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Financial statements for the year ended 31 December 2022

6.1 Consolidated financial statements at 31 December 2022

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	31.12.2022	31.12.2021 restated**
Revenue	**3.2**	**4,438,296**	**4,137,309**
Other income	3.2	95,779	157,500
Revenue and other income		**4,534,075**	**4,294,809**
Purchases used in the business	3.3	-351,936	-309,313
Payroll expenses	4	-2,718,482	-2,525,554
External expenses	3.3	-457,828	-429,845
Taxes		-39,225	-43,669
Other operating income and expenses		36,626	12,829
Earnings before interest, taxes, depreciation and amortisation		**1,003,230**	**999,257**
Depreciation/amortisation and impairment	3.3	-654,882	-615,757
Other income and expenses	3.4	-75,820	-41,708
Operating income	**3.1**	**272,528**	**341,792**
Cost of net debt	8.1	-95,147	-87,770
Other financial income	8.1	-119,446	-120,710
Financial income	**8.1**	**-214,593**	**-208,480**
Pre-tax income		**57,935**	**133,312**
Income tax	10	-12,162	-11,419
Profit/(loss) of consolidated companies		**45,773**	**121,893**
Profit/(loss) from equity-accounted companies		-754	-238
Net income from continued operations		**45,019**	**121,655**
Net income from discontinued operations		-13,681	-8,768
Net income		**31,338**	**112,887**
Non-controlling interests		-9,278	-21,772
Group share of net income		**22,060**	**91,115**
Group share of net income per share *(in euros)*	7	0.21	0.87
Group share of diluted net income per share *(in euros)*	7	0.13	0.70
Group share of net income per share of continuing operations *(in euros)*	7	0.34	0.95
Group share of diluted net income from continuing operations per share *(in euros)*	7	0.25	0.78
GROUP SHARE OF NET INCOME		**22,060**	**91,115**
Recyclable items: impact of IFRS 9 and IFRS 2 (measurement of hedging instruments and free share plans) net of tax	*	124,374	18,075
Non-recyclable items: impact of IAS 19 (actuarial gains and losses)	*	7,373	4,282
Gains and losses recognised directly in equity (Group share)	*	**131,747**	**22,357**
Gains and losses recognised directly in equity (non-controlling interests)	*	**3,120**	**0**
Net income and gains and losses recognised directly in equity (Group share)	*	153,807	113,472
Net income and gains and losses recognised directly in equity (non-controlling interests)	*	12,398	21,772

** See Changes in shareholders' equity.*

*** Includes the impact of IFRIC's final decision on the configuration and customisation costs of software used for an Saas type contract and the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

CONSOLIDATED BALANCE SHEET

ASSET

In thousands of euros	Notes	31.12.2022	31.12.2021 restated*
Goodwill	5.1	3,237,256	3,213,838
Intangible assets	5.2	2,256,714	2,180,718
Property, plant and equipment	5.3	3,552,538	3,078,162
Right-of-use assets	5.5	3,451,897	3,469,383
Non-current financial assets		50,973	42,679
Equity-accounted investments		19,501	19,460
Deferred tax assets	10.3	86,934	98,482
Non-current assets		**12,655,813**	**12,102,722**
Inventories	3.5	28,623	28,236
Trade receivables and related accounts	3.5	440,368	364,674
Other receivables and currents assets	3.5	422,888	453,285
Current tax receivables		27,777	60,088
Financial instruments – assets	8.2	134,717	7,343
Cash and cash equivalents	8.3	733,710	1,214,564
Current assets		**1,788,083**	**2,128,190**
Assets held for sale	2	129,666	77,161
TOTAL ASSETS		**14,573,562**	**14,308,073**

SHAREHOLDERS' EQUITY & LIABILITIES

In thousands of euros	Notes	31.12.2022	31.12.2021 restated*
Share capital		532,526	527,968
Premiums		1,205,655	1,196,252
Reserves and consolidated net income		1,801,041	1,769,067
Group share of equity		**3,539,222**	**3,493,287**
Non-controlling interests		328,655	271,131
Total shareholders' equity		**3,867,877**	**3,764,418**
Provisions for pensions		87,620	98,942
Deferred tax liabilities	10.3	603,680	584,317
Other provisions	9	46,528	50,024
Borrowings and other financial liabilities	8.2	3,560,264	3,761,482
Non-current lease liabilities	5.5	3,371,411	3,425,247
Other non-current liabilities		73,941	173,104
Non-current liabilities		**7,743,444**	**8,093,116**
Provisions for current liabilities	9	15,786	15,565
Trade payables and related accounts	3.5	570,717	499,717
Other payables and accruals	3.5	865,883	760,527
Current tax payables		31,540	69,166
Borrowings due within one year and bank overdrafts	8.2	948,077	680,808
Current lease liabilities	5.5	390,793	360,030
Financial instruments – Liabilities	8.2	86	20,693
Current liabilities		**2,822,882**	**2,406,506**
Liabilities associated with assets held for sale	2	139,359	44,033
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**14,573,562**	**14,308,073**

** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract, as described in note 1.3.*

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CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	Notes	31.12.2022	31.12.2021 restated*
Net income from continuing operations		**45,019**	**121,655**
Income tax expense		12,162	11,419
Net depreciation/amortisation and provisions		617,158	612,719
Net income of equity-accounted companies		753	237
Gain (loss) due to changes in fair value and non-cash items		-141	-131
Elimination of dividend income		-183	-581
Gains on disposal of assets		19,346	10,622
Elimination of acquisition costs of securities		5,070	17,615
Elimination of cost of net financial debt		214,364	209,092
Cash flow before cost of net debt		**913,548**	**982,647**
Change in inventories	3.5	-828	-2,165
Change in trade receivables	3.5	-58,207	-23,974
Change in trade payables	3.5	4,598	49,948
Change in other items	3.5	89,958	-121,736
Change in working capital requirements		**35,521**	**-97,927**
Income taxes paid		**-87,368**	**-44,755**
Net cash flow from operations		**861,701**	**839,965**
Impact of changes in scope (acquisitions)	2	-285,945	-394,101
Impact of changes in scope (disposals)	2	40,282	86,499
Investments expenditures in property, plant and equipment and intangible assets	5.4	-622,201	-528,911
Other financial investments		1,695	3,597
Income from disposals of non-current assets (excluding securities)		95,905	7,632
Net cash flow from investment transactions		**-770,264**	**-825,284**
Net cash flow		**91,437**	**14,681**
Capital increase and related premiums		36,310	95,514
Treasury shares charged to equity		-6,474	-2,568
Bond issuance	8.2	811,055	1,832,456
Bond redemption and repayment of financial liabilities	8.2	-725,780	-1,477,085
Repayment of lease liabilities	5.5	-392,791	-387,202
Other cash flow from financing activities		-34,586	197,041
Net interest paid		-180,039	-190,336
Dividends		-57,826	-36,436
Net cash flow from financing activities		**-550,131**	**31,384**
Impact of discontinued operations		-125	71
Impact of exchange rate fluctuations		-5,906	4,169
CHANGES IN CASH POSITION		**-464,725**	**50,305**
Cash position at start of period		**1,197,566**	**1,147,261**
Cash position at end of period		**732,841**	**1,197,566**
Including			
Cash position of discontinued operations		*-129*	*-4*
Marketable securities	*8.3*	*11,918*	*142,337*
Cash	*8.3*	*721,792*	*1,072,231*
Bank overdrafts	*8.2*	*-740*	*-16,998*

** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract and the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

CHANGES IN CONSOLIDATED EQUITY

In thousands of euros	Capital	Premiums	Shares and equity instruments	Investments and financial placements	Cash flow hedges and cost of hedging	Employee benefits	Reserves and consolidated results	Equity attributable to the Group's owners	Non-controlling interests	Total share-holders' equity
As at 31 December 2020	**525,190**	**1,182,777**	**2,358**	**300,305**	**-25,256**	**-37,480**	**1,209,083**	**3,156,980**	**165,566**	**3,322,546**
Application of IFRIC interpretations – IAS 38							-3,545	-3,545		-3,545
As of 1 January 2021 restated*	**525,190**	**1,182,777**	**2,358**	**300,305**	**-25,256**	**-37,480**	**1,205,538**	**3,153,435**	**165,566**	**3,319,001**
Dividends distributed							-31,511	-31,511	-19,496	-51,007
Capital increase	2,778	13,475					-96	16,156		16,156
Business combinations										
Treasury shares			-12,569					-12,569		-12,569
Equity instruments				233,770				233,770		233,770
Acquisition of non-controlling interests and other changes							20,534	20,534	103,289	123,823
Net income for the period restated*							**91,115**	**91,115**	**21,772**	**112,887**
Impact of IAS 19 (actuarial gains & losses)						4,282		4,282		4,282
Measurement of hedging derivatives and free share plans			2,363		15,712			18,075		18,075
Comprehensive income			**2,363**		**15,712**	**4,282**	**91,115**	*113,472*	*21,772*	*135,244*
As at 31 December 2021 restated*	**527,968**	**1,196,252**	**-7,848**	**534,075**	**-9,544**	**-33,198**	**1,285,582**	**3,493,287**	**271,131**	**3,764,418**
Dividends distributed							-36,958	-36,958	-15,609	-52,567
Capital increase	4,558	9,403					-4,895	9,066	56,556	65,622
Business combinations										
Treasury shares			-10,397					-10,397		-10,397
Equity instruments				-532			-30,203	-30,735		-30,735
Acquisition of non-controlling interests and other changes							-38,848	-38,848	4,179	-34,669
Net income for the period							**22,060**	**22,060**	**9,278**	**31,338**
Impact of IAS 19 (actuarial gains & losses)						7,373		7,373	-14	7,359
Measurement of hedging derivatives and free share plans			3,715		120,659			124,374	3,134	127,508
Comprehensive income			**3,715**		**120,659**	**7,373**	**22,060**	**153,807**	**12,398**	**166,205**
AS AT 31 DECEMBER 2022	**532,526**	**1,205,655**	**-14,530**	**533,543**	**111,115**	**-25,825**	**1,196,738**	**3,539,222**	**328,655**	**3,867,877**

** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract, as described in note 1.3.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 21 February 2023 and were reviewed by the Audit Committee on 20 February 2023.

The Group and its subsidiaries are:

- companies operating specialised nursing homes for elderly people who, due to their dependency, can no longer live at home Their mission is to provide such people with dignified support and care, irrespective of their level of dependency, until the end of their lives;
- companies operating specialised clinics, for patients who are disabled or convalescent following a stay in an acute care facility. Their mission is to reduce the physical and/or psychological disabilities of these patients and restore their autonomy so that they will be able to return to their home, family, friends and work;
- companies operating assisted living facilities that offer independent seniors an environment that suits their lifestyle, while facilitating social interaction;
- companies that operate home-care networks, which provide an alternative to hospitalisation;
- companies which own and manage the real estate of the Group's facilities.

NOTE 1 ACCOUNTING POLICIES

1.1 Declaration of compliance

The consolidated financial statements have been prepared in accordance with the international accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union at the balance sheet date. These standards include IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), as well as their interpretations, available at the following European Union website: ***https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_en***

In its March 2021 decision, the IFRS Interpretations Committee (IFRIC) clarified the accounting treatment of configuration and customization costs for software in a SaaS (Software as a Service) arrangement. According to the IFRIC, some of these costs should be recognized as an expense (and not as an intangible asset). This decision resulted in a change in the accounting policy, the effects of which have been accounted retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The costs that still recognised as an intangible asset are primarily the costs of interfacing SaaS software with other on-premise applications.

1.2 IFRS standards, amendments and interpretations observed by the Group

The consolidated financial statements were prepared using the same accounting policies and methods that were used to prepare the consolidated financial statements for the year ended 31 December 2021, with the exception of standards, amendments and interpretations of compulsory application as from 1 January 2022 that the Group did not adopt early and which were still being examined:

- amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts, concept of costs that relate directly to the contract Amendments applicable as from 1 January 2022;
- amendment to IAS 16 "Property, Plant and Equipment" – Proceeds before Intended Use;
- annual improvements to IFRS's 2018-2020 – various provisions;
- amendment to IFRS 3 "Reference to the Conceptual Framework";
- IFRIC Interpretation on accounting for configuration or customisation costs under a SaaS contract (IAS 38 "Intangible Assets").

These amendments do not have a material impact on the 2022 financial statements.

1.3 Change in accounting policy and restatement of comparative information

The tables below show the effects on the previously published consolidated income statement, consolidated balance sheet and consolidated statement of cash flows, resulting mainly from:

- the retrospective application of IFRIC's recommendation on the configuration and customisation costs of software used under an SaaS contract. Consequently, the published periods have been restated to take into account this impact as from 1 January 2021, which is the opening date of the first financial year presented on a comparative basis. The expensing of previously capitalised costs resulted in a downward adjustment to shareholders' equity of -€3.5 million, whose net value of -€5.2 million was recognised at 31 December 2021, net of deferred tax of €1.7 million;
- assisted living facilities were classified as discontinued operations in accordance with the IFRS 5 standard, see note 2.6 "Assets held for sale".

All impacts on the financial statement aggregates for the comparative periods affected by this change in accounting policy are presented below:

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IMPACT ON THE MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2021

In thousands of euros	31.12.2021 published	IFRIC Recommendation Impact	31.12.2021 restated*
Intangible assets	2,190,845	-10,127	2,180,718
Deferred tax assets	95,385	3,097	98,482
Non-current assets	**12,109,751**	**-7,029**	**12,102,722**
TOTAL ASSETS	**14,315,103**	**-7,030**	**14,308,073**
Group share of equity	**3,500,348**	**-7,061**	**3,493,287**
Total shareholder's equity	**3,771,479**	**-7,061**	**3,764,418**
Deferred tax liabilities	584,286	31	584,317
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**14,315,103**	**-7,030**	**14,308,073**

** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under a Saas contract, as described in note 1.3.*

IMPACT ON THE MAIN LINE ITEMS OF THE CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2021

In thousands of euros	31.12.2021 published	IFRS 5 restatement	IFRIC Recommendation Impact	31.12.2021 restated*
Revenue	**4,153,348**	**-16,039**	**-**	**4,137,309**
Other income	157,500	-	-	157,500
Revenue and other income	**4,310,848**	**-16,039**	**-**	**4,294,809**
Purchases used in the business	-312,164	2,851	-	-309,313
Payroll expenses	-2,532,766	7,212	-	-2,525,554
External expenses	-426,544	2,544	-5,845	-429,845
Taxes	-44,545	876	-	-43,669
Other operating income and expenses	15,018	-2,189	-	12,829
Earnings before interest, taxes, depreciation and amortisation	**1,009,847**	**-4,745**	**-5,845**	**999,257**
Depreciation/amortisation and impairment	-626,301	9,599	945	-615,757
Other income and expenses	-41,673	-35	-	-41,708
Operating income	**341,873**	**4,819**	**-4,900**	**341,792**
Cost of net debt	-87,770	-	0	-87,770
Other financial income	-122,212	1,502	-	-120,710
Financial income	**-209,981**	**1,501**	**-**	**-208,480**
Pre-tax income	**131,892**	**6,320**	**-4,900**	**133,312**
Income tax	-13,500	689	1,392	-11,419
Profit/(loss) of consolidated companies	**118,392**	**7,009**	**-3,508**	**121,893**
Profit/(loss) from equity-accounted companies	-1,997	1,759	-	-238
Net income from continuing operations	**116,395**	**8,767**	**-3,508**	**121,655**
Net income from discontinued operations		-8,768	-	-8,768
Net income	**116,395**	**-1**	**-3,508**	**112,887**
Non-controlling interests	-21,772	-	-	-21,772
Group share of net income	**94,623**	**-1**	**-3,508**	**91,115**
Group share of net income per share *(in euros)*	0.90	-	-0.03	0.87
Group share of diluted net income per share *(in euros)*	0.73	-	-0.03	0.70
GROUP SHARE OF NET INCOME	**94,623**	**-**	**-3,508**	**91,115**

* *Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas contract and the impact of the restatement of discontinued operations under IFRS 5.*

IMPACT ON THE MAIN LINE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS AT 31 DECEMBER 2021

In thousands of euros	31.12.2021 published	IFRS 5 restatement	IFRIC Recommendation Impact	31.12.2021 restated*
Net income	**116,395**	**8,768**	**-3,508**	**121,655**
Income tax expense	13,500	-689	-1,392	11,419
Net depreciation/amortisation and provisions	622,825	-9,161	-945	612,719
Net income of equity-accounted companies	1,997	-1,760	-	237
Gain (loss) due to changes in fair value and non-cash items	-131	-	-	-131
Elimination of dividend income	-581	-	-	-581
Gains on disposal of assets	10,349	273	-	10,622
Elimination of acquisition costs of securities	17,615	-	-	17,615
Elimination of cost of net financial debt	210,593	-1,501	-	209,092
Cash flow before cost of net debt	**992,562**	**-4,070**	**-5,845**	**982,647**
Change in inventories	-2,258	93	-	-2,165
Change in trade receivables	-24,757	783	-	-23,974
Change in trade payables	54,232	-4,284	-	49,948
Change in other items	-121,143	-593	-	-121,736
Change in the working capital requirement	**-93,926**	**-4,001**	**-**	**-97,927**
Income taxes paid	**-44,769**	**14**	**-**	**-44,755**
Net cash flow from operations	**853,867**	**-8,057**	**-5,845**	**839,965**
Impact of changes in scope (acquisitions)	-394,101	-	-	-394,101
Impact of changes in scope (disposals)	86,173	326	-	86,499
Investment expenditures in property, plant and equipment and intangible assets	-538,624	3,868	5,845	-528,911
Other financial investments	3,790	-193	-	3,597
Income from disposals of non-current assets (excluding securities)	7,632	-	-	7,632
Net cash flow from investment activities	**-835,130**	**4,001**	**5,845**	**-825,284**
Net cash flow	**18,737**	**-4,056**	**-**	**14,681**
Capital increase and related premiums	92,510	3,004	-	95,514
Treasury shares charged to equity	-2,568	-	-	-2,568
Bond issuance	1,832,456	-	-	1,832,456
Redemption of bonds and repayment of financial liabilities	-1,477,085	-	-	-1,477,085
Repayment of lease liabilities	-397,397	10,195	-	-387,202
Other cash flow from financing activities	208,144	-11,103	-	197,041
Net interest paid	-192,225	1,889	-	-190,336
Dividends	-36,436	-	-	-36,436
Net cash flow from financing activities	**27,399**	**3,985**	**-**	**31,384**
Impact of discontinued activities		71	-	71
Impact of exchange rate fluctuations	4,169	-	-	4,169
CHANGES IN CASH POSITION	**50,305**	**-**	**-**	**50,305**
Cash position at start of period	**1,147,261**	**-**	**-**	**1,147,261**
Cash position at end of period	**1,197,566**	**-**	**-**	**1,197,566**
Including:			-	
Cash from discontinued operations		*-4*	-	*-4*
Marketable securities	*142,337*	*-*	-	*142,337*
Cash and cash equivalents	*1,072,227*	*4*	-	*1,072,231*
Bank overdrafts	*-16,998*	*-*	-	*-16,998*

** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under a Saas contract and the impact of the restatement of discontinued operations under IFRS 5.*

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1.4 IFRS standards, amendments and interpretations applicable after 2022 and not adopted early by the Group

- IFRS 17 "Insurance Contracts" (effective 1 January 2023).
- Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (effective 1 January 2023).
- Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (effective 1 January 2023).
- Amendments to IAS 12 "Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction" (effective 1 January 2023).

Analyses of the impact of the application of these standards and amendments are in progress.

1.5 Presentation of the financial statements

The Group's consolidated financial statements are prepared on a historical cost basis except for assets and liabilities, which are recognised at fair value in accordance with IFRS 9 (Note 8.5). Current assets and liabilities are those held for use or sale during the normal operating cycle, *i.e.*, less than one year.

The consolidated financial statements are presented in thousands of euros.

Critical accounting estimates and judgements

To prepare the consolidated financial statements, the Group applies estimates and judgements that are regularly updated and which are based on historical experience and other factors, including expectations of future events deemed reasonable in view of the circumstances. For items on which assumptions and estimates are used, the results of tests on the sensitivity of accounting values to the main assumptions are provided in the relevant notes.

In preparing the financial statements, the Group made significant estimates and judgements on the following items:

a) Business combinations (Notes 2 and 5.1)

For its acquisition, pursuant to IFRS 3 – "Business Combinations", the Group measures at fair value the assets acquired (in particular operating licences) and the liabilities assumed.

Liabilities, price adjustments and options related to commitments to purchase non-controlling interests are measured on the basis of information or situations existing at the date the financial statements are prepared (medium-term business plan), which may prove to be different from actual outcomes.

Changes in the fair value of liabilities on options (put on minority interests) are recognised in equity.

b) Goodwill, intangible and tangible assets (note 5)

At the level of each CGU, the value in use of intangible assets and property, plant and equipment is derived from the Company's internal valuations, based on the medium-term business plans. The main assumptions used in this measurement (medium-term growth rate, discount rate, margin and perpetuity growth rate) are estimated by the Group.

The carrying amounts of assets are reviewed at least annually and when events or circumstances indicate that they may be impaired. Such events and circumstances may be the result of material adverse changes of a lasting nature that affect either the business environment or the assumptions or objectives used at the date of the last closing.

c) Leases (Note 5.5)

Pursuant to IFRS 16, lease liabilities are determined using a lease term on property leases that corresponds to the non-cancellable period, plus any renewal options the Group is reasonably certain to exercise.

As from 1 January 2021, leased vehicles have been restated under IFRS 16 (non-material impact in prior periods). The Group has also elected to cease applying the low-value exemption to the new contract signed in France and Germany for identifiable work clothing and to cease applying the short-term exemption for medical equipment in these two countries.

d) Employee benefits (Note 4)

The present value of the employee benefit obligations is calculated based on various actuarial assumptions such as discount rate, salary growth rate, and employee turnover or retirement age. Any change in these assumptions has an impact on the carrying amount of the employee benefit obligations. Further information is provided in Note 4 "Employee benefits and expenses".

e) CVAE classification (Note 10.2)

The Group has reviewed the accounting treatment of the "French tax on corporate added value contribution" (CVAE) under IFRS. According to its analysis, the CVAE meets the definition of an income tax as set out in IAS 12.2 "Income taxes based on taxable profits".

Impairment of property, plant and equipment, intangible assets and goodwill

The carrying amounts of assets are reviewed periodically as follows:

- for non-amortisable intangible non-current assets (operating licences) and goodwill at each closing date, or more frequently if there are indications of impairment;
- for all other assets: whenever indications of impairment are identified.

Two types of impairment indicators may trigger impairment testing:

- external indicators (market value, significant changes in the Company's business environment, etc.);
- internal indicators decrease in occupancy rate, regulations change, asset obsolescence, weaker-than-expected performance, etc.).

Depending on the type of asset, impairment testing is performed either on cash-generating units (CGUs) or on a group of CGUs (goodwill).

CGUs are homogeneous groups of assets whose continuing use generates cash inflows independently of other CGUs.

The recoverable amount of the CGU is the higher of the fair value net of disposal costs and the value in use.

The value in use applied by the Group is the value of the future economic benefits expected from the use of the CGU. It is determined from future cash flows, which are based on economic assumptions and on the business conditions foreseen by the Group's management, in accordance with the following principles:

- the pre-tax cash flows are derived from the Group's 2023 budget and four-year business plan, as approved by the Board of Directors;
- the discount rate is determined by reference to the Group's weighted average cost of capital;
- the discount rates used are 6.25% for France, 6.15% for Germany, 6.5% for Belgium, 6.15% for Netherlands, 7.3% for Spain, 7.5% for Italy and 7.4% for the United Kingdom;
- the long-term growth rates used are 1.8% for France, 2.3% for Germany, 1.8% for Belgium, 2.3% for Netherlands, 2.3% for Spain, 2.2% for Italy and 2.4% for the United Kingdom.

FIRST-LEVEL IMPAIRMENT TESTING

Intangible and tangible assets (see Note 5.2) are tested at the level of the CGUs to which they are attached. Until 31 December 2017, CGUs were determined at the level of the nursing home or clinic.

