Ramsay Générale de Santé
PUBLIC LIMITED COMPANY WITH CAPITAL OF 82,792,267.50 EUROS
REGISTERED OFFICE: 39 RUE MSTISLAV ROSTROPOVITCH – 75017 PARIS
PARIS TRADE AND COMPANIES REGISTER (RCS) 383 699 048

UNIVERSAL REGISTRATION DOCUMENT
30 JUNE 2019

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This universal registration document was registered on 31 October 2019 with AMF, the French financial markets regulator, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of the above Regulation. It may be used to support an offer of securities to the public or the admission of securities to trading on a regulated market if supplemented by a securities note and, where applicable, a summary and any amendments to the universal registration document. The documentation has been approved by AMF, the French financial markets regulator, in accordance with Regulation (EU) 2017/1129. This universal registration document was drawn up by the issuer and is binding on its signatories.

Pursuant to Articles 9.6 and 19 of Regulation (EU) 2017/1129 of 14 June 2017, readers are referred to previous reference documents for certain information:

1. The management report by the Board, the consolidated accounts and the report by the auditors on the consolidated financial statements for the year ended 30 June 2018, included in the reference document registered with AMF, the French financial markets regulator, on 31 October 2018 as No. D.18-0907.

2. The update of this reference document registered with AMF, the French financial markets regulator, on 21 March 2019 as No. D.18-0907-A01.

3. The management report by the Board, the consolidated accounts and the report by the auditors on the consolidated accounts for the year ended 30 June 2017, included in the reference document registered with AMF, the French financial markets regulator, on 27 October 2017 as No. D.17-1013.

Copies of the reference document are available free of charge from Générale de Santé, 39 rue Mstislav Rostropovitch - 75017 Paris, and on the Générale de Santé website (http://www.ramsaygds.fr) and the AMF website (http://www.amf-france.org)

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PART 1 – GENERAL PRESENTATION OF THE GROUP

1.1 INFORMATION REGARDING THE ISSUER

1.1.1 ADMINISTRATIVE INFORMATION

A. Company Name

The Company's corporate name is "Ramsay Générale de Santé".

The name is a trademark registered with the French National Institute of Industrial Property (INPI) under the national number 15 4 209 389.

BS Trade and Companies Register, APE, LEI.

The Company is listed in the Paris Trade and Companies Register under number B 383 699 048. The Company's Principal Activity (APE) code is 6430Z. This code covers the mutual investment funds business and similar financial entities. The Company's Legal Entity Identifier (LEI) number LEI is 969500I1EJGUAT223F44.

C Date of Incorporation and Duration

The Company was incorporated on 29 November 1991 for a term of ninety-nine years from the date of registration, valid unless it is dissolved prematurely or the term is extended by law or following a decision by the general shareholders' meeting.

D. Registered Office, Legal Form and Applicable Law

The Company's registered office is located at 39 rue Mstislav Rostropovitch, 75017 Paris.

Ramsay Générale de Santé is a French limited company ("société anonyme") with a Board of Directors.

The applicable law is French law.

E. Company Contact Details

The Company's offices are located at 39 rue Mstislav Rostropovitch 75017 Paris and the postal address of all its central departments is: 39 rue Mstislav Rostropovitch - CS60053 - 75850 Paris Cedex 17

The switchboard telephone number is

- from France: 01 87 86 23 00.
- from outside France: +33 187 86 23 00.

The Company's website can be accessed at the following address: http://www.ramsaygds.fr, it being specified that the information on this site does not form part of this document.

1.1.2 HISTORY AND EVOLUTION OF THE COMPANY

1.1.2.1 SINCE ITS CREATION IN 2018

The Company was created in 1987 on the initiative of the then president of Générale des Eaux. In the personal context of his individual view of patient care in France, he had decided to set up a complementary care service in addition to that provided by public hospitals. One of the major elements of the launch of this project was a desire to rethink the quality of care. Under his leadership, the first groupings of facilities were formed under the name "Générale de Santé", with the newly created group beginning its development in the fields of medicine, surgery and obstetrics.

Générale de Santé rapidly extended the scope of its health care activities to all areas of health, including psychiatry as well as post-acute care and rehabilitation. It is also actively developing in the medico-social domain, as well as services dedicated to the hospital sector such as the upkeep of establishments and their specific facilities, maintenance, and even catering.

In the early 1990s, the group increased the number of acquisitions of health care centres that were reference establishments in their fields or could act in complementary fashion with facilities located in the areas already covered, in order to take better advantage of synergies among establishments and to locally expand its health care and services network.

However, the group did not neglect organic growth, thanks to an active recruitment policy targeting recognised medical practitioners which enabled it to round off its range of healthcare services. Générale de Santé is gradually becoming a truly structured group, organised around excellence clusters.

Since 1991, acquisitions have also been made internationally, with the purchase of a first clinic in Italy. Particularly worth noting is the acquisition of the British company BMI Healthcare, subsequently General Healthcare Group, which at the time was the UK's second largest operator of clinics. This internationalisation will take the group to South America.

In 1997, Générale de Santé left Générale des Eaux when it sold the hospital group to Cinven, a British investment fund operating in Europe. Under this impetus, the British subsidiary General Healthcare Group was then sold to BC Partners while the group prepared for its listing on the Paris stock exchange. On 20 June 2001, this initial public offering was successfully completed: fifty-one percent of the capital was aquired by the inversting public, with the Cinven fund retaining 39.5%.

The early 2000s were marked within Générale de Santé by the promotion of the brand and group spirit among employees and medical staff alongside an ambitious investment programme. At the same time, reflections were made on the evolution of the health professions. It was in this context that a model for grouping health care facilities was designed and implemented: small local clinics were to be concentrated in a large private hospital offering a wide range of services on its premises. Large facilities that are emblematic of the contemporary private hospital have been created successively (such as the Hôpital Privé d'Antony and the Hôpital privé Jean Mermoz in Lyon) and continue to be beacons in their territories today.

In June 2003, the group experienced an important turning point in its corporate history with the arrival of Dr Antonino Ligresti who, in partnership with the Italian bank Efibanca, took over most of the shares previously held by Cinven. After refocusing on the core healthcare businesses with the sale of its medico-social activities, Générale de Santé once again embarked on a proactive external growth policy and in 2005 acquired the Chiche group (four facilities in the Paris region) and then the Fleming Labs group, made up of diagnostic and medical analysis centres in Italy. The following year, the Hexagone group (10 hospitals and clinics, most of them in Ile de France) joined the group, while the hospital care and services subsidiaries were ceded to Elior. A capital increase of nearly three hundred million euros was completed in April 2006, followed in September by the sale of the premises of twenty-eight operating sites to Gecina. 2007 began with a capital increase reserved for employees, which increased the employee shareholding in Générale de Santé to 2.35%.

March 2007 saw the launch by Santé Développement Europe (bringing together the companies Santé Holding of Dr Ligresti, De Agostini and Mediobanca) of a simplified takeover bid. At the end of this operation, a sustainable reference shareholder base was set up with the management of the group as a participant. The group continued to pursue its strategy of development, refocusing on its health care offer in medicine, surgery, obstetrics, post-acute care and rehabilitation.

Ten years after its initial public stock market offering and nearly a quarter of a century after its creation, the group is constantly pursuing a strategy adapted to changes in the sector and major societal challenges, in particular with the establishment of regional health clusters.

In 2013, the Company entered into an agreement with the Australian group Ramsay Health Care to sell its mental health activities and some of its post-acute care and rehabilitation clinics. Ramsay, which operated in France under the name Ramsay Santé, thus strengthened its position in France a few years later with the takeover of eight clinics from the Procliff group with the support of the Crédit Agricole Group. On 1 October of the following year, all the Générale de Santé shares held by Santé SA and Santé Développement Europe SAS were acquired by Ramsay Health Care (UK) Limited and Prévoyance Dialogue du Crédit Agricole (Predica), shareholders of Ramsay Santé. The holding of the group's new reference shareholders represents 83.43% of the capital. Ramsay Health Care (UK) Limited and Predica jointly initiated a simplified takeover bid for all the group's shares, at the end of which the participation of the two reference shareholders was increased to 85.61% of Générale de Santé's capital.

On 1 July 2015, an important step was taken with the implementation of the announced merger between Générale de Santé and Ramsay Santé (Générale de Santé absorbing Ramsay Santé). It was then as a single entity, which took the corporate name of Ramsay Générale de Santé, that the entities and facilities grouped under the same holding company now carried out their activities.

Constantly working to optimise its business locations, the group pursued an acquisition programme in its major clusters: Hôpital Privé Métropole in Lille in late 2015/early 2016 (completed at the end of 2018 with the purchase of Croisé Laroche), Hôpital Privé de l'Est Lyonnais in July 2017. 2017-2018 also saw the group take positions in medical transport with the Step groups in Lyon in July 2017 and Lambulance in the north of France in July 2018. This development was completed in the following months by new structures smaller in size but able to respond to a greater geographic area.

1.1.2.2 The Acquisition of Capio During the 2018-2019 Financial Year

On 13 July 2018, the Company announced a takeover bid for all the shares of Capio AB (publ), one of Europe's leading providers of health care services in Germany, Denmark, France, Norway and Sweden.

The offer was not subject to any conditions precedent with respect to financing, which was provided by leading financial institutions and supported by the Company's two main shareholders. The completion of the offer was conditional, among other things, on its acceptance by the shareholders of Capio, by a majority allowing the Company to hold more than 90% of the shares (on a fully diluted basis) of Capio.

On 8 November 2018, following the closing of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that it had acquired 98.51% of the capital of Capio enabling the Group to position itself as one of the pan-European leaders in private hospital care and primary care, present in six countries with a prominent role in Scandinavia, France and Sweden. The result of this acquisition was the creation of a unique new entity, with many specific and attractive strengths, offering new growth prospects around its European leadership and a desire to provide quality treatment and health services; a balanced portfolio of activities thanks to geographical diversification and access to a broader patient base; penetration of attractive markets and a presence in markets of significant size with significant growth drivers; and an innovative treatment model marked by first-level expertise in terms of specialisation of treatment and the deployment of modern medicine in the interest of patients and the community, alongside in-depth expertise and knowledge of digitisation in health care.

The public takeover bid by Ramsay Générale de Santé concerned all of Capio's shares at a price of SEK 58 per share. The price of the Capio acquisition thus amounted to €783.2 million.

The Company initiated a mandatory squeeze-out procedure for shares that it did not hold at the end of the offer and for convertible bonds issued by Capio to its employees on 30 April 2016, pursuant to the Swedish Companies Act (Sw,aktiebolagslagen / 2005:551). As part of this mandatory squeeze-out procedure, Capio initiated the procedure for delisting the Capio shares from Nasdaq Stockholm on 28 November 2018. On 29 May 2019, Ramsay Générale de Santé obtained the early transfer of all the remaining shares of Capio and now controls 100% of the company. The final price of the shares transferred under the squeeze-out will be determined in this procedure in accordance with Swedish law.

Founded in 1994 and based in Gothenburg, Sweden, Capio is a pan-European leader in the provision of health care services and was listed until 28 November 2018 on the Stockholm Stock Exchange's Nasdaq Stockholm. Capio is present in Sweden, Norway, Denmark, France and Germany through a vast network of nearly 200 facilities including hospitals, specialised clinics and primary care centres. With a wide range of treatment and health care services covering the medical, surgical and psychiatric areas, Capio offers care at all levels of the care pathway.

Capio mainly provides treatment and health care services in publicly funded health care systems, the balance being provided as part of the private medical treatment and health care market.

Capio operates in three geographical segments: the Scandinavian countries (covering Capio's activities in Sweden, Norway and Denmark) (57% of the turnover for the year ending 31 December 2017), France (35% of the turnover for the year ending 31 December 2017) and Germany (8% of the turnover for the year ending 31 December 2017) (these are the Capio data as known at the time of the offer).

Capio is a leading operator in the health care sectors in Sweden, Norway and Denmark. It stands as a major operator in France. In Germany, Capio occupies a niche position in the vast hospital market, occupying a leading position in the venous surgery market.

The Capio acquisition reflects Ramsay Générale de Santé's strategy of international expansion. Capio enjoys strong positions in the Scandinavian market, thanks to facilities located in Sweden, Norway and Denmark. The Scandinavian segment represents Capio's most important operating segment in terms of revenue. Capio also has a limited presence in Germany. Above all, the Capio acquisition will strengthen Ramsay Générale de Santé's presence on the French market. As a result, the Group will become a major European provider of health care services, thanks to a large network of 350 facilities that include hospitals, primary care centres and specialised clinics.

On the financial side, the Company secured financing for the acquisition of Capio thanks to (i) the issuing of subordinated bonds underwritten by its two majority shareholders, Ramsay Health Care (UK) and Crédit Agricole Dialogue ("Predica"), amounting to €550 million, and (ii) by setting up a loan of up to a maximum €750 million, of which the initial lenders are Crédit Agricole Corporate & Investment Bank and Société Générale and which takes the form of an additional line of credit ("Incremental Facility") set up under the 2014 Credit Agreement as amended (the "2014 Credit Agreement"). Thus, in accordance with the terms of the 2014 Credit Agreement, this additional credit line is governed on the one hand by the 2014 Credit Agreement itself, in the same way as the other credit lines already in existence; and, on the other hand, as regards the terms specific to the new line (financial conditions, maturity, drawdown terms, etc.), by an Incremental Facility Notice which was the subject of a commitment letter signed jointly by CA-CIB and SG-CIB on 13 July 2018.

As a follow-up, the Board of Directors, at its meetings of 14 December 2018 and 22 February 2019, decided to launch a capital increase to be carried out no later than 30 April 2019, by issuing new shares of the Company with preferential subscription rights for shareholders. By delegation, the Chief Executive Officer of the Company decided, on 21 March 2019, to carry out this increase in the Company's share capital with maintenance of preferential subscription rights as follows:

- Offer basis: 1 new share for 2 current shares;
- Unit subscription price: €16.46 per new share;
- Negotiation period for preferential subscription rights: from 25 March to 3 April 2019 inclusive;
- Subscription period: from 27 March to 5 April 2019 inclusive.

The capital increase resulted in the issuing of 34,432,595 new shares at a unit price of €16.46, representing a gross amount raised (including issue premium) of €566,760,513.70.

At the end of the subscription period, which ended on 5 April 2019, 34,356,485 new shares were subscribed for on an irreducible basis and 76,110 new shares were subscribed for on a reducible basis, i.e. 34,432,595 new shares for which the subscription price was fully paid. This definitive completion of the share capital increase took place on 15 April 2019, with the Company's new share capital then subsequently amounting to €82,792,267.50, divided into 110,389,690 fully paid-up shares with a par value of €0.75 each (see Part 6 of this document).

In accordance with their subscription commitments, the two majority shareholders of Ramsay Générale de Santé – Ramsay Health Care (UK) and Prévoyance Dialogue du Crédit Agricole ("Predica") – subscribed to the capital increase in full by offsetting receivables against the company's certain, liquid and due receivables they held in respect of the subordinated bonds used to finance the acquisition of Capio, for €318.1 million and €239.9 million respectively. Their stake increased to 52.53% and 39.62% of the capital respectively after the capital increase.

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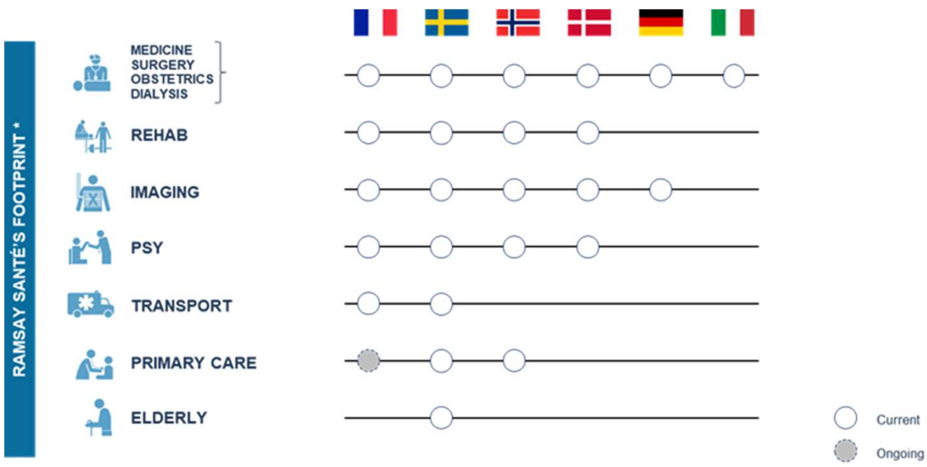
1.2 OVERVIEW OF ACTIVITIES

1.2.1 General Presentation of Activities

The Company and all its subsidiaries are the second largest private player in medical treatment and health care services in Europe. As of the date of this document, it operates 350 health facilities and employs nearly 36,000 employees (average full-time equivalent): 26,000 in France, 6,400 in Sweden, 1,225 in Germany and 800 in Denmark. Within the framework of a medical practice contract, nearly 8,000 medical practitioners work inside the facilities, with the 7,000 in metropolitan France representing the largest community of public and private medicine in France.

Ramsay Générale de Santé operates within the framework of the entire health care chain: primary medicine, medicine-surgery-obstetrics (MSO), oncology, medical imaging, post-acute care and rehabilitation, home care, mental health care and addictology. These activities generated 99.5% of consolidated revenue in 2019.

The overview of health care activities in the six countries of operation is as follows:



Ramsay Générale de Santé has developed a health care offer built around the quality and security of patient care, organisational efficiency and the human touch. It offers comprehensive care with personalised support, taking into account all the patient's expectations and forming part of a coordinated health programme. It thus participates in public health service missions and in the health network of the territories in which it operates.

In France, an organisation into territorial clusters, coordinated care chains, a group policy for quality and risk management, the development of clinical research, differentiation through the services offered to patients, and the creation of a Ramsay Générale de Santé corporate foundation are the driving forces behind the organisation, which also includes innovation as a priority. Patients and the quality of their care are at the heart of the strategy.

The acquisition of the Capio AB Group in November 2018 consolidated Ramsay Générale de Santé's foundation and ambition for modern, high-quality and safe patient care. The combination of medical and business expertise within the new Group and the Group's new critical size with 350 facilities in 6 European countries are a platform for the exchange of best practices. Ramsay Générale de Santé now intends to build upon this and strengthen its position as a leader in quality integrated care.

During the 2019 financial year, the number of admissions to the facilities of the Ramsay General Health Group amounted to just over 2,560,000, including 2,083,650 in the so-called historical Ramsay Générale de Santé facilities (on a like-for-like basis) and 483,000 in the Capio facilities. Of these 2,083,650 stays, 1,650,000 were in surgery, medicine or obstetrics, 183,650 in mental health, and 250,000 in post-acute care and rehabilitation.

Over the same period, emergency services recorded 750,000 visits in the countries in which we operate. About 130,000 chemotherapy sessions and nearly 495,000 dialysis sessions were provided.

In total, seven million patients were thus cared for by the group's professionals, with the latter carrying out twenty million consultations.

1.2.2 STRATEGY

For more than thirty years, Ramsay Générale de Santé has cultivated a medico-economic model that is fully in line with the French health care system. It manages resource constraints in connection with the national system's constraints and strives to admit all patients at its facilities, without exceptions, to treat all pathologies from minor afflictions to more complex issues.

For its part, the Capio group has an attractive portfolio of medical and hospital health activities in Europe and a strategy that strongly complements Ramsay Générale de Santé. Capio's activities are particularly high-performing and the company enjoys a strong position in the Scandinavian countries. As a leader in providing results-based and high-quality care services, Capio has been at the forefront of the transition to outpatient medicine and the development of specialised clinics. These assets represent significant development potential for the Group, both in France and internationally.

In terms of strategy, the group's plan is based on four key areas:

- Digitisation of the relationship between patients and physicians: Ramsay Générale de Santé and Capio each have solid expertise in providing effective digital solutions. The combination of the Ramsay service umbrella and Capio's in-depth knowledge of digital applications will strengthen Ramsay Générale de Santé's innovation capabilities.

- Optimisation of the Group's services and structure: while European governments are seeking to reduce health care costs by putting more pressure on health care providers, the Capio acquisition will generate synergies and economies of scale – a reduction in cost structure rates leading to an improvement in the Group's financial margins.

- The implementation of an innovative health offer for patients and doctors: Capio was a pioneer in the deployment of modern medicine. Ramsay Générale de Santé and Capio are both highly recognised for the quality of their treatments and health care services.

- Recruitment and retention of talent, particularly among physicians, through the development of advanced medical skills and career paths: thanks to their strong reputation, an experienced board of directors, and their modern equipment, both Ramsay Générale de Santé and Capio have a strong ability to attract new talent and to provide the latter with the tools to improve their professional skills.

The merger has thus made it possible, in line with this strategy, to create a single group with many specific and attractive strengths such as:

- European leadership and a willingness to provide quality treatment and health care services;

- a balanced portfolio of activities thanks to geographical diversification and access to a broader patient base;

- penetration in attractive markets and a presence in markets of significant size with significant growth drivers; and

- an innovative treatment model marked by top-level expertise in terms of specialisation of treatment and the deployment of modern medicine in the interest of patients and the community, alongside in-depth expertise and knowledge of digitisation in health care.

The legislative and regulatory organisation supports French health policy (Hospital, Patients, Health, Territories Act of 2009, Modernisation of our Health System Act of 2016) and defines the sharing of roles between stakeholders in order to better care for patients. Ramsay Générale de Santé took on the full spirit of these laws, focusing on the quality of health care for patients and efficient organisation of hospital facilities. The Group is pursuing groupings of facilities in response to organisational changes, instituting major private hospitals, modernising its facilities and maintaining a level of investment of around 6.44% of turnover as at 30 June 2019, thus reflecting the constant mobilisation of all stakeholders, carers, managers and shareholders.

The Group continues to upgrade its health care model, adapting its organisations to make them simpler and more responsive and to bring them closer to both patients and medical practitioners.

Launched in December 2015 in France, the Let’s DO IT 2020 strategic plan embodies the Group’s strategy and roadmap, supporting the adaptation of its subdivisions to tomorrow’s challenges and to prepare for the future, with deployment to the new subdivisions planned. The strategy is based on the four pillars mentioned above. The implementation of these is based on the following fundamentals:

A. Management of Health Facilities as a Network, Creation of Clusters

Setting up territorial clusters for MSO facilities and for some post-acute care and rehabilitation (PACR) facilities has enabled the creation of healthcare management in networks as the best possible structural response to the demands of the sector. The clusters strengthen links with primary medicine by creating advanced consultation centres or medical homes upstream, and post-acute care facilities downstream, for comprehensive coordinated management of the patient’s healthcare experience.

To this end, the new facilities acquired by the Group during the financial year were integrated into an existing cluster or grouped together within a new cluster. This was particularly the case for the Lyon and Toulouse facilities.

B. Comprehensive and Coordinated Patient Care

Comprehensive care of patients, beyond the single act of care, makes it possible to coordinate their pathways and personalise their support.

A development of medical projects of clusters with practitioners accompanies this policy, integrating the network of facilities in their living area and making it possible, according to needs, to create care networks. In this regard, Ramsay Générale de Santé draws particularly on the experience it has gained from its cancerology clusters.

C. Medicalisation of the Decision-Making Process

True commitment to the medicalisation of the company’s decision-making processes has not only made it possible to strengthen links with its medical and scientific community, but also to optimise and guide these processes by placing them in an organisation closer to the sector and its stakeholders, thus informing them of the medical orientations included in the medical projects of the clusters, including heavy investment or purchasing decisions. This is regarded as the major hub of Group strategy.

D. The Pursuit of a Policy of Quality

Ramsay Générale de Santé operates with a constant interest in improving the quality of its services and the Group makes significant annual investments in the modernisation of its facilities. It also deploys an ambitious quality approach and includes all its facilities in the process of certification by France’s Superior Health Authority (Haute Autorité de Santé, HAS), service certification, or ISO 9001 2000 certification for certain high-risk processes such as sterilisation.

E. Constant Promotion and Creation of Loyalty within the Medical Community

At the core of its facilities, Ramsay Générale de Santé institutes genuine dialogue between its managers and doctors. At the national level, dialogue takes place on the Medical Orientation Council, specialist clubs, at the Ramsay Générale de Santé seminars attended by the “CME” (Facility Medical Board) Chairmen, and in a large number of working groups and think tanks. At each facility, the CME addresses day-to-day business and medical projects. The Group is constantly working to further improve this dialogue, as it is aware of the energy and motivation required by medical practitioners to ensure the proper functioning of CMEs and the performance of cross-sectoral missions.

The Group encourages and assists this strategy by coordinating think tanks and working groups such as:

- The Medical Orientation Council: focusing on senior executives and medical management, the council is composed of three CME chairmen (one for each geographical area) elected by their peers and a dozen practitioners co-opted in view of their expertise and renown in the healthcare sector. Three external members from the general public enrich the discussions. The aim of the council, which meets four times a year, is to discuss the Group’s main medical focuses.
- Expert groups: created in connection with corporate medicalisation such as, for example, the Medication and Medical Devices Committee, the Medical Assessment Committee, these expert groups address specific needs such as major medical investment (medical robotics), emergency cases, maternity and transversal projects.

The Group particularly favours the principles of independent medical services. It is aware of the importance of the role of practitioners in quality patient care, it is familiar with the difficulties involved, and strives to assist them in their task.

The training area is also considered important, and a number of group facilities admit medical and surgical intern groups for initial training and encourage continuous medical training for group practitioners.

F. Promoting the Coordination of Stakeholders in Each Sector

The effectiveness of the Ramsay Générale de Santé model also entails a territorial approach to health care needs and resources. Grouping of facilities, creation of reference clusters, design and deployment of medical projects, fluidity of exchanges between community medicine and hospitals: the Group has been committed to these paths for a long time, and is one of the French actors that is capable of mastering a territorial health organisation.

The Group's desire for cooperation is also reflected in its involvement (establishment or participation) in the Health Cooperation Groups (Groupements de Coopération Sanitaire, GCS) currently in operation. These complement a locally coordinated healthcare offer or create a genuine multidisciplinary or specific offer.

1.2.3 Strengths and Assets of the Company

The Company considers that its competitive edge consists of the following:

A. A leading position in buoyant and changing markets

Ramsay Générale de Santé is the leading French private health care and health services group and had a total turnover of more than €2.7 billion at the end of June 2019, representing a market share of approximately 21% of the private hospital sector[1]. Ramsay Générale de Santé is particularly well placed to cash in on the advantages of an attractive French market.

In the Nordic countries, the Company also enjoys a leading position in the private healthcare markets, being number 1 in Sweden and number 2 in Norway and Denmark.

In line with its ambition to promote innovation and diversification of its activities throughout the health care value chain, and after a first step with the launch of a health transport offer, the acquisition of the Capio AB Group has made it possible to diversify the geographical and business footprint of Ramsay Générale de Santé, and is intended to enrich the current health care offer in each of the territories where the Group is now present, by making the most of its varied and complementary medical and business expertise.

The acquisition of Capio AB is part of a strategy of differentiation via quality, modernity and safety of care and patient care, responding to three major challenges of value creation:

- Creation of a pan-European player to strengthen and secure the foundation of Ramsay Générale de Santé, by diversifying the risks to which it is currently exposed
- Strengthening the competitiveness of Ramsay Générale de Santé through the provision of complementary care and services
- Providing an attractive professional environment for all Group physicians and employees (including research and career paths).

B. A Structuring Operator in the Health Sector

The size of Ramsay Générale de Santé and the territorial coverage provided by its network allow it to be represented in professional bodies and to maintain a dialogue with public authorities. These ongoing relations with the regulatory authorities make the Group a leading partner in the composition of the offers in the various healthcare sectors.

C. A Solid Competitive Position

In France, the private hospital sector is heavily regulated in order to focus hospital capacity on the dual logic of cost control and quality healthcare. This creates a considerable barrier to the entry of other entities, giving an established entity a certain amount of competitive edge. On the other hand, the increased dynamism of public hospitals, particularly through regional hospital groups, represents both a new challenge and an opportunity for cooperation.

In the Nordic countries, health sector regulation is based on a dual logic: referrals of patients to a health care centre for ambulatory care, and the awarding of contracts within the framework of calls for tenders orchestrated by each individual county. The increase in health needs and the challenges of access to care faced by public structures suggest new room for manoeuvre for the private sector.

D. A Global Healthcare Offer in Regions with High Population Density

Ramsay Générale de Santé welcomes all patients to its facilities to treat all pathologies, from the mildest to the most complex. The Group operates at both local and national level to provide as complete a range of health care and health services as possible, including post-acute care and rehabilitation as well as home care. This diversity enables the Group to offer patients all the health services required by patients, and to furnish the best possible response to national and regional health care targets.

Most of the Group's facilities are located in large urban areas where the population density is increasing.

[1] National ATIH database, 2011-2017

E. A Reference Partner for Independent Private Medicine

Anticipating and responding to new health care needs with an extended range of continuous coordinated health care services; this is the Group's ambition, based on the partnership it has created with practitioners, whether they are self-employed (mainly in France) or employees (Nordic countries and Germany). The Group's commitment is to provide the medical community with the best human, technical and organisational environment.

In France, the private mode of practice is the most developed and has now proved its relevance by permanently adapting to medical progress, the expectations of patients and joint responsibility for health care expenditure.

F. A Strong Identity and Brand

The Ramsay Générale de Santé Group was built up around a strong brand, and has at all times associated the brand's visibility with the deployment of its visual identity at all facilities and a strong Internet presence. The slogan behind the brand, "Nous prenons soin de vous" (we take care of you), represents the daily commitment of the women and men at Ramsay Générale de Santé.

The group supports its presence in the deployment of its visual identities within the facilities and via the group website www.ramsaygds.fr, which brings together all the facilities' websites with a strong visual coherence and shared content emphasising service and practical information.

Beyond the drivers of this identity, it is truly an approach whose foundation is made up of patient commitments that ensure a specific and readable identity.

Following the acquisition of the Swedish group Capio AB, the Board of Directors of Ramsay Générale de Santé decided on the group's new brand, which will now be "Ramsay Santé". In France, the group will officially communicate under this new brand from October 2019, while the group's 135 clinics and hospitals will integrate this brand into a three-year image enhancement plan.

In the other countries of the group, Sweden, Norway, Denmark and Germany, the group will continue to operate under the Capio brand, while emphasising its membership of the group with the signature "Part of Ramsay Santé".

1.2.4. Description of the Main Markets

1.2.4.1 The Health Market in France

A. Presentation of France's Health Care and Socio-Medical System

NB: the figures in these sections, and most particularly the statistics, are provided for general information purposes on the basis of data available at the date of this activity report, and their origins and dates are generally stipulated. These data may therefore vary from one year to another with respect to the period considered.

The French healthcare system is one of the country's economic drivers. In 2018, current health expenditure in France amounted to €203.5 billion,[2] or about 11.5% of gross domestic product ("GDP"). In international terms, this aggregate figure makes France one of the OECD's leading exponents.

Hospital care accounts for most health care expenditure, just over €85 billion. France is still one of the countries in which the largest percentage of health care expenditure is covered by public funds and the smallest is met by patients (around 8% on average).

It should be borne in mind in this regard that the French population is ageing more rapidly due to increased life expectancy. According to the French national institute of statistics and economic studies (INSEE), nearly 32% of the population is expected to be aged sixty or over in 2050.

B. The Market for Private Facilities within the French Hospital Sector

According to the data provided by France's Research, Studies, Evaluation and Statistics Directorate (DREES)[3], the French hospital landscape as at 31 December 2017 consists of 3,046 hospital structures, including 1,364 public hospitals, 680 private non-profit facilities and 1,002 private hospitals or clinics. In each of these categories, the number of sites continues to decline. 3,046 health care facilities have a total capacity for full operation of around 400,000 full-time hospital beds and 75,000 part-time hospital places. Due to developments in inpatient and outpatient reception in recent years, the number of beds is in continuous decline (-14.5% during the period 2013–2017) while the number of places continues to grow (+50% during the same period).

The overall breakdown of these facilities (with their capacities) is as follows[4]:

- 45% of public facilities (61.6% of beds and 56.2 of places).
- 33% of private commercial facilities under contract (24.3% of beds and 25.4% of places).
- 22% of private non-profit facilities (14.1% of beds and 18.4% of places).

[2] National ATIH database, 2011-2017

[3] Direction de la recherche, des études, de l'évaluation et des statistiques, October 2018, Number 1084, "Premiers résultats de la statistique annuelle des établissements de santé (SAE) 2017" [This text was published in French. English translation of title: Department of Research, Surveys, Assessment and Statistics, October 2018 Number 1084, Initial Findings from the 2017 Annual Health Facilities Statistics (AHFS)].

[4] Les établissements de santé, Department of Research, Surveys, Assessment and Statistics ("DREES").

The French hospital system operates on the principle of offering patients a free choice between the Public Hospital Sector and the Private Hospital Sector.

Development of the capacities of the French hospital sector is strictly administered by the state, which determines the needs of the population and organises the distribution of public and private medical facilities.

C. Funding of the Private Hospital Sector

Health care expenditure in connection with private hospital facilities is mostly covered by social security and supplementary health insurance entities.

In a bid to regulate the price and volume of this expenditure, France's Social Security Funding Law establishes an annual national health insurance outlay target (known as the “ONDAM” target) on the basis of which the State stipulates a quantified objective national target with expenditure not to be exceeded in terms of community care and hospitalisation provided in private or public facilities, but also in medical and social centres. The Ondam is an indicator, and not a ceiling with a limiting value. It is a provisional estimate of health expenditure and does not constitute a maximum amount (a kind of indicator of expenditure control).

Introduced gradually from 2004, activity payment rate (T2A) is a method of financing health care facilities that is based on measuring and evaluating the actual activity of the facilities in order to determine the resources allocated. T2A is an almost unique mode of financing for medical, surgical, obstetrical and dental activities in both public and private health facilities. Its extension to the fields of post-acute care and rehabilitation (PACR) and psychiatry is in progress.

T2A replaced a financing system that distinguished facilities according to whether they were public or participating in the public hospital service (under a catch-all allocation of flat-rate financing, unrelated to the development of the activity), or private (financed according to a system that took into account the individual activity, but on the basis of variable regional tariffs).

The resources of health care facilities are now calculated on the basis of a measure of the activity outputted, thus leading to an estimate of revenue. Thus, the price of each activity in OLS is set each year by the Minister of Health via the GHS/GHM mechanism. Thus, the measurement of a facility’s activity is based on the systematic collection of a certain amount of administrative and medical information from patients hospitalised in acute care. This information is collected through the programme of medicalization of the information system (PMSI). On the basis of this information, homogeneous groups of patients (GHM) associated with one (or more) homogeneous group(s) of stays (GHS) are determined based on a tariff fixed each year by the Minister in charge of health.

However, some activities are not included in the T2A system. The missions carried out by mainly public facilities are financed by the so-called Missions of General Interest and Support for Internal Contractualisation (MIGAC), such as those relating to prevention or screening, or those which must be permanent regardless of the actual level of activity: Emergency Medical Assistance Service, poison control centres, etc. In this context, it is fixed annual financing access, to which or allocation whereof varies considerably from one facility to another.

Following the introduction of the activity payment rate (T2A) service pricing scheme, developments in prices in the MSO sector are based on the type of care and produce global variations in the range of prices. In recent years, prices have increased less than inflation, corresponding to a reduction in prices at constant value. These developments have weakened a large number of private health facilities, which are nevertheless still major players in the sector.

D. Competitive Position of Ramsay Générale de Santé

The Private Hospital Sector has been the subject of a strong consolidation movement since 2012, with Elsan being the main player outside Ramsay Générale de Santé in medicine, surgery and obstetrics. In post-acute care and rehabilitation and psychiatry, the main competition is Korian and Orpea, both national operators in the field of care for the elderly, alongside Inicea.

Competition among the enterprises involved and public hospitals is largely focused on local environments with populations in close geographic proximity and similar patterns of utilisation of healthcare structures.

Ramsay Générale de Santé feels it has a solid competitive position in the main environments in which it operates because, due to its size and reputation, it constitutes a reference partner in terms of discussions with local authorities such as the Regional Health Agencies (ARS), and a natural contact for external growth operations.

1.2.4.2 The Health Market in Sweden

A. Presentation of Sweden’s Healthcare and Socio-Medical System

The Swedish health system is relatively advanced in terms of so-called modern medicine (short length of stay, percentage constituted by outpatients, measurement of quality of care). Today, it faces real difficulties in terms of productivity, accessibility and coordination of the entire care process.

In 2017, health spending reached nearly €50 billion, with annual growth of 4% over the period 2011-2017.

Health expenditure is mainly financed by taxes. The 21 counties are responsible for the financing and organisation of care, while at the lower local level, the 290 municipalities are responsible for the elderly and people with disabilities. Private health operators, including Capio, are thus largely financed by public resources, through calls for tenders for periods of 5 to 8 years for hospital care and authorisation to practice for primary care. The share of private insurance as a source of financing for health expenditure represents less than 1% of the market.

B. The Role of Private Operators in Sweden

While the role of private operators in Sweden has historically been very low, due in particular to the counties' monopoly in the management of the organisation of care on state territory. The market gradually opened up in the 1990s, under the combined effect of the possibility now offered to facilities to outsource their operations and subsequently, from the 2000s with the reform introducing free choice of community health care.

Nevertheless, the public sector market share remains dominant, with 63%[5] of the primary care market and 93% of the specialised care market. Given the persistent difficulties of accessibility and efficiency of care in public facilities, the trend towards opening up the sector to private operators is likely to continue.

C. Risks via-à-vis Competitors

With a geographical footprint in 13 of Sweden's 21 counties and a presence throughout the care value chain, Capio is the leading private healthcare operator in Sweden. The market experienced a fundamental consolidation movement, driven mainly by the Capio and Aleris groups. The market is still relatively fragmented, particularly in primary care.

Capio enjoys a very strong brand recognition among its employees and patients. In total, nearly 1% of the Swedish population is referred to one of the 104 primary health centres operated by Capio. In addition, Capio St Göran Hospital, the only Swedish hospital with an emergency department and operated by a private operator, has a strong national reputation, being voted the country's best hospital in the small hospital categories (345 beds, 2000 employees) every year since 2010. Capio is de facto an essential partner and reference for regulatory authorities.

D. Financing Methods

In Sweden, pricing is set or regulated by national or regional regulatory authorities (counties). Thus, the tariffs are regulated by the public authorities for all the care provided by Capio in the context of its activities. Depending on the sector, a capitation system, a global staffing system, or a tendering system applies.

In Sweden in particular, Capio manages 83 primary care centres whose activity is strongly linked to the number of patients registered with one of these centres. The main funding method is thus based on a capitation approach, with an amount being defined per patient registered, based on their profile and medical history. The amounts attached to patients registered with Capio centres are paid monthly by the local health authorities. A remaining charge, set by the authorities, is left to the patients and corresponds broadly to the price of their medicines. A fee-for-service payment can be made in very specific and limited cases. In addition, subsidies may also be granted if objectives previously negotiated with the regulatory authorities are achieved.

Specialised care centres (43 within the Capio perimeter in Sweden) are largely financed by a global allocation system. A budget allocated by the regulatory authorities according to the medical product proposed and the types of care provided is paid each month. Some counties additionally offer a fee-for-service payment method, depending on their specialities. As with primary care, specialised facilities are eligible for target-based bonuses.

The Capio group's hospitals, and in particular St Göran's hospital in Stockholm, benefit from mixed financing, mainly composed of fee-for-service payments but also sums paid on the basis of quality and environmental indicators.

1.2.4.3 The Health Market in Norway and Denmark

The Norwegian and Danish health systems have many similarities with the Swedish system, both in terms of the modernity of care (outpatient care, length of stay, publication of quality indicators at national level) and in terms of the challenges relating to accessibility and efficiency of facility management. However, the private market share is higher, as private markets are mainly focused on patients with private insurance and those paying for themselves (equivalent remains at charge).

[5] % of total health expenditure

In 2017, health expenditure amounted to €35 billion in Norway (+6% annual growth over 2011 – 2017) and €28 billion in Denmark (+3% annual growth from 2011 – 2017). In Norway, 5 regional health territories are responsible for the organisation of specialist care and the municipalities are in charge of primary care. In Denmark, the entire health care system is fully managed at the regional level.

Overall, the private sector accounts for 25%[6]of the market share in Norway and 18% in Denmark.

In addition to the private funding market, private operators can also enter the public funding market through calls for tenders that result in short-term contracts (2 to 4 years).

Recent reform movements in Norway and Denmark suggest that the share of public volumes open to outsourcing should continue to grow, in particular with the aim of encouraging better management of health spending. At the same time, the share of private financing is also expected to continue to increase, due to waiting times within public structures and the growing propensity of employers to offer health insurance to their employees.

The private health market is dominated by Aleris, which is number 1 in Norway and Denmark, and Capio. In addition to this size positioning, Capio also stands out for the reputation that the Volvat and CFR brands enjoy on the private markets, due in particular to the subscription model for Norwegian patients. Developments with regard to Capio's importance in terms of in public financing is also a pillar of the growth strategy in these markets.

1.2.4.4. The Health Market in Germany

With 81 million inhabitants and health spending of €344 billion, Germany is the largest European health market.

However, the German health system is characterised by relatively long average lengths of stay compared to the European average and a low proportion of outpatient care, due in particular to the legal and economic environment which requires a strict separation of full inpatient care facilities and outpatient centres, and also to the historically very high number of beds per capita. At the same time, the ageing of the population, which is also occurring throughout Europe, is significantly more advanced in Germany than elsewhere, with people aged 65 and over having accounted for 22% of the population in 2018.

There are about 2,000 hospitals in Germany, 29% of which are public, 36% private and 35% non-profit. The private sector has considerably increased its footprint over the past 15 years, both in terms of hospitals (+28%) and beds (+76%), benefiting from the financial difficulties encountered by the public sector facilities. About 11% of hospitals face profitability problems and risk insolvency. Although there are still medium-sized private players, the German market is already quite concentrated and largely dominated by Helios Kliniken (turnover of €5.8 billion) and 3 other players with a turnover of over €1 billion.

The financing of German hospitals is based on a dual system: investment costs are borne by the federal states (Länder) in the form of grants and operating expenses are covered by public health insurance (92% of the population) and private insurance (8% of the population). The GHS (homogeneous stay groups) model was introduced in 2003, with an independently set price at the federal level for all health care providers, regardless of their status. The introduction of quality financing is gradually being introduced in order to homogenise the quality of care between the various facilities.

In Germany, Capio enjoys a niche position in the hospitalisation market in Germany, with five general hospitals located in small towns, three venous surgery clinics and one ophthalmology clinic.

1.2.4.5 The Group's Position in Italy: a Public/Private Partnership

The management of the Omegna Public Hospital in Italy (Piedmont Region) has been entrusted to Ramsay Générale de Santé since 2002. After having refocused the facility toward orthopaedics and its related disciplines (functional rehabilitation, neurosurgery, plastic surgery), the group maintained an outpatient surgery and internal medicine activity that meets local needs for care provision. The unit is managed by a public/private company, Coq SpA, in concertation with the local health authorities. The Italian public structure Asl Vco14 holds 51% of the shares, while Ramsay Générale de Santé holds the other 49% and is in charge of organisation of health care, administration and maintenance of the entire unit. In 2019, the management contract was confirmed for a further nine years.

