.5	6.8	7.0	52.3	106.7
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES AS OF 12/31/2022	**2,794.3**	**679.7**	**173.3**	**206.6**	**325.6**	**122.8**	**1,286.4**	**2,457.5**

		Current	Non-current					
(in millions of euros)	Balance sheet value as of 12/31/2021	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Fair value as of 12/31/2021
Fixed rate debt	**1,302.5**	**74.7**	**9.1**	**9.3**	**65.8**	**7.3**	**1,136.2**	**1,311.7**
Bonds	1,100.0	-	-	-	-	-	1,100.0	1,099.9
Finance lease liabilities	86.6	8.9	9.1	9.3	15.8	7.3	36.2	91.2
Liabilities to Icade SA	100.0	50.0		-	50.0		-	102.9
Other shareholder loans	15.9	15.9	-	-	-	-	-	17.6
Variable rate debt	**1,193.9**	**371.8**	**28.3**	**164.6**	**132.6**	**310.1**	**186.5**	**1,206.0**
Borrowings from credit institutions	712.6	12.9	13.1	141.8	118.1	303.3	123.4	725.9
Finance lease liabilities	131.4	11.6	13.8	21.4	14.5	6.8	63.1	130.1
Other borrowings and similar liabilities	2.7		1.4	1.4				2.7
Liabilities to Icade SA	347.1	347.1	-	-	-	-	-	347.1
Bank overdrafts	0.1	0.1	-	-	-	-	-	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES AS OF 12/31/2021	**2,496.4**	**446.5**	**37.3**	**174.0**	**198.4**	**317.4**	**1,322.8**	**2,517.7**

(in millions of euros)	Balance sheet value as of 12/31/2020	Current	Non-current					Fair value as of 12/31/2020
		< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	
Fixed rate debt	**1,365.1**	**82.6**	**61.3**	**10.8**	**8.7**	**65.1**	**1,136.6**	**1,427.2**
Bonds	1,100.0	-	-	-	-	-	1,100.0	1,146.4
Borrowings from credit institutions	8.6	3.0	3.1	2.4	-	-	-	9.1
Finance lease liabilities	91.1	14.2	8.2	8.4	8.6	15.1	36.6	100.0
Liabilities to Icade SA	150.0	50.0	50.0	-	-	50.0	-	156.3
Variable rate debt	**1,117.9**	**221.0**	**25.3**	**61.2**	**186.8**	**132.4**	**491.2**	**1,143.0**
Borrowings from credit institutions	129.1	19.7	8.1	43.7	18.4	11.7	27.5	131.7
Finance lease liabilities	49.8	2.5	2.5	2.6	2.6	2.7	36.9	57.0
Other borrowings and similar liabilities	184.2	184.2	-	-	-	-	-	185.0
Other shareholder loans	0.1	0.1	-	-	-	-	-	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES AS OF 12/31/2020	**2,482.9**	**303.6**	**86.6**	**71.9**	**195.5**	**197.5**	**1,627.8**	**2,570.3**

The average debt maturity was 4.4 years as of December 31, 2022, 5.6 years as of December 31, 2021 and 6.5 years as of December 31, 2020.

Characteristics of the bonds

Financial year 2022

ISIN code	Issue date	Maturity date	Nominal value on the issue date	Rate	Repayment profile	Nominal value as of 12/31/2022
FR0013457967	11/04/2019	11/04/2029	500.0	Fixed rate 0.875%	Bullet	500.0
FR0013535150	09/17/2020	09/17/2030	600.0	Fixed rate 1.375%	Bullet	600.0
Bonds						**1,100.0**

Financial year 2021

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

Financial year 2020

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

6.1.3.Derivatives and hedge accounting

Presentation of derivatives in the combined statement of financial position

Derivative instruments consist of interest rate cash flow hedges. As of December 31, 2022, the fair value of these instruments was a net asset position of €64.7 million vs. a net liability position of €16.2 million as of December 31, 2021 and €36.4 million as of December 31, 2020. The detailed changes in fair value of derivatives were as follows for the three financial years covered by these financial statements:

(in millions of euros)	12/31/2021 (1)	Additions to the scope of consolidation (2)	Disposals (3)	Payments for guarantee (4)	Changes in fair value recognised in the income statement (5)	Changes in fair value recognised in equity (6)	12/31/2022 (7) = (1) to (6) inclusive
Interest rate swaps – fixed-rate payer	(16.2)		-	-	(0.5)	80.0	63.3
Interest rate options – caps	-		-	-	-	1.5	1.5
TOTAL INTEREST RATE DERIVATIVES	**(16.2)**		**-**	**-**	**(0.5)**	**81.5**	**64.7**
Including derivative assets	0.3		-	-	0.1	65.3	65.7
Including derivative liabilities	(16.6)		-	-	(0.6)	16.2	(0.9)

(in millions of euros)	12/31/2020 (1)	Additions to the scope of consolidation (2)	Disposals (3)	Payments for guarantee (4)	Changes in fair value recognised in the income statement (5)	Changes in fair value recognised in equity (6)	12/31/2021 (7) = (1) to (6) inclusive
Interest rate swaps – fixed-rate payer	(36.4)	-	1.0	-	0.4	18.7	(16.2)
TOTAL INTEREST RATE DERIVATIVES	**(36.4)**	**-**	**1.0**	**-**	**0.4**	**18.7**	**(16.2)**
Including derivative assets	-	-	-	-	-	0.3	0.3
Including derivative liabilities	(36.4)	-	1.0	-	0.4	18.4	(16.6)

(in millions of euros)	12/31/2019 (1)	Additions to the scope of consolidation (2)	Disposals (3)	Payments for guarantee (4)	Changes in fair value recognised in the income statement (5)	Changes in fair value recognised in equity (6)	12/31/2020 (7) = (1) to (6) inclusive
Interest rate swaps – fixed-rate payer	(27.7)	-	-	-	0.2	(8.9)	(36.4)
TOTAL INTEREST RATE DERIVATIVES	**(27.7)**	**-**	**-**	**-**	**0.2**	**(8.9)**	**(36.4)**
Including derivative assets	0.2	-	-	-	(0.1)	(0.1)	-
Including derivative liabilities	(27.9)	-	-	-	0.2	(8.7)	(36.4)

Changes in hedge reserves

Hedge reserves consisted exclusively of fair value adjustments to financial instruments used by the Combined Group for interest rate hedging purposes (effective portion). Changes in hedge reserves for the periods presented are detailed in the table below:

(in millions of euros)	Period start	Recycling to the income statement	Changes in value recognised in equity	Period end
Revaluation reserves:				
2022	(15.2)	(0.4)	81.5	**65.9**
2021	(34.5)	0.5	18.7	**(15.2)**
2020	(24.9)	(0.7)	(8.9)	**(34.5)**

Derivatives: analysis of notional amounts by maturity

The derivative portfolio as of December 31, 2022, 2021 and 2020 was as follows:

		< 1 year	> 1 year and < 5 years	> 5 years
(in millions of euros)	Total	Amount	Amount	Amount
Outstanding derivatives – Interest rate swaps – Fixed-rate payer	666.4	11.5	501.4	153.6
Outstanding derivatives – Interest rate options – Caps	150.0		150.0	
TOTAL PORTFOLIO OF OUTSTANDING DERIVATIVES	816.4	11.5	651.4	153.6
Forward start derivatives – Interest rate swaps – Fixed-rate payer	133.1	-	5.8	127.3
TOTAL PORTFOLIO OF FORWARD START DERIVATIVES	133.1	-	5.8	127.3
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2022	**949.5**	**11.5**	**657.2**	**280.9**
Outstanding derivatives – Interest rate swaps – Fixed-rate payer	714.8	98.4	382.6	233.8
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2021	**714.8**	**98.4**	**382.6**	**233.8**
Outstanding derivatives – Interest rate swaps – Fixed-rate payer	757.9	15.5	301.9	440.5
TOTAL INTEREST RATE DERIVATIVES AS OF 12/31/2020	**757.9**	**15.5**	**301.9**	**440.5**

These derivatives are used as part of the Group's interest rate hedging policy (see note 6.2.2).

6.1.4.Finance income/(expense)

Finance income/(expense) consists primarily of:

- Cost of net financial liabilities, primarily including interest expenses on financial liabilities and derivatives;
- Other finance income and expenses, primarily including restructuring costs for financial liabilities and commitment fees.

The Combined Group recorded a net finance expense of €44.1 million for the financial year 2022 (vs. a net expense of €40.2 million for 2021 and €61.5 million for 2020). It mainly consisted of interest expenses on financial liabilities and derivatives, and prepayment penalties.

(in millions of euros)	2022	2021	2020
Interest expenses on financial liabilities	(27.6)	(21.3)	(17.5)
Interest expenses on derivatives	(3.4)	(7.5)	(7.1)
Recycling to the income statement of interest rate hedging instruments	0.4	0.5	0.7
Expenses on loans and credit lines from Icade	(8.8)	(7.7)	(11.2)
COST OF NET DEBT	(39.4)	(36.0)	(35.1)
Impairment charges and reversals for available-for-sale securities			
Changes in fair value of derivatives recognised in the income statement	(1.0)	0.3	0.1
Commitment fees	(2.4)	(1.9)	(1.0)
Restructuring costs for financial liabilities (a)	(0.4)	(2.6)	(24.9)
Finance income/(expense) from lease liabilities	(0.3)	(0.3)	(0.3)
Other finance income and expenses	(0.7)	0.4	(0.3)
Total other finance income and expenses	**(4.7)**	**(4.1)**	**(26.4)**
FINANCE INCOME/(EXPENSE)	**(44.1)**	**(40.2)**	**(61.5)**

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

6.1.5.Other financial assets and liabilities

ACCOUNTING PRINCIPLES

Under IFRS 9, financial assets are classified and measured either at amortised cost or fair value. In order to determine how best to classify and measure financial assets, the Combined Group has taken into consideration its business model for managing such assets and analysed the characteristics of their contractual cash flows. The Combined Group's financial assets fall into two categories:

- Financial assets measured at fair value through profit or loss:

These assets relate to investments in unconsolidated companies measured at fair value through profit or loss at the reporting date. Fair value is determined using recognised valuation techniques (reference to recent market transactions, discounted cash flows, net asset value, quoted prices if available, etc.).

- Financial assets measured at amortised cost:

These assets mainly relate to deposits and guarantees paid measured at amortised cost at the reporting date.