In response to changes in its regulatory environment, markets and business activities, in late 2018, the Group revised its organisation and managerial procedures to take advantage of potential synergies between its facilities and the possibility of leveraging its operating authorisations at the departmental and regional levels, in conjunction with the regional health authorities (ARS). The Group therefore reorganised its CGUs, for each business activity (nursing home, clinic or mental health facility) and by geographic market, with CGUs in France corresponding to an administrative "department", and in Italy and Belgium to an administrative region.

The purpose of first-level testing is to check that the recoverable amount of the CGU (which is the higher of its value of use and fair value) is at least equal to its net carrying amount.

SECOND-LEVEL IMPAIRMENT TESTING

The second-level of impairment testing, which includes goodwill, is conducted on all of the CGUs of a given country. The purpose of this test is to ensure that the recoverable amount of each sector is at least equal to the Group's consolidated net assets (including net goodwill) for each country.

If any impairment is identified, it is recognised and first allocated to goodwill (as this impairment is irreversible) and, if goodwill is insufficient, is then charged to the value of licences and tangible assets.

NOTE 2 SIGNIFICANT EVENTS

2.1 Conversion to a European Company

On 22 June 2022, Korian's shareholders approved its conversion from a French public limited company (SA) to a European company (SE). This change better reflects the European dimension of Korian, which is present in six countries of the European Union. This will give the Company a legal form that is more consistent with its business and cultural environment, a more unified identity and greater visibility in Europe.

2.2 Employee share ownership plan

In June 2022, Korian announced the successful completion of its first employee share ownership plan, which is available to employees in all of the Group's seven countries: France, Germany, Italy, Belgium, Spain, the Netherlands and the UK. This plan gives employees the opportunity to become shareholders under exclusive and highly secure terms, to ensure their commitment to Korian's ambitious transformation and innovation project, and enable them to benefit from its long-term growth. The impact on the financial statements is described in Note 4.

2.3 Financing transactions

On 18 January 2022, Korian announced the successful issuance of its €377 million *Schuldschein* debt, of which €222 million was settled in 2021 and €155 million in 2022. The debt financing was issued with long maturities of between five and eight years, and mostly at fixed rates. The coupons are lower than the Group's previous *Schuldschein* issues, at 1.30%, 1.55% and 1.70% for 5, 7 and 8 year maturities respectively.

2.4 Changes in the consolidation scope

At 31 December 2022, the consolidation scope included, in addition to the parent company Korian SE, 714 fully consolidated and equity-accounted companies (708 at 31 December 2021).

The year ended 31 December 2022 was marked by the following events:

Changes in the scope of consolidation – United Kingdom

Acquisition of two facilities with a total of 150 beds in the first half of the year and three high-end nursing homes in the third quarter.

Changes in the scope of consolidation – Germany

Legal restructuring in Germany resulted in the merger of a number of companies and the sale of several facilities.

Changes in the scope of consolidation – Spain

Legal restructuring in Spain resulted in the mergers of a number of companies.

Changes in the scope of consolidation – Italy

Acquisition of the IHG Group, comprising 1,000 beds and outpatient services in the Lazio region.

Changes in the scope of consolidation – France

Completion in October 2022 of the sale of 27 long-term care facilities to Vivalto Vie and Colisée.

2.5 Material information on significant changes in scope

Impact on cash of acquisitions and disposals of subsidiaries and joint ventures

In thousands of euros	31.12.2022	31.12.2021 restated*
Purchase price of subsidiaries [A]	**268,012**	**464,531**
Cash out/cash in [B]	302,397	411,351
Debt incurred/repaid [C] = [A] - [B]	**-34,385**	**53,180**
Disposal price [D]	54,163	99,411
Cash acquired [E]	16,452	17,250
Cash disposed of [F]	-13,881	-12,912
IMPACT OF CHANGES IN SCOPE [G] = [E] - [F] - [B] + [D]	**-245,663**	**-307,602**

** Includes the impact of the restatement of discontinued operations under IFRS 5.*

The individual impacts of the subsidiaries acquired during the year are immaterial. This is why the opening IFRS balance sheets at the acquisition date are presented on an aggregate basis.

The table below shows the impact on the consolidated balance sheet of the subsidiaries acquired and of the provisional allocation of their acquisition prices over the period:

In thousands of euros	Assets acquired	Liabilities assumed
Goodwill	40,003	
Intangible assets	56,842	
Property, plant and equipment	178,545	
Right-of-use assets	16,902	
Equity-accounted investments	3,891	
Non-current financial assets	-3,178	
Deferred tax assets	1,217	
Non-current assets	**294,222**	
Inventories	1,571	
Trade receivables and related accounts	16,658	
Other receivables and current assets	21,693	
Current assets	**39,922**	
Non-controlling interests		**-34,171**
Provisions for pensions		24
Deferred tax liabilities		38,362
Other provisions		2,496
Borrowings and other financial liabilities		11,773
Non-current liabilities		15,660
Other non-current liabilities		258
Non-current liabilities		**68,573**
Provisions for current liabilities		1,829
Trade payables and related accounts		33,517
Other liabilities and accruals		15,224
Borrowings due within one year		4,385
Current lease commitments		1,317
Financial instruments – liabilities		4
Current liabilities		**56,276**
ASSETS ACQUIRED	**334,144**	
LIABILITIES ASSUMED		**90,678**
Net contribution	**243,466**	

2.6 Assets held for sales

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, assets or groups of assets held for sale are presented on a separate line in the balance sheet.

Non-current assets and groups of assets to be disposed of and classified as "held for sale" are measured at the lower of their carrying amount or fair value less costs to sell. These assets are classified as "held for sale" only if their sale is highly probable within 12 months, if they are available for immediate sale and if management has implemented a sale plan and sufficient progress has been made. In assessing whether a sale is highly probable, the Group takes into account, in particular, indications of interest and offers received from potential buyers, as well as the performance risks specific to certain transactions.

In addition, if assets or groups of assets held for sale represent a separate major line of business within the meaning of IFRS 5, they are presented as discontinued operations. When a business activity is classified as a discontinued operation, the comparative income statement and cash flow statement are restated as if the activity had met the criteria of a discontinued operation as of the start of the comparative period. Discontinued operations are presented on a single line in the Group income statement. This line item, "Net profit from discontinued operations", includes the net profit after tax of operations sold or being sold up to the date of disposal.

In response to medium-term changes in its markets and corporate project, the Group has revised its strategy for its assisted living facilities dedicated to seniors and has decided to sell this activity. In 2022, this resulted in particular in the termination of its partnership in this business in Italy and the conversion of its Come facility into a long-term care nursing home.

This activity was not classified as held for sale or discontinued at 31 December 2021. Accordingly, the comparative 2021 income statement and cash flow statement have been restated to present the impact of this business as a discontinued operation.

The net income of this activity is presented on the "discontinued operation" line of the income statement.

The assets and liabilities of activities sold or held for sales are presented on separate lines on the Group's balance sheet, without restatement of prior periods.

The net income after tax of discontinued operations is composed of the following:

In thousands of euros	**31.12.2022**	**31.12.2021**
Revenue	**20,045**	**16,038**
Other income		
Revenue and other income	**20,045**	**16,038**
Purchases used in the business	-3,725	-2,850
Payroll expenses	-11,201	-7,212
External expenses	-8,839	-2,544
Taxes	-1,121	-876
Other operating income and expenses	5,694	2,189
Earnings before interest, taxes, depreciation and amortisation	**853**	**4,745**
Depreciation/amortisation and impairment	-12,300	-9,600
Other income and expenses	-158	36
Operating income	**-11,605**	**-4,819**
Financial income	**-2,084**	**-1,501**
Pre-tax income	**-13,689**	**-6,320**
Income tax	873	-688
Profit/(loss) of consolidated companies	**-12,816**	**-7,008**
Profit/(loss) from equity-accounted companies	-865	-1,760
Net income from continuing operations	**-13,681**	**-8,768**

Cash flow of discontinued operations is composed of the following:

In thousands of euros	**31.12.2022**	**31.12.2021**
Net income from discontinued operations	**-13,681**	**-8,768**
Net cash generated from/(used in) operating activities	13,363	16,825
Net cash used in investing activities	3,303	-3,985
Net cash generated from/(used in) in financing activities	-3,110	-4,001
CHANGE IN CASH POSITION	**-125**	**71**
Cash position at start of period	-4	
Cash position at end of period	-129	

Assets and liabilities held for sale break down as follows:

ASSETS

In thousands of euros	31.12.2022
Goodwill	15,000
Intangible assets	36
Property, plant and equipment	10,250
Right-of-use assets	90,681
Financial assets	11
Equity-accounted investments	
Deferred tax assets	5,569
Non-current assets	**121,547**
Inventories	114
Trade receivables and related accounts	2,804
Other receivables and currents assets	5,131
Current tax receivables	
Financial instruments – assets	
Cash and cash equivalents	70
Current assets	**8,119**
ASSETS HELD FOR SALE	**129,666**

LIABILITIES

In thousands of euros	31.12.2022
Provisions for pensions	97
Deferred tax liabilities	-4,277
Other provisions	226
Borrowings and other financial liabilities	
Non-current lease liabilities	110,514
Other non-current liabilities	
Non-current liabilities	**106,560**
Provisions for current liabilities	
Trade payables and related accounts	12,624
Other payables and accruals	4,649
Current tax payables	362
Borrowings due within one year and bank overdrafts	199
Current lease liabilities	14,965
Financial instruments – Liabilities	
Current liabilities	**32,799**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**139,359**

NOTE 3 SEGMENT REPORTING – EBITDAR – WCR

3.1 Operating segments

IFRS 8 requires the disclosure of segment-based information on the Group's various components that has been monitored and measured by the Group's management. These components (operating segments) are identified on the basis of internal reports that are regularly reviewed by the Group's operational management when deciding to allocate resources to these sectors and when assessing their results.

The Korian Group is organised into four operating segments: France, Germany, Benelux and Italy.

The Group's operational management chiefly monitors revenue and EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortisation and Rent), as shown in the table below.

EBITDAR, which is calculated from the Company's ordinary income and expenses, measures the Group's operating performance. This indicator is used in Korian's profession to exclude the impact of real estate policies when assessing operational performance.

The Group's current revenue for each segment have similar profiles in terms of types of services, customers and contracts. There are no long-term contracts or contracts with multiple elements that would justify spreading revenue recognition over time.

OPERATING SEGMENTS AT 31 DECEMBER 2022

In thousands of euros	Total	France(1)	Germany	Benelux(2)	Italy
Revenue and other income	4,534,075	2,226,079	1,081,971	666,992	559,033
EBITDAR	1,072,264	563,705	249,371	142,002	117,186
	23.6%	*25.3%*	*23.0%*	*21.3%*	*21.0%*
Bridge from EBITDAR to operating income as at 31.12.2022					
EBITDAR	**1,072,264**				
Lease expenses	-69,034				
EBITDA	**1,003,230**				
Depreciation/amortisation, impairment and provisions	-654,882				
Other income and expenses	-75,820				
Operating income	**272,528**				

(1) Includes €98.1 million of revenue in Spain and €47.1 million of revenue in the UK.
(2) Includes €104.1 million of revenue in the Netherlands.

OPERATING SEGMENTS AT 31 DECEMBER 2021*

In thousands of euros	Total	France(1)	Germany	Benelux(2)	Italy
Revenue and other income	4,294,809	2,168,250	1,067,456	586,989	472,114
EBITDAR	1,063,236	528,522	298,661	139,179	96,874
	24.8%	*24.4%*	*28.0%*	*23.7%*	*20.5%*
Bridge from EBITDAR to operating income as at 31.12.2021					
EBITDAR	**1,063,236**				
Lease expenses	-63,979				
EBITDA	**999,257**				
Depreciation/amortisation, impairment and provisions	-615,757				
Other income and expenses	-41,708				
Operating income	**341,792**				

(1) Includes €64.9 million of revenue in Spain and €20.5 million in the UK.
(2) Includes €81.0 million of revenue in the Netherlands.
** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas contract and the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

3.2 Revenue and other income

Korian is organised around three main business units: long-term care, healthcare and community care services. The main sources of revenue are accommodation, medical care and dependency care services. The revenue from these services is recognised when they are completed, regardless of the source of payment.

Revenue and other income totalled €4,534 million for the period ended 31 December 2022, an increase of €239 million compared to the previous period.

Other income includes €56.1 million in compensation for revenue loss recognised in connection with the loss of business in France, Belgium, Italy and Germany, as well as €39.6 million in *Ségur de la Santé* financing for the consultation, medical care and rehabilitation business (whereas *Ségur de la Santé* applicable to long-term care is included in revenue).

The revenue and other income from each business activity is shown below:

In thousands of euros	31.12.2022	31.12.2021 restated*
Long term care	2,949,048	2,808,690
Healthcare	1,092,417	1,026,638
Community care	492,610	459,481
TOTAL	**4,534,075**	**4,294,809**

** Includes the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

3.3 Other information on current performance

Purchases used in the business correspond mainly to purchases of raw materials, energy and various supplies. These purchases increased by -€42.6 million in 2022, of which approximately -€20 million are due to higher energy costs.

External expenses consist mainly of fees and other remuneration paid to various intermediaries of -€87.5 million, rental expenses excluded from IFRS 16 -€69.0 million, upkeep and maintenance costs -€35.4 million, and subcontracting costs -€55.1 million.

"Depreciation, amortisation and impairment" includes -€614.5 million of depreciation and amortisation, of which right of use accounted for -€401.1 million and -€40.2 million of impairment and provisions.

3.4 Other income and expenses

These items represent the impact of major events during the accounting period that could skew the interpretation of the Group's performance, particularly on EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortisation and Rent), which is the Group's preferred indicator for financial communication.

To facilitate the interpretation of operational performance, these income and expense items, which are relatively few and infrequent, are presented separately in the income statement.

They mainly consist of:

- capital gains and losses on the disposal of investments, and significant and unusual impairments of tangible and intangible non-current assets;
- transaction costs for the period;
- certain restructuring or merger expenses, consisting solely of restructuring costs that, because of their unusual nature and size, would distort ordinary operating income, namely the impact of real estate asset refinancing transactions and disposals carried out in connection with M&A transactions;
- other income and expenses such as provisions for material litigation.

In thousands of euros	31.12.2022	31.12.2021 restated*
Reorganisation costs	-32,991	-31,589
Acquisition and growth project costs	-28,948	-29,901
Other	-13,881	19,782
TOTAL OTHER INCOME AND EXPENSES	**-75,820**	**-41,708**

** Includes the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

Other income and expenses consist mainly of "reorganisation" costs -€33.0 million, essentially in France and Germany, acquisition and development project costs -€28.9 million, of which M&A costs accounted for -€15.9 million, while fees for external consultants working on non-recurring projects accounted for -€13.0 million. Other items mainly include the capital loss on the disposal of 22 facilities in France in 2022.

3.5 Working capital requirement

Current assets

A) INVENTORIES

Inventories are valued at the lower of cost or net realisable value. The cost of inventories of raw materials, goods, personal protective equipment and other supplies consists of the purchase price excluding taxes, less discounts, rebates and other deductions obtained, plus incidental purchasing costs (transport, unloading charges, customs duties, purchasing commissions, etc.). These inventories are measured using the first-in first-out (FIFO) method.

In thousands of euros	31.12.2022	31.12.2021
Gross value	31,884	29,437
Impairment	-3,261	-1,201
NET VALUE	**28,623**	**28,236**

B) RECEIVABLES

Trade and other receivables are recognised at their nominal value, *i.e.* the fair value on the date of initial recognition.

An impairment loss is recognised from the date of initial recognition of the receivable as required by IFRS 9. The level of provisioning depends both on the level of loss experienced in previous years and on the risk assessment performed on the receivables in each of the countries in which the Group operates.

The impairment of trade receivables at 31 December 2022:

In thousands of euros	Receivables not due at end of period	0 to 6 months	6 to 12 months	1 to 2 years	2 to 4 years	Over 4 years	Total at end of period
Trade receivables	252,589	119,807	33,267	37,524	21,321	18,085	482,593
Impairment	-5,869	-5,495	-4,857	-7,465	-7,422	-11,117	-42,225
NET VALUE	**246,720**	**114,312**	**28,410**	**30,059**	**13,899**	**6,968**	**440,368**

The impairment of trade receivables at 31 December 2021:

In thousands of euros	Receivables not due at end of period	0 to 6 months	6 to 12 months	1 to 2 years	2 to 4 years	Over 4 years	Total at end of period
Trade receivables	211,646	95,555	26,617	28,559	22,515	17,370	402,262
Impairment	-4,446	-2,183	-1,878	-9,917	-9,037	-10,127	-37,588
NET VALUE	**207,200**	**93,372**	**24,739**	**18,642**	**13,478**	**7,243**	**364,674**

In accordance with IFRS 9, the Group's impairment rules for trade receivables depend on the sector, country and nature of the receivable.

Some debts in certain countries, such as Italy and Germany, are more than four years old. In these countries, the collection of debts on residents is effected through dunning and court-ordered enforcement. An execution order is valid for several years, and in many cases we must wait until a residents' former home is sold. This explains why receivables that are more than four years overdue have not been written off.

Transfer and use of financial assets

As part of its financing policy, the Group has factoring agreements that allow a group of financial institutions to sell part of the trade receivables of certain subsidiaries with a transfer of almost all the risks and rewards attached to the sold outstandings. This strategy has been implemented in Italy with *pro soluto* factoring and in France with Natixis Factoring.

The risks and rewards test required under IFRS 9 has led the Group to derecognise almost all of the receivables assigned under these factoring contracts.

The receivables assigned by the Italian subsidiaries are sold at their nominal value less an initial charge of 0.3% to 0.6%, which is recognised in "Other expenses", to which interest at the EURIBOR rate plus a margin is added and recorded as a financial expense. Receivables assigned by French subsidiaries are assigned at their nominal value less an initial fee of 0.6%, which is recorded in other expenses, and interest at the zero-coupon rate, which is recorded in financial expenses.

At 31 December 2022, receivables assigned, derecognised and not yet collected by the factoring company totalled €56.6 million, which is 20% of the receivables assigned and derecognised over the past twelve months for France and Italy. At 31 December 2021, this amount totalled €40.5 million, *i.e.* 19% of the current flows assigned and derecognised during the financial year for Italy.

Breakdown of *PRO SOLUTO* receivables assigned over the year *(in thousands of euros)*	**31.12.2022**	**1st quarter 2022***	**2nd quarter 2022***	**3rd quarter 2022**	**4th quarter 2022**
Receivables assigned	263,220	45,492	68,714	62,263	86,751
Receivables collected	266,925	47,883	65,760	61,390	91,891
Fees for the management and collection of assigned receivables	-1,029	-218	-221	-226	-363
Corresponding financial expense	-1,040	-148	-276	-220	-395
Profit/(loss) on assignment	**-2,069**	**-366**	**-498**	**-446**	**-758**
NET CASH RECEIVED	**264,856**	**47,517**	**65,263**	**60,944**	**91,133**

* *Data updated from the June publication following additional information on the most recent acquisitions.*

C) OTHER RECEIVABLES AND CURRENT ASSETS

Other receivables and current assets consist of the following:

In thousands of euros	**31.12.2022**	**31.12.2021**
Tax receivables, excluding current taxes	99,628	94,926
Social security receivables	7,308	5,555
Advances and down payments	35,099	27,678
Prepaid expenses	60,521	66,096
Other debtors	241,862	245,691
Other receivables and current assets in WCR	**444,418**	**439,946**
Receivables on disposal and acquisition of non-current assets	-9,127	15,662
Impairment of other receivables	-15,260	-5,294
VALUE OF OTHER RECEIVABLES	**420,031**	**450,314**

In thousands of euros	**31.12.2022**	**31.12.2021**
Deposits and guarantees	2,221	1,271
Other non-current financial assets	636	1,700
VALUE OF OTHER CURRENT FINANCIAL ASSETS	**2,857**	**2,971**
TOTAL OTHER RECEIVABLES AND CURRENT ASSETS	**422,888**	**453,285**

D) TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Trade and other payables are recognised at historical cost (which is the amortised cost).

In thousands of euros	31.12.2022	31.12.2021
Trade payables	570,717	499,717
TOTAL TRADE PAYABLES AND RELATED ACCOUNTS	**570,717**	**499,717**

In thousands of euros	31.12.2022	31.12.2021
Residents' deposits	62,287	59,088
Advances and down payments made on orders	44,648	36,859
Non-corporate income tax liabilities	95,935	70,934
Social security liabilities	356,817	335,526
Other liabilities	117,648	119,258
Deferred income	25,473	27,685
TOTAL PAYABLES AND ACCRUALS IN THE WCR	**702,808**	**649,350**
Non-current asset suppliers	162,637	109,449
Dividends payable	438	1,728
TOTAL OTHER PAYABLES AND ACCRUALS	**865,883**	**760,527**

Change in the working capital requirement

The working capital requirement is composed of the following items:

In thousands of euros	31.12.2021	Change in consolidation scope	Change in WCR	Other changes	31.12.2022
Inventories [A]	29,437	1,468	828	151	31,884
Trade receivables and related accounts [B]	402,262	14,857	58,207	7,267	482,593
Other receivables and current assets [C]	439,946	15,620	-50,695	39,547	444,418
Trade payables and related accounts [D]	499,717	27,958	4,598	38,444	570,717
Other payables and accruals [E]	649,350	10,769	39,263	3,426	702,808
WORKING CAPITAL REQUIREMENT [F] = [D] + [E] - [A] - [B] - [C]	**277,422**	**6,782**	**35,521**	**-5,095**	**314,630**

The Group excludes tax receivables and payables and investment-related receivables and payables from its WCR calculation. WCR is based on the gross value of inventories and receivables.

NOTE 4 EMPLOYEE EXPENSES AND BENEFITS

4.1 Employee expenses

In thousands of euros	31.12.2022	31.12.2021 restated*
Wages and salaries	1,924,079	1,807,931
Social contributions	605,000	573,747
Employee profit sharing	8,636	7,869
Free share awards	4,611	4,437
Other personnel expenses	176,156	131,570
TOTAL	**2,718,482**	**2,525,554**

** Includes the impact of the restatement of discontinued operations under IFRS 5.*

4.2 Employee share ownership plan

The Group has set up a leveraged employee share ownership plan that offers employees the possibility to purchase the Group's shares at a discounted price. To calculate the IFRS 2 expense used to measure the employee benefit, the Group adjusts the amount of the discount granted to employees on the share subscription price in accordance with the following two factors:

- the cost of the five-year "lock-in" period that applies to the shares granted to employees. This cost takes into account the five years during which the shares may not be sold or otherwise transferred, and is equivalent to the cost of a two-step investment strategy in which a market participant sells the shares at the end of the five-year period and borrows the amount necessary to buy an equivalent number of immediately transferable share, this loan being financed with the forward sale of the shares and the dividends paid during the lock-in period. This cost is calculated on the basis of the following factors:
  - the share subscription price is the volume-weighted average price of Korian shares over the twenty previous trading days, less a discount,
  - the award date of the rights under the plan is the date on which employees are informed of its specific terms and conditions, and of the share subscription price in particular,
  - the loan rate offered to employees, which is used to determine the non-transferability cost of the shares, is the rate that a bank would offer to an individual with an average risk profile for a balloon-payment consumer loan with a term equal to the duration of the plan;
- the opportunity gain offering employees the possibility of benefiting from the same market conditions as the Group.

An expense of €0.7 million is recognised for this plan.

4.3 Employee benefits

Employee benefits are accounted for in accordance with IAS 19 and are composed of post-employment benefits (lump-sum retirement benefits) and long-term benefits such as anniversary bonuses and long-service awards.

The Group's obligation in respect of defined benefit plans is limited to the contributions it pays into the plan. These contributions are expensed in the period in which they are incurred. Where applicable, a provision is recorded for contributions that remain to be paid for the period.

In the case of a defined benefit plan (post-employment benefits and other long-term benefits), the Group makes a provision on the balance sheet that represents its obligation at the date the financial statements were issued. This is the case for IDR (*indemnités de départ à la retraite*) in France and TFR (*Trattamento di Fine Rapporto*) in Italy.