[6] % of total health expenditure

1.2.5 Segmentation of Activities

The table below shows the distribution of the Group's consolidated revenue for the year ended 30 June 2019, by business sub-segments:

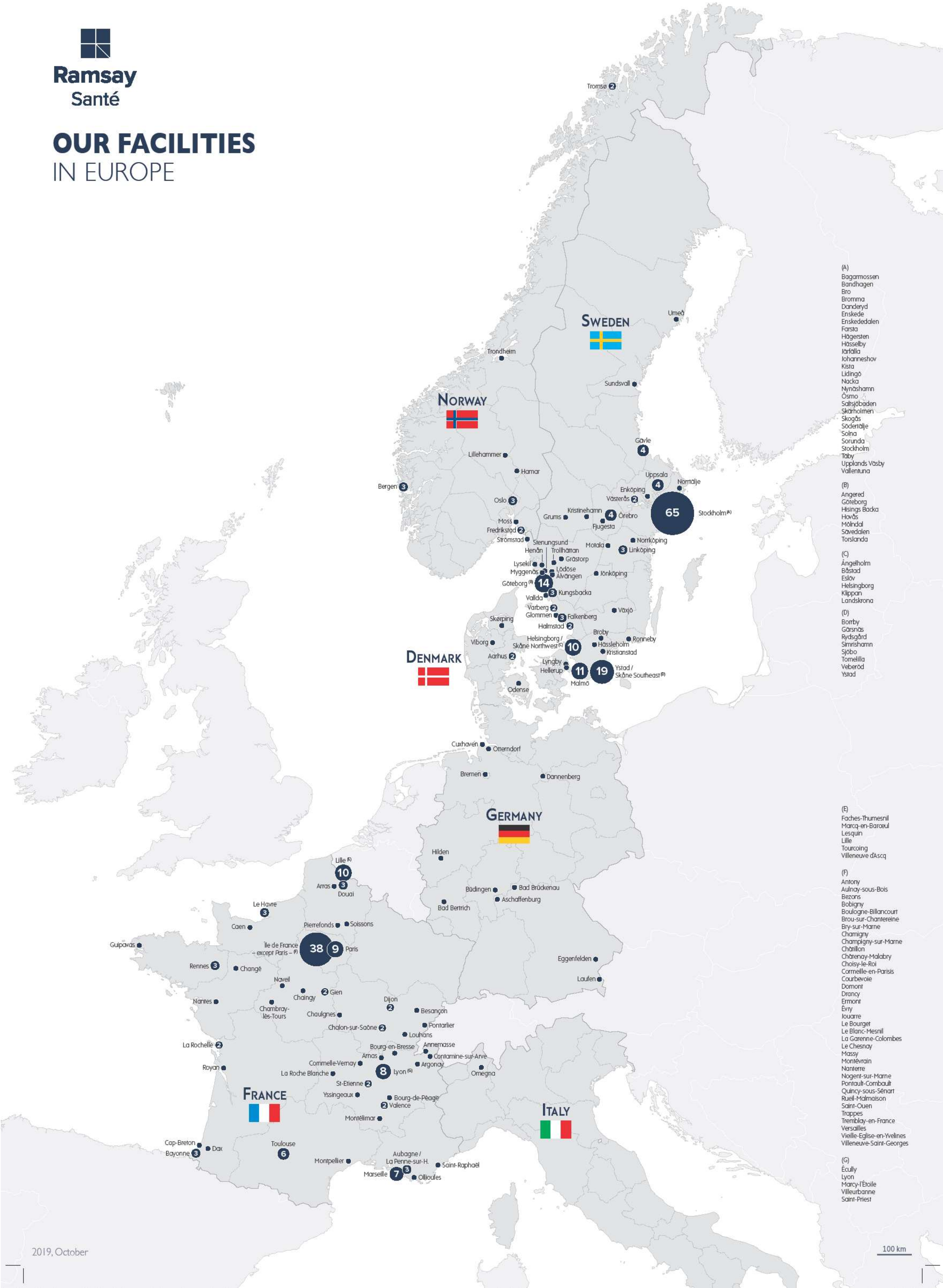
Per activity	**Volume**	**Percentage care activities out of Capio**	**Percentage revenue out of Capio**
	(K euros)		
Medecine, Surgery, Obstetrics	1 818 470	79.70	79.06
Imaging	67 750	2.97	2.95
Radiotherapy	24 833	1.09	1.08
Rehab	207 126	9.08	9.00
Mental health	163 367	7.16	7.10
Sub total care activities	***2 281 546***	***100.00***	***99.19***
Health care transport services	12 571	s.o	0.55
Other activities	6 077	s.o	0.26
Total out of Capio	***2 300 194***	***100.00***	***100.00***
Capio	1 100 915		
Total groupe Ramsay Générale de Santé	**3 401 109**		

As of the publication of this document, these activities are carried out by the group's facilities according to the following breakdown:

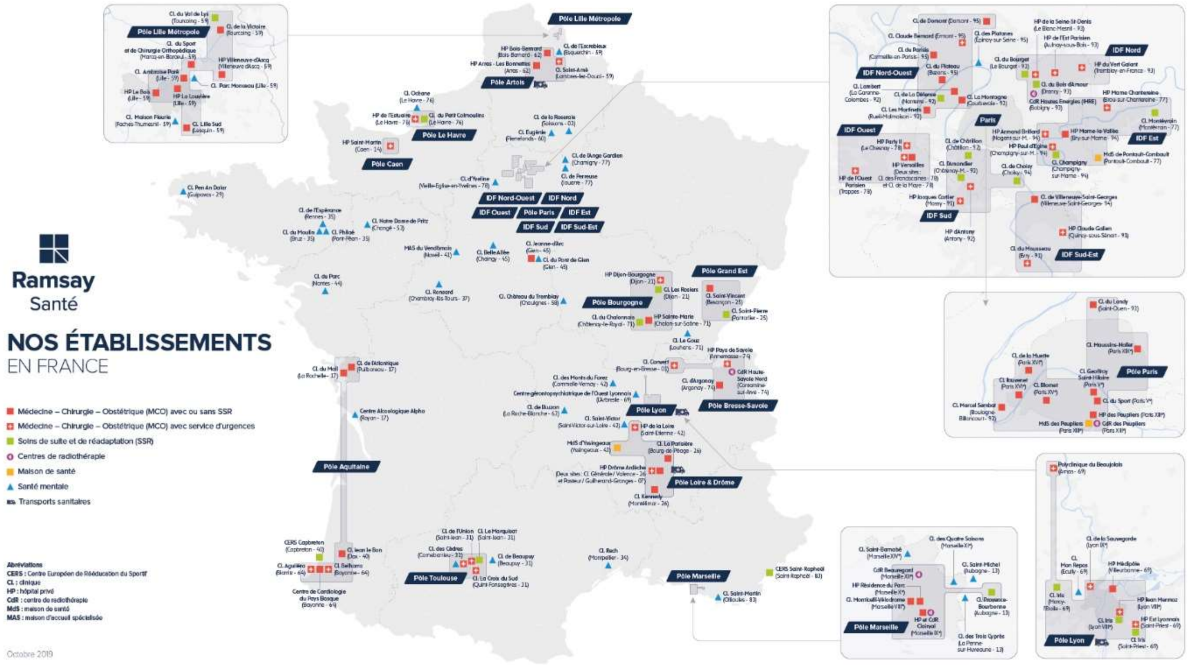
	France	Sweden	Germany	Italy	Norway	Denmark	Total
MSO private hospitals and clinics	**73**	**55**	**9**	**1**	**13**	**6**	**155**
of which facilities having rehab and / or radiotherapy on site	*10*						*10*
of which facilities having primary care on site			*6*		*8*		*14*
Mental health clinics	**35**	**14**					**49**
Primary care centers	**2**	**117**					**119**
Rehab clinics	**18**						**18**
Radiotherapy centers	**5**						
European athletic reeducation centers	**2**						**2**
Total	**135**	**186**	**9**	**1**	**13**	**6**	**350**

In France in particular, the facilities are based on a territorial health approach and are organised in clusters, constituted either around a single facility or several facilities. These 135 hospitals, clinics and centres are part of the main living areas of metropolitan France. Whether they treat patients in the disciplines of medicine, surgery, obstetrics, post-acute care and rehabilitation or mental health, the group's 21 clusters cover Paris and Île-de-France, Hauts de France, Normandy, Brittany, Nouvelle-Aquitaine, Bourgogne Franche Comté, Auvergne-Rhône-Alpes, Occitanie, and Provence-Alpes-Côte d'Azur. Mental health facilities are not linked to clusters.

The chart hereafter shows the Ramsay Santé Group's European geographical locations as of the date of this document.



The chart hereafter shows more precisely the geographical locations of Ramsay Santé in France as of the date of this document.



1.2.6 Relations with Medical Practitioners

At the end of September 2019, the group had nearly eight thousand doctors working professionally within its structures, including seven thousand in France, mainly on an independent basis (in certain specialties, such as post-acute care and rehabilitation, some doctors may have the status of employees). For these French medical practitioners, their relationship with a facility is structured either by a practice agreement governed typically by the provisions summarised in the following paragraph or through a de facto agreement subject to professional needs (as defined by the Ordre des médecins).

A. The Private Practice Contract

Pursuant to Article 83 of the Code of Ethics and Articles L. 4113-9 to L. 4113-11 of the French Public Health Code, the habitual practice of medicine at facilities is covered by a written contract that defines the respective obligations of the parties and specifies the tools (premises, medical equipment and materials, personnel) provided for doctors by the facility to enable them to carry out their professional activities. Doctors work in keeping with their independence and the provisions of the Code of Ethics and are not subject to a subordinate relationship with the facility. The Group encourages its facilities to draw up professional practice agreements on the basis of its specimen contract.

The facilities and most of their medical practitioner partners have signed permanent professional independent practice contracts which generally expire when the practitioner reaches the full retirement age, although yearly extensions are possible through a written agreement drawn up by the parties. Practitioners must notify the French Medical Association of these contracts, as this is the body that ensures the contractual provisions comply with the medical code of ethics.

B. Main Reciprocal Obligations of the Facilities and the Doctors

The Group's facilities provide medical practitioners with a technical platform that includes operating theatres and inpatient care facilities, premises, and specific, sometimes high-tech equipment. They provide, on a permanent basis, the assistance of qualified personnel in accordance with the applicable standards, whether assigned to inpatient care or operating theatres.

In return, practitioners undertake to practice in whole or in part within the facility, with the complete professional independence implied by self-employed practice and under their sole responsibility. For this, they have to pay for their own insurance.

C. Remuneration of Facilities and Doctors

Professional practice agreements between practitioners and facilities are not a direct source of profit for the facilities. The facilities receive inpatient care flat rates (GHS) directly from health insurance organisations and based on the reform of activity-based pricing, determined by annual orders from the health minister, and upon the resources in terms of equipment and people mobilised to receive inpatients. The costs incurred by the facilities as part of the doctor's practice, and which are not covered by the said flat rates, are re-invoiced to the practitioners in the form of a fee and in accordance with Article L. 4163-2 of the Public Health Code.

Flat-rate payments received by private facilities for inpatient care services do not cover the remuneration of independent practitioners who invoice in addition to, and under their name, the fees corresponding to the acts they have performed on behalf of patients during their inpatient care.

In accordance with Articles R.161-40 et seq. of the Social Security Code, this invoicing is carried out on a group invoicing form (S3404 form) which summarises all the pricing services of the facilities and those of the doctors. This form is kept, completed and sent by the administrative services of private health care facilities to the social agencies. The latter transfer the hospitalisation packages to the clinic's account and the practitioners' fees directly to the latter or to a "practitioner representative" account.

1.2.7. Cooperation with Public Hospital Services

A. Cooperation with the Hospital Sector in France

Active participation in the structuring of the French inpatient care sector is based on permanent cooperation by all health players and on a contribution to public hospital services such as emergency treatment or training.

Depending on geographic necessities and opportunities, Ramsay Générale de Santé is involved in cooperation to provide users with the best possible care package. To this end, agreements have been signed by Group facilities with public hospitals, private collective-interest health facilities ("ESPICs") or independent doctors, permitting the shared use of large items of equipment or treatment of specific pathologies.

Common structures combining hospitals and clinics have been created as public-private partnerships or Healthcare Cooperation Groups ("GCS"). These groups are regulated by the French public health code and enable common medical services to be provided at a public hospital and a private hospital on the basis of joint operation and cost-sharing, thereby streamlining the healthcare offer in a given region.

B. Cooperation with the Hospital Sector in Italy

As described in paragraph 1.2.4.5 above, the Piedmont Region in Italy has entrusted Ramsay Générale de Santé with the management of the Omegna Public Hospital. The continuation of this contract as part of a confirmation of nine further years demonstrates the relevance of this management scheme.

1.2.8 European Regulatory and Economic Environment

Ramsay Générale de Santé is now present in several environments with strong regulations. In addition, health expenditure varies significantly from one country to another. For example, current health expenditure in Germany has represented the highest value of the EU Member States in recent years, while France has the second highestvalue.

France thus measures its figures for the consumption of health care and medical goods (CSBM) by considering:

- hospital care,
- outpatient care (doctors, dentists, medical auxiliaries, analytical laboratories, hydrotherapy),
- health transport, medicines and other medical goods (optics, prostheses, small equipment and dressings),

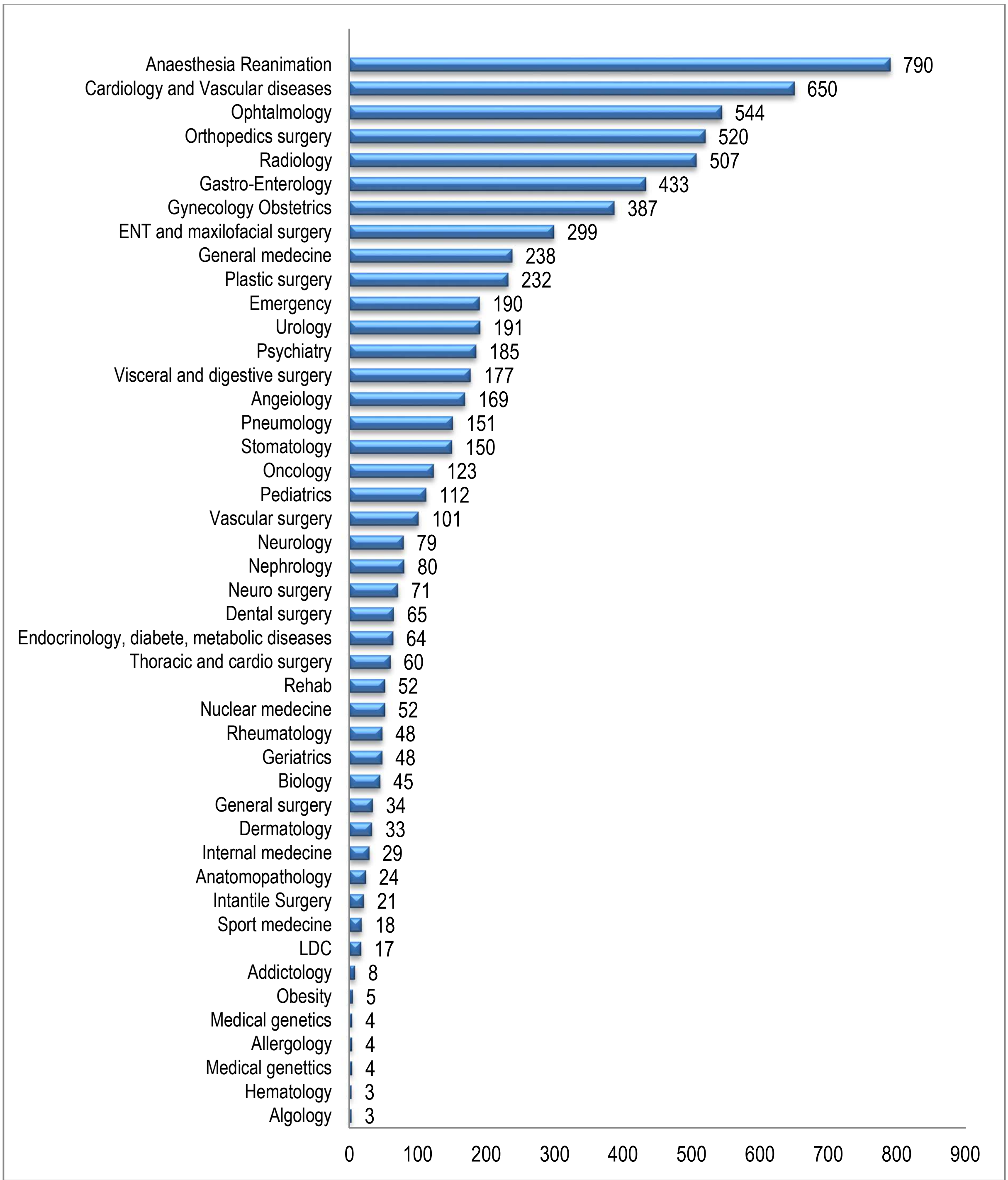
but only expenses contributing to the treatment of a temporary disruption of a patient's health are taken into account. Expenditure on care for the disabled and elderly in institutions is excluded. According to available figures from 2018,[7] CSBM represented nearly €203.5 billion, up 1.5% from 1.75% in 2017, indicating a slight slowdown. France spends about 11% of its GDP on health, with social security covering more than 75% of this expenditure and complementary organisations 13.3%. The rest remains the responsibility of the patients.[8]Household participation in the financing of the CSBM continued to decline from 7.5% in 2017 to 7.0% in 2018.

[7] Source: DREES, les Dépenses de santé en 2018.

[8] Same as above

In terms of level of expenditure, with a European [9] average of 10.5% of total GDP on health, France has a level close to Sweden and Germany but higher than this average of 10.5%. It should be noted that the ranking of countries is significantly different depending on whether current health expenditure per capita expressed in purchasing power parity (PPP) is used as the indicator for comparison. For this indicator, France is just above the EU average. Such differences in PPP are particularly noticeable in Norway, Sweden, Germany and Denmark, with respect to the countries in which the group is active in healthcare activities.

Within the Group's facilities and to give an approximate order of magnitude, the distribution of doctors by speciality in France is as follows (some doctors attached to a facility or integrated into the Group are not included, nor are practitioners from countries other than France)[10]:



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[9] Same as above
[10] Source: Ramsay Générale de Santé, Director of Medical and Patient Relations

1.2.9 FOCUS ON THE FRENCH LEGISLATIVE AND REGULATORY ENVIRONMENT

A. Hospital Planning – The Permits Scheme

In a bid to provide a better distribution of health care in France, a hospital planning scheme was deployed and a health card introduced (division into geographic areas, inventory of equipment). Hospital planning was subsequently decentralised by the creation of regional hospitalisation agencies ("ARHs") with local groups of representatives of the State and health insurance bodies detailed to manage the hospital system by regulating the health care offer and coordinating the activities of public and private health facilities. In addition, multi-year contracts of objectives and resources (Contrats pluriannuels d'objectifs et de moyens, CPOM) have been established to determine the strategic orientations of the facilities and their implementation, while taking into account the objectives of the health organisation scheme.

In addition, there is a planning tool designed to provide a qualitative complement to the health map: the regional health organisation scheme (schéma régional d'organisation sanitaire, SROS). SROS is the only hospital planning tool in use since the retirement of the health map in 2003.

The SROS scheme, introduced by the director of the regional hospitalisation agency following consultations with the regional health care organisation committee (composed of representatives of local authorities, medical and non-medical health care professionals and public and private healthcare facilities), was established for five years on the basis of an assessment of the health care requirements of the population in the area considered, developments in the requirements and the suitability of the existing healthcare offer to them. It may be totally or partially revised at any time during the five-year period. It stipulates the quantified objectives of the health care offer in the area concerned, in terms of health care and major healthcare equipment, creation and elimination of health care activities and major health care equipment, transformations, groupings and cooperation by facilities necessary to meet these objectives.

The deployment of the measures envisaged by the SROS scheme and regulation of the health care offer in accordance with the needs defined in this document entail mandatory attribution, currently by the "ARS" regional health bodies, of authorisations to practice which are required for all the health care activities concerned. These authorisations are required not only for the deployment of a public or private health facility, but also for any developments to such facilities (extensions, conversions, groupings) and the installation of certain major items of equipment.

The Order of 4 September 2003 vastly simplified the authorisation scheme, replacing the old authorisations (which concerned a certain number of beds or places attributed to each health care activity, and had a term ranging from five to ten years, depending on the type of authorisation) with an authorisation for each type of activity, a more flexible system in terms of the conditions and objectives attached on issue, renewable on a tacit basis every five years. The authorisation scheme aims to detach the level of activity from the places actually available to patients, allowing facilities to operate in a more flexible manner and better manage the seasonal nature of their activity.

This authorisation to practice is granted and maintained when three series of conditions have been met:

- first and foremost, the project must (i) meet the population's health needs as identified by SROS scheme, (ii) be compatible with the goals set by the scheme and (iii) satisfy the conditions of implementation and a number of technical operating conditions. Since 1 January 2019, the project must take into account those elements of the HAS certification reports relevant at the date of the decision.
- permits also depend on (i) compliance with commitments concerning expenditure by health insurance bodies or volume of activity and (ii) a positive assessment of the compatibility of the results of healthcare or utilisation of major equipment with SROS targets.
- permits may also depend on (i) specific conditions imposed in the interests of public health, (ii) the undertaking to implement cooperative measures to encourage shared use of means and a permanent health facility, or (iii) the commitment to draw up a concession agreement for provision of the public hospital service.

The authorisation also requires a multiyear contract stipulating targets and means (Decree of 4 October 2010) drawn up by each facility with the regional body, determining the strategic focuses of the holder of the permit on the basis of the regional health program, cooperative action and targets in terms of quality and health safeguards.

The law on hospitals, patients, health and regions ("HPST") of 21 July 2009 reformed French hospitals with respect to four primary criteria: modernisation of health facilities, access to quality health facilities for all, prevention and public health and territorial organisation of the health system. The objective was to improve the coordination of actions by health facilities to meet the needs of the population, distribute health facilities more equally, introduce prevention and public health policies and define the tasks and means of the "ARS" regional health bodies. The regional health bodies replaced the "ARH" bodies, and were intended to introduce a coordinated series of programmes and actions to meet the regional and infraregional objectives of national health policy, the principles of welfare and socio-medical projects, and the basic principles defined by the French social security code. A strategic integration tool, the regional health programme ("PRS"), was created to this end to make all public health facilities in the regions coherent.

The PRS is a coordinated and structured set of planning and guidance materials for the provision of care in the region. Its purpose is to extend the scoping logic initiated by SROS to other fields. It illustrates the logic of decompartmentalising the supply of care at regional level. The PRS defines the multi-year objectives of the ARS and the measures to achieve them in accordance with the Social Security Financing Acts and the National Health Strategy. The PRS now provides the global and unique framework for care planning at the regional level.

The PRS is composed of the following:

- the Strategic Regional Health Plan ("PSRS") defining the region's health priorities and associated targets over the next five years. This also contains a definition of health regions.
- organisational scheme (regional prevention scheme, regional health care organisation scheme, regional socio-medical organisation scheme).
- programs or action plans setting out procedures for application of the schemes (regional risk management program, "PRAPS" (Regional Program for Access to Prevention and Health care), telemedicine program, and local health programmes).
- The law of 26/01/2016 on the modernisation of the health system is based on three pillars: prevention, access to care and innovation, response to a number of pitfalls formulated against the HPST law. Thus, the final part of the law restores the notion of public hospital service by rebuilding it around a block of guarantees and obligations such as the absence of fee overruns, the permanence of reception, and equal access to care. In addition, cooperation between public hospitals is strengthened by the deployment of territorial hospital groups (GHTs), which enable geographically close hospitals to develop a common medical project and share missions and support functions. To date,[11] 898 facilities with 1,200 to 25,000 health professionals are grouped together throughout the country in 136 GHTs.

In addition, the law enshrines the Regional Health Project (RHP) as a planning tool. The latter is now composed of 3 parts:

- The Strategic Orientation Framework (COS) setting out general objectives and expected results over a 10-year period.
- The Regional Health Scheme (RHS), a single document for the implementation of the COS, is drawn up for five years on the basis of changing needs. It determines development forecasts and operational objectives for the entire range of health care and services, including prevention, health promotion and medico-social support. In this context, it sets quantitative and qualitative objectives aimed at predicting the evolution of the supply of care by care activities and EML, transformations, groupings and cooperation between health facilities.
- The Regional Programme on access to prevention and care for the most disadvantaged people.
- An ordinance of 3 January 2018 on the simplification and modernisation of the authorisation systems for health care activities and heavy equipment recently made a number of amendments to the current authorisation system and, in particular, to the duration of authorisations (increasing from five to seven years), to the procedures for the compliance check, and to the consequences of sections of the certification report issued by the Superior Health Authority when granting an authorisation.

The regulation of health care provision is still ongoing with the creation, via the Social Security Financing Act, of the Contract for Improving the Quality and Efficiency of Care (CAQES) for 2016.

This new contract merges five existing systems:

- The contract for the proper use of medications;
- The contract to improve the quality and organisation of care with respect to PHEV (prescriptions hospitalières exécutées en ville, i.e. hospital prescriptions executed in town (i.e. outside health care facilities) of medicines and LPP (liste de produits et de prestations remboursables, i.e. list of refundable products and services);
- The contract to improve the quality and organisation of care relating to transport expenditure;
- The contract for relevance of care;
- The contract for the improvement of practices in health care facilities;

This second contract has one objective: "to enable, on the basis of a shared observation, the facility of a single roadmap for improving practices in all areas where there is room for significant progress". CAQES is concluded between the director of the regional health agency, the director of the local health insurance organisation and the legal representative of each health facility under their geographical jurisdiction. Its purpose is to improve the quality, safety and relevance of care and prescriptions and to reduce health insurance costs. It pursues a holistic approach to achieve quality, efficiency and regulation of the health care offer.

[11] Source: Ministère des solidarités et de la santé, 11 September 2019

It includes a mandatory component relating to the proper use of medicines, products and benefits (ex proper-use contract) concluded for an indefinite period and, if necessary, one or more additional components, for a fixed period of one to five years, covering:

- Improving the quality and organisation of care during medical transport;
- Improving practices in health care facilities (formerly CAPES);
- The promotion of the relevance of acts, benefits and prescription, as an extension of PAPRAPS (Plan d'actions pluriannuel régional d'amélioration de la pertinence des soins, i.e. regional multi-year action plan to improve the relevance of care).

B. The Quality Approach and Risk Management – the Certification System

The main objective of the regional health agencies operational since the beginning of 1997 is to ensure the coherence and respect of an evaluation and accreditation policy for health care facilities.

a) Assessment of Health Facilities

All health facilities must develop a policy for the assessment of their professional practices and the practices for organising health care. The goals sought are health security, quality of treatment and satisfactory regulation of available healthcare. In order to conduct this analysis of its activity, with due observance of medical secrecy and rights of patients, each facility must have IT medical information systems to take account of pathologies and patient care procedures in order to create an overview of medical data to be processed by computers.

Each facility must also process the IT data in its patients' medical files. Practitioners at the facility must therefore provide a doctor responsible for medical information with the medical data required to enable the director of the facility to monitor and analyse activities. Directors of facilities must send the health ministry departments, health insurance bodies and regional health bodies non-nominative statistics in connection with the activities and functioning of their facility, with suitable coding of the treatments provided for patients.

Transmission of this information assists in drawing up and reviewing the regional health care organisation scheme ("SROS") and assessing the quality of health care, and also serves as a device to gage the activities carried on at each facility. This analysis tool draws comparisons between facilities and helps optimise the health care offer.

b) Certification of Facilities by the Superior Health Authority

Public and private health facilities undergo an external assessment process: certification. This procedure, conducted by the Superior Health Authority (HAS), makes it possible to obtain an independent assessment of the quality of the facility using indicators, criteria and benchmarks relating to procedures, good clinical practices and the results of the facility's various services and activities. It also considers the measures taken by the facility to assure the rights of patients and the results of assessment of patient satisfaction.

The V2014 certification procedure for French public and private facilities is in progress and is being renewed, pending the future V2020 system, which should be deployed by the HAS at the end of 2020. As of 30 September 2019, the results of the Ramsay Santé group (formerly Ramsay Générale de Santé and one of Capio) are above the national average[12]:

National

	Number	Percentage
Certification	797	38
Certification with recommendation	1059	51
Certification under improvement	204	10
Certification stayed	19	1
No certification	10	0
Total	*2089*	*100*

Group

	Number	Percentage
Certification	62	56
Certification with recommendation	44	40
Certification under improvement	4	4
Certification stayed	1	1
No certification	0	0
Total	*111*	*100*

MSO and Rehab

	Number	Percentage
Certification	44	54
Certification with recommendation	33	41
Certification under improvement	3	4
Certification stayed	1	1
No certification	0	0
Total	*81*	*100*

MENTAL HEALTH AND ADDICTOLOGY

	Number	Percentage
Certification	18	60
Certification with recommendation	11	37
Certification under improvement	1	3
Certification stayed	0	0
No certification	0	0
Total	*30*	*100*

The health authorities are also implementing quality controls in a bid to improve patients' safety at facilities. The Group's quality policy, focused on regulatory obligations, is reflected in HAS certification and the publication of opposable Quality and Safety of Care Indicators (IQSS), which guarantee patients and professionals the quality and safety of care.

C. Regulation of Health Care Expenditure and Hospital Prices

In order to regulate health care expenditure, each year the Social Security Funding Law establishes a national health insurance outlay target (French acronym: ONDAM target) to fund national health spending covered by health insurance. On the basis of this target, the State establishes the following for health facilities:

- a common annual health insurance spending target for medicine, surgery, obstetrics and odontology (French acronym: OD – MCO), and the national funding allowance for general-interest tasks and assistance with contractualisation (OD – MCOMIGAC). Concerning medicine, surgery and obstetrics, each year the ministers in charge of health and health insurance establish the national rates for services as a basis for calculating contributions by insured parties and the fixed sums for certain activities (emergency treatment, dialysis etc.);

[12] In the "Number" column of the table below, this is the number of facilities for which the HAS certification report is issued.

- the national quantified target (French acronym: OQN) for psychiatry and post-acute care and rehabilitation, as the annual sum to cover health expenditure in the private hospital sector undertaken by social security (excluding the fees of independent practitioners, which are governed by another sum). Procedures for establishing prices for this sector are established by the State each year, determining the national average variation and average variation of prices for services in each region. On the basis of this national sum, a regional budget is administered by the directors of the regional health bodies, who determine annual variations in the prices charged by services at each health facility subject to the national quantified target in their sector.

The private sector has been subject to the “T2A” pricing scheme since 1 March 2005. This contemplates three funding procedures directly related to activities:

- a number of activities are classified in a homogeneous group of patients as a basis for classification of cases treated in homogeneous hospitalisation groups (“GHS”). Each GHS has a price which may be adjusted (bills for daily surcharges) to take account of heterogeneous criteria or to make provision for remuneration for activities incorrectly addressed by classification (resuscitation, long stays or palliative care).

- activities not classified in GHS are funded on a per-service basis or by fixed sums. The following are funded on a per-service basis in accordance with a specific classification: consultations, external care and activities (price for the common classification of medical activities and existing technical rates (scanner, MRI, compression chamber, PET scan), home care (variable daily rate) and treatment of chronic kidney failure (per-service basis). Organ retrievals are funded with an annual sum. Finally, emergency cases have mixed funding (an annual sum and a per-visit price). Emergency scenarios that are not followed by hospitalisation are also taken into account.

- certain drugs and medical devices payable (implants) are funded at a specific rate.

The T2A scheme was to be made general practice for all parties involved, in order (i) to make all healthcare players responsible and encourage them to adapt and develop medical-economic management tools *at* their facilities and (ii) to make public and private health care systems comparable and compatible for the sake of future cooperation. The principle of generalisation of the scheme between the public and private sectors was repeatedly postponed, and eventually it was abandoned.

The health law adopted in July 2019 places the subject of financing at the heart of the matter with the long-term ambition of capping the share of financing by activity at 50%, in order to leave more room for quality and innovative financing models (Article 51, chronic disease management package, emergency coordination package, etc.) For Medicine – Surgery – Obstetrics and SRH, the tariffs for the 2019 campaign thus introduced for the first time a quality component that accounts for 0.3% and 0.2% of the tariffs respectively.

1.2.9 Exceptional Events

There were no exceptional events affecting the operational management of healthcare facilities during the financial year ending 30 June 2019.

1.2.10 Dependency Factors

For a description of the dependency factors, refer to Part 3.

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PART 2 - ANNUALFINANCIAL INFORMATION

2.1 FINANCIAL INFORMATION

2.1.1 CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

The tables below show extracts from the consolidated income statement, consolidated balance sheets and consolidated statements of cash flows of the Company in the periods ended 30 June 2018 and 30 June 2019 (12 months).

Table 1 - Consolidated profit and loss account of the Company

	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019	Change
REVENUE	**2 241.5**	**3 401.1**	**+51.7%**
Of which revenue at a constant scope of consolidation(1)	*2 237.0*	*2 284.5*	*+2.1%*
GROSS OPERATING SURPLUS	**255.6**	**330.8**	**+29.4%**
Current operating profit	125.7	156.9	+24.7%
Operating profit	65.8	118.8	+80.5%
Cost of net financial debt	(39.1)	(66.9)	
Other financial income and expenses	(3.2)	(3.6)	
Income tax	(8.5)	(33.0)	
Amount attributable to associates	0.1	--	
CONSOLIDATED NET PROFIT	**15.1**	**15.3**	
Income and expenses recognised directly in equity			
- Actuarial gains and losses on obligations for retirement bonuses	(0.1)	(55.2)	
- Change in fair value of hedging instruments	--	(13.1)	
- Translation differences	--	8.0	
- Tax effect of income and expenses	1.0	11.8	
Profit recognised directly in equity	**0.9**	**(48.5)**	
COMPREHENSIVE INCOME	**16.0**	**(33.2)**	
BREAKDOWN OF NET PROFIT (in millions of euros)	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**	
- Net profit – Group share	7.3	8.2	+12.3%
- Non-controlling interests	7.8	7.1	
NET PROFIT	**15.1**	**15.3**	
BASIC EARNINGS PER SHARE (in euros)	0.10	0.10	--
DILUTED EARNINGS PER SHARE (in euros)	0.10	0.10	
BREAKDOWN OF COMPREHENSIVE INCOME (in millions of euros)	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**	
- Comprehensive income – Group share	8.2	(40.3)	
- Non-controlling interests	7.8	7.1	
COMPREHENSIVE INCOME	**16.0**	**(33.2)**	

(1) Reported revenue is restated according to the specific rules set out in sections 2.2.1 and 2.2.2 for the purpose of calculating changes in revenue a constant scope of consolidation.

Table 2 – Consolidated balance sheet of the Company

Assets	30-06-2018	30-06-2019
	(in millions of euros)	
Goodwill & other intangible assets	778.2	1 938.3
Property, plant and equipment	869.2	1 107.1
Investments in associates & other non-current financial assets	69.7	87.7
Deferred tax assets	45.2	146.3
NON-CURRENT ASSETS	**1 762.3**	**3 279.4**
Inventories	67.8	98.9
Trade and other operating receivables	157.6	361.0
Other current assets	190.5	231.9
Current tax assets	9.8	11.8
Current financial assets	0.3	9.7
Cash and cash equivalents	308.0	368.5
Assets held for sale	5.6	--
CURRENT ASSETS	**739.7**	**1 081.8**
TOTAL ASSETS	**2 502.0**	**4 361.2**

Liabilities	30-06-2018	30-06-2019
	(in millions of euros)	
Share capital	56.9	82.7
Share premium & consolidated reserves	406.0	904.8
Net profit – Group share	7.3	8.2
Equity – Group share	**470.2**	**995.7**
Non-controlling interests	40.8	42.8
TOTAL EQUITY	**511.0**	**1 038.5**
Borrowings and financial debt	1 195.6	1 955.3
Provisions for retirement and other employee benefits	51.0	132.9
Non-current provisions	63.5	128.3
Other non-current liabilities	12.2	32.4
Deferred tax liabilities	50.9	112.6
NON-CURRENT LIABILITIES	**1 373.2**	**2 361.5**
Current provisions	17.8	36.5
Suppliers	191.9	266.2
Other current liabilities & current tax liabilities	342.8	589.1
Current financial debt	63.7	69.4
Bank overdrafts	---	---
Liabilities related to assets held for sale	1.6	---
CURRENT LIABILITIES	**617.8**	**961.2**
TOTAL LIABILITIES	**2 502.0**	**4 361.2**

Net financial debt	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Non-current financial liabilities	1 195.6	1 955.3
Current financial liabilities	63.7	69.4
(Cash)	(308.0)	(368.5)
Other financial assets & liabilities	(24.2)	(14.5)
Net financial debt	**927.1**	**1 641.7**

Table 3 - Condensed Consolidated Statements of Cash Flows of the Company

	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Gross operating surplus	255.6	330.8
Cash flow from operations before cost of net financial debt and tax	221.2	267.1
NET CASH FLOWS FROM OPERATING ACTIVITIES	213.9	213.6
NET CASH FLOWS FROM INVESTING ACTIVITIES	(75.4)	(915.4)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(11.3)	763.2
CHANGE IN NET CASH POSITION	127.2	61.4
Opening cash balance	180.8	308.0
Closing cash balance	308.0	368.5

2.2 PRO FORMA FINANCIAL INFORMATION

2.2.1 PRO FORMA FINANCIAL INFORMATION

The aim of the pro forma financial information reported is to illustrate, for information purposes, the impact of the acquisition of the Swedish company Capio AB ("Capio") by Ramsay Générale de Santé ("RGdS") and the impact of the financing of this transaction (collectively, the "Transaction") on the income statement for the period from 1 July 2018 to 30 June 2019, had this acquisition taken place on 1 July 2018 (hereinafter the "Pro Forma Financial Information").

The pro forma income statement has not been adjusted for other acquisitions that occurred in the period from 1 July 2018 to 30 June 2019.

The Pro Forma Financial Information has been prepared in accordance with the provisions of Annex 20 of Regulation (EU) 2017/1129. The Pro Forma Financial Information has also been prepared in accordance with the recommendations published by ESMA in its Recommendation no. 2013/319 of 20 March 2013, as well as Recommendation no. 2013-08 on pro forma financial information published by the AMF. The Pro Forma Financial Information is presented for illustrative purposes only and reflects a hypothetical situation. It is not representative of the results that would have been achieved for the period from 1 July 2018 to 30 June 2019 had the Operation been implemented as at 1 July 2018 with respect to the income statement. Similarly, it is not representative of future results.

The Pro Forma Financial Information does not include any cost savings or synergies resulting from the takeover of the Capio group by RGdS, or any restructuring or integration costs incurred subsequently.

SCOPE OF CONSOLIDATION AND HISTORICAL INFORMATION USED

The pro forma income statement has been prepared in millions of euros, which is the functional and reporting currency of the Group's historical consolidated financial statements.

As Capio's historical consolidated financial statements have been prepared in millions of Swedish kronor, the pro forma adjustments relating to the consolidation of Capio's historical accounting data for the period from 1 July 2018 to 31 October 2018 have been translated at the average rate for the first four months of the 2018 2019 reporting period (EUR 1 = SEK 10.4002).

The Pro Forma Financial Information has been prepared on the basis of the following financial criteria:

- the consolidated financial statements of the RGdS Group at 30 June 2019, which have been audited by the statutory auditors;
- Capio's consolidated income statement for the period from 1 July to 31 October 2018 was drawn up on the basis of the CAPIO Group's internal reporting and has not been audited/reviewed by the auditors;
- the consolidated financial statements of the CAPIO Group at 31 December 2018 has been audited by the auditors, the interim financial statements of the Capio Group at 30 June 2018 have been subject to a limited review, and the Capio Group's reporting from 7 November 2018 to 31 December 2018 has been subject to a limited review as part of the limited audit of the RGDS Group's interim financial statements at 31 December 2018

RECLASSIFICATIONS AND ADJUSTMENTS:

The pro forma consolidated income statement has been prepared according to the methods used by RGdS for the preparation of its historical financial statements, i.e. the presentation of the income statement by nature of expense.

As Capio presents its income statement by function, certain reclassifications have been made to conform to the presentation of the RGdS consolidated income statement:

- direct costs and administrative expenses have been reclassified by nature;
- depreciation and amortisation included in operating expenses in the historical data have been reclassified in a separate line item in the pro forma income statement;
- the net financial expense relating to post-employment benefits has been reclassified from cost of net debt to other financial income and expenses.

In addition to the reclassifications applied to the financial statements in order to harmonise the presentation of the income statement, the pro forma adjustments also consist of the following items:

a) the adjustment of the amortisation of the intangible assets identified as part of the purchase price allocation over the period from July to October 2018;

b) recognition of a financial expense related to the term loan over the period from 1 July to 31 October 2018; and

c) the cancellation of the interest expense relating to the financing of Capio, which was in place prior to the acquisition and is considered repaid as of 1 July 2018.

The effects of tax deductions on the pro forma adjustments are based on the rates in force in the countries concerned, i.e. 22% for Sweden, 34.43% for France, or 26% to take into account the different tax rates applicable in the countries where Capio manages its operations.

In order to fund the Transaction, RGdS had secured the following on a "certain funds" basis:

- a EUR 750 million term loan, entirely concluded with leading financial institutions;
- EUR 550 million in subordinated bonds subscribed by its two majority shareholders, Ramsay Health Care (UK) and Predica. These bonds were refinanced 5 months later as part of a capital increase of EUR 556.7 million.

For the purposes of the preparation of the Pro Forma Financial Information:

- the term loan is deemed to have been concluded on 1 July 2018, resulting in the recognition of a financial expense of EUR 8.1 million from 1 July to 31 October 2018. The applicable rate is 3% per annum;
- given the time lag between the issue of the subordinated bonds and the capital increase (which took place in April 2019), the Pro Forma Financial Information is presented with the assumption that the capital increase would take place five months after the date of the Transaction and the issue of the subordinated bonds. Consequently, it was considered that the subordinated bonds were subscribed on 1 July 2018, refinanced by the capital increase on 1 December 2018. No adjustment was made in the Pro Forma Financial Information as the financial expense of the subordinated bonds (for the period corresponding to the 5 months between their issuance and refinancing) was already recognised in the consolidated financial statements of the RGdS Group.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (In EUR million)	RGDS from 1 July 2018 to 30 June 2019	Capio from 1 July to 06 november 2019	Total RGdS + Capio from 1 July 2018 to 30 June 2019	Adjustments "purchase price allocation" 4 month (a)	Financial costs of new borrowing (b)	Removal of financial costs related to previous Capio borrowings (c)	Proforma accounts as of 30 June 2019
TURNOVER	**3 401,1**	**552,8**	**3 953,9**	**-**	**-**	**-**	**3 953,9**
Personnel expenses and profit sharing	(1 647,9)	(322,8)	(1 970,7)	-	-	-	(1 970,7)
Purchased consumables	(644,7)	(93,3)	(738,0)	-	-	-	(738,0)
Other operating income and expenses	(408,6)	(59,0)	(467,6)	-	-	-	(467,6)
Taxes and duties	(109,0)	(9,6)	(118,6)	-	-	-	(118,6)
Rents	(260,1)	(34,7)	(294,8)	-	-	-	(294,8)
EBITDA	**330,8**	**33,4**	**364,2**	**-**	**-**	**-**	**364,2**
Depreciation	(173,9)	(20,5)	(194,4)	(1,5)	-	-	(195,9)
Current operating profit	**156,9**	**12,8**	**169,7**	**- 1,5**	**-**	**-**	**168,3**
Restructuring costs	(44,9)	(4,8)	(49,7)	-	-	-	(49,7)
Result of the management of real estate and financial assets	6,8	1,0	7,8	-	-	-	7,8
Other non-current income and expenses	**(38,1)**	**(3,8)**	**(41,9)**	**-**	**-**	**-**	**(41,9)**
Operating profit	**118,8**	**9,0**	**127,8**	**- 1,5**	**-**	**-**	**126,3**
Gross interest expenses	(67,4)	5,0	(62,4)	-	(8,1)	2,3	(68,2)
Income from cash and cash equivalents	0,5	-	0,5	-	-	-	0,5
Net interest expenses	**(66,9)**	**5,0**	**(61,9)**	**-**	**(8,1)**	**2,3**	**(67,7)**
Other financial income	2,3	0,9	3,2	-	-	-	3,2
Other financial expenses	(5,9)	(10,2)	(16,1)	-	-	1,1	(15,0)
Other financial income and expenses	**(3,6)**	**(9,3)**	**(12,9)**	**-**	**-**	**1,1**	**(11,8)**
Corporate income tax	(33,0)	(1,1)	(34,1)	(0,2)	2,1	(0,9)	(33,1)
Amount attributable to associates	-	-	-	-	-	-	-
NET PROFIT FOR THE PERIOD	**15,3**	**3,7**	**19,0**	**(1,7)**	**(6,0)**	**2,5**	**13,8**

The pro forma income statement presented includes acquisition costs expensed for EUR 16.3m and early repayment costs (i.e. the portion not amortised by the effective interest rate and costs incurred for early repayment) of the Capio debt refinanced by RGDS for EUR 1.1m.

2.2.2 Statutory auditors' report on the pro forma financial information for the period ended 30 June 2019

To the Chief Executive Officer,

In our capacity as statutory auditors and in accordance with EU Regulation 2017/1129 as supplemented by EU Delegated Regulation 2019/980, we have drawn up this report on the pro forma consolidated financial information of Ramsay Générale de Santé for the 12-month period ended 30 June 2019 included in section 2.2.1 of the Universal Registration Document (the "Pro Forma Financial Information").

This Pro Forma Financial Information has been prepared for the sole purpose of illustrating the effect that Ramsay Générale de Santé's acquisition of the Capio AB group and the related financing and refinancing transactions (together, the "Transaction") could have had on Ramsay Générale de Santé's consolidated income statement for the financial year ended 30 June 2019 had the Transaction taken effect on 1 July 2018. By its very nature, it describes a hypothetical situation and is not necessarily representative of the financial position or performance that might have been achieved had the transaction or event occurred on a date prior to that of its actual or expected date of occurrence.

This Pro Forma Financial Information has been prepared under your responsibility in accordance with the provisions of delegated EU regulation 2019/980 and ESMA recommendations relating to pro forma financial information.

Our task, on the basis of our work, is to form a conclusion, in the terms required by Annex 20, section 3, of the Delegated Regulation (EU) No 2019/980, as to whether the Pro Forma Financial Information has been properly prepared and on the basis stated.

We have carried out the procedures we considered necessary with regard to the professional standards of the French National Auditing Body (Compagnie Nationale des Commissaires aux Comptes) in relation to this task. These procedures, which do not include an audit or a limited review of the financial information underlying the preparation of the Pro forma Financial Information, mainly consisted of the following: ascertaining that the basis on which this Pro Forma Financial Information was drawn up matched the source documents as described in the explanatory notes to the Pro Forma Financial Information; reviewing the evidence justifying the pro forma restatements; and conducting interviews with the management of Générale de Santé S.A. to gather the information and explanations we deemed necessary.

In our opinion:

- the Pro Forma Financial Information has been prepared correctly and on the basis indicated;
- this basis is consistent with the accounting methods applied by the issuer.

This report is issued for the sole purpose of:

- filing the universal registration document with the AMF;
- and, where applicable, the admission to trading on a regulated market, and/or a public offer of financial securities of Ramsay Générale de Santé in France and in other European Union countries in which the prospectus approved by the AMF is published;

and may not be used in any other context.