In accordance with IFRS 9, the Combined Group applies the expected loss model for financial assets that requires, where applicable, expected losses and changes in such losses to be accounted for as soon as the financial asset is recognised at each reporting date to reflect the change in credit risk since initial recognition.

Financial assets consisted primarily of deposits and guarantees paid. They amounted to €64.5 million as of December 31, 2022 (vs. €58.7 million as of December 31, 2021 and €30.9 million as of December 31, 2020 consisting entirely of deposits and guarantees paid). As of December 31, 2022, 100% of the financial assets were due to mature after 5 years.

Financial liabilities related to deposits and guarantees received from tenants for €18.6 million as of December 31, 2022, €14.8 million as of December 31, 2021 and €14.1 million as of December 31, 2020. As of December 31, 2022, 100% of the deposits and guarantees received from tenants were scheduled to mature after 5 years.

6.1.6.Cash and cash equivalents

ACCOUNTING PRINCIPLES

Cash and cash equivalents include cash on hand and demand deposits and term deposit accounts.

Bank overdrafts are excluded from cash and cash equivalents and are recognised as current financial liabilities in the statement of financial position.

(in millions of euros)	**12/31/2022**	**12/31/2021**	**12/31/2020**
Cash equivalents (term deposit accounts)	10.0	10.0	10.0
Cash on hand and demand deposits (including bank interest receivable) (a)	406.7	161.9	491.7
CASH AND CASH EQUIVALENTS	**416.8**	**171.9**	**501.7**

(a) Cash mainly consisted of a cash pooling current account with Icade SA totalling €345.5 million as of December 31, 2022 (€65.9 million as of December 31, 2021 and €459.0 million as of December 31, 2020).

6.2. Management of financial risks

6.2.1.Liquidity risk

As of December 31, 2022, the Combined Group had greater liquidity thanks to:

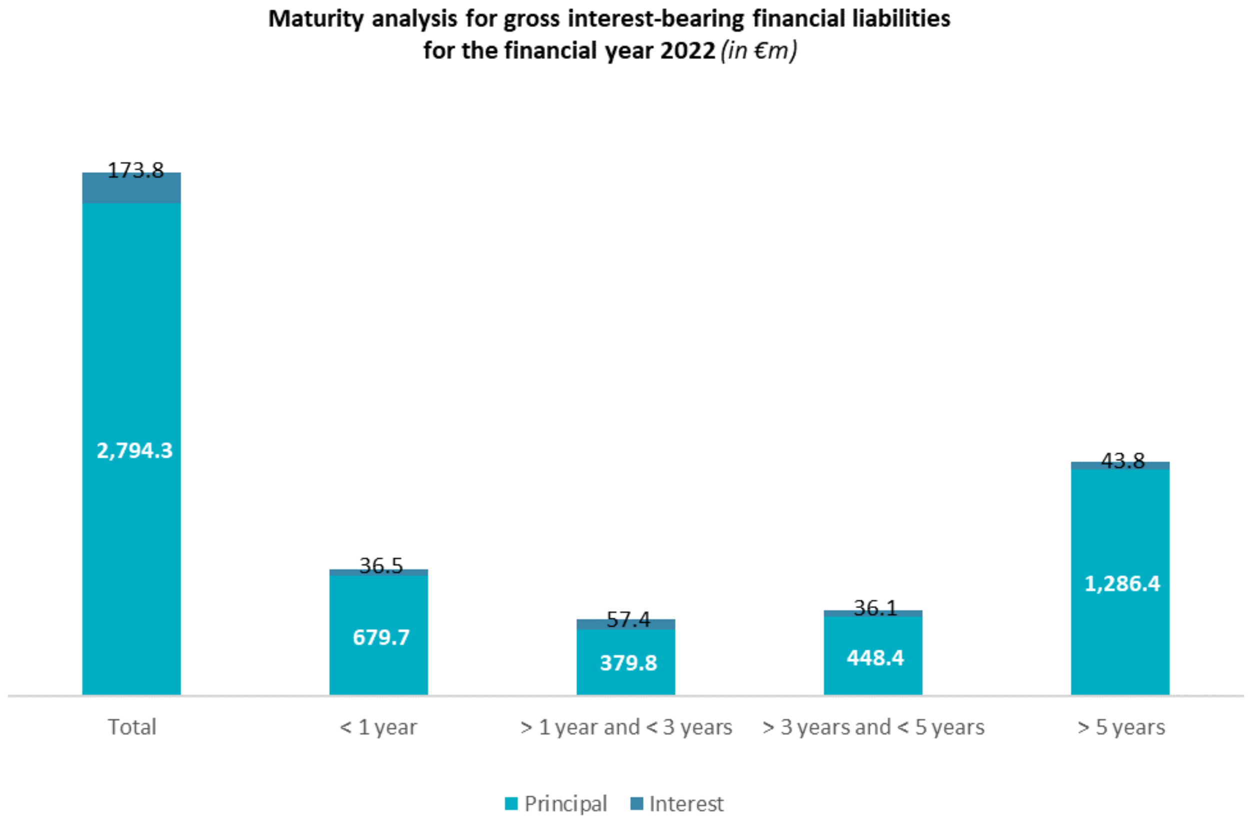
- a new undrawn 5-year, €400.0 million revolving credit facility (RCF) with a 2-year extension option. Secured on very favourable terms, this new facility allowed the Combined Group to cancel a €200.0 million credit line provided by Icade;
- intercompany credit lines provided to IHE with an undrawn amount of €62.0 million;
- a net cash position of €416.8 million.

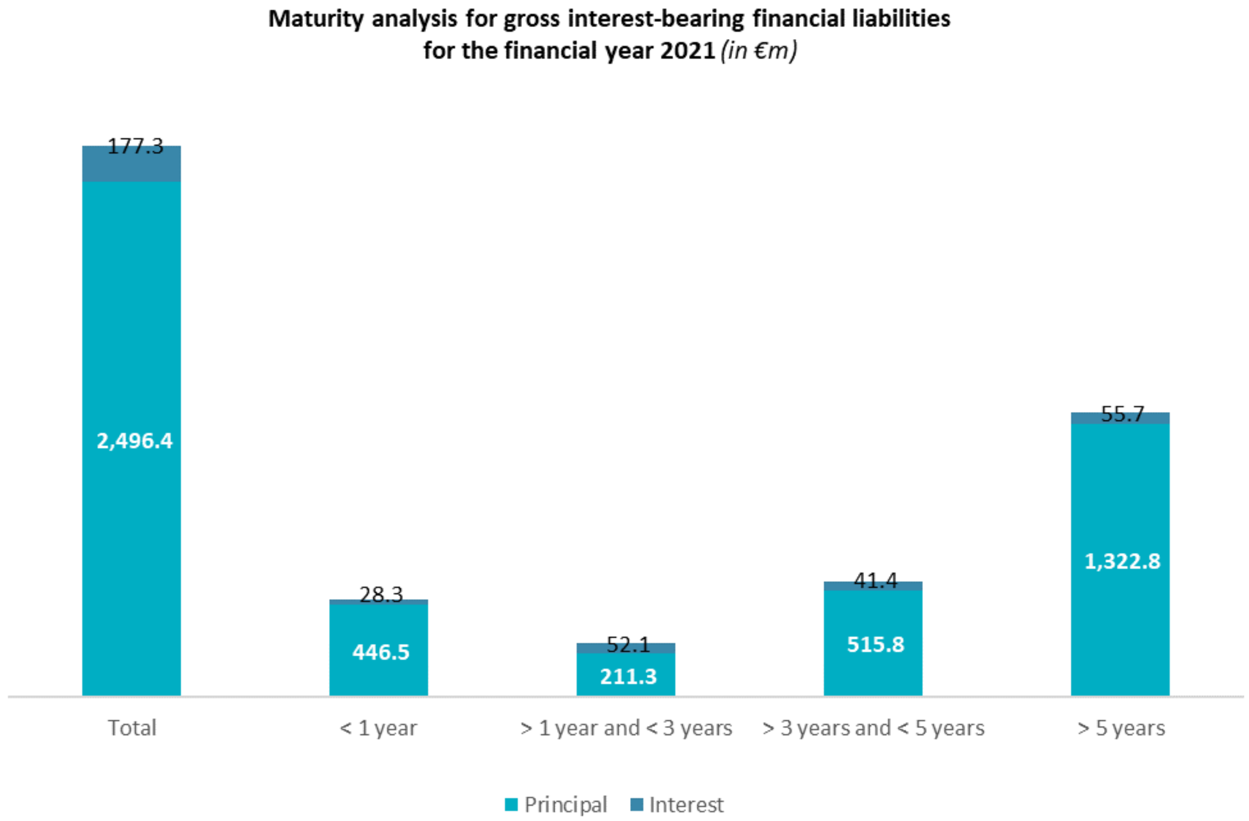
The Combined Group has liabilities to Icade of €376 million:

- a €50.0 million intra-group loan to Icade Santé as of December 31, 2022 (vs. €100.0 million as of December 31, 2021);
- IHE had access to several intercompany credit lines for a cumulative amount of €388.0 million with €326.0 million drawn down as of December 31, 2022 (€575.6 million with €347.1 million drawn down as of December 31, 2021).