Except for the discount rate, the actuarial assumptions (*i.e.* employee turnover, mortality, wage and salary growth, and retirement age) vary in accordance with the demographic and economic conditions of the country of the relevant plan.

Since the countries in which the Group operates are all in the eurozone, the Group uses a single discount rate at each balance sheet date. This rate is based on the rate paid by AA-rated corporate bonds with a maturity of at least 10 years (source: iBoxx index).

IN FRANCE

a) Lump-sum retirement benefits

Lump-sum retirement benefits (IDR) are defined post-employment benefits and are subject to the national collective bargaining agreement for the sectors of private hospitals, real estate and personal services. When employees retire, the Company pays them a lump-sum benefit, the amount of which depends on their final salary and the number of years they have worked for the Company.

b) Long-service awards and bonuses

In some cases, the collective bargaining agreements of the Group's French companies may provide for the payment of a bonus when a long-service award is granted or simply the payment of a long-service bonus. These benefits are treated as long-term benefits under IAS 19.

Some of the Korian Group's facilities in France grant anniversary bonuses to their employees when they have been employed for a certain number of years. Korian has five anniversary bonus schemes. Facilities with anniversary bonus schemes do not benefit from the long-service award scheme described below.

When the French government awards a long-service medal to an employee, some Korian Group facilities will pay the employee a bonus at the employee's request. The amount paid varies along the same scale that is used for long-service bonuses.

c) Supplementary pension plans

The Group has not granted employees any supplementary pension plans in addition to the minimum statutory pension.

IN GERMANY

Company collective bargaining agreements provide for the granting of long-service bonuses. These benefits are treated as long-term benefits under IAS 19.

IN BELGIUM

A supplementary pension plan for certain members of management has been arranged with an insurance group.

IN ITALY

The TFR (*Trattamento di Fine Rapporto*) plan is a defined benefit plan that is subject to article 2120 of the Italian Civil Code. Under this plan, each period of work entitles the employee to a benefit that is not directly available to the employee except under certain circumstances, namely when leaving their employer, making certain property purchases, or death. Depending on the situation, the plan may be outsourced to a third party (in which case it becomes a defined contribution plan) or retained by the employer, in which case it continues to be a post-employment defined benefits plan.

In thousands of euros	Lump-sum retirement benefits	Anniversary bonuses	Long-service awards	Total France	Total Italy	Total Germany	Total Benelux	Total
1 | CHANGE IN THE PROVISION FOR 2022								
Provision at 31 December 2021	**62,975**	**1,704**	**543**	**65,222**	**24,662**	**8,564**	**494**	**98,942**
Interest expense	449	14	3	466	179	65		710
Cost of services	6,899	193	140	7,232	1,317	2,213		10,762
Curtailment gain	-2,296			-2,296	- 129			-2,425
Benefits paid including social contributions	-3,088	-48	-71	-3,207	- 2,394	-4,010	-591	-10,202
Change in consolidation scope excl. benefits paid	**1,963**	**159**	**72**	**2,194**	**- 1,027**	**-1,731**	**-591**	**-1,155**
Actuarial gains/(losses) on long-term benefit schemes		-285	-20	-305	1,027	1,000		695
Expenses for 2022	**1,963**	**-126**	**52**	**1,889**	**- 1,995**	**-731**	**-591**	**-460**
OCI actuarial gains/(losses)	-8,029			-8,029		-361		-10,385
Change in scope	8			8		-485		-477
Provision at 31 December 2022	**56,917**	**1,578**	**595**	**59,090**	**21,640**	**6,987**	**-97**	**87,620**
2 | DISCOUNT RATE SENSITIVITY								
Effect of an increase in the discount rate of 0.5%	56,763	1,525	588	58,876	20,558	6,638	-92	85,979
Effect of a decrease in the discount rate of 0.5%	62,156	1,600	607	64,363	22,722	7,337	-102	94,319
3 | SENSITIVITY TO AN INCREASE IN SALARIES								
Effect of an increase in salaries of 0.5%	59,836	NA	NA	59,836	NA	7,022	NA	66,858
Effect of a decrease in salaries of 0.5%	54,590	NA	NA	54,590	NA	6,952	NA	61,542

		Lump-sum retirement benefits – France	Long-service awards & bonuses – France	TFR – Italy	Long-service bonuses & pensions – Germany	Belgium
MAIN ASSUMPTIONS						
Discount rate		3.27%	3.27%	3.27%	3.93%	3.70%
Salary growth rate		3.00%	NA	NA	NA	NA
Mortality table		TGHF05	TGHF05	ISTAT 2013	HEUBECK -RICHTTAFELN 2018G	MR-5/FR-5
Retirement age of "*cadres*"	■ Born in 1950 and before	63.0	63.0	66.7	65.0	65.0
	■ Born between 1951 and 1952	64.0	64.0	66.7	65.0	65.0
	■ Born in 1953 and after	64.0	64.0	66.7	65.0	65.0
Retirement age of "*non-cadres*"	■ Born in 1950 and before	60.0	60.0	66.7	65.0	65.0
	■ Born between 1951 and 1952	61.0	61.0	66.7	65.0	65.0
	■ Born in 1953 and after	62.0	62.0	66.7	65.0	65.0
Type of retirement		voluntary	voluntary	voluntary	voluntary	voluntary

4.4 Share-based payments

In accordance with IFRS 2, share-based payments – such as free share and performance unit plans granted to employees and officers – are expensed over the vesting period.

The Korian Group has set up two types of plans:

- a performance unit plan, which is both cash-settled and equity-settled within the meaning of IFRS 2 (this plan expired in 2019);
- free share plans, which are considered to be equity-settled within the meaning of IFRS 2:
  - equity-settled plans are settled with the delivery of Korian shares, for which an expense and an increase in equity are recognised. For these plans, the fair value of the equity instruments granted is the Korian share price at the grant date less the expected dividends over the vesting period. The number of equity instruments granted may be reviewed during the vesting period to account for anticipated non-compliance with "non-market related" performance conditions or the turnover rate of the beneficiaries,
  - cash-settled plans, for which an expense and a liability of the same amount are recorded. These plans are revalued at their fair value at each balance sheet date.

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In thousands of euros	**2019 Free share plan**	**2020 Free share plan #1**	**2020 Free share plan #2**	**2021 Free share plan #1**	**2021 Free share plan #2**	**2021 Free share plan #3**	**2022 free share plan #1**	**2022 Free share plan #2**	**Total**
A. PLAN CHARACTERISTICS									
Terms of allocation	Free	Free	Free	Free	Free	Free	Free	Free	
Subject to continued employment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Subject to performance requirement	Yes	No	Yes	No	Yes	Yes	No	Yes	
Vesting date	06.06.2022	31.07.2023	31.07.2023	15.03.2024	15.03.2024	15.03.2024	22.06.2025	22.06.2025	
Number of shares outstanding	24,892	11,572	264,753	55,226	299,261	132,000	114,972	624,047	1,526,723
Accounting expense for 2019 excluding social contributions	0.16	Na	Na	Na	Na	Na	Na	Na	0.16
Accounting expense for 2020 excluding social contributions	0.12	0.04	0.64	Na	Na	Na	Na	Na	0.79
Accounting expense for 2021 excluding social contributions	0.66	0.11	1.27	0.36	1.22	0.22	Na	Na	3.85
Accounting expense for 2022 excluding social contributions	0.23	0.12	1.35	0.52	1.06	-0.07	0.21	0.85	4.26
B. CHANGE IN NUMBER OF SHARES OUTSTANDING									
Number of shares initially allocated	162,914	13,150	320,025	61,478	348,247	132,000	114,972	639,438	1,792,224
Number of shares cancelled in 2019	8,119	0	0	0	0	0	0	0	8,119
Number of shares cancelled in 2020	8,660	0	3,685	0	0	0	0	0	12,345
Number of shares cancelled in 2021	4,330	526	24,741	3,126	21,367	0	0	0	54,090
Number of shares cancelled in 2022	116,913	1,052	26,846	3,126	27,619	0	0	15,391	190,947
NUMBER OF SHARES VESTED	**24,892**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**24,892**
NUMBER OF SHARES OUTSTANDING	**0**	**11,572**	**264,753**	**55,226**	**299,261**	**132,000**	**114,972**	**624,047**	**1,501,831**
C. IFRS 2 VALUATION									
Share price at the allocation date	31.13*	32.21*	32.21*	30.5	30.5	30.5	14.83	14.83	
Expected volatility	27.50%	Na	32.40%	Na	33.50%	Na	Na	Na	
Annual dividend	0.6	0,6**	0,6**	€0.30 in FY22 and FY23 €0.60 in FY24	€0.30 in FY22 and FY23 €0.60 in FY24	€0.30 in FY22 and FY23 €0.60 in FY24	€0.35 in FY22 €0.42 in FY23 €0.51 in FY24	€0.35 in FY22 €0.42 in FY23 €0.51 in FY24	
Risk-free interest rate	-0.80%	Na	-0.80%	Na	-0.71%	Na	Na	Na	
IFRS 2 FAIR VALUE OF THE PLAN EXCLUDING SOCIAL CONTRIBUTIONS	**1.17**	**0.34**	**4.03**	**1.44**	**3.77**	**0.33**	**1.21**	**4.83**	**17.14**
Equity-settled component	*1.17*	*0.34*	*4.03*	*1.44*	*3.77*	*0.33*	*1.21*	*4.83*	*17.14*
Cash-settled component	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*

* *Adjusted to account for Korian's share issue with preferential subscription rights at the end of 2020.*
** *Dividends FY21 and FY22.*

The fair value of options and rights was determined by an external expert using valuation models that take into account the plan's specific characteristics, market data observed at the allocation date and certain assumptions by the Group's management.

Free share plans implemented since 2019

For all free share plans granted to certain employees who are members of General Management and corporate officers, the vesting of free shares is subject to the conditions that the beneficiary remain employed by the Group throughout the vesting period and that the following performance targets be achieved:

- for the 2019 plan: 2021 revenue, 2021 EBITDA per share and Korian's share price compared to the performance of the SBF 120 index over the vesting period;
- for the 2020 plan: 2022 revenue, Korian's share price compared to the performance of the SBF 120 index over the vesting period, 2022 operating free cash flow and CSR Criteria. These performance requirements were waived for some high-potential employees;
- for the 2021 plan: 2023 revenue, Korian's total shareholder return compared to that of the SBF 120 index over two reference periods, 2023 earnings per share, and CSR criteria.

In 2020 and 2021, two plans without performance requirements were granted to several employees identified as high potential and key resources for the Group, and to specific medical functions.

Finally, a third growth-oriented free share plan was set up in 2021 for the managers of new business activities, subject to the achievement of specific revenue and EBITDA targets for these new activities.

Vested shares may be freely transferred, except for those of Korian SE's corporate officers, who must retain 25% of the shares granted.

2022 FREE SHARE PLANS

Two plans were implemented in 2022:

1. a plan with no performance requirements for employees identified as high potential and key resources for the Group, and for specific medical functions;
2. a plan for certain salaried employees of General Management and corporate officers, which are subject to the following performance criteria:
   - 2024 revenue,
   - 2024 earnings per share,
   - CSR criteria.

Vested shares may be freely transferred, except for those of Korian SE's corporate officers, who must retain 25% of the shares granted.

NOTE 5 GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

5.1 Goodwill

In compliance with IFRS 3, business combinations are accounted for as follows at the date of acquisition:

- the identifiable assets acquired and the liabilities assumed are measured at fair value at the date of acquisition;
- non-controlling interests are measured either at fair value (*i.e.* with goodwill allocated to the non-controlling interests: the "full goodwill method") or at the proportionate share of the fair value of the acquired entity's identifiable net assets (*i.e.* with no goodwill allocated to non-controlling interests: the "partial goodwill method"). This option is available on a case-by-case basis for each business combination transaction;
- acquisition costs are expensed when incurred and are recorded under "Gain/(loss) on acquisition and disposal of consolidated entities" in the consolidated income statement;
- any earn-out payments on business combinations are recognised at fair value at the acquisition date. After the acquisition date, earn-outs are recognised at fair value at each balance sheet date. Beyond one year after the acquisition date, any change in this fair value is recognised in income. During this one-year period, any changes in this fair value that is explicitly linked to events subsequent to the acquisition date will also be recognised in income. Other changes will be recognised against goodwill.

At the date of acquisition, goodwill is the difference between:

- fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, where a business combination takes place in several stages, the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree, which is remeasured in the income statement;
- the net fair value of identifiable assets acquired and liabilities assumed at the acquisition date, measured at fair value.

Goodwill is not amortised. In accordance with IAS 36 "Impairment of Assets", goodwill is tested for impairment annually, and more frequently if there is evidence of impairment. The impairment test procedures are described in Note 1 "Impairment of property, plant and equipment, intangible assets and goodwill".

In thousands of euros	31.12.2022	31.12.2021
Gross goodwill at start of period	**3,213,838**	**2,905,604**
Change in scope	97,739	346,100
Final allocation of goodwill	-58,104	-38,940
Valuation of promise to purchase non-controlling interests		
Disposals	-749	
Reclassifications and other impacts	-3,010	1,074
Assets held for sale	-12,458	
Gross goodwill at end of period	**3,237,256**	**3,213,838**
Impairment at start of period		
Impairment during the period		
Impairment at end of period		
Net goodwill at start of period	**3,213,838**	**2,905,604**
NET GOODWILL AT END OF PERIOD	**3,237,256**	**3,213,838**

Changes in goodwill

The changes in goodwill for the year ended 31 December 2022 are as follows:

In thousands of euros	Group	France(1)	Germany	Benelux(2)	Italy
Net goodwill at start of period	**3,213,838**	**1,795,340**	**721,672**	**266,102**	**430,724**
Change in scope	93,980	33,618		2,858	57,504
Final allocation of goodwill	-58,104	-24,548			-33,556
Assets held for sale	-12,458	-12,458			
NET GOODWILL AT END OF PERIOD	**3,237,256**	**1,791,952**	**721,672**	**268,960**	**454,672**

(1) Includes €167.6 million of goodwill in Spain and €53.2 million in the United Kingdom.
(2) Includes €75.4 million of goodwill in the Netherlands.

Most of the goodwill arose from the recognition of licences, property developments and leases. Most of the changes in goodwill in 2022 are attributable to:

- in France: the impact of the final allocation of the purchase price of Centre de Psychothérapie d'Osny (acquired in July 2021);
- in the United Kingdom (goodwill recognised in France): the impact of the provisional allocation of the 2022 acquisitions (5 new facilities), and the final allocation of the goodwill of the Berkley Care Group (acquired in March 2021);
- in Italy: The impact of the final allocation of the purchase price of "Sage" and "Vietti" (acquired in 2021) and the provisional allocation of the purchase price of Italian Hospital Group, Borghi Group and Maleo Group.

In 2022, the Group tested the goodwill of the following countries. The main assumptions of the goodwill impairment test are shown below:

	WACC		Long-term growth rate	
Country	**2022**	2021	**2022**	2021
France	6.25%	5.5%	1.8%	1.75%
Germany	6.15%	5.5%	2.3%	1.75%
Belgium	6.5%	6.0%	1.8%	1.75%
Netherlands	6.15%	5.0%	2.3%	1.75%
Italy	7.5%	6.5%	2.2%	1.75%
Spain	7.3%	6.5%	2.3%	1.75%
United Kingdom	7.4%	Not tested	2.4%	Not tested

The change in discount rates in 2022 is mainly due to the increase in the risk-free rate, market risk premiums and spreads. The long-term growth rate has been updated for each country to account for their macroeconomic environment, and in particular their average inflation rate projected over the next 20 years.

The operational assumptions that underpin the business plan include a compounded annual growth rate (CAGR) of organic revenue of over 5% until 2025, with EBITDAR stable in 2023 compared to 2022 and increasing in line with revenue growth from 2024 onwards.

These tests revealed no impairment losses.

At 31 December 2022, an unfavourable change of +0.5% in the national discount rates of Spain and Italy would have resulted in goodwill impairment of approximately €22 million for Spain and €31 million for Italy, assuming no change in their long-term growth rates.

An unfavourable change in the long-term growth rate of -0.5% of Spain and Italy would have resulted in goodwill impairment of €19 million for Spain and €21 million for Italy, assuming no change in their discount rates.

Regarding the sensitivity of goodwill to operating assumptions, a 5% decrease in the terminal value of EBITDAR would impair the Spanish goodwill by approximately €12 million and the Italian goodwill by about €11 million.

5.2 Intangible assets

MEASUREMENT OF INTANGIBLE ASSETS

In accordance with IFRS 3, at the date the control of a subsidiary is acquired, the identifiable assets acquired and liabilities assumed are measured at fair value.

The operating licences acquired (intangible assets) are measured at the acquisition date at their fair value, which is determined using a multi-criteria approach that takes into account the characteristics of the facility, such as its revenue multiple, and the cash flow forecast of the acquisition business plan.

In France, although licences are granted for a period of 15 years and tripartite and Multi-year Targets and Resource agreements are signed for five years, licences are considered to have an indefinite term and no amortisation is recognised in the consolidated financial statements. This market position in the sector stems from the fact that operating licences can only effectively be withdrawn if the Group fails to comply with the conditions imposed by regulators for the operation of this type of facility, including compliance with minimum standards of care, which are verified through compliance inspections.

In Germany, a licence granted by the government is not required to operate facilities, which are essentially subject to technical standards. Therefore, operating rights do not meet the definition of an identifiable intangible asset, and therefore are not recognised and included in goodwill.

In Belgium, the specialised nursing home market is subject to substantial regulatory barriers to entry, with regulation at the regional level, the requirement of an operating licence, and price controls on accommodation rates. Licences are therefore recognised as intangible assets.

In Italy, national regulations impose minimum structural requirements. Each region transposes these regulations at its level. Italian institutions are subject to supervision by the regulating authorities under agreements concluded with these authorities.

In Spain, no administrative authorisation is required to operate long-term care facilities, which are essentially subject to technical standards. Operating rights therefore do not meet the definition of an identifiable intangible asset. However, facilities may share beds with other facilities under a regional funding programme. The licence required for this may be classified as an intangible asset and subsequently amortised over the duration of the concession granted by the region.

In the Netherlands, there are operating licences but they are not particularly difficult to obtain. However, when a facility has been opened, it may enter into a contract with a private health insurer and provide home care under the VPT regime. These contracts make it possible to charge higher rates and provide more services to residents. These contracts are therefore measured in existence at the acquisition date and recognised as intangible assets.

In the United Kingdom, government licences are required to operate facilities but there are not particularly difficult to obtain. Once a facility has opened, the Care Quality Commission ensures that it complies with quality and safety standards. Operating rights therefore do not meet the definition of an identifiable intangible asset.

Impairment testing is conducted annually in accordance with the method described in the section of Note 1.5 entitled "Goodwill, intangible assets and property, plant and equipment".

Intangible assets are shown in the table below:

In thousands of euros	Licences	Other	Total
Gross value at start of period restated*	**2,040,962**	**296,969**	**2,337,931**
Change in scope	53,215	6,410	59,625
Disposals	-27,082	-4,284	-31,366
Acquisitions	0	61,694	61,694
Transfers	28,742	-14,040	14,702
Gross value at end of period	**2,095,837**	**346,749**	**2,442,586**
Amortisation and impairment at start of period restated*	**14,888**	**142,325**	**157,213**
Change in scope	-624	3,473	2,849
Disposals	0	-470	-470
Amortisation and impairment	1,244	24,310	25,554
Transfers	1,466	-740	726
Amortisation and impairment at end of period	**16,974**	**168,898**	**185,872**
Net carrying amount at start of period restated *	**2,026,074**	**154,644**	**2,180,718**
NET CARRYING AMOUNT AT END OF PERIOD	**2,078,863**	**177,851**	**2,256,714**

** Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract, as described in note 1.3.*

Transfers mainly have to do with reclassification as "assets held for sale" (see Note 2).

Licences are broken down as follows for each operating segment:

In thousands of euros	France(1)	Benelux(2)	Italy	Total
Gross value at start of period	1,468,851	228,100	344,011	2,040,962
Impairment	14,888			14,888
Net carrying amount at start of period	**1,453,963**	**228,100**	**344,011**	**2,026,074**
Gross value at the end of period	1,470,760	228,297	396,780	2,095,837
Impairment	16,777	197		16,974
NET CARRYING AMOUNT AT END OF PERIOD	**1,453,983**	**228,100**	**396,780**	**2,078,863**

(1) Includes €44 million for Spain (the only amount amortised over the period).
(2) Includes €9 million for Netherlands.

No single licence represents a material amount for the Group.

For the year ended 31 December 2022, tests on CGUs resulted in no recognition of impairment.

These impairment tests were performed using the method described in Note 1, in the paragraph entitled "Impairment of intangible assets, property, plant and equipment and goodwill".

5.3 Property, plant and equipment

Property, plant and equipment are reported at their acquisition cost, less any investment subsidies. Property, plant and equipment acquired as part of a business combination are measured at fair value at the acquisition date.

Key components of a non-current asset that have a useful life that is shorter than that of the asset itself are identified so that they may be depreciated over their own useful life.

At each balance sheet date, the historical cost is reduced by accumulated depreciation and any provisions for impairment determined as described in Note 1 on the "Impairment of property, plant and equipment, intangible assets and goodwill".

LEASES

Since 1 January 2019, the Group has applied IFRS 16, which results in:

- the recognition of right-of-use (operating leases under IAS 17) and lease liabilities;
- the reclassification of assets and liabilities recognised on existing finance leases;
- the reclassification of lease incentives as a reduction in right-of-use.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation of property, plant and equipment is calculated using the straight-line method over the useful lives set out below:

Class	Useful life	Method
Structure	60 years	Straight line
Construction components	between 7 and 30 years	Straight line
Machinery and equipment	between 5 and 15 years	Straight line
Other improvements, fixtures and fittings	between 3 and 5 years	Straight line
Medical equipment	between 2 and 10 years	Straight line
Other equipment and furniture	between 2 and 10 years	Straight line
Software	between 1 and 7 years	Straight line
Transport equipment	5 years	Straight line

In thousands of euros	Land	Buildings	Plant and machinery and other tangible assets	In progress and advance payments	Total
Gross value at start of period	**379,413**	**2,595,888**	**1,389,481**	**368,857**	**4,733,639**
Change in scope	28,102	99,679	20,319	224	148,324
Disposals	-17,464	-100,674	-53,774	-23,453	-195,365
Acquisitions	377	133,385	101,758	346,688	582,208
Transfers	15,374	221,121	122,067	-290,661	67,901
Other	-3,520	-9,417	-1,241	0	-14,178
Gross value at end of period	**402,282**	**2,939,982**	**1,578,610**	**401,655**	**5,322,529**
Total depreciation at start of period	**789**	**762,634**	**890,153**	**1,903**	**1,655,479**
Change in scope	0	-9,302	11,416	0	2,114
Allowances	474	91,989	97,843	0	190,306
Disposals	-474	-71,828	-34,304	-764	-107,370
Other	0	26,828	2,634	0	29,462
Total depreciation at end of period	**789**	**800,321**	**967,742**	**1,139**	**1,769,991**
Net carrying amount at start of period	**378,624**	**1,833,254**	**499,328**	**366,954**	**3,078,162**
NET CARRYING AMOUNT AT END OF PERIOD	**401,493**	**2,139,661**	**610,868**	**400,516**	**3,552,538**

BORROWING COSTS

Pursuant to IAS 23, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (buildings in particular) are included in the cost of that asset.

The borrowing rate that may be used is the average cost of the Group's debt after hedging.

Borrowing costs for 2022 totalled €4,396 thousand. In 2021, they were €2,534 thousand.

5.4 Changes in cash flows in relation to acquisitions of non-current assets

The cash flows associated with the purpose of property, plant and equipment and intangible assets are shown below:

In thousands of euros	31.12.2022	31.12.2021*
Acquisitions of intangible assets	-59,368	-48,959
Change in debt on acquisitions of intangible assets	-6,176	-1,257
Acquisitions of property, plant and equipment	-565,299	-476,723
Change in debt on acquisitions of property, plant and equipment and other assets	8,642	-1,972
INVESTMENTS EXPENDITURES IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**-622,201**	**-528,911**

** Includes the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

5.5 Lease commitments

The amount of the right-of-use that is recognised includes the value of the associated lease liability, to which the following may be added where appropriate:

- rents paid before the asset is made available;
- the initial direct costs incurred to obtain the lease, less any incentives received.