Paris-La Défense, 31 October 2019

The Statutory Auditors

DELOITTE & ASSOCIES		**ERNST & YOUNG Audit**	
Jean-Marie Le Guiner	**Stéphane Lemanissier**	**Pierre Jouanne**	**May Kassis Morin**

2.3 REVIEW OF THE FINANCIAL POSITION AND RESULTS

2.3.1 REMARKS ON THE COMPANY'S RESULTS AND FINANCIAL POSITION

The following remarks and analysis relating to the Group's financial position should be read in conjunction with this activity report as a whole, and in particular with the Company's consolidated financial statements for the periods ended 30 June 2018 and 30 June 2019.

The alternative performance indicators are as follows:

Alternative performance indicators	Definition	Justification of use
Organic growth	This refers to growth measured at a constant scope of consolidation.	Used to evaluate the attractiveness of our model and to measure the development of operations related to the acquisition of new patients at a constant scope of consolidation.
External growth	This refers to growth that is not organic.	Measures the impact of acquisitions that have changed the scope of consolidation of the company.
Constant scope of consolidation	Incoming entities are processed as follows: - Entities entering the scope of consolidation in the current year must have the contribution from the acquired entity deducted from the performance indicators in the current year, - Entities entering the scope of consolidation in the previous year must have the contribution from the acquired entity deducted from the performance indicators of the previous months in the month of the acquisition. Outgoing entities are processed as follows: - Entities leaving the scope of consolidation in the current year, must have the contribution of the outgoing entity deducted in the previous year from the performance indicators for the months after the entity leaves the scope of consolidation. - For entities leaving the scope of consolidation in the previous year, the contribution of the ongoing entity must be deducted for the full previous period.	Enables a comparison of the financial statements from one period with those of another and allows for measurement of the company's economic and financial performance without the acquisition of other companies or the disposal of operations having an effect.
Current operating profit	Operating profit before other non-current income or expenses, consisting of restructuring costs (expenses and provisions), gains or losses from disposal, or significant and non-recurring depreciation or amortisation of non-current assets, whether tangible or intangible; also, other operating expenses and income such as provisions relating to major litigation.	Measures the recurring profit of the Group excluding non-current items of significant value or items that do not reflect the operating performance of the Group.
Gross operating surplus	Current operating profit before depreciation and amortisation (expenses and provisions in the income statement are grouped according to their nature).	Reflects the pure performance and profitability of the Group's operations, independently of its system of amortisation and depreciation, of its financing and of non-recurring events.
Net financial debt	Net financial debt consists of gross financial debt, less financial assets. Gross financial debt consists of: - bank loans, including incurred interest; - loans relating to finance leases including incurred interest; - fair value hedging instruments recognised in the balance sheet net of tax;	This credit or debit position of the Group relative to third parties outside the operating cycle is used for several financial ratios, including for calculating the leverage effect.

Alternative performance indicators	Definition	Justification of use
	- current financial debt in relation to current financial accounts with minority investors; - bank overdrafts. Financial assets consist of: - the fair value of hedging instruments recognised in the balance sheet net of tax; - current financial receivables in relation to current financial accounts with minority investors - cash and cash equivalents, including treasury shares held by the Group (considered as marketable securities); - financial assets directly linked to the loans taken out and recognised in gross financial debt	
Gross financial debt	Gross financial debts consist of: - bank loans, including incurred interest; - loans relating to finance leases including incurred interest; - fair value hedging instruments recognised in the balance sheet net of tax; - current financial debt in relation to current financial accounts with minority investors; - bank overdrafts.	Evaluates the sum of financing commitments made by the Group.
Net cash	Net cash consists of: - cash and cash equivalents - bank overdrafts.	Enables the identification of financial resources that can be deployed at short notice by the Group.

A General overview

The Company and all its subsidiaries are the second largest private player in medical treatment and health care services in Europe.

Ramsay Générale de Santé's operations in France mainly consist of healthcare provided at clinics (see section 1.2.5: Description of activities), representing 99.2% of consolidated revenue at 30 June 2019 (excluding Capio).

With almost 8,000 practitioners across a wide range of specialist fields operating at its facilities in France, Ramsay Générale de Santé caters for all fields of hospitalisation and has a network providing a comprehensive healthcare service on a local and national basis.

During the 2019 financial year, the number of admissions to the facilities of the Ramsay Générale de Santé group amounted to nearly 2,560,000 admissions, including 2,080,000 to the "historical" RGdS facilities (at a constant scope of consolidation) and 483,000 to the Capio facilities. Of these 2,080,000 stays, 1,650,000 were in medicine/surgery/obstetrics, 183,650 in mental health, and 250,000 in sub-acute care and rehabilitation.

Over the same period, emergency services recorded 750,000 visits in the countries in which we operate. About 130,000 chemotherapy sessions and nearly 495,000 dialysis sessions were provided.

In total, seven million patients were thus cared for by the group's professionals, with the latter carrying out twenty million consultations.

The Group's consolidated revenue for the period ending 30 June 2019 was EUR 3,401.1 million, compared to EUR 2,241.5 million for the period 1 July 2017 to 30 June 2018. This increase in revenue is almost entirely explained by the consolidation of the Capio Group as from 7 November 2018, which contributed EUR 1,100.9 million to the Group's consolidated revenue.

B Business revenue and operating results

(i) Revenue

In private healthcare facilities in **France**, healthcare professionals work on an independent basis. InIn the Medicine/Surgery/Obstetrics sector (MSO), doctors provide an intellectual service of a medical nature and invoice the fees, under their name or that of their professional practice, corresponding to the acts they performed as part of this intellectual service for the benefit of patients during their hospitalisation. For their part, in return for providing staff, technical platforms, medicines and medical devices, healthcare facilities invoice the health insurance company a fixed amount (fee) based on fee structures. In the context of per-service pricing (T2A), Homogeneous Inpatient Groups (GHS) corresponds to the rate of the Diagnosis Related Groups (GHM). The vast majority of GHMs correspond to only one GHS, i.e. a single tariff, but in some cases, a GHM may have two or more rates (depending, for the same coverage – for the same GHM – on different levels of equipment, for example)[13].

Conventional fees are paid by the Social Security scheme and any overruns are covered by the supplementary insurance fund or, failing that, by the patient himself.

In accordance with Articles R.161-40 et seq. of the Social Security Code, this invoicing is carried out on a group invoicing form (S3404 form) which summarises all the pricing services of the facilities and those of the doctors. This form is kept, filled out and sent to social organisations by the administrative services of private healthcare facilities.

Legally, the facilities do not intervene in their own name with regard to the invoicing of the fees of private health professionals, which are paid directly by the health insurance organisations into a "practitioner agent" account. This account, placed under the responsibility of a designated practitioner, is separate from the account of the facilities, to which the only hospitalisation rates (GHS) due to them in consideration for hospital services are paid.

In addition, the healthcare facilities charge the self-employed health professionals working there a fee to cover the costs of providing various services, including the invoicing of fees by the facilities' staff.

Group revenue in 2018 and 2019 also included sums for chemotherapy drugs rebilled to social security amounting to EUR 64.6 million at 30 June 2018 and EUR 70.1 million at 30 June 2019.

The services provided in **Sweden** are mainly financed by public expenditure, with most of the remainder paid by the patient consisting of medicines. Supplementary health insurance is still very rare. Health care facilities in Sweden are paid according to their profile: on a fee-for-service, global endowment or capitation basis.

The healthcare provided by **Capio Norway** is mainly financed by the private sector through insurance companies, companies or individual patients.

In Denmark, medical care is financed almost entirely by private insurance companies, associations and patients with their own funds.

The Capio Group's revenues in Scandinavia fall into two categories: fees, where the rate is set according to the treatment provided; flat fee, where an amount is set for each patient affiliated to a primary care centre, irrespective of the treatment requested and provided.

For healthcare activities, the table below shows the respective share of healthcare payments, specific services and amounts paid by practitioners contributing to Générale de Santé's revenue for the last two financial years 2018 and 2019:

Year ended	**30 June 2018**	**30 June 2019**
Activity	(as a % of revenue)	
Payment of healthcare (medicine and surgery)	87.8%	88.9%
Ancillary services (accommodation, television)	6.1%	5.3%
Sums paid by practitioners and others	6.1%	5.8%

[13] Source : Ministère des solidarités et de la santé.

The table below shows the breakdown of the Group's revenue for the last two financial years by country:

Revenue (in millions of euros)	from 1 July 2017 to 30 June 2018	%	from 1 July 2018 to 30 June 2019	%
France	2 217.3	98.9%	2 658.3	78.2%
Sweden			552.4	16.2%
Norway			52.1	1.5%
Denmark...			33.9	1.0%
Germany...			80.1	2.4%
Italy...	24.2	1.1%	24.3	0.7%
TOTAL	**2 241.5**	**100.0%**	**3 401.1**	**100.0%**

(ii) Costs and charges

The table below shows the breakdown of costs and expenses incurred by the Group for the last two financial years, as well as the percentage of Group revenue this represents:

Year ended	30 June 2018		30 June 2019	
	(in millions of euros)	% of revenue	(in millions of euros)	% of revenue
Staff costs and employee profit-sharing	(971.5)	(43.3)	(1 647.9)	(48.5)
Purchases used	(450.0)	(20.1)	(644.7)	(19.0)
Other operating expenses	(280.7)	(12.5)	(408.6)	(12.0)
Taxes and duties	(93.8)	(4.2)	(109.0)	(3.2)
Rents	(189.9)	(8.5)	(260.1)	(7.6)
TOTAL	**(1 985.9)**	**(88.6)**	**(3 070.3)**	**(90.3)**

The main operating costs are as follows:

- staff costs, including wages and salaries, social security contributions and other staff outlays, including profit-sharing. These costs depend mainly on the number of employees and the level of salaries. Since 2014, the Competitiveness and Employment Tax Credit (CICE created by the Third Amending Finance Act for 2012 - Article 66) has been reported as a reduction in personnel expenses. The ratio of staff costs as a percentage of revenue has increased over the last two years (43.3% at 30 June 2018 and 48.5% at 30 June 2019). Excluding the impact of the CICE tax credit, the 2019 ratio stood at 48.8% of revenue.

- purchases consumed also include the costs of chemotherapy drugs, the sale of which (at purchase price) is recognised as revenue. The cost of purchases used as a percentage of revenue dropped to 20.1% at 30 June 2018, compared to 19.0% at 30 June 2019.

- other operating expenses mainly consist of subcontracted cleaning and catering costs. Expressed as a percentage of revenue, these expenses decreased slightly over the period (12.5% at 30 June 2018 and 12.0% at 30 June 2019).

- taxes and duties mainly consist of the "CFE" real estate contribution, local taxes and tax on wages. Pursuant to IAS 12, the Company Value-Added Contribution ("CVAE") that qualifies as a tax meets the definition of income tax. The impact on the financial statements at 30 June 2019 was a reclassification of EUR 24 million from operating expenses to "Income tax". "Taxes and duties" expressed as a percentage of revenue were 4.2% at 30 June 2018, compared to 3.2% at 30 June 2019.

- rentals mainly consists of sums paid under leases for heavy-duty equipment and a number of Group facilities, and property tax on these. These expenses decreased as a percentage of revenue, from 8.5% at 30 June 2018 to 7.6% at 30 June 2019.

(iii) Gross operating surplus and current operating profit

The table below shows the breakdown of the Group's EBITDA and current operating profit for the last two financial years. EBITDA corresponds to earnings before depreciation/amortisation. Pursuant to IAS 1, charges and provisions on the income statement are grouped according to their nature.

Year ended	30 June 2018		30 June 2019	
	(in millions of euros)	% of revenue	(in millions of euros)	% of revenue
EBITDA	255.6	11.4%	330.8	9.7
Depreciation/amortisation	(129.9)	(5.8%)	(173.9)	(5.1)
Current operating profit	125.7	5.6%	156.9	4.6

Given their significant portion of the Group's revenue, clinical care activities have been the main contributor to the Group's EBITDA over the last two financial years.

(iv) Cost of net debt and other non-current income and expenses

The table below shows the breakdown of the cost of net debt and other income and expenses over the last two financial years:

Year ended	30 June 2018		30 June 2019	
	(in millions of euros)	% of revenue	(in millions of euros)	% of revenue
Cost of net financial debt	(39.1)	(1.7%)	(66.9)	(1.97%)
Other non-current income and expenses	(59.9)	(2.7%)	(38.1)	(1.1%)
Of which:				
- restructuring	(58.0)	--	(44.9)	--
- gains/losses gains on property sales	(1.9)	--	--	--
- gains/losses on disposals of companies	---	--	6.8	--
Impairment losses	---	--	--	--

The cost of net financial debt includes the cost of gross financial debt (interest on bank loans and on leased financial assets after rate hedging) and cash and cash equivalents.

Other non-current income and expenses include restructuring costs (charges and provisions) amounting to EUR (44.9) million, and capital gains on the disposal of companies amounting to EUR 6.8 million.

(v) Operating results

The table below shows the net profit attributable to the Ramsay Générale de Santé Group over the last two financial years:

Year ended	30 June 2018		30 June 2019	
	(in millions of euros)	% of revenue	(in millions of euros)	% of revenue
Profit (loss)	7.3	0.3%	8.2	0.2%

C Market trends and other factors affecting results

(i) General overview

Générale de Santé conducts its business in a regulated environment in which the prospects of organic growth of its revenue, its margin and profits depend to a large extent on trends in healthcare prices set by the authorities. In France, the Group therefore strictly applies, in particular to all business activities covered by Article L.162-22-6 of the Social Security Code, the tariffs set by the Ministries of Health and Budget and published in the Official Journal each year for application in the current year.

In this context, Ramsay Générale de Santé relies first and foremost on the quality and range of its services and on the reputation of its medical teams and its equipment to attract new patients and increase the volume of the healthcare it provides. Ramsay Générale de Santé also expands its range of services by developing dynamic market segments such as sub-acute care and rehabilitation. It also makes acquisitions it considers strategic in order to have a presence in all segments of healthcare and in the geographical areas where it has chosen to be a key player.

To this end, on 4 July 2017, the Group acquired the Hôpital Privé de l'Est Lyonnais, which completed its presence in the Lyon area. More recently, in July 2018, Ramsay Générale de Santé took control of Clinique La Parisière, which completed its establishment in the Drôme Ardéche area.

In addition, on 8 November 2018, following the end of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that on 7 November 2018, it had acquired 98.51% of the capital of Capio, one of Europe's leading providers of healthcare and health services, enabling the Group to position itself as a pan-European leader in private hospitalisation and primary care, present in six countries with a prominent role in Scandinavia (in particular Sweden) and France.

In addition to its external growth, Ramsay Générale de Santé has continuously pursued its internal efforts to improve its operating margins. This effort has focused on (i) boosting its healthcare services by investment in capacity (to deploy new administrative permits and/or changes to the capacities of its facilities in terms of permits, operating theatres or heavy-duty equipment) in order to achieve economies of scale; (ii) boosting its use of operating theatres and heavy-duty equipment; (iii) controlling the costs of non-healthcare services; and (iv) constantly reducing the duration of patients' stays in favour of outpatient facilities, with the same high levels of quality.

At 30 June 2018, reported EBITDA stood at EUR 255.6 million for the full 12-month period.

At 30 June 2019, reported EBITDA was EUR 330.8 million for the full 12-month period.

(ii) Price indexing and changes to margins

Group profits depend mainly on the following three factors:

- greater volumes of healthcare services
- higher rates charged for healthcare services
- reducing the costs incurred by the Company to provide its services

The rates applied by Ramsay Générale de Santé are generally set by the public authorities, which determine in particular the portion of the cost of treatment covered by social security in France, on the basis of the budget constraints of health insurers and, to a lesser extent, the market conditions. In France:

- At 1 March 2018, rates for medical-surgical-obstetrics treatment were down by 1.2% (of which, 0.7% of the prudential ratio).
- At 1 March 2019, rates for medical-surgical-obstetrics treatment were down by 0.2% (of which, 0.7% of the prudential ratio).

Consequently, in general, the Group's margins and profits are affected by decisions taken by the authorities concerning social security expenditure and their desire to control these costs. Faced with these constraints, the Group can only improve its results and operating margins by increasing the volume of its healthcare services and/or by constant efforts to reduce its operating costs.

(iii) Acquisitions and disposals

(a) Acquisitions

Ramsay Générale de Santé seeks to acquire hospital facilities and other assets when it considers that these can contribute synergies to its healthcare network, and if they are of high quality and entail investment expenditure similar to the outlay of the Group.

On 4 July 2017, the Ramsay Générale de Santé Group completed the acquisition of the Hôpital Privé de l'Est Lyonnais. Two groups, "Step" (nine entities) and "JMB" (four entities) were also consolidated.

The cost of this acquisition (effect of shares + net financial debt) of these two operations amounted to EUR 23.4 million at 30 June 2018.

On 26 July 2018, the Group finalised the acquisition of the La Parisière clinic from its shareholder practitioners located in Bourg de Péage in the Valence metropolitan area. The La Parisière Clinic strengthens the Group's presence in the Drôme Ardèche area.

On 8 November 2018, following the end of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that on 7 November 2018, it had acquired 98.51% of the capital of Capio, one of Europe's leading providers of healthcare and health services, enabling the Group to position itself as a pan-European leader in private hospitalisation and primary care, present in six countries with a prominent role in Scandinavia (in particular Sweden) and France.

Capio's contribution to the revenue and EBITDA of the Ramsay Générale de Santé Group since 7 November 2018 amounts to EUR 1,101 million and EUR 65.2 million, respectively

The acquisition cost (effect of shares + net financial debt) of all of these operations amounted to EUR 1293.9 million at 30 June 2019.

(b) Disposals

During the financial year ended 30 June 2018, the Group sold the business asset of a radiotherapy centre (Iridis Lyon).

On 28 June 2019, the Group finalised the sale of the Saint Odile, Orange and Fonvert Avignon Nord clinics to the Elsan Group.

The table below shows the revenue and EBITDA of the divested entities:

	Revenue (in millions of euros)		EBITDA (in millions of euros)		
	Last complete year	Year of disposal (at date of sale)	Last complete year	Year of disposal (at date of sale)	Income from disposals*
2018	5.0	2.6	0.4	0.3	2.1
2019	--	26.4	---	4.9	92.1

* Including effect on debt.

(iv) Indebtedness

At 30 June 2019, net financial debt amounted to EUR 1,641.7 million, compared to EUR 927.1 million at 30 June 2018.

At 30 June 2019, the net cost of borrowing amounted to EUR 66.9 million, compared to EUR 39.1 million at 30 June 2018.

(v) Seasonal volatility

The Group's revenue and profit are slightly affected by seasonality in terms of the number of services provided during the year. The Company has noted in the past that patients do not generally seek non-urgent care during the holiday periods in August and December. The Group's revenue is therefore lower in these two months. Conversely, the volume of hospital services (and therefore Group revenue and net profit) is particularly high in September and January (when students go back to school).

(vi) Cost of personnel/payroll

Staff costs expressed as a percentage of revenue rose from 43.3% at 30 June 2018 to 48.5% as at 30 June 2019.

At 30 June 2018, the CICE tax credit continued to be deducted from staff costs. Staff costs as a percentage of revenue amounted to 43.3% in 2018; excluding the impact of the CICE tax credit, this ratio accounts for 44.9% of revenue.

At 30 June 2019, the CICE tax credit continued to be deducted from staff costs. Staff costs expressed as a percentage of revenue stood at 48.5% in 2018: excluding the impact of the CICE tax credit, the ratio stood at 48.8% of revenue.

D Main accounting items, methods and estimates

Refer to (see Part 2 - Sect. 2.4 – Para. 2.4.2 – B-2) **Notes to the Group's consolidated financial statements for the year ended 30 June 2019**

2.3.2 COMPARISON OF THE PERIODS ENDED 30 JUNE 2019 AND 30 JUNE 2018

(i) Revenue

The table below shows the Company's consolidated revenue for the periods ended 30 June 2019 and 30 June 2018:

(in millions of euros)	From 01/07/2017 to 30/06/2018	From 01/07/2018 to 30/06/2019	Change 2018/2019
Published revenue	2 241.5	3 401.1	51.7%
Revenue at a constant scope of consolidation[(1)]	2 237.0	2 284.5	2.1%
Changes in the scope of consolidation	4.5	1 116.6	

(1) See section 2.2.1.

The Group's consolidated revenue for the period ending 30 June 2019 was EUR 3,401.1 million, compared to EUR 2,241.5 million for the period 1 July 2017 to 30 June 2018. This increase in revenue is almost entirely explained by the consolidation of the Capio Group as from 7 November 2018, which contributed EUR 1,100.9 million to the Group's consolidated revenue.

On a like-for-like basis, the Group's revenue increased by 2.1% with an additional business day.

	Revenue (in millions of euros)		Change 2018/2019	Contribution to total revenue	
	From 01/07/2017 to 30/06/2018	From 01/07/2018 to 30/06/2019		30 June 2018	30 June 2019
France	2 217.3	2 658.3	+19.9%	98.9%	78.2%
Sweden	---	552.4	---	---	16.2%
Norway	---	52.1	---	---	1.5%
Denmark	---	33.9	---	---	1.0%
Germany	---	80.1	---	---	2.4%
Italy	24.2	24.3	+0.41%	1.1%	0.7%
TOTAL	**2 241.5**	**3 401.1**		**100.0%**	**100.0%**

(ii) Staff costs and employee profit-sharing

Staff costs and employee profit-sharing stood at EUR 1647.9 million at 30 June 2019 (accounting for 48.5% of revenue), compared to EUR 971.5 million at 30 June 2018 (43.3% of revenue). In 2019 this amount included the CICE tax credit (excluding the impact of CICE, the ratio was 48.8% of revenue).

(iii) Purchases used

Purchases consumed were EUR 644.7 million at 30 June 2019 (accounting for 19.0% of revenue), compared to EUR 450.0 million at 30 June 2018 (20.1% of revenue).

(iv) Other operating expenses

Other operating expenses were EUR 408.6 million at 30 June 2019 (accounting for 12.0% of revenue), compared to EUR 280.7 million at 30 June 2018 (12.5% of revenue).

(v) Taxes and duties

In France, the 2010 Finance Act introduced a new levy, the "CET" regional economic contribution, to replace the Business Tax. The CET is divided into two contributions: the "CFE" or real estate contribution and the "CVAE" or value-added contribution. The "CVAE" contribution is presented as a tax on profits ("CFE" is considered an item of operating expenditure).

Taxes and duties amounted to EUR 109.0 million at 30 June 2019 (accounting for 3.2% of revenue), compared to EUR 93.8 million at 30 June 2018 (4.2% of revenue), up by 16.2%.

(vi) Rents

Rents stood at EUR 260.1 million at 30 June 2019 (accounting for 7.6% of revenue), compared to EUR 189.9 million at 30 June 2018 (8.5% of revenue), up by 37.0%.

(vii) EBITDA

EBITDA was EUR 330.8 million at 30 June 2019, compared to EUR 255.6 million at 30 June 2018, up by 29.4%.

The reported EBITDA/revenue margin stood at 9.7% at 30 June 2019.

EBITDA is broken down between the various areas of Company business as follows at 30 June 2018 and 30 June 2019, excluding CAPIO:

	from 01/07/2017 to 30/06/2018		from 01/07/2018 to 30/06/2019	
	EBITDA (in millions of euros)	**EBITDA (in % of revenue)**	**EBITDA EXCLUDING CAPIO (in millions of euros)**	**EBITDA EXCLUDING CAPIO (in % of revenue)**
Hospital services and healthcare	311.5	13.9%	321.4	14.0%
Head office	(55.9)	(2.5%)	(55.8)	(2.4%)
TOTAL excluding CAPIO	**255.6**	**11.4%**	**265.6**	**11.6%**

(viii) Current operating profit

Current operating profit was EUR 156.9 million at 30 June 2019, or 4.6% of revenue, compared to EUR 125.7 million at 30 June 2018.

Depreciation/amortisation stood at EUR 173.9 million at 30 June 2019, or 5.1% of revenue. At 30 June 2018, depreciation/amortisation stood at EUR 129.9 million with a ratio of depreciation/amortisation to revenue of 5.8%

(ix) Other non-current income and expenses

(in millions of euros)	**from 01/07/2017 to 30/06/2018**	**from 01/07/2018 to 30/06/2019**
Restructuring expenses	(18.0)	(44.0)
Changes in provisions	(37.8)	0.2
Impairment of property, plant and equipment...........	(2.6)	(0.8)
Other expenses/income..	0.4	(0.3)
Total restructuring	**(58.0)**	**(44.9)**
Gains or losses on property sales...........................	(2.1)	--
Gains or losses on disposals of companies	0.2	6.8
Impairment of goodwill...	--	--
TOTAL	**(59.9)**	**(38.1)**

At 30 June 2019, non-current income and expenses represented a net expense of EUR 38.1 million and primarily consisted of:

- The impact of restructuring costs, amounting to EUR (44.0) million.
- The impact of changes in provisions and impairment, at EUR (0.6) million.
- The impact of capital gains on disposals of companies for a net amount of EUR 6.8 million.

At 30 June 2018, non-current income and expenses represented a net expense of EUR 59.9 million and primarily consisted of:

- The impact of restructuring costs, amounting to EUR (18.0) million.
- The impact of changes in provisions and impairment, at EUR (40.4) million.
- The impact of capital losses on property disposals and capital gains on disposals of companies for a net amount of EUR (1.9) million.

(x) Cost of net financial debt

At 30 June 2019, net financial debt amounted to EUR 66.9 million, compared to EUR 39.1 million at 30 June 2018. The average interest rate on net financial debt was approximately 3.27%.

(xi) Income tax

Tax as at 30 June 2019 represented a net expense of EUR 33.0 million, compared to EUR 8.5 million at 30 June 2018.

Excluding the CVAE value-added contribution, the tax amount represents an expense of EUR 9 million.

It should be remembered that, pursuant to the provisions of IAS 12, the CVAE portion qualifying as tax is treated as income tax: the impact on the financial statements at 30 June 2019 was a reclassification of EUR 24.0 million from Taxes and duties to Income Tax.

(xii) Net profit – Group share

After deduction of non-controlling interests of EUR 7.1 million, net profit attributable to the Group was EUR 8.2 million at 30 June 2019, compared to EUR 7.3 million at 30 June 2018.

2.3.3 COMPARISON OF THE PERIODS ENDED 30 JUNE 2018 AND 30 JUNE 2017

(i) Revenue

The table below shows the Company's consolidated revenue for the periods ended 30 June 2018 and 30 June 2017:

(in millions of euros)	From 01/07/2016 to 30/06/2017	From 01/07/2017 to 30/06/2018	Change 2018/2017
Published revenue	2 234.4	2 241.5	0.3%
Revenue at a constant scope of consolidation[1]	2 201.0	2 215.4	0.7%
Changes in the scope of consolidation	33.4	26.1	(21.9%)

[1] See section 2.2.1.

The Group's consolidated revenue for the period ending 30 June 2018 was EUR 2,241.5 million, compared to EUR 2,234.4 million for the period 1 July 2016 to 30 June 2017. This increase in revenue is the result of the strategy of consolidating the divisions' medical projects, in particular with the acquisition in July 2017 of Hôpital Privé de l'Est Lyonnais, and the sale of non-strategic assets such as the Herbert clinic in the Pays de Savoie division.

On a like-for-like basis, the Group's revenue increased by 0.7% despite two fewer working days.

	Revenue (in millions of euros)		Change 2017/2018	Contribution to total revenue	
	From 01/07/2016 to 30/06/2017	From 01/07/2017 to 30/06/2018		30 June 2017	30 June 2018
Business operations in France	2 210.9	2 217.3	0.3%	98.9%	98.9%
Business operations in Italy	23.5	24.2	3.0%	1.1%	1.1%
TOTAL	**2 234.4**	**2 241.5**	**0.3%**	**100.0%**	**100.0%**

(ii) Staff costs and employee profit-sharing

Staff costs and employee profit-sharing stood at EUR 971.5 million at 30 June 2018 (accounting for 43.3% of revenue), compared to EUR 967.8 million at 30 June 2017 (43.3% of revenue). In 2017 this amount included the CICE tax credit (excluding the impact of CICE, the ratio was 44.9% of revenue).

(iii) Purchases used

Purchases consumed stood at EUR 450.0 million at 30 June 2018 (accounting for 20.1% of revenue), compared to EUR 445.0 million at 30 June 2017 (19.9% of revenue).

(iv) Other operating expenses

Other operating expenses stood at EUR 280.7 million at 30 June 2018 (accounting for 12.5% of revenue), compared to EUR 278.3 million at 30 June 2017 (12.5% of revenue).

(v) Taxes and duties

The 2010 Finance Law introduced a new levy, the "CET" regional economic contribution, to replace the Business Tax. The CET is divided into two contributions: the "CFE" or real estate contribution and the "CVAE" or value-added contribution. The "CVAE" contribution is presented as a tax on profits ("CFE" is considered an item of operating expenditure).

Taxes and charges stood at EUR 93.8 million as at 30 June 2018 (accounting for 4.2% of revenue), compared to EUR 95.0 million at 30 June 2017 (4.2% of revenue), down by 1.3%.

(vi) Rents

Rents stood at EUR 189.9 million at 30 June 2018 (accounting for 8.5% of revenue), compared to EUR 182.4 million at 30 June 2017 (8.2% of revenue), up by 4.1%.

(vii) EBITDA

EBITDA was EUR 255.6 million at 30 June 2018, down by 3.9% compared to the figure at 30 June 2017, which was EUR 265.9 million.

The reported EBITDA/revenue margin stood at 11.4% at 30 June 2018.

EBITDA is broken down between the various areas of Company business as follows at 30 June 2017 and 30 June 2018:

	from 01/07/2016 to 30/06/2017		from 01/07/2017 to 30/06/2018	
	EBITDA (in millions of euros)	EBITDA (in % of revenue)	EBITDA (in millions of euros)	EBITDA (in % of revenue)
Hospital services and healthcare	318.1	14.2%	311.5	13.9%
Head office	(52.2)	(2.3%)	(55.9)	(2.5%)
TOTAL	**265.9**	**11.9%**	**255.6**	**11.4%**

(viii) Current operating profit

Current operating profit was EUR 125.7 million at 30 June 2018, or 5.6% of revenue, compared to EUR 132.5 million at 30 June 2017.

Depreciation/amortisation stood at EUR 129.9 million at 30 June 2018, 5.8% of revenue. The ratio of depreciation/amortisation to revenue was 6.0% at 30 June 2017.

(ix) Other non-current income and expenses

(in millions of euros)	from 01/07/2016 to 30/06/2017	from 01/07/2017 to 30/06/2018
Restructuring expenses	(9.8)	(18.0)
Changes in provisions	(1.9)	(37.8)
Impairment of property, plant and equipment...........	10.0	(2.6)
Other expenses/income	0.0	0.4
Total restructuring	**(1.7)**	**(58.0)**
Gains or losses on property sales...........................	2.0	(2.1)
Gains or losses on disposals of companies	5.8	0.2
Impairment of goodwill	--	--
TOTAL	**6.1**	**(59.9)**

At 30 June 2018, non-current income and expenses represented a net expense of EUR 59.9 million and primarily consisted of:

- o The impact of restructuring costs, amounting to EUR (18.0) million.
- o The impact of changes in provisions and impairment, at EUR (40.4) million.
- o The impact of capital losses on property disposals and capital gains on disposals of companies for a net amount of EUR (1.9) million.

At 30 December 2017, other non-current income and expenses represented a net income of EUR 6.1 million, primarily composed of:

- The impact of capital gains on property sales, EUR 2.0 million.
- The impact of capital gains on disposals of companies for a net amount of EUR 5.8 million.
- The impact of restructuring costs net of changes in provisions for EUR (1.7) million.

(x) Cost of net financial debt

At 30 June 2018, the cost of net financial debt amounted to EUR 39.1 million, compared to EUR 39.8 million at 30 June 2017. The average interest rate on gross financial debt over the period was approximately 3.27%, compared to 3.5% in 2017.

(xi) Income tax

Tax as at 30 June 2018 represented a net expense of EUR 8.5 million, compared to EUR 29.0 million at 30 June 2017.

Excluding the CVAE value-added contribution, the tax amount represents an income of EUR 14.1 million.

It should be remembered that, pursuant to the provisions of IAS 12, the CVAE portion qualifying as tax is treated as income tax: the impact on the financial statements at 30 June 2018 was a reclassification of EUR 22.6 million from Taxes and duties to Income Tax.

(xii) Net profit – Group share

After deduction of non-controlling interests of EUR 7.8 million, net profit attributable to the Group was EUR 7.3 million at 30 June 2018, compared to EUR 57.0 million at 30 June 2017.

2.3.4 LIQUIDITY AND CAPITAL RESOURCES

A Cash

In 2019, the Group used cash mostly for:

- investment in tangible and intangible assets (EUR 178.0 million at 30 June 2019)
- financial investments (EUR 824.3 million at 30 June 2019)
- payment of dividends to non-controlling shareholders of consolidated companies (EUR 6.8 million at 30 June 2019)
- net interest on borrowings (EUR 58.9 million at 30 June 2019)
- repayment on borrowings (EUR 1,022.8 million at 30 June 2019)

The main sources of cash were as follows:

- net cash flow generated by business operations (EUR 213.6 million)
- capital increase (EUR 557.8 million)
- increased borrowing (EUR 1,305.3 million)

At 30 June 2019 the Group had a positive cash position of EUR 368.5 million. At the same date, the working capital requirement related to operations was EUR -130.4 million. This is due to the fact that, in the hospital sector, customer receivables are recovered from social security bodies and private health insurance bodies. Social security repayments are received faster than the Group's payments to suppliers, therefore payables generally exceed customer receivables. Non-recoverable debts, moreover, only account for a negligible portion of income.

At 30 June 2019 the Group had invested EUR 219.1 million in existing fixed assets (industrial investment: purchase of property and equipment), including a EUR 41.1 million industrial investment package on a financial lease.

At 30 June 2019, financial investments amounted to EUR 824.3 million (share acquisition cost of EUR 835.3 million + cash from new entrants of EUR -11 million).

The total amount (cash/financial lease) of industrial and financial investment was therefore EUR 1,043.4 million at 30 June 2019.

The table below shows the breakdown of expenditure for each type of investment:

Investment - cash/financial lease	30 June 2018		30 June 2019	
	(in millions of euros)	% of revenue	(in millions of euros)	% of revenue
Investment - maintenance/renewal	68.7	3.1%	106.4	3.1%
Investment - restructuring	25.8	1.1%	20.6	0.6%
Grouping/creation/conversion	16.2	0.7%	35.0	1.0%
TOTAL INDUSTRIAL INVESTMENTS excluding capacity	**110.7**	**4.9%**	**162.0**	**4.8%**
Investment - capacity/innovation	20.6	0.9%	57.1	1.7%
TOTAL NET INDUSTRIAL INVESTMENT	**131.3**	**5.8%**	**219.1**	**6.4%**
TOTAL FINANCIAL INVESTMENT	**21.1**		**824.3**	
TOTAL INVESTMENT	**152.4**		**1 043.4**	

B Financing

The tables below show the Group's cash flows and net financial debt between 2018 and 2019:

(in millions of euros)	Actual, June 2018 Cumulative	Actual, June 2019 Cumulative
EBITDA	255.6	330.8
Change in working capital requirement	19.1	(25.5)
Net interest paid	(39.1)	(58.9)
Income tax paid	(26.4)	(28.0)
Non-recurring and others	(34.4)	(63.7)
Net industrial investment *(including new capacity + Cap. fin. leases*	(131.3)	(219.1)
AVAILABLE CASH FLOW (excluding property sales) (1)	**43.5**	**(64.4)**
Property sales	7.2	21.3
Loan issue costs	(4.9)	(11.4)
Financial investment	(21.1)	(824.3)
Disposals of financial assets	0.5	65.2
Share capital increase	(0.0)	557.8
Dividends paid out or received	(6.4)	(6.4)
CASH FLOW (before financing operations)	**18.8**	**(262.2)**

(1) Net flow generated by business operations after payment of interest on borrowings, after net industrial investment (including capitalisations of financial leases) and excluding the effect of property sales.

(in millions of euros)	Actual, June 2018 Cumulative	Actual, June 2019 Cumulative
NET DEBT AT BEGINNING OF PERIOD	**964.0**	**927.1**
Cash flow (before financing operations)	(18.8)	262.2
Capitalised loan issue costs (old)	0.0	0.0
Capitalised loan issue costs (new)	(1.4)	(6.6)
Goods held for sale	0.0	0.0
Fair value of hedging instruments	(0.9)	11.2
Changes in the scope of consolidation and other	(15.8)	447.8
NET DEBT AT END OF PERIOD	**927.1**	**1 641.7**

The Group's net financial debt was EUR 1,641.7 million at 30 June 2019, with an average interest rate of 3.27% at 30 June 2019.

The table below shows an analysis of the structure of the Group's net financial debt at 30 June 2018 and 30 June 2019:

(in millions of euros)	Note	30-06-2018	30-06-2019		
		TOTAL	Non-current	Current	TOTAL
Senior debt		845.6	1 590.0	9.8	1 599.8
CAPEX debt		40.0	40.0	--	40.0
TRFA – Total senior debt		**885.6**	**1 630.0**	**9.8**	**1 639.8**
Subordinated bonds		---	---	---	---
Other loans		202.3	171.7	19.3	191.0
Loans under finance leases		184.8	170.9	43.3	214.2
- of which: - finance leases on property		*108.3*	*104.8*	*10.3*	*115.1*
- finance leases on property assets		*76.5*	*66.1*	*33.0*	*99.1*
New debt issue costs		(15.4)	(17.3)	(4.8)	(22.1)
Financial liabilities related to assets held for sale		---	---	---	---
Long-term financial debt		**1 257.3**	**1 955.3**	**67.6**	**2 022.9**
Financial liabilities related to assets held for sale		---	---	---	---
Current account financial liabilities		2.0	---	1.8	1.8
Bank overdrafts		---	---	---	---
GROSS FINANCIAL DEBT (I)		**1 259.3**	**1 955.3**	**69.4**	**2 024.7**
Fair value of hedging instruments		5.2	16.4	---	16.4
Fair value of hedging instruments (II)		**5.2**	**16.4**	**---**	**16.4**(1)
Current account financial assets		(1.8)	---	(2.8)	(2.8)
Cash		(308.0)	---	(368.5)	(368.5)
Other financial assets		(27.3)	(20.9)	(6.9)	(27.8)
Ramsay Générale de Santé treasury shares (marketable securities)		(0.3)	(0.3)	---	(0.3)
FINANCIAL ASSETS (III)		**(337.4)**	**(21.2)**	**(378.2)**	**(399.4)**
NET FINANCIAL DEBT (I) + (II) + (III)	SCF	**927.1**	**1 950.5**	**(308.8)**	**1 641.7**

CLOSING BALANCE SHEET:					
Borrowings and financial debt	(a)	1 195.6	---	---	1 955.3
Current financial debt	(b)	63.7	---	---	69.4
Bank overdrafts	(c)	---	---	---	---
Liabilities associated with non-current assets classified as held for sale		---	---	---	---
- of which: financial liabilities related to non-current assets held for sale	*(d)*	---	---	---	---
GROSS FINANCIAL DEBT A = (a) + (b) + (c) + (d)		**1 259.3**	**---**	**---**	**2 024.7**
Other non-current liabilities	(e)	7.0	---	---	22.1
Deferred taxes	(f)	(1.8)	---	---	(5.7)
Other net non-current liabilities (fair value of financial instruments)	B = (e) + (f)	5.2	---	---	16.4
Other non-current assets (fair value of financial instruments)	(g)	---	---	---	---
FINANCIAL INSTRUMENTS C = (B) – (g)		**5.2**	**---**	**---**	**16.4**
Current financial assets	(h)	(1.8)	---	---	(9.7)
Non-current financial assets	(i)	(27.3)	---	---	(20.9)
Cash	(j)	(308.0)	---	---	(368.5)
Assets associated with non-current assets classified as held for sale	(k)	---	---	---	---
Ramsay Générale de Santé treasury shares (marketable securities)	(l)	(0.3)	---	---	(0.3)
FINANCIAL ASSETS D = (h) + (i) + (j) + (k) + (l)		**(337.4)**	**---**	**---**	**(399.4)**
NET FINANCIAL DEBT (A + C + D)	SCF	**927.1**	**---**	**---**	**1 641.7**

(1) Fair value of the hedging instruments (EUR +22.1 million less tax impact of EUR 5.7 million)

The change in the Group's financial debt between 30 June 2018 and 30 June 2019 is described in paragraph 6.8.1 “Explanatory data on changes in net debt” in Part 2 – Sect. 2.4 – Para. 2.4.2 –B “Notes to the Group's consolidated financial statements for the year ended 30 June 2019”.

Some Group companies concluded cash management agreements (see Part 6 – section 6.3.3 – B).

Financing contract (see Part 2 - Sect. 2.5 – Para. 2.5.1 – A).

Statement of debt authorisation

The detail of the amounts drawn down on the credit facilities is as follows:

Senior debt	Original lines of credit	Duration (Year)	Due date	30 June 2019		
				Amount drawn down	Amount not drawn down	Early repayment
Term B1A facility	500.0	8	03/10/2022	440.0	0.0	60.0
Term B1B facility	160.0	8	03/10/2022	160.0	0.0	0.0
Term B2 facility	240.0	8	03/10/2022	240.0	0.0	0.0
Revolving Credit facility	100.0	8	03/10/2022	0.0	100.0	0.0
Acquisition / Capex facility 1[(1)]	75.0	8	03/10/2022	40.0	35.0	0.0
Term B3A facility	265.6	6	22/10/2024	265.6	0.0	0.0
Term B3B facility	484.4	6	22/10/2024	484.4	0.0	0.0
TOTAL	**1 825.0**			**1 630.0**	**135.0**	**60.0**

(1) Provided a certain level of financial leverage is not exceeded, the company may request that each of its creditors provide an additional line of capex credit.

C Company commitments

Schedule of financial debt

See paragraphs 6.8.4 "Borrowing in connection with financial leases" and 6.12.2 "Liquidity risk" of Part 2 - Section 2.4 - Para. 2.4.2 – B **“Notes to the Group's consolidated financial statements for the year ended 30 June 2019”**.

Off-balance sheet commitments

See para. 6.14 "Off-balance sheet commitments" of Part 2 - Sect. 2.4 – Para. 2.4.2 – B **“Notes to the Group's consolidated financial statements for the year ended 30 June 2019”**.

Financial instruments

See para. 6.12.1 "Off-balance sheet commitments" of Part 2 - Sect. 2.4 – Para. 2.4.2 – B **“Notes to the Group's consolidated financial statements for the year ended 30 June 2019”**.

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2.4 FINANCIAL INFORMATION CONCERNING THE ASSETS, FINANCIAL POSITION AND RESULTS OF THE ISSUE (AND STATUTORY AUDITORS' REPORT)

2.4.1 HISTORICAL FINANCIAL INFORMATION

The activity reports for the periods ended 30 June 2018 and 30 June 2019 are available on the Company website (http://www.ramsaygds.fr) and the AMF website (http://www.amf-france.org).

2.4.2 GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

CONTENTS

A Statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
(in millions of euros)	**Note**	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**
REVENUE		**2 241.5**	**3 401.1**
Staff costs and employee profit-sharing	5.1.1	(971.5)	(1 647.9)
Purchases used		(450.0)	(644.7)
Other operating income and expenses	5.1.2	(280.7)	(408.6)
Taxes and duties		(93.8)	(109.0)
Rents	5.1.3	(189.9)	(260.1)
EBITDA		**255.6**	**330.8**
Depreciation and amortisation		(129.9)	(173.9)
Current operating profit		**125.7**	**156.9**
Restructuring costs		(58.0)	(44.9)
Profit from the management of property and financial assets		(1.9)	6.8
Impairment losses on goodwill		--	--
Other non-current income and expenses	**5.1.4**	**(59.9)**	**(38.1)**
Operating profit		**65.8**	**118.8**
Cost of gross financial debt		(39.8)	(67.4)
Income from cash and cash equivalents		0.7	0.5
Cost of net financial debt	**5.2**	**(39.1)**	**(66.9)**
Other financial income		1.2	2.3
Other financial expenses		(4.4)	(5.9)
Other financial income and expenses	**5.3**	**(3.2)**	**(3.6)**
Income tax	5.4	(8.5)	(33.0)
Amount attributable to associates	6.4	0.1	--
CONSOLIDATED NET PROFIT		**15.1**	**15.3**
Income and expenses recognised directly in equity			
- Actuarial gains and losses on obligations for retirement bonuses		(0.1)	(55.2)
- Change in fair value of hedging instruments		--	(13.1)
- Translation differences		--	8.0
- Tax effect of income and expenses	5.4.6	1.0	11.8
Profit recognised directly in equity		**0.9**	**(48.5)**
COMPREHENSIVE INCOME		**16.0**	**(33.2)**

BREAKDOWN OF NET PROFIT (in millions of euros)	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**
- Net profit – Group share	7.3	8.2
- Non-controlling interests	7.8	7.1
NET PROFIT	**15.1**	**15.3**
BASIC EARNINGS PER SHARE (in euros)	0.10	0.10
DILUTED EARNINGS PER SHARE (in euros)	0.10	0..10

BREAKDOWN OF COMPREHENSIVE INCOME (in millions of euros)	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**
- Comprehensive income – Group share	8.2	(40.3)
- Non-controlling interests	7.8	7.1
COMPREHENSIVE INCOME	**16.0**	**(33.2)**

CONSOLIDATED BALANCE SHEET (ASSETS)			
(in millions of euros)	**Note**	**30-06-2018**	**30-06-2019**
Goodwill	6.1	754.4	1 674.8
Other intangible assets	6.2	23.8	263.5
Property, plant and equipment	6.3	869.2	1 107.1
Investments in associates	6.4	0.6	0.3
Other non-current financial assets	6.5	69.1	87.4
Deferred tax assets	5.4.4	45.2	146.3
NON-CURRENT ASSETS		**1 762.3**	**3 279.4**
Inventories	6.10	67.8	98.9
Trade and other operating receivables	6.10	157.6	361.0
Other current assets	6.10	190.6	231.9
Tax assets	5.4.2	9.8	11.8
Current financial assets	6.8	0.3	9.7
Cash and cash equivalents	6.8	308.0	368.5
Assets held for sale	6.11	5.6	--
CURRENT ASSETS		**739.7**	**1 081.8**
TOTAL ASSETS		**2 502.0**	**4 361.2**

The “Note” column indicates the relevant note numbers and/or “IC", "BS", "E" and "SCF" where “IC" = income statement, "BS" = balance sheet, "E" = equity and "SCF" = statement of cash flows.