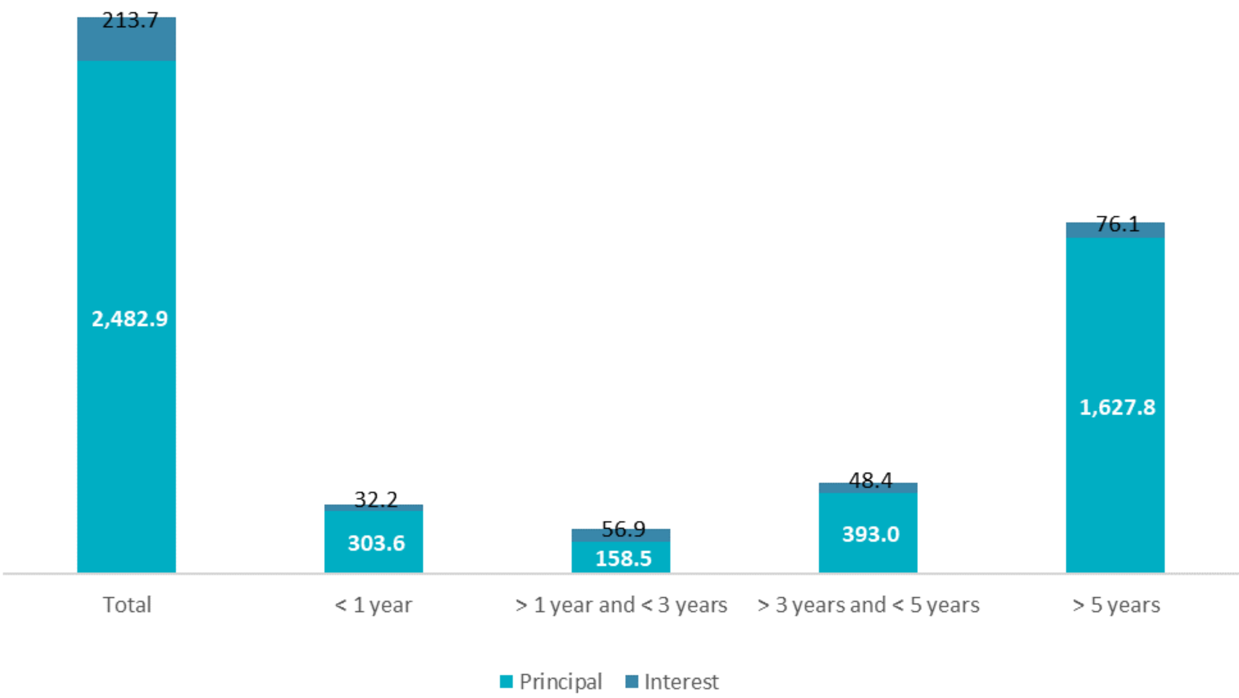
It should be noted that these liabilities to Icade are to be repaid in the context of the formation of the Combined Group and are to be held directly by Icade Santé.

The Combined Group ensures disciplined management and monitoring of the maturities of its main credit lines as shown in the table below. Future interest payments on borrowings and financial derivatives are determined based on anticipated market interest rates.





Maturity analysis for gross interest-bearing financial liabilities for the financial year 2020 *(in €m)*



6.2.2.Interest rate risk

Interest rate risk includes, in the event of increased interest rates, the risk of increased finance expenses related to variable rate financial liabilities and, in the event of reduced interest rates, the risk of reduced finance income related to variable rate financial assets.

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

		12/31/2022		
(in millions of euros)		**Fixed rate**	**Variable rate**	**Total**
Bonds		1,100.0	-	1,100.0
Borrowings from credit institutions		101.4	999.7	1,101.1
Finance lease liabilities		85.5	115.8	201.4
Liabilities to Icade SA		376.0	(0.0)	376.0
Other shareholder loans		15.9		15.9
Bank overdrafts		-	0.0	0.0
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**1,678.8**	**1,115.5**	**2,794.3**
Breakdown of borrowings (in %)		**60%**	**40%**	**100%**
Impact of interest rate hedges (a)	6.1.3.	816.4	(816.4)	0.0
BREAKDOWN AFTER HEDGING		**2,495.2**	**299.1**	**2,794.3**
Breakdown after hedging (in %)		**89%**	**11%**	**100%**

(a) Taking into account interest rate hedges entered into by the Group (see note 6.1.3).

		12/31/2021		
(in millions of euros)		**Fixed rate**	**Variable rate**	**Total**
Bonds		1,100.0	-	1,100.0
Borrowings from credit institutions			712.6	712.6
Finance lease liabilities		86.6	131.4	218.0
Other borrowings and similar liabilities		-	2.7	2.7
Liabilities to Icade SA		100.0	347.1	447.1
Other shareholder loans		15.9	-	15.9
Bank overdrafts		-	0.1	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**1,302.5**	**1,193.9**	**2,496.4**
Breakdown of borrowings (in %)		**52%**	**48%**	**100%**
Impact of interest rate hedges (a)	6.1.3.	714.8	(714.8)	0.0
BREAKDOWN AFTER HEDGING		**2,001.4**	**479.0**	**2,480.4**
Breakdown after hedging (in %)		**81%**	**19%**	**100%**

(a) Taking into account interest rate hedges entered into by the Group (see note 6.1.3).

(in millions of euros)		12/31/2020 Fixed rate	Variable rate	Total
Bonds		1,100.0	-	1,100.0
Borrowings from credit institutions		8.6	754.6	763.2
Finance lease liabilities		91.1	129.1	220.2
Other borrowings and similar liabilities		-	49.8	49.8
Liabilities to Icade SA		150.0	184.2	334.2
Other shareholder loans		15.4	-	15.4
Bank overdrafts		-	0.1	0.1
TOTAL GROSS INTEREST-BEARING FINANCIAL LIABILITIES		**1,365.1**	**1,117.9**	**2,482.9**
Breakdown of borrowings (in %)		**55%**	**45%**	**100%**
Impact of interest rate hedges (a)	6.1.3.	757.9	(757.9)	-
BREAKDOWN AFTER HEDGING		**2,122.9**	**360.0**	**2,482.9**
Breakdown after hedging (in %)		**86%**	**14%**	**100%**

(a) Taking into account interest rate hedges entered into by the Group (see note 6.1.3).

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

As of December 31, 2022, the Combined Group's total debt consisted of 60% fixed rate debt and 40% variable rate debt, with fixed rate and hedged debt representing 89% of the total vs. 81% as of December 31, 2021 and 86% as of December 31, 2020.

The average maturity of variable rate debt was 2.7 years and that of the associated hedges was 4.2 years.

The Combined Group has continued its prudent debt management policy, maintaining limited exposure to interest rate risk by entering into appropriate hedging contracts (swaps and options). In particular, the Combined Group took advantage of a lull in the interest rate market in July and December 2022 to improve its medium- to long-term hedging profile by securing:

- €150 million in collar options maturing in December 2025;
- €100 million in swaps maturing in December 2025 and €100 million in forward-start swaps beginning in December 2023 and maturing in December 2032.

It should be noted that the Combined Group favours designating its hedging instruments as "cash flow hedges" according to IAS 39; therefore, any changes in fair value of such instruments are recognised in equity (for the effective portion).

Due to the Combined Group's hedging structure and the trend in interest rates in the last few financial years, changes in fair value of hedging instruments had a positive impact of €81.5 million on other comprehensive income as of December 31, 2022 vs. a positive impact of €18.7 million as of December 31, 2021 and a negative impact of €8.9 million as of December 31, 2020.

The accounting impact of a -1% or +1% change in interest rates on the value of derivatives and the Combined Group's finance expense is described below:

(in millions of euros)	12/31/2022	
	Impact on equity before tax	Impact on the income statement before tax
Derivative instruments		
Impact of a +1% change in interest rates	30.0	0.0
Impact of a -1% change in interest rates	(31.6)	(0.0)
Payables		
Impact of a +1% change in interest rates		0.2
Impact of a -1% change in interest rates		(0.5)

(in millions of euros)	12/31/2021	
	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	26.0	0.1
Impact of a -1% change in interest rates	(27.7)	(0.2)

(in millions of euros)	12/31/2020	
	Impact on equity before tax	Impact on the income statement before tax
Impact of a +1% change in interest rates	34.8	0.2
Impact of a -1% change in interest rates	(37.3)	(0.2)

6.2.3.Currency risk

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

6.2.4.Counterparty and credit risk

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

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

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

The Combined Group's exposure to credit risk corresponds primarily to the net carrying amount of receivables less deposits received from tenants. As of December 31, 2022, 2021 and 2020, since the deposits received from tenants were greater than the net carrying amount of receivables, the Combined Group's exposure was zero.

6.2.5.Covenants and financial ratios

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

		Covenants	12/31/2022	12/31/2021	12/31/2020
LTV bank covenant	Maximum	< 60%	33.3%	35.1%	35.6%
ICR	Minimum	> 2	8.2x	8.1x	7.9x
Value of the property portfolio	Minimum	> €2bn or €3bn	€6.9bn	€6.7bn	€5.7bn
Security interests in assets	Maximum	< 30% of portfolio value	4.0%	4.5%	7.6%

Loans taken out by the Combined Group may be subject to financial covenants (loan-to-value [LTV] ratio and interest coverage ratio [ICR]). All covenants were met as of December 31, 2022, 2021 and 2020.

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 33.3% as of December 31, 2022, 35.1% as of December 31, 2021 and 35.6% as of December 31, 2020.

Interest coverage ratio (ICR) bank covenant

The interest coverage ratio, which is the ratio of EBITDA to the interest expense for the period, was 8.2x for the financial year 2022 (vs. 8.1x in 2021 and 7.9x in 2020).

6.3. Fair value of financial assets and liabilities

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

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

(in millions of euros)	Carrying amount as of 12/31/2022	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 12/31/2022
ASSETS					
Financial assets	64.6	64.5	-	0.1	64.6
Derivative instruments	65.7	0.1	65.6	-	65.7
Accounts receivable	8.5	8.5			8.5
Other operating receivables (a)	5.8	5.8			5.8
Cash equivalents	10.0	10.0			10.0
TOTAL FINANCIAL ASSETS	**154.6**	**88.9**	**65.6**	**0.1**	**154.6**
LIABILITIES					
Financial liabilities	2,791.6	2,791.6		-	2,457.5
Lease liabilities	3.4	3.4			3.4
Other financial liabilities	18.6	18.6			18.6
Derivative instruments	0.9	-	0.9	-	0.9
Accounts payable	11.5	11.5			11.5
Other operating payables (a)	50.4	50.4			50.4
TOTAL FINANCIAL LIABILITIES	**2,876.4**	**2,875.5**	**0.9**	**-**	**2,542.4**

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

(in millions of euros)	Carrying amount as of 12/31/2021	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 12/31/2021
ASSETS					
Financial assets	58.8	58.7	-	0.1	58.8
Accounts receivable	7.8	7.8	-	-	7.8
Other operating receivables (a)	2.3	2.3	-	-	2.3
Cash equivalents	10.0	-	-	10.0	10.0
TOTAL FINANCIAL ASSETS	**79.2**	**68.8**	**0.3**	**10.1**	**79.2**
LIABILITIES	-				
Financial liabilities	2,493.5	2,493.5	-	-	2,517.7
Lease liabilities	3.5	3.5	-	-	3.5
Other financial liabilities	14.8	14.8	-	-	14.8
Derivative instruments	16.6	-	16.6	-	16.6
Accounts payable	16.3	16.3	-	-	16.3
Other operating payables (a)	209.8	209.8	-	-	209.8
TOTAL FINANCIAL LIABILITIES	**2,754.3**	**2,737.8**	**16.6**	**-**	**2,778.5**

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

(in millions of euros)	Carrying amount as of 12/31/2020	Amortised cost	Fair value through equity	Fair value through profit or loss	Fair value as of 12/31/2020
ASSETS					
Financial assets	31.0	30.9	-	0.1	31.0
Derivatives	-	-	-	-	-
Accounts receivable	11.1	11.1	-	-	11.1
Other operating receivables (a)	7.4	7.4	-	-	7.4
Cash equivalents	10.0	-	-	10.0	10.0
TOTAL FINANCIAL ASSETS	**59.4**	**49.3**	**-**	**10.1**	**59.4**
LIABILITIES	-				
Financial liabilities	2,478.3	2,478.3	-	-	2,570.3
Lease liabilities	3.4	3.4	-	-	3.4
Other financial liabilities	14.1	14.1	-	-	14.1
Derivative instruments	36.4	-	36.4	-	36.4
Accounts payable	15.0	15.0	-	-	15.0
Other operating payables (a)	42.9	42.9	-	-	42.9
TOTAL FINANCIAL LIABILITIES	**2,590.0**	**2,553.6**	**36.4**	**-**	**2,682.0**

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

6.3.2. Fair value hierarchy of financial instruments

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

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

As of December 31, 2022, 2021 and 2020, the Combined Group's financial instruments consisted of:

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

As of December 31, 2022, the Combined Group did not hold any financial instruments measured based on unadjusted prices quoted in active markets for identical assets or liabilities (level 1 of the fair value hierarchy).