Right-of-use assets are amortised on a straight-line basis over the term.

The lease liability comprises the present value of:

- future rental payments (these include payments that are fixed or fixed in substance and those pegged to an index or rate);
- the incentives to be received;
- amounts that Korian expects to pay under residual value guarantees;
- the exercise price of asset purchase options that the Group is reasonably certain to exercise;
- as well as any penalties that may be required for lease termination.

The lease liability under IFRS 16 was calculated using a lease term for property leases that corresponds to the non-cancellable period plus any renewal options the Group is reasonably certain to exercise. The Group recognises an average lease term of 12 years.

The discount rates used are reviewed for each country at the end of each year and more frequently if necessary. These discounts rates depend on the average marginal debt rate and average maturity of each country's sovereign and corporate bonds, and on the characteristics of recent local and corporate financing. The Group's average rate as of June 2022 is 1.83%

Real estate accounts for 98.8% of leases and rental contracts. The remaining contracts are for the leasing or rental of vehicles, power equipment, work clothes and low-value medical equipment.

The Group applies a single accounting method for all of its leases, except for those of 12 months or less, or which involve low-value assets.

Payments on the exempted leases/contracts and variable payments are still recognised directly in operating expenses.

In thousands of euros	31.12.2022	31.12.2021 *
Short-term leases	-15,904	-12,715
Low value leases	-19,923	-18,108
Others lease expenses (fees and taxes)	-33,207	-33,156
TOTAL	**-69,034**	**-63,979**

** Includes the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

➤ CHANGE IN RIGHT OF USE BY CATEGORY OF UNDERLYING ASSETS

In thousands of euros	
Right-of-use assets as at 31.12.2021	**3,469,383**
Inflows of assets, net of renegotiations	586,308
Depreciation and amortisation	-415,055
Lease terminations	-8,405
Change in consolidation scope	-49,734
Other changes	-130,600
RIGHT-OF-USE ASSETS AS AT 31.12.2022	**3,451,897**
■ *of which right-of-use of real estate assets*	*3,411,111*
■ *of which right-of-use of non-real estate assets*	*40,786*

CHANGE IN LEASE COMMITMENTS

In thousands of euros	
Lease liabilities as at 31.12.2021	**3,785,277**
Present value of debt and new leases	587,187
Debt repayment	-392,791
Change in lease duration/rent	-17,669
Change in consolidation scope	-58,206
Other changes	-141,594
LEASE LIABILITIES AS AT 31.12.2022	**3,762,204**

CHANGE IN CASH OUTFLOW ON LEASES

In thousands of euros	31.12.2022	31.12.2021*
Rental debts repayment	-392,791	-387,202
Interest on lease liabilities	-108,684	-109,572
RENTAL INCOME FROM LEASES	**-501,475**	**-496,774**

** Includes the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

MATURITY OF LEASE COMMITMENTS AT 31 DECEMBER 2022

In thousands of euros	Total	< 1 year	1 to 5 years	> 5 years
LEASE LIABILITIES	**3,762,204**	**390,793**	**1,293,072**	**2,078,339**

NOTE 6 SHAREHOLDERS' EQUITY

There are no rights, privileges or restrictions attached to the shares that comprise the share capital. Nor are there any shares reserved for issue under share sale agreements or options.

Share capital totalled €532,526,030 at 31 December 2022. It consists of 106,505,206 fully paid-up shares, all of the same class and having a par value of €5 each.

After shareholder approval of the allocation of net profit at the 2022 General Meeting, the Group distributed a dividend of €0.35 per share, with an option for payment in new shares at an issue price of €16.18. The exercise of this option resulted in the issuance of 625,608 new shares on 21 July 2022. They have since been incorporated in the body of ordinary shares that constitutes the Company's share capital. A cash dividend of €26 million was paid.

Hybrid Bonds

On 1 September 2021, the Group issued new undated unsubordinated bonds optionally redeemable in cash and/or in new and/or existing shares (ODIRNANE bonds), with cancellation of preferential subscription rights, for a nominal amount of €332.5 million. These bonds were issued with the following characteristics:

- a nominal value of €44.28 each, representing a conversion premium of 30.0% over the reference share price;
- bearing interest until 8 September 2026 at a fixed nominal annual rate of 1.875% paid half-yearly and initially on 8 March 2022;
- and as of 8 September 2026, interest at an annual rate equal to the six-month Euribor rate plus 900 basis points, payable half-yearly in arrears on each interest payment date, and initially, if applicable, on 8 March 2027, unless interest payments are suspended.

At the date of this document, the applicable conversion ratio is 1,024 Korian shares for 1 ODIRNANE bond.

In accordance with IAS 32, these hybrid financial instruments were recognised as equity instruments for an amount net of interest and issue expenses of €329.4 million at 31 December 2022 (€326.5 million at 31 December 2021).

Placement of a £200 million non-convertible green hybrid bond

On 8 June 2021, Korian, announced the successful placement of a £200 million non-convertible hybrid green perpetual bond paying a 4.125% coupon and with an initial optional redemption at par in March 2024. The proceeds of this green bond will be used to upgrade, purchase and develop real estate assets, primarily in the UK, with currency matching. The entire issue was recognised in equity.

OCEANE bonds

On 3 March 2020, Korian announced the successful placement of its issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE) maturing in 2027 for a nominal amount of approximately €400 million.

The bonds were issued at par and their nominal value was set at €61.53 each, resulting in a conversion premium at the outset of 55% over the Company's reference share price.

The cancellation of 640,000 OCEANE bonds in the first half of 2022 reduced the nominal value to €360 million.

At the date of this document, the applicable conversion ratio is 1.129 Korian shares for 1 OCEANE bond.

In accordance with IAS 32, the cancellation of these OCEANE bonds reduced the fair value of the redemption option sold to holders to €30 million.

NOTE 7 EARNINGS PER SHARE

Net earnings per share are calculated by dividing the Group's consolidated net income by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated assuming the exercise of all existing dilutive options and using the "share buyback" method defined in IAS 33 "Earnings per share".

	31.12.2022	31.12.2021 restated*
Group share of net income *(in thousands of euros)*	22,060	91,115
Group share of net income from continuing operations *(in thousands of euros)*	35,741	99,883
Weighted average number of shares oustanding *(in thousands)*	104,821	105,294
EARNINGS PER SHARE *(in euros)*	**0.21**	**0.87**
EARNINGS PER SHARE OF CONTINUING OPERATIONS *(in euros)*	**0.34**	**0.95**
Group share of net income *(in thousands of euros)*	22,060	91,115
Impact of remuneration of equity items	-6,215	-5,127
Weighted average number of shares outstanding *(in thousands)*	104,821	105,294
Average number of shares in relation to stock options and free share adjustments	1,152	836
Average number of shares in relation to hybrid and OCEANE bond adjustments	14,483	16,061
Average number of shares used to calculate diluted earnings per share	120,457	122,191
DILUTED EARNINGS PER SHARE *(in euros)*	**0.13**	**0.70**
DILUTED EARNINGS PER SHARE OF CONTINUING OPERATIONS *(in euros)*	**0.25**	**0.78**

* *Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract and the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Net financial income

Net financial income consists of net borrowing costs and other financial income items.

Net borrowing costs consist of interest charges on bank and bond debt, costs related to hedging, capitalised interest in accordance with IAS 23, the amortisation effect of capitalised issuance costs and the amortisation effects related to the renegotiation and restructuring of debt and hedging instruments.

Other financial income items are primarily bank fees and charges paid (including factoring expenses), the financial cost of employee benefits and the financial expense in relation to the recognition of right-of-use under leases.

In thousands of euros	31.12.2022	31.12.2021 *
Cost of gross debt	**-86,393**	**-80,604**
Cost of hedging	-8,742	-7,165
Income from cash & cash equivalents	-12	0
Cost of net debt	**-95,147**	**-87,770**
Bank fees and commissions	-7,048	-7,382
Financial expenses on lease liabilities	-109,495	-109,703
Other financial expenses and income	-2,903	-3,625
Other financial income items	**-119,446**	**-120,710**
FINANCIAL INCOME	**-214,593**	**-208,480**

** Includes the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

Sensitivity of financial expenses

Taking into account the hedges put in place, the sensitivity of financial expenses to a change in market rates over one year was as follows at the end of 2021 and 2022:

- a 0.5% increase (50 basis points) would increase the Group's financial expenses by less than €0.2 million;
- a 0.5% decrease (50 basis points) would decrease the Group's financial expenses by less than €0.2 million.

8.2 Net debt

Net debt consists of gross debt less liquid financial assets, *i.e.*, marketable securities and cash.

In thousands euros	31.12.2022	31.12.2021
Borrowings from credit institutions and financial markets	2,571,598	2,659,350
Real estate debt owed to financial counterparties (non-IFRS 16)	1,914,046	1,736,344
Other financial liabilities	21,957	29,598
Bank overdrafts	740	16,998
Borrowings and financial debt (A)	**4,508,341**	**4,442,290**
Marketable securities	11,918	142,337
Cash	721,792	1,072,227
Cash and cash equivalents (B)	**733,710**	**1,214,564**
NET DEBT (A) - (B)	**3,774,631**	**3,227,726**

Change in the Group's indebtedness at 31 December 2022

The Group's gross debt at 31 December 2022 breaks down as follows:

- a €500 million term tranche of a syndicated bank loan;
- bonds placed with private investors and debts placed with credit institutions for a total amount of €2,094 million;
- bank overdraft facilities totalling €0.7 million;
- real estate debt of €1,914 million, consisting mainly of leases and bank loans, including €194 million of NEU CP & NEU MTN used for bridge financing.

Moreover, at the end of the period, the Group's net cash position stood at €734 million, excluding bank overdraft facilities.

At 31 December 2022, debts secured by *in rem* security interests, such as pledges, mortgages and finance leases, accounted for 21.7% of gross debt.

Change in borrowings (1)

In thousands euros	31.12.2021	New borrowings	Borrowing repayments	Changes in scope	Other	31.12.2022	Current	Non -current
Borrowings	4,395,694	908,659	-828,451	7,606	2,691	4,486,199	927,033	3,559,166
Employee profit sharing	75					75		75
Other loans and similar liabilities	29,523	-61,195	69,593	1,380	-17,974	21,327	20,498	829
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	**4,425,292**	**847,464**	**-758,858**	**8,986**	**-15,283**	**4,507,601**	**947,531**	**3,560,070**

In thousands euros	New borrowings 2022	Cash	Non Cash	Borrowing repayments in 2022	Cash	Non-Cash
Borrrowings	908,659	899,619	9,040	-828,451	-828,451	
Other loans and similar liabilities	-61,195	-88,564	27,369	69,593	102,671	-33,078
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	**847,464**	**811,055**	**36,409**	**-758,858**	**-725,780**	**-33,078**

Variable and fixed rate debt

At 31 December 2022, the share of the Group's indebtedness at variable interest rates totalled 40% of gross financial liabilities.

In thousands of euros	31.12.2022		31.12.2021
Fixed rate	60%	2,722,737	2,630,731
Variable rate	40%	1,785,604	1,811,558
TOTAL		**4,508,341**	**4,442,290**

Debt by maturity

In thousands of euros	31.12.2022	31.12.2021
< 1 year	948,271	680,808
Short-term financial liabilities	**948,271**	**680,808**
1 to 5 years	1,850,241	1,942,034
> 5 years	1,709,829	1,819,448
Non-current financial liabilities	**3,560,070**	**3,761,482**
TOTAL	**4,508,341**	**4,442,290**

Interest rate risk management

The Group uses derivative financial instruments (swaps and caps) to hedge against the interest rate risk arising from its variable-rate financing policy. The Group applies cash flow hedge accounting when the IFRS 9 hedging criteria are met.

The Group's strategy for several years now is to hedge its future exposures and to increase the share of fixed-rate debt in its portfolio of liabilities (current at 60%), thereby locking in historically low rates. After hedging is taken into account, 84% of gross debt and 100% of net debt is fixed-rate debt.

The market value of instruments purchased to hedge interest rate risk at 31 December 2022 was €134.6 million, after adjustment for counterparty default risk.

At the balance sheet date, the sensitivity of the market value of derivatives to a change in market interest rates, before adjustment for counterparty default risk, was as follows:

- a 0.5% (50 basis points) increase in interest rates would increase the market value by €23.6 million;
- a 0.5% (50 basis points) decrease in interest rates would decrease the market value by €24.2 million.

(1) Excluding bank overdrafts of €740 thousand.

The table below presents the items of income, expenses, gains and losses recognised in income and in equity before deferred taxes at 31 December 2022 for each type of financial instrument.

In thousands of euros	Impact on equity	Impact of hedging on net income	Impact of "Non-documented" on net income	Impact of counterparty default risk
Financial instruments eligible for hedge accounting	150,301	1,740		
Financial instruments ineligible for hedge accounting			719	
TOTAL	**150,301**	**1,740**	**719**	**-4,794**

Assets	31.12.2021	Newly consolidated companies	Deconsolidated companies	Change	31.12.2022
Interest rate swaps	3,282			86,912	90,194
Hedging options					
Options	4,478			44,031	48,509
Total hedging instruments – Assets	**7,760**			**130,943**	**138,703**
Interest rate swaps				99	99
Options					
Total ineligible financial instruments – Assets				**99**	**99**
Total impact of counterparty default risk – Credit Value Adjustment	**-417**			**-3,668**	**-4,085**
TOTAL FINANCIAL INSTRUMENTS – ASSETS	**7,343**			**127,374**	**134,717**

Liabilities	31.12.2021	Newly consolidated companies	Deconsolidated companies	Change	31.12.2022
Interest rate swaps	21,630	4	-19	-21,536	79
Hedging options	1,037			-1,037	
Options	-1,476			1,476	
Total hedging instruments – Liabilities	**21,191**	**4**	**-19**	**-21,097**	**79**
Swap de taux	629			-621	8
Options					
Total ineligible financial instruments – Liabilities	**629**			**-621**	**8**
Total impact of counterparty default risk – Debit Value Adjustment	**-1,127**			**1,126**	**-1**
TOTAL FINANCIAL INSTRUMENTS – LIABILITIES	**20,693**	**4**	**-19**	**-20,592**	**86**
TOTAL NET	**-13,350**	**-4**	**19**	**147,966**	**134,631**

Currency risk

The Group is exposed to currency risk by intra-group financing flows, (mainly at the parent company level) and by future investments in a foreign currency.

These financial flows are essentially hedged where appropriate, with the exception of those that are an integral part of the net investment in subsidiaries.

The Group uses "plain vanilla" hedging instruments (currency swaps, forward sales/purchases and options) to hedge its currency risk, and applies net investment hedge accounting or fair value hedge accounting when the IFRS 9 hedging criteria are met.

At 31 December 2022, the Group had no currency hedging instruments in its portfolio.

Liquidity risk

Korian closely monitors its cash position and the liquidity it will require for its current operations and growth. It then strategically diversifies its sources of financing while optimising its cost of debt. To optimise the use of its international cash resources, Korian has centralised cash management through a cash pooling arrangement. The Group's central services manage the raising of funding through bank loans or financial markets. The Group's subsidiaries may sometimes obtain financing from outside the Group, particularly for real estate purchases.

Bank covenants at 31 December 2022

The Group's €1 billion syndicated loan (comprising a €500 million term tranche and a €500 million RCF) is subject to a financial covenant. Other bank loan agreements have similar covenants. Banks are notified of changes in covenants twice yearly.

	Korian Ratio	Maximum ratio authorised as at 31 December
Contractual leverage*	3.7x	<4.5x

* *This ratio is calculated using a consistent accounting method subsequent to the first application of the IFRIC interpretation on the configuration and customisation costs of software used under an Saas type contract (IAS 38 "Intangible Assets").*

Bond covenants at 31 December 2022

EURO PP, *Schuldschein* and *Namensschuldverschreibung* bonds are also subject to covenants. Investors are notified annually of any changes to covenants.

For all bond issues subject to covenants since 2021, the leverage ratio formula has been aligned with the new formula used for the syndicated loan.

	Korian Ratio	Maximum ratio authorised as at 31 December
Contractual leverage ratio for bonds issued before 2021*	3.8x	<4.5x
Contractual leverage ratio for bonds issued since 2021*	3.7x	<4.5x
Secured debt ratio	2.3x	>1.5x

* *This ratio is calculated using a consistent accounting method subsequent to the first application of the IFRIC interpretation on the configuration and customisation costs of software used under an Saas type contract (IAS 38 "Intangible Assets").*

Counterparty risk

For the purposes of its financial activities (in particular, cash management and interest rate hedging derivatives), the Group has set up risk management procedures and works with leading financial institutions.

8.3 Financial assets

Financial assets comprise:

- non-current financial assets: equity interests in non-consolidated companies, related receivables, and guarantees and collateral granted;
- current financial assets, including short-term financial derivative instruments, cash and cash equivalents (marketable securities).

In accordance with IFRS 9, financial assets are classified into one of the following three categories:

- financial assets carried at amortised cost;
- financial assets carried at fair value through other comprehensive income;
- financial assets carried at fair value through income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of immediately available liquidities (cash at bank and in hand) and short-term, highly liquid investments that are readily convertible into known amounts of cash and are exposed to an immaterial risk of change in value (short-term deposits with an initial term of less than three months and euro-denominated money market funds classified in the AMF's "short-term money market fund" category).

The carrying amount of financial assets is representative of their fair value.

8.4 Cash and cash equivalents

In thousands of euros	31.12.2022	31.12.2021
Marketable securities	11,918	142,337
Cash	721,792	1,072,227
TOTAL	**733,710**	**1,214,564**

Marketable securities comprise term deposits and euro-denominated SICAV money market funds classified in the AMF category of "short-term money market funds" and compliant with IAS 7. They are highly liquid, readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

8.5 Fair value of financial assets and liabilities

This table breaks down financial instruments recognised at fair value by measurement method. The following measurement methods have been defined:

- level 1: prices are quoted on an active market;
- level 2: there are observable inputs other than a quoted price on an active market (a financial model is used);
- level 3: unobservable inputs.

The carrying amount of financial liabilities (except for derivatives) is equal to their fair value.

			Financial liabilities at fair value through profit or loss			Financial liabilities at fair value through other comprehensive income	Financial liabilities at fair value through other comprehensive income		
							Level 1	Level 2	Level 3
In thousands of euros	As at 31.12.2022	Financial liabilities at amortised cost	Fair value hedging derivatives	Derivatives ineligible for hedge accounting	Impact of counterparty default risk - Debit value adjustment	Cash-flow hedging derivatives	Active markets	Observable inputs	No observable inputs
Non-current liabilities									
Loans from credit institutions	*2,101,247*	*2,101,247*							*2,101,247*
Funding of real estate debt	*1,457,919*	*1,457,919*							*1,457,919*
Employee profit sharing	*75*	*75*							*75*
Other financial liabilities	*1,023*	*1,023*							*1,023*
Borrowings and other financial liabilities	**3,560,264**	**3,560,264**							**3,560,264**
Commitment to buy out non-controlling interests	**19,728**	**19,728**							**19,728**
Other non-current debt	**54,213**	**54,213**							**54,213**

			Financial liabilities at fair value through profit or loss			Financial liabilities at fair value through other comprehensive income	Financial liabilities at fair value through other comprehensive income		
							Level 1	Level 2	Level 3
In thousands of euros	As at 31.12.2022	Financial liabilities at amortised cost	Fair value hedging derivatives	Derivatives ineligible for hedge accounting	Impact of counterparty default risk - Debit value adjustment	Cash-flow hedging derivatives	Active markets	Observable inputs	No observable inputs
Current liabilities									
Loans from credit institutions	*470,351*	*470,351*							*470,351*
Funding of real estate debt	*456,127*	*456,127*							
Bank overdrafts	*740*	*740*							*740*
Other financial liabilities	*20,859*	*20,859*							*20,859*
Borrowings due within one year and bank overdrafts	**948,077**	**948,077**							**491,950**
Derivative instruments – liabilities	**86**			**8**	**- 1**	**79**		**86**	
Trade payables and related accounts	**570,717**	**570,717**							**570,717**
Residents' deposits	*62,287*	*62,287*							*62,287*
Other liabilities	*803,596*	*803,596*							*803,596*
Other liabilities and accruals	**865,883**	**865,883**							**865,883**

The carrying amount of financial assets (except for derivatives) is equal to their fair value.

			Financial assets at fair value through profit or loss				Financial assets at fair value through other comprehensive income	Fair value measurement		
								Level 1	Level 2	Level 3
In thousands of euros	31.12.2022	Financial assets at amortised cost	Cash and cash equivalents	Non-consolidated equity investments	Derivatives ineligible for hedge accounting	Impact of counterparty default risk - Credit value adjustment	Cash-flow hedging derivatives	Active markets	Observable inputs	No observable inputs
Non-current assets										
Non-consolidated equity investments	*2,699*			*2,699*						*2,699*
Security deposits	*46,205*	*46,205*								*46,205*
Other long-term investments	*2,069*	*2,069*								*2,069*
Non-current financial assets	**50,973**	**48,274**		**2,699**						**50,973**
Current assets										
Trade receivables and related accounts	**440,368**	**440,368**								**440,368**
Other receivables	*420,031*	*420,031*								*420,031*
Deposits and guarantees	*2,857*	*2,857*								*2,857*
Other receivables and current financial assets	**422,888**	**422,888**								**422,888**
Derivative instruments – assets	**134,717**				**99**	**-4,085**	**138,703**		**134,717**	
Marketable securities	*11,918*		*11,918*					*11,918*		
Cash	*721,792*		*721,792*						*721,792*	
Cash and cash equivalents	**733,710**		**733,710**					**11,918**	**721,792**	

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NOTE 9 PROVISIONS

A provision is recognised at the end of an accounting period, when the Group has a present legal or constructive obligation and it is probable that an outflow of resources from which no future economic benefits may be expected will be required to settle this obligation.

Provisions are discounted if the effect of time is material. Increases in provisions due to the passage of time are recognised as financial expenses.

A provision for restructuring can only be recognised if the restructuring was publicly announced and a detailed restructuring plan has been drawn up or restructuring is underway at the balance sheet date.

A provision is recognised for disputes (*e.g.* employee disputes, tax audits, commercial disputes, etc.) if the Group has a liability towards a third party at the closing date. The amount of the provision reflects the best estimate of future expenditures.

Non-current provisions

In thousands of euros	Tax	Social contributions	Other	Total
Opening balance	**5,748**	**11,519**	**32,757**	**50,024**
Allowances	982	6,128	8,317	15,427
Uses	-1,015	-3,894	-14,063	-18,972
Reversals		-2,485	-3,023	-5,508
Change in scope		102	2,354	2,456
Reclassifications	134	220	2,747	3,101
CLOSING BALANCE	**5,849**	**11,590**	**29,089**	**46,528**

Current provisions

In thousands of euros	Tax	Social contributions	Other	Total
Opening balance	**3,681**	**2,752**	**9,132**	**15,565**
Allowances	600	1,618	5,758	7,976
Uses	-857	-273	-3,599	-4,729
Reversals			-3,322	-3,322
Change in scope		-1	1,329	1,328
Reclassifications		1	-1,033	-1,032
CLOSING BALANCE	**3,424**	**4,097**	**8,265**	**15,786**

Tax disputes excluding IAS 12

Provisions for non-IAS 12 tax disputes (*e.g.* VAT disputes) are recognised for tax adjustments and tax disputes the amounts of which are contested. No individual dispute represents a material amount as at 31 December 2022.

Employee disputes

The provisions recognised cover labour court disputes and employment termination benefits. No individual dispute represents a material amount as at 31 December 2022.

Business-related disputes ("Other" column)

The provisions recognised cover contractual disputes involving suppliers and real estate transactions, and disputes over medical liability. No individual dispute represents a material amount as at 31 December 2022.