CONSOLIDATED BALANCE SHEET (LIABILITIES)			
(in millions of euros)	**Note**	**30-06-2018**	**30-06-2019**
Share capital	6.6.1	56.9	82.7
Share premium		71.2	611.2
Consolidated reserves	6.6.2	334.8	293.6
Net profit – Group share	IC	7.3	8.2
Equity – Group share	E	**470.2**	**995.7**
Non-controlling interests	E	40.8	42.8
TOTAL EQUITY	E	**511.0**	**1 038.5**
Borrowings and financial debt	6.8	1 195.6	1 955.3
Provisions for retirement and other employee benefits	6.9	51.0	132.9
Non-current provisions	6.9	63.5	128.3
Other non-current liabilities	6.5	12.2	32.4
Deferred tax liabilities	5.4.4	50.9	112.6
NON-CURRENT LIABILITIES		**1 373.2**	**2 361.5**
Current provisions	6.9	17.8	36.5
Suppliers	6.10	191.9	266.2
Other current liabilities	6.10	329.5	574.3
Tax liabilities	5.4.2	13.3	14.8
Current financial debt	6.8	63.7	69.4
Bank overdrafts	6.8	---	---
Liabilities related to assets held for sale	6.11	1.6	---
CURRENT LIABILITIES		**617.8**	**961.2**
TOTAL LIABILITIES		**2 502.0**	**4 361.2**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY									
(in millions of euros)	Note	CAPITAL	SHARE PREMIUM	RESERVES	PROFIT (LOSS) RECOGNISED DIRECTLY IN EQUITY	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	EQUITY – GROUP SHARE	NON-CONTROLLING INTERESTS	EQUITY
Equity at 30 June 2017		**56.9**	**71.2**	**288.2**	**(11.3)**	**57.0**	**462.0**	**40.0**	**502.0**
Capital increase (including costs net of tax)	SCF	--	--	--	--	--	--	--	--
Treasury shares		--	--	--	--	--	--	--	--
Stock options and free shares		--	--	--	--	--	--	--	--
Profit for N-1 to be appropriated		--	--	57.0	--	(57.0)	--	--	--
Distribution of dividends	SCF	--	--	--	--	--	--	(7.0)	(7.0)
Changes in the scope of consolidation		--	--		--	--	--	--	--
Total comprehensive income for the year		--	--	--	0.9	7.3	**8.2**	7.8	16.0
Equity at 30 June 2018		**56.9**	**71.2**	**345.2**	**(10.4)**	**7.3**	**470.2**	**40.8**	**511.0**
Share capital increase (after deduction of issue costs net of tax)	SCF	25.8	540.0	--	--	--	565.8	--	565.8
Treasury shares		--	--	--	--	--	--	--	--
Stock options and free shares		--	--	--	--	--	--	--	--
Profit for N-1 to be appropriated		--	--	7.3	--	(7.3)	--	--	--
Distribution of dividends	SCF	--	--	--	--	--	--	(6.8)	(6.8)
Changes in the scope of consolidation		--	--		--	--	--	1.7	1.7
Total comprehensive income for the year		--	--	--	(48.5)	8.2	(40.3)	7.1	(33.2)
Equity at 30 June 2019		**82.7**	**611.2**	**352.5**	**(58.9)**	**8.2**	**995.7**	**42.8**	**1 038.5**

STATEMENT OF INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY					
(in millions of euros)	30-06-2017	Income and expenses from 1 July 2017 to 30 June 2018	30-06-2018	Income and expenses from 1 July 2018 to 30 June 2019	30-06-2019
Translation differences	**(0.3)**	--	**(0.3)**	8.0	**7.7**
Actuarial gains and losses on pension obligations	**(4.9)**	0.5	**(4.4)**	(43.9)	**(48.3)**
Fair value of hedging instruments	**(6.1)**	0.4	**(5.7)**	(12.6)	**(18.3)**
Income and expenses recognised directly in equity	**(11.3)**	**0.9**	**(10.4)**	**(48.5)**	**(58.9)**

CONSOLIDATED STATEMENT OF CASH FLOWS			
(in millions of euros)	**Note**	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**
Consolidated net profit	IC	15.1	15.3
Depreciation and amortisation	IC	129.9	173.9
Other non-current income and expenses	IC	59.9	38.1
Amount attributable to associates	IC	(0.1)	--
Other financial income and expenses	IC	3.2	3.6
Cost of net financial debt	IC	39.1	66.9
Income tax	IC	8.5	33.0
Gross operating surplus	IC	**255.6**	**330.8**
Non-cash items relating to recognition and reversal of provisions (transactions of a non-cash nature)	6.9	(2.9)	(9.7)
Other non-current income and expenses paid	5.1.4	(18.0)	(44.0)
Change in other non-current assets and liabilities	6.5	(13.5)	(10.0)
Cash flow from operations before cost of net financial debt and tax		**221.2**	**267.1**
Income tax paid	5.4.2	(26.4)	(28.0)
Change in working capital requirement	6.10	19.1	(25.5)
NET CASH FLOWS FROM OPERATING ACTIVITIES: (A)		**213.9**	**213.6**
Investments in tangible and intangible assets	6.3	(62.6)	(178.0)
Disposals of tangible and intangible assets		7.2	21.3
Acquisition of entities	3.2	(21.1)	(824.3)
Disposal of entities	3.2	0.5	65.2
Dividends received from non-consolidated companies	5.3	0.6	0.4
NET CASH FLOWS FROM INVESTING ACTIVITIES: (B)		**(75.4)**	**(915.4)**
Capital increase and share premium (a)			557.8 (1)
Dividends paid to non-controlling interests of consolidated companies: (b)	E	(7.0)	(6.8)
Interest expense paid: (c)	5.2	(39.8)	(59.4)
Financial income received: (d)	5.2	0.7	0.5
Loan issue costs: (e)		(4.9)	(11.4)
Cash flows before debt: (e) = (A+B+a+b+c+d+e)		**87.5**	**(221.1)**
Increase in financial debt: (f)	6.8.1	122.2	1 305.3
Repayment of financial debt: (g)	6.8.1	(82.5)	(1 022.8)
NET CASH FLOWS FROM FINANCING ACTIVITIES: (C) = a + b + c + d + f + g		**(11.3)**	**763.2**
CHANGE IN NET CASH POSITION: (A + B + C)		**127.2**	**61.4**
Impact of changes in foreign exchange rates		---	(0.9)
Opening cash balance	B	180.8	**308.0**
Closing cash balance	B	308.0	**368.5**
Opening net debit balance	6.8	**964.0**	**927.1**
Cash flow before changes in indebtedness: (e)		(87.5)	221.1
Capitalised finance leases	6.8	68.7	41.1
Capitalised loan issue costs	6.8.1	(1.4)	(6.6)
Goods held for sale	6.11	--	--
Fair value of hedging instruments	6.8	(0.9)	11.2
Changes in the scope of consolidation and other	3.2	(15.8)	447.8
Net debt at end of period	6.8	**927.1**	**1 641.7**

(1) *Change in shareholders' equity 565.8 less non-cash interest of EUR 8 million*

B Notes to the Group's consolidated financial statements for the year ended 30 June 2019

1 - FOREWORD: SIGNIFICANT EVENTS DURING THE YEAR

Acquisition of Capio

On 8 November 2018, following the end of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that on 7 November 2018, it had acquired 98.51% of the capital of Capio, one of Europe's leading providers of healthcare and health services, enabling the Group to position itself as a pan-European leader in private hospitalisation and primary care, present in six countries with a prominent role in Scandinavia (in particular Sweden) and France.

The public takeover bid by Ramsay Générale de Santé concerned all of Capio's shares at a price of SEK 58 per share. The price of the Capio acquisition thus amounted to EUR 779.7 million (fair value of the 139,050,816 Capio shares at SEK 58 per share converted at the SEK/EUR hedging rate of 10.3437).

Ramsay Générale de Santé initiated a mandatory squeeze-out procedure for shares that it did not hold at the end of the offer and convertible bonds issued by Capio to its employees on 30 April 2016, pursuant to the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)). As part of this mandatory squeeze-out procedure, Capio initiated the procedure for delisting the Capio shares from Nasdaq Stockholm on 28 November 2018.

On 29 May 2019, Ramsay Générale de Santé obtained the early transfer of all the remaining shares of Capio and now controls 100% of the company. The final price of the shares transferred under the squeeze-out will be determined in this procedure.

As from 31 December 2018, the full method (presentation with 100% of the shares acquired) was adopted.

Other changes in the scope of consolidation

On 26 July 2018, the Group finalised the acquisition of the La Parisière clinic from its shareholder practitioners located in Bourg de Péage in the Valence metropolitan area. The La Parisière Clinic strengthens the Group's presence in the Drôme Ardèche area.

On 28 June 2019, the Group finalised the sale of the Sainte Odile, Orange and Fonvert Avignon Nord clinics to the Elsan Group.

Approval of the acquisition of Capio

Ramsay Générale de Santé secured financing for the acquisition of Capio (i) through the issuing of subordinated bonds underwritten by its two majority shareholders, Ramsay Health Care (UK) and Crédit Agricole Dialogue ("Predica"), amounting to EUR 550 million, and (ii) by setting up a loan of EUR 750 million, of which the initial lenders are Crédit Agricole Corporate & Investment Bank and Société Générale, which takes the form of an additional line of credit ("Incremental Facility") set up under the 2014 Credit Agreement, as amended.

The amount of these funds is intended to cover the acquisition price of 100% of the shares to be acquired as part of the offer and the subsequent mandatory squeeze-out, and the refinancing of Capio's debt, which amounted to EUR 465.4 million as at 31 December 2018, as well as the associated operating costs.

The Group's rating agencies, taking into account the impact of the Capio acquisition and its strategic logic, confirmed their rating of the Group at the end of November 2018 (Standard & Poor's: BB-; Moody's: Ba3).

The acquisition costs relating to the Capio transaction amount to EUR 16.3 million.

Share capital increase

On 22 March 2019, Ramsay Générale de Santé S.A. announced the launch of a capital increase with preferential subscription rights of approximately EUR 625 million as part of the refinancing of the Capio acquisition, as follows:

- Offer basis: 1 new share for 2 current shares
- Unit subscription price: EUR 16.46 per new share
- Negotiation period for preferential subscription rights: from 25 March 2019 to 3 April 2019 inclusive
- Subscription period: from 27 March 2019 to 5 April 2019 inclusive

The capital increase resulted in the issuing of 34,432,595 new shares at a unit price of EUR 16.46, representing a gross amount raised (including issue premium) of EUR 566,760,513.70.

At the end of the subscription period, which finished on 5 April 2019, 34,356,485 new shares had been subscribed as of right and 76,110 new shares made redeemable.

In accordance with their subscription commitments, the two majority shareholders of Ramsay Générale de Santé, Ramsay Health Care (UK) and Prévoyance Dialogue du Crédit Agricole (“Predica”), subscribed to the capital increase in full by offsetting receivables against the company's certain, liquid and due receivables they held in respect of the subordinated bonds used to finance the acquisition of Capio, for EUR 318.1 million and EUR 239.9 million respectively. Their stake increased to 52.53% and 39.62% of the capital respectively after the capital increase.

The share capital of Ramsay Générale de Santé is currently composed of 110,389,690 shares with a nominal value of EUR 0.75 each, amounting to a total of EUR 82,792,267.50.

Restructuring

The Ramsay Générale de Santé Group is constantly seeking to adapt its organisational model to its economic and regulatory environment with the aim of strengthening its capacity to invest in the quality and range of services provided to patients.

With this efficiency objective in mind, on 13 October 2017 the Group announced a project to create a shared services platform for all of its facilities, which will run until 2021, gradually bringing together the accounting/finance and HR functions of the entire Group.

With the aim of harmonising the treatment of employees whose positions will be directly impacted by this project, the Group's management sought to propose a set of social measures that it would undertake to implement across all of the Group's facilities in France. To this end, it contacted the representative trade unions in order to negotiate the content of these measures.

On 18 December 2017, an agreement was signed on the conditions for social dialogue within the framework of the project, as well as an agreement on social measures for all employees impacted by the project.

Following the success of the pilots, the "0” information/consultation meetings with the other divisions took place between 18 June and 25 June 2018; the economic ratings of each company were submitted to the employee representative bodies on this occasion.

The phased transfer to the new platform is continuing according to the original schedule:

- November 2018: Dijon division
- January 2019: HP Est Lyonnais, IDF Est and IDF Ouest divisions
- May 2019: Marseille and IDF Sud divisions

Notifications shall be sent from the month following the changeover.
This provision is reviewed on a monthly basis to take into account the following:

- The costs actually incurred as a result of transfers, departures or dismissals
- Changes to the status of each person concerned (for example, when an eliminated position actually leads to a transfer or early departure).

The calculation is based on actual payroll expenditure and uses the same assumptions as those used to calculate the provisions at the end of June 2018.

The provision for restructuring relating to the creation of a shared services platform that will gradually bring together the accounting/finance and HR functions of the entire Group amounted to EUR 23.1 million at 30 June 2019, compared with EUR 32.2 million at 30 June 2018.

In addition, EUR 0.6 million was recorded as an expense for the period in respect of this initiative.

2 - ACCOUNTING PRINCIPLES

2.1 Statement of compliance and basis of preparation of the financial statements

Ramsay Générale de Santé is a public limited company ("Société Anonyme") incorporated under French law, with its registered office at 39 rue Mstislav Rostropovitch, Paris. Its corporate purpose consists of all business activities of a financial nature carried on directly or through third-party intermediaries, for itself or on behalf of others. It is the parent company of a group that carries on all its business activities in the health care and hospital services sector. The Group's main shareholders are Ramsay Health Care (UK) Limited and Predica.

The Group has prepared its consolidated financial statements under the International Financial Reporting Standards (IFRS) in force at 30 June 2019 as adopted by the European Union, which are available on the website

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The Group's consolidated financial statements are presented in millions of euros. The rounding of values may result in an insignificant discrepancy in certain total values.

The consolidated financial statements at the end of June 2019, including the notes to the financial statements, were prepared by Ramsay Générale de Santé's General Management and reviewed on 23 September 2019 by the Audit Committee, then reviewed and approved by the Board of Directors on 25 September 2019.

2.1.1 *New IFRS standards*

2.1.1.1 New standards, amendments and interpretations in force in the European Union that are applicable or may be applied early for reporting periods beginning on or after 1 January 2019.

In order to prepare its consolidated financial statements for the period ended 30 June 2019, the Ramsay Générale de Santé Group applied the same standards, interpretations and accounting methods as those used to prepare its financial statements for the period ended 30 June 2018, together with the new standards and interpretations adopted by the European Union and applicable at 1 January 2019, as indicated in the table below.

Standard		EU adoption date	Prospective/retrospective treatment	Impact
IAS40 amendments	**Transfers of investment properties**	**1 January 2018**	**Prospective**	**No impact on the financial statements**
IFRS2 amendments	**Clarification of various share-based plans**	**1 January 2018**	**On a case-by-case basis in accordance with the provisions**	**No impact on the financial statements**
IFRS4 amendments	**Insurance contracts**	**1 January 2018**	**On a case-by-case basis in accordance with the provisions**	**No impact on the financial statements**
IFRS9	**Financial instruments**	**1 January 2018**	**On a case-by-case basis in accordance with the provisions**	**No impact on the financial statements**
IFRS15	**Income from ordinary activities derived from contracts with customers**	**1 January 2018**	**Retrospective**	**No impact on the financial statements**
IFRS1	**Removal of short-term exemptions for first-time adopters**	**1 January 2018**		**No impact on the financial statements**
IAS28	**Measurement of each individual investment in associates at fair value through net profit**	**1 January 2018**	**Retrospective**	**No impact on the financial statements**
IFRIC22	**Foreign currency transactions and advance consideration**	**1 January 2018**	**Either**	**No impact on the financial statements**

2.1.1.2 Standards, amendments and interpretations not yet applicable

The Group did not apply any standards or interpretations early whose application was not mandatory at 1 July 2018.

The standards and interpretations which have been published and approved by the European Union but whose application is not yet mandatory are as follows:

IFRIC 23 was endorsed by the European Union on 23 October 2018 and will be applicable for annual periods beginning on or after 1 January 2019. The interpretation relates to the determination of income tax related items when there is uncertainty as to the income tax treatment of an entity with respect to the applicable tax provisions. The Group is assessing the impact of IFRIC 23 in its financial statements but does not expect any significant impact following the implementation of this interpretation.

The IASB published the IFRS 16 standard on Leases in January 2016. This standard requires that companies that lease out significant assets as part of their business activity recognise a financial asset or liability in accordance with the lease commitment.

This standard is effective for periods beginning on or after 1 January 2019.

The Ramsay Générale de Santé Group will apply the new IFRS 16 standard on leases for its financial year beginning 1 July 2019. In preparation for this first application, the Group has established a dedicated work team to identify and analyse lease contracts. It was also in charge of selecting and configuring the IT solution for data processing and contract monitoring.

The Group has decided to adopt the simplified retrospective approach by recognising the cumulative effects of IFRS 16 at the date of first application, without restating comparative periods.

The assets leased by the Group consist mainly of hospital and clinic premises, care centres and offices. For these assets, the balance sheet will be adjusted to recognise a depreciable right of use and related rental debt. This debt will be measured on the basis of the net present value of future leases, including renewal options, in cases where the Group considers their exercise to be reasonably certain. The Group anticipates that this debt will amount to between EUR 1.8 billion and EUR 2.3 billion.

Contracts excluded from restatement are as follows:

- Contracts with a low unit value (less than EUR 50,000),
- Contracts with a term of less than one year,
- Costs directly related to the conclusion of the lease contract.
- Finance leases accounted for in accordance with IAS 17 are not included in the impact described below.

In the income statement, the corresponding lease expense will be replaced by interest and straight-line depreciation expense. The Group's EBITDA level will be significantly adjusted; the amount of operating lease payments restated in accordance with IFRS16 will be between EUR 180 million and EUR 232 million euros. The impact on consolidated net income should result in an additional net charge of between EUR 15 million and EUR 19 million.

This additional expense is based on an estimate that may differ from the actual impacts recorded in the financial statements for the six months ending 30 June 2020, due to possible changes in the portfolio of leased assets during the coming financial year or changes in the assumptions used to date.

In accordance with the debt contract, liabilities relating to lease contracts that will be recognised in accordance with IFRS 16 will not be taken into account for the calculation of the covenants.

The Group has also not opted for early adoption of the standards, amendments, revisions and interpretations of standards published but not endorsed by the European Union.

2.1.2 *Changes in accounting methods*

At 30 June 2019, the Group had not made any changes to its accounting methods.

2.2 - Main accounting principles

2.2.1 - *Consolidation method*

The full consolidation method is applied to the financial statements of the companies over which Ramsay Générale de Santé exercises majority control, either directly or indirectly, i.e. has the power to govern the financial and operating policies of the entity so as to obtain benefits from its business operations. This control may arise from specific shareholder agreements. Companies that are included in the scope of consolidation are consolidated as from the date the controlling interest is acquired.

The companies over which Générale de Santé exercises significant influence are accounted for using the equity method. Significant influence is presumed to exist if more than 20% of the voting power is held. Under the equity method, the investment in the associate is initially recognised at cost and the carrying amount is increased or reduced in order to recognise the Group's ownership interest in the investee's results following the acquisition date.

For companies in which the voting power is shared by Ramsay Générale de Santé and another partner: the full consolidation method is used if Ramsay Générale de Santé exercises de facto or legal control over the company's operational management.

2.2.2 - *Translation of financial statements of foreign companies*

The financial statements of foreign companies whose functional currency is different from the currency used for preparing the Group's consolidated financial statements are translated using the "closing price" method. The balance sheet items are translated at the exchange rate prevailing at the end of the reporting period and the income statement items are translated at the average exchange rate for the period. The translation differences are recognised under "translation differences" in consolidated reserves. The goodwill of foreign companies is considered to form part of the acquired assets and liabilities and, as a result, is translated at the prevailing exchange rate on the reporting date.

The exchange rates used for the conversion of currencies into euros are as follows:

At 30 June 2019	Closing rate	Average rate
Sweden	0.0947	0.0956
Denmark	0.1340	0.1347
Norway	0.1031	0.1033

2.2.3 - *Accounting estimates and assessments*

In application of the Group's accounting methods, the Group’s management makes critical judgements and certain estimates using specific assumptions that have an impact on the amounts recognised in assets and liabilities and the amounts recognised in the profit and loss account for the period. The estimates are made on the basis of the information available on the date when the financial statements are prepared. These estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual results may differ from these estimates.

The main accounting judgements and estimates made by the Group’s management in preparing the financial statements relate primarily to the measurement of goodwill and intangible and tangible assets, the recognition of deferred tax assets, the measurement of provisions for retirement and other employee benefits, and provisions for litigation.

2.3 - Goodwill

Goodwill is the difference between the acquisition cost of the equity instruments of a company included in the scope of consolidation and the Group's share in the fair value, at the acquisition date, of the assets, liabilities and contingent liabilities of the acquired company. The Group restates the assets and liabilities on first consolidation of an entity within a period of 12 months.

The goodwill of companies accounted for using the equity method is included under "investments in associates".

Where the ownership interest in the net value of the identifiable assets, liabilities and contingent liabilities of an acquired entity exceeds its cost, this positive difference is recognised immediately in the income statement.

At each reporting date, the company tests the goodwill for impairment using the methods described in section 2.6.

2.4 - Other intangible assets

Intangible assets other than goodwill mainly consist of the Capio and Volvat brands and the practice contracts and patient list in Sweden. They were measured at fair value at the time of acquisition of the Capio Group. With the exception of brands, which are not amortised, other intangible assets are amortised on a straight-line basis over their useful life. (4–15 years).

2.5 - Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost, less accumulated depreciation and any impairment losses. The assets held by the Group under finance leases are recognised in assets, with a balancing entry of the financial liability under liabilities.

Acquisition cost consists of:

- the purchase price after deducting any legally refundable taxes;
- any costs directly attributable to bringing the asset to the location and in the condition necessary for it to be put into use. In particular, these costs include VAT and other non-refundable taxes, transport, installation and assembly expenses, and architect’s fees;
- financial or pre-rental expenses (calculated using the effective interest method) in the asset production period, and publication and registration fees for finance lease agreements.

When items of property, plant and equipment have different useful lives, they are recognised as separate items.

Depreciation is recognised on a straight-line basis over the useful life of each item as indicated below:

- Buildings .... 28–40 years
- Fittings and fixtures of buildings .... 10–15 years
- Plant and equipment .... 3–10 years
- Fixtures and fittings .... 8–10 years
- Transport equipment .... 4–5 years
- Office equipment .... 5 years
- Computer equipment .... 3–5 years
- Furnishings .... 5–10 years

Land is not depreciated.

Work related to safety standards is capitalised and depreciated.

Assets acquired under finance leases are capitalised when, under the lease agreements, substantially all the risks and rewards incidental to ownership of the assets are transferred to the Group. They are recognised at the lower of fair value and the discounted value of the minimum lease payments. These assets held under finance lease agreements are depreciated according to the method described above. Lease agreements that do not have the characteristics of a finance lease are recognised as operating leases and only the rental income is recognised in the profit and loss account over the term of the lease.

Monitoring of the value of property, plant and equipment

When circumstances or events indicate that an asset may have lost value, the Group reviews this asset's recoverable amount in the CGU (cash-generating unit) to which it belongs. The recoverable amount is the higher of fair value and value in use. Fair value is the sale price, less costs, that may be obtained by the Group in a transaction carried out under normal market conditions. Value in use is calculated on the basis of rent received by investors taking into consideration recently performed transactions. The rate of return used varies according to the location and nature of the asset (properties in Paris, properties earmarked for refurbishment, properties under construction, etc.).

An impairment loss is recognised when the recoverable amount of an asset falls below its carrying amount over a long period of time. Impairment losses recognised on items of property, plant and equipment may be reversed subsequently if the recoverable amount rises above the carrying amount, within the limit of the impairment loss recognised initially. The recovery of a provision is made pro rata on the basis of the carrying amount.

Furthermore, the recovery of an impairment loss should not give rise to a carrying amount of the asset above its original value net of any depreciation recognised in the absence of a loss of value. This new recoverable amount (after deducting residual value) becomes the new depreciable amount for the remainder of the useful life.

2.6 - Goodwill impairment test

Goodwill is tested for impairment and, where appropriate, a reduction in the carrying amount is recognised in order to reflect the recoverable amount, which is the higher of fair value less costs to sell and value in use.

The main methods for testing goodwill for impairment, set forth in IAS 36, are described below.

Frequency

Impairment tests are performed at least annually, in the last quarter prior to the end of the reporting period based on the det assets at 30 April and, as necessary, where there is indication of impairment.

Cash-generating units and grouping of CGUs – Definition

According to the definition of section 6 of IAS 36, a cash-generating unit is the "smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.”

Accordingly, for Ramsay Générale de Santé, the CGUs are generally identified at health care facility level (except in certain cases where two or more healthcare facilities are considered to be particularly linked to each other in relation to their cash flows). However, it is not possible to identify these CGUs at a more detailed level in a particular establishment in so far as the main services are not independent from each other in cash flow terms.

For impairment test purposes, goodwill is tested by grouping CGUs that carry on their business activity in a particular administrative region of a regional public health authority. The role of these authorities is to:

- regulate the supply of health care and medico-social services;
- ensure the quality and efficiency of the regional health system;
- define and implement a genuine regional health project.

Consequently, the grouping of CGUs at regional level is justified by the significant connections in terms of economic dependence between our facilities and the regional public health authorities. In fact, all decisions in relation to the organisation of health care are taken at this level. Therefore, the rationale for the Group’s acquisitions is at this level and, as a result, most grouping and restructuring processes are negotiated with the regional public health authorities.

The composition and currency of these CGUs have been reviewed to account for geographical reforms implemented since 1 January 2016.

Recognition of impairment losses

Impairment losses are recognised under "Other non-current income and expenses" if the carrying amount of the asset is higher than its recoverable amount.

If assets are grouped together in a CGU, this impairment loss is allocated first to goodwill and then, where appropriate, to the other assets of the CGU in proportion to their carrying amount.

Impairment losses on goodwill may not be reversed.

Value in use

This relates to the discounted value of the sum of the future cash flows before tax and financial items generated by the continued use of an asset or a CGU and the cash flows arising from the derecognition of the asset.

Sales growth forecasts and discount rates reflect the best estimates of management.

The discount rate reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

The asset is measured in its current state, without taking into account cash flows that may be generated by investments in performance or capacity.

Future cash flows are calculated on the basis of a four-year plan, which embodies the Group's best estimates. These projections are completed by an additional three-year estimate relating to a forecast from the four-year plan with a 1% organic growth rate and the same rate of return as the observed rate in order to take into account the time required by the CGUs to reach their targets in the private hospital sector set by Group management. Forecasts are also made over a seven-year period. Terminal value is calculated using a perpetual growth rate of 1%.

Cash-generating units and groupings of CGUs

The Group has identified twelve CGU groups to test goodwill:

- Aquitaine-Limousin Poitou Charente, Bourgogne-Franche-Comté, Brittany, Centre-Val de Loire, Nord-Pas de Calais-Picardie, Normandy, Provence Alpes Côte d'Azur, Ile de France, Auvergne-Rhône Alpes, Languedoc- Roussillon – Midi Pyrénées and Italy (as of 30 June 2019, future cash flows relating to costs of Headquarters have been reallocated to other groups on a pro rata basis in respect of their future cash flows). Beyond the budget period, the Group uses a perpetual growth rate.

The goodwill relating to the acquisition of Capio is not definitive and has not yet been allocated by CGU. A Capio CGU is temporarily reported at 30 June 2019. It will be reallocated in the subsequent financial year. The Capio France entities are included in the Capio sub-total.

2.7 - Other non-current financial assets

Other non-current financial assets comprise available-for-sale financial assets (mainly consisting of non-consolidated equity investments) and the portion of loans and receivables with a duration of more than twelve months (including deposits and guarantees paid). These assets are accounted for at historical cost.

Available-for-sale financial assets

At the reporting date, available-for-sale financial assets are measured at fair value. If fair value cannot be measured reliably, they are carried at cost. Changes in fair value are recognised as a revaluation reserve against equity. Where there is an objective indication of impairment, the loss is recognised in financial results. An objective indication of impairment of an available-for-sale financial asset includes a reduction in the estimated future cash flows of the financial asset, significant difficulties on the part of the issuer, a considerable decline in the expected return or a prolonged decrease in the fair value of the financial asset. The reversal of this impairment loss may only be recognised in the profit and loss account on disposal of the financial assets in question. At 30 June 2019, no available-for-sale assets were recognised in the accounts.

2.8 - Inventories

Inventories primarily consist of pharmaceutical products and reagents, and medical supplies except for non-ocular prostheses acquired on behalf of patients, which are recognised under "other receivables."

Inventories are measured at the lower of cost and net realisable value.

Changes in inventories are measured using the first-in, first-out (FIFO) method or weighted average price.

2.9 - Trade and other operating receivables

Trade receivables are initially recognised at fair value.

In accordance with IFRS 9, receivables are impaired using the approach based on actual observed loss rates adjusted for macroeconomic forecasts.

Purchases and sales of prostheses made on behalf of patients are recorded in separate accounts and are not recognised in the profit and loss account, except in the case of ocular prostheses.

Other receivables also include accrued fees from practitioners.

Management of practitioners' fees

In standard cases, practitioners' fees are managed by the clinic in question using an accounting system separate from that used to manage the clinic's accounting. Clinic bank accounts are totally separate from agent bank accounts.

In certain cases, in application of special terms and conditions resulting from express, direct agreements with agents, amounts relating to the management of the fees may be included in the clinic's accounts.

2.10 - Current financial assets

Current financial assets relate to the loans and receivables maturing in under twelve months in other non-current financial assets. They mainly consist of current financial accounts with companies that are not fully consolidated.

2.11 Cash and cash equivalents

"Cash and cash equivalents" include cash on hand and highly liquid monetary investments that present an insignificant risk of changes in value. Monetary investments are measured at market value at the reporting date, and changes in value are recognised in financial results.

2.12 – Capital

The cost of capital transactions directly attributable to the issue of new shares or options is recognised in equity as a deduction from the proceeds of the issue, net of tax.

2.13 – Non-controlling interests

This item records the share in equity of the consolidated companies attributable to the shareholders of these companies.

2.14 Treasury shares

Treasury shares held by the Group are recognised by deducting their acquisition cost from equity. Any gains or losses associated with the purchase, sale, issuance or cancellation of treasury shares are recognised directly in equity, without affecting profit.

2.15 - Current and non-current borrowings and financial liabilities

Financial liabilities are recognised net of related issue costs, which are recognised progressively in financial income until maturity using the effective interest method.

In the case of hedges of changes in the value of the liability as a result of interest rate risk, the associated hedging instruments are recognised in the balance sheet at fair value at the reporting date, and the effects of their remeasurement are recognised in the cost of net financial debt for the period.

Net financial debt consists of gross financial debt less net cash.

Gross financial debt consists of:

- bank loans, including incurred interest;
- loans relating to finance leases including incurred interest;
- fair value hedging instruments recognised in the balance sheet net of tax;
- current receivables and financial debt in relation to current financial accounts with minority investors;
- treasury shares held by the Group (considered as marketable securities).

Net cash consists of:

- cash and cash equivalents;
- bank overdrafts.

Borrowings and financial liabilities maturing in less than twelve months are classified under "current financial debt."

2.16 - Pension obligations and other employee benefits

Ramsay Générale de Santé participates in employee benefit plans that provide pension and other post-employment benefits, including retirement benefits, to employees, retired former employees and eligible dependants. The majority of Ramsay Générale de Santé's commitments in this regard relate to defined contribution pension plans. The defined contribution plans may be funded by investments in various instruments, such as insurance contracts or equity securities and bonds. Contributions to defined contribution plans are recognised as an expense in the income statement for the year.

Provision for retirement benefits:

Commitments in respect of retirement benefits are provided for in the balance sheet. These commitments are calculated using the prospective actuarial method (the projected credit unit method) on the basis of measurements made at each reporting date. The actuarial assumptions include those relating to salary growth, inflation, life expectancy and staff revenue.

When these commitments are covered, in part or in full, by amounts paid by the Group companies to financial institutions, the amount of these investments is deducted, on the balance sheet, from the actuarial liability and from past service cost.

Past service cost relates to benefits granted where the company either adopts a new defined benefit plan or changes the level of benefits of an existing plan. When new rights to benefits are vested on the adoption of a new plan, the past service cost is recognised in the profit and loss account. Conversely, when the adoption of a new plan gives rise to the acquisition of rights after its implementation date, past service cost is expensed on a straight-line basis over the average remaining term until the related rights are fully vested.

The amount recognised in operating profit includes the cost of services rendered in the year and the amortisation of the past service cost. The interest expense and the expected return on the assets are recognised in other financial income and expenses.

All actuarial gains and losses for the year are recognised in equity in accordance with IAS 19.

Provision for other employee benefits:

Provisions are recognised in the balance sheet for the obligations relating to long-service bonuses at the French subsidiaries. These provisions are calculated using the projected credit unit method.

2.17 - Current and non-current provisions

These provisions are liabilities for which the timing or amounts cannot be precisely determined. They are measured on the basis of the discounted amount, corresponding to the best estimate of the consumption of resources required to settle the obligation when it is extinguished.

Current provisions

Current provisions correspond to provisions directly linked to the operating cycle.

They mainly consist of provisions for industrial tribunal risks and other risks related to operations.

Non-current provisions

Non-current provisions relate to provisions not directly linked to the operating cycle, or which will generally mature in more than one year. They include provisions for restructuring, provisions for onerous contracts and provisions for litigation.

Restructuring provisions mainly relate to grouping costs:

A grouping is considered to have been completed at the reporting date and its expected effects are reflected in the financial statements if the following three criteria are met:

- the Group's Board of Directors expressly authorised the grouping and issued a formal restructuring plan;
- the main details of the plan were made public;
- administrative approval for the grouping was obtained.

For mergers that meet the criteria listed above, the main effects on the financial statements, provided that they can be reasonably estimated, are as follows:

- a reduction in the carrying amount of the non-recoverable items, or of the items whose recoverable amount is lower than their carrying amount at the merger date;
- provisions for costs arising from cancellation of practitioners' contracts;
- provisions for costs relating to severance plans; and
- provisions for cancellation costs relating to significant contracts (leases, outsourcing, maintenance, etc.) continuing after the merger date, or the remaining fees to be paid where it is not possible to cancel the related contracts.

With regard to the temporary closure of facilities, provisions are not recognised for operating losses arising from facility restructuring operations relating to a partial or total temporary closure. They are recognised during the period in which the closure occurs.

Where the permanent closure of a facility is planned and the project is not subject to conditions precedent linked to a grouping plan, the closure is considered final when it has been expressly decided upon and announced by the Group's Board of Directors. The effects of this closure are recognised in the financial statements for the period in question. The main effects on the financial statements are the same as those described for groupings, provided that they can be reasonably estimated.

Certain contracts whose terms and conditions are significantly removed from the market are considered onerous or loss-making contracts. A provision is recorded for the difference between the current loss-making contract and the same contract at market conditions over the remaining term of the contract.

2.18 - Revenue

The revenue of Ramsay Générale de Santé is generated primarily by the coverage of costs by the social security authorities and supplementary private insurance, on the basis of rates set each year by the public authorities, for healthcare and services provided by the Group and, to a lesser extent, by the payment by patients or by supplementary private insurance of services connected with health care such as accommodation in individual rooms and the rental of television sets. The balance of the Group's revenue is generated primarily by the fees paid by the practitioners in consideration for the general, administrative and rental services provided by the Group's facilities, such as billing medical procedures, and recovering their fees from the social security authorities, insurance companies and patients.

revenue mainly consists of the provision of services. It is recognised in the income statement when the service is rendered.

When a service provided has not yet been invoiced, it is added to operating income through the related "Invoices to be issued" account.

The services provided in Sweden are mainly financed by public expenditure, with most of the remainder paid by the patient consisting of medicines. However, as supplementary health insurance is very rare, most private healthcare is also fully paid for by patients. The healthcare provided by Capio Norway is mainly financed by the private sector through insurance companies, companies or individual patients. In Denmark, medical care is financed almost entirely by private insurance companies, associations and patients with their own funds.

The Capio Group's revenues in Scandinavia fall into two categories: fees, where the rate is set according to the treatment provided; flat fee, where a fixed amount is set for each patient affiliated to a primary care centre, irrespective of the treatment requested and provided.

Consolidated revenue relates to the aggregate services provided by the consolidated subsidiaries, detailed above. It includes, after the elimination of intra-group transactions, the revenue of fully consolidated companies, as well as that of jointly controlled entities in proportion to the Group's ownership interest.

2.19 - EBITDA and other non-current income and expenses

The definition of the following terms in the income statement is explained as follows:

<u>EBITDA</u>:

This relates to the current operating profit before depreciation and amortisation (charges and provisions in the income statement are grouped according to their nature).

Other non-current income and expenses:

"Other non-current income and expenses" comprises:

- restructuring costs (expenses and provisions) (see note 2.17);
- gains or losses on disposal or a significant, unusual loss of value of non-current assets (tangible or intangible),
- other operating expenses and income such as a provision relating to major litigation.

2.20 - Income tax (current and deferred taxes)

The tax expense in the income statement corresponds to the current tax payable by each consolidated fiscal entity, adjusted for deferred taxes plus the value-added contribution (CVAE). This expense is recognised in the income statement unless it relates to items recognised directly in equity, in which case it is recognised in equity.

- The CVAE which, according to the Group's analysis of the legal texts, meets the definition of a form of income tax as set forth in IAS 12.2 ("Income taxes... based on taxable profits") in so far as value added constitutes the level of results that systematically serves as the basis for determining the amount due with regard to the CVAE under French tax legislation. In conducting its analysis, the Group took into consideration the decisions by the International Financial Reporting Interpretations Committee (IFRIC) on two occasions to dismiss the issue of the scope of application of IAS 12, Income Taxes. The IFRIC stated on these occasions that, in order to fall within the scope of IAS 12, a tax must be calculated on the basis of a net amount of income and expenses and that this amount may differ from the accounting profit (loss).

Deferred taxes are calculated using the liability method on the differences between the carrying amount and the tax base of the assets and liabilities. The following items do not give rise to the recognition of a deferred tax asset:

- the recognition of goodwill;
- the initial recognition of a transaction that is not a grouping and does not affect the accounting profit or the tax base;
- temporary differences related to investments in so far as that they will not be invested in the foreseeable future.

Deferred tax assets on reportable losses are only recognised if the Group considers it likely that they will be used in the future.

Potential deferred tax assets relating to reportable losses existing as of the acquisition date which are likely to be used are included in the calculation of goodwill on first consolidation.

The carrying amount of deferred tax assets is reviewed at each reporting date and, where appropriate, is remeasured or reduced, in order to take into consideration the more or less favourable prospects for recording a taxable profit enabling the Group to use these deferred tax assets. In order to measure the probability of generating a taxable profit, the Group takes into consideration past results from prior years, forecasts of future results, non-recurring items that would not be renewable in the future, and the fiscal strategy. Accordingly, the assessment of the Group's capacity to use the tax loss carryforwards largely relies on judgment. If the Group's actual future results are considerably different from those that were forecast, the Group will be obliged to revise the carrying amount of the deferred tax assets upwards or downwards, which could have a significant effect on the balance sheet and profit.

In accordance with IAS 12, the CVAE component that qualifies as an income tax led to the calculation of a net deferred tax expense.

The basis for calculating deferred taxes consists of the carrying amount of the depreciable assets (excluding residual value) that will be recovered by future taxable profits.

Land, the carrying amount of which, in accordance with interpretation SIC 21, is considered recovered through disposal, is excluded from the basis for calculating deferred taxes relating to the CVAE, since income through the disposal of assets is not subject to CVAE.

With regard to intangible assets with an indefinite useful life that are not amortised, the Group considered it appropriate, given the similarity, to apply the same method as for land.

The deferred tax assets and liabilities are calculated on the basis of the tax rates expected to prevail in the year in which the asset will be used or the liability settled and on the basis of the tax rates (and tax regulations) that were in force at the reporting date. These estimates are reviewed at each reporting date on the basis of the trend in applicable tax rates.

Tax assets and liabilities are offset, particularly in the case of tax consolidation, when there is a legally enforceable right to offset losses and an intention to settle the assets and liabilities for their net amount or simultaneously. Deferred tax assets and liabilities are offset, particularly in the case of tax consolidation, when there is a legally enforceable right to offset the tax assets and liabilities and where the assets and liabilities relate to the same entity or to various entities that intend to either settle the tax assets and liabilities for their net amount or to use the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

2.21 - Derivative financial instruments (assets and liabilities)

In order to hedge its exposure to market interest rate risk, the Group uses derivative instruments, classified as cash flow hedging instruments (interest rate swaps paying a fixed rate).

Hedging instruments are recognised on the balance sheet at their market value. The portion of profit or loss on the hedging instrument that is considered to constitute an effective hedge is recognised in equity and the ineffective portion is recognised in financial income or expenses.

2.22 - Basic earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of outstanding shares in the year after deducting the number of treasury shares (84,539,943 shares).

Diluted earnings per share

There is no established instrument providing deferred access to the capital of Ramsay Générale de Santé. As a result, there is no diluting effect on the net profit.

2.23 - Assets held for sale

A fixed asset or a group of assets and liabilities is held for sale when its carrying amount will be recovered mainly through sale and not continued use. For this to be the case, the asset must be available for immediate sale and its sale must be highly likely. These assets or groups of assets and associated liabilities are classified under "assets classified as held for sale" and "liabilities related to assets held for sale" in the balance sheet. These assets or groups of assets are recognised at the lower of carrying amount and estimated sale price less costs to sell.

The income and expenses in relation to an entity being discontinued are included in the consolidated financial statements until the date on which the parent company ceases to hold control over it. This presentation relates to assets that do not qualify as discontinued operations.

2.24 - Share-based payments

No share-based payments were made for the Ramsay Générale de Santé Group.

2.25 - Subsidies

The Ramsay Générale de Santé Group receives public investment grants.

They are recognised as a deduction to the carrying amount of the asses they have financed and follow the same depreciation or amortisation plan.

2.26 - Competitiveness and Employment Tax Credit (CICE)

The CICE tax credit, which aims to encourage corporate competitiveness, was created in accordance with Article 66 of the Amending Finance Act for 2012. The Finance Act for 2018 provides that, as of 1 January 2019, the CICE will be transformed into a reduction in employers' contributions.

Competitiveness and Employment Tax Credit (CICE) is presented as a reduction of staff costs.

3. - CHANGES IN THE SCOPE OF CONSOLIDATION

The main subsidiaries included in the scope of consolidation at 30 June 2019 are listed in Note 10.

3.1.- Main changes in the scope of consolidation

The number of consolidated entities included in the scope of consolidation was as follows:

Consolidation method	30-06-2018	Acquisitions Establishments	Change in method	Sales / Mergers / Liquidations	30-06-2019
Full consolidation	212	161	2	(5)	370
Equity method	4	--	(2)	--	2
TOTAL	**216**	**161**	**--**	**(5)**	**372**

3.1.1. - *Acquisitions / establishments*

The scope of consolidation includes 161 additional entities as a result of the acquisition of:

- the "Capio" Group (137 entities acquired on 7 November 2018);
- the "SAS Lambulance" Group (7 entities acquired on 5 July 2018);
- Ambulance Girod (acquired on 4 July 2018);
- Rhône Assistance & "Ambulances d'Assistance" (2 entities acquired on 13 July 2018);
- Ambulance Davin (acquired on 27 November 2018);
- Clinique la Parisière & la Parisière Expansion (2 entities acquired on 26 July 2018);
- Société Immobilière du Croisé-Laroche & SCI 2R (2 entities acquired on 17 December 2018);
- Société Alpha (acquired on 18 December 2018) and SCI Alpha Royan (company created on 7 December 2018);
- SCI Parc Bellamy (company created on 15 November 2018);
- SCI Balle (acquired on 31 October 2018);
- GDS Participation 3 was included in the scope of consolidation on 1 July 2018. It is the parent company of the "SAS Lambulance" group;
- SCI Immobilière du Scanner is owned by Clinique du Val de Lys. The Clinique du Val de Lys and the SCI Clinique du Val de Lys 2 have changed their consolidation method from the equity method to full consolidation;
- SCI Calipso and SCI Calipso 2 (acquired on 18 March 2019);
- The company "Scanner Marcel Sembat" was registered on 12 April 2017 and commenced operations in January 2019.