Below is a summary table of the fair value hierarchy of financial instruments as of December 31, 2022:

		12/31/2022			
(in millions of euros)	Notes	Level 1: quoted price in an active market	Level 2: valuation technique based on observable data	Level 3: valuation technique based on unobservable data	Fair value as of 12/31/2022
ASSETS					
Derivatives excluding margin calls			65.6		65.6
Financial assets at fair value through profit or loss				0.1	0.1
LIABILITIES					
Derivative instruments			0.9		0.9

Note 7 . Equity and earnings per share

7.1. Capital increases subscribed by shareholders

During the financial years 2022, 2021 and 2020, the Combined Group's shareholders subscribed to the following capital increases:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Icade Santé	44.0	138.0	90.0
Icade Healthcare Europe (a)	176.0	21.1	82.7
Capital increases	**220.0**	**159.1**	**172.7**

(a) In 2022, OPPCI IHE shareholders paid €18.7 million for the 2023 capital increase based on OPPCI IHE's net asset value as of December 31, 2022.

7.2. Dividends

Total dividends distributed in 2022, 2021 and 2020 in respect of profits for the financial years 2021, 2020 and 2019, respectively, were as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Payment to Icade Santé shareholders	209.7	193.1	172.9
Payment to OPPCI IHE shareholders	9.6	-	-
Total	**219.2**	**193.1**	**172.9**

7.3. Earnings per share

ACCOUNTING PRINCIPLES

Basic earnings per share are equal to net profit/(loss) for the period attributable to holders of ordinary shares divided by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period is the average number of ordinary shares outstanding at the beginning of the financial year, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.

In calculating diluted earnings per share, the average number of shares outstanding is adjusted to take into account the diluting effect of equity instruments issued and likely to increase the number of shares outstanding.

7.3.1.Determination of the number of shares

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

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

	12/31/2022		12/31/2021		12/31/2020	
	Number	Capital in €m	Number	Capital in €m	Number	Capital in €m
OPENING SHARE CAPITAL	39,415,929	601.1	37,863,101	577.4	37,740,836	575.5
Capital increases	429,561	6.6	1,552,828	23.7	1,069,009	16.3
Capital reductions	-	-		-	(946,744.0)	(14.4)
CLOSING SHARE CAPITAL	**39,845,490**	**607.7**	**39,415,929**	**601.1**	**37,863,101**	**577.4**
Average undiluted number of shares over the period	**39,451,726**		**37,992,503**		**37,514,339**	

As of December 31, 2022, share capital consisted of 39,845,490 ordinary shares with a par value of €15.25 each. All the shares issued are fully paid up.

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

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

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

	12/31/2022	12/31/2021	12/31/2020
Average undiluted number of Icade Santé SA shares	39,451,726	37,992,503	37,514,339
Adjustment to the number of Icade Santé SA shares for the shares that would have been issued in consideration for IHE's contributions	4,116,345	3,356,629	2,759,035
Average undiluted number of Icade Santé SA shares after adjustment	**43,568,070**	**41,349,132**	**40,273,374**

7.3.2. Calculation of earnings per share

Earnings per share for each period were as follows:

(in millions of euros)		12/31/2022	12/31/2021	12/31/2020
Net profit/(loss) attributable to the Group from continuing operations		397.2	521.6	255.2
Net profit/(loss) attributable to the Group	**(A)**	**397.2**	**521.6**	**255.2**
Average undiluted number of shares	(B)	43,568,070	41,349,132	40,273,374
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP PER SHARE (in euros)	**(A/B)**	**€9.12**	**€12.62**	**€6.34**

7.3.3. Calculation of diluted earnings per share

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

7.4. Non-controlling interests

7.4.1. Change in non-controlling interests

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
OPENING POSITION	**38.0**	**20.6**	**15.9**
IHE capital increase subscribed by minority shareholders	3.5	0.4	1.7
Impact of changes in scope of consolidation (a)	-	10.7	3.6
Profit/(loss)	1.6	7.1	(0.6)
Dividends	(1.7)	(0.8)	-
CLOSING POSITION	**41.4**	**38.0**	**20.6**
Including International Healthcare	41.4	38.0	20.6

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

7.4.2.Financial information on non-controlling interests

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

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Investment property	73.7	74.6	41.7
Other non-current assets	3.2	1.5	0.9
Current assets	3.4	4.0	2.0
TOTAL ASSETS	**80.2**	**80.2**	**44.7**
Current financial liabilities	36.8	36.9	22.8
Other non-current liabilities	0.7	0.9	0.6
Other current liabilities	1.1	4.3	0.8
TOTAL LIABILITIES	**38.8**	**42.1**	**24.1**
NET ASSETS	**41.4**	**38.0**	**20.6**

As of December 31, 2022, 2021 and 2020, the share of profit/(loss) and the cash flows were not significant.

Note 8 . Operational information

8.1. Income from operating activities

ACCOUNTING PRINCIPLES

The Combined Group's revenue encompasses sales and other operating income.

The Combined Group's revenue consists of gross rental income from operating leases in which the Combined Group is the lessor and which fall within the scope of IFRS 16.

Gross rental income

Gross rental income includes rents and other ancillary income from leases in which the Combined Group is the lessor. This income includes rents from healthcare and senior services facilities.

Lease income is recorded using the straight-line method over the shorter of the entire lease term and the period to the next break option. Consequently, any specific clauses and incentives stipulated in the leases (rent-free periods, progressive rent) are recognised over the shorter of the entire lease term and the period to the next break option, without taking index-linked rent reviews into account. The reference period used is the shorter of the entire lease term and the period to the next break option.

Any expenses directly incurred and paid to third parties to set up a lease are recorded as assets under the item "Investment property", and depreciated over the duration of the lease, which is usually the shorter of the entire lease term and the period to the next break option.

Uncollected lease income as of the end of the financial year is recognised in accounts receivable and is tested for impairment in accordance with IFRS 9 as described in note 8.2.1.

Other operating income

Service charges are contractually recharged to tenants. To this end, the Combined Group acts as principal since it controls service charges prior to passing them on to the tenants. As a result, the Combined Group recognises such recharges as income in the "Other operating income" line of the combined income statement.

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

(in millions of euros)	12/31/2022		12/31/2021		12/31/2020	
Elsan group	160.0	44.5%	152.0	47.0%	152.2	50.5%
Ramsay Santé group	73.4	20.4%	72.7	22.5%	71.7	23.8%
Other operators	76.7	21.3%	70.6	21.8%	60.7	20.2%
Gross rental income – France healthcare	**310.2**	**86.2%**	**295.3**	**91.3%**	**284.7**	**94.5%**
EMVIA Living	13.2	3.7%	12.7	3.9%	12.7	4.2%
Sereni Orizzonti	1.6	0.4%	1.6	0.5%	1.6	0.5%
ORPEA	8.0	2.2%	6.2	1.9%	0.9	0.3%
Kos	4.5	1.2%	2.8	0.9%	0.7	0.2%
Gheron	3.2	0.9%	2.6	0.8%	0.4	0.1%
Other operators	19.4	5.4%	1.2	0.4%	0.4	0.1%
Gross rental income – International healthcare	**49.8**	**13.8%**	**27.1**	**8.4%**	**16.7**	**5.5%**
GROSS RENTAL INCOME	**360.0**	**100.0%**	**322.4**	**99.6%**	**301.4**	**100.0%**
Other rental income	-	-	1.2	0.4%	-	-
TOTAL RENTAL INCOME	**360.0**	**100.0%**	**323.6**	**100.0%**	**301.4**	**100.0%**

The Combined Group generated gross rental income of €360.0 million in 2022 (€322.4 million in 2021 and €301.4 million in 2020), i.e. an 11.6% increase between 2021 and 2022 and 7.6% between 2020 and 2021.

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

Other operating income mainly consists of service charges recharged to tenants totalling €30.9 million as of December 31, 2022, €28.5 million as of December 31, 2021 and €25.3 million as of December 31, 2020.

8.2. Components of the working capital requirement

The working capital requirement consists primarily of the following items:

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

8.2.1.Accounts receivable

ACCOUNTING PRINCIPLES

Accounts receivable are measured at amortised cost in accordance with IFRS 9. They are initially recognised at fair value (usually based on the invoice amount) and tested for impairment. See note 6.2.4 for further information on the Combined Group's exposure to credit risk.

Accounts receivable related mainly to lease payments receivable and the impact of straight-lining of lease incentives (rent free periods and progressive rent).