NOTE 10 INCOME TAXES

10.1 Income tax

In thousands of euros	31.12.2022	31.12.2021 restated*
Current taxes	-72,273	-75,711
Deferred taxes	60,111	64,292
INCOME TAX	**-12,162**	**-11,419**

* *Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract and the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

10.2 Reconciliation of actual with theoretical income tax expense

Since the Group considers that the French corporate value added tax (CVAE) component of the economic territorial contribution (CET) meets the definition of an income tax under IAS 12, it recognises it as such in the consolidated financial statements in respect of the French subsidiaries.

In thousands of euros	31.12.2022	31.12.2021 *
Group share of net income	22,060	91,115
Non-controlling interests	9,278	21,772
Net income from equity-accounted companies	754	238
Net income from discontinued operations	13,681	8,768
Income tax	-12,162	-11,419
Pre-tax income	**57,935**	**133,312**
Theoretical tax rate	25.82%	28.41%
Theoretical income tax	**-14,961**	**-37,874**
Permanent differences	10,752	9,030
Impact of non-deductible financial expenses	-1,383	1,166
Tax losses for the year not activated	-9,460	-6,945
Use of tax losses not activated	870	1,823
Adjustment of prior deferred taxes	12,928	26,879
Adjustments of prior taxes	493	1,872
Tax at reduced rate	-1,400	1,795
Impact of CVAE net of tax in France	-10,013	-9,725
Impact of tax credit	450	
Impact of IRAP in Italy	-2,507	-1,760
Impact of tax-exempt earnings		549
Difference between parent Group and subsidiary tax rates	1,879	1,771
Impact of equity-accounted companies	190	
ACTUAL TAX EXPENSE	**-12,162**	**-11,419**
Effective tax rate	*20.99%*	*8.57%*

* *Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract and the impact of the restatement of discontinued operations under IFRS 5, as described in note 1.3.*

The change in the tax rate between 2021 (8.57%) and 2022 (21%) is explained by the exceptional deferred tax asset recognised in 2021 for Italy following the revaluation of assets in that country.

As the 2022 tax does not include any exceptional items of this kind, the effective tax rate is naturally closer to the theoretical tax rate.

10.3 Deferred taxes

Deferred taxes are recorded, using the balance sheet liability method, on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount, and on tax losses.

Deferred tax assets are recorded when it is likely that the Group will generate future taxable income against which unused tax losses can be offset.

For deferred tax assets on tax loss carryforwards, the Group uses a multi-criteria approach that takes into account the recovery horizon based on financial forecasts, and also the long-term tax loss recovery strategy for each country.

Deferred taxes are calculated for each entity. They are offset when the tax is payable to the same tax authority and relate to the same taxable entity, *i.e.* the tax consolidation group in France and Germany.

Deferred tax assets and liabilities are measured at the income tax rate that is expected in the year when the asset is to be realised or the liability is to be settled, on the basis of the applicable tax regulations and using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are presented on the balance sheet under specific headings under non-current assets and non-current liabilities.

Accordingly, the temporary differences of French, Belgian and Italian entities recorded at 31 December 2022 are recorded at the most recently voted rates, which are:

- for France: 25.83%;
- for Italy: 27.90% since 1 January 2017, consisting of a basic rate (IRES) of 24%, plus an additional contribution of between 3.9% and 4.82% depending on the region;
- for Belgium: 25.00%;
- for Germany: 15.83% or 30.44% depending on the Company.

10.3.1 Deferred taxes

In thousands of euros	31.12.2022	31.12.2021 restated*
Intangible assets	485,182	505,601
Plant, property and equipment	118,700	124,014
Temporary differences on CVAE	839	5,455
Financial instruments	31,497	-3,556
Tax loss carry-forwards	-51,687	-24,404
Pension provisions	-14,003	-16,496
Other provisions	-1,611	3,514
Other temporary differences	-19,769	-29,032
Other assets/liabilities	-42,252	-79,262
Assets and liabilities held for sale	9,850	
NET DEFERRED TAXES (LIABILITIES)	**516,746**	**485,835**

* *Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract, as described in note 1.3.*

10.3.2 Net change in deferred taxes

In thousands of euros	31.12.2022	31.12.2021 restated*
Opening balance	485,835	526,027
Expense (income)	-60,111	-65,313
Change in consolidation scope	38,073	22,710
Charged to equity	43,319	7,977
Other changes	9,630	-5,566
CLOSING BALANCE	**516,746**	**485,835**

* *Includes the impact of the IFRIC's final decision on the configuration and customisation costs of software used under an Saas type contract, as described in note 1.3.*

The Group recognised deferred tax assets on tax loss carryforwards of €51.7 million at 31 December 2022, *vs* €24.4 million at 31 December 2021. This mainly concerns France, Germany, Belgium, the United Kingdom and Netherlands, where tax losses may be carried forward indefinitely. However, the Group may decide not to recognise a deferred tax asset on a case-by-case basis.

At 31 December 2022, deferred tax assets on tax loss carryforwards for which there is little chance of recovery totalled €30.6 million (*vs* €21.1 million at 31 December 2021. These unrecognised deferred tax assets at 31 December 2022 mainly concerned the following countries:

- France €12.7 million, from losses arising before the tax consolidation and the use of which is subject to strict constraints;
- Germany €9.1 million, arising from the losses of entities outside of the tax consolidation group and which are not capitalised given the unlikelihood of their use;
- Italy €3.6 million, arising from losses by entities outside of the tax consolidation group; and
- Belgium €4.3 million arising from the losses of non-profit associations (ASBL) which cannot be used for tax purposes.

NOTE 11 CONTINGENT OBLIGATIONS AND LIABILITIES

At the publication date of this document, to the best knowledge of the Company and its legal advisors, there are no disputes that are liable to have a material impact on the Group's business, results or financial position for which provisions have not been made

NOTE 12 POST-BALANCE SHEET EVENTS

On 1 January 2023, Korian announced the completion of the acquisition of the Spanish mental health group Grupo 5 after obtaining the necessary approvals from regulatory and competition authorities. This acquisition is consistent with the Group's strategy of developing its Healthcare activities and marks a further step in becoming a European leader in Mental Health services.

On 9 February 2023, Korian announced a €150 million financing agreement with the European Investment Bank, to fund the adaptation and development in Germany of the Group's co-living concept for the elderly. Korian already operates 242 Ages & Vie co-living facilities in France, for which the EIB provided €135 million in co-financing in 2020 and 2021. Korian has now decided to deploy this new housing concept to Germany, with an affordable offering that has been adapted to the country's social system.

NOTE 13 OTHER INFORMATION

13.1 Related-party transactions

Korian's policy for the compensation of its Executive Directors is compliant with the AFEP-MEDEF Corporate Governance Code for Listed Companies (November 2016 version) (the "AFEP-MEDEF Code"). In accordance with the recommendations of the AFEP-MEDEF Code, the remuneration of Executive Directors and officers is set by the Board of Directors on the recommendation of the Compensation and Appointments Committee.

	31.12.2022	**31.12.2021**
In euros	**Amounts Paid**	Amounts Paid
Chief Executive Officer since 26 January 2016		
Annual fixed compensation	450,000	450,000
Annual variable compensation	540,000	278,480
Benefits in kind	15,522	17,310
TOTAL	**1,005,522**	**745,790**
Chairman of the Board since 1 October 2020		
Annual fixed compensation	345,000	345,000
TOTAL	**345,000**	**345,000**

13.2 Statutory Auditors' fees

Pursuant to Decree No. 2008-1487, the Statutory Auditor fees for all Group companies in 2022 are shown in the table below.

In thousands of euros	Mazars 2022	EY 2022	Mazars 2021	EY 2021
Statutory Auditors				
Issuer	314	329	276	276
Fully consolidated companies	1,770	1,688	1,748	1,441
Sub-total	**2,084**	**2,017**	**2,024**	**1,717**
Other services	364	148	248	178
Sub-total	**364**	**148**	**248**	**178**
TOTAL	**2,448**	**2,165**	**2,272**	**1,895**

The "Other services" are mainly due diligence engagements during the year in connection with acquisitions and other share capital transactions, and expense certifications.

13.3 The Group's consolidated entities

Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Group. A subsidiary is considered to be controlled if the Group when the latter:

- has the power to determine, directly or indirectly, its business and financial policies;
- obtains variable returns from the subsidiary's business activities;
- may use its power to affect the amount of the returns it obtains.

Controlled companies are generally those in which Korian directly or indirectly holds more than 50% of the voting rights.

PARTNERSHIPS AND ASSOCIATES

Group partnerships considered to be joint business activities are proportionately consolidated, while associates are accounted for using the equity method.

Partnerships classified as joint business activities are consolidated on a line-by-line basis, in proportion to the Group's equity interest.

All the German subsidiaries listed below (with the exception of SENIORENPFLEGEHEIM Gmbh BAD NEUSTADT AD SAALE Bad Neustadt a.d. Saale, Korian MANAGEMENT GRUNDBESITZ Gmbh, Munich and Korian MANAGEMENT AG, Salzburg) on the consolidated balance sheet are exempted – pursuant to articles 264, 264b and 291 of the German Commercial Code (Handelsgesetzbuch – HGB) – from the obligation to publish consolidated and individual financial statements and Group management reports, pursuant to article 325 of the above Code, for the 2022 financial year.

The Group's parent company is Korian SE.

The percentages shown below are the percentages of equity interest held:

- FC: fully consolidated;
- EM: equity method.

Legal entity		
BELGIUM		
Cleaning At Home	100	IG
Cleaning For You	100	IG
Cordia Holding	100	IG
Cura Family Services	100	IG
De Nootelaer	100	IG
Fdl Berckenbosch	100	IG
Finecare Thuisverplegingsteam Bv	100	IG
Gérisart	100	IG
Golden Morgen	100	IG
Heydeveld WZC-HVB	100	IG
Home Eksterveld	100	IG
Home Ingendael	100	IG
Home Résidence Du Plateau	100	IG
Houba Pharmacy	100	IG
Huyse Elckerlyc	100	IG

Legal entity		
Johan Vrijdaghs	100	IG
Korian HQ	100	IG
Le Domaine Des Amaryllis	100	IG
Les Sittelles	100	IG
Maasmeander	100	IG
Maison De Repos Du XX Août	100	IG
Manoir De La Quiétude	100	IG
Mrs Le Richemont	100	IG
Psychogeriatrisch Centrum	100	IG
Nouvelle Résidence Le Saule	100	IG
Otv Home Care	100	IG
Otv Onafhankelijke Thuiszorg Vlaanderen	100	IG
Otv Residentie Seniorplaza	100	IG
Otv Seniorplaza Concept	100	IG
Otv Seniorplaza Invest	100	IG
Plaza Catering	100	IG
Résidence 3	100	IG
Résidence Au Bon Vieux Temps	100	IG
Résidence Aux Deux Parcs	100	IG
Résidence Béthanie	100	IG
Résidence Claire De Vie	100	IG
Résidence Du Parc	100	IG
Résidence La Passerinette	100	IG
Résidence L'Air Du Temps	100	IG
Résidence Le Progrès	100	IG
Résidence Les Buissons	100	IG
Résidence Les Charmilles	100	IG
Résidence Les Cheveux D'argent	100	IG
Résidence Les Récollets	100	IG
Résidence Mélopée	100	IG
Résidence Reine Astrid	100	IG
Résidence Ry Du Chevreuil	100	IG
Résidence Seigneurie Du Val	100	IG
Residentie Boneput	100	IG
Residentie De Laek	100	IG
Residentie 'De Oude Melkerij' Bv	100	IG
Residentie Edelweis	100	IG
Residentie Karen	100	IG
Residentie Kasteelhof	100	IG
Residentie Milsenhof	100	IG
Residentie Paloke	100	IG
Residentie Prinsenpark	100	IG
Residentie Sporenpark	100	IG
Residentie Vaerenhof	100	IG
Rustoord De Vlaamse Ardennen	100	IG
Rvt Dellebron	100	IG
Senior Housing	51	IG
Seniorenresidentie Aurora	100	IG
Seniorie De Maretak	100	IG
Séniservices	100	IG
Sl Finance	100	IG

Legal entity		
SI Immo	100	IG
SI Invest	100	IG
Ten Prins	100	IG
Thuisverpleging Ronald Dielkens	100	IG
Valdami	100	IG
Welfare Estates Nv	52.2	IG
Wielant – Futuro	100	IG
Woon & Zorg Exploitatie Ichtegem	100	IG
Woon & Zorg Exploitatie Lummen	100	IG
Woonzorgcampus Sint-Lenaartshof	100	IG

GERMANY		
Afaria Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Lollar KG, Mainz	94	IG
Alpheide-Seniorenzentrum GmbH, Munich	100	IG
Alten- Pflegeheim Veitsbronn GmbH, Munich	100	IG
Altenheim Betriebsgesellschaft West GmbH, Munich	100	IG
ALTER EGO Siebenundvierzigste Beteiligungsgesellschaft mbH, Munich	100	IG
Ambulante Pflege NINO Allee GmbH, Munich	100	IG
Ambulante Pflege QV GmbH, Munich	100	IG
Ambulante Pflege Schauinsland GmbH, Munich	100	IG
Bad Schwartauer AVG Altenheim-Vermietung GmbH & Co. KG, Munich	100	IG
Blitz 07-712 GmbH, Munich	100	IG
BuP Betreuung und Pflege GmbH, Munich	100	IG
CASA REHA Altenpflegeheim GmbH, Munich	100	IG
CASA REHA Betriebs- und Beteiligungsgesellschaft mbH, Munich	100	IG
CASA REHA Heimbetriebsgesellschaft mbH, Munich	100	IG
CASA REHA IX Immobilien Beteiligungsgesellschaft Objekt Lollar mbH, Munich	100	IG
CASA REHA Seniorenpflegeheim GmbH, Munich	100	IG
CASA REHA VIII Immobilien Verwaltungsgesellschaft Objekt Lollar mbH, Munich	100	IG
CASA REHA VIII Immobiliengesellschaft Objekt Lollar mbH & Co. KG, Munich	100	IG
CR Korian Holding GmbH, Munich	100	IG
CURANUM Betriebs GmbH Mitte, Munich	100	IG
CURANUM Betriebs GmbH West, Munich	100	IG
CURANUM Betriebs GmbH, Munich	100	IG
CURANUM Franziskushaus GmbH, Munich	100	IG
CURANUM Liesborn GmbH & Co. KG, Munich	100	IG
CURANUM Verwaltungs GmbH, Munich	100	IG
Evergreen Holding GmbH, Munich	100	IG
Evergreen Pflege- und Betreuungszentrum Bergneustadt GmbH, Munich	100	IG
evergreen Pflege- und Betreuungszentrum Butzbach GmbH, Munich	100	IG
evergreen Pflege- und Betreuungszentrum Landscheid GmbH, Munich	100	IG
evergreen Pflege- und Betreuungszentrum Paderborn GmbH, Munich	100	IG
evergreen Pflege- und Betreuungszentrum Recklinghausen GmbH, Munich	100	IG
Evergreen Pflege- und Betreuungszentrum Saarburg GmbH, Munich	100	IG
Evergreen Pflegezentrum Am Alten Poststadion GmbH, Munich	100	IG
GAP Media Service GmbH, Munich	100	IG
Go Drachenfelssee 506. VV GmbH, Munich	100	IG
Go Drachenfelssee 510. VV GmbH, Munich	100	IG
Haus Altkönig Heimbetriebsgesellschaft mbH, Munich	100	IG
Haus Amselhof Seniorenresidenz GmbH, Munich	100	IG
Häusliche Krankenpflege Charlotte König GmbH & Co KG, Munich	100	IG

Legal entity		
Helvita Seniorenzentren GmbH, Munich	100	IG
Intensivpflegedienst Lebenswert GmbH, Ellwangen Jagst	100	IG
Johannes Seniorendienste GmbH, Munich	100	IG
Klinik am Stein Projektentwicklungsgesellschaft mbH & Co. KG, Munich	100	IG
Klinik am Stein Verwaltungs GmbH, Munich	100	IG
König Beteiligungs-Verwaltungs-GmbH, Munich	100	IG
Korian Akademie GmbH, Munich	100	IG
Korian Care X Betriebs-GmbH, Munich	100	IG
Korian Care X Vermietungs-GmbH, Munich	100	IG
Korian COMO Betriebs GmbH, Munich	100	IG
Korian Deutschland GmbH, Munich	100	IG
Korian Häusliche Krankenpflege Beteiligungs-GmbH, Munich	100	IG
Korian Holding GmbH, Munich	100	IG
Korian Immobilien GmbH, Munich	100	IG
Korian Management AG, Munich	100	IG
Korian Management AG, Salzburg	100	IG
Korian Management Grundbesitz GmbH, Munich	53.5	IG
Korian Personaldienstleistung GmbH, Munich	100	IG
Korian Services GmbH, Munich	100	IG
Korian Textilservice GmbH, Munich	100	IG
Korian Wäscheservice GmbH, Munich	100	IG
Lebenswert Immobilienverwaltungs- und Beteiligungs- GmbH, Ellwangen Jagst	100	IG
Lebenswert Wohnen GmbH & Co. KG, Ellwangen Jagst	100	IG
Mobile Krankenpflege Maier GmbH & Co. KG, Munich	100	IG
Pflege aus einer Hand GmbH, Munich	100	IG
PflegeExperten GmbH, Munich	100	IG
PHÖNIX – Haus Roggenberg – Pflegeheim GmbH, Munich	100	IG
PHÖNIX – Haus Silberdistel – Alten u. Pflegeheim GmbH, Munich	100	IG
PHÖNIX – Haus Sonnengarten Wohn- und Pflegezentrum GmbH, Munich	100	IG
PHÖNIX – Seniorenzentrum Ulmenhof GmbH, Munich	100	IG
PHÖNIX Sozialzentrum Im Lerchenfeld GmbH, Munich	100	IG
PHÖNIX Sozialzentrum Windsbach GmbH, Munich	100	IG
PHÖNIX-ambulante intensive Pflege GmbH, Munich	100	IG
PHÖNIX-Haus Am Steinsgraben Senioren- und Pflegezentrum GmbH, Munich	100	IG
PHÖNIX-Haus Rosmarin Senioren- und Pflegezentrum GmbH, Munich	100	IG
PHÖNIX-Lebenszentren GmbH, Munich	100	IG
PHÖNIX-Seniorenresidenz Am Teichberg GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Ahornhof GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Am Bodenseering GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Am Muppberg GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Am Schlossteich GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Evergreen GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Evergreen Maxhütte GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Fronmüllerstraße GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Gartenstadt GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Graf Tilly GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Herzog Albrecht GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Hessenallee GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum im Brühl GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Mainparksee GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Neuperlach GmbH, Munich	100	IG

Legal entity		
PHÖNIX-Seniorenzentrum St. Hedwig GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Weidenpesch GmbH, Munich	100	IG
PHÖNIX-Seniorenzentrum Zwei Linden GmbH, Munich	100	IG
ProVITA Heimbetriebsgesellschaft mbH, Munich	100	IG
QV Beteiligungs GmbH, Munich	100	IG
QV Service Wohnen GmbH, Munich	100	IG
RIAG Seniorenzentrum "Ennepetal" GmbH & Co. KG, Munich	100	IG
RIAG Seniorenzentrum "Erste" GmbH & Co. KG, Munich	100	IG
RIAG Seniorenzentrum "Zweite" GmbH & Co. KG, Munich	100	IG
Schauinsland Pflegebetriebs-GmbH, Munich	100	IG
Senioren- und Fachpflegezentrum GmbH (Gretel-Egner-Haus), Munich	100	IG
Senioren- und Pflegeheim Ilsede Am Markt GmbH, Munich	100	IG
Seniorenbetreuungsgesellschaft Stelle GmbH & Co. KG, Munich	100	IG
Senioren-Domizil Familie Wohnsiedler GmbH, Munich	100	IG
Seniorenheim an der Paar GmbH, Munich	100	IG
Seniorenpflege Haßloch GmbH, Munich	100	IG
Seniorenpflegeheim GmbH Bad Neustadt a.d. Saale, Bad Neustadt a.d. Saale	75	IG
Seniorenresidenz am Erlenhofsee Betriebsgesellschaft mit beschränkter Haftung, Munich	100	IG
Seniorenresidenz Dettelbach GmbH, Munich	100	IG
Seniorenwohnanlage Oettingen GmbH, Munich	100	IG
Seniorenzentrum Am Pfarrgarten GmbH, Munich	100	IG
Senioren-Zentrum Am See GmbH & Co. KG, Munich	100	IG
Senioren-Zentrum Am See Verwaltungs-GmbH, Munich	100	IG
Seniorenzentrum Langenkamp GmbH, Munich	100	IG
Seniorenzentrum Lübbecke GmbH, Munich	100	IG
Seniorenzentrum Nienhagen QV GmbH, Munich	100	IG
Seniorenzentrum Peine Am Herzberg GmbH, Munich	100	IG
Sentivo Eitorf GmbH, Munich	100	IG
Sentivo GmbH, Munich	100	IG
Sentivo Mönchengladbach GmbH, Munich	100	IG
Sentivo Rhöndorf GmbH, Munich	100	IG
Sentivo Solingen GmbH, Munich	100	IG
Service Gesellschaft West GmbH, Munich	100	IG
SOLIDARIA Seniorenresidenzen gGmbH, Munich	100	IG
SOTERIA Managementgesellschaft mit beschränkter Haftung, Munich	100	IG
Sozialkonzept Barbarahof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Betriebs- und Beteiligungs GmbH, Munich	100	IG
Sozialkonzept Cäcilienhof Betriebsgesellschaft sozialer Einrichtungen mbH, Munich	100	IG
Sozialkonzept Charlottenhof Betriebsgesellschaft sozialer Einrichtungen mbH, Munich	100	IG
Sozialkonzept Christinenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Dorotheenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Friederikenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Helenenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Herminenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Im Rosenpark GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Katharinenhof Betriebsgesellschaft sozialer Einrichtungen mbH, Munich	100	IG
Sozialkonzept Lorettahof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Luisenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Magdalenenhof Betriebsgesellschaft sozialer Einrichtungen mbH, Munich	100	IG
Sozialkonzept Marienhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG

Legal entity		
Sozialkonzept Mariettenhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Schulze-Kathrinhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Sozialkonzept Sophienhof GmbH Betriebsgesellschaft sozialer Einrichtungen, Munich	100	IG
Tagespflege QV GmbH, Munich	100	IG
WBW GmbH, Munich	100	IG
XX. Casa Reha Verwaltungs- und Immobilienerwerbs GmbH & Co. KG, Munich	100	IG
XXIV. CASA REHA Immobilienverwaltungsgesellschaft mbH, Munich	100	IG
XXVIII. CASA REHA Immobilienverwaltungsgesellschaft mbH, Munich	100	IG
SPAIN		
Benort Social S.L.	100	IG
Consulting Asistencial Sociosanitario S.L.	100	IG
Groupe Omega Espana S.L.	100	IG
Ita Clinic Bcn S.L.	100	IG
Itacare Asistencial S.L.	100	IG
Korian Activos 2021 S.L.	51	IG
Korian Activos 2023 S.L.	100	IG
Korian Concesiones 2022	100	IG
Korian Inmobiliaria 2022 S.L.	100	IG
Korian Residencias Spain 2018 Slu	100	IG
Manacor Senior Sa	100	IG
Picafort Seniors Sau	100	IG
Residencia Geriátrica El Parque	100	IG
Residencias Familiares Para Mayores S.L.	100	IG
Servicios Gériatricos De La Alpujarra S.L.	100	IG
FRANCE		
Abilone	100	IG
Accueil Meunieres	100	IG
Ages & Vie Gestion	100	IG
Ages & Vie Habitat	100	IG
Alexmar	100	IG
Antin Infrastructure Partners Luxembourg	100	IG
Atria	100	IG
Avant'âge 44	51	IG
Avant'âge 85	51	IG
Avs Besancon	100	IG
Bazeille Developpement	100	IG
Bel Age A Dom	51	IG
Bellecombe	100	IG
Bois Long	100	IG
Care-X Immobilier	100	IG
Carloup Sante	100	IG
Cent Reeduc Fonction Siouville	99.8	IG
Centre Aubergenvillois De Psychiatrie Ambulatoire	100	IG
Centre Benessois De Psychiatrie Ambulatoire	100	IG
Centre Caladois De Psychiatrie Ambulatoire	100	IG
Centre De Psychiatrie Ambulatoire De Cenon	100	IG
Centre De Readaptation Fonctionnelle De Caen	100	IG
Centre De Readaptation Fonctionnelle Et De Soins	100	IG