The impact of acquisitions on the consolidated balance sheet is as follows:

Net assets (in millions of euros)	Carrying amount
Intangible Assets	245.2
Tangible assets	236.9
Other non-current financial assets	17.4
Deferred tax assets	83.2
Total non-current assets	***582.7***
Receivables, inventories and other current assets	270.7
Other current non-cash financial assets	6.7
Cash	11.0
Total current assets	***288.4***
Financial debt	326.3
Provisions and other non-current liabilities	46.6
Deferred tax liabilities	62.6
Total non-current liabilities	***435.5***
Current financial debt and derivatives	150.0
Other current liabilities	423.8
Total current liabilities	***573.8***
Goodwill	981.0

3.1.1.1. *Detailed description of the acquisition of Capio*

On 8 November 2018, following the end of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that on 7 November 2018, it had acquired 98.51% of the capital of Capio, one of Europe's leading providers of healthcare and health services, enabling the Group to position itself as a pan-European leader in private hospitalisation and primary care, present in six countries with a prominent role in Scandinavia (in particular Sweden) and France.

The public takeover bid by Ramsay Générale de Santé concerned all of Capio's shares at a price of SEK 58 per share. The price of the Capio acquisition thus amounted to EUR 779.7 million (fair value of the 139,050,816 Capio shares at SEK 58 per share converted at the SEK/EUR hedging rate of 10.3437).

3.1.1.1.1. Description of the operation

Founded in 1994 and based in Gothenburg, Sweden, Capio is a pan-European leader in the provision of health care services and was listed until 28 November 2018 on the Stockholm Stock Exchange's Nasdaq Stockholm. Capio is present in Sweden, Norway, Denmark, France and Germany through a vast network of nearly 200 facilities (136 at 30 June 2019) including hospitals, specialised clinics and primary care centres. With a wide range of treatment and health care services covering the medical, surgical and psychiatric areas, Capio offers care at all levels of the care pathway.

In the financial year ending 31 December 2017, Capio's 13,314 employees (average full time staff) provided healthcare services to 5.1 million patients, generating net revenues of SEK 15,327 million (approximately EUR 1,592 million based on an average EUR/SEK exchange rate of 9.63 in 2017) (Source: Capio).

The result of this acquisition is the creation of a new and unique group, with many specific and attractive strengths, which offers new growth prospects:

- European leadership and a willingness to provide quality treatment and health care services;
- a balanced portfolio of business activities thanks to geographical diversification and access to a broader patient base;
- penetration in attractive markets and a presence in markets of significant size with significant growth drivers; and
- an innovative treatment model marked by top-level expertise in terms of specialisation of treatment and the deployment of modern medicine in the interest of patients and the community, alongside in-depth expertise and knowledge of digitisation in health care.

3.1.1.1.2. Capio opening balance sheet

Capio opening balance sheet (in millions of euros)	Carrying amount
Intangible Assets	245.1
Tangible assets	201.9
Other non-current financial assets	16.9
Deferred tax assets	83.0
Total non-current assets	***546.9***
Receivables, inventories and other current assets	267.7
Other current non-cash financial assets	6.0
Cash	6.4
Total current assets	***280.1***
Financial debt	318.8
Provisions and other non-current liabilities	102.7
Deferred tax liabilities	58.5
Total non-current liabilities	***480.0***
Current financial debt and derivatives	149.1
Other current liabilities	361.3
Total current liabilities	***510.4***
Goodwill	954.9

3.1.1.1.3. Identification and measurement of identifiable assets and liabilities assumed

The valuation of the assets acquired and the liabilities assumed was carried out by an independent expert.

Intangible Assets

The Capio and Volvat brands were valued using the royalty method. These brands have an indefinite useful life.

Public health contracts and patient lists in Sweden are measured at fair value in accordance with the terms of the contracts. These intangible assets are amortised over their useful life (4 to 15 years).

The total amount of intangible assets acquired amounts to EUR 245.1 million.

Tangible assets

Certain operating assets have been revalued downwards.

Provisions

Certain unfavourable or loss-making contracts have been provisioned for a total amount of 60 million euros.

Deferred taxes

Deferred tax assets and liabilities have been calculated on the basis of the temporary differences between the IFRS carrying amounts after allocation of the purchase price and the tax values of the assets acquired and liabilities assumed.

In accordance with the revised version of IFRS3, the fair value measurement and the allocation of goodwill on first consolidation are provisional. This provisional allocation may therefore be revised until the end of October 2019.

3.1.1.1.4. Goodwill

Goodwill amounts to EUR 954.9 million.

This goodwill is not definitive at 30 June 2019 and may change until 7 November 2019.

3.1.1.1.5. Capio's contribution to revenue and net profit at 30 June 2019

The contribution to Group revenue and EBITDA since 7 November 2018 is as follows:

- Revenue: EUR 1,101 million.
- EBITDA: EUR 65.2 million.

Has the Capio Group been acquired as of 1 July 2018, its contribution to the Group's revenue and EBITDA would have been as follows:

- Revenue: EUR 1,653.7 million.
- EBITDA: EUR 98.6 million.

3.1.1.1.6. Purchase price and financing of the acquisition

The acquisition price for 100% of the Capio shares was EUR 791.5 million, or EUR 779.7 million following the public takeover bid, and then EUR 11.8 million for the acquisition of the remaining 2,108,845 shares at a price of 10.5170).

Ramsay Générale de Santé secured financing for the acquisition of Capio (i) through the issuing of subordinated bonds underwritten by its two majority shareholders, Ramsay Health Care (UK) and Crédit Agricole Dialogue ("Predica"), amounting to EUR 550 million, and (ii) by setting up a loan of up to EUR 750 million, of which the initial lenders are Crédit Agricole Corporate & Investment Bank and Société Générale, which takes the form of an additional line of credit (“Incremental Facility”) set up under the 2014 Credit Agreement, as amended.

The amount of these funds is intended to cover the acquisition price of 100% of the shares to be acquired as part of the offer and the subsequent mandatory squeeze-out, and the refinancing of Capio's debt, which amounted to EUR 465.4 million as at 31 December 2018, as well as the associated operating costs of EUR 16.3 million.

The Group's rating agencies, taking into account the impact of the Capio acquisition and its strategic logic, confirmed their rating of the Group at the end of November 2018 (Standard & Poor's: BB-; Moody's: Ba3).

In accordance with their subscription commitments, the two majority shareholders of Ramsay Générale de Santé, Ramsay Health Care (UK) and Prévoyance Dialogue du Crédit Agricole (“Predica”), subscribed to the capital increase in full by offsetting receivables against the company's certain, liquid and due receivables they held in respect of the subordinated bonds used to finance the acquisition of Capio, for EUR 318.1 million and EUR 239.9 million respectively.

3.1.1.1.7. Purchase price adjustment

Ramsay Générale de Santé initiated a mandatory squeeze-out procedure for shares that it did not hold at the end of the offer and convertible bonds issued by Capio to its employees on 30 April 2016, pursuant to the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)). As part of this mandatory squeeze-out procedure, Capio initiated the procedure for delisting the Capio shares from Nasdaq Stockholm on 28 November 2018.

On 29 May 2019, Ramsay Générale de Santé obtained the early transfer of all the remaining shares of Capio and now controls 100% of the company. The final price of the shares transferred under the squeeze-out will be determined in this procedure.

As from 31 December 2018, the full method (presentation with 100% of the shares acquired) was adopted.

3.1.2. - *Disposals*

On 28 June 2019, the Group finalised the sale of the Saint Odile, Orange and Fonvert Avignon Nord clinics to the Elsan Group.

The impact of these disposals on the consolidated balance sheet is as follows:

Net assets (in millions of euros)	Carrying amount
Intangible Assets	--
Tangible assets	(31.8)
Other non-current financial assets	(0.7)
Deferred tax assets	(0.7)
Total non-current assets	***(33.2)***
Receivables, inventories and other current assets	(8.4)
Other current non-cash financial assets	--
Cash	(15.0)
Total current assets	***(23.4)***
Financial debt	(10.7)
Provisions and other non-current liabilities	(1.5)
Deferred tax liabilities	(0.2)
Total non-current liabilities	***(12.4)***
Current financial debt and derivatives	(1.2)
Other current liabilities	(15.2)
Total current liabilities	***(16.4)***
Goodwill	(60.6)

3.2 - Impact of the changes in the scope of consolidation on the consolidated statement of cash flows

Cash flows (in millions of euros)			Impact of additions	Impact of outgoing entities
Price of acquisition of the entities	(A)		835.3	--
Of which disbursed	(B)		(835.3)	--
Debt contracted	(C) = (A) - (B)		--	--
Cash inflow	(D)		11.0	--
Treasury stock	(E)		--	--
Effect of additions to the scope of consolidation	**(F) = (D) + (E) + (B)**	SCF	**(824.3)**	**--**
Net financial debt of new additions, non-cash	(G)		469.6	--
Effect of additions to scope on financial debt	**(H) = (G) - (F)**		**1 293.9**	**--**
Cost of sale of the entities	(a)		--	65.2
Of which collected	(b)		--	65.2
Receivable recorded	(c) = (a) - (b)		--	--
Cash outflow	(d)		--	(15.0)
Effect of exclusions from the scope of consolidation	**(e) = + (b) - (d)**	**SCF**	**--**	**80.2**
Net financial debt of outgoing entities, non-cash	(f)		--	(11.9)
Effect of exclusions from scope on financial debt	**(g) = (f) - (e)**		**--**	**(92.1)**
Effect of additions to / exclusions from scope of consolidation	**(G) + (f)**	SCF	**--**	**457.7**
Ramsay Générale de Santé treasury shares			--	--
Trust term deposit account			--	5.0
Other			--	(14.9)
EFFECTS OF SCOPE OF CONSOLIDATION AND OTHER MOVEMENTS		**SCF**	**--**	**447.8**

4. - OPERATING SEGMENTS

At 30 June 2019, the Group's business activities were organised into 13 operating segments.

- Aquitaine-Limousin Poitou Charente, Bourgogne-Franche-Comté, Brittany, Centre-Val de Loire, Nord-Pas de Calais-Picardie, Normandy, Provence Alpes Côte d'Azur, Ile de France, Auvergne-Rhône Alpes, Languedoc– Roussillon – Midi Pyrénées, Capio, Italy and Headquarters.

The Board of Directors assesses the performance of these operating segments and allocates the resources they require to develop, based on certain operating performance indicators (EBITDA and ROE) and operating cash flows (WCR and Capex).

The Ramsay Générale de Santé Group presents information relating to six geographical areas (France, Sweden, Norway, Denmark, Germany and Italy).

4.1 - Consolidated profit and loss accounts and operating balance sheets

4.1.1 - *Comparison June 2019 / June 2018 – comparable data*

In order to reflect the impact of the disposal of the entities to June 2019 (see Section 1, Foreword: Significant events in the year), the Group has prepared a comparison between June 2019 and June 2018, separating the non-core activities and the disposal or disposed of assets under “other activities.”

	Consolidated income statement – From 1 July 2018 to 30 June 2019									
(in millions of euros)	**Ile de France**	**Auvergne Rhône Alpes**	**Nord Pas de Calais Picardie**	**PACA**	**Bourgogne Franche Comté**	**Other regions (1)**	**Other activities (2)**	**Italy**	**Capio**	**TOTAL**
Revenue from third parties	942.3	384.8	376.9	159.3	107.6	305.0	0.0	24.3	1 100.9	3 401.1
REVENUE	**942.3**	**384.8**	**376.9**	**159.3**	**107.6**	**305.0**	**0.0**	**24.3**	**1 100.9**	**3 401.1**
Operating expenses excluding depreciation and amortisation	(845.2)	(351.8)	(339.9)	(150.9)	(101.9)	(223.3)	(0.7)	(20.9)	(1 035.7)	(3 070.3)
EBITDA	**97.1**	**33.0**	**37.0**	**8.4**	**5.7**	**81.7**	**(0.7)**	**3.4**	**65.2**	**330.8**
Depreciation and amortisation	(58.9)	(17.5)	(19.3)	(11.4)	(5.7)	(18.5)	(0.1)	(0.7)	(41.8)	(173.9)
Current operating profit	**38.2**	**15.5**	**17.7**	**(3.0)**	**0.0**	**63.2**	**(0.8)**	**2.7**	**23.4**	**156.9**
Restructuring costs	(1.9)	(0.4)	(0.6)	(3.8)	(0.7)	(33.3)	(0.1)	0.0	(4.1)	(44.9)
Profit from the management of property and financial assets	(0.4)	1.8	2.0	(0.2)	0.1	(0.4)	3.9	--	--	6.8
Impairment losses on goodwill	--	--	--	--	--	--	--	--	--	--
Other non-current income and expenses	**(2.3)**	**1.4**	**1.4**	**(4.0)**	**(0.6)**	**(33.7)**	**3.8**	**0.0**	**(4.1)**	**(38.1)**
Operating profit	**35.9**	**16.9**	**19.1**	**(7.0)**	**(0.6)**	**29.5**	**3.0**	**2.7**	**19.3**	**118.8**
Cost of gross financial debt (not allocated)	--	--	--	--	--	--	--	--	--	(67.4)
Income from cash and cash equivalents (not allocated)	--	--	--	--	--	--	--	--	--	0.5
Cost of net financial debt	--	--	--	--	--	--	--	--	--	**(66.9)**
Other financial income (not allocated)	--	--	--	--	--	--	--	--	--	2.3
Other financial expenses (not allocated)	--	--	--	--	--	--	--	--	--	(5.9)
Other financial income and expenses	--	--	--	--	--	--	--	--	--	**(3.6)**
Income tax (not allocated)	--	--	--	--	--	--	--	--	--	(33.0)
NET PROFIT	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**15.3**
Of which: Net profit attributable to the Group	--	--	--	--	--	--	--	--	--	*8.2*
Of which non-controlling interests	--	--	--	--	--	--	--	--	--	*7.1*

(1) The item “Other regions” combines six segments (Aquitaine-Limousin Poitou Charente, Brittany, Centre-Val de Loire, Normandy, Languedoc– Roussillon – Midi Pyrénées and Headquarters). At 30 June 2019, these regions represented 9.0% of the Group's revenue and 40.3% of its ROE.
(2) The item "Other activities" corresponds to non-core activities, including assets that are being sold or have been sold.

		Consolidated balance sheet at 30 June 2019									
(in millions of euros)		**Ile de France**	**Auvergne Rhône Alpes**	**Nord Pas de Calais Picardie**	**PACA**	**Bourgogne Franche Comté**	**Other regions (1)**	**Other activities**	**Italy**	**CAPIO**	**TOTAL**
Net operating assets	(1)	861.6	237.0	257.9	60.9	67.7	90.5	4.1	11.6	1 284.5	2 875.8
Deferred tax assets		9.4	5.9	7.7	3.0	3.1	34.6	0.3	--	82.3	146.3
Unallocated assets	(2)	--	--	--	--	--	--	--	--	--	76.5
Segment liabilities	(3)	47.3	23.9	23.5	15.5	10.9	69.0	4.6	1.6	133.7	330.0
Deferred tax liabilities		30.5	5.2	8.3	2.6	1.7	7.6	0.1	--	56.6	112.6
Unallocated liabilities	(4)	--	--	--	--	--	--	--	--	--	1 617.5
Net industrial investments	(5)	(62.6)	(13.9)	(21.5)	(25.8)	(2.6)	(32.7)	7.7	(0.8)	(45.6)	(197.8)

(1) Net operating assets relate to the sum of goodwill, intangible assets, property, plant and equipment, business-related working capital requirements, and net current tax.
(2) Unallocated assets relate to the sum of the investments in associates, other non-current financial assets, cash and cash equivalents and current financial assets.
(3) Segment liabilities relate to the sum of the provisions for retirement, non-current provisions, other non-current liabilities and current provisions.
(4) Unallocated liabilities related to the sum of borrowings and financial debt, current financial debt and bank overdrafts.
(5) Net industrial investments relate to the cash outflows linked to acquisitions and disposals of property, plant and equipment and intangible assets (including finance leases).
(6) The item “Other regions” combines six segments (Aquitaine-Limousin Poitou Charente, Brittany, Centre-Val de Loire, Normandy, Languedoc– Roussillon – Midi Pyrénées and Headquarters). At 30 June 2019, these regions represented 2.9% of the Group's net operating assets.
(7) The item "Other activities" corresponds to non-core activities, including assets that are being sold or have been sold.

Consolidated income statement – From 1 July 2017 to 30 June 2018									
(in millions of euros)	**Ile de France**	**Auvergne-Rhône Alpes**	**Nord-Pas de Calais-Picardie**	**PACA**	**Bourgogne-Franche Comté**	**Other regions (1)**	**Other activities**	**Italy**	**TOTAL**
Revenue from third parties	931.6	362.9	358.7	163.6	103.5	292.5	4.5	24.2	2 241.5
REVENUE	**931.6**	**362.9**	**358.7**	**163.6**	**103.5**	**292.5**	**4.5**	**24.2**	**2 241.5**
Operating expenses excluding depreciation and amortisation	(829.8)	(329.6)	(321.7)	(156.0)	(100.2)	(224.8)	(4.0)	(19.8)	(1 985.9)
EBITDA	**101.8**	**33.3**	**37.0**	**7.6**	**3.3**	**67.7**	**0.5**	**4.4**	**255.6**
Depreciation and amortisation	(58.8)	(17.0)	(18.8)	(11.5)	(5.1)	(17.0)	(1.0)	(0.7)	(129.9)
Current operating profit	**43.0**	**16.3**	**18.2**	**(3.9)**	**(1.8)**	**50.7**	**(0.5)**	**3.7**	**125.7**
Restructuring costs	(1.1)	(0.5)	(0.1)	(11.8)	(3.4)	(41.0)	--	(0.1)	(58.0)
Profit from the management of property and financial assets	(0.3)	(0.1)	--	--	(1.6)	(0.1)	0.2	--	(1.9)
Impairment losses on goodwill	--	--	--	--	--	--	--	--	--
Other non-current income and expenses	**(1.4)**	**(0.6)**	**(0.1)**	**(11.8)**	**(5.0)**	**(41.1)**	**0.2**	**(0.1)**	**(59.9)**
Operating profit	**41.6**	**15.7**	**18.2**	**(15.7)**	**(6.6)**	**9.6**	**(0.5)**	**3.6**	**65.8**
Cost of gross financial debt (not allocated)	--	--	--	--	--	--	--	--	(39.8)
Income from cash and cash equivalents (not allocated)	--	--	--	--	--	--	--	--	0.7
Cost of net financial debt	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**(39.1)**
Other financial income (not allocated)	--	--	--	--	--	--	--	--	1.2
Other financial expenses (not allocated)	--	--	--	--	--	--	--	--	(4.4)
Other financial income and expenses	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**(3.2)**
Income tax (not allocated)	--	--	--	--	--	--	--	--	(8.5)
Amount attributable to associates	--	--	--	--	--	--	--	--	0.1
NET PROFIT									**15.1**
Of which: Net profit attributable to the Group	--	--	--	--	--	--	--	--	*7.3*
Of which non-controlling interests	--	--	--	--	--	--	--	--	*7.8*

(1) The item "Other regions" combines six segments (Aquitaine-Limousin Poitou Charente, Brittany, Centre-Val de Loire, Normandy, Languedoc– Roussillon – Midi Pyrénées and Headquarters). At 30 June 2018, these regions represented 13.4% of the Group's revenue and 40.3% of its ROE.

Consolidated balance sheet at 30 June 2018										
(in millions of euros)		**Ile de France**	**Auvergne-Rhône Alpes**	**Nord-Pas de Calais-Picardie**	**PACA**	**Bourgogne-Franche Comté**	**Other regions (6)**	**Other activities (7)**	**Italy**	**TOTAL**
Net operating assets	(1)	858.6	228.0	232.0	51.1	71.4	58.6	8.6	12.0	1 520.3
Deferred tax assets		5.6	5.0	5.2	2.9	2.3	24.0	0.2	--	45.2
Unallocated assets	(2)	--	--	--	--	--	--	--	--	44.6
Segment liabilities	(3)	39.6	21.4	16.3	18.8	9.4	33.3	4.6	1.2	144.6
Deferred tax liabilities		33.8	4.8	4.1	2.7	0.8	4.5	0.2	--	50.9
Unallocated liabilities	(4)	--	--	--	--	--	--	--	--	903.6
Net industrial investments	(5)	(43.8)	(16.7)	(13.5)	(11.5)	(11.9)	(32.7)	7.2	(1.2)	(124.1)

(1) Net operating assets relate to the sum of goodwill, intangible assets, property, plant and equipment, business-related working capital requirements, and net current tax.
(2) Unallocated assets relate to the sum of the investments in associates, other non-current financial assets, cash and cash equivalents and current financial assets.
(3) Segment liabilities relate to the sum of the provisions for retirement, non-current provisions, other non-current liabilities and current provisions.
(4) Unallocated liabilities related to the sum of borrowings and financial debt, current financial debt and bank overdrafts.
(5) Net industrial investments relate to the cash outflows linked to acquisitions and disposals of property, plant and equipment and intangible assets (including finance leases).
(6) The item "Other regions" combines six segments (Aquitaine-Limousin Poitou Charente, Brittany, Centre-Val de Loire, Normandy, Languedoc– Roussillon – Midi Pyrénées and Headquarters). At 30 June 2015, these regions represented 3.9% of the Group's net operating assets.
(7) The item "Other activities" corresponds to non-core activities, including assets that are being sold or have been sold.

4.2 - Information on geographical areas

Revenue (in millions of euros)	from 1 July 2017 to 30 June 2018	%	from 1 July 2018 to 30 June 2019	%
France	2 217.3	98.9%	2 658.3	78.2%
Sweden	---	---	552.4	16.2%
Norway	---	---	52.1	1.5%
Denmark	---	---	33.9	1.0%
Germany	---	---	80.1	2.4%
Italy	24.2	1.1%	24.3	0.7%
TOTAL	**2 241.5**	**100.0%**	**3 401.1**	**100.0%**

Revenue by geographical area takes into account all the activities of the year including those disposed of during the year.

4.3 - Information on main clients

The revenue of Ramsay Générale de Santé is generated primarily by the coverage of costs by the social security authorities and supplementary private insurance, on the basis of rates set each year by the public authorities, for healthcare and services provided by the Group and, to a lesser extent, by the payment by patients or by supplementary private insurance of services connected with health care such as accommodation in individual rooms and the rental of television sets. The balance of the Group's revenue is generated primarily by the fees paid by the practitioners in consideration for the general, administrative and rental services provided by the Group's facilities, such as billing medical procedures, and recovering their fees from the social security authorities, insurance companies and patients.

At 30 June 2019, income from health care activities invoiced to the social security authorities represented 88.9% of Group revenue, while hotel revenue covered by supplementary private insurance and patients represented 5.3% of Group revenue. The balance of the Group's revenue (roughly 5.8% at 30 June 2019) is mostly accounted for by the fees paid by practitioners in respect of the general or administrative services provided by the Group's facilities, such as billing of medical procedures, and recovery of fees from the social security authorities, insurance companies and patients.

5. - NOTES ON THE MAIN INCOME PROFIT AND LOSS ACCOUNT ITEMS

5.1 - Operating profit

5.1.1 - *Staff costs*

(in millions of euros)		from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Wages and salaries		(680.9)	(1 195.0)
Social security contributions		(309.7)	(444.2)
Retirement bonuses		(0.9)	2.3
Incentives		(4.1)	(5.4)
Profit-sharing		(4.8)	(7.5)
Interim		(7.9)	(7.9)
Other		2.3	(3.0)
CICE		34.5	12.8
TOTAL	IC	**(971.5)**	**(1 647.9)**

5.1.2 - *Other operating income and expenses*

(in millions of euros)		from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Other operating expenses		(309.8)	(443.8)
Other operating income		29.1	35.2
TOTAL	IC	**(280.7)**	**(408.6)**

Other operating expenses mainly comprise hotel subcontracting costs (catering, cleaning, etc.), maintenance and servicing costs, fees and insurance.

Other operating income mainly comprises operating grants, reclassification of expenses, cost transfers and reversals of provisions without cash impact in relation to maintenance, servicing, fees and insurance expenses.

5.1.3 - *Rents*

(in millions of euros)		from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Property rentals (operating leases)		(166.7)	(230.1)
Equipment rentals (operating leases)............................		(21.2)	(30.0)
TOTAL	IC	**(189.9)**	**(260.1)**

5.1.4 - *Other non-current income and expenses*

(in millions of euros)	NOTE	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Restructuring expenses..		(18.0)	(44.0)
Restructuring expenses (cash)		**(18.0)**	**(44.0)**
Changes in provisions..		(37.8)	0.2
Non-current impairment of tangible and intangible fixed assets..............................		(2.6)	(0.8)
Other expenses/income		0.4	(0.3)
Total restructuring costs		**(58.0)**	**(44.9)**
Other gains or losses on property sales...		(2.1)	
Capital gains "SCI Saint-Pol"		0.5	
Write-down due to liquidation "Ecole Chirurgicale Européenne".............................		(0.3)	
Capital gain on disposal of shares in SCI Garibaldi - SCI Zander - SA Exp. Aix. Médicale...			1.8
Capital gain on disposal of Val de Lys shares (change from ME to IG)			2.0
Capital gain on disposal of "Immeuble Dijonnais"			4.5
Capital gain on sale of building Freschines..			0.5
Other gains or losses on disposal of companies..		--	(2.0)
Total profit from the management of property and financial assets		**(1.9)**	**6.8**
Impairment of goodwill		--	--
TOTAL	IC	**(59.9)**	**(38.1)**
Impact on the statement of cash flows (other non-current income and expenses paid)	SCF	**(18.0)**	**(44.0)**
Impact on the statement of cash flows (disposal of entities)	SCF	**0.5**(1)	**65.2**(1)

(1) see paragraph 3.2.

The detail of the restructuring costs is as follows:

(in millions of euros)	NOTE	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Impact of groupings		(3.1)	(0.6)
Transfer of the activities of the Jeanne d'Arc Clinic		---	(15.2)
Acquisition costs..		---	(18.5)
Restructuring and other costs		(55.0)	(10.6)
Total restructuring costs		**(58.0)**	**(44.9)**

5.2 - Cost of net financial debt

(in millions of euros)	NOTE	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Income from interest generated by cash and cash equivalents.................		0.7	0.5
Gain or loss on disposal of cash equivalents		---	
Result of interest rate and foreign exchange hedges on cash................. .		--	
Subtotal: income from cash and cash equivalents		*0.7*	*0.5*
Interest on bank borrowings and other financial debt		(30.9)	(59.5)
Interest on property financed under finance leases		(3.6)	(2.8)
Interest on equipment financed under finance leases		(0.8)	(0.5)
Expenses on interest rate hedges...		(4.5)	(4.6)
Subtotal: Cost of gross financial debt		*(39.8)*	*(67.4)*
TOTAL COST OF NET FINANCIAL DEBT	SCF/IC	**(39.1)**	**(66.9)**

At 30 June 2019, the average interest rate on net financial debt was approximately 3.27%.

5.3 - Other financial income and expenses

(in millions of euros)	NOTE	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Dividends	SCF	0.6	0.4
Capitalised borrowing costs		--	--
Change in fair value of financial instruments		0.6	1.9
Other financial income		--	--
Subtotal: Other financial income		*1.2*	*2.3*
New debt issuance costs		(3.5)	(4.8)
Discounting costs		(0.9)	(0.9)
Other financial expenses		--	(0.2)
Subtotal: Other financial expenses		*(4.4)*	*(5.9)*
Total: Other financial income and expenses	IC	**(3.2)**	**(3.6)**

5.4 - Income tax

5.4.1 - *Detail of net tax expense*

- Tax regime for groups of companies

At 30 June 2019, Ramsay Générale de Santé SA was the lead company of a tax consolidation group consisting of 156 subsidiary members.

An agreement between the parent company and each subsidiary member formalises the methods for distributing additional tax benefits or expenses arising from the tax consolidation regime.

The Capio France entities were not part of the tax consolidation group at 30 June 2019 and are expected to join it in a future period.

The main methods are the following:

The member company pays the parent company, as a contribution to the payment of the Group's corporation tax and any additional contributions to corporation tax, regardless of the actual amount of these taxes, a sum equal to that which would have been paid on its profit or long-term gain for the year had it filed separate tax returns, net of the allocation rights to which the member company would have been entitled in the absence of tax consolidation.

The tax benefits used by the Group, relating to losses, are recognised in the parent company's income statement.

- Detail of income tax expense

(in millions of euros)	Note	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Tax expense payable in the period (standard rate) [(1)]		(2.3)	(12.0)
CVAE		(22.6)	(24.0)
Adjustment for current tax from prior periods		0.1	0.1
Tax credit		0.2	0.7
Use of tax loss carryforwards		--	--
Current taxes		**(24.6)**	**(35.2)**
Deferred taxes	5.4.4	16.1	2.2
Income tax	IC	**(8.5)**	**(33.0)**

(1) including cash flows relating to provisions

5.4.2 - *Current tax assets and liabilities*

(in millions of euros)		NOTE	30 June 2018	CHANGES		30 June 2019
				related to operations	other changes	
Current tax assets	(I)	B	9.8	(5.9)	7.8	11.8
Current tax liabilities	(II)	B	13.3	29.3	(27.8)	14.8
Change in current tax assets and liabilities (III) = (I) - (II)			**(3.5)**	**(35.2)**	**35.6**	**(3.0)**
Change in tax provision	(IV)	6.9	**0.1**			**---**
Total current tax expense	(V)		**(24.6)**			**(35.2)**
Income taxes paid during the year =		SCF	**(26.4)**			**(28.0)**

Tax assets relate to tax instalments paid and not offset against the tax payable. These assets mainly concern companies that are not consolidated for tax purposes.

Tax liabilities relate to income tax.

5.4.3 - *Effective tax rate*

- Detail of the tax expense excluding CVAE (amount of current and deferred taxes)

The detail of the difference between the income tax rate and the Group's effective tax rate is as follows:

% of net profit before tax	**from 1 July 2017 to 30 June 2018**	**from 1 July 2018 to 30 June 2019**
Standard tax rate	34.43	34.43
Effect of tax rates other than the standard rate	8.80	(9.49)
Deferred taxes on previous tax losses	(3.13)	---
Deferred tax asset not recognised in tax loss for the year	---	13.16
Permanent difference between accounting profit and taxable profit	(0.55)	19.46
Other	0.66	(20.49)(1)
Group effective tax rate on net profit before tax	**40.21**	**37.07**

(1) Including (17.16) for deferred tax on local depreciation following the exercise of the HPA3 lease option.

For the financial year, the tax amount excluding the CVAE value-added contribution is an expense of EUR 9 million.

5.4.4 - *Detail of deferred tax assets and liabilities*

Detail of the deferred tax assets and liabilities for each category of temporary difference and tax loss.

(in millions of euros)	**NET DEFERRED TAXES**			
	from 1 July 2017 to 30 June 2018	**Income Tax**	**Other changes(1)**	**from 1 July 2018 to 30 June 2019**
Provisions for retirement	13.5	0.7	8.5	22.7
Finance leases	(14.7)	(1.8)	7.9	(8.6)
Valuation differences	(26.3)	1.3	(4.0)	(29.0)
Difference between tax/accounting depreciation periods	(5.3)	1.1	(8.5)	(12.7)
Recognition of tax loss carryforwards for the year	12.6	(4.4)	0.1	8.3
Fair value of financial instruments	1.7	(0.5)	3.9	5.1
Other	12.8	5.8	29.3	47.9
TOTAL	**(5.7)**	**2.2**	**37.2**	**33.7**

(in millions of euros)	**Note**	**NET DEFERRED TAXES**			
		from 1 July 2017 to 30 June 2018	**Income Tax**	**Other changes(1)**	**from 1 July 2018 to 30 June 2019**
Deferred tax assets	B	45.2	5.7	95.4	146.3
Deferred tax liabilities	B	(50.9)	(3.5)	(58.2)	(112.6)
TOTAL		**(5.7)**	**2.2**	**37.2**	**33.7**

	Note	
IMPACT ON INCOME STATEMENT	5.4.1	**2.2**

(1) *The "other changes" column is mainly made up of changes in the scope of consolidation (including tax assets and liabilities held for sale), of which EUR 31.6 million of the change concerns the CAPIO group.*

5.4.5 - *Unrecognised deferred taxes*

- Tax loss carryforwards and available tax credits

	from 1 July 2017 to 30 June 2018		**from 1 July 2018 to 30 June 2019**	
	Base	**Potential tax savings (a)**	**Base**	**Potential tax savings (b)**
Tax losses that can be carried forward indefinitely.	**69.3**	**22.9**	**78.2**	**24.4**
Unrecognised deferred tax assets	30.7	10.3	52.6	16.1
Recognised deferred tax assets	**38.6**	**12.6**	**25.6**	**8.3**

(a) Tax rate applied: 33.51% and 25.83%
(b) Tax rate applied: 33.51% - 32.02% - 25.83% - 21.4%

5.4.6 - *Tax on income and expenses recognised directly in equity*

(in millions of euros)	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Deferred taxes:		
- on actuarial gains and losses relating to obligations for retirement bonuses	0.6	11.3
- on changes in fair value of hedging instruments	0.4	0.5
Tax on income and expenses recognised directly in equity	**1.0**	**11.8**

5.5 - Basic earnings per share

	from 1 July 2017 to 30 June 2018	from 1 July 2018 to 30 June 2019
Net profit attributable to the Group (in millions of euros)	**7.3**	**8.2**
Weighted number of shares during the year (including treasury shares)	75 957 095	84 565 244
Number of treasury shares	25 301	25 301
Weighted number of shares during the year	75 931 794	84 539 943
Basic earnings per share (in euros)	**0.10**	**0.10**
Dilutive effect of option plan	---	---
Weighted number of shares during the year, taking the dilutive effect into account	75 931 794	84 539 943
Diluted earnings per share (in euros)	**0.10**	**0.10**

6. - NOTES ON THE MAIN BALANCE SHEET ITEMS

6.1 - Goodwill

(in millions of euros)	Note	30-06-2018	30-06-2019
GROSS AMOUNT			
Opening balance	B	**800.7**	**828.0**
Additions to the scope of consolidation	3.1.1	27.3	981.0
Exclusions from the scope of consolidation	3.1.2	--	(60.6)
Changes in ownership interest		--	--
Assets held for sale		--	--
Other		--	--
Closing balance	B	**828.0**	**1 748.4**

Accumulated impairment losses

Goodwill gave rise to the following impairment losses with the following assumptions:

	30-06-2018	30-06-2019
Pre-tax discount rate	8.51%	7.89%
Perpetual growth rate	1.00%	1.00%

At 30 June 2019, the group had not observed any unfavourable changes to the execution by Capio of its business plan within the RGdS group.

Impairment tests carried out on the basis of the net assets as of April 2019 did not find any impairment of goodwill. There were no significant changes in the assets tested between 30 April 2019 and 30 June 2019. The goodwill allocated to the CGUs "Paca" and "Centre Pays de Loire" is fully impaired. In 2019, tests carried out did not lead to any impairment of goodwill.

(in millions of euros)	Note	30-06-2018	30-06-2019
Opening balance	B	**(73.6)**	**(73.6)**
Impairment losses recognised during the period		--	--
Closing balance	B	**(73.6)**	**(73.6)**
CARRYING AMOUNT			
At beginning of period	B	**727.1**	**754.4**
At end of period	B	**754.4**	**1 674.8**

The net goodwill allocated to the cash-generating units is presented as follows:

(in millions of euros)	Note	30-06-2018	30-06-2019
Ile de France		474.9	475.0
Rhône Alpes		96.5	105.4
Nord		155.2	161.7
Bourgogne		11.0	11.0
Capio...		--	901.2
Other regions		16.8	20.5
Italy..		--	--
Total		**754.4**	**1 674.8**

Sensitivity of the recoverable amount of the cash-generating units to the assumptions used.

The sensitivities to the main changes in assumptions are as follows: A 0.5% increase in the discount rate would give rise to a EUR 235.5 million reduction in the recoverable amount, without requiring the recognition of impairment for any of the CGUs. A 0.5% increase in the perpetual growth rate would give rise to a EUR 159.4 million reduction in the recoverable amount, without requiring the recognition of impairment for any of the CGUs. If these two factors were combined, the recoverable amount would be reduced by EUR 370.7, without requiring the recognition of impairment for any of the CGUs.

6.2 - Other intangible assets

(in millions of euros)	NOTE	Gross					Amortisation				Carrying amount	
		30 June 2018	Acquisition	Disposal	Other Movements (1)	30 June 2019	30 June 2018	Provision/Reversal	Other Movements (1)	30 June 2019	30 June 2018	30 June 2019
Software and other intangible assets...............................	B	109.5	22.1	(11.7)	283.1	403.0	(85.7)	(18.4)	(35.4)	(139.5)	23.8	263.5
Of which under finance leases:												
Software and other intangible assets..............................		1.9	1.5	--	--	3.4	--	--	--	--	1.9	3.4

6.3 - Property, plant and equipment

(in millions of euros)	NOTE	Gross					Amortisation					Carrying amount	
		30 June 2018	Acquisition	Disposal/ Transfer	Other Movements (1)	30 June 2019	30 June 2018	Provision/ Reversal	Disposal/ Transfer	Other Movements (1)	30 June 2019	30 June 2018	30 June 2019
Land...		90.3	13.4	(1.4)	37.0	139.3	(0.9)	(0.1)	0.4	(23.4)	(24.0)	89.4	115.3
Buildings...		1 022.2	34.8	(34.6)	323.6	1 346.0	(509.8)	(53.1)	33.1	(239.3)	(769.1)	512.4	576.9
Construction in progress		13.6	18.4	(4.5)	8.3	35.8	--	--	--	--	--	13.6	35.8
Technical facilities, equipment, tools		670.9	108.4	(108.1)	470.1	1 141.3	(507.3)	(83.0)	106.0	(380.6)	(864.9)	163.6	276.4
Other..		351.0	32.1	(9.3)	38.5	412.3	(260.7)	(22.6)	8.9	(35.2)	(309.6)	90.3	102.7
TOTAL	B	**2 147.9**	**207.1**	**(157.9)**	**877.5**	**3 074.7**	**(1 278.7)**	**(158.8)**	**148.4**	**(678.5)**	**(1 967.6)**	**869.2**	**1 107.1**
Of which assets under finance leases:													
- Land and buildings		219.0	--	--	(64.3)	154.7	(50.6)	(4.2)	--	27.2	(27.6)	168.4	127.1
- Equipment...		139.6	27.0	(30.5)	(2.2)	133.9	(68.4)	(28.5)	30.5	0.8	(65.6)	71.2	68.3
Assets held for sale	B	**19.9**		(19.9)		**0.0**	**(16.1)**		16.1		**0.0**	**3.8**	**0.0**
Acquisitions of intangible assets (note 6.2)		**22.1**											
Acquisitions of property, plant and equipment..		**207.1**											
Disposal price reclassified as a reduction in capex...		**(10.7)**											
Capex reclassified as a reduction in divestment		**--**											
Impact of grants received.........................		**(0.5)**											
Impact of capitalised financial expenses..		**--**											
Impact of the change in WCR on assets...		**1.1**											
Impact of capitalisation of finance leases		**(41.1)**											
Impact on the statement of cash flows (2)	SCF	**178.0**											

(1) "Other changes" primarily consists of flows arising from inclusions in the scope of consolidation.
(2) Investments in tangible and intangible assets

6.4 - Investments in associates

There are no significant investments consolidated using the equity method at Group level.

Company (in millions of euros)	%	30-06-2018		30-06-2019	
		Amount	Share of income	Amount	Share of income
All companies	---	0.6	--	0.3	--
TOTAL		**0.6**	**--**	**0.3**	**--**

6.5 - Other non-current financial assets and liabilities

(in millions of euros)	NOTE	30-06-2018	CHANGES		30-06-2019
			related to operations	other changes	
Available-for-sale financial assets		2.8	--	(1.7)	1.1
Deposits paid and other loans		39.0	4.2	22.2	65.4
Non-current financial assets		27.3	--	(6.4)	20.9
Fair value of hedging instruments		--	--	--	--
Total Other non-current financial assets (I)		**69.1**	**4.2**	**14.1**	**87.4**
Deposits and guarantees received		2.6	(0.1)	1.5	4.0
Other non-current liabilities		(0.2)	(5.5)	9.5	3.8
Employee profit-sharing		2.8	(0.2)	(0.2)	2.4
Fair value of hedging instruments	6.8	7.0	--	15.2	22.2
Total Other non-current liabilities (II)		**12.2**	**(5.8)**	**26.0**	**32.4**
Assets held for sale ... III					
CHANGE IN OTHER NON-CURRENT ASSETS AND LIABILITIES (I - II + III)		**56.9**	**10.0**	**(11.9)**	**55.0**
IMPACT ON STATEMENT OF CASH FLOWS	SCF		**(10.0)**		

Available-for-sale financial assets mainly relate to the equity investments in the subsidiaries where the Group does not have the power to govern the companies' financial and operating policies so as to obtain benefits from their activities. These shares of non-listed companies mainly relate to property investment companies, and the deposits granted in relation to operating leases.

Deposits paid include term accounts held by the Trust and advances under recent property leases.

The gains and losses recognised in equity and in profit (loss) on available-for-sale financial assets are as follows:

(in millions of euros)	NOTE	At 30 June 2019				
		Dividends	Subsequent measurement			Gain (loss) on disposal
			Change in fair value	Exchange rate effect	Depreciation and amortisation	
Equity		--	--	--	--	--
Profit (loss)		--	--	--	--	--
Total			**--**	**--**	**--**	**--**

(in millions of euros)	NOTE	At 30 June 2018				
		Dividends	Subsequent measurement			Gain (loss) on disposal
			Change in fair value	Exchange rate effect	Depreciation and amortisation	
Equity		--	--	--	--	--
Profit (loss)		--	--	--	--	--
Total		**--**	**--**	**--**	**--**	**--**

6.6 - Group and non-Group equity

The Ramsay Générale de Santé Group seeks to manage its equity from a long-term perspective with the aim of ensuring its sustainability, to maintain an optimal financial structure in capital cost terms, and to provide shareholder return and security for the third parties with which it carries out transactions.

6.6.1 - *Share capital*

On 11 April 2019, the Board of Directors decided on a capital increase of EUR 566,760,513.7 corresponding to the issue of 34,432,595 new shares created following the subscriptions received after the capital increase launched on 21 March 2019.

Following this increase, the capital was set at 110,389,690 shares with a nominal value of EUR 0.75 (fully paid up) compared to 75,957,095 shares at the close of the period at 30 June 2018.

Shares	30-06-2018	30-06-2019
Number of shares at beginning of period	**75 957 095**	**75 957 095**
Share capital increase	--	34 432 595
Number of shares at end of period	**75 957 095**	**110 389 690**

6.6.2 - *Reserves*

At 30 June 2019, the consolidated reserves consisted of the legal reserve, prior years' results, and translation differences.

6.6.3 - *Income and expenses recognised directly in equity*

(in millions of euros)	30-06-2018	30-06-2019
Actuarial gains and losses on pension obligations		
Reserves at beginning of period	(4.9)	(4.4)
Change in actuarial differences	0.5	(43.9)
Reserves at end of period	**(4.4)**	**(48.3)**
Fair value of hedging instruments		
Reserves at beginning of period	(6.1)	(5.7)
Change in fair value	0.4	(12.6)
Reserves at end of period	**(5.7)**	**(18.3)**
Translation differences		
Reserves at beginning of period	(0.3)	(0.3)
Change in fair value	0.0	8.0
Reserves at end of period	**(0.3)**	**7.7**

6.6.4 - *Dividends*

The detail of the dividends paid in 2018 and 2019 is as follows:

	30-06-2018	30-06-2019
DISTRIBUTED DIVIDENDS		
Amount (in millions of euros)	---	---
Per share (in euros)	---	---

6.6.5 - *Non-controlling interests*

Non-controlling interests relate mainly to the investment of Clinique du Mousseau (SCI Evry) and the public hospital in Centro Ortopedico Di Quadrante Spa.

6.7 - Payment in shares

At 30 June 2019, there was no longer an option to subscribe to shares.