Changes in accounts receivable were as follows:

(in millions of euros)	12/31/2021	Change for the period	Net change in impairment losses and fair value adjustments through profit or loss	12/31/2022
Accounts receivable – Gross value	10.3	1.7	-	12.0
Accounts receivable – Impairment	(2.5)		(1.0)	(3.5)
ACCOUNTS RECEIVABLE – NET VALUE	**7.8**	**1.7**	**(1.0)**	**8.5**

(in millions of euros)	12/31/2020	Change for the period	Net change in impairment losses recognised in the income statement	12/31/2021
Accounts receivable – Gross value	14.2	(3.9)	-	10.3
Accounts receivable – Impairment	(3.1)	0.0	0.6	(2.5)
ACCOUNTS RECEIVABLE – NET VALUE	**11.1**	**(3.9)**	**0.6**	**7.8**

(in millions of euros)	12/31/2019	Change for the period	Net change in impairment losses recognised in the income statement	12/31/2020
Accounts receivable – Gross value	12.9	1.3	-	14.2
Accounts receivable – Impairment	(3.0)	-	(0.2)	(3.1)
ACCOUNTS RECEIVABLE – NET VALUE	**9.9**	**1.3**	**(0.2)**	**11.1**

Below is a maturity analysis of accounts receivable net of impairment as of December 31, 2022, 2021 and 2020:

			Due				
(in millions of euros)	Total	Not yet due	< 30 days	30 < X < 60 days	60 < X < 90 days	90 < X < 120 days	> 120 days
Gross value of accounts receivable	12.0	5.3	0.5	0.5	0.1	5.6	-
Impairment loss on accounts receivable	(3.5)	-	-	-	-	(3.5)	-
Net value of accounts receivable as of 12/31/2022	**8.5**	**5.3**	**0.5**	**0.5**	**0.0**	**2.1**	**-**
Gross value of accounts receivable	10.3	5.1	2.0	-	0.4	2.8	-
Impairment loss on accounts receivable	(2.5)	-	-	-	(0.3)	(2.3)	-
Net value of accounts receivable as of 12/31/2021	**7.8**	**5.1**	**2.0**	**-**	**0.2**	**0.5**	**-**
Gross value of accounts receivable	14.2	9.4	1.2	0.1	-	2.8	0.6
Impairment loss on accounts receivable	(3.1)	-	-	-	-	(2.5)	(0.6)
Net value of accounts receivable as of 12/31/2020	**11.1**	**9.4**	**1.2**	**0.1**	**-**	**0.3**	**-**

The Combined Group has maintained its impairment policy. As at each reporting date, a case-by-case analysis was carried out to assess the risk of non-payment of receivables and to impair, where appropriate, receivables from tenants at risk of default. As of December 31, 2022, the Combined Group did not identify any heightened risk of default from its tenants that benefited from rent deferrals.

8.2.2.Miscellaneous receivables and payables

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

Miscellaneous receivables broke down as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Advances to suppliers	4.4	1.2	6.3
Prepaid expenses	3.1	1.5	3.9
Social security and tax receivables	3.7	5.0	3.8
Other receivables	1.3	1.0	1.1
TOTAL MISCELLANEOUS RECEIVABLES	**12.5**	**8.8**	**15.0**

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

Miscellaneous payables broke down as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Advances from customers	1.4	1.5	3.1
Payables on acquisitions of fixed assets	27.6	28.5	36.2
Prepaid income	1.4	2.4	2.5
Tax and social security payables excluding income taxes	7.0	3.7	4.3
Other payables (a)	21.4	179.7	3.6
TOTAL MISCELLANEOUS PAYABLES	**58.8**	**215.9**	**49.7**

(a) Including €176.0 million as of December 31, 2021 and €18.7 million as of December 31, 2022 for share subscriptions received by IHE for its capital increase, pending publication of the net asset values.

8.3. Lease liabilities

ACCOUNTING PRINCIPLES

In accordance with IFRS 16:

- In the combined statement of financial position, “Lease liabilities” (current and non-current liabilities) refers to lease commitments under building leases;
- In the combined income statement, “Other finance income and expenses” includes interest expenses arising from lease liabilities;
- Within the “Financing activities” section of the combined cash flow statement, “Repayments of lease liabilities” comprises principal repayments on lease liabilities. Within the “Operating activities” section of the combined cash flow statement, “Interest paid” includes interest payments on lease liabilities.

The lease liability is initially measured at the present value of future lease payments. These future lease payments include:

- Fixed lease payments less any lease incentives provided by the lessor;
- Variable lease payments that depend on an index or a rate;
- Residual value guarantees;
- The price of any purchase options where management is reasonably certain that they will be exercised;
- Early termination penalties where management is reasonably certain that an early termination option entailing significant penalties will be exercised.

The present value of future lease payments is obtained using the Combined Group’s incremental borrowing rate, which varies depending on the remaining lease term.
For each lease falling within the scope of IFRS 16, the lease term is assessed by management in accordance with the procedures provided for under the standard.

The reasonably certain lease term is the non-cancellable period of a lease adjusted for the following items:

- Any option to early terminate the lease if the Combined Group is reasonably certain not to exercise that option;
- Any option to extend the lease if the Combined Group is reasonably certain to exercise that option.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. In practice, lease liabilities are determined at their net carrying amount plus any interest and less any lease payments made.

Lease liabilities may be remeasured in the course of the reasonably certain lease term in any of the following circumstances:

- Lease modification;
- An increase or decrease in the assessment of the lease term;

An increase or decrease in the assessment of lease payments linked to an index or a rate.

(in millions of euros)	Lease liabilities
12/31/2019	**1.9**
Impact of remeasurement and new leases	1.5
Finance expense for the period	0.3
Repayment of liabilities (a)	(0.1)
Interest paid (a)	(0.2)
12/31/2020	**3.4**
Finance expense for the period	0.3
Repayment of liabilities (a)	0.0
Interest paid (a)	(0.3)
12/31/2021	**3.4**
Finance expense for the period	0.3
Repayment of liabilities (a)	(0.0)
Interest paid (a)	(0.3)
12/31/2022	**3.4**
< 1 year	0.1
> 1 year and < 5 years	0.2
> 5 years	3.1

(a) Lease payments amounted to €0.4 million in 2022 (€0.3 million and €0.2 million in 2021 and 2020)

Lease expenses from leases not recognised in accordance with the practical expedients offered under IFRS 16 were not significant for the financial years 2022, 2021 and 2020.

Note 9 . Income tax

ACCOUNTING PRINCIPLES

Eligible companies of the Combined Group benefit from the specific tax regime for French listed real estate investment companies (SIICs). Ordinary tax rules apply to the other companies of the Combined Group.

The tax expense for the financial year includes:
- The current French exit tax expense for entities under the SIIC tax regime;
- The current foreign tax expense at the standard rate;
- The company value-added contribution (CVAE) for operating properties located in France.

SIIC and SPPICAV tax regimes in France

The companies of the Combined Group have opted for the SIIC tax regime, which provides for:
- An SIIC segment exempt from tax on current income from leasing activities, capital gains on disposals and dividends received from subsidiaries which have opted for the SIIC tax regime;
- A segment that is taxable under ordinary tax rules in respect of other operations.

Entities to which the SIIC tax regime applies must pay out:
- 95% of profits from leasing activities;
- 70% of capital gains on disposals;
- 100% of dividends paid by subsidiaries which have opted for the SIIC tax regime.

Entities to which the SPPICAV tax regime applies must pay out:
- 85% of profits from leasing activities;
- 50% of capital gains on disposals;
- 100% of dividends paid by subsidiaries which have opted for the SIIC tax regime.

Entry into the SIIC tax regime

At the time of entry into the SIIC tax regime, an exit tax of 19% is levied on any unrealised capital gains relating to investment property and partnerships not subject to corporate tax. A quarter of the tax amount is payable from December 15 of the financial year on which the entity begins to apply the tax regime and the remainder is spread over the following three financial years.

The exit tax liability is discounted according to its payment schedule on the basis of a market rate plus a premium.

The impact of discounting is deducted from the tax liability and the tax expense initially recognised. At the end of each reporting period until maturity, a finance expense is recognised as an offsetting entry for the unwinding of the discount on the tax liability.

REIF tax regime in Italy

The assets located in Italy are held directly by an entity incorporated in Italy as a regulated fund (REIF). Under Italian law, the REIF is exempt from tax on (i) the operation of real estate assets in Italy, (ii) any capital gains generated and (iii) the remittance of dividends to France.

Tax regime for assets located in Germany

The assets located in Germany are held directly by companies incorporated as SAS (French simplified joint-stock company) with their registered office in France (the "PropCos"). The net profit of the PropCos (i.e. gross rental income less depreciation charges and interest charges on existing debt) is taxed exclusively in Germany at a rate of 15.825%.

Dividends paid by the PropCos to IHE are exempt from tax in France, subject to compliance with dividend payment obligations.
Dividends paid to Icade SA by the PropCos which have not opted for the SIIC tax regime are subject to a 1.25% residual tax in France (proportion of costs and expenses).
Dividends paid to Icade SA by the PropCos which have opted for the SIIC tax regime are tax-exempt, subject to compliance with dividend payment obligations.

Any capital gains generated in the event of a direct sale of an asset by a PropCo will be taxed in Germany at a rate of 15.825%. For PropCos that have not opted for the SIIC tax regime, capital gains will also be taxed in France at an effective rate of 10% (i.e. an effective corporate tax rate of 25.825% less the 15,825% tax already paid in Germany).

Any capital gains generated in the event of a sale of PropCos shares will be exempt from tax in both France and Germany.

Tax regime for assets located in Spain

The assets located in Spain are held directly by companies based in this country (IHE Spain 1 and IHE Spain 2) that are wholly owned by Icade Santé, a company incorporated as a French public limited company (SA, *société anonyme*) with a Board of Directors, with its registered office in France. The net profit of IHE Spain 1 and IHE Spain 2 (i.e. gross rental income less depreciation charges and interest charges on existing debt) is taxed in Spain at a rate of 25%.

Dividends paid by IHE Spain 1 and IHE Spain 2 to Icade Santé will be subject to a 1.25% residual tax in France (proportion of costs and expenses).

Any capital gains generated in the event of a sale of an asset by IHE Spain 1 or IHE Spain 2 will be taxed in Spain at a rate of 25%.

Should Icade Santé sell its shares in IHE Spain 1 or IHE Spain 2, any capital gains realised on such sale would be taxed in France at the corporate tax rate of 25%, net of a tax credit equal to the amount of tax paid in Spain (at a rate of 19%) on these capital gains.

Tax regime for assets located in Portugal

The assets located in Portugal are held directly by an entity incorporated in Portugal as a regulated fund (the "Fund"). Under Portuguese law, the Fund is exempt from tax on operating its property assets in Portugal and any capital gains generated if an asset is sold.
Dividends paid by the Fund to its shareholders IHE and Icade Santé SA will be subject to a 10% withholding tax in Portugal. In France, the dividends received by IHE and Icade Santé will be exempt from tax.