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Legal entity		
Centre De Soins De Suite De Sartrouville	100	IG
Centre Lyonnais De Psychiatrie Ambulatoire En Abrege Clpa-Inicea	100	IG
Centre Medical Dietetique Les Palmiers	100	IG
Centre Medical Infantile Montpribat	100	IG
Centre Montois De Psychiatrie Ambulatoire	100	IG
Centre Naborien De Psychiatrie Ambulatoire	100	IG
Centre Psychiatrique Livryen Ambulatoire	100	IG
Centre Spinalien De Psychiatrie Ambulatoire	100	IG
Centre William Harvey	100	IG
Chambery Jorcin	100	IG
Chamtou	100	IG
Chateau De La Vernede	100	IG
Clinidev	100	IG
Clinidom	100	IG
Clinique Alma Sante	100	IG
Clinique Cardiologique De Gasville	100	IG
Clinique De Convalescence Du Chateau De Clavette	100	IG
Clinique De Livry-Sully	100	IG
Clinique De Regennes	100	IG
Clinique De Saclas	100	IG
Clinique De Sante Mentale De Pietat	100	IG
Clinique De Sante Mentale Du Golfe	100	IG
Clinique De Sante Mentale Saint Maurice	100	IG
Clinique De Sante Mentale Solisana	100	IG
Clinique De Sante Mentale Villa Bleue	100	IG
Clinique De Soins De Suite Et Readaptation Chateau De Gleteins	100	IG
Clinique De Souffle La Vallonie	100	IG
Clinique De Vontes	100	IG
Clinique Des Vallees	100	IG
Clinique Du Canal De L'ourcq	100	IG
Clinique Du Mont Ventoux	100	IG
Clinique Du Pays De Seine	100	IG
Clinique Du Souffle La Solane	100	IG
Clinique Du Souffle Le Pontet	100	IG
Clinique Du Souffle Les Clarines	100	IG
Clinique Du Val De Seine	99.9	IG
Clinique Jeanne D'arc	100	IG
Clinique La Mare Ô Dans	100	IG
Clinique Le Clos De Beauregard	100	IG
Clinique Les Bruyeres	100	IG
Clinique Les Horizons	100	IG
Clinique Maylis	100	IG
Clinique Med Phy Readap Fonct Les Chenes	100	IG
Clinique Montjoy	100	IG
Clinique Napoleon	100	IG
Clinique Villa Des Roses	100	IG
Clos D'armagnac	100	IG
Compagnie Fonciere Vermeille	51	IG
Cpa Tourangeau	100	IG
Dls Gestion	100	IG
Domaine Des Trois Chemins	100	IG

Legal entity		
Domi 33	51	IG
Fonciere A&V	30	IG
Fonciere A&V 2	30	IG
Fonciere Jouvence Nutrition	100	IG
Fonciere Val Josselin	100	IG
Gcs Sips	95.7	IG
Gcs Soins De Suite Et De Readaptation Du Nord Cotentin	50	IG
Gem Vie	100	IG
Generation Bienveillante	51	IG
Generation Cc	51	IG
Grand'maison	100	IG
Gv Services 79	51	IG
H.Eco	51	IG
Had Yvelines Sud	100	IG
Henriade	100	IG
Holding Austruy Burel	99.2	IG
Holding Avant'âge	51	IG
Holding Hospitaliere De Touraine	100	IG
Hotellerie Medicalisee Retraite	100	IG
Immo 2	51	IG
Immobiliere Des Roses	100	IG
Immobiliere Des Vallees	100	IG
Inicea Fonciere 1	100	IG
Inicea Holding	100	IG
Inicea Immo Auxerre	51	IG
Inicea Immo Bordeaux	51	IG
Inicea Immo Epinal	51	IG
Inicea Immo Holding	51	IG
Inicea Immo Saint-Avold	51	IG
Inicea Immo Saint-Brieuc	51	IG
Inicea Jouvence Nutrition	100	IG
Inicea Val Josselin	96	IG
Invamurs	100	IG
Isere Sante	100	IG
Jmell Services	51	IG
Jongkind	100	IG
Kd H	100	IG
Kd Santé Sécurité	100	IG
Kd Sap	100	IG
Korian	100	IG
Korian & Partenaires Immobilier 1	51	IG
Korian & Partenaires Immobilier 2	51	IG
Korian & Partenaires Immobilier 3	51	IG
Korian & Partenaires Immobilier 4	100	IG
Korian & Partenaires Immobilier 5	100	IG
Korian & Partenaires Immobilier 6	100	IG
Korian & Partenaires Immobilier 7	100	IG
Korian & Partenaires Immobilier 8	100	IG
Korian & Partenaires Immobilier 9	100	IG
Korian Au Fil Du Temps	100	IG
Korian Bollee Chanzy	100	IG

Legal entity		
Korian Brune	100	IG
Korian Clos Des Vignes	100	IG
Korian Domiciles	100	IG
Korian Florian Carnot	100	IG
Korian France	100	IG
Korian Georges Morchain	100	IG
Korian Gerland	100	IG
Korian Glanum	100	IG
Korian Immobilier Allemagne	51	IG
Korian Immobilier Allemagne 1	51	IG
Korian Immobilier Allemagne 2	51	IG
Korian Immobilier Allemagne 3	51	IG
Korian Immobilier Allemagne 4	51	IG
Korian Immobilier Allemagne 5	51	IG
Korian Immobilier Allemagne 6	51	IG
Korian Immobilier Allemagne 7	51	IG
Korian Immobilier Allemagne 8	51	IG
Korian Immobilier Allemagne 9	100	IG
Korian Immobilier Allemagne 10	100	IG
Korian Immobilier Allemagne 11	100	IG
Korian Immobilier Allemagne 12	100	IG
Korian Jardins D'hugo	100	IG
Korian La Bressane	100	IG
Korian La Cote Pavee	100	IG
Korian La Fontaniere	100	IG
Korian La Riviere Bleue	100	IG
Korian La Saulx	100	IG
Korian La Seillonne	100	IG
Korian La Villa Papyri	100	IG
Korian L'astree	100	IG
Korian Le Bourgenay	100	IG
Korian Le Cap Sicie	100	IG
Korian Le Diamant	100	IG
Korian Le Gatinais	100	IG
Korian Le Haut Lignon	100	IG
Korian Le Mas Blanc	100	IG
Korian Le Tinailler	100	IG
Korian Les Arcades	100	IG
Korian Les Arcades Immobilier	100	IG
Korian Les Cassissines	100	IG
Korian Les Clematies	100	IG
Korian Les Oliviers	100	IG
Korian Les Pins Verts	100	IG
Korian Les Restanques Immobilier	51	IG
Korian Les Roses	91.8	IG
Korian L'esconda	100	IG
Korian Maison Des Aulnes	100	IG
Korian Mas De Lauze	100	IG
Korian Parc Des Dames Immobilier	51	IG
Korian Pastoria	100	IG
Korian Plaisance	100	IG

Legal entity		
Korian Saint Bruno	100	IG
Korian Sante	100	IG
Korian Saverne	100	IG
Korian Solutions	100	IG
Korian Val Aux Fleurs	100	IG
Korian Val Des Sources	100	IG
Korian Villa Amarelli Immobilier	51	IG
Korian Villa D'albon	100	IG
Korian Villa Spinale	100	IG
Korian Vill'alize	100	IG
L Air Du Temps Resid Strasb Robertsau	100	IG
La Bastide De La Tourne	100	IG
La Colombe	100	IG
La Detente	100	IG
La Fontaine Bazeille	100	IG
La Louisiane	100	IG
La Mouliniere	100	IG
La Reine Blanche	100	IG
La Reine Mathilde	100	IG
La Roseraie	100	IG
La Saison Doree	100	IG
La Vallee Bleue	100	IG
Laffitte Sante	100	IG
Lasidom	100	IG
Le Belvedere	100	IG
Le Belvedere-Plage	100	IG
Le Bois Du Chevreuil	100	IG
Le Clos Clement 77	100	IG
Le Clos De L'orchidee	100	IG
Le Hameau De Prayssas	100	IG
Le Mail Sante	100	IG
Le Mont Blanc	99.2	IG
Le Mont Soleil	100	IG
Le Nord-Cotentin	100	IG
Le Petit Castel	100	IG
Le Val D'essonne	100	IG
Les Acacias	100	IG
Les Acacias Centre Des Maladies Respiratoires Et Allergiques	100	IG
Les Allees De Pourtales	100	IG
Les Begonias	100	IG
Les Bles D'or	100	IG
Les Domaines De Cestas	99.8	IG
Les Essentielles	100	IG
Les Essentielles Compiegne	100	IG
Les Essentielles Flaubert	100	IG
Les Essentielles Le Raincy	100	IG
Les Essentielles Le Vesinet	100	IG
Les Essentielles Levallois	100	IG
Les Essentielles Livry Gargan	100	IG
Les Essentielles Montreuil	100	IG
Les Essentielles Poitiers	100	IG

Legal entity		
Les Flots	100	IG
Les Fontaines	100	IG
Les Hauts D'andilly	100	IG
Les Issambres	100	IG
Les Jardins D'hestia	99.9	IG
Les Lierres Gestion	100	IG
Les Omegades	100	IG
Les Pins Bleus	100	IG
Les Roses Du Bassin	100	IG
Les Services D'emilie	53.6	IG
Les Tamaris	100	IG
Les Temps Bleus	100	IG
Les Terrasses Du XXeme	100	IG
Les Trois Chemins	100	IG
Les Trois Tours	100	IG
Limeil Residence Senior	100	IG
Luberon Sante	100	IG
Mad94	51	IG
Maison De Retraite Le Chalet	100	IG
Maison De Retraite Les Alysses	100	IG
Maison De Retraite Les Gardioles	100	IG
Maison Retraite Les Jardins D Epargnes	100	IG
Marienia	100	IG
Massenet Sante	100	IG
Medica France	100	IG
Medi'dep Foncier	100	IG
Medotels	100	IG
Meudon Tybilles	100	IG
Mimh	71.5	IG
Move In Med	100	IG
Newco Bezons	100	IG
Omedys	70	IG
Omega & Co	51	IG
Omega 81	51	IG
Omega Autonomie	51	IG
Oppci Korian Immobilier	100	IG
Oregon	100	IG
Pasthier Promotion	100	IG
Pb Expansion	100	IG
Perier Retraite	51	IG
Perou Snc	100	IG
Petits-fils	100	IG
Petits-fils Developpement	100	IG
Pole De Sante Mentale La Confluence	100	IG
Premiadom	51	IG
Privatel	100	IG
Psystors	100	IG
Qualiversap	51	IG
Reanotel	100	IG
Residenc Pour Personnes Agees La Chenaie	100	IG
Residence Adamoise Senior	100	IG

Legal entity		
Residence Agapanthe	100	IG
Residence Bellevue	100	IG
Residence De Chaintreauville	100	IG
Residence Foch Senior	100	IG
Residence Frederic Mistral	100	IG
Residence Frontenac	100	IG
Residence La Grande Prairie	100	IG
Residence Les Ajoncs	100	IG
Residence Les Essentielles Suresnes	100	IG
Residence Les Essentielles Vincennes	100	IG
Residence Les Mathurins	100	IG
Residence Magenta	100	IG
Residence Perier	100	IG
Residence Scamaroni Senior	100	IG
Rosa Bella	100	IG
Sa La Pinede	100	IG
Saint Cyr Gestion	100	IG
Saint Francois Du Las	100	IG
Sarl De Bioux Sante	100	IG
Sarl De Soulle	100	IG
Sarl Du Chateau	100	IG
Sarl Gaston De Foix	100	IG
Sarl La Corne De L'abondance	90	IG
Sarl La Galicia	99.3	IG
Sarl Le Castelli	100	IG
Sarl Residence Les Aines Du Lauragais	100	IG
Sas Entre Deux Mers	100	IG
Sas Korian Asset & Property Management	100	IG
Sas La Cheneraie	100	IG
Sas La Villa Du Chene D'or	100	IG
Sas Ms France	60	IG
Sas Omega	100	IG
Sas Residence De Pontlieue	100	IG
Sccv Henriade	100	IG
Sci Alma Sante	100	IG
Sci Badera	51	IG
Sci Beausejour	100	IG
Sci De La Rue Bichat	100	IG
Sci De Saint Malo	100	IG
Sci Des Sables	100	IG
Sci Du Centre Medical Des Alpilles	100	IG
Sci Du Mans	100	IG
Sci F P M	100	IG
Sci Falca	51	IG
Sci Garibaldi Sierroz	51	IG
Sci Korian Bezons Immobilier	51	IG
Sci Korian Developpements Immobiliers	100	IG
Sci Korian Etoile Immobilier	100	IG
Sci Korian Etoile Immobilier 2	100	IG
Sci Korian Immobilier	51	IG
Sci Korian La Cotonnade Immobilier	51	IG

Legal entity		
Sci Korian Les Catalaunes Immobilier	51	IG
Sci Korian Livry Sully Immobilier	51	IG
Sci Korian Mornay Immobilier	51	IG
Sci Korian Oncopole Toulouse Immobilier	51	IG
Sci Korian Oullins Immobilier	51	IG
Sci Korian Rss Immobilier	100	IG
Sci Korian Sante Immobilier	51	IG
Sci Korian Saverne Immobilier	51	IG
Sci La Confluence Saint-Cyr	100	IG
Sci La Croix Du Marechal	100	IG
Sci La Paloumere	100	IG
Sci La Varenne	100	IG
Sci Laxou Maxeville	51	IG
Sci Le Mail Immobilier	100	IG
Sci Le Teilleul	100	IG
Sci Le Zander	51	IG
Sci Lyon Gerland	100	IG
Sci Napoleon	51	IG
Sci Saint Georges De Didonne	100	IG
Sci Saint Maurice	100	IG
Sci Valmas	100	IG
Scpr	100	IG
Serience Soins De Suite Et De Readaptation	100	IG
Snc St Francois De Sales	100	IG
Soc Études Realisations Nouvel Age	100	IG
Soc Europeenne Fonciere D'investissement	100	IG
Soc Gerontologique Du Centre Ouest	100	IG
Soc Immobiliere Janin	100	IG
Soc Nouvelle De La Clinique Du Mesnil	100	IG
Societe Aixoise D'expansion Medicale	100	IG
Societe Civile Immobiliere De Montvert	100	IG
Societe D'exploitation De La Clinique Medicale Saint Come A Juvisy	100	IG
Societe D'exploitation Home Saint Gabriel	99.2	IG
Societe Du Château De Lormoy	100	IG
Societe Holding Les Acacias	100	IG
Societe Hospitaliere De Touraine	100	IG
Korian Usld Psy St-Cyr	100	IG
Societe Immobiliere De Dinard	100	IG
Ste Exploitation Clinique Perreux	100	IG
Syr Immobilier	100	IG
Technosens Évolution	70	IG
Thalatta	100	IG
Val Pyrene	100	IG
Vepeza	100	IG
Villa Bontemps Sarl	100	IG
Villa Saint Dominique	100	IG
Villandieres Nimes	100	IG
Vivason	49.7	MEE

Legal entity		
ITALY		
Assisi Project S.P.A.	60	IG
Aurea Salus S.R.L.	100	IG
Care Service S.P.A.	100	IG
Casa Di Cura Fondazione G&P Borghi S.R.L.	100	IG
Casa Di Cura Leonardo S.R.L.	95	IG
Casa Di Cura San Camillo S.R.L.	94	IG
Centro Diagnostico Medicina Nucleare S.R.L.	90	IG
Centro Fisioterapico Tarantini S.R.L.	100	IG
Centro Medico Sanitario S.R.L.S.	100	IG
Centro Medico Specialistico S.R.L.	90	IG
Centro Radiologico Laertino S.R.L.	90	IG
Centro Specialistico Per La Cura Del Diabete S.R.L.	90	IG
Crct Il Gbbiano S.R.L.	100	IG
Croce Di Malta S.R.L.	100	IG
Domus S.R.L.	100	IG
Elia Domus S.R.L.	100	IG
Elide S.R.L.	95	IG
Famast 3 S.R.L.	100	IG
Fiogeri Sanità S.R.L.	100	IG
Fortis S.R.L.	94	IG
Fratesole S.R.L.	100	IG
Geress S.R.L.	50	*
Gieffe Agricola S.R.L.	30	MEE
Gilar S.P.A.	100	IG
Ideass S.P.A.	90	IG
Il Chiosco S.R.L.	100	IG
Il Faggio S.R.L.	100	IG
Il Focolare S.R.L.	90	IG
Immobiliare Marina Di Sorso S.R.L.	100	IG
Isav S.P.A.	100	IG
Italian Hospital Group 3 S.P.A.	100	IG
Italian Hospital Group S.P.A.	100	IG
Kinetika Sardegna S.R.L.	100	IG
Leonardo Da Vinci – Cdm S.P.A.	100	IG
Lob S.R.L.	100	IG
Medica Sud S.R.L.	90	IG
Monte Buriasco S.R.L.	51	IG
Mosaico Home Care S.R.L.	100	IG
Msh S.R.L.	100	IG
Nativitas S.R.L.	51	IG
Over Sondrio S.R.L.	100	IG
Parco Delle Rose 92 S.R.L.	100	IG
Platinum S.P.A.	100	IG
Residenza Challant S.R.L.	100	IG
Residenze Assistite Maleo S.R.L.	100	IG
Rsa Berzo Inferiore S.R.L.	100	IG
Rsa Borno Societa Di Progetto S.P.A.	100	IG
Sanem 2001 S.R.L.	100	IG

Legal entity		
Santa Chiara S.R.L.	94	IG
Santa Croce S.R.L.	100	IG
Segesta Gestioni S.R.L.	100	IG
Segesta Latina S.P.A.	100	IG
Segesta Mediterranea S.R.L.	100	IG
Segesta S.P.A.	100	IG
Segesta2000 S.R.L.	100	IG
Servizi Assistenziali Domiciliari S.R.L.	100	IG
Silver Immobiliare S.R.L.	100	IG
Smeralda Rsa Di Padru S.R.L.	100	IG
Sogemi S.R.L.	100	IG
Sondrio Rinnova S.R.L.	100	IG
Villa Delle Terme S.P.A.	100	IG
Villa San Clemente S.R.L.	100	IG
Villa Silvana S.P.A.	100	IG
Vittoria S.R.L.	70	IG
NETHERLANDS		
AK JV NL	50	(1)
Korian Facilities B.V.	100	IG
Korian Holding Nederland B.V.	100	IG
Korian Hospitality B.V.	100	IG
Korian Management Services B.V.	100	IG
Korian Zorg B.V.	100	IG
Korian Zorg Holding B.V.	100	IG
Senior Living B.V.	100	IG
Stepping Stones Home & Care Vastgoed B.V.	100	IG
UK		
Active Lives Care Ltd	100	IG
Berkley Care (Badminton) Ltd	100	IG
Berkley Care (Bristol) Limited	100	IG
Berkley Care (Chesham) Limited	100	IG
Berkley Care (Portobello Place) Limited	100	IG
Berkley Care (Tournament Fields Holdco) Limited	100	IG
Berkley Care (Tournament Fields Parent) Limited	100	IG
Berkley Care (Tournament Fields) Limited	100	IG
Berkley Care 3 Limited	100	IG
Berkley Care Blenheim Limited	100	IG
Berkley Care Fernhill Limited	100	IG
Birstall Care Holdings Limited	100	IG
Birstall Care Homes Limited	100	IG
Birstall Care Services Limited	100	IG
Burcot Grange Care Home Limited	100	IG
Burcot Holdings Limited	100	IG
Burcot Limited	100	IG
Fernhill House Limited	100	IG
Korian Real Estate UK Limited	100	IG

(1) Joint business operations are recognised up to the limit of Korian's interest.

Legal entity		
Korian Real Estate UK Midco 1 Limited	100	IG
Korian UK Limited	100	IG
Reflections Care Home Limited	100	IG
Reflections Care Limited	100	IG
Ryefield Court Care Limited	100	IG
Shinfield Lodge Care Limited	100	IG

6.2 Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2022

To Korian's General Meeting of shareholders:

Opinion

In performance of the assignment for which we have been appointed by your General Meetings of shareholders, we have audited Korian's consolidated financial statements for the financial year ended 31 December 2022, as appended to this report.

We certify that, in light of the IFRS accounting framework as adopted in the European Union, the consolidated financial statements are true and accurate and give a fair view of the transactions during the past financial year, as well as of the financial position and assets at the end of the financial year, of the whole comprised of the persons and entities within the consolidation scope.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit framework

We have performed our audit in accordance with the accounting standards applicable in France. We consider that the information that we have collected is sufficient and appropriate as a basis for our opinion.

Our responsibilities under these standards are described in the section of this report entitled "Responsibilities of Statutory Auditors in relation to the audit of consolidated financial statements".

Independence

We have conducted our audit, which covers the period from 1 January 2022 to the date of issue of this report, in accordance with the rules that govern the independence of auditors as set forth in the French code of commerce and in the code of ethics for Statutory Auditors, and have provided none of the services prohibited under Article 5 (1) of EU Regulation No. 537/2014.

Observation

Without qualifying the opinion expressed above, we draw your attention to Note 1.2. "IFRS standards, amendments and interpretations applied by the Group" in the notes to the consolidated financial statements, which describes the change in accounting policy as a result of the IFRIC interpretation on accounting for configuration or customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets).

Justification for our assessments - Key audit matters

Pursuant to the provisions of articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification for our assessments, we draw your attention to the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the period, as well as the responses we provided to these risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole and the opinion we formed, as expressed above. We do not express an opinion on any items in these consolidated financial statements considered separately.

Measurement of goodwill and operating licences

Identified risk	At 31 December 2022, the net value of goodwill and operating licences totalled €5,313m. ■ The net value of goodwill—which is determined as explained in Note 5.1 to the consolidated financial statements—recognised Balance Sheet is €3,237m. ■ Operating licences acquired in business combinations are non-amortisable intangible assets and have a net book value of €2,076m, which is the value attributed to the operating licences granted by the supervisory authorities in France, Belgium and Italy. They are valued at their fair value at the merger date, as described in Note 5.2 to the consolidated financial statements, on intangible assets. At the close of each financial reporting period, or more frequently if there is any indication of impairment, management ensures that the net carrying amount of goodwill and operating licences does not exceed their recoverable amount. The recoverable amount of operating licences is the higher of value net of exit costs and value in use. Impairment tests are performed either on cash-generating units (CGU) or on a group of CGU (goodwill). ■ For goodwill, the CGU corresponds to a grouping of CGUs for a given country: France, Germany, Belgium, Netherlands, Italy, Spain and the UK. ■ For operating licences, the CGU corresponds to a department in France and to a region in Italy and Belgium and to a specific type of business activity (nursing homes, clinics or mental health). Details of the assumptions used for these tests are presented in the section entitled "Impairment of property, plant and equipment, intangible assets and goodwill" of Note 1 to the consolidated financial statements. The determination of the value in use of these assets is based on the discounted future cash flows of the CGUs or CGU groups and on the assumptions and estimates made by management, and in particular the cash flow projections taken from the four-year business plans that constitute the group's strategic plan, the average growth rate used to forecast these flows, and the discount rate applied to them. The assessments of the recoverable value of goodwill and of the operating licences are key audit matters due to their weight in the group's accounts and the importance of management's judgment in determining the assumptions on which the value in use estimates are based.

Our response	We have reviewed the impairment testing methodology to verify its compliance with the applicable accounting standards.
	We also conducted a critical review of the manner in which these impairment tests are applied. In particular, we:
	■ checked whether management had tested all goodwill and operating licences by comparing the accounting information in databases with the figures presented in the consolidated accounts;
	■ examined the methods used to calculate value in use from the discounted future cash flows, for which we:
	  ▪ reviewed the budget process and key controls associated with this process;
	  ▪ reviewed management's criteria for determining the CGUs for a given geographic department or region, and for each type of business activity;
	  ▪ examined, on a test basis, the consistency of the cash flow forecasts with the 2023 budgets prepared by management and with the strategic plan approved by the Board of Directors;
	  ▪ compared, on a test basis, the cash flow forecasts used during previous impairment tests with the actual cash flows to assess how well the previous targets were achieved;
	■ examined the perpetual growth rate and discount rates management used to calculate the value in use and compared these rates to the estimates of our own financial valuation experts;
	■ verified, on a test basis, the arithmetical accuracy of the calculations of value in use applied.
	We have also assessed the appropriateness of the information provided in the section entitled "Impairment of property, plant and equipment, intangible assets and goodwill" of Note 1 to the consolidated financial statements and have verified the arithmetical accuracy of the sensitivity analysis presented.