6.8 - Net financial debt

The detail of the net financial debt, expressed in millions of euros, is as follows:

(in millions of euros)	Note	30-06-2018	30-06-2019		
		TOTAL	Non-current	Current	TOTAL
Senior debt		845.6	1 590.0	9.8	1 599.8
CAPEX debt		40.0	40.0	--	40.0
TRFA – Total senior debt		**885.6**	**1 630.0**	**9.8**	**1 639.8**
Subordinated bonds		---	---	---	---
Other loans		202.3	171.7	19.3	191.0
Loans under finance leases		184.8	170.9	43.3	214.2
- *of which: - finance leases on property*		*108.3*	*104.8*	*10.3*	*115.1*
- finance leases on property assets		*76.5*	*66.1*	*33.0*	*99.1*
New debt issue costs		(15.4)	(17.3)	(4.8)	(22.1)
Financial liabilities related to assets held for sale		---	---	---	---
Long-term financial debt		**1 257.3**	**1 955.3**	**67.6**	**2 022.9**
Financial liabilities related to assets held for sale		---	---	---	---
Current account financial liabilities		2.0	---	1.8	1.8
Bank overdrafts		---	---	---	---
GROSS FINANCIAL DEBT (I)		**1 259.3**	**1 955.3**	**69.4**	**2 024.7**
Fair value of hedging instruments		5.2	16.4	---	16.4
Fair value of hedging instruments (II)		**5.2**	**16.4**	**---**	**16.4**(1)
Current account financial assets		(1.8)	---	(2.8)	(2.8)
Cash		(308.0)	---	(368.5)	(368.5)
Other financial assets		(27.3)	(20.9)	(6.9)	(27.8)
Ramsay Générale de Santé treasury shares (marketable securities)		(0.3)	(0.3)	---	(0.3)
FINANCIAL ASSETS (III)		**(337.4)**	**(21.2)**	**(378.2)**	**(399.4)**
NET FINANCIAL DEBT (I) + (II) + (III)	SCF	**927.1**	**1 950.5**	**(308.8)**	**1 641.7**

CLOSING BALANCE SHEET:

Borrowings and financial debt	(a)	1 195.6	---	---	1 955.3
Current financial debt	(b)	63.7	---	---	69.4
Bank overdrafts	(c)	---	---	---	---
Liabilities associated with non-current assets classified as held for sale		---	---	---	---
- *of which: financial liabilities related to non-current assets held for sale*	*(d)*	---	---	---	---
GROSS FINANCIAL DEBT A = (a) + (b) + (c) + (d)		**1 259.3**	**---**	**---**	**2 024.7**
Other non-current liabilities	(e)	7.0	---	---	22.1
Deferred taxes	(f)	(1.8)	---	---	(5.7)
Other net non-current liabilities (fair value of financial instruments)	B = (e) + (f)	5.2	---	---	16.4
Other non-current assets (fair value of financial instruments)	(g)	---	---	---	---
FINANCIAL INSTRUMENTS C = (B) – (g)		**5.2**	**---**	**---**	**16.4**
Current financial assets	(h)	(1.8)	---	---	(9.7)
Non-current financial assets	(i)	(27.3)	---	---	(20.9)
Cash	(j)	(308.0)	---	---	(368.5)
Assets associated with non-current assets classified as held for sale	(k)	---	---	---	---
Ramsay Générale de Santé treasury shares (marketable securities)	(l)	(0.3)	---	---	(0.3)
FINANCIAL ASSETS D = (h) + (i) + (j) + (k) + (l)		**(337.4)**	**---**	**---**	**(399.4)**
NET FINANCIAL DEBT (A + C + D)	SCF	**927.1**	**---**	**---**	**1 641.7**

(1) Fair value of the hedging instruments (EUR +22.1 million less tax impact of EUR 5.7 million)

6.8.1 - *Explanatory data on changes in net debt*

(in millions of euros)	NOTE	Debt Situation at 30-06-2018	New Loans	Debt Repayments	Change in net scope	Other	Debt Situation at 30-06-2019
Term B1A		440.0	--	--	--	--	440.0
Term B1B		160.0	--	--	--	--	160.0
Term B2		240.0	--	--	--	--	240.0
Term B3A		--	265.6	--	--	--	265.6
Term B3B		--	484.4	--	--	--	484.4
Capex		40.0	--	--	--	--	40.0
Revolving		--	--	--	--	--	--
Interest accrued on senior debt		5.6	--		--	--	9.8
TRFA – Total senior debt		**885.6**	**750.0**	**4.2**	**--**	**--**	**1 639.8**
Bond issue		--	550.0	(550.0)			--
Other loans		202.3	5.3	(426.1)	419.4	(9.9)	191.0
Loans under property finance leases		108.3	--	(13.6)	28.7	(8.3)	115.1
Loans under equipment finance leases		76.5	41.1	(35.3)	15.8	1.0	99.1
Capitalisation of issue expenses of new debt		(15.4)	--	--	--	(6.7)	(22.1)
Financial liabilities related to assets held for sale		--	--	--	--	--	--
Subtotal: financial debt		**1 257.3**	**1 346.4**	**(1 020.8)**	**463.9**	**(23.9)**	**2 022.9**
Financial liabilities related to assets held for sale		--	--	--	--	--	--
Current account liabilities		2.0	--	(0.7)	0.5	--	1.8
Bank overdrafts		--	--	--	--	--	--
TOTAL GROSS FINANCIAL DEBT		**1 259.3**	**1 346.4**	**(1 021.5)**	**464.4**	**(23.9)**	**2 024.7**
Fair value of hedging instruments	6.12.4	5.2	--	--	--	11.2	16.4
FINANCIAL INSTRUMENTS		**5.2**	**--**	**--**	**--**	**11.2**	**16.4**
Current account assets		(1.8)	--	(0.3)	(0.7)	--	(2.8)
Cash		(308.0)	--	--	4.0	(64.5)	(368.5)
Other financial assets		(27.3)	--	(1.0)	(6.0)	6.5	(27.8)
Ramsay Générale de Santé treasury shares (marketable securities)		(0.3)	--	--	--	--	(0.3)
FINANCIAL ASSETS		**(337.4)**	**--**	**(1.3)**	**(2.7)**	**(58.0)**	**(399.4)**
TOTAL NET FINANCIAL DEBT		**927.1**	**1 346.4**	**(1 022.8)**	**461.7**	**(70.7)**	**1 641.7**
Impact on the statement of cash flows	SCF		**1 305.3**	**(1 022.8)**			

6.8.2 - *Senior debt*

On 1 October 2014, Ramsay Générale de Santé as guarantor and Compagnie Générale de Santé as borrower entered into a “senior debt” credit agreement amounting to a total of EUR 1,075 million with BNP Paribas, Crédit Agricole CIB, Natixis, Barclays and Deutsche Bank as mandated arrangers and original lenders. This senior debt facility enabled Ramsay Générale de Santé to refinance a portion of its previously existing debt and to finance the extraordinary distribution of share premiums approved by the General Meeting of 18 November 2014. The purpose of this senior debt facility is to finance the general operating needs of Group companies as well as to fund acquisitions and meet investment expenses relating to growth and reorganisation. This financing was amended and extended on 11 August 2017, adding two more years to the original six years, and is now repayable in full on 3 October 2022 (See paragraph 6.12.2).

In addition, at the time of the acquisition of Capio AB at the end of October 2018, the syndicated loan was incremented by EUR 750 million by a TLB3 facility for six years, part of which was used to acquire Capio AB shares (B3A) and the other part to repay the financing of Capio AB (B3B).

This financing consists of seven lines of credit:

Senior debt	Original lines of credit	Duration (Year)	Due date	30 June 2019		
				Amount drawn down	Amount not drawn down	Early repayment
Term B1A facility	500.0	8	03/10/2022	440.0	0.0	60.0
Term B1B facility	160.0	8	03/10/2022	160.0	0.0	0.0
Term B2 facility	240.0	8	03/10/2022	240.0	0.0	0.0
Revolving Credit facility	100.0	8	03/10/2022	0.0	100.0	0.0
Acquisition / Capex facility 1(1)	75.0	8	03/10/2022	40.0	35.0	0.0
Term B3A facility	265.6	6	22/10/2024	265.6	0.0	0.0
Term B3B facility	484.4	6	22/10/2024	484.4	0.0	0.0
TOTAL	**1 825.0**			**1 630.0**	**135.0**	**60.0**

(1) Provided a certain level of financial leverage is not exceeded, the company may request that each of its creditors provide an additional line of capex credit.

Specific clauses in the senior debt agreement:

All of its tranches are issued at variable rates.

The terms and conditions of the financing place restrictions on the policy for acquiring and disposing of assets. Disposals of assets give rise to early debt repayments. The agreement sets limits on the capacity for taking on new debt in the form of financial leases, mortgages, security trust or any other form of credit.

In addition, in the event of a drawdown at the end of the half-year exceeding 40% of the RCF, the contract requires compliance with a maximum leverage ratio of 5.00x (consolidated NFD / consolidated Ebitda(1)). This constraint is not applicable if the amount drawn down returns below 40% of the outstanding RCF amount.

(1) NFD : Net financial debt such as that defined in section 2.15, excluding fair value of hedging instruments.
EBITDA : Gross operating surplus, defined as the difference between profit from recurring operations and depreciation and amortisation charges (see section 2.19).

The Ramsay Générale de Santé Group had no outstanding drawdowns on the RCF at 30 June 2019.

- Hedging clause relating to interest rate risk:

In connection with its refinancing transactions for the Group (senior debt facility) carried out on 1 October 2014, the company must, within six months of setting up this refinancing, arrange for the hedging of its exposure to interest rate risk in respect of at least two-thirds (and no more than 100%) of the amount of credit drawn down (excluding the additional non-binding capex line of credit) over a minimum period of three years.

At 30 June 2019, 75% of the initial syndicated debt remains hedged at one year with an average fixed rate of 0.28%. Then, following the extension of the duration of the initial debt and the new amounts drawn down at the time of the acquisition of Capio, new interest rate hedges were put in place (the average hedging rate is 71%):

- 75% of the initial debt is hedged until maturity with Interest Rate Swaps (IRS), with in 2020 50% floor and 50% cap, and from 2021, 100% in vanilla IRS.
- 66.67% of the new debt is hedged until maturity with Interest Rate Swaps (IRS), with 50% floor and 50% cap for two years, and then in 2021 for 3.5 years with vanilla IRS.

- Security Clause:

The securities of Compagnie Générale de Santé, Immobilière de Santé, Alphamed, Parly 2, Hôpital Privé Ouest Parisien, Pass, Medipsy, HPM, HPM Nord, Capio AB and Capio Group Services AB were pledged in security of the syndicated debt.

6.8.3 - *Statement of debt authorisation*

The detail of the amounts drawn down on the credit facilities is as follows:

Nature of the debt (in millions of euros)	At 30 June 2019			
	Authorised debt	Line confirmed	Line used	Line unused
Senior debt(1)..	1 765.0	1 765.0	1 630.0	135.0
Other loans from credit institutions..	200.0	181.4	181.4	18.6
Loans under finance leases	400.0	214.2	214.2	185.8
Bank overdrafts..	100.0	67.5	0.0	67.5
TOTAL	**2 465.0**	**2 228.1**	**2 025.6**	**406.9**

(1) Subject to meeting certain financial performance targets, the company may have access to an additional line of credit for capex and acquisitions.

6.8.4 - *Borrowing in connection with financial leases*

At 30 June 2019 (in millions of euros)	2020	2021	2022	2023	2024	>2024	Total
MINIMUM PAYMENTS:							
Payments under property finance leases	16.4	14.5	13.2	12.0	11.7	57.6	**125.4**
Payments under equipment finance leases	29.7	26.4	20.1	11.9	6.1	9.0	**103.2**
Total minimum payments	**46.1**	**40.9**	**33.3**	**23.9**	**17.8**	**66.6**	**228.6**
Future finance costs	2.8	2.3	1.9	1.5	1.3	4.6	**14.4**
Loans under finance leases	**43.3**	**38.5**	**31.5**	**22.4**	**16.5**	**62.0**	**214.2**
DISCOUNTED PAYMENTS:							
Payments under property finance leases	15.5	12.9	11.2	9.6	8.8	41.1	**99.2**
Payments under equipment finance leases	28.2	23.6	17	9.5	4.6	6.4	**89.2**
Total discounted payments	**43.7**	**36.5**	**28.2**	**19.0**	**13.4**	**47.5**	**188.4**

(*) The payments were discounted at 5.78% at 30 June 2019.

At 30 June 2018 (in millions of euros)	2019	2020	2021	2022	2023	>2024	Total
MINIMUM PAYMENTS:							
Payments under property finance leases	16.1	15.1	11.3	10.0	10.1	59.7	**122.2**
Payments under equipment finance leases	29.0	19.1	14.3	9.5	4.7	4.0	**80.7**
Total minimum payments	**45.1**	**34.2**	**25.6**	**19.5**	**14.8**	**63.7**	**202.9**
Future finance costs	3.7	2.7	2.0	1.7	1.4	6.6	**18.1**
Loans under finance leases	**41.4**	**31.5**	**23.6**	**17.8**	**13.4**	**57.1**	**184.8**
DISCOUNTED PAYMENTS:							
Payments under property finance leases	15.2	13.5	9.5	8.0	7.6	42.6	**96.4**
Payments under equipment finance leases	27.4	17.1	12.1	7.6	3.6	2.9	**70.7**
Total discounted payments	**42.6**	**30.6**	**21.6**	**15.6**	**11.2**	**45.5**	**167.1**

(*) The payments were discounted at 5.78% at 30 June 2018.

6.9 - Provisions

The changes in the period in provisions on the liability side of the balance sheet were as follows:

(in millions of euros)	NOTE	30-06-2018	Provision	Reversals With offsetting entry	Reversals without offsetting entry	Other Movements	30-06-2019
Provisions for retirement and other employee benefits							
Provisions for retirement bonuses	6.9.2	50.8	6.6	(10.1)	--	85.4	132.7
Provision for other employee benefits:		0.2	--	--	--	--	0.2
Total	B	**51.0**	**6.6**	**(10.1)**	**--**	**85.4**	**132.9**
Non-current provisions							
Provisions for litigation	6.9.1	12.6	3.0	(1.8)	(2.8)	0.5	11.5
Provisions for restructuring		51.0	16.3	(15.0)	(1.5)	8.2	59.0
Other provisions for liabilities and expenses		---	--	--	--	57.8	57.8
Total	B	**63.6**	**19.3**	**(16.8)**	**(4.3)**	**66.5**	**128.3**
Current provisions							
Provisions for taxes & duties		4.0	--	--	--	--	4.0
Other provisions for risks and expenses		13.8	6.2	(6.7)	(2.5)	21.7	32.5
Total	B	**17.8**	**6.2**	**(6.7)**	**(2.5)**	**21.7**	**36.5**
CURRENT & NON-CURRENT PROVISIONS		**81.4**	**25.5**	**(23.5)**	**(6.8)**	**88.2**	**164.8**
TOTAL PROVISIONS		**132.4**	**32.1**	**(33.6)**	**(6.8)**	**173.6**	**297.7**

Impact of cash flows relating to provisions on the profit and loss account

(in millions of euros)	NOTE	Net impact 30-06-2018	30-06-2019			Net impact 30-06-2019
			Provisions	Reversals With offsetting entry	Reversals Without offsetting entry	
Staff costs		2.1	(9.2)	11.6	1.1	3.5
Other operating expenses		0.6	(5.4)	7.0	4.1	5.7
Taxes & duties		0.1	--	--	--	--
EBITDA		**2.8**	**(14.6)**	**18.6**	**5.2**	**9.2**
Other non-current income and expenses		(37.8)	(16.4)	15.0	1.6	0.2
Other financial income and expenses		(0.9)	(1.1)	--	--	(1.1)
Corporate taxes		0.1	--	--	--	--
TOTAL		**(35.8)**	**(32.1)**	**33.6**	**6.8**	**8.3**
Impact on the statement of cash flows	SCF	**(2.9)**				**(9.7)**

6.9.1 - *Provisions for restructuring*

At 30 June 2019, the balance of provisions for restructuring amounts to EUR 59 million, which is mainly composed of the provision relating to the implementation of the shared services platform that will bring together the accounting/finance and HR functions of the entire Group, amounting to EUR 23.2 million, and the provision relating to the transfer of the activity of the clinique Jeanne d'Arc in Gien for EUR 15.2 million. The provision for the closure of the clinique Rosemond amounts to EUR 4.4 million; the restructuring provisions acquired with the Capio Group amount to EUR 7.7 million.

6.9.2 - *Provisions for retirement bonuses*

The Group has defined benefit plans in France, Sweden and Norway.

6.9.2.1 - Actuarial forecasts

An actuarial assessment of the obligations was conducted at 30 June 2019 using the following assumptions:

(in millions of euros)	30-06-2018	30-06-2019
Age of retirement with voluntary termination on the employee's initiative	65 years	65 years
Changes to salaries	1.0%	1.0% to 2.75%
Discount rate at beginning of period	1.60%	1.60%
Discount rate at end of period	1.60%	1.20% to 2.30%
Expected return on plan assets	1.60%	1.20% to 2.30%

The assumptions used for the long-term return on assets and the discount rate used for the estimate were defined on the basis of recommendations by independent experts. With regard to the discount rate, the regulation specifies that the rate to be used for discounting post-employment benefit obligations (whether funded or not) must be determined with reference to a market rate at the reporting date in relation to investment-grade corporate bonds.

6.9.2.2 - Overview of the financial position

The detail of the financial position in relation to the Group companies' retirement bonus obligations is as follows:

(in millions of euros)	30-06-2018	30-06-2019
Present value of financial obligations	54.3	240.7
Fair value of plan assets	(3.3)	(107.8)
Surplus of funded plan assets	**51.0**	**132.9**
Actuarial differences	--	--
Unrecognised past service cost	--	--
Net asset value	**51.0**	**132.9**

6.9.2.3 - Change in the financial position

The detail of the change in the financial position with regard to retirement bonus obligations is as follows:

(in millions of euros)	30-06-2018	30-06-2019
Actuarial debt at start of period ....(I)	**53.7**	**54.3**
Cost of services rendered in the period.......................................	3.0	5.9
Financial cost..	0.9	2.1
Benefits paid by the employer	(3.6)	(5.4)
Effect of exclusions from the scope of consolidation	(0.4)	(1.5)
Effect of additions to the scope of consolidation	0.3	124.8
Past service cost..	--	--
Actuarial differences: (gain) / loss	0.4	60.4
Liabilities related to assets held for sale......................................	---	---
Translation differences	---	0.2
Actuarial debt at end of period...(III)	**54.3**	**240.8**

(in millions of euros)	30-06-2018	30-06-2019
Fair value of plan assets at 1 January.................................(II)	**3.4**	**3.3**
Expected return on plan assets	---	1.2
Employer contributions	---	5.8
Employee contributions	---	---
Benefits paid	---	(4.0)
Effect of additions to the scope of consolidation	---	96.4
Actuarial gain (loss) on plan assets...	(0.1)	5.1
Fair value of the plan assets at end of period .... (IV)	**3.3**	**107.8**

(in millions of euros)	30-06-2018	30-06-2019
Financial position at 1 January..................................... (I) - (II)	**50.4**	**51.0**
Financial position at end of period...........................(III) – (IV)	**51.0**	**132.9**

(in millions of euros)	30-06-2018	30-06-2019
Cost of services rendered in the period.......................................	(3.0)	(5.9)
Financial cost..	(0.9)	(2.1)
Expected return on plan assets	---	1.2
Amortisation of past service cost...	---	---
Benefits paid by the contract	---	(4.0)
Benefits paid by the employer	(3.6)	(5.4)
Reversal of provisions	3.6	5.4
Expenses recognised in the income statement	**(3.9)**	**(10.8)**

6.9.2.4 - Reconciliation table

The reconciliation of the provision for retirement bonuses between 1 July and 30 June of the periods under review is broken down as follows:

(in millions of euros)	30-06-2018	30-06-2019
Provision for retirement benefits at 1 January........................	**50.4**	**51.0**
Charge for the period...	3.9	10.8
Effect of additions to the scope of consolidation	0.3	28.4
Effect of exclusions from the scope of consolidation	(0.4)	(1.5)
Benefits paid directly by the employer...	(3.6)	(5.4)
Contributions paid..	---	(5.8)
Change in actuarial differences in equity	0.4	55.4
Liabilities related to assets held for sale......................................	---	---
Provision for retirement at end of period	**51.0**	**132.9**

6.9.2.5 - Sensitivity of the retirement bonus obligations to discount rates

The following table presents the impact of a change in the discount rate on retirement bonuses:

(in millions of euros)	At 30 June 2019		
Sensitivity:	**Base**	**Discount +0.50%**	**Departure +1 year**
Retirement bonus obligation	132.9	(6.5)*	(0.5)*

** consolidated entities in France only*

6.9.3 - *Environmental liabilities*

The Company did not recognise any provisions in relation to environmental liabilities.

The impact of Decree No. 2005-829 of 20 July 2005 relating to the composition of electric and electronic equipment and disposal of waste from this equipment is not material.

For equipment placed on the market after 13 August 2005, the directive states that manufacturers must provide for the organisation and funding of the removal and treatment of waste.

For equipment placed on the market before 13 August 2005, the removal and treatment of waste is the responsibility of the users unless agreed otherwise with the manufacturers. It should be noted that the suppliers of Ramsay Générale de Santé take responsibility for this task when replacing old equipment with new equipment. This provision is specified in the purchase order agreements for heavy equipment (scanners, MRIs and particle accelerators).

6.10 - Working capital requirements related to operations

(in millions of euros)	NOTE	30-06-2018	CHANGES: related to operations	CHANGES: accounts payable & liab. on long-term assets	CHANGES: other changes(1)	30-06-2019
Inventories(2)		67.8	4.9	--	26.2	98.9
Write-downs		--	--	--	0.0	--
Inventories, net		***67.8***	***4.9***	***--***	***26.2***	***98.9***
Trade and other operating receivables		167.5	121.3	--	83.5	372.3
Depreciation and amortisation		(9.9)	(1.1)	--	(0.3)	(11.3)
Net trade and other operating receivables	*6.12.5*	***157.6***	***120.2***	***--***	***83.2***	***361.0***
Other current assets		212.8	(87.2)	3.0	125.9	254.5
Depreciation and amortisation		(22.2)	(0.5)	--	0.0	(22.7)
Other current assets, net	*6.12.5*	***190.6***	***(87.7)***	***3.0***	***125.9***	***231.8***
- of which: receivables on non-current assets		*4.1*	--	*3.0*	--	*7.1*
Total inventories and operating receivables (I)		**416.0**	**37.4**	**3.0**	**235.3**	**691.7**
Trade payables		191.9	12.2	--	62.0	266.1
Other current liabilities		329.5	(0.3)	1.9	243.2	574.3
- of which: payables on non-current assets		*23.5*	--	*1.9*	--	25.4
Total payables to suppliers and other operating debt (II)		**521.4**	**11.9**	**1.9**	**305.2**	**840.4**
Assets held for sale **(III)**		0.6	--	--	(0.6)	--
WORKING CAPITAL REQUIREMENTS (I) – (II) + (III)		**(104.9)**	**25.5**	**1.1**	**(70.5)**	**(148.8)**
Impact on statement of cash flows (II) – (I)	SCF		**(25.5)**	**(1.1)**		

(1) The "Other changes" column consists mainly of changes in the scope of consolidation in the year.
(2) Inventories consist mainly of minor medical supplies and pharmaceutical products.

The operating receivables and payables have a cycle of less than 12 months.

The detail of "Trade and other operating receivables" is as follows:

(in millions of euros)	30-06-2018	30-06-2019
Receivables from patients	10.2	19.8
Receivables: mandatory plan (health insurance funds)	44.3	105.7
Receivables: supplementary plan (mutuals and insurance)	24.5	47.3
Doubtful or disputed receivables	4.9	3.6
Invoices to be issued to customers	51.8	143.6
Current trade receivables	23.6	40.4
Trade receivables on the sale of goods or provision of services	5.8	10.4
Other	2.4	1.5
TOTAL	**167.5**	372.3

The detail of deferred customer and supplier payments is as follows:

Deferred payment (in days)	30-06-2018	30-06-2019
Customers	25.5	26.7
Suppliers	65.1	62.6

6.11 - Assets and liabilities associated with assets classified as held for sale

(in millions of euros)	30 June 2018		30 June 2019	
	Assets	Liabilities	Assets	Liabilities
Real Estate (SCI Ste Marthe & SCI Alouettes (Chenôve)	5.6	1.6	0.0	0.0
TOTAL	**5.6**	**1.6**	**0.0**	**0.0**

6.12 - Financial instruments

6.12.1 *Interest rate risks*

As at 30 June 2019, the Group used interest rate hedges (vanilla swaps, floors or caps) in order to protect against potential rate increases.

The October 2014 debt agreement requires the Group to hedge no less than two-thirds of the lines of credit drawn down for a period of at least three years.

Given the level of medium-term interest rates, the Group has decided to hedge 71% of the lines actually drawn down to date, a hedging rate that decreases to 66.67% from the last quarter of 2022.

In accordance with IAS 32 and IFRS9, the fair value of these instruments in place at 30 June 2019 has been reported under non-current financial liabilities and offset against equity for the effective portion of the hedge and against income for the ineffective portion of the hedge, i.e. EUR 16.4 million net of deferred taxes (EUR +22.1 million less tax of EUR -5.7 million). The fixed rates of our swaps range from between 0.07% and 0.40% and the strike prices of our caps are between 0.25% and 0.50%.

The detail of total exposure to interest rate risk of the financial debt (excluding interest rate hedging instruments) is as follows:

- 14.1% of the financial debt is tied to fixed rates;
- 85.9% of the financial debt is tied to floating rates.

More precisely:

- 100% of senior debt is tied to a floating rate;
- 41% of loans from banks are under variable rates;
- 97% of payables under equipment finance leases are tied to fixed rates;
- 72% of payables under property finance leases are tied to fixed rates;

Taking the interest rate hedging using swaps, the position with regard to interest rate risk is completely reversed, with:

- 71% of financial debt at a fixed rate; and
- 29% at a floating rate.

(in millions of euros)	30 June 2018		30 June 2019	
	Outstanding	Share	Outstanding	Share
Fixed rate	270.9	21.5%	286.0	14.1%
Floating rate	986.4	78.5%	1 739.6	85.9%
Total before hedging	**1 257.3**	**100%**	**2 025.6**	**100%**
Fixed rate	1 030.9	82%	1 446.0	71%
Floating rate	226.4	18%	579.6	29%
Total after hedging	**1 257.3**	**100%**	**2 025.6**	**100%**

<u>Sensitivity analysis of the financial expenses to interest rate changes</u>

Based on the indebtedness of the Company at 30 June 2019 and due to its fixed rate position (EUR 1,446 million out of a total of EUR 2,025 million), the Group is not sensitive to a decrease in rates (moreover, a significant drop in interest rates of 100bp seems unrealistic given the current market rates). Conversely, in the event of a 100bp increase in interest rates, for example, the cost of debt would rise by only EUR 5.8 million.

6.12.2 *Liquidity risks*

As of 30 June 2019, the non-discounted contractual flows on the outstanding financial liabilities by maturity were as follows:

At 30 June 2019 (in millions of euros)	2020	2021	2022	>2023	Total
Syndicated debt	9.8		880.0	750.0	**1 639.8**
Capitalisation of issue costs of new debt	(4.8)	(4.8)	(4.8)	(7.7)	**(22.1)**
Other loans	19.3	19.1	19.1	133.5	**191.0**
Loans under property finance leases	10.3	11.3	11.5	82.0	**115.1**
Loans under equipment finance leases	33.0	26.5	19.9	19.7	**99.1**
Bank overdrafts	0.0				**0.0**
Other financial liabilities (including current account liabilities)	1.8				**1.8**
TOTAL	**69.4**	**52.1**	**925.7**	**977.5**	**2 024.7**

At 30 June 2018 (in millions of euros)	2019	2020	2021	>2022	Total
Syndicated debt	5.6	--	--	880.0	**885.6**
Capitalisation of issue costs of new debt	(3.5)	(3.5)	(3.5)	(4.9)	**(15.4)**
Other loans	18.2	18.2	18.2	147.7	**202.3**
Loans under property finance leases	12.4	13.0	9.8	73.1	**108.3**
Loans under equipment finance leases	29.0	18.5	13.7	15.3	**76.5**
Bank overdrafts	--	--	--	--	**--**
Other financial liabilities (including current account liabilities)	2.0	--	--	--	**2.0**
TOTAL	**63.7**	**46.2**	**38.2**	**1 111.2**	**1 259.3**

6.12.3 *Exchange rate risks*

The business activities of the Ramsay Générale de Santé Group are carried out mainly by subsidiaries that operate in the Eurozone, however following the acquisition of the Capio AB group, part of these subsidiaries are now subject to exchange rate risk, i.e. Sweden and Norway (Denmark's currency is linked to the Euro).

The group manages the only intra-group financing risk with its Scandinavian subsidiaries through FX swaps.

6.12.4 *Information on fair value*

When the aforementioned regulations require disclosures by financial instrument category, the entity must group the financial instruments into categories that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the balance sheet.

The tables below detail the fair value and the carrying amount of each category of assets and liabilities.

(in millions of euros)	NOTE	At 30 June 2019				
		Fair value				Book Value
		Market price	Models with observable data	Models with unobservable data	TOTAL	TOTAL
Financial assets						
Available-for-sale securities	6.5	1.1	--	--	--	1.1
Deposits paid and other loans	6.5	65.4	--	--	--	65.4
Non-current financial assets	6.5	20.9				20.9
Total		**87.4**	**--**	**--**	**--**	**87.4**
Financial liabilities						
Borrowings and financial debt	6.8	1 955.3	--	--	--	1 955.3
Fair value of hedging instruments	6.8	16.4	--	--	--	16.4
Borrowings and financial debt related to assets held for sale	6.5	--	--	--	--	--
Deposits and guarantees received	6.5	4.0	--	--	--	4.0
Employee profit-sharing	6.5	2.4	--	--	--	2.4
Other non-current liabilities		***6.4***	--	--	--	***6.4***
Current financial debt	6.8	69.4	--	--	--	69.4
Total		**2 047.5**	**--**	**--**	**--**	**2 047.5**

(in millions of euros)	NOTE	At 30 June 2018				
		Fair value				Book Value
		Market price	Models with observable data	Models with unobservable data	TOTAL	TOTAL
Financial assets						
Available-for-sale securities		4.4	--	--	--	4.4
Deposits paid and other loans		39.0	--	--	--	39.0
Total		**43.4**	**--**	**--**	**--**	**43.4**
Financial liabilities						
Borrowings and financial debt		1 195.6	--	--	--	1 195.6
Fair value of hedging instruments		5.2	--	--	--	5.2
Borrowings and financial debt related to assets held for sale		--	--	--	--	--
Deposits and guarantees received		2.6	--	--	--	2.6
Employee profit-sharing		2.9	--	--	--	2.9
Other non-current liabilities		***5.5***	--	--	--	***5.5***
Current financial debt		63.7	--	--	--	63.7
Total		**1 270.0**	**--**	**--**	**--**	**1 270.0**

The carrying amount of the line items relating to customer accounts receivable, current financial assets, cash and cash equivalents, receivables from suppliers, and bank overdrafts is an estimate of their fair value due to their short-term nature.

Available-for-sale financial assets are recognised at market value. Changes in fair value are recognised as a separate item in equity until their disposal.

6.12.5 *Credit risks*

The Group may have to face delays between the supply of certain products or the provision of certain services and the related payment by the health insurance funds.

In the past, situations of this nature often gave rise to the implementation of cash advance arrangements payable to the Group's facilities agreed upon with the health insurance funds.

Aging of doubtful assets

The detail of the aging of assets, showing the delays in payment for which provisions have not yet been recognised, is as follows:

(in millions of euros)	30 June 2019					
	Assets past due but not impaired at the reporting date					Written-off assets
	0-3 months	3-6 months	6-12 months	More than 12 months	Total	Total
Loans and receivables	48.6	0.0	0.3	37.4	86.3	0.9
Trade and other receivables	625.4	3.3	1.8	(37.6)	592.9(1)	33.6
TOTAL	**674.0**	**3.3**	**2.1**	**(0.2)**	**679.2**	**34.5**

(1) of which EUR 24.0 million relates to the Mermoz dispute.

(in millions of euros)	30 June 2018					
	Assets past due but not impaired at the reporting date					Written-off assets
	0-3 months	3-6 months	6-12 months	More than 12 months	Total	Total
Loans and receivables	19.3	0.1	0.6	46.3	66.3	1.0
Trade and other receivables	339.0	10.5	5.7	(7.0)	348.2(1)	31.9
TOTAL	**358.3**	**10.6**	**6.3**	**39.3**	**414.5**	**32.9**

(1) of which EUR 24.0 million relates to the Mermoz dispute.

Monitoring of doubtful receivables

(in millions of euros)	NOTE	30-06-2018	30-06-2019				30-06-2019
			Provisions	Reversals with offsetting entry	Reversals without offsetting entry	Other movements	
Provisions for write-downs of doubtful receivables (patients, health insurance funds)		(15.4)	(9.6)	3.9	4.3	(0.2)	(17.0)
TOTAL		**(15.4)**	(9.6)	3.9	4.3	(0.2)	(17.0)

(in millions of euros)	NOTE	Net effect 30-06-2018	30-06-2019				Net impact 30-06-2019
			Provisions/ Charges	Reversals with offsetting entry	Reversals without offsetting entry	Other movements	
Bad debts (patients and health insurance funds)		(6.8)	--	--	--	--	(5.7)
Provisions for write-downs of doubtful receivables (patients, health insurance funds)		1.8	(9.6)	3.9	4.3	--	(1.4)
IMPACT ON GROSS OPERATING SURPLUS		**(5.0)**	(9.6)	3.9	4.3	--	**(7.1)**

6.13 - Information on related parties

Related party transactions refer to:

- The remuneration and related benefits *granted to members of the Board of Directors and other non-board executives*;
- Transactions with companies over which Ramsay Générale de Santé has significant influence or joint control.

6.13.1 - *Remuneration and related benefits granted to members of the Board of Directors and other non-board executives*

The remuneration and related benefits granted to members of the Board of Directors and other non-board executives in the 2018/2019 and 2017/2018 were as follows:

(in thousands of euros)	From 1 July 2017 to 30 June 2018	From 1 July 2018 to 30 June 2019
Short-term benefits	1 125.0	1 324.0
Post-employment benefits	---	---
Other long-term benefits	---	---
Termination benefits	---	---
Payment in shares	---	---
TOTAL	**1 125.0**	**1 324.0**

In the event of dismissal, non-renewal, forced departure or requested resignation from his position as Chief Executive Officer, an overall flat-rate allowance of 24 months of the fixed remuneration and the variable remuneration received during the 24 months preceding departure is provided, subject to compliance with several criteria.

6.13.2 *Disclosures concerning companies accounted for using the equity method*

This information is included in Note 6.4.

6.13.3 - *Transactions with other companies related to the Group are as follows*:

No transactions were concluded between Ramsay Générale de Santé and other companies related to the Group during the period.

6.14 - Off-balance sheet commitments

SURETIES AND GUARANTEES (in millions of euros)	30 June 2018		30 June 2019	
	Commitments		Commitments	
	Granted	Received	Granted	Received
Commitment from Icade to finance the real estate work	---	---	---	---
Commitment from Gecimed to build Hôpital Privé Pays de Savoie	---	---	---	---
Commitment from Icade to build the HPPE	---	---	---	---
Lease commitment for BEFA (Monticelli)	---	---	---	---
Bank guarantees given and received	205.5	---	194.3	---
Other rental guarantees	---	---	---	---
Other guarantees	68.1	---	68.1	---
TOTAL	**273.6**	**---**	**262.4**	**---**

ASSET AND LIABILITY GUARANTEES (in millions of euros)	30 June 2018		30 June 2019	
	Commitments		Commitments	
	Granted	Received	Granted	Received
The Group usually receives asset and liability guarantees relating to acquisitions of ownership interests in health care facilities	2.8	---	5.8	---
TOTAL	**2.8**	**---**	**5.8**	**---**

PLEDGES TO SELL AND PURCHASE SECURITIES AND OTHER ASSETS (in millions of euros)	30 June 2018		30 June 2019	
	Commitments		Commitments	
	Granted	Received	Granted	Received
Unilateral pledges on securities	---	---	---	---
Pledges on other assets (property)..	22.1	8.6	1.7	---
TOTAL	**22.1**	**8.6**	**1.7**	**---**

COMMITMENTS OF ASSOCIATES (in millions of euros)	30 June 2018		30 June 2019	
	Commitments		Commitments	
	Granted	Received	Granted	Received
Commitments of associates	---	---	---	---
TOTAL	**---**	**---**	**---**	**---**

Operating lease agreements

The detail of the total amount of future minimum payments to be made in rentals under non-cancellable operating lease agreements is as follows:

(in millions of euros)	30-06-2018	30-06-2019
Future payment amounts (*)		
< 1 year..	175.5	175.2
2–5 years	514.0	505.6
> 5 years	364.4	322.9
TOTAL	**1 053.9**	**1 003.7**

(*) value of the property and equipment, discounted at 5.78%.

6.15 - Headcount

HEADCOUNT	30 June 2018	30 June 2019
Managerial	1 868	1 945
Clerical	19 274	19 421
Capio...	---	14 423(*)
TOTAL	**21 142**	**35 789**

* without breakdown between managers/employees

7 - LITIGATION

7.1.1 Legal dispute in relation to Hôpital Privé Jean Mermoz in Lyons

The construction of the Hôpital Privé Jean Mermoz in Lyon was suspended in 2002 following the bankruptcy filing by the general contractor and the subsequent identification of construction defects. As a result, significant litigation, both in terms of the issue and the number of parties in the case, was initiated and is still ongoing. The Hôpital Privé Jean Mermoz nevertheless opened in July 2008 and has continued to operate without incident since that date.

At the judicial level, all parties involved in the construction have been called upon in proceedings dealing with two aspects of construction and operation in connection with parallel lawsuits filed against certain Group subsidiaries by certain doctors. The Group has maintained its decision not to recognise any provisions in this respect, a decision bolstered by the fact that, until now, all claims by practitioners have been dismissed; more specifically, with regard to the proceedings brought by certain radiologists before the same Lyons Court of First Instance, since an order to close the proceedings was issued at the end of 2018, the pleadings have been postponed until January 2021.

In accounting terms, at the end of the financial year as at 30 June 2019, the costs relating to the demolished building and the associated legal dispute amounted to EUR 39.7 million excluding tax. The current provisions (consolidated) covering the capitalised finance costs, legal expenses and part of the destroyed buildings came to EUR 16.7 million at the same date. To date, the recognised provisions cover 42.0% of the amount incurred by the Group in relation to the costs of the demolished building and litigation. The preliminary expert report of 5 July 2013 made no indication regarding the overall construction costs of Mermoz II but it did define certain "additional costs".

The provisions recognised to date by Ramsay Générale de Santé, which represent 42% of the amount incurred by the Group in relation to the costs of the demolished building and the litigation, take into account part of the amount of the transaction mentioned and do not require any further adjustment in light of the expert report and of the arguments put forward by the defendants.

7.1.2 Legal dispute in relation to the proposed grouping in Dijon

The significant litigation initiated in 2007 with the Fondation Clément Drevon and the Clinique Clément Drevon due to Group's difficulties in implementing the agreements signed with them has ended. However, a less significant related legal dispute remains open concerning the Group's request for restitution of a sum of EUR 527,000 that, according to it, was unduly retained by the agent during the liquidation of the Clinique Clément Drevon.

8 - FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

(in thousands of euros, excluding tax)	DELOITTE & ASSOCIES	ERNST & YOUNG
	30 June 2019	30 June 2019
- Certification of the separate and consolidated financial statements and limited interim review	1 088.6	1 507.1
- Services other than the certification of the financial statements	93.8(*)	118.2
TOTAL	**1 182.4**	**1 625.3**

(*) Services other than the certification of the financial statements at 30 June 2019 correspond mainly to the verification of consolidated social, environmental and societal information and the review of the securities note prepared in connection with the issue and listing of new ordinary shares on the Euronext Paris regulated market.

9 - EVENTS AFTER THE REPORTING DATE

Legal dispute relating to the Hôpital Privé Jean Mermoz in Lyons – Judgement of 24 September 2019

The Court of First Instance in Lyons gave its judgement on 24 September 2019 by which the plaintiffs, namely Compagnie Générale de Santé, Sci de l'Europe, the Hôpital Privé Jean Mermoz and the Centre d'Imagerie Mermoz, all Group subsidiaries, are maintained in their main claims and are compensated for a total amount excluding interest of EUR 66.5 million.

By this expected decision, the Group is thus recognised in its claims and the judgement is accompanied by provisional enforcement under a condition that the plaintiffs will implement it with their counsel. However, as this is a first instance decision, the Group expects that it will be appealed by one or more of the defendants in the case, and that it will therefore have to manage a new legal phase for this file opened in 2002, as mentioned in the preceding paragraph. The outcome of an appeal cannot be estimated at this stage.