9.1. Tax expense

The tax expense for the financial years presented broke down as follows:

(in millions of euros)	2022	2021	2020
Company value-added contribution (CVAE)	(1.6)	(1.6)	(2.8)
Current and deferred tax expense	(2.7)	(0.5)	(1.4)
TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(4.3)**	**(2.1)**	**(4.2)**

9.2. Reconciliation of the theoretical tax rate to the effective tax rate

The theoretical tax expense is calculated by applying the estimated tax rate in France as of the end of the reporting period under consideration to profit/(loss) before tax. The reconciliation of the theoretical tax expense to the effective tax expense is detailed in the table below:

(in millions of euros)	2022	2021	2020
NET PROFIT/(LOSS)	398.8	528.7	254.6
Tax expense	4.3	2.1	4.2
Company value-added contribution (CVAE)	(1.6)	(1.6)	(2.8)
PROFIT/(LOSS) BEFORE TAX AND AFTER CVAE	401.4	529.3	256.0
Theoretical tax rate	**25.8%**	**25.8%**	**32.0%**
THEORETICAL TAX EXPENSE	(103.7)	(136.7)	(82.0)
Impact on the theoretical tax expense of:			
Permanent differences (a)	56.3	102.7	56.4
Tax-exempt segment under the SIIC regime	44.6	33.0	24.5
Change in unrecognised tax assets (tax loss carry forwards)	(0.1)	0.2	(0.1)
Tax rate differences	0.6	0.3	(0.1)
Other impacts (including exit tax, provision for taxes, etc.)	(0.4)	(0.1)	(0.1)
EFFECTIVE TAX EXPENSE (b)	(2.7)	(0.6)	(1.4)
Effective tax rate	**0.7%**	**0.1%**	**0.6%**

(a) Permanent differences mainly relate to differences between the consolidated income and the taxable "fiscal" income from companies benefiting from the SIIC tax regime.

(b) The effective tax expense is the tax expense recognised in the income statement excluding CVAE.

Note 10 . Provisions

10.1. Provisions

ACCOUNTING PRINCIPLES

A provision is recognised if the Combined Group has a present obligation to a third party that arises from past events, the settlement of which is expected to result in an outflow from the Combined Group of resources embodying economic benefits and the value of which can be estimated reliably.

If the settlement date of that obligation is expected to be in more than one year, the present value of the provision is calculated and the effects of such calculation are recorded as finance income/(expense).

Identified risks of any kind, particularly operational and financial risks, are monitored on a regular basis, which makes it possible to determine the amount of provisions deemed necessary.

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

(in millions of euros)	12/31/2020	Charges	Use	Actuarial gains and losses	12/31/2021
Lump sum payments on retirement and similar liabilities	-	0.9	-	(0.1)	0.8
Other provisions	0.1	-	-	-	0.1
PROVISIONS FOR LIABILITIES AND CHARGES	**0.1**	**0.9**	**-**	**(0.1)**	**0.9**
Non-current provisions	0.1	0.9	-	(0.1)	0.9
Current provisions	-	0.0	-	-	0.0

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

10.2. Contingent liabilities

ACCOUNTING PRINCIPLES

A contingent liability is a possible obligation arising from past events where the outcome is uncertain or a present obligation arising from past events whose amount cannot be estimated reliably. Contingent liabilities are not recognised in the combined statement of financial position.

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

The proceedings were still ongoing as of December 31, 2022.

Note 11 . Employee remuneration and benefits

ACCOUNTING PRINCIPLES

Since October 1, 2021, several Icade Management employees have been transferred to Icade Santé. The Combined Group had no employees prior to that date.

The Combined Group's employees enjoy the following benefits:

- Short-term employee benefits (e.g. paid annual leave or profit-sharing plan);
- Defined contribution post-employment plans (e.g. pension scheme);
- Defined benefit post-employment plans (e.g. lump sum payments on retirement);
- Other long-term employee benefits (e.g. anniversary bonus).

These benefits are recognised in accordance with IAS 19 – Employee benefits.

11.1. Short-term employee benefits

ACCOUNTING PRINCIPLES

Short-term employee benefits are employee benefits that the Combined Group is required to pay to its employees before twelve months after the end of the period in which the employees rendered service providing entitlement to these benefits.

They are accounted for as "Miscellaneous payables" in the combined statement of financial position until the date they are paid to the employees and recognised as expenses in the combined income statement for the reporting period in which service was rendered.

The provision for the employee profit-sharing plan is determined in accordance with the current Icade Group agreement.

11.2. Post-employment benefits and other long-term employee benefits

ACCOUNTING PRINCIPLES

Post-employment benefits

Post-employment benefits are employee benefits that the Combined Group is required to pay to its employees after the completion of employment.

Defined contribution post-employment plans

Contributions periodically paid under plans which are considered as defined contribution plans, i.e. where the Combined Group has no obligation other than to pay the contributions, are recognised as an expense for the year, when they are due. These plans release the Combined Group from any future obligations.

Defined benefit post-employment plans

These benefits are conditional on completing a certain number of years of service within the Combined Group. They include lump sum payments on retirement and other employee benefits which are considered as defined benefit plans (plans under which the Combined Group undertakes to guarantee a defined amount or level of benefit) such as pensions.

They are recognised in the combined statement of financial position on the basis of an actuarial assessment of liabilities as of the reporting date performed by an independent actuary.

The provision which is included as a liability in the combined statement of financial position is the present value of the obligation less the fair value of plan assets, which are assets held to fund the obligation.

The provision is calculated according to the projected unit credit method and includes the related social security expenses. It takes into account a number of assumptions detailed below:

- Employee turnover rates;
- Rates of salary increases;
- Discount rates;
- Mortality tables;
- Rates of return on plan assets.

Actuarial gains and losses are differences between the assumptions used and reality, or changes in the assumptions used to measure the liabilities and the related plan assets. In accordance with IAS 19, actuarial gains and losses on post-employment benefit plans are recognised in equity for the financial year in which they are measured and included in the combined statement of comprehensive income in "Other comprehensive income not recyclable to the income statement".

In the event of legislative or regulatory changes or agreements affecting pre-existing plans, the Combined Group shall immediately recognise the impact in the income statement in accordance with IAS 19.

Other long-term employee benefits

Other long-term employee benefits mainly comprise anniversary bonuses. A provision is recorded in respect of anniversary bonuses, which are measured by an independent actuary based on the likelihood of employees reaching the seniority required for each milestone. These values are updated at the end of each reporting period. For these other long-term benefits, actuarial gains or losses for the financial year are recognised immediately and in full in the income statement.

(in millions of euros)	12/31/2022	12/31/2021
Defined benefit post-employment plans	0.8	0.7
Other long-term employee benefits	0.1	0.1
TOTAL	**0.9**	**0.8**

11.2.1.Defined benefit post-employment plans

(in millions of euros)		12/31/2022	12/31/2021
OPENING PROVISION	(1)	0.7	-
Impact of changes in scope of consolidation and other changes	**(2)**		-
Cost of services provided during the year		0.1	**0.8**
Finance cost for the year		**0.2**	-
Costs for the period	**(3)**	**0.3**	0.8
Benefits paid out	(4)	(0.0)	-
Net expense recognised in the income statement	**(5) = (3) + (4)**	**0.2**	**0.8**
Actuarial (gains)/losses for the year	(6)	(0.1)	(0.1)
CLOSING ACTUARIAL DEBT	**(7) = (1) + (2) + (5) + (6)**	**0.8**	**0.7**

For the Combined Group, defined benefit post-employment plans were valued as of December 31, 2022 according to the terms of the Single Icade Group Agreement signed on December 17, 2012.

The following actuarial assumptions were used:

- Discount rate of 3.08% as of December 31, 2022 vs. 0.91% as of December 31, 2021.
  The discount rate used for the period ended December 31, 2022 is defined based on the "iBoxx € Corporates AA 10+" reference index. This reference index represents the yields of top-rated corporate bonds as of December 31, 2022;
- Male/female mortality tables: Male/female INSEE tables for 2018-2020;
- Retirement age calculated according to statutory provisions.

Rates of salary increase and employee turnover are defined by job, occupational group and age group. Social security and tax rates on salaries are defined by job and occupational group.

11.2.2.Other long-term employee benefits

(in millions of euros)	12/31/2022	12/31/2021
Anniversary bonuses	0.1	0.1
TOTAL	**0.1**	**0.1**

11.2.3.Sensitivity of net carrying amounts of employee benefit liabilities

The impact of a change in the discount rate on employee benefit liabilities is presented in the table below:

(in millions of euros)	12/31/2022		
Change in discount rate	Lump sum payments on retirement and pensions	Anniversary bonuses	Total
(1.00)%	0.1	0.0	0.1
(0.50)%	0.0	0.0	0.0
1.00%	(0.1)	(0.0)	(0.1)
0.50%	(0.0)	(0.0)	(0.0)

(in millions of euros)	12/31/2021		
Change in discount rate	Lump sum payments on retirement and pensions	Anniversary bonuses	Total
(1.00)%	0.1	0.0	0.1
(0.50)%	0.0	0.0	0.0
1.00%	(0.1)	(0.0)	(0.1)
0.50%	(0.0)	(0.0)	(0.0)

11.2.4.Projected cash flows

Projected cash flows relating to employee benefit liabilities as of December 31, 2022 are presented in the table below:

(in millions of euros) Years	Lump sum payments on retirement	Anniversary bonuses	Total
N+1	0.1	0.0	0.1
N+2	0.1	0.0	0.1
N+3	0.0	0.0	0.0
N+4	0.1	0.0	0.1
N+5	0.1	0.0	0.1
Beyond	0.7	0.1	0.7
TOTAL	**1.0**	**0.1**	**1.1**
Discounting	(0.2)	(0.0)	(0.3)
Liabilities as of 12/31/2022	0.8	0.1	0.9

11.2.5.Employee termination benefits

As decided by management, termination benefits relating to the Combined Group's employees (excluding related parties) are not currently covered by any provision.

(in millions of euros)	12/31/2022	12/31/2021
Potential termination benefits	0.5	0.5
TOTAL UNRECOGNISED	**0.5**	**0.5**

11.3. Staff

Since October 1, 2021, several Icade Management employees have been transferred to Icade Santé. The Combined Group had no employees prior to that date.