Specific verifications

In accordance with French professional standards, we have also carried out the specific statutory and regulatory verifications of the information pertaining to the group provided in the Board of Directors' management report.

We have no observation to make as to its accuracy or consistency with the consolidated financial statements.

We certify that the consolidated statement of nonfinancial performance provided for in Article L. 225-102-1 of the French Commercial Code is included in the information pertaining to the group provided in the management report, it being understood that, in accordance with the provisions of Article L. 823-10 of the aforesaid code, we have not verified the fair presentation of the information provided in said statement nor its consistency with the consolidated financial statements, for which a report by an independent third party is necessary.

Other verifications or information required by statutes or regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standards that apply to the statutory auditing of annual and consolidated financial statements presented in the single European electronic reporting format, we have also checked that the presentation of the consolidated financial statements to be included in the annual financial report referred to in Section I of Article L. 451-1-2 of the French Monetary and Financial Code, and which are prepared under the responsibility of the chief executive officer, complies with said format, as set forth in European Delegated Regulation No. 2019/815 of 17 December 2018. In the case of consolidated financial statements, our work includes verifying that the tagging of account items conforms to the format specified in the above-mentioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of consolidated accounts in the single European electronic reporting format, some of the tags in the notes may not correspond exactly to the consolidated financial statements attached to this report.

It should be noted that we are not responsible for ensuring that the consolidated financial statements the Company includes in the annual financial report filed with the AMF are identical to those we have audited.

Appointment of Statutory Auditors

Mazars was appointed as Korian's Statutory Auditor in its constitutional articles of association of 2003, while Ernst & Young et Autres was so appointed at its annual general meeting of 23 June 2011.

At 31 December 2022, MAZARS was in the twentieth uninterrupted year of its assignment (including seventeen years since the Company's shares were admitted to trading on a regulated market) and ERNST & YOUNG et Autres was in its twelfth year.

Prior to this, ERNST & YOUNG Audit was a Statutory Auditor as of 2006.

Responsibilities of management and corporate governance officers in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view in accordance with the IFRS framework as adopted in the European Union, as well as for setting up the internal controls it deems necessary to prepare consolidated financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting necessary information in the financial statements, if appropriate, relating to the continuity of operations, and for applying the going concern accounting principle, unless it intends to dissolve the Company or cease doing business.

The Audit Committee is responsible for overseeing the process used to prepare financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, if applicable, the internal audit system, with respect to procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors in relation to the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may be due to fraud or error and are considered material if it can reasonably be expected that, taken individually or cumulatively, they may influence the economic decisions that users of the financial statements take based thereon.

As specified by article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or the quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises its professional judgment throughout such audit. It also:

- identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects evidence that it deems sufficient and appropriate to form the basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, because fraud may involve collusion, falsification, voluntary omissions, misrepresentations or circumventing internal controls;
- reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not to express an opinion on the effectiveness of the internal control system;
- assesses the appropriateness of the accounting methods selected by management, the reasonableness of its accounting estimates, and all related information provided in the consolidated financial statements;
- assesses whether management's application of the going concern accounting principle is appropriate and, depending on the information collected, whether or not there exists significant uncertainty about events or circumstances that may jeopardise the Company's ability to continue its business. This assessment must be based on the evidence obtained up to the date of the auditor's report, it being understood, however, that subsequent events or situations may compromise the Company's ability to continue as a going concern. If it concludes that there is significant uncertainty, it draws the attention of those reading its report to the information provided in the consolidated financial statements about such uncertainty or, if this information is not provided or is not relevant, it issues a qualified certification or refuses certification;

- assesses the overall presentation of the consolidated financial statements and whether the consolidated financial statements reflect the underlying transactions and events in a manner that gives a true and fair view thereof;
- collects information concerning the financial information about the persons or entities included in the consolidation scope, that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for managing, supervising and performing the audit of the consolidated financial statements, as well as for the opinion expressed about the financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that, in particular, outlines the scope of the audit work and the work programme implemented, as well as the conclusions based on our work. If applicable, we also draw the Committee's attention to significant internal control weaknesses we have identified with respect to the procedures for preparing and processing accounting and financial information.

The information provided in the report to the Audit Committee includes the risks of material misstatement that we consider to have been the most significant for the audit of the consolidated financial statements for the period and that, therefore, constitute key points of the audit that we are required to describe in this report.

We also provide the Audit Committee with the statement required by article 6 of regulation (EU) No. 537-2014 confirming our independence within the meaning of legislation applicable in France as laid down, in particular, by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of ethics for the Statutory Auditor profession. If applicable, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Paris-La Défense, 1 March 2023

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Anne Veaute	Anne Herbein

6.3 Annual financial statements at 31 December 2022

Company financial statements (unless otherwise indicated, all amounts are expressed in thousands of euros).

BALANCE SHEET

Assets

		31.12.2022	31.12.2021
Intangible assets	Note 4.1	29,776	16,807
Property, plant and equipment	Note 4.1	1,170	1,313
Non-current financial assets	Note 4.1	4,857,176	4,532,208
Of which equity interests and related receivables		*3,760,276*	*3,423,426*
Total non-current assets		**4,888,122**	**4,550,328**
Trade receivables	Note 4.3	22,840	26,246
Other receivables	Note 4.3	1,401,055	2,134,057
Cash and cash equivalents		404,814	573,296
Marketable securities	Note 4.4	13,551	143,877
Prepaid expenses	Note 4.5	14,569	15,108
Total current assets		**1,856,829**	**2,892,584**
Debt issuance costs/Bond redemption premiums		27,546	26,683
TOTAL ASSETS		**6,772,498**	**7,469,595**

Liabilities and shareholders' equity

		31.12.2022	31.12.2021
Share capital		532,526	527,968
Share premium		1,306,655	1,297,253
Legal reserve		38,521	38,520
Retained earnings		11,950	73,862
Other reserves		128,516	128,516
Net income		55,005	-25,639
Regulated provisions		1,853	1,840
Net financial position	**Note 4.7**	**2,075,026**	**2,042,320**
Provisions for risks and expenses	Note 4.8	11,800	6,774
Other bond debt	Note 4.9	2,824,558	2,797,501
Loans from credit institutions	Note 4.10	1,107,824	1,118,964
Sundry loans and other liabilities		662,177	1,454,734
Trade payables		8,392	15,356
Tax and social security liabilities		11,165	11,621
Suppliers of non-current assets		194	583
Other liabilities		60,958	12,330
Total operating liabilities		**4,687,067**	**5,417,863**
Unrealised foreign exchange gains		10,405	9,412
TOTAL LIABILITIES AND EQUITY		**6,772,498**	**7,469,595**

INCOME STATEMENT

	31.12.2022	31.12.2021
Operating income	32,340	23,544
Sale of goods purchased for resale	0	-
Revenue	32,340	23,544
Capitalised production	5,220	3,085
Operating subsidies	0	
Reversals of provisions and charges transferred	978	328
Other income	22	0
Total	**38,559**	**26,957**
Change in inventory	0	
Goods purchased for resale	9	3
Other purchases and external expenses	55,066	38,065
Income and other taxes	1,186	1,134
Wages	19,804	17,741
Social securities charges	28,828	7,802
Depreciation, amortisation and provisions		
■ depreciation and amortisation on non-current assets	7,892	7,534
■ on current assets	0	-
■ provisions for risks and expenses	0	816
Other expenses	378	332
TOTAL OPERATING EXPENSES	**113,163**	**73,427**
Operating income	**-74,604**	**-46,471**
Share of profit or loss	**-336**	**81**
Financial income	196,790	109,824
Financial expenses	102,899	102,781
Net financial income	**93,891**	**7,043**
Ordinary income	**18,950**	**-39,348**
Non-recurring income	21,574	117,687
Non-recurring expenses	19,375	134,989
Non-recurring profit/loss	**2,199**	**-17,302**
Income tax	-33,856	-31,011
NET BOOK PROFIT/LOSS	**55,005**	**-25,639**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

As the ultimate controlling party, Korian SE, which has its registered office in Paris, France at 21-25 rue Balzac – 75008, prepares the consolidated financial statements.

NOTE 1 ACCOUNTING RULES AND METHODS

The financial statements were prepared in compliance with Regulation No. 2014-03 of the French Accounting Standards Authority (ANC), the French General Chart of Accounts and any subsequent rules and regulations in effect. The general accounting conventions of the French General Chart of Accounts were observed, in accordance with the principle of conservatism and on the basis of the following assumptions:

- going concern;
- accruals principle;
- consistency of accounting methods between accounting periods; and
- in compliance with the rules that generally apply to the preparation and presentation of annual accounts.

The basic valuation method used is the historical cost method. The main accounting methods used are described below.

NOTE 2 MAIN ACCOUNTING METHODS

2.1 Intangible assets

Non-current assets are carried at their historical cost, which is the purchase price plus any costs directly related to the purchase. Software licenses are capitalised and amortised over a period of five years. Purchased software is capitalised and amortised over a period of three years, while stand-alone applications developed internally are capitalised and amortised over a period of five years. When the useful life of an IT development is particularly long, IT project costs may be amortised for up to seven years.

2.2 Property, plant and equipment

Property, plant and equipment are carried at historical cost, which includes the purchase price and any directly attributable costs.

Depreciation of all Group PPE is calculated on a straight-line basis over the following expected useful lives.

- building fixtures (varies with type): 7 to 50 years;
- industrial equipment: 5 to 15 years;
- furniture and office equipment: 10 years;
- IT equipment: 3 years.

2.3 Equity interests and other long-term investments

Equity interests are measured at their acquisition cost plus any incidental expenses, which are depreciated at an accelerated rate over five years. If this value exceeds their value in use or their market value, a provision for impairment is recognised for the difference.

The market value is based on the recent market prices observed.

The value in use of each subsidiary's equity is the difference between the subsidiary's enterprise value and its net debt on the balance sheet date.

A subsidiary's enterprise value is calculated from expected future cash flows, which are based on the economic and business forecasts of the Group's management, in accordance with the following principles:

- the pre-tax cash flows are based on the Group's 2023 budget and four-year business plan, both of which were approved by the Board of Directors;
- the discount rate is determined using the Group's weighted average cost of capital;
- the discount rates used are 6.25% for France, 6.15% for Germany, 6.5% for Belgium, 6.15% for the Netherlands, 7.3% for Spain, 7.5% for Italy and 7.4% for the United Kingdom;
- the long-term growth rates used are 1.8% for France, 2.3% for Germany, 1.8% for Belgium, 2.3% for Netherlands, 2.3% for Spain, 2.2% for Italy and 2.4% for the United Kingdom.

The valuation of equity interests at 31 December 2022 resulted in the recognition of a provision of €13,779.

2.4 Receivables

Receivables are measured at their nominal value. Where necessary, a provision for impairment is recorded to account for past or potential collection difficulties.

2.5 Financial instruments and hedge accounting

The rules for hedge accounting are specified in the French Chart of Accounts, in articles 628-6 to 628-17, which were added subsequent to ANC Regulation No. 2015-05 on derivatives and hedging transactions. They apply to all hedges regardless of type.

2.6 Marketable securities

Marketable securities are valued at the lower of their acquisition cost or market value. Treasury shares are recognised at their acquisition cost. An impairment provision is recognised when the market value is less than the acquisition cost.

2.7 Cash

Cash consists of bank balances.

A cash pooling agreement with the Company was signed in 2018 by most of the Group's French and foreign companies. Other Group companies obtain financing from Korian through loans or current accounts.

2.8 Currency risk

Since the acquisition of Berkley Care in 2021, Korian SE has conducted business in the UK as well as in the eurozone.

2.9 Interest rate risk

Approximately half of the Company's debt is subject to variable interest rates and is hedged by derivative instruments.

2.10 Bond issuance and borrowing costs

Bond issuance and borrowing costs are recorded under external expenses and are amortised over the life of the bond.

NOTE 3 KEY EVENTS DURING THE YEAR

3.1 Conversion into a European Company

On 22 June 2022, Korian's shareholders approved its conversion into a European Company. Given Korian's presence in six countries of the European Union, its conversion from a French *société anonyme* to a European Company aligns its legal form with its European dimension. This gives the Company a legal form that is more consistent with its business and cultural environment, a more unified identity and greater visibility in Europe.

3.2 Main financing activities

On 18 January 2022, Korian announced the successful issue of its €377 million *Schuldschein* debt, of which €222 million was settled in 2021 and €155 million in 2022. This debt was issued with long maturities of five to eight years and mostly at a fixed rate. The coupons are lower than the Group's previous *Schuldschein* issues, at 1.30%, 1.55% and 1.70% for 5, 7 and 8 year maturities respectively.

3.3 Share buyback programme

As authorised by the Combined General Meeting of 27 May 2021, on 9 December 2021, Korian announced a programme to buy back ESG-impact shares, for a maximum amount of €50 million.

The buy-back period began on 10 December 2021 and ended on 13 July 2022. At 31 December 2022, Korian held 119,664 of its own shares.

3.4 Employee share ownership plan

In June 2022, Korian announced the successful completion of its first employee share ownership plan, which is available to employees in all of the Group's seven countries: France, Germany, Italy, Belgium, Spain, the Netherlands and the UK. This plan gives employees the opportunity to become shareholders under exclusive and highly secure terms, to ensure their engagement in Korian's ambitious transformation and innovation project and enable them to benefit from the Company's long-term growth.

3.5 Capital increase and stock dividend

After shareholder approval at the 2022 General Meeting, the Company distributed a dividend of €0.35 per share, with an option for payment in new shares (based on an issue share price of €16.18). The exercise of this option resulted in the issuance of 625,608 new shares on 21 July 2022. These have since been incorporated in the body of ordinary shares that constitutes the Company's share capital. A cash dividend of €26 million was paid.

At 31 December 2022, the Company's share capital stood at €532,526,030 (*vs.* €527,968,290 at 31 December 2021) and consisted of 106,505,206 shares (*vs.* 105,593,658 at 31 December 2021).

3.6 Non-current financial assets

Equity interests rose €335 million, mainly due to:

- forgiveness of debt in exchange for shares in Korian & Partenaires Immobilier 5 (€82 million) and Korian UK LTD (€3 million);
- share issues to strengthen the balance sheets of the following subsidiaries: Segesta (€200 million), Korian Residencias Spain (€3 million), Korian & Partenaires Immobilier 3 (€6 million), Korian & Partenaires Immobilier 2 (€31 million) and Foncière A&V (€4 million);
- the creation of a new subsidiary: Foncière A&V 2 (€4 million).

NOTE 4 MAIN BALANCE SHEET ITEMS

4.1 Non-current assets, depreciation and amortisation

Non-current assets	31.12.2021	Acquisitions	Disposals	31.12.2022
Concessions, patents and similar rights	11,575	3,176		14,751
Non-current assets in progress	8,202	11,951		20,153
Business goodwill (technical merger loss)	0			0
Building fixtures	1,066	174		1,240
Office and IT equipment	1,485	8	5	1,487
Equity interests and related loans and receivables	3,428,852	336,909	100	3,765,662
Other non-current financial assets	1,108,782	261,546	273,428	1,096,900
TOTAL	**4,559,962**	**613,764**	**273,533**	**4,900,194**

Depreciation/amortisation	31.12.2021	Am./Dep.	Reversals	31.12.2022
Concessions, patents and similar rights	2,970	2,158	0	5,128
Building fixtures	309	98	0	407
Office and IT equipment	929	224	2	1,151
TOTAL	**4,208**	**2,481**	**2**	**6,686**

Provisions	31.12.2021	Am./Dep.	Reversals	31.12.2022
On equity interests	5,426	14	54	5,386
On the technical merger loss	0			0
On borrowings	0			0
TOTAL	**5,426**	**14**	**54**	**5,386**

Depreciation and amortisation expenses were recognised under operating expenses. Adjustments to provisions on equity interests were recognised under financial income.

“Other plant, property and equipment in progress” consists mainly of capitalised production and service provider costs for developing and deploying internal software packages, applications and IT hardware (€20,153 thousand).

4.2 Equity interests

Korian is the Group’s consolidating entity. It holds the shares of the companies listed in the table below (amounts are in euros).

TABLE OF KORIAN SUBSIDIARIES AND EQUITY INTERESTS IN 2022

Subsidiaries	Gross value of securities	Net value of securities	% of share capital held by Korian SE	Share capital	Net income of last fiscal year	Equity (other than share capital)	Dividends recognised during the year	Loans and advances granted but not repaid
FRENCH SUBSIDIARIES								
MEDICA France	858,535,773	858,535,773	100%	50,976,012	21,808,084	129,603,764	0	206,310,558
KORIAN SOLUTIONS	1,000	1,000	100%	1,000	-1,083,197	-4,815,015	0	15,593,356
SAS LA MOULINIÈRE	149,357,420	147,442,138	100%	21,045,828	-1,978,574	19,798,613	0	11,427,650
MEDIDEP FONCIER	2,875,031	2,875,031	100%	7,500	2,192,986	537,840	2,246,683	1,806,887
SCI LE TEILLEUL	3,547,651	1,740,141	100%	2,750,000	2,728	149,938	0	0
OPPCI KORIAN IMMOBILIER	14,510,000	14,510,000	100%	14,510,000	695,323	21,582,243	120,000	0
KORIAN ASSET ET PROPERTY MANAGEMENT	1,000	1,000	100%	1,000	10,764	461,819	0	0
KORIAN FRANCE	772,755,109	772,755,109	100%	219,548,335	2,332,604	457,560,593	100,000,000	140,169,934
KORIAN & PARTENAIRES IMMOBILER 5	82,355,083	82,355,083	100%	1,010	-8,064,151	82,347,993	0	161,241,892
KORIAN & PARTENAIRES IMMOBILER 6	10,000	10,000	100%	10,000	40,392	19,156	0	4,190,537
KORIAN & PARTENAIRES IMMOBILER 7	10	10	100%	10	520,703	39,991	0	26,782,753
KORIAN & PARTENAIRES IMMOBILER 8	10,000	0	100%	10,000	-6,078	0	0	78
KORIAN & PARTENAIRES IMMOBILER 9	10,000	10,000	100%	10,000	-261,914	0	0	78,688,675
KORIAN & PARTENAIRES IMMOBILER 10	10,000	10,000	100%	0	0	0	0	0
SCI KORIAN DÉVELOPPEMENTS IMMOBILIERS	213,162	213,162	98%	760	-343,138	2	0	30,320,755
KORIAN & PARTENAIRES IMMOBILER 2	118,349,943	118,349,943	51%	57,911	6,186,425	287,300,332	13,268,509	11,643
FOREIGN SUBSIDIARIES								
KORIAN BELGIUM	142,848,576	142,848,576	100%	25,595,679	-683,182	58,078,007	0	258,187,901
KORIAN DEUTSCHLAND	469,727,701	469,727,701	100%	121,478	-34,299,329	326,413,902	0	0
Korian MANAGEMENT	800,275	415,416	100%	120,000	31,606	8,644,777	0	0
KORIAN RESIDENCIAS SPAIN	161,712,440	161,712,440	100%	161,715,439	-2,632,707	-5,336,646	0	96,417,033
SEGESTA	585,511,361	585,511,361	100%	10,863,304	22,818,760	478,175,760	0	44,900,000
KORIAN HOLDING NEDERLAND	53,913,116	53,913,116	100%	18,000	6,984,579	64,149,160	0	60,228,669
KORIAN UK	2,642,148	2,642,148	100%	80,059,231	-9,319,670	-2,504,749	0	56,819,506
KSL	288,321,233	288,321,233	100%	1,000,000	-68,728	146,306,173	0	0
EQUITY INTERESTS								
FONCIÈRE AGES & VIE	25,135,160	25,135,160	30%	3,301,000	-2,521,842	75,778,927	0	98,039,486
FONCIÈRE AGES & VIE 2	4,151,496	4,151,496	30%	101,000	-215,570	13,737,320	0	6,232,616
KORIAN IMMOBILIER Allemagne	618,530	618,530	11%	10,000	3,018,119	1,000	317,333	0
KORIAN & PARTENAIRES IMMOBILIER 3	20,377,502	20,377,502	19%	59,906	1,635,938	119,680,418	0	25,632
KORIAN & PARTENAIRES IMMOBILIER 4	10	10	1%	1,000	-2,915	-12,993	0	263,985
SCI KORIAN RSS IMMOB	1	1	0%	1,000	-706,500	-15,330	0	10,558,115
INICEA HOLDING	5,520,528	5,520,528	6%	103,671,623	-3,078,026	71,619,081	0	38,007,067
LA MÉNARDIÈRE	34,139	34,139	5%	38,112	-317,313	-105,855	0	0
LES FLOTS	967,416	399,318	4%	16,172	-180,581	2,098,922	0	0
L'ESTRAN	537,749	85,555	1%	96,000	78,001	-2,015,804	0	4,980,281
FURTADO GESTION	248,200	N.C.	0%	N.C.	N.C.	N.C.	N.C.	N.C.
LE MONT VEYRIER	1,906	1,906	0%	960,000	15,536,849	-10,038,029	0	0
SCI PERREUX	60,980	60,980	22%	N.C.	N.C.	N.C.	N.C.	N.C.

4.3 Receivables maturity schedule

Status of receivables in 2022	Total	Due in ≤ 1 year	Due in > 1 year
Loans and receivables related to equity interests	1,068,390	-	1,068,390
Other non-current financial assets	2,377	-	2,377
Other trade receivables	22,840	22,840	-
Employees and related accounts	55	55	-
Social Security taxes and other social contributions	145	145	-
Government and local authorities			
■ Corporate income tax	8,527	8,527	-
■ Value-added tax	12,542	12,542	-
■ Other taxes and similar payments	26	26	
Group and associates	1,373,292	1,373,292	-
Sundry debtors	7,785	7,785	-
Prepaid expenses	14,569	14,569	-
TOTAL	**2,510,548**	**1,439,782**	**1,070,767**

Status of receivables in 2021	Total	Due in ≤ 1 year	Due in > 1 year
Loans and receivables related to equity interests	1,087,675	-	1,087,675
Other non-current financial assets	2,441	-	2,441
Other trade receivables	26,246	26,245	-
Employees and related accounts	44	44	-
Social Security taxes and other social contributions	158	158	-
Government and local authorities	383	383	-
■ Corporate income tax			-
■ Value-added tax	8,155	8,155	-
■ Sundry	47	47	-
Group and associates	2,120,008	2,120,008	-
Sundry debtors	6,577	6,577	-
Prepaid expenses	15,108	15,108	
TOTAL	**3,266,842**	**2,176,725**	**1,090,116**

4.4 Marketable securities and cash

Cash at bank is valued at nominal value.

Korian's treasury shares are valued at their weighted average price. The table below shows the change in treasury shares over the year.

In euros	Number	Amount
Balance at 31.12.2021	**509,639**	**13,941**
Purchases in 2022	3,315,202	61,912
Sales in 2022	3,523,372	72,154
Net gain/(loss) in 2022		-20,639
BALANCE AT 31.12.2022	**301,469**	**3,699**

4.5 Prepaid expenses

Prepaid expenses consisted of the following:

Prepaid expenses	2022	2021
Maintenance	827	97
Swap cash payments and interest expense on derivative instruments	13,318	13,572
Other	391	453
Rent	33	986
TOTAL	**14,569**	**15,108**

4.6 Accrued income and expenses

Income or expense item	Income	Expense
Accrued interest on loans	25,134	2,401
Accrued interest on bonds		23,978
Accrued interest on swaps	784	0
Trade payables, invoices not received	0	3,293
Non-Group trade receivables, invoices to be issued	723	0
Group trade receivables, invoices to be issued	21,382	0
Social security liabilities	0	4,452
Social security taxes on social security liabilities	0	3,070
Accrued income/expenses – Government	0	113
Accrued interest on current accounts	16,278	2,317
Accrued bank interest	0	116
TOTAL	**64,301**	**39,740**

4.7 Changes in shareholders' equity

STATEMENT OF CHANGES IN EQUITY

Changes in equity *(In thousands of euros)*	
At start of year	**2,042,320**
Capital increase	4,558
Additional paid-in capital	9,402
Legal reserve	1
Other reserves	0
Retained earnings	-61,912
Allocation of 2021 net income	25,639
2022 net income	55,005
Regulated provisions	13
AT YEAR END	**2,075,026**

The 'Regulated provisions' were made for accelerated depreciation on share buyback costs.

4.8 Provisions for risks and expenses

Provisions for risks and expenses consisted of the following:

			Reversals		
	31.12.2021	**Provisions**	Used	Not used	**31.12.2022**
Other provisions for risks and expenses	101	820	0	1	921
Provision for foreign exchange loss	5,857	10,879	0	5,857	10,879
Provision for wage-related disputes	816	0	816	0	0
TOTAL	**6,774**	**11,699**	**816**	**5,858**	**11,800**

The provision for wage-related disputes involves mainly labour court proceedings. The other provisions cover sundry disputes. The provision for foreign exchange loss covers a loan in GBP.

4.9 Other bonds

These mainly comprise:

- convertible bonds (OCEANE and ODIRNANE) totalling €693 million excluding accrued interest;
- public non-convertible bonds and private placements (EuroPP) totalling €933 million excluding accrued interest.

4.10 Financial debts

Amounts owed to credit institutions	2022	2021
Bank overdrafts		
Bond redemption premium	258	305
Total	**258**	**305**
Bank loans		
< 1 year	243,750	53,750
> 1 year	663,815	758,190
Accrued interest	2,401	1,290
Total bank loans	**909,966**	**813,230**
Issuance of marketable securities	197,600	305,429
TOTAL BANK DEBT	**1,107,824**	**1,118,964**

On 31 December 2022, Korian's gross bank debt consisted of:

- borrowings under a €500 million syndicated loan;
- short-term loans totalling €244 million;
- other medium- and long-term loans (notably real estate bridging loans) totalling €164 million;
- accrued interest totalling €2.4 million;
- short-term marketable securities (formerly *billets de trésorerie*) and medium-term marketable securities for a nominal amount of €198 million.

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4.11 Debt maturity schedule

Debt maturities at 31 December 2022	Total	≤ 1 year	> 1 year and ≤ 5 years	> 5 years
Other bond debt	2,824,558	324,478	1,574,080	926,000
Loans and other borrowings	1,107,824	443,798	585,404	78,622
Sundry loans and other financial liabilities	-725	-725	0	0
Trade payables and related accounts	8,392	8,392	0	0
Employees and related accounts	4,569	4,569	0	0
Social Security taxes and other social contributions	3,511	3,511	0	0
Gov.: Income tax	0	0	0	0
State: VAT	2,308	2,308	0	0
State: other taxes	778	778	0	0
Suppliers of non-current assets	194	194	0	0
Group and associates	662,901	662,901	0	0
Other liabilities	60,958	60,958	0	0
Deferred income	0	0	0	0
TOTAL	**4,675,268**	**1,511,162**	**2,159,484**	**1,004,622**

Debts and liabilities at 31 December 2022	Total	≤ 1 year	> 1 year and ≤ 5 years	> 5 years
Other bond debt	2,797,501	140,036	1,282,465	1,375,000
Loans and other borrowings	1,118,964	219,599	838,463	60,902
Sundry loans and other financial liabilities	1,243	1,184	-	59
Trade payables and related accounts	15,356	15,356	-	-
Employees and related accounts	4,211	4,211	-	-
Social Security taxes and other social contributions	3,093	3,093	-	-
State: Income tax	1,123	1,123	-	-
State: VAT	2,699	2,699	-	-
State: other taxes	494	494	-	-
Suppliers of non-current assets	583	583	-	-
Group and associates	1,453,550	1,453,550	-	-
Other liabilities	12,330	12,330	-	-
Deferred income	-		-	-
TOTAL	**5,411,147**	**1,854,258**	**2,120,928**	**1,435,961**

NOTE 5 MAIN INCOME STATEMENT ITEMS

5.1 Revenue

Most of the 2022 revenue – of which France accounted for €25,435 thousand (€16,009 thousand in 2021) and the Group's other countries for €6,905 thousand (€7,535 thousand in 2021) – was obtained from rebilling of the following services and expenses to subsidiaries:

	2022	2021
Corporate expenses rebilled to subsidiaries	28,338	19,909
Service agreements	566	706
Employee expenses	481	115
Property rental expenses	2,956	2,813
TOTAL	**32,340**	**23,543**

5.2 Operating expenses

Purchases and external charges

The most significant purchases and external charges are shown below:

Item	2022	2021
Professional fees	29,591	22,244
Maintenance	1,637	1,006
Other expenses	4,771	4,003
Subcontracting	266	89
Real estate leasing	3,794	3,789
Banking services	5,297	3,529
Telecommunications	193	64
Travel expenses	1,407	1,057
Purchases to be rebilled to subsidiaries	6,947	1,918
Equipment rental expenses	204	221
Temporary employee expenses	719	40
Recruitment costs	249	105
TOTAL	**55,075**	**38,065**

Taxes and similar levies

See the table below:

Item	2022	2021
Income and remuneration-based taxes	759	613
Corporate value-added tax/Corporate real-estate contribution	122	132
Real estate tax	126	252
Non-recoverable VAT	0	
Vehicle tax	16	21
Organic tax	84	35
Other taxes	79	80
TOTAL	**1,186**	**1,133**

Wages and social security charges

See the table below:

Item	2022	2021
Salaries and wages	19,804	17,741
Social contributions	28,828	7,802
TOTAL	**48,632**	**25,543**

Social contributions include €19.9 million of costs related to the employee share ownership plan (€1.5 million top-up and €18.4 million loss on treasury shares sold for the plan).

5.3 Average workforce

The average workforce over the year was 150 employees. The difference in the average workforce with respect to 2021 is due to the creation of Korian France, for which 566 people were transferred from Korian SE to Korian France on 1 August 2021, mainly in the finance, Human Resources, IT and Legal Departments.

Type of employee	2022	2021
Managerial staff	135	382
Other employees	15	61
TOTAL	**150**	**443**

5.4 Financial income and expenses

See the table below:

	2022		2021	
Item	Income	Expense	Income	Expense
Financial income from equity interests	115,962		78,222	
Interest on current accounts	16,278	2,317	8,916	595
Interest on borrowings	0	77,041		63,250
Cost of financial instruments	13,879	5,443		8,102
Income from loans	27,712	0	15,545	
Provisions	6,023	11,541	530	28,584
Sundry	16,935	6,556	6,610	2,250
TOTAL	**196,790**	**102,899**	**109,823**	**102,781**

Sundry income includes €5.3 million of gains on the sale of OCEANES bonds, €6.1 million from the granting of guarantees, and €4.4 million of foreign exchange gains.

Sundry expenses include €4.3 million of foreign exchange losses and €2.3 million for the disposal of marketable securities.

5.5 Non-recurring income and expenses

See the table below:

	2022		2021	
Item	Income	Expense	Income	Expense
Disposal of PPE and intangible assets	2	2	82,804	82,802
Excess tax depreciation	0	13	2,531	13
Corporate action	8	100	26,814	17,633
Sundry non-recurring income and expenses	21,564	18,940	959	34,541
Provisions and reversals	0	320	4,579	
TOTAL	**21,574**	**19,375**	**117,687**	**134,989**

The non-recurring income is the transfer of charges from the loss on the shares sold under the KORUS employee share ownership plan, to reclassify this as an operating expense.

NOTE 6 MAIN BALANCE-SHEET AND INCOME ITEMS OF THE AFFILIATED COMPANIES

Main items at 31 December 2021	Affiliated companies	Equity interests
Loans	1,107,341	
Gross equity interests	3,428,543	
Debtor current accounts	2,126,073	
Creditor current accounts	1,459,614	
Financial expenses	595	
Financial income	109,696	

Main items at 31 December 2022	Affiliated companies	Equity interests
Loans	1,095,524	
Gross equity interests	3,765,352	
Debtor current accounts	1,418,512	
Creditor current accounts	-709,426	
Financial expenses	2,317	
Financial income	-166,351	

NOTE 7 OFF-BALANCE-SHEET COMMITMENTS

Joint and several guarantees on rental payments

Korian has always provided security for leases between its subsidiaries and institutional lessors, in the form of a surety or rental guarantee. Since December 2009, Korian has also stood guarantee on the real estate lease-purchase agreements of its subsidiaries.

Commitments granted

To relieve subsidiaries Curanum AG and Korian Management AG from their obligation to publish their corporate accounts in Germany, Korian provides them with an annual "letter of support".

Disputes

To the best knowledge of the Company and its legal advisors, there are no legal disputes which are likely to have a material impact on its business, profits or financial position that are not covered by provision.

Pension commitments

The present value of the Company's lump-sum retirement benefit obligations to all employees was determined on the following basis:

- the projected credit unit method is used;
- women's mortality table: TGF05;
- men's mortality table: TGH0;
- discount rate: 3.27%;
- collective bargaining agreement: CCU;
- retirement age: 60 to 64 years;
- retirement is at the employee's initiative.

At €370 thousand, total lump-sum retirement benefits at 31 December 2022 were stable relative to the previous year. No provision was made for this amount in the Company accounts.

Derivative financial instruments (at fair value)

The Company uses derivative financial instruments (swaps, swaptions and caps) to hedge against the interest rate risk arising from the variable-rate component of its financing policy.

The fair value of these instruments is shown in the table below.

In millions of euros	Value at 31 December 2022	Nominal
Swap	85	757
Options	50	635

Asset and liability guarantees received

In accordance with the Group's policy, guarantees were obtained on the liabilities of its acquisitions.

Asset and liability guarantees given

When disposing of companies outside of the Group, Korian has granted liability guarantees in accordance with current market practices.

Financial covenants

On 21 July 2016, Korian entered into a syndicated credit agreement, which was amended and extended in May 2019. The drawn portion will mature in May 2024 and the revolving credit facility in May 2026. Under the terms of this agreement, compliance with the leverage ratio (net debt – real estate debt)/(EBITDA – 5.8% of real estate debt) must be tested at Group level every six months. The leverage ratio, which is calculated each year on 30 June and 31 December, must not exceed 4.5× over the term of the loan.

EURO PP, *Schuldschein* and *Namensschuldverschreibung* bonds are also subject to covenants. Investors are notified annually of any changes to covenants.

The leverage ratio formula on all covenanted bonds issued since 2021 has been aligned with that used for the syndicated credit agreement, *i.e.* (net debt – real estate debt)/(EBITDA – 5.8% of real estate debt). Older bond issues use the previous formula, *i.e.* (net debt – real estate debt)/(EBITDA – 6.5% of real estate debt).

Bank guarantees received

Korian has been granted a €1,633 thousand independent first demand bank guarantee.

Share-based remuneration

Free share plans implemented since 2019

For all free share plans granted to certain employees belonging to General Management and corporate officers, the vesting of free shares is subject to the conditions that the beneficiary remain employed by the Group throughout the vesting period and that the following performance targets be achieved:

- for the 2019 plan: 2021 revenue, 2021 EBITDA per share and Korian's share price compared to the performance of the SBF 120 index over the vesting period;
- for the 2020 plan: 2022 revenue, Korian's share price compared to the performance of the SBF 120 index over the vesting period, 2022 operating free cash flow and CSR Criteria. These performance requirements were waived for some high-potential employees;
- for the 2021 plan: 2023 revenue, Korian's total shareholder return compared to that of the SBF 120 index over two reference periods, 2023 earnings per share, and CSR criteria.

In 2020 and 2021, two plans without performance requirements were granted to several employees identified as high potential and key resources for the Group, and to specific medical functions.

Finally, a third growth-oriented free share plan was set up in 2021 for the managers of new business activities, subject to the achievement of specific revenue and EBITDA targets for these new activities.

Vested shares may be freely transferred, except for those of Korian SE's corporate officers, who must retain 25% of the shares granted.

2022 free shares plans

Two plans were implemented in 2022:

1. a plan with no performance requirements for employees identified as high potential and key resources for the Group, and for specific medical functions;
2. a plan for certain salaried employees of General Management and corporate officers, which are subject to the following performance criteria:
   - 2024 revenue,
   - 2024 earnings per share,
   - CSR criteria.

Vested shares may be freely transferred, except for those of Korian SE's corporate officers, who must retain 25% of the shares granted.

NOTE 8 OTHER INFORMATION

Compensation paid to executive officers

Executive officers received the following remuneration in 2022:

- fixed compensation: €2,595 thousand;
- variable compensation: €1,559 thousand;
- other benefits including company car: €83 thousand.

Compensation paid to Board and Committee members

Board members were paid a gross amount of €377,000 in 2022.

Board members are also entitled to reimbursement of substantiated travel expenses incurred in attending Board and specialised Committee meetings.

The 2022 budget of €400,000 for remunerating Board member was allocated as follows:

- €300,000 in fixed compensation was allocated among Board members on the basis of their participation in Board and Committee meetings;
- €70,000, paid, as determined by the Board of Directors, (i) in additional compensation to non-resident Independent Directors on the basis of their physical attendance at Board and Committee meetings, and (ii) in additional compensation to Directors attending Board and/or Committee meetings not initially scheduled in the annual meeting calendar approved by the Board of Directors, to a maximum of €2,000 per meeting;
- €30,000 to be divided among the Chairs of the Audit Committee, the Compensation and Appointments Committee and the Ethics, Quality and CSR Committee, who respectively receive 1/2, 1/3 and 1/6 of this amount.

The amount of €300,000 was allocated amongst Directors as follows:

- 45% of this amount was allocated among Board members as fixed compensation, with the Independent Directors receiving six times the amount granted other Directors;
- 30% of this amount was allocated among the Board members *pro rata* the number of Board meetings attended;
- 25% of the above amount was allocated among the members of the various Committees *pro rata* the number of Committee meetings attended, with the Chair of each Committee receiving twice the compensation of the other members.

NOTE 9 TAX CONSOLIDATION

In the absence of a written tax consolidation agreement, the principle of neutrality governs the relationships between the tax-consolidated companies. This means that these companies bear their tax expense as if they were taxed separately. Any tax savings realised by the tax consolidation group from tax deficits, adjustments and credits are kept by the parent company, Korian, and are recognised as an immediate tax gain for the year.

The parent company, Korian, will bear any tax expense resulting from the Group's taxable profit.

The consolidated tax group of which Korian is the parent comprised 232 companies in 2022, including Korian. If no tax consolidation agreement had applied, the Group's net income tax expense for 2022 would have been €58,314 thousand Tax consolidation enabled tax savings of €33,359 thousand, which sum was recognised by the parent company.

The consolidated tax group's ordinary taxable income for 2022, after adjustment for dividends not eligible for the parent-subsidiary regime, is €96,732 thousand;

Korian was also entitled to €799 thousand in tax credits for its corporate philanthropy initiatives.

Korian SE alone generated tax income of €33,856 thousand, the main components of which were the tax consolidation gain of €33,359 thousand and philanthropy tax credits of €799 thousand.

2021 net income before and after tax

	Before tax	Taxes	After tax
Ordinary income	-39,347	-	-39,347
Non-recurring profit/loss	-17,302	-	-17,302
Impact of tax consolidation and tax credits	-	-31,010	-31,010
Accounting profit/(loss)	-56,649	-31,010	-25,639

Increases and reductions in future tax liabilities in 2021

Increases	
■ Reallocation of subsidiary tax deficits to subsidiaries	€60,904
■ For a future tax expense of	€15,732

Reductions	
■ Organic tax	€35
■ For a future tax reduction of	€9

2022 net income before and after tax

	Before tax	Taxes	After tax
Ordinary income	18,950	-	18,950
Non-recurring profit/loss	2,199	-	2,199
Impact of tax consolidation and tax credits	-	-33,856	-33,856
Accounting profit/(loss)	21,149	-33,856	55,005

Increases and reductions in future tax liabilities in 2022

Increases	
■ Reallocation of subsidiary tax deficits to subsidiaries	€75,283
■ For a future tax expense of	€19,445

Reductions	
■ Organic tax	€84
■ For a future tax reduction of	€22

6.4 Statutory Auditors' report on the financial statements

Financial year ended 31 December 2022

To Korian's General Meeting of shareholders:

In performance of the assignment for which we have been appointed by your General Meetings of shareholders, we have audited Korian's annual financial statements for the financial year ended 31 December 2022, as appended to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company and of the results of its operations for the financial year then ended in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Audit framework

We have performed our audit in accordance with the accounting standards applicable in France. We consider that the information that we have collected is sufficient and appropriate as a basis for our opinion.

Our responsibilities under these standards are described in the section of this report entitled "Responsibilities of the Statutory Auditors in relation to the audit of the annual financial statements".

Independence

We have conducted our audit, which covers the period from 1 January 2022 to the date of issue of this report, in accordance with the rules that govern the independence of auditors as set forth in the French Code of Commerce and in the code of ethics for Statutory Auditors, and have provided none of the services prohibited under Article 5 (1) of EU Regulation No. 537/2014.

Pursuant to the provisions of article L. 823-9 of the French Commercial Code regarding the justification for our assessments, we draw your attention to the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the period, as well as the responses we provided to these risks.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and the opinion we formed, as expressed above. We do not express an opinion on any items in these annual financial statements considered separately.

Measurement of equity interests

Identified risk

At 31 December 2022, equity interests recognised as assets have a net carrying amount of €3,760 million. They are recognised for their acquisition cost, including ancillary costs, and impairment is recognised if this value exceeds their value in use and their market value.

As stated in Note 2.3 to the annual statement of accounts, *Equity investments and other long-term investments*, the value in use is the difference between the Company's enterprise value and its net financial debt. The enterprise value is determined on the basis of assumptions and estimates made by the Group's management for the relevant business unit (France Seniors, France Healthcare or France Mental Health), and in particular on its projected cash flows, which are taken from the 2023 budget and discounted over four years.

The market value is based on the most recent market data observed.

Due to the weight of equity interests on the balance sheet and the importance of management's judgment in determining the assumptions on which the value in use estimates are based, we deemed the measurement of equity interests to be a key audit matter.

Our response

To assess whether the estimate of the value in use of equity interests is reasonable, on the basis of the information provided to us, our work consisted primarily of:

- reviewing the budget process and key controls associated with this process;
- assessing the methods used to calculate the value in use, in particular Cash Flow and operating forecasts for the facilities operated by the entities representative of these equity interests, in order to:
  - assess the consistency thereof with the 2023 budgets established by management and approved by the Board of Directors;
  - assess the assumptions used to forecast cast flows from 2024 to 2026 inclusive;
  - compare the cash flow forecasts used for previous impairment tests with the actual cash flows to determine how fully previous targets were achieved;
- verifying, on a test basis, the arithmetical accuracy of the calculations of the values in use applied by the Company.

Finally, we examined the appropriateness of the market data that management used to determine market value.

We have also performed the specific verifications required by the applicable laws and regulations, in accordance with the professional standards observed in France.

Information provided in the management report or other documents sent to shareholders regarding the Company's financial position and annual accounts

We have no comments regarding the fair presentation of the information in the Board of Directors' management report or the other documents provided to shareholders that pertain to the Company's annual accounts or financial position, nor regarding the consistency of this information with that presented in the annual accounts.

We confirm that the information on payment terms provided pursuant to Article D. 441-6 of the French Commercial Code is presented fairly and is consistent with the annual accounts.

Report on corporate governance

We confirm that the Board of Directors' report on corporate governance contains the information required under articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information provided pursuant to Article 22-10-9 of the French Commercial Code on the compensation and benefits paid or attributed to corporate officers, as well as commitments made to them, we have verified its consistency with the financial statements, or with the figures used to prepare the financial statements and, where applicable, with the information obtained by the Company from companies controlled by it and included in the consolidation scope. Based on this work, we certify the accuracy and truthfulness of this information.

With respect to the information relating to factors that your Company has deemed likely to have an impact in the event of a takeover or an exchange offer, provided pursuant to the provisions of article L. 22-10-11 of the French Commercial Code, we have verified its consistency with the documents from which it was taken that were furnished to us. On the basis of this work, we have no observations to make concerning this information.

Other information

In accordance with the law, we have verified that the required information concerning the acquisition of equity investments and controlling interests, as well as the identities of the holders of equity rights and voting rights, have been disclosed in the management report.

Format of annual accounts for inclusion in the annual financial report

In accordance with the professional standards that apply to the statutory auditing of annual and consolidated financial statements presented in the single European electronic reporting format, we have verified that the presentation of the annual financial statements to be included in the annual financial report referred to in Section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer, complies with said format, as set forth in European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It should be noted that we are not responsible for ensuring that the annual financial statements the Company includes in the annual financial report filed with the AMF are identical to those we have audited.

Appointment of Statutory Auditors

Mazars was appointed as Korian's Statutory Auditor in its constitutive Articles of Association of 2003, while ERNST & YOUNG et Autres was so appointed at the annual General Meeting of 23 June 2011.

At 31 December 2022, Mazars was in the twentieth uninterrupted year of its engagement (including seventeen since the Company's shares were admitted for trading on a regulated market), while ERNST & YOUNG et Autres was in its twelfth year.

Prior to this, ERNST & YOUNG Audit was a Statutory Auditor of the company as of 2006.

Management is responsible for preparing annual financial statements that present a true and fair view in accordance with French accounting principles, as well as for setting up the internal controls it deems necessary to prepare annual financial statements that are free of material misstatements, whether due to fraud or error.

In preparing annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in the financial statements, if appropriate any necessary information relating to the continuity of operations, and for applying the going concern accounting principle, unless it intends to dissolve the Company or cease doing business.

The Audit Committee is responsible for overseeing the process used to prepare financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, if applicable, the internal audit system, with respect to procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may be due to fraud or error and are considered material if it can reasonably be expected that, taken individually or cumulatively, they may influence the economic decisions that users of the financial statements take based thereon.

As specified by article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not extend to guaranteeing the viability or the quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises its professional judgment throughout such audit. It also:

- identifies and assesses any risk that the annual statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects evidence that it deems sufficient and appropriate to form the basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, as fraud may involve collusion, falsification, voluntary omissions, misrepresentations or circumventing internal controls;
- reviews the internal controls relevant to the audit in order to establish appropriate audit procedures under the circumstances, and not to express an opinion on the effectiveness of the internal control system;
- assesses the appropriateness of the accounting methods selected by management, the reasonableness of its accounting estimates, and all related information provided in the annual financial statements;
- assesses whether management's application of the going concern accounting principle is appropriate and, depending on the information collected, whether or not there exists significant uncertainty about events or circumstances that may jeopardise the Company's ability to continue its business. This assessment is based on the information collected up to the date of the report, but it should be noted that subsequent circumstances or events could jeopardise the continuity of operations. If the Statutory Auditor concludes that there is significant uncertainty, it draws the attention of the reader of its report to the information provided in the annual financial statements about such uncertainty or, if this information is not provided or is not relevant, it issues a qualified certification or refuses certification;
- assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events in a manner that gives a true and fair view thereof.

Report to the Audit Committee

We submit a report to the Audit Committee that, in particular, outlines the scope of the audit work and the work programme implemented, as well as the conclusions based on our work. If applicable, we also draw the Committee's attention to any significant internal control weaknesses we have identified with respect to the procedures for preparing and processing accounting and financial information.

The information provided in the report to the Audit Committee includes the risks of material misstatement that we consider to have been the most significant for the audit of the annual financial statements for the period and that, therefore, constitute key points of the audit that we are required to describe in this report.

We also provide the Audit Committee with the statement required by article 6 of regulation (EU) No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down, in particular, by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of ethics for the Statutory Auditor profession. If applicable, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Mazars
Paris-La Défense, 1 March 2023
Anne VEAUTE

ERNST & YOUNG et Autres
Paris-La Défense, 1 March 2023
Anne HERBEIN