10 - MAIN CONSOLIDATED ENTITIES

Main consolidated entities (contribution to annual consolidated revenue exceeding EUR 1 million)	30-06-2018		30-06-2019	
	% Ownership interest	% Control	% Ownership interest	% Control
Full consolidation				
Clinique du Sport	100.00	100.00	100.00	100.00
Clinique Sainte Marthe	99.99	99.99	99.99	99.99
Hôpital Privé Claude Galien	100.00	100.00	100.00	100.00
Hôpital Privé Clairval	100.00	100.00	100.00	100.00
Imagerie de Clairval	95.20	95.20	95.20	95.20
Hôpital Privé Jacques Cartier	99.76	99.82	99.76	99.82
Imagerie Médicale Jacques Cartier (I.M.J.C.)	64.95	64.95	64.95	64.95
SA Angio	49.99	50.00	49.99	50.00
Clinique de Soins de Suite de Choisy Le Roi	98.47	98.47	98.47	98.47
Clinique de Fontaine SA	99.99	99.99	99.99	99.99
Hôpital Privé des Peupliers	100.00	100.00	100.00	100.00
Clinique l'Amandier	99.99	100.00	99.99	100.00
Clinique de la Résidence du Parc	100.00	100.00	100.00	100.00
Clinique de la Défense SA	100.00	100.00	100.00	100.00
Clinique des Maussins	100.00	100.00	100.00	100.00
Clinique du Val de Seille	100.00	100.00	100.00	100.00
Hôpital Privé Sainte Marie Chalons	98.92	98.92	98.92	98.92
Hôpital Privé Antony (Formerly H.D.S.)	100.00	100.00	100.00	100.00
C.E.R.S. Cap Breton	100.00	100.00	100.00	100.00
Polyclinique Jeanne d'Arc SA	99.99	99.99	99.99	99.99
Hôpital Privé Drôme Ardéche (formerly Cl Pasteur)	100.00	100.00	100.00	100.00
Hôpital Privé Dijon Bourgogne	99.99	99.99	99.99	99.99
IRM du Parc	50.86	51.03	50.86	51.03
Centre d'Imagerie Mermoz	49.98	50.00	49.99	50.00
Clinique du Landy	100.00	100.00	100.00	100.00
Hôpital Privé de Bois Bernard	99.54	99.54	99.54	99.54
Hôpital Privé Jean Mermoz	99.96	99.96	99.98	99.98
Imhotep	50.08	50.10	50.09	50.10
Société d'Imagerie Watteau	51.00	51.00	51.00	51.00
Société d'Imagerie Médicale de Bois Bernard	99.98	99.98	99.99	99.99
Iridis Lyon	100.00	100.00	100.00	100.00
Hôpital Privé Pays de Savoie	99.58	99.58	99.58	99.58
Clinique Kennedy	97.34	97.34	97.34	97.34
Hôpital Privé de Villeneuve d'Ascq	99.66	99.66	99.66	99.66
Clinique d'Argonay	98.72	98.72	98.72	98.72
Hôpital Privé Armand Brillard	99.99	100.00	99.99	100.00
Clinique Jouvenet	99.92	99.92	99.92	99.92
Hôpital Privé de l'Estuaire	99.84	99.84	99.84	99.84
Clinique Herbert SA	99.99	99.99	99.99	99.99
Centrale Iéna	100.00	100.00	100.00	100.00
Hôpital Privé Saint-Martin - Caen	100.00	100.00	100.00	100.00
Clinique Monticelli	99.99	99.99	99.99	99.99
SAS SIM des Peupliers	51.00	51.00	51.00	51.00
Clinique Saint Ame	97.14	97.79	97.14	97.79
Hôpital Privé de l'Est Parisien	100.00	100.00	100.00	100.00
Clinique Médico Chirurgical de Chenôve	99.99	99.99	99.99	99.99
Société d'Imagerie Médicale Douai	60.63	60.92	60.65	60.94
Société d'Imagerie Médicale Saint-Martin (Caen)	100.00	100.00	100.00	100.00
Hôpital Privé Bon Secours	100.00	100.00	100.00	100.00
Clinique Générale de Savoie	97.12	97.13	97.12	97.13
Centre d'Imagerie d'Aulnay	55.00	55.00	55.00	55.00
Clinique Blomet	100.00	100.00	100.00	100.00
Clinique Chirurgicale Marcel Sembat	100.00	100.00	100.00	100.00
Clinique Geoffroy Saint Hilaire	100.00	100.00	100.00	100.00
Hôpital Privé de la Louvière	99.92	99.92	99.92	99.92
IRM Bachaumont	50.95	50.95	50.95	50.95
Scanner Bachaumont	51.00	51.00	51.00	51.00
SAS TEP Jean Perrin	50.09	50.10	50.09	50.10

SAS TEP Henri Becquerel	50.09	50.10	50.09	50.10

ENTITY	Main consolidated entities (contribution to annual consolidated revenue exceeding EUR 1 million) 30-06-2018		30-06-2019	
	% Ownership interest	% Control	% Ownership interest	% Control
Full consolidation				
Hôpital Privé de l'Est Lyonnais	100.00	100.00	100.00	100.00
Clinique La Parisière	---	---	99.52	99.98
Clinique Saint-Barnabé	100.00	100.00	100.00	100.00
Clinique de Montevrain	100.00	100.00	100.00	100.00
CHP de la Loire	95.75	95.75	97.88	97.88
Médipsy	100.00	100.00	100.00	100.00
Clinique des Platanes	100.00	100.00	100.00	100.00
Clinique Philae	100.00	100.00	100.00	100.00
Clinique Eugénie	100.00	100.00	100.00	100.00
Clinique de la Roseraie	100.00	100.00	100.00	100.00
Clinique de l'Ange Gardien	100.00	100.00	100.00	100.00
Clinique de Perreuse	99.75	99.75	99.75	99.75
Clinique du Moulin	100.00	100.00	100.00	100.00
Clinique de l'Auzon	99.00	99.00	99.00	99.00
Clinique d'Yvelines	100.00	100.00	100.00	100.00
Clinique de l'Espérance	100.00	100.00	100.00	100.00
Clinique Mon Repos	100.00	100.00	100.00	100.00
Clinique de Change Notre Dame de Pritz	100.00	100.00	100.00	100.00
Mas du Vendomois	100.00	100.00	100.00	100.00
Clinique Belle Allée	100.00	100.00	100.00	100.00
Clinique Psychiatrique du Parc	100.00	100.00	100.00	100.00
Clinique de l'Escrébieux	95.04	95.04	95.04	95.04
Clinique Saint Martin (Ollioules)	100.00	100.00	100.00	100.00
Clinique des Monts du Forez	100.00	100.00	100.00	100.00
Clinique Saint-Michel	100.00	100.00	100.00	100.00
Clinique des Quatre Saisons	100.00	100.00	100.00	100.00
Clinique Pen An Dalar	100.00	100.00	100.00	100.00
Clinique du Château du Tremblay	100.00	100.00	100.00	100.00
Clinique Rech	100.00	100.00	100.00	100.00
Clinique des Trois Cyprès	100.00	100.00	100.00	100.00
Clinique du Pont de Gien	100.00	100.00	100.00	100.00
Clinique Ronsard	100.00	100.00	100.00	100.00
Clinique de Saint-Victor	100.00	100.00	100.00	100.00
Clinique Océane	100.00	100.00	100.00	100.00
Alpha	---	---	100.00	100.00
Alphamed	99.97	99.66	99.97	99.66
Hôpital Privé de Marne Chantereine	99.97	100.00	99.97	100.00
Hôpital Privé de l'Ouest Parisien	99.97	100.00	99.97	100.00
Hôpital Privé Parly II	99.44	99.47	99.44	99.47
Hôpital Privé de la Seine Saint Denis	99.97	100.00	99.97	100.00
Clinique des Martinets	99.97	100.00	99.97	100.00
Hôpital Privé du Vert Galant	99.97	100.00	99.97	100.00
Hôpital Privé Paul d'Egine	99.97	100.00	99.97	100.00
Scanner du Vert Galant	55.08	55.10	55.08	55.10
Centre d'Imagerie Nucléaire de la Plaine de France	64.64	64.66	64.64	64.66
Clinique du Bois d'Amour	99.97	100.00	99.97	100.00
Clinique La Francilienne	99.97	100.00	99.97	100.00
SASU HPMV	99.98	100.00	99.98	100.00
Centre d'Imagerie Médical du Blanc Mesnil	54.98	55.00	54.98	55.00
SAS IRM Champigny	50.98	51.00	50.98	51.00
Scanner Champigny	51.04	51.05	51.04	51.05
IRM Bry	50.99	51.00	50.99	51.00
IRM Marne Chantereine	50.98	51.00	50.98	51.00
Centre d'Imagerie Médicale de Drancy	54.98	55.00	54.98	55.00
Dynamis SA	100.00	100.00	100.00	100.00
Clinique Les Rosiers	100.00	100.00	100.00	100.00
Clinique Iris Marcy l'Etoile	100.00	100.00	100.00	100.00
CERS Saint Raphaël	100.00	100.00	100.00	100.00
CSSRCV de Châtillon	95.45	95.45	95.45	95.45
Baya Hôtel et SPA	100.00	100.00	100.00	100.00
CMPR de Provence	100.00	100.00	100.00	100.00
CRRF Rosemond	100.00	100.00	100.00	100.00
Clinique de Champigny	100.00	100.00	100.00	100.00
Centre Médico-Chirurgical et Obstétrical d'Evry (Mousseau)	100.00	100.00	100.00	100.00
Polyclinique de Villeneuve Saint Georges	99.49	99.49	99.49	99.49
Clinique Lambert	100.00	100.00	100.00	100.00
SAS Clinique La Montagne	100.00	100.00	100.00	100.00

ENTITY	Main consolidated entities (contribution to annual consolidated revenue exceeding EUR 1 million) 30-06-2018		30-06-2019	
	% Ownership interest	% Control	% Ownership interest	% Control
Full consolidation				
Clinique de la Muette	100.00	100.00	100.00	100.00
Clinique du Plateau	97.32	97.32	97.32	97.32
Hôpital Privé de Versailles – Franciscaines SAS	100.00	100.00	100.00	100.00
Hôpital Privé de Versailles – La Maye	100.00	100.00	100.00	100.00
Clinique Convert	99.98	99.98	99.98	99.98
Clinique de l’Union	100.00	100.00	100.00	100.00
Le Marquisat	100.00	100.00	100.00	100.00
Step	100.00	100.00	100.00	100.00
Rhône Assistance	---	---	100.00	100.00
SAS Lambulance	---	---	100.00	100.00
Hôpital Privé Métropole	99.69	99.69	99.69	99.69
Hôpital Privé Métropole Nord	97.99	98.32	97.99	98.32
SA Lille Septentrion	99.49	99.80	99.50	99.80
SAS Clos Saint Jean	---	---	---	---
Imagerie Résidence du Parc	95.12	95.12	95.12	95.12
Centre Soins Suite du Bourget	99.99	100.00	99.99	100.00
Iridis Nord SA	99.96	99.96	99.96	99.96
Centre de Radiothérapie Savoie Nord (formerly SERA)	100.00	100.00	100.00	100.00
Institut de Radiothérapie de Hautes Energies (formerly la Roseraie SA)	99.99	100.00	99.99	100.00
Centre de Radiothérapie Beauregard SA	64.96	64.96	64.96	64.96
Iridis Marseille	99.99	99.99	99.99	99.99
SAS Les Peupliers	100.00	100.00	100.00	100.00
Maison de Santé Chirurgicale de Dreux	---	---	100.00	100.00
Clinique des Cèdres	---	---	100.00	100.00
Clinique Saint Vincent	---	---	100.00	100.00
Clinique Saint Pierre	---	---	100.00	100.00
Clinique Jean Le Bon	---	---	99.49	99.49
Clinique Claude Bernard			100.00	100.00
Clinique du Parisis	---	---	100.00	100.00
Capio La Croix du Sud	---		100.00	100.00
MHP – Médipôle Hôpital Privé	---	---	100.00	100.00
Polylinique du Beaujolais	---	---	100.00	100.00
Clinique Beaupuy	---	---	100.00	100.00
Clinique de Domont	---	---	100.00	100.00
Clinique Aguiléra	---	---	100.00	100.00
SAS Scanner Aguiléra	---	---	51.00	51.00
Clinique Belharra	---	---	99.22	99.22
Clinique de la Sauvegarde	---	---	100.00	100.00
Centre Lyonnais d’Imagerie Médicale	---	---	99.50	99.43
Ambulances Davin	---	---	100.00	100.00
Gle de Santé Italia SPA	100.00	100.00	100.00	100.00
Générale de Santé Toscana (formerly Rugani)	100.00	100.00	100.00	100.00
Ospedale Di Omegna	49.00	49.00	49.00	49.00

ENTITY	Main consolidated entities		30-06-2019	
	% Ownership interest	% Control	% Ownership interest	% Control
Full consolidation				
Ramsay Générale de Santé	100.00	100.00	100.00	100.00
Compagnie Générale de Santé	100.00	100.00	100.00	100.00

ENTITY	Main consolidated entities (contribution to annual consolidated revenue exceeding EUR 1 million) 30-06-2018		30-06-2019	
	% Ownership interest	% Control	% Ownership interest	% Control
Full consolidation				
Capio AB	---	---	100.00	100.00
Capio Group Services AB	---	---	100.00	100.00
Capio Lundby Sjukhus AB	---	---	100.00	100.00
Capio Närsjukvård AB	---	---	100.00	100.00
Hälsoval Bergaliden AB	---	---	100.00	100.00
Göingekliniken AB	---	---	100.00	100.00
Hantverksdoktorn AB	---	---	100.00	100.00
Capio Vårdcentraler AB	---	---	100.00	100.00
Capio Specialistkliniker AB	---	---	100.00	100.00
Capio Medocular AB	---	---	100.00	100.00
Capio Ätstörningscenter AB	---	---	100.00	100.00
Capio Specialistcenter AB	---	---	100.00	100.00
Capio Centrum för Titthålskirurgi AB	---	---	100.00	100.00
Capio Movement AB	---	---	100.00	100.00
Capio Sverige AB	---	---	100.00	100.00
Capio Psykiatri AB	---	---	100.00	100.00
Capio Support AB	---	---	100.00	100.00
Capio fastighet Vesslan 34 i Örebro AB	---	---	100.00	100.00
Capio Go AB	---	---	100.00	100.00
Capio Connect AB	---	---	100.00	100.00
Capio Lager 5 AB	---	---	100.00	100.00
Capio Lager 6 AB	---	---	100.00	100.00
Capio Sjukvård AB	---	---	100.00	100.00
Capio Primärvård AB	---	---	100.00	100.00
Capio Vårdcentral Gävle AB	---	---	95.20	95.20
Capio Ortopediska Huset AB	---	---	100.00	100.00
Capio Hjärnhälsan AB	---	---	100.00	100.00
Capio Närvård AB	---	---	100.00	100.00
Capio Läkargruppen AB	---	---	99.97	99.97
Capio Artro Clinic AB	---	---	95.04	95.04
Capio St Görans Sjukhus AB	---	---	100.00	100.00
Capio St Görans Radiologi AB	---	---	100.00	100.00
Capio Geriatrik AB	---	---	100.00	100.00
Capio Geriatrik Nacka AB	---	---	100.00	100.00
Capio Familjeläkarna Falkenberg AB	---	---	100.00	100.00
Scanloc Healthcare AB	---	---	100.00	100.00
Ultraljudsbarnmorskorna i Stockholm AB	---	---	70.00	70.00
Pansyn Sweden AB	---	---	100.00	100.00
Globen Ögonklinik AB	---	---	100.00	100.00
Capio Läkarhus AB	---	---	100.00	100.00
Dr Hercules AB	---	---	100.00	100.00
Capio Legevisitten AB	---	---	100.00	100.00
Capio Läkarbilar AB	---	---	100.00	100.00
Capio Hälso och Sjukvård AB	---	---	100.00	100.00
Capio Vårdval AB	---	---	100.00	100.00
Hemstyrkan i Stockholm AB	---	---	100.00	100.00
Capio Curera AB	---	---	100.00	100.00
Capio Nova Företagshälsa AB	---	---	100.00	100.00
Capio Nova AB	---	---	100.00	100.00
Capio Nova Sjöstaden AB	---	---	100.00	100.00
Capio Nova Tandvård AB	---	---	100.00	100.00
Capio Nova Hälsoval AB	---	---	100.00	100.00
Capio Vårdcentral Kista AB	---	---	100.00	100.00
Capio Norge Holding AS	---	---	100.00	100.00
Volvat Medisinske Senter AS	---	---	100.00	100.00
Capio Anoreksi Senter AS	---	---	100.00	100.00
Volvat Medisinske Senter Nord og Midt-Norge AS	---	---	100.00	100.00
Volvat Bedrift AS	---	---	100.00	100.00
Orbita Øyelegesenter AS	---	---	51.00	51.00
Capio Go Norge AS	---	---	100.00	100.00
Volvat Utvikling AS	---	---	100.00	100.00

ENTITY	30-06-2018		30-06-2019	
Main consolidated entities (contribution to annual consolidated revenue exceeding EUR 1 million)	% Ownership interest	% Control	% Ownership interest	% Control
Full consolidation				
Capio Deutsche Klinik GmbH	---	---	100.00	100.00
Capio Deutsche Klinik Dannenberg GmbH	---	---	100.00	100.00
Capio MVZ Dannenberg GmbH	---	---	100.00	100.00
Capio Deutsche Klinik Otterndorf GmbH	---	---	100.00	100.00
Krankenhaus Land Hadeln Service GmbH	---	---	100.00	100.00
ATZ am KH Land Hadeln GmbH	---	---	100.00	100.00
MVZ Cuxhaven Rohdestrasse GmbH	---	---	100.00	100.00
Capio Deutsche Klinik Bad Bertrich GmbH	---	---	100.00	100.00
DV Venenliga Management GmbH	---	---	100.00	100.00
Capio MVZ Venenzentrum Bad Bertrich GmbH	---	---	90.00	90.00
Capio Deutsche Klinik Laufen GmbH	---	---	100.00	100.00
Capio Deutsche Klinik Hilden GmbH	---	---	100.00	100.00
MVZ Klinik im Park GmbH	---	---	100.00	100.00
GiB - Gesellschaft für Investitionen und den Betrieb von	---	---	94.00	94.00
Capio Deutsche Klinik Aschaffenburg GmbH	---	---	100.00	100.00
Capio MVZ Aschaffenburg GmbH	---	---	100.00	100.00
Capio Grünewaldklinik GmbH	---	---	100.00	100.00
KIP Orthopädiehandel GmbH	---	---	100.00	100.00
Capio MVZ Bad Brückenau Bahnhofstrasse GmbH	---	---	100.00	100.00
Capio Deutsche Klinik Büdingen GmbH	---	---	100.00	100.00
Mathilden-Hospital zu Büdingen Service GmbH	---	---	100.00	100.00
Capio Mathilden-Hospital zu Büdingen Wohnen GmbH	---	---	100.00	100.00
Capio MVZ am Mathilden-Hospital zu Büdingen GmbH	---	---	100.00	100.00
MVZ Universitätsallee GmbH	---	---	95.20	95.20
Augenzentrum Universitätsallee Bremen GmbH	---	---	100.00	100.00
Augenklinik Universitätsalle Bremen GmbH	---	---	100.00	100.00
MVZ Laufen GmbH	---	---	100.00	100.00
Capio UK Ltd	---	---	100.00	100.00
Capio Holding Danmark A/S	---	---	100.00	100.00
CFR Hospitaler A/S	---	---	100.00	100.00
Capio Specialistklinikker A/S	---	---	100.00	100.00

All property investment companies controlled by Ramsay Générale de Santé are fully consolidated.

2.4.3 THE COMPANY'S INDIVIDUAL FINANCIAL STATEMENTS

A The Company's individual financial statements

BALANCE SHEET – ASSETS	30/06/2019			30/06/2018
	Gross	Depreciation/Amortisation	Net	Net
Uncalled share capital (I)				
Start-up costs				
Development costs				
Concessions, patents and similar rights	1 396		1 396	1 396
Goodwill				
Other intangible assets				
Advances on intangible assets				
TOTAL Intangible assets	**1 396**		**1 396**	**1 396**
Land				
Buildings				
Technical facilities, equipment, tools				
Other PPE				
Assets under construction				
Advances and deposits				
TOTAL Property, plant and equipment				
Investments according to the equity method				
Other investments	1 317 494 282		1 317 494 282	509 769 397
Receivables attached to investments				
Other long-term securities	1 128		1 128	1 128
Loans	413 745 225		413 745 225	
Other financial assets	5711 512		5711 512	
TOTAL Financial assets	**1 736 952 147**		**1 736 952 147**	**509 770 524**
Total Fixed Assets (II)	**1 736 953 543**		**1 736 953 543**	**509 771 920**
Raw materials, procurement				
Goods production in process				
Services production in process				
Intermediate and finished products				
Goods				
TOTAL Inventories				
Advance payments to suppliers	1 181		1 181	
Trade receivables and related accounts	840	700	140	140
Other receivables	113 881 985	32 415	113 849 570	65 788 298
Share capital called and not paid				
TOTAL receivables	**113 884 006**	**33 115**	**113 850 891**	**67 788 438**
Marketable securities	16 898 948		16 898 948	328 611
of which treasury shares:				
Available funds	11 582 635		11 582 635	116 207
TOTAL Available funds	**28 481 583**		**28 481 583**	**444 818**
Prepaid expenses	188 377		188 377	162 203
Total Current Assets (III)	**142 553 966**	**33 115**	**142 520 851**	**66 395 460**
Deferred loan issue costs (IV)	9 524 146		9 524 146	
Bond redemption premiums (V)				
Translation differences - assets (VI)	7 611 826		7 611 826	
Grand Total (I to VI)	**1 896 643 481**	**33 115**	**1 896 610 366**	**576 167 380**

BALANCE SHEET – LIABILITIES		30/06/2019	30/06/2018
Share capital or individual capital	of which paid:	82 792 268	56 967 821
Issue, merger and acquisition premiums		600 910 916	60 918 714
Equity revaluation	differences		
Legal reserve		5 696 782	5 696 782
Statutory or contractual reserves			
Regulated reserves	of which reserves for rate fluctuation provisions	7 255	7 255
Other reserves	of which reserve for purchase of original works by artists	12 257 624	12 257 624
TOTAL Reserves		**17 961 661**	**17 961 661**
Retained earnings		107 457 487	84 942 098
PROFIT (LOSS) FOR THE PERIOD		**3 839 119**	**22 515 389**
Investment subsidies			
Regulated provisions		2 063 964	
	TOTAL EQUITY (I)	**815 025 414**	**243 305 684**
Income from shareholding investments			
Conditional advances			
	OTHER EQUITY (II)		
Provisions for liabilities		483 333	160 947
Provisions for charges		160 947	
	TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (III)	**644 280**	**160 947**
Convertible bonds			
Other bonds			
Borrowing and debt with banks		995 814 820	241 464 116
Borrowings and financial debt	of which participating loans		
TOTAL Financial debt		**995 814 820**	**241 464 116**
Advances and deposits received on ongoing orders			
Suppliers and related accounts		6 380 290	867 098
Tax and social security liabilities		70 861 479	89 465 474
Amounts due on fixed assets and related accounts			
Other debt		549 557	904 061
TOTAL Operating liabilities		**77 791 325**	**91 236 633**
Deferred income		197 583	
	TOTAL LIABILITIES (IV)	**1 073 803 728**	**332 700 750**
Translation differences - liabilities (V)		7 136 943	
	GRAND TOTAL – LIABILITIES (I to V)	**1 896 610 366**	**576 167 380**

INCOME STATEMENT (on list)

INCOME STATEMENT			30/06/2019			30/06/2018
			France	Export	Total	
Sale of goods						
Goods production sold						
Services production sold						
Net revenue						
Production for inventories						
Capitalised production						
Operating subsidies						
Reversals of depreciation, provisions, transfer of charges					25 309 792	
Other income					4	32 501
				Total operating income (I)	**25 309 797**	**32 501**
Purchase of goods (including customs duty)						
Changes to inventory (goods)						
Purchase of raw materials and other procurement (including customs duty)						227
Changes to inventory (raw materials and procurement)						
Other external purchases and outlays					36 604 732	8 986 224
Taxes, duties and similar payments					224 006	204 460
Wages and salaries					1 442 004	1 122 000
Social security contributions					477 718	397 385
Operating allowances	On fixed assets	Allowances for depreciation/amortisation			1 904 829	
		Allowances for provisions				
	On current assets: allowances for provisions					
	For liabilities and charges: allowances for provisions					
Other expenses					444 933	461 249
				Total operating expenses (II)	**41 098 223**	**11 171 544**
OPERATING RESULT					**(15 788 426)**	**(11 139 043)**
Profit allocated or loss transferred (III)						
Loss incurred or profit transferred (IV)						
Financial income on shareholdings					18	70
Income from other securities and receivables on fixed assets					6 408 760	
Other interest and similar income					1 279 932	786 002
Reversals of provisions and cost transfers						
Foreign currency gains					294 476	
Net income from sale of marketable securities						
				Total financial income (V)	**7 983 186**	**786 072**
Allowances on depreciation and provisions					483 333	
Interest and similar outlays					28 654 170	8 187 769
Foreign currency losses					331 571	
Net costs of sale of marketable securities						
				Total financial expenses (VI)	**29 469 075**	**8 187 769**
FINANCIAL PROFIT (LOSS)					**(21 485 888)**	**(7 401 697)**
ORDINARY PROFIT BEFORE TAX (I-II+III-IV+V-VI)					**(37 274 314)**	**(18 540 739)**

INCOME STATEMENT (continued)

INCOME STATEMENT (continued)	30/06/2019	30/06/2018
Extraordinary income on management operations		
Extraordinary income on capital operations	32 006	92 352
Reversals of depreciation and provisions, cost transfers		238 950
Total extraordinary income (VII)	**32 006**	**331 302**
Extraordinary expenses on management operations		50
Extraordinary expenses on capital transactions		239 964
Extraordinary allowances on depreciation, amortisation and provisions	2 063 964	
Total extraordinary expenses (VIII)	**2 063 964**	**240 014**
EXTRAORDINARY PROFIT (LOSS) (VII-VIII)	**(2 031 958)**	**91 288**
Employee profit-sharing (IX)		
Income tax (X)	(43 145 391)	(40 964 840)
TOTAL INCOME (I + III + V + VII)	**33 324 989**	**1 149 875**
TOTAL EXPENSES (II + IV + VI + VIII +IX + X)	**29 485 870**	**(21 365 514)**
PROFIT OR LOSS (total income - total expenses)	**3 839 119**	**22 515 389**

FIXED ASSETS - Reporting date 30 June 2019

SECTION A- FIXED ASSETS		Gross amount at beginning of period	Increases	
			Revaluation	Acquisitions and contributions
Start-up and development costs (I)				
Other items for intangible assets (II)		1 396		
Land				
Buildings	on own land			
	on third-party land			
	General installations, fixtures and fittings of buildings			
Technical installations, industrial equipment and tools				
Other PPE	General installations, miscellaneous fixtures and fittings			
	Transport equipment			
	Office equipment and computer furniture			
	Recoverable packaging and miscellaneous			
PPE under construction				
Advances and deposits				
TOTAL (III)		**1 396**		
Investments accounted for using equity method				
Other investments		509 769 397		807 724 885
Other long-term securities		1 128		
Loans and other financial assets				419 456 737
TOTAL (IV)		**509 770 524**		**1 227 181 623**
GRAND TOTAL (I + II + III + IV)		**509 771 920**		**1 227 181 623**

SECTION B- FIXED ASSETS		Decrease		Gross value at period end	Revaluation Original value
		Transfer	Disposal		
Start-up and development costs (I)					
Other items for intangible assets (II)				1 396	
Land					
Buildings	on own land				
	on third-party land				
	General installations, fixtures and fittings of buildings				
Technical installations, industrial equipment and tools					
Other PPE	General installations, fixtures and fittings				
	Transport equipment				
	Office equipment and computer furniture				
	Recoverable packaging and miscellaneous				
PPE under construction					
Advances and deposits					
TOTAL (III)				**1 396**	
Investments accounted for using equity method					
Other investments				1 317 494 282	
Other long-term securities				1 128	
Loans and other financial assets				419 456 737	
TOTAL (IV)				**1 736 952 147**	
GRAND TOTAL (I + II + III + IV)				**1 736 953 443**	

amortisation - Reporting date 30 June 2019

SECTION A- SITUATION AND MOVEMENTS IN DEPRECIATION FOR THE FINANCIAL YEAR					
Amortisable assets		At beginning of period	Increase	Decrease	At end of period
Start-up and development costs (I)					
Other items for intangible assets (II)					
Land					
Buildings	on own land				
	on third-party land				
	General fixtures and fittings				
Technical installations, industrial equipment and tools					
Other PPE	General installations, fixtures and fittings				
	Transport equipment				
	Office equipment and computer furniture				
	Recoverable packaging and miscellaneous				
TOTAL PROPERTY, PLANT AND EQUIPMENT (III)					
GRAND TOTAL (I + II + III)					

SECTION B		BREAKDOWN OF MOVEMENTS AFFECTING PROVISIONS FOR DEPRECIATIONS REQUIRED BY TAX LAW						
		Provisions			Reversals			At end of period
Fixed assets		Duration differential	Straight-line method	Exceptional tax depreciation	Duration differential	Straight-line method	Exceptional tax amortisation	
Start-up costs								
Other fixed assets								
Land								
Buildings	- On own land							
	- On third-party land							
	- Gen. install., fixtures & fittings							
	- Technical installations							
Other fixed assets	- Gen. install.							
	- Transport equipment							
	- Office equipment							
	- Packaging							
TANGIBLE								
Acquisitions of securities								
TOTAL								

Section C	At beginning of period	Increase	Decrease	At end of period
Deferred loan issue costs		11 428 975	1 904 829	9 524 146
Bond redemption premiums				

PROVISIONS - Reporting date 30 June 2019

Nature of provisions	At beginning of period	Provisions	Reversals	At end of period
Provisions for mining and oil deposits				
Provisions for investments				
Provisions for price rises				
Exceptional amortisation - of which exceptional increases of 30%		2 063 964		2 063 964
Provisions for foreign operations before 1.1.1992				
Provisions for foreign operations after 1.1.1992				
Provisions for start-up loans				
Other regulated provisions				
TOTAL I		**2 063 964**		**2 063 964**
Provisions for litigation				
Development costs				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses		483 333		483 333
Provisions for pensions				
Provisions for taxes				
Provisions for renewal of fixed assets				
Provisions for major maintenance				
Provisions for social security contributions and taxes on paid leave				
Other provisions for liabilities and charges	160 947			160 947
TOTAL II	**160 947**	**483 333**		**644 280**
Provisions for intangible assets				
Provisions for property, plant and equipment				
Provisions for equity-accounted securities				
Provisions for equity investments				
Provisions for other financial assets				
Provisions for inventories				
Provisions for trade receivables	700			700
Other provisions for depreciation	32 415			32 415
TOTAL III	**33 115**			**33 115**
GRAND TOTAL (I + II + III)	**194 062**	**2 547 297**		**2 741 359**
Of which operating charges and reversals				
Of which financial charges and reversals		483 333		
Of which extraordinary charges and reversals		2 063 964		
Impairment of equity-accounted securities				

MATURITY OF RECEIVABLES AND LIABILITIES - Reporting date 30 June 2019

SECTION A		Statement of Receivables	Gross amount	Up to one year	More than 1 year
Receivables attached to investments					
Loans			413 745 225	413 745 225	
Other items for intangible assets (II)			5 711 512	5711 512	
TOTAL RECEIVABLES RELATED TO FIXED ASSETS			419 456 737	419 456 737	
Doubtful or disputed receivables			840	840	
Other receivables					
Receivables representing loaned securities					
Personnel and related accounts					
Social security and other social welfare bodies					
State and other authorities	Income tax		3 531 430	3 531 430	
	Value-added tax				
	Other taxes				
	State - miscellaneous				
Groups and associates			95 149 420	95 149 420	
Miscellaneous debtors			15 201 136	15 201 136	
TOTAL RECEIVABLES RELATED TO CURRENT ASSETS			113 882 825	113 882 825	
Prepaid expenses			188 377	188 377	
TOTAL RECEIVABLES			**533 527 940**	**533 527 940**	
Loans granted during the financial year					
Repayments obtained during the financial year					
Loans and advances granted to associates					

Section B	Statement of debts	Gross amount	Up to one year	One to five years	More than 5 years
Convertible bonds					
Other bonds					
- at issue		64 820	64 820		
- at issue		995 750 000	5 750 000	240 000 000	750 000 000
Borrowings and financial debt					
Trade payables and related accounts		6 380 290	6 380 290		
Personnel and related accounts		733 843	733 843		
Borrowings and financial debt		362 599	362 599		
State and other public authorities	Income tax	69 611 965	69 611 965		
	Value-added tax	1 484	1 484		
	Guaranteed bonds				
	Other taxes	151 588	151 588		
Amounts due on fixed assets and related accounts					
Groups and associates					
Other debt		549 557	549 557		
Debt representing loaned securities					
Deferred income		197 583	197 583		
TOTAL LIABILITIES		**1 073 803 728**	**83 803 728**	**240 000 000**	**750 000 000**
Loans taken out during the year		**750 000 000**	**Borrowings from private individuals**		
Loans repaid during the year					

TABLE OF SUBSIDIARIES AND INVESTMENTS (in millions of euros)

Period from 1 July 2018 to 30 June 2019

Subsidiaries and Investments	Capital (1) (2)	Reserves and retained earnings before appropriation (1) (2)	Share of equity held in %	Carrying amounts of securities held		Loans and advances granted but not yet repaid (1)	Guarantees and endorsements given by the company	Revenue excluding tax during the last financial year (1) (2)	Result of previous period (1) (2)	Dividends received by the company during the year
				Gross	Net					
A – Detailed information (1) (2)										
Subsidiaries (+ 50% of the capital held by the company)										
Compagnie Générale de Santé	120 430 576	11 770 851	100	509 769 351	509 769 351	94 720 793	O	22 550 832	40 015 884	O
CAPIO AB	6 618 400	431 453 200	100	807 724 885	807 724 885	413 745 000	O	2 535 398	(8 658 862)	O
Investments (10% to 50% of equity)										
B – Full information on other subsidiaries and investments not included in A.										
French subsidiaries (combined)										O
Foreign Subsidiaries (together)										
Investments in French companies										
Investments in foreign companies										

(1) Capio AB's balance sheet data has been translated at the closing rate at 30 June 2019. The exchange rate used is provided in note 2.e.
The income statement of Capio AB has been converted at the average exchange rate from 1 January 2018 to 31 December 2018 (EUR 1 = SEK 10.2548)

(2) Capio AB data at the close of the last financial year, i.e. 31 December 2018.

1) Rules, Accounting Methods and Significant Events

The financial statements are drawn up in accordance with basic accounting principles:

- prudence
- consistency of methods from one financial year to the next
- independence of financial years,
- continuity of operations,

and conformity with the general rules for the preparation and presentation of financial statements.

The basic method employed to assess items recognised in accounts is the historical cost method. The provisions of the French Commercial Code were applied, as well as the General Chart of Accounts provided for in the French Accounting Standards Authority's Regulation 2014-03, updated by Regulation 2016-07 of 4 November 2016, and other subsequent regulations,

The following events occurred during the year:

Scope:

Acquisition of Capio

On 8 November 2018, following the end of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that on 7 November 2018, it had acquired 98.51% of the capital of Capio, one of Europe's leading providers of healthcare and health services, enabling the Group to position itself as a pan-European leader in private hospitalisation and primary care, present in six countries with a prominent role in Scandinavia (in particular Sweden) and France.

The public takeover bid by Ramsay Générale de Santé concerned all of Capio's shares at a price of SEK 58 per share. The price of the Capio acquisition thus amounted to EUR 779.7 million (fair value of the 139,050,816 Capio shares at SEK 58 per share converted at the SEK/EUR hedging rate of 10.3437).

Ramsay Générale de Santé initiated a mandatory squeeze-out procedure for shares that it did not hold at the end of the offer and for convertible bonds issued by Capio to its employees on 30 April 2016, pursuant to the Swedish Companies Act (Sw. Aaktiebolagslagen (2005:551)).As part of this mandatory squeeze-out procedure, Capio initiated the procedure for delisting the Capio shares from Nasdaq Stockholm on 28 November 2018.

On 29 May 2019, Ramsay Générale de Santé obtained the early transfer of all the remaining shares of Capio and now controls 100% of the company. The final price of the shares transferred under the squeeze-out will be determined in this procedure.

Financing the acquisition of Capio

Ramsay Générale de Santé secured financing for the acquisition of Capio (i) through the issuing of subordinated bonds underwritten by its two majority shareholders, Ramsay Health Care (UK) and Crédit Agricole Dialogue ("Predica"), amounting to EUR 550 million, and (ii) by setting up a term loan of up to EUR 750 million, of which the initial lenders are Crédit Agricole Corporate & Investment Bank and Société Générale, which takes the form of an additional line of credit ("Incremental Facility") set up under the 2014 Credit Agreement, as amended.

The amount of these funds is intended to cover the acquisition price of 100% of the shares to be acquired as part of the offer and the subsequent mandatory squeeze-out, and the refinancing of Capio's debt, which amounted to EUR 465.4 million as at 31 December 2018, as well as the associated operating costs.

The acquisition costs relating to the Capio transaction amount to EUR 16.3 million.

Share capital increase

On 22 March 2019, Ramsay Générale de Santé S.A. announced the launch of a capital increase with preferential subscription rights of approximately EUR 625 million as part of the refinancing of the Capio acquisition, as follows:

- Offer basis: 1 new share for 2 current shares
- Unit subscription price: EUR 16.46 per new share
- Negotiation period for preferential subscription rights: from 25 March 2019 to 3 April 2019 inclusive
- Subscription period: from 27 March 2019 to 5 April 2019 inclusive.

The capital increase resulted in the issuing of 34,432,595 new shares at a unit price of EUR 16.46, representing a gross amount raised (including issue premium) of EUR 566,760,513.70.

At the end of the subscription period, which finished on 5 April 2019, 34,356,485 new shares had been subscribed as of right and 76,110 new shares made redeemable.

In accordance with their subscription commitments, the two majority shareholders of Ramsay Générale de Santé – Ramsay Health Care (UK) and Prévoyance Dialogue du Crédit Agricole ("Predica") – subscribed to the capital increase in full by offsetting receivables against the company's certain, liquid and due receivables they held in respect of the subordinated bonds used to finance the acquisition of Capio, for EUR 318.1 million and EUR 239.9 million respectively. Their stake increased to 52.53% and 39.62% of the capital respectively after the capital increase.

The share capital of Ramsay Générale de Santé is currently composed of 110,389,690 shares with a nominal value of EUR 0.75 each, amounting to a total of EUR 82,792,267.50.

Pre-financing of the 2018 CICE tax credit:

The 2018 CICE of the Ramsay Générale de Santé Group was the subject of a non-recourse discounted trade receivables financing agreement of EUR 31,270,056 dated 21 December 2018 with Banque Postale.

On 29/03/2019, the balance of the 2017 CICE, amounting to EUR 519,317, was also refinanced with the Banque Postale under the same terms and conditions.

The main accounting methods used are as follows:

(a) Fixed assets

Fixed assets:

Assets are booked at acquisition cost.

Financial assets:

Equity investments are recorded at acquisition cost.

A provision for impairment is booked when the value in use falls below the acquisition value.

The securities of the former Ramsay Générale de Santé consolidation group have been subject to an impairment test, with the value in use corresponding to the present value of the sum of the future pre-tax cash flows of the entities held by Ramsay Générale de Santé, less net financial debt.

Acquisitions during the year are not subject to an impairment test provided there are no indications of impairment.

(b) Marketable securities

As part of the free share plan for certain senior managers or corporate officers of the Company and companies in the Ramsay Générale de Santé Group, the Company purchased 773,668 Générale de Santé shares in 2009 for the total sum of EUR 9,999,973.73.

- on 2 April 2010, 354,663 GDS SA shares were allocated under the 2008 plan.
- on 2 June 2011, 393,704 GDS SA shares were allocated under the 2009 plan.

These two free share plans leave 25,301 Générale de Santé shares with a carrying amount of EUR 328,611.17.

These treasury shares are booked for accounting purposes as marketable securities.

At 30 June 2019 their inventory value was greater than the carrying amount.

(c) **Receivables**

Receivables are valued at their nominal value.

Provision is made for impairment on a case-by-case basis following an analysis as part of the regular process of recovery of receivables.

As at 30/06/2019, a miscellaneous receivable is fully impaired for a value of EUR 32,415 and a trade receivable is fully impaired for a value of EUR 700.

(d) **Provision for liabilities and charges**:

Pursuant to CRC Regulation 2000-06, provisions are set aside when the company has an obligation to a third party and it is likely or certain that it must incur an outlay of resources to the benefit of the third party with no compensation.

These provisions are estimated by taking into account the most likely assumptions at the reporting date.

At 30 June 2019, a provision of EUR 160,947 was recognised corresponding to the balance due on the adjustments of the tax audit of the former Ramsay Santé Group, as well as a provision of EUR 456,012 for exchange losses relating to the valuation at the closing rate of bonds and EUR 27,320 for the pledged account with Nordéa in the context of the Squeeze-Out procedure.

(e) **Translation of currency transactions**

Assets denominated in foreign currencies are valued at the rate in force on the closing date or at the hedging rate, where applicable.

Only unrealised foreign exchange losses are provided for in the income statement.

At 30 June 2019	Closing rate	Average rate
Sweden	0.0947	0.0956
Denmark	0.1340	0.1347
Norway	0.1031	0.1033

(f) **Pension obligations:**

Pension obligations are measured in accordance with Recommendation no. 2013-02 of 7 November 2013 of the French Accounting Standards Authority (ANC) and Regulation no. 2003-R01 of the French National Accounting Board (CNC).

The actuarial assumptions used are as follows:

	At end of period	**At beginning of period**
- Discount rate	1.25%	1.60%
- Rate of salary increase	1.00%	1.00%
- Rate of social security charges	56.00%	56.00%
The rate of social security charges has been redefined on the basis of the actual rate recorded over the last 12 months		
- Retirement age		
- management	65 years	65 years
- non-management	65 years	65 years
- Conditions of departure:	Voluntary departure at the employee's initiative	
- Vested rights	Company's Collective Agreement	
- Staff turnover rate		
- 26 years or under	28.06%	15.14%
- 27–29 years	15.35%	14.11%
- 30 to 34 years	9.44%	12.40%
- 35 to 39 years	6.56%	10.19%
- 40 to 44 years	5.80%	8.73%
- 45 to 49 years	4.17%	7.10%
- 50 to 54 years	2.99%	7.10%
- 55 to 59 years	2.12%	7.10%
- 60 to 62 years	1.21%	7.10%
- over 62 years	0.00%	0.00%
- Life table		
- Men	TH0002	TH0002
- Women	TF0002	TF0002

The retirement benefit corresponds to the most favourable amount for the employee between contractual enforced retirement pay and the statutory severance pay.

The amount of retirement benefit indemnities not recognised in the individual financial statements was EUR 270,270 at 30 June.

This sum is recognised as financial commitments. It is calculated using the actuarial method.

(g) **Concept of ordinary profit and extraordinary profit**:

The components of ordinary business, even when extraordinary in view of their frequency or amounts, are included in ordinary profit.

Only items unrelated to ordinary company business were recognised as extraordinary profit (loss).

2) Notes on certain items on the balance sheet and the income statement:

a) Fixed assets

Movements in gross values and depreciation during the year are summarised in the following tables:

- National Tax Office table no. 2054 (see fixed assets table - reporting date 30 June 2019 - Section A) page 98;
- National Tax Office table no. 2055 (see fixed assets table - reporting date 30 June 2019 - Section B) page 98;

b) Financial assets

During the financial year, Ramsay Générale de Santé acquired the shares of CAPIO for a total of EUR 807,724,885.

On 4 January 2019, RGDS arranged short-term loans (with a 3-month maturity date, i.e. 04/04/2019) for the benefit of CAPIO AB so that the latter could repay its senior debt. On 4 April 2019, these loans were extended for 3 months (i.e. with a maturity date of 04/07/2019)

The loan amounts are as follows:

- SEK 2 233 870 418.86
- DKK 136 483 355.56
- EUR 177 421 591.58

The Nordea pledge relates to the squeeze-out of the Capio shares.

It corresponds to the sums provided to compensate minority shareholders.

This margin is usually claimed in the event of a dispute in Sweden by the courts where the minority share price is upheld.

	At 30/06/2019
- CGS shares	509 769 351
- Dynamis shares	46
- Capio AB shares	807 724 885
Total shares	***1 317 494 282***
- Capio loans	413 725 225
- Nordea pledged account	5 711 512
- Other financial assets	1 128
TOTAL	**1 736 952 147**

c) Statement of provisions

Movements in provisions during the year are summarised in table no. 2056 (see table of provisions - reporting date 30 June 2019 - page 100).

d) Receivables and debts

Due dates of receivables and debts are summarised in National Tax Office table no. 2057 (see Maturity of receivables and debt - reporting date 30 June 2019)

e) Related accounts

- *Accrued income*:

Accrued income represents a total of EUR 8,103,459.93, constituting operating income of EUR 32,415 and financial income (interest on loans and current accounts) of EUR 8,071,044.93.

- *Accrued liabilities:*

Accrued liabilities amount to EUR 10,622,805.81 and correspond to the following items:

  - Premiums for EUR 732,000
  - Interest on loans for EUR 5,750,000
  - Non-group suppliers for EUR 3,183,692.00
  - Social security contributions and taxes for EUR 463,498.81
  - Miscellaneous accrued liabilities for EUR 493,615.

f) Other receivables

The item "other receivables" amounts to EUR 113,849,570.

It essentially consists of the current account advance of EUR 94,720,793.46 paid to Compagnie Générale de Santé, corporation tax receivables from the State of EUR of 3,531,430.00 and from other group debtors of EUR 14,809,004.05.

g) Prepaid expenses and deferred income

Prepaid expenses amount to EUR 188,377.08 and concern various types of expenses (Operating, Financial and Extraordinary).

Deferred income amounts to EUR 197,583 and relates to the recording of discounts associated with interest rate differentials in connection with the valuation of currency hedging instruments.

h) Marketable securities

- *Treasury shares*

This item covers the company's purchase of treasury shares as part of the free share allocation plans for some senior managers or corporate officers of the Company and companies in the Ramsay Générale de Santé Group.

These two free share plans for 2008 and 2009 leave 25,301 Générale de Santé shares with a carrying amount of EUR 328,611.17.

Their inventory value, determined on the basis of the average share price in June 2019, was EUR 447,827.70 at the end of the period. The inventory value, which is greater than the carrying amount, did not entail any provision for impairment at 30 June 2019.

According to CM-CIC SECURITIES, the company mandated by Ramsay Générale de Santé to buy its treasury shares, the 25,301 shares as valued at EUR 468,068.50.

- *Bonds related to the acquisition of Capio*

Capio AB had granted its top managers convertible bonds for the following amounts:

  - bonds concerning employees in Sweden and Norway: SEK 133 745 000
  - bonds concerning employees in France: EUR 1 957 100
  - bonds concerning employees in Germany: EUR 338 500

As part of the acquisition of Capio AB by Ramsay Générale de Santé, Ramsay Générale de Santé repurchased these bonds.

The bonds repurchased in SEK are revalued at the closing rate. At 30 June 2019, the bonds had a total value converted at the closing rate of EUR 16,570,337, including EUR 690,833 of accrued interest. Their revaluation thus generates a translation adjustment asset of EUR 456,012.

i) Available funds

Available funds correspond to:

- *Available funds and cash for EUR 9,353,671.49*
- *Financial instruments for EUR 2,228,963.88.*

j) Regulated provisions

The change in regulated provisions is as follows:

Nature of provisions	At beginning of period	Provisions	Reversals	At end of period
Capio acquisition costs	--	2 062 916	--	2 062 916
Capio squeeze-out costs	--	1 048	--	1 048
TOTAL (I)	**--**	**2 063 964**	**--**	**2 063 964**

The regulated provisions thus correspond to the amortisation of the acquisition costs of the Capio Group over a period of 5 years. These acquisition costs totalled EUR 16.3 million.

k) Share capital

The company's share capital is composed of 110,389,690 shares with a nominal value of EUR 0.75 each, i.e. a total amount of EUR 82,792,267.50.

- *Share capital increase*

The capital increase of 22 March 2019 resulted in the issue of 34,432,595 new shares at a unit price of EUR 16.46, representing a gross amount raised (including issue premium) of EUR 566,760,513.70.

At the end of the subscription period on 5 April 2019:

- 34,356,485 new shares had been subscribed as of right
- 76,110 new shares had been subscribed on a redeemable basis.

- *Statement of changes in equity*

Sections	30/06/2018	Increase	Decrease	Distribution of Dividends	Appropriation of profit N-1	30/06/2019
Share capital or individual capital	**56 967 821.25**	25 824 446.25	--	--	--	**82 792 267.50**
Issue, merger and acquisition premiums	**60 918 714.34**	540 936 067.47	943 866.21	--	--	**600 910 915.60**
Revaluation differences	**--**	--	--	--	--	**--**
Legal reserve	**5 696 782.13**	--	--	--	--	**5 696 782.13**
Statutory or contractual reserves	**--**	--	--	--	--	**--**
Regulated reserves	**7 254.55**	--	--	--	--	**7 254.55**
Other reserves	**12 257 624.00**	--	--	--	--	**12 257 624.00**
Retained earnings	**84 942 098.39**	--	--	--	22 515 388.81	**107 457 487.20**
Profit for the year	**22 515 389.04**	3 839 119.13	--	--	(22 515 388.84)	**3 839 119.13**
Investment subsidies	**--**	--	--	--	--	**--**
Regulated provisions	--	2 063 964.10	--	--	--	**2 063 964.10**
TOTAL EQUITY	**243 305 683.50**	**572 663 596.95**	**943 866.21**	**--**	**--**	**815 025 414.21**

l) Provisions for liabilities and charges:

Sections	Amount at 30/06/2018	Provision	Reversal	Amount used	Amount at 30/06/2019
Impact of tax audits	**160 947.00**	--	--	--	**160 947.00**
Provision for exchange losses	**--**	483 333.35	--	--	**483 333.35**
TOTAL	**160 947.00**	**483 333.35**	**--**	**--**	**644 280.35**

The provision for foreign exchange losses corresponds essentially to translation differences on assets (foreign exchange losses) in connection with the revaluation of the Capio bonds held by Ramsay Générale de Santé at the closing rate.

m) Borrowing and debt with banks

In the context of the "Senior Debt" credit agreement of 1 October 2014 with BNP Paribas, Crédit Agricole, CIB, Natixis, Barclays and Deutsche Bank for a total of EUR 1,075 million, Ramsay Générale de Santé drew down a EUR 240,000,000 line of credit.

On 11 August 2017, the Ramsay Générale de Santé Group signed the amendment and extension of its senior credit agreement.

The terms and conditions of the agreement were significantly improved by the elimination of maintenance covenants, an extension of the maturity of its senior debt by two years to 3 October 2022, and a decrease in the Term Loan B rate from Euribor + 3.5% to Euribor + 3.125%.