	Average number of staff					
	12/31/2022			12/31/2021		
	Executives	Non-executives	Total employees	Executives	Non-executives	Total employees
Icade Santé Group	38.0	6.3	44.3	8.4	1.3	9.7
TOTAL NUMBER OF STAFF	**38.0**	**6.3**	**44.3**	**8.4**	**1.3**	**9.7**

As of December 31, 2022, the Combined Group had 45 employees (39 as of December 31, 2021).

Note 12 . Other information

12.1. Related parties

ACCOUNTING PRINCIPLES

In accordance with IAS 24 – Related party disclosures, a related party is a person or entity that is related to the Combined Group. This may include:

- A person or a close member of that person's family if that person:
  - Has control, or joint control of, or significant influence over the Combined Group;
  - Is a member of the key management personnel of the Combined Group or of a parent thereof.

- An entity is considered a related entity if any of the following conditions applies:
  - The entity and the Combined Group are members of the same group;
  - The entity is a joint venture or associate of the Combined Group;
  - The entity is jointly controlled or owned by a member of the key management personnel of the Combined Group;
  - The entity provides key management personnel services to the Combined Group.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party.

12.1.1. Related parties identified by the Combined Group

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

12.1.2. Related party transactions

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

Remuneration and other benefits for key management personnel

The remuneration of the Combined Group's key management personnel is presented by type for the financial years 2022 and 2021 in the table below:

(in millions of euros)	12/31/2022	12/31/2021
Short-term benefits (salaries, bonuses, etc.) [(a)]	0.5	0.3
BENEFITS RECOGNISED	0.5	0.3
Termination benefits	0.5	0.5
TOTAL UNRECOGNISED	0.5	0.5
TOTAL	**1.0**	**0.8**

(a) Figures include employer contributions.

Transactions with the parent company Icade SA

Non-financial agreements

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

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

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

- **Assistance and service provision agreement:** this agreement provides that Icade Santé and its subsidiaries will be assisted by the support functions of Icade SA, particularly in the following areas:
    - Routine IT services;
    - Accounting and financial assistance;
    - Tax and administrative assistance (including insurance but excluding legal assistance);
    - Human resources;
    - Portfolio management;
    - In exchange, Icade SA receives remuneration equal to the costs it incurred to provide these services plus 5%.

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

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

This agreement was signed on December 21, 2022, came into effect on October 4, 2021 and will expire on December 31, 2023.

- **Assistance and specific legal service provision agreement**

This agreement provides that Icade Santé and its French subsidiaries will be assisted by the support functions of Icade SA in the following areas:

- Assistance in corporate matters/corporate law;
- Legal assistance in financing matters;
- Legal assistance in litigation matters;
- Legal assistance in matters relating to professional property transaction and management licences under the French Hoguet Law of January 2, 1970.

In exchange, Icade SA receives remuneration equal to the costs it incurred to provide these services plus 5%.

The agreement was signed on April 13, 2022, came into effect on October 4, 2021 and initially expired on June 30, 2022, with tacit renewal for periods of three months.

- **Assistance and specific compliance service provision agreement**

This agreement provides that Icade Santé and its subsidiaries will be assisted by the support functions of Icade SA in the following areas:

- Updating the body of compliance documentation: Code of Ethics in French and English, Anti-Bribery and Corruption Policy in French and English, policies, procedures, guides, non-compliance risk mapping, etc.;
- Assistance in AML/CFT and KYC/KYS matters and reporting (TRACFIN reports, etc.);
- Assistance in training employees in compliance matters;
- Assistance in drafting compliance clauses in certain types of agreement (agency agreements, rental agreements, preliminary agreements and deeds of sale/acquisition, etc.);
- Designing compliance checks and monitoring compliance audits.

In exchange, Icade SA receives remuneration equal to the costs it incurred to provide these services plus 5%.

The agreement was signed on April 13, 2022, came into effect on October 4, 2021 and initially expired on June 30, 2022, with tacit renewal for periods of three months.

Financial agreements

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

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

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

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

Signing date (a)	Maturity	Repayment	Rate	Outstanding as of 12/31/2020	Increase	Prepayment	Repayment	Outstanding as of 12/31/2021
06/28/2018	06/28/2025	bullet	fixed annual rate of 1.40%	50.0	-	-	-	50.0
10/01/2015	10/01/2022	bullet	fixed annual rate of 2.54%	50.0	-	-	-	50.0
11/28/2014	10/01/2021	amortising	fixed annual rate of 2.29%	50.0	-	-	(50.0)	-
Total				**150.0**	**-**	**-**	**(50.0)**	**100.0**

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

Signing date (a)	Maturity	Repayment	Rate	Outstanding as of 12/31/2019	Increase	Prepayment (b)	Repayment	Outstanding as of 12/31/2020
06/28/2018	06/28/2025	bullet	fixed annual rate of 1.40%	50.0	-	-	-	50.0
10/15/2015	10/15/2025	bullet	fixed annual rate of 3.11%	110.0	-	(110.0)	-	-
10/01/2015	10/01/2022	bullet	fixed annual rate of 2.54%	200.0	-	(150.0)	-	50.0
10/01/2015	10/01/2025	bullet	fixed annual rate of 3.11%	100.0	-	(100.0)	-	-
10/01/2015	10/01/2020	bullet	3-month Euribor published two business days prior plus 146 bps	37.4	-	-	(37.4)	-
11/28/2014	10/01/2021	amortising	fixed annual rate of 2.29%	60.0	-	-	(10.0)	50.0
Total				**557.4**	**-**	**(360.0)**	**(47.4)**	**150.0**

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

(b) Prepayments resulted in penalty payments. See note 7.2. "Finance income/(expense)".

- **Intercompany credit lines**
  - Icade Santé SA entered into the following credit line agreements with Icade SA:
  - On April 1, 2018, a €200.0 million credit line superseding in its entirety the previous €200.0 million credit line for a period up to and including March 31, 2020.
    The interest rate on the credit line is the average 3-month Euribor published one month prior plus a margin of 90 bps;
  - On September 30, 2019, a first amendment to the agreement entered into on April 1, 2018 to extend its term to 39 months, thereby extending its maturity to June 30, 2021;
  - On June 30, 2020, a second amendment to the agreement entered into on April 1, 2018 to extend its maturity to June 30, 2025 and adjust the interest rate to the average 3-month Euribor published one month prior plus a margin of 157 bps.

In 2022, Icade Santé SA terminated this credit line agreement before its expiry.

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

Signing date (a)	Maturity	Rate	Outstanding as of 12/31/2021	Increase	Prepayment (b)	Repayment	Outstanding as of 12/31/2022
02/01/2019	03/31/2023	EUR3M + 2.64%	26.0		(26.0)		-
12/10/2019	12/31/2023	EUR3M + 1.55%	93.2		(93.2)		-
09/22/2020	09/22/2022	EUR3M + 2.04%	51.9			(51.9)	-
11/10/2020	12/31/2022	EUR3M + 3.00%	24.2		(24.2)		-
12/15/2020	12/31/2023	EUR3M + 3.00%	19.7		(19.7)		-
04/27/2021	06/30/2023	EUR3M + 2.64%	11.3		(11.3)		-
07/08/2021	06/30/2023	EUR3M + 2.07%	15.5		(15.5)		-
07/21/2021	06/30/2023	EUR3M + 2.15%	6.7		(6.7)		-
10/01/2021	12/31/2023	EUR3M + 2.51%	14.9		(14.9)		-
11/10/2021	12/31/2023	EUR3M + 2.51%	5.3		(5.3)		-
11/10/2021	12/31/2023	EUR3M + 2.51%	26.0		(26.0)		-
11/10/2021	12/31/2023	EUR3M + 1.44%	1.4		(1.4)		-
12/16/2021	12/31/2023	EUR3M + 1.44%	7.0		(7.0)		-
12/16/2021	12/31/2023	EUR3M + 1.82%	44.0		(44.0)		-
11/17/2022	12/31/2023	Fixed 2.53%		153.5			153.5
11/17/2022	12/31/2023	Fixed 4.21%		128.5			128.5
11/17/2022	12/31/2023	Fixed 3.12%		44.0			44.0
Total			**347.1**	**326.0**	**(295.2)**	**(51.9)**	**326.0**

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

(b) Prepayments may result in penalty payments. See note 6.1.4. "Finance income/(expense)".

Signing date (a)	Maturity	Rate	Outstanding as of 12/31/2020	Increase	Prepayment (b)	Repayment	Outstanding as of 12/31/2021
02/01/2019	03/31/2023	EUR3M + 2.64%	14.2	11.8	-	-	26.0
12/10/2019	12/31/2023	EUR3M + 1.55%	101.5	-	(8.3)	-	93.2
09/22/2020	09/22/2022	EUR3M + 2.04%	20.5	40.5	(9.1)	-	51.9
11/10/2020	12/31/2022	EUR3M + 3.00%	23.6	0.6	-	-	24.2
12/15/2020	12/31/2023	EUR3M + 3.00%	24.4	9.2	(13.9)	-	19.7
04/27/2021	06/30/2023	EUR3M + 2.64%	-	28.6	(17.3)	-	11.3
07/08/2021	06/30/2023	EUR3M + 2.07%	-	15.5	-	-	15.5
07/21/2021	06/30/2023	EUR3M + 2.15%	-	6.7	-	-	6.7
10/01/2021	12/31/2023	EUR3M + 2.51%	-	36.6	(21.7)	-	14.9
11/10/2021	12/31/2023	EUR3M + 2.51%	-	12.3	(7.0)	-	5.3
11/10/2021	12/31/2023	EUR3M + 2.51%	-	26.0	-	-	26.0
11/10/2021	12/31/2023	EUR3M + 1.44%	-	1.4	-	-	1.4
12/16/2021	12/31/2023	EUR3M + 1.44%	-	7.0	-	-	7.0
12/16/2021	12/31/2023	EUR3M + 1.82%	-	44.0	-	-	44.0
Total			**184.2**	**240.2**	**(77.3)**	**-**	**347.1**

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

(b) Prepayments resulted in penalty payments. See note 6.1.4. "Finance income/(expense)".

Signing date (a)	Maturity	Rate	Outstanding as of 12/31/2019	Increase	Prepayment (b)	Repayment	Outstanding as of 12/31/2020
02/01/2019	01/31/2021	EUR3M + 2.50%	6.3	19.2		11.3	14.2
12/10/2019	12/10/2021	EUR3M + 1.55%	96.0	5.5		-	101.5
09/22/2020	09/22/2022	EUR3M + 2.04%		20.5		-	20.5
11/10/2020	12/31/2022	EUR3M + 3.00%		23.6		-	23.6
12/15/2020	12/31/2023	EUR3M + 3.00%		24.4		-	24.4
Total			**102.3**	**93.2**		**11.3**	**184.2**

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

(b) Prepayments resulted in penalty payments. See note 6.1.4. "Finance income/(expense)".