For the purposes of purchasing the CAPIO group's shares, RGDS subscribed to two new credit lines for a total amount of EUR 750,000,000:

- On 31/10/2018, drawdown of a B3A facility for an amount of EUR 265,572,137
- On 02/01/2019, drawdown of a B3B facility for an amount of EUR 484,427,863

The costs related to the setting up of these credit lines, totalling EUR 11,428,975, have been included in a "deferred charges" account spread over the duration of the loan, i.e. six years. These costs consist mainly of arrangers' fees amounting to EUR 11,250,000.

n) Tax and social security liabilities

The item "tax and social security liabilities" amounts to EUR 70,861,478.52.

It is mainly composed of corporate income tax liabilities on subsidiaries consolidated for tax purposes under Ramsay Générale de Santé.

o) Financial result

The financial result includes the impact of the following transactions:

Sections	Financial expenses	Financial income
Income from Group shares	--	18.00
Accrued interest on Group current accounts	--	971 451.41
Accrued cash pool interest	--	217.19
Miscellaneous financial income	--	308 263.04
Income from Group loans	--	6 408 760.38
Foreign exchange gains	--	294 476.22
Interest on debt	28 151 903.81	--
Bank charges	839.98	--
Commissions on CICE assignment	326 067.30	--
Net interest on swaps	175 358.83	--
Foreign exchange losses	331 571.23	--
Provision for foreign exchange losses	483 333.35	--
TOTAL	**29 469 074.50**	**7 983 186.24**

p) Extraordinary profit (loss)

The extraordinary loss amounts to EUR 2,031,958.

It includes the impact of the following transactions:

	Extraordinary expenses	Extraordinary income
Provision for accelerated tax depreciation of Capio AB acquisition costs	2 063 964.10	--
Sale of preferential subscription rights to treasury shares	--	32 006.38
TOTAL	**2 063 964.10**	**32 006.38**

q) Tax position

The company's results are integrated into the framework of a group tax system.

Ramsay Générale de Santé is the head of a tax consolidation group

The EUR 43,145,391 booked as tax consolidation income was the difference between:

- corporation tax contributions paid by the tax-consolidated subsidiaries amounting to EUR 46,998,552
- contribution and corporation tax allowances amounting to EUR 4,566,513
- corporation tax reductions (patronage + CICE) of EUR 713,352

r) The unrealised tax position is as follows:

- *Increases and reductions in deferred tax liabilities :*

Item	30/06/2019
Increases in deferred tax liabilities	--
Regulated provisions	2 063 964
Investment subsidies	--
Negative valuation difference of UCITS securities.	--
Translation differences - assets	7 611 826
Other prepaid expenses	--
Deferred taxation of long-term capital gains	--
Total increases in deferred tax liabilities	**9 675 790**
Total deferred tax liabilities	**3 331 375**
Decreases in deferred tax liabilities	
amortisation of software	
Potential losses on long-term contracts	
Provisions for retirement and similar obligations	
Other provisioned liabilities and charges	
Accrued liabilities	
Positive valuation difference of UCITS securities.	
Translation differences - liabilities	7 136 943
Other income taxed in advance	
Tax loss carry-forwards	107 437 538
Total decreases in deferred tax liabilities	**114 574 481**
Total deferred tax assets	**39 447 994**
Net unrealised tax position	**36 116 619**

Tax rates	34.43%
Of which standard corporation tax rate	33.33%
Social tax contribution	3.30%

s) Translation differences:

	Item	Amounts
-	Capio loans – SEK	7 127 513
-	Bonds – SEK	483 333
-	Capio loans – DKK	980
	Total translation differences – assets	***7 610 846***
-	Hedging instruments – SEK and DKK	7 127 513
-	Capio loans – DKK	9 431
	Total translation differences – liabilities	***7 136 943***

Capio loans in foreign currencies are fully hedged in perfect hedging relationships. As a result, the translation losses generated by the revaluation of the loan at the closing rate is offset by a translation gain linked to the revaluation of the associated hedging instrument. It does not therefore give rise to the recognition of a provision for foreign exchange losses.

The translation losses relating to bonds is covered by a provision for foreign exchange losses.

t) Distribution of income tax

Distribution of tax	Pre-tax result	Tax	Net profit
Current profit	(37 274 314.15)	40 238 493.16	2 964 179.01
Short-term extraordinary profit (loss)	(2 031 957.72)	2 193 545.84	161 588.12
Long-term extraordinary profit (loss)	--	--	--
Employee profit-sharing	--	--	--
Tax credits	--	713 352.00	713,352.00
ACCOUNTING PROFIT (LOSS)	***(39 306 271.87)***	***43 145 391.00***	***3 839 119.13***

u) Cost transfers

Cost transfers amount to EUR 25,309,792.

They correspond to the loan issue costs and the acquisition costs of the CAPIO shares amortised respectively on the balance sheet over six years (duration of the loan) and five years (legal duration).

3°) Financial commitments and other information

a) Financial commitments

The company does not operate any equipment leases or property leases.

The financial commitments granted and received by the company at 30 June 2019 are as follows:

- On 1 October 2014, Ramsay Générale de Santé as guarantor and borrower, and Compagnie Générale de Santé as borrower, entered into a “senior debt” credit agreement amounting to a total of EUR 1,075 million with BNP Paribas, Crédit Agricole CIB, Natixis, Barclays and Deutsche Bank as mandated arrangers and original lenders.

  This senior debt facility enabled Ramsay Générale de Santé to refinance a portion of its previously existing debt and to finance the extraordinary distribution of share premiums approved by the General Meeting of 18 November 2014. The purpose of this senior debt facility is to finance the general operating needs of Group companies as well as to fund acquisitions and meet investment expenses relating to growth and reorganisation. This financing was amended and extended on 11 August 2017, adding two more years to the original six years, and is now repayable in full on 3 October 2022.

- At the time of the acquisition of Capio AB at the end of October 2018, the syndicated loan was incremented by EUR 750 million by a TLB3 facility for six years, part of which was used to acquire Capio AB shares (B3A) and the other part to repay the financing of Capio AB (B3B).

Specific clauses in the senior debt agreement:

All of its tranches are issued at variable rates.

The terms and conditions of the financing place restrictions on the policy for acquiring and disposing of assets. Disposals of assets give rise to early debt repayments. The agreement sets limits on the capacity for taking on new debt in the form of financial leases, mortgages, security trust or any other form of credit.

In addition, in the event of a drawdown at the end of the half-year exceeding 40% of the RCF, the contract requires compliance with a maximum leverage ratio of 5.00x (consolidated NFD / consolidated Ebitda(1)). This constraint is not applicable if the amount drawn down returns below 40% of the outstanding RCF amount.

(1): - NFD: Net financial debt, excluding the fair value of hedging instruments.
- EBITDA: Gross operating surplus, defined as the difference between profit from recurring operations and depreciation and amortisation charges

The Ramsay Générale de Santé Group had no outstanding drawdowns on the RCF at 30 June 2019.

Hedging clause relating to interest rate risk

In connection with its refinancing transactions for the Group (senior debt facility) carried out on 1 October 2014, the company must, within six months of setting up this refinancing, arrange for the hedging of its exposure to interest rate risk in respect of at least two-thirds (and no more than 100%) of the amount of credit drawn down (excluding the additional non-binding capex line of credit) over a minimum period of three years.

At 30 June 2019, 75% of the initial syndicated debt remains hedged at one year with an average fixed rate of 0.28%. Then, following the extension of the duration of the initial debt and the new amounts drawn down at the time of the acquisition of Capio, new interest rate hedges were put in place (the average hedging rate is 71%):

- 75% of the initial debt is hedged until maturity with Interest Rate Swaps (IRS), with in 2020 50% floor and 50% cap, and from 2021, 100% in vanilla IRS.
- 66.67% of the new debt is hedged until maturity with Interest Rate Swaps (IRS), with 50% floor and 50% cap for two years, and then in 2021 for 3.5 years with vanilla IRS.

Security clause:

The securities of Compagnie Générale de Santé, Immobilière de Santé, Alphamed, Parly 2, Hôpital Privé Ouest Parisien, Pass, Medipsy, HPM and HPM Nord and Capio AB were pledged in security of the syndicated debt.

Pursuant to the 2014 Credit Agreement, pledges on share accounts were granted by the Company and some of its subsidiaries, Compagnie Générale de Santé and Alphamed, acting as Borrowers and Guarantors pursuant to the 2014 Credit Agreement, as follows:

- The Company issued a pledge for the shares held by it in its subsidiary Compagnie Générale de Santé, accounting for 100% of the equity.

- Compagnie Générale de Santé pledged the shares held by it in Alphamed, accounting for 99.66% of its equity, Immobilière de Santé, accounting for 94.86% of its equity, Medipsy, accounting for 100% of its equity, Pass, accounting for 100% of its equity, HPM, accounting for 99.69% of its equity, and HPM Nord;

Alphamed pledged the shares held by it in Immobilière de Santé, accounting for 5.14% of the equity, Parly II, accounting for 99.47% of the equity and Hôpital Privé de l'Ouest Parisien, accounting for 100% of the equity.

In addition, as part of the increase of an additional B3 facility for EUR 750 million:

The company has pledged under Swedish law the shares it holds in Capio AB, representing 100% of its share capital;

Guarantee clause

Ramsay Générale de Santé, as the Guarantor on the 2014 Credit Agreement, issues the lenders with a joint and several guarantee of the obligations of the Debtors (i.e. all the Borrowers and Guarantors), and this would be called in the event of a default by one of them, on a first request by the lenders.

The obligations and commitments of the Guarantor in respect of the 2014 Credit Agreement, with respect to any Debtor that is not a subsidiary of the Guarantor (pursuant to Article L. 233-3 of the French Commercial Code), are limited at any time to the total amount outstanding of the sums borrowed directly or indirectly by said Debtor under the Credit Agreement and relent directly or indirectly to the Guarantor via intragroup loans in force at the date on which the Guarantor must make a payment in respect of its Guarantee.

Pursuant to the 2014 Credit Agreement, all guarantors must account for at least 75% of consolidated gross operating surplus and 70% of the gross assets of the Ramsay Générale de Santé group. Consequently, 44 of the Group's legal entities signed up to the 2014 Credit Agreement as additional guarantors.

b) Bank guarantees

As the main founder of the Ramsay Générale de Santé Corporate Foundation, in order to comply with the legal commitments arising from the Foundations' Articles of Association, Ramsay Générale de Santé requested a new bank guarantee from Caisse d'Epargne and Prévoyance Ile de France on 29 March 2018. Its outstanding balance at 30 June 2019 was EUR 4,950,000 with a maturity date of 30 June 2023.

c) Construction commitments (Delegating Contracting Authority)

At 30 June 2019, the Ramsay Générale de Santé Group no longer has any construction commitments.

d) Staff

The workforce consists of one senior manager.

e) Remuneration of directors

For the financial year 2018-2019, the remuneration paid to members of the administrative, management and supervisory bodies in consideration of their duties was EUR 1,323,924 in salaries and EUR 441,550 in attendance fees.

f) Identity of the controlling company

The company is part of a group whose consolidating company is the French public limited company (Société Anonyme) RAMSAY GENERALE DE SANTE (Siren no. 383 699 048). Its registered office is 39 rue Mstislav Rostropovitch CS60053 75850 Paris Cedex 17 and its capital amounts to EUR 82,792,267.50.

RAMSAY GENERALE DE SANTE is itself consolidated within a group whose consolidating company is RAMSAY HEALTH CARE LIMITED. Its registered office is Level 8, 154 Pacific Hwy St Leonards NSW 2065 Australia

A copy of the consolidated financial statements can be obtained on the RAMSAY GENERALE DE SANTE website: http://ramsaygds.fr/.

g) Table of subsidiaries and investments

See page 102.

h) Commitments received

The company did not benefit from any commitments during the year.

4°) Events after the reporting date

At 1 July 2019, the following transactions have taken place

- The acquisition by RGDS from Capio Group Services AB (a subsidiary of Capio AB) of 4,472,997 shares of Capio Santé, a French public limited company with a capital of EUR 35,784,000, through which all the French subsidiaries of the Capio Group are held, with the exception of three shares held by directors in connection with share loans. This acquisition was carried out for an amount of EUR 254,000,000, and was settled by offsetting it against receivables (in particular a loan of EUR 177,421,591 in capital) due to the company from Capio AB.
- The contribution of these same Shares to Compagnie Générale de Santé, so that all the subsidiaries included in the new Group's scope of consolidation are held by the same entity. This contribution was made for the same amount as the acquisition, i.e. EUR 254,000,000, remunerated by new shares issued by Compagnie Générale de Santé as part of its capital increase.

B Draft management documents

The tables below set out the draft management documents as stipulated by Articles L. 232-3 and R. 232-4 of the French Commercial Code and posted by the Board at a meeting on 24 October 2019.

FINANCING PLAN (in EUR thousands)	
Item	**Year From 1 July 2019 to 30 June 2020**
I. Usage	
1. New investments	--
2. Working capital requirements	10 000
3. Repayment of loans	--
Total	**10 000**
II. Resources	
1. Cash flow from operations	10 000
2. Disposals	--
3. External resources – capital	--
Subsidies and participating loans	--
Long-term borrowings	--
Total	**10 000**
Surplus / insufficient resources	**--**

PROVISIONAL INCOME STATEMENT (in EUR thousands)		
Item	**Actual From 1 July 2018 to 30 June 2019**	**Budget From 1 July 2019 to 30 June 2020**
Revenue from healthcare (excluding imaging)	--	--
Chemo and pharmacy	--	--
Revenue from imaging	--	--
Revenue from biology	--	--
Revenue from accommodation and catering	--	--
Revenue from fees and other	--	--
Operating revenue	--	--
Capitalised production	--	--
TOTAL REVENUE	**--**	**--**
Medical purchases (excluding chemo and pharmacy)	--	--
Chemo and pharmacy	--	--
Other purchases and energy	1	1
External services	11 009	7 709
Other external services	225	7
Added value	***(11 235)***	***(7 717)***
Taxes and duties	224	162
Salaries, social security contributions	1 920	1 953
Other income	--	--
Other expenses	445	580
EBITDAR	**(13 824)**	**(10 412)**
Margin	**--**	**--**
Fees operating leases	--	--
Fees property leases	--	--
Equipment leases	50	350
Property leases	10	10
Property tax	--	--
Lease revenue contribution	--	--
EBITDA	**(13 884)**	**(10 772)**
Margin	**--**	**--**
Operating provisions	1 905	1 905
EBIT (operating profit)	**(15 789)**	**(12 677)**
Margin	**--**	**--**
Profit on non-recurring operations	(2 032)	(3 254)
EBIT after non-recurring operations	**(17 821)**	**(15 931)**
Financial result	(21 486)	(21 918)
Corporation tax	(43 145)	(42 000)
NET PROFIT	**3 838**	**4 151**

CASH FLOW FROM OPERATIONS (in EUR thousands)

Use of the subtractive method

	Sections	Accounts	from 1 July 2018 to 30 June 2019	from 1 July 2017 to 30 June 2018	Change
	Gross operating surplus		**(38 748)**	**(10 710)**	**+1%**
+	Transfers of operating expenses	791	25 310	--	--
+	Other operating income	75	--	33	-100%
-	Other operating expenses	65	445	461	-3%
+	Financial income	76, 786 and 796	7 963	786	-916%
	- Reversals of financial provisions	786	--	--	--
-	Financial expenses	66, 686 and 696	29 469	8 188	260%
	+ Amortisation and financial provisions	686	483	--	--
+	Extraordinary income	77 and 787	32	331	-90%
	- Income from disposal of assets	775	32	--	--
	- Investment subsidies recognised under income	777	--	--	--
	- Reversals of extraordinary provisions	787	--	239	-100%
-	Extraordinary expenses	67 and 687	2 064	240	+760%
	+ Carrying amount of assets sold	675	--	1	-100%
	+ Extraordinary amortisation and provisions	687	2 064	--	--
-	Employee profit-sharing	691	--	--	--
-	Income tax	698 and 699	(43 145)	(40 965)	5%
	CASH FLOW FROM OPERATIONS		**8 259**	**22 278**	**-63%**

The method has been specified – for financial products, the subtotal provided for the income statement is used, specifically the sum of accounts 76, 786 and 796. Reversals of financial provisions (account 786) are carried over to the line below.
The method used is the same for financial expenditure and extraordinary income and expenses.

CASH FLOW STATEMENT NPC template (in EUR thousands)					
Use	**from 1 July 2018 to 30 June 2019**	**from 1 July 2017 to 30 June 2018**	**Resources**	**from 1 July 2018 to 30 June 2019**	**from 1 July 2017 to 30 June 2018**
Distributions paid out during the year	--	--	Cash flow from operations for the year	8 259	22 278
Acquisitions of fixed assets:			Disposals of fixed assets:		
- Intangible assets	--	--	- Intangible assets	--	1
- Property, plant and equipment	--	--	- Property, plant and equipment	--	--
- Financial assets	1 227 182	--	- Financial assets	--	446
Deferred charges over several years	11 429	--	Increase in equity		
Decrease in equity	--	--	- Capital or contributions	565 816	--
			- Other equity	--	--
Repayment of financial debt	--	23	Increase of financial debt	754 312	--
TOTAL USE	**1 238 611**	**23**	**TOTAL RESOURCES**	**1 328 387**	**22 725**
NET RESOURCES	**89 776**	**22 702**	**NET USE**	**--**	**--**

Change in overall net working capital	**Requirements** (B)	**Releases** (D)	**Balance From 1 July 2018 to 30 June 2019** (D-B)	**Balance From 1 July 2017 to 30 June 2018**
OPERATING CHANGES				
Changes in operating assets				
Inventories and work-in-progress	--	--	--	--
- Advance payments to suppliers	--	--	--	--
- Trade receivables, related accounts and other receivables	--	--	--	--
Changes in operating expenses	--	--	--	--
- Advances payments from customers	--	--	--	--
- Trade payables, related accounts and other payables	5 678	--	(5 678)	(358)
TOTAL OPERATING	**5 678**	**--**		
A - NET OPERATING CHANGE			**(5 678)**	**(358)**
NON-OPERATING CHANGES				
Changes in other debtors	--	55 700	55 700	(37 984)
Changes in other creditors	--	11 789	11 789	15 457
TOTAL NON-OPERATING	**--**	67 489		
B - NET NON-OPERATING CHANGE			**67 489**	**(22 527)**
TOTAL [A+B] NET RELEASE OF WORKING CAPITAL			**61 811**	**(22 885)**
CHANGES IN CASH FLOWS				
Changes in cash and cash equivalents	--	28 037	28 037	183
Changes in bank overdrafts, bank credit balances	38	--	(38)	--
TOTAL CASH FLOW	**--**	28 037		
C - NET CHANGE IN CASH FLOW			**27 999**	**183**

STATEMENT OF REALISABLE ASSETS AND CALLABLE LIABILITIES (in EUR thousands)

REALISABLE AND AVAILABLE ASSETS	01/01/2019 30/06/2019	01/07/2018 31/12/2018	01/01/2018 30/06/2018
Uncalled share capital			
Receivables attached to investments			
Loans	413 745		
Other financial assets	1 323 207	1 289 469	509 771
Advance payments to suppliers	1		
Trade receivables and related accounts	1	1	1
Other receivables	113 880	72 743	65 821
Share capital called and not paid			
SUBTOTAL	**1 850 834**	**1 362 213**	**575 593**
Marketable securities	16 899	329	329
Available funds	11 583	22 143	116
TOTAL	**1 879 316**	**1 384 685**	**576 038**

CALLABLE LIABILITIES	01/01/2019 30/06/2019	01/07/2018 31/12/2018	01/01/2018 30/06/2018
Convertible bonds			
Other bonds			
Borrowing and debt with banks	995 815	1 060 774	241 464
Borrowings and financial debt		31 270	
Advances and deposits received on ongoing orders			
Suppliers and related accounts	6 380	8 734	867
Tax and social security liabilities	70 861	67 399	89 465
Amounts due on fixed assets and related accounts			
Other debt	550	594	904
TOTAL	**1 073 606**	**1 168 771**	**332 700**

C Table of financial results over the last five years

Amounts in euros Nature of indications	30 June 2015 (6 months)	30 June 2016 (12 months)	30 June 2017 (12 months)	30 June 2018 (12 months)	30 June 2018 (12 months)
I - Capital at end of period					
a) Share capital (in EUR)	42 320 396	56 967 821	56 967 821	56 967 821	82 792 268
b) Number of ordinary shares	56 427 195	75 957 095	75 957 095	75 957 095	110 389 690
c) existing shares with priority dividends (without voting rights)	--	--	--	--	--
d) maximum number of shares to be created					
d-1) by conversion of bonds	--	--	--	--	--
d-2) by exercise of subscription rights	--	--	--	--	--
II - Profit for the period					
a) Revenue excluding tax	--	757 637	--	--	--
b) Income before taxes and calculated expenses	(7 969 097)	(14 420 939)	(15 522 223)	(18 688 401)	(34 854 145)
c) Income tax	(17 461 568)	(36 238 568)	(41 825 970)	(40 964 840)	(43 145 391)
d) Employee profit-sharing due for the year	--	--	--	--	--
Depreciation, amortisation and provisions	32 415	422 150	56 647	(238 950)	4 452 126
Profit after tax and calculated expenses	9 460 056	21 395 479	26 247 100	22 515 389	3 839 119
Distributed profit for the year	--	--	--	--	--
III - Earnings per share (in euros)					
a) Profit after tax but before calculated expenses	0.17	0.29	0.35	0.29	0.08
b) Profit after tax and calculated expenses	0.17	0.28	0.35	0.30	0.03
(c) Net ordinary dividend per share	--	--	--	--	--
IV - Personnel					
a) Average number of employees	1	1	1	1	1
b) Payroll amount for the financial year	528 000	1 020 000	1 224 000	1 122 000	1 442 004
c) Amount paid in social benefits for the year (social security, pensions, etc.) (EUR)	140 617	397 250	435 219	397 385	477 718

(i) Highlights from 1 July 2018 to 30 June 2019

Acquisition of Capio

On 8 November 2018, following the closing of the acceptance period for its public takeover bid for Capio shares, Ramsay Générale de Santé announced that on 7 November 2018, it had acquired 98.51% of the capital of Capio, one of Europe's leading providers of healthcare and health services, enabling the Group to position itself as one of the pan-European leaders in private hospitalisation and primary care, present in six countries, including France, and with a predominant role in the Scandinavian countries, notably Sweden.

The public takeover bid by Ramsay Générale de Santé concerned all of Capio's shares at a price of SEK 58 per share. The price of the acquisition thus amounted to EUR 779.7 million (fair value of the 139,050,816 Capio shares at SEK 58 per share converted at the SEK/EUR hedging rate of 10.3437).

Ramsay Générale de Santé initiated a mandatory squeeze-out procedure for shares that it did not hold at the end of the offer and for convertible bonds issued by Capio to its employees on 30 April 2016, pursuant to the Swedish Companies Act (Sw. Aaktiebolagslagen (2005:551)). As part of this mandatory squeeze-out procedure, Capio initiated the procedure for delisting the Capio shares from Nasdaq Stockholm on 28 November 2018.

On 29 May 2019, Ramsay Générale de Santé obtained the early transfer of all the remaining shares of Capio and now controls 100% of the company. The final price of the shares transferred under the squeeze-out will be determined in this procedure.

Approval of the acquisition of Capio

Ramsay Générale de Santé secured financing for the acquisition of Capio (i) through the issuing of subordinated bonds underwritten by its two majority shareholders, Ramsay Health Care (UK) and Crédit Agricole Dialogue ("Predica"), amounting to EUR 550 million, and (ii) by setting up a term loan of up to EUR 750 million, of which the initial lenders are Crédit Agricole Corporate & Investment Bank and Société Générale, which takes the form of an additional line of credit ("Incremental Facility") set up under the 2014 Credit Agreement, as amended.

The amount of these funds is intended to cover:

- the acquisition price of 100% of the shares to be acquired as part of the offer and the subsequent mandatory squeeze-out;
- the refinancing of Capio's debt, which amounted to EUR 465.4 million as at 31 December 2018;
- and the associated operating costs.

The acquisition costs relating to the Capio transaction amount to EUR 16.3 million.

Share capital increase

On 22 March 2019, Ramsay Générale de Santé SA announced the launch of a capital increase with preferential subscription rights of approximately EUR 625 million as part of the refinancing of the Capio acquisition, as follows:

- Offer basis: 1 new share for 2 current shares
- Unit subscription price: EUR 16.46 per new share
- Negotiation period for preferential subscription rights: from 25 March to 3 April 2019 inclusive;
- Subscription period: from 27 March to 5 April 2019 inclusive;

The capital increase resulted in the issuing of 34,432,595 new shares at a unit price of EUR 16.46, representing a gross amount raised (including issue premium) of EUR 566,760,513.70.

At the end of the subscription period, which finished on 5 April 2019, 34,356,485 new shares had been subscribed as of right and 76,110 new shares made redeemable.

In accordance with their subscription commitments, the two majority shareholders of Ramsay Générale de Santé – Ramsay Health Care (UK) and Prévoyance Dialogue du Crédit Agricole ("Predica") – subscribed to the capital increase in full by offsetting receivables against the company's certain, liquid and due receivables they held in respect of the subordinated bonds used to finance the acquisition of Capio, for EUR 318.1 million and EUR 239.9 million respectively. Their stake increased to 52.53% and 39.62% of the capital respectively after the capital increase.

The share capital of Ramsay Générale de Santé is currently composed of 110,389,690 shares with a nominal value of EUR 0.75 each, amounting to a total of EUR 82,792,267.50.

Pre-financing of the 2018 CICE tax credit:

The 2018 CICE of the Ramsay Générale de Santé Group was the subject of a non-recourse discounted trade receivables financing agreement of EUR 31,270,056 dated 21 December 2018 with Banque Postale.

On 29/03/2019, the balance of the 2017 CICE, amounting to EUR 519,317, was also refinanced with the Banque Postale under the same terms and conditions.

(ii) Activity

The Company's activities include all commercial and financial operations in connection with healthcare, especially general protection of public health, healthcare protection for individuals and families, welfare action taken in connection with illnesses and patients, the disabled, the elderly and persons in a situation of distress or social inadaptation, and social and medical action to combat illnesses and health impairments.

It is the parent company of a Group that carries on all its activities in the health care and hospital services sector.

The future outlook is set out in the group management report in the Company's activity report.

There were no changes to the maximum payment time limit for suppliers (Article L. 441-6-1 paragraph 1 of the French Commercial Code) between 30 June 2018 and 30 June 2019. The time limit is still 45 days end of month.

	Article D. 441-I: 1 of the French Commercial Code: Unpaid invoices **received** at the reporting date, the term of which has expired						Article D. 441-I: 2 of the French Commercial Code: Unpaid invoices **issued** at the reporting date, the term of which has expired					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment bracket												
Number of invoices concerned	6					26						
Total amount of invoices concerned (specify whether exclusive or inclusive of VAT)	2 995 910	199 883	180	399	225	200 688						
Percentage of total amount of purchases exclusive or inclusive of VAT for the financial year	8.15%	0.55%	--	--	--	0.55%						
Percentage of revenue for the financial year (specify whether exclusive or inclusive of VAT)												
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables												
Number of excluded invoices											1	
Total amount of invoices excluded (specify whether exclusive or inclusive of VAT)											840	
(C) Reference payment terms used (contractual or legal terms - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	- Legal time limit of 30 days excluding contractual amendment (in any case less than 45 days).						- Legal time limit of 30 days					

(iii) Capital held

Since June 1997, Ramsay Générale de Santé SA has held 100% of the shares in Compagnie Générale de Santé, its only subsidiary.

The business of Compagnie Générale de Santé is the same as its parent.

Following the takeover bid launched on 8 November 2018, Ramsay Générale de Santé also holds 100% of the shares of Capio AB. Its is the same as its parent.

(iv) Results at 30 June 2019

Operating income fell from EUR -11.139 million at 30/06/2018 to EUR -15.788 million at 30/06/2019.

This deterioration of -42% or EUR -4.649 million, is mainly due to an increase in the economic interest group's (GIE) contribution (EUR +2.215 million), in the fees item (EUR +188,000), in taxes and duties (EUR +20,000), in salaries and social security charges (EUR +401,000), and in amortisation of loan issue costs (EUR +1.905 million), offset by a decrease in the Group's property and investment leases (EUR -249,000) and in other expenses (EUR -16,000).

The financial result fell from EUR -7.402 million at 30 June 2018 to EUR -21.486 million at 30 June 2019.

It deteriorated due to the setting up of new credit lines that generated additional interest charges of EUR 20.536 million, which were compensated by the setting up of new loans in respect of the new subsidiary Capio AB, generating interest income of EUR 6.409 million.

Consequently, the operating result fell from EUR -18.541 million at 30 June 2018 to EUR -37.274 million at 30 June 2019.

The extraordinary loss of EUR 2.032 million is due to the amortisation of the acquisition costs of the Capio AB shares.

The tax consolidation income recognised for EUR 43.145 million corresponds to the corporation tax contributions paid by the consolidated subsidiaries amounting to EUR 46.999 million, corporation tax reductions (patronage + CICE tax credits) for EUR 713,000, offset by the Group corporation tax amounting to EUR -4.074 million, the corporation tax on share capital increase for EUR - 472,000 and miscellaneous for EUR - 20,000.

Net profit at 30 June 2019 was EUR 3.839 million compared to EUR 22.515 million at 30 June 2018.

It shows a decline of EUR 18.676 million.

2.4.4 VERIFICATION OF HISTORICAL ANNUAL FINANCIAL INFORMATION

A Statutory auditors' report on the financial statements

To the general meeting of shareholders of the company Ramsay Générale de Santé,

Opinion

In compliance with the assignment entrusted to us by your General Meetings, we have audited the financial statements of Ramsay Générale de Santé for the year ended 30 June 2019, as attached to this report.

We certify that the financial statements are, in due consideration of French accounting rules and principles, proper and sincere and provide a true and fair view of the results of operations during the past year, and of the financial position and the assets of the company at the end of said year.

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

Basis of opinion

Audit framework

We carried out our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the section "Responsibilities of the statutory auditors with respect to the audit of the annual financial statements" of this report.

Independence

We carried out our audit in accordance with the rules of independence applicable to us, over the period from 1 July 2018 to the date of issue of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or by the French Code of Ethics for the profession of Statutory Auditors.

Basis of the assessment – Key points of the audit

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the basis of our assessments, we wish to bring your attention 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 financial statements for the year, as well as our responses to these risks.

We determined that there were no key audit issues to communicate in our report.

Specific checks

In accordance with the professional standards applicable in France, we also carried out the specific checks required by law and regulations.

Information provided in the management report and in the other documents addressed to shareholders on the financial position and the financial statements.

We have no matters to report as to the fair presentation and its consistency with the financial statements of the information provided in the management report by the board of directors and in the other documents addressed to shareholders on the financial position and the financial statements.

We attest to the fair presentation and consistency of the annual financial statements with the payment terms referred to in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We certify that the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code has been included in the Board of Directors' report on corporate governance.conseil d'administration

With regard to the information provided pursuant to the provisions of Article L.225-37-3 of the French Commercial Code concerning remuneration and benefits for corporate officers and commitments in their favour, we verified their consistency with the financial statements or with the data used to draw up the statements and, where applicable, with the information gathered by your company from companies that control your company or are controlled by it. On the basis of this work, we certify the accuracy and the fair presentation of this information.

With regard to the information relating to the elements that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided in accordance with the provisions of Article L. 225-37-5 of the French Commercial Code, we have verified that this information is consistent with the documents from which it was obtained and which were provided to us. On the basis of this work, we have no observations to make on this information.

Other information

As required by law, we have verified that the management report contains the appropriate disclosures as to the acquisition of investments and controlling interests and the identity of shareholders and holders of voting rights.

Information resulting from other legal and regulatory obligations

Appointment of the statutory auditors

We were appointed statutory auditors of Ramsay Générale de Santé by the general meeting of 1 June 2001 for Deloitte & Associés and 16 December 2015 for ERNST & YOUNG Audit.

At 30 June 2019, Deloitte & Associates was in its nineteenth consecutive year of engagement and ERNST & YOUNG Audit was in its fourth year.ERNST & YOUNG Auditquatrième

Responsibilities of management and those charged with governance for the financial statements.

Management is responsible for preparing financial statements that give a true and fair view in accordance with the accounting rules and principles applicable in France, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations, and to apply the going concern accounting policy unless it is intended to liquidate the company or cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

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

Responsibilities of the statutory auditors with respect to the audit of the annual financial statements

Audit objective and approach

Our responsibility is to issue a report on the financial statements. Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements can arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or cumulatively, they could influence the economic decisions that readers of the statements may take based thereon.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not constitute a guarantee of the viability or quality of the management of your company.

In the context of an audit carried out in accordance with the professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit. Moreover:

- they identify and assess the risks that the financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and collect items they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement resulting from an error, as the fraud may involve collusion, forgery, wilful omissions, misrepresentation or circumvention of internal controls;
- they review the internal controls relevant to the audit in order to define appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of the internal controls;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the information concerning them provided in the financial statements;

- they assess the appropriateness of management's application of the going concern accounting policy and, depending on the evidence gathered, whether or not there are significant uncertainties related to events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on the information gathered up to the date of its report, however, it should be noted that subsequent circumstances or events could jeopardise the continuity of operations. If they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information provided in the annual financial statements about that uncertainty or, if the information is not provided or is irrelevant, they formulate a qualified certification or refusal to certify;
- they assess the overall presentation of the financial statements and assess whether the financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee that outlines the scope of the audit work and the programme implemented, as well as the conclusions arising from our work. We also bring to its attention, where appropriate, any significant weaknesses in the internal control procedures that we identified with regard to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been the most important for the audit of the financial statements for the financial year, and which therefore constitute the key points of the audit that it is our responsibility to describe in this report.

We also provide the Audit Committee with the statement referred to in 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 French Code of Ethics for the profession of Statutory Auditor. Where appropriate, we discuss the risks to our independence and the safeguards applied with the Audit Committee.

Paris-La Défense, 31 October 2019

The Statutory Auditors

ERNST & YOUNG Audit		Deloitte & Associés	
Pierre JOUANNE	May KASSIS-MORIN	Jean-Marie LE GUINER	Stéphane LEMANISSIER

B Statutory auditors’ report on the consolidated financial statements

To the general meeting of shareholders of the company Ramsay Générale de Santé,

Opinion

In compliance with the assignment entrusted to us by your General Meetings, we have audited the financial statements of Ramsay Générale de Santé for the year ended 30 June 2019, as attached to this report.vos assemblées généralesde la société Ramsay Générale de Santéà l’exercice30 juin 2019

We certify that the consolidated financial statements are, in due consideration of the IFRS standards adopted by the European Union, proper and sincere and provide a true and fair view of the results of operations during the past year, and of the financial position and the assets of the persons or entities included in the scope of consolidation.

The opinion expressed above is consistent with the content of our report to the Audit Committee.-comité d'audit

Basis of opinion

Audit framework

We carried out our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the section “Responsibilities of the statutory auditors with respect to the audit of the consolidated financial statements" of this report.

Independence

We carried out our audit in accordance with the rules of independence applicable to us, over the period from 1 July 2018 to the date of issue of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or by the French Code of Ethics for the profession of Statutory Auditors.juillet 2018

Basis of the assessment – Key points of the audit

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the basis of our assessments, we wish to bring your attention 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 year, as well as our responses to these risks.--

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in forming the opinion expressed-above. We do not express an opinion on individual items in these consolidated financial statements.

Accounting treatment of the acquisition of Capio

Identified risk	Our response
On 7 November 2018, your group acquired 98.51% of Capio's share capital for an amount of EUR 779.7 million, following the closing of the acceptance period of its public offer for Capio shares. Then in May 2019, the Group acquired the remaining 1.49% of the capital, following a mandatory squeeze-out procedure. Capio's contribution at 30 June 2019, and since 7 November 2018, is EUR 1,101 million in revenue and EUR 65.2 million in EBITDA. The provisional accounting of the acquisition led to the recognition of the assets acquired and liabilities assumed at their fair value at the acquisition date, and to the recognition of preliminary goodwill of EUR 954.9 million, as described in note 3.1.1 to the consolidated financial statements. This provisional allocation may be revised until the end of November 2019. We considered that the recognition and presentation of this transaction was a key audit issue given the significant amount of assets acquired and liabilities assumed, as well as the judgment required to identify and measure these assets and liabilities in accordance with the provisions of revised IFRS 3, *Business Combinations*, in particular the estimation of the fair value of tangible and intangible assets.	Our audit mainly consisted of the following: • determining the date of the takeover; • reviewing the calculation of the provisional purchase price; • performing specific audit procedures on the consolidated acquisition balance sheet of Capio at 7 November 2018 and its consolidated income statement for the period from 7 November 2018 to 30 June 2019 covering the main entities in Germany, Denmark, France, Norway and Sweden, consisting of a limited review and the implementation of substantive procedures to assess the appropriateness of the pre- and post-acquisition income statement items; • with respect to the fair value recognition of the acquired tangible and intangible assets, which have been valued by an independent expert, reviewing, with the assistance of our financial valuation specialists, the methodologies used and the main assumptions made by management; • reviewing the information given in the notes to the consolidated financial statements in respect of this acquisition.

Goodwill – Impairment test

Identified risk	Our response
At 30 June 2019, the value of goodwill amounted to EUR 1,674.8 million, for a balance sheet total of EUR 4,361.2 million. This goodwill corresponds to the difference between the acquisition cost of the shares of the companies included in the scope of consolidation and your Group's share in the fair value, at the acquisition date, of the assets and liabilities relating to these companies, as detailed in Note 6.1 to the consolidated financial statements. Goodwill is tested for impairment in accordance with the methods and assumptions described in notes 2.6 and 6.1 to the consolidated financial statements. Where appropriate, an impairment loss is recognised in the carrying amount of goodwill, based on impairment tests of the groups of cash-generating units (CGUs) to which the goodwill is allocated. An impairment of goodwill is recognised when the recoverable amount of the tested unit is less than its carrying amount, which is the higher of fair value less costs to sell and value in use. For the purposes of this test, a CGU is usually identified at the level of a healthcare facility. Goodwill has been allocated to groups of CGUs that operate in the same administrative region under the responsibility of a regional public health authority ("ARS"). Your Group has identified twelve CGU groups to test goodwill. As the goodwill relating to the Capio acquisition is not definitive, a Capio CGU, including the Capio France entities, is temporarily reported at 30 June 2019. It will be reallocated in the subsequent financial year. We considered the value of goodwill to be a key audit issue because of its importance in the consolidated financial statements of your Group and because the determination of value in use, which is taken into account in the impairment tests, entails the use of estimates and assumptions that require a significant amount of management judgment, particularly with respect to estimates of future cash flows, revenue growth assumptions and the discount rate.	In the course of our work, we became familiar with the process for preparing and approving the estimates and assumptions made by your Group in the context of impairment tests. Our work mainly consisted of: • comparing the methods used to identify and group together the CGUs to which goodwill is allocated with those used in the previous year and described in notes 2.6 and 6.1 to the consolidated financial statements; • reviewing, through sampling, the future cash flows selected, in the light of budgetary data, historical results and the economic and financial context in which the Ramsay Générale de Santé Group operates; • assessing the discount rate used by management by comparing it to our own estimate of this rate, established with the help of our valuation specialists and based on market data at 30 June 2019; • verifying, through sampling, the arithmetical accuracy of the impairment tests performed by the Company; • assessing whether the information given in Notes 2.6 and 6.1 to the consolidated financial statements, in particular with regard to the key assumptions and sensitivity analyses performed, is adequately presented.

Specific checks

In accordance with professional standards applicable in France, we also carried out the specific checks required by the legal and regulatory texts of the information relating to the group, provided in the management report by the Board of Directors. dans le rapport de gestion du conseil d'administration

We have no matters to report as to the fair presentation and consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial-performance provided for in Article L. 225-102-1--of the French Commercial Code is included in the information relating to the Group provide din the management report dans le rapport de gestion, with the understanding that, in accordance with the provisions of Article L. 823-10-of this Code, the information contained in this statement has not been verified by us in terms of its fair presentation or its consistency with the consolidated financial statements and must be the subject of a report by an independent third party.

Information resulting from other legal and regulatory obligations

Appointment of the statutory auditors

We were appointed statutory auditors of Ramsay Générale de Santé by the general meeting of 1 June 2001 for Deloitte & Associés and 16 December 2015 for ERNST & YOUNG Audit.de la société Ramsay Générale de Santévotre assemblée générale1er juin 2001DELOITTE & ASSOCIES16 décembre 2015ERNST & YOUNG Audit

At 30 June 2019, Deloitte & Associates was in its nineteenth consecutive year of engagement and ERNST & YOUNG Audit was in its fourth year.30 juin 2019DELOITTE & ASSOCIESdix-neuvièmeERNST & YOUNG Auditquatrième

<u>Responsibilities of management and those charged with governance for the consolidated financial statements</u>

Management is responsible for preparing consolidated financial statements that give a true and fair view in accordance with the IFRS standards as adopted by the European Union, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements- that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsiblede la société for assessing the Company's ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations, and to apply the going concern accounting policy unless it is intended to liquidatela société the company or cease trading.

The Audit Committeecomité d'audit is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements have been approved by le conseil d'administrationthe Board of Directors.

<u>Responsibilities of the statutory auditors with respect to the audit of the consolidated financial statements</u>

Audit objective and approach

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements can arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or cumulatively, they could influence the economic decisions that readers of the statements may take based thereon.-

As specified in article L.823-10-1 of the French Commercial Code, our audit does not constitute a guarantee of the viability or quality of the management of your company. --société

In the context of an audit carried out in accordance with the professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit. Moreover:

- they identify and assess the risks that the consolidated financial statements contain material misstatements,- whether due to fraud or error, define and implement audit procedures to address those risks, and collect items they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement resulting from an error, as the fraud may involve collusion, forgery, wilful omissions, misrepresentation or circumvention of internal controls;-
- they review the internal controls relevant to the audit in order to define appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of the internal controls;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- they assess the appropriateness of management's application of the going concern accounting policy and, depending on the evidence gathered, whether or not there are significant uncertainties related to events or circumstances that could call into question the company's ability to continue as a going concern.de la société This assessment is based on the information gathered up to the date of its report, however, it should be noted that subsequent circumstances or events could jeopardise the continuity of operations. If they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information provided in the consolidated financial statements about that uncertainty or, if the information is not provided or is irrelevant, they formulate a qualified certification or refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.-
- concerning the financial information of the persons or entities included in the scope of consolidation, they collect the information they deems sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for directing, supervising and carrying out the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee that outlines the scope of the audit work and the programme implemented, as well as the conclusions arising from our work. comité d'audit We also bring to its attention, where appropriate, any significant weaknesses in the internal control procedures that we identified with regard to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been the most important for the audit of the consolidated financial statements for the financial year, and which therefore constitute the key points of the audit that it is our responsibility to describe in this report.comité d'audit

We also provide the Audit Committee with the statement referred to in 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 French Code of Ethics for the profession of Statutory Auditor. comité d'audit--- Where appropriate, we discuss the risks to our independence and the safeguards applied with the Audit Committee.comité d'audit

Paris-La Défense, 31 October 2019

The Statutory Auditors

DELOITTE & ASSOCIES		ERNST & YOUNG Audit	
Jean-Marie Le Guiner	Stéphane Lemanissier	Pierre Jouanne	May Kassis-Morin

2.4.5 Date of most recent financial information

The Company's most recent financial information is that contained in this activity report.

2.4.6 Dividend distribution policy

Dividends paid over the past three years

A Dividends paid over the past three years

The table below indicates the amount per share paid by the Company in dividends over the past three years (Article 243bis of the French General Tax Code):

Financial year	Dividend per share	Distributed income per share	
		Eligible for the 40% tax deduction referred to in 2° of 3 of Article 158 of the General Tax Code	Not eligible for the 40% tax deduction referred to in 2° of 3 of Article 158 of the General Tax Code
2018 (12 months)	-	-	-
2017 (12 months)	-	-	-
2016 (12 months)	-	-	-

The Company does not envisage any dividend in relation to the financial year ended 30 June 2019.

For the record, the treasury shares held by the Company grant no entitlement to distributions.

B Dividend policy

The Company's dividend distribution policy is defined by its management bodies depending on the distribution capacity, its cash position and the financial needs of the Company and its subsidiaries.

C Limitation period

Dividends that remain unclaimed within the legally prescribed period, i.e. five years, revert to the State.

2.4.7 Litigation

A Dispute management

The provisioning policy applied by the Group is set out in Part 2 - Section 2.4. – Para. 2.4.2 - B-2.17 of the notes to the consolidated financial statements in this part, the legal management of disputes is discussed in para. 3.1.5 of part 3.

B Significant disputes

(i) At the date of publication of this document, the status of the significant disputes described in paras 7.1.1 and 7.1.2 (Part 2 - Sect. 2.4 – Para. 2.4.2 – B “Notes to the Group's consolidated financial statements for the year ended 30 June 2019”) above has changed as follows: The construction of the Hôpital Privé Jean Mermoz in Lyon was suspended in 2002 following the bankruptcy filing by the general contractor and the subsequent identification of construction defects. As a result, significant litigation, both in terms of the issue and the number of parties in the case, was initiated and is still ongoing. The Hôpital Privé Jean Mermoz nevertheless opened in July 2008 and has continued to operate without incident since that date.

At the judicial level, all parties involved in the construction have been called upon in proceedings dealing with two aspects of construction and operation in connection with parallel lawsuits filed against certain Group subsidiaries by certain doctors. The Group has maintained its decision not to recognise any provisions in this respect, a decision bolstered by the fact that, until now, all claims by practitioners