Transactions with SASU Icade Promotion and its subsidiaries

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

- **Delegated project management contracts**

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

- **Property development contracts**

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

- **Off-plan sale contracts**

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

Transactions with subsidiaries of the Combined Group

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

Remuneration and other benefits for members of the Company's administrative and management bodies

Members of the administrative and management bodies receive no remuneration from the Company for performing their duties.

12.1.3.Impact on the combined financial statements

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

(in millions of euros)	2022	2021	2020
Purchases used	-	-	(0.0)
Outside services	(15.2)	(14.8)	(15.5)
EBITDA	**(15.2)**	**(14.8)**	**(15.6)**
Acquisition costs of investments in consolidated companies	-	-	(0.5)
Other costs and expenses related to investment property disposals	-	(0.0)	(0.0)
Operating profit/(loss)	**(15.2)**	**(14.9)**	**(16.1)**
Interest expenses on liabilities to Icade SA	(8.6)	(2.9)	(9.6)
Prepayment penalties for financial liabilities to Icade SA	(0.4)	-	(24.9)
Commitment fees	(1.7)	(1.9)	(1.0)
Finance income/(expense)	**(10.6)**	**(9.7)**	**(37.7)**

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

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Miscellaneous receivables (a)	3.3	0.7	4.5
Cash and cash equivalents (b)	345.5	65.9	459.0
TOTAL ASSETS	**348.8**	**66.7**	**463.5**
Liabilities to Icade SA (including interest accrued but not due)	377.5	449.1	335.8
Accounts payable	0.8	3.9	1.0
Miscellaneous payables (c)	11.3	105.6	3.9
TOTAL LIABILITIES	**389.5**	**558.6**	**340.7**

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

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

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

Off-balance sheet commitments with related parties were as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Residual commitments in construction, property development and off-plan sale contracts	12.4	23.1	32.5
Commitments made	**12.4**	**23.1**	**32.5**
Unused credit lines		428.5	290.0
Sureties and guarantees received in respect of financing	15.8	18.4	21.0
Property development and off-plan sale contracts – Property under construction or refurbishment	12.4	23.1	32.2
Commitments received	**28.3**	**470.1**	**343.2**

12.2. Off-balance sheet commitments

ACCOUNTING PRINCIPLES

Off-balance sheet commitments made and received by the Combined Group represent unfulfilled contractual obligations that are contingent on conditions being met or transactions being carried out after the current financial year.

The Combined Group has three types of commitments: commitments relating to the combined scope, commitments relating to financing activities (mortgages, promises to mortgage property and assignments of claims) and commitments relating to operating activities (security deposits received for lease payments).

Off-balance sheet commitments received by the Combined Group also include future lease payments receivable under operating leases in which the Combined Group is the lessor and minimum lease payments receivable under finance leases in which the Combined Group is the lessor.

12.2.1.Off-balance sheet commitments

Commitments made

Off-balance sheet commitments made by the Combined Group as of December 31, 2022, 2021 and 2020 broke down as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
COMMITMENTS RELATING TO FINANCING ACTIVITIES	260.8	292.2	352.0
Mortgages	72.2	77.2	164.3
Lender's liens	-	-	0.8
Promises to mortgage property and assignments of claims	188.6	215.0	186.8
COMMITMENTS RELATING TO OPERATING ACTIVITIES	248.2	363.1	308.3
Commitments relating to business development and asset disposals and acquisitions			
Residual commitments in construction, property development and off-plan sale contracts	164.6	105.6	81.9
Other commitments relating to business development and asset disposals and acquisitions	-	-	1.8
Commitments to purchase investment property	77.4	249.6	209.6
Demand guarantees given	3.9	3.2	-
Other commitments relating to business development and asset disposals and acquisitions			
Other commitments made	2.4	4.7	15.1

Commitments received

Off-balance sheet commitments received by the Combined Group as of December 31, 2022, 2021 and 2020 broke down as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
COMMITMENTS RELATING TO THE SCOPE OF CONSOLIDATION	0.6	8.0	28.2
No undisclosed liabilities warranties	0.6	8.0	28.2
COMMITMENTS RELATING TO FINANCING ACTIVITIES	477.7	225.0	242.5
Unused credit lines	461.9	206.5	221.4
Sureties and guarantees received	15.8	18.4	21.0
COMMITMENTS RELATING TO OPERATING ACTIVITIES	2,506.1	3,006.3	2,810.3
Commitments relating to business development and asset disposals and acquisitions			
Commitments to sell investment property	77.4	249.6	209.6
Security deposits received for rents	2,414.7	2,733.7	2,533.5
Pre-let agreements	13.9	22.2	66.4
Other commitments received relating to operating activities:			
Other commitments received	-	0.8	0.8

12.2.2.Information on leases

The breakdown of future minimum lease payments receivable by the Combined Group under operating leases was as follows:

(in millions of euros)	12/31/2022	12/31/2021	12/31/2020
Not later than one year	364.7	342.4	295.5
Later than one year and not later than five years	1,331.3	1,269.8	1,113.8
Later than five years	1,253.5	1,223.6	973.1
MINIMUM LEASE PAYMENTS RECEIVABLE UNDER OPERATING LEASES	2,949.4	2,835.8	2,382.4

12.3. Events after the reporting period

No significant events took place after the end of the financial years 2020, 2021 and 2022.

12.4. Combined scope

The companies included in the combined scope as of December 31, 2022, 2021 and 2020 are listed in the table below. All the companies in the combined scope are fully consolidated into the combined financial statements.

	Legal form	12/31/2022	12/31/2021	12/31/2020
		% ownership	% ownership	% ownership
France Healthcare				
ICADE SANTÉ	SAS	Parent company	Parent company	Parent company
SCI TONNAY INVEST	SCI	100.00%	100.00%	100.00%
SCI PONT DU CHÂTEAU INVEST	SCI	100.00%	100.00%	100.00%
SNC SEOLANES INVEST	SNC	100.00%	100.00%	100.00%
SCI SAINT AUGUSTINVEST	SCI	100.00%	100.00%	100.00%
SCI CHAZAL INVEST	SCI	100.00%	100.00%	100.00%
SCI DIJON INVEST	SCI	100.00%	100.00%	100.00%
SCI COURCHELETTES INVEST	SCI	100.00%	100.00%	100.00%
SCI ORLÉANS INVEST	SCI	100.00%	100.00%	100.00%
SCI MARSEILLE LE ROVE INVEST	SCI	100.00%	100.00%	100.00%
SCI GRAND BATAILLER INVEST	SCI	100.00%	100.00%	100.00%
SCI SAINT CIERS INVEST	SCI	100.00%	100.00%	100.00%
SCI SAINT SAVEST	SCI	100.00%	100.00%	100.00%
SCI BONNET INVEST	SCI	100.00%	100.00%	100.00%
SCI GOULAINE INVEST	SCI	100.00%	100.00%	100.00%
OPPCI ICADE HEALTHCARE EUROPE	SPPICAV	98.00%	98.00%	98.00%
SCI HAUTERIVE	SCI		Merger	100.00%
SCI DES 2 ET 4 DE LA RUE DES VIVIERS	SCI		Acquisition and merger	
SCI DENTELLIÈRE	SCI		Acquisition and merger	
SAS ROLLIN LECLERC	SAS		Acquisition and merger	
Germany Healthcare				
SAS IHE GESUNDHEIT	SAS	88.10%	88.10%	98.00%
SAS IHE RADENSLEBEN	SAS	88.10%	88.10%	92.12%
SAS IHE NEURUPPIN	SAS	88.10%	88.10%	92.12%
SAS IHE TREUENBRIETZEN	SAS	88.10%	88.10%	92.12%
SAS IHE ERKNER	SAS	88.10%	88.10%	92.12%
SAS IHE KYRITZ	SAS	88.10%	88.10%	92.12%
SAS IHE HENNIGSDORF	SAS	88.10%	88.10%	92.12%

	Legal form	12/31/2022	12/31/2021	12/31/2020
		% ownership	% ownership	% ownership
SAS IHE COTTBUS	SAS	88.10%	88.10%	92.12%
SAS IHE BELZIG	SAS	88.10%	88.10%	92.12%
SAS IHE FRIEDLAND	SAS	88.10%	88.10%	92.12%
SAS IHE KLAUSA	SAS	88.10%	88.10%	92.12%
SAS IHE AUENWALD	SAS	88.10%	88.10%	92.12%
SAS IHE KLT GRUNDBESITZ	SAS	88.10%	88.10%	92.12%
SAS IHE ARN GRUNDBESITZ	SAS	88.10%	88.10%	92.12%
SAS IHE BRN GRUNDBESITZ	SAS	88.10%	88.10%	92.12%
SAS IHE FLORA MARZINA	SAS	88.10%	88.10%	92.12%
SAS IHE KOPPENBERGS HOF	SAS	88.10%	88.10%	92.12%
SAS IHE LICHTENBERG	SAS	88.10%	88.10%	92.12%
SAS IHE TGH GRUNDBESITZ	SAS	88.10%	88.10%	92.12%
SAS IHE PROMENT BESITZGESELLSCHAFT	SAS	88.10%	88.10%	92.12%
SAS IHE BREMERHAVEN	SAS	88.10%	88.10%	92.12%
SAS ORESC 7	SAS	49.98%	49.98%	49.98%
SAS ORESC 8	SAS	88.10%	88.10%	88.10%
SAS ORESC 12	SAS	49.98%	49.98%	49.98%
SAS ISIHE 1	SAS	100.00%	100.00%	
Italy Healthcare				
SALUTE ITALIA - FUND	REIF	98.00%	98.00%	98.00%
IHE GESTIONE ITALIANA	SRL	100.00%	100.00%	
Spain Healthcare				
SAS IHE Salud Ibérica	SAS	Merger	98.00%	98.00%
IHE SPAIN 1	SLU	100.00%	98.00%	
IHE SALUD MANAGEMENT	SL	100.00%	100.00%	
IHE SPAIN 2	SLU	100.00%		
Portugal Healthcare				
FUNDO DE INVESTIMENTO IMOBILIARIO FECHADO SAUDEINVESTE	-	99.02%	99.02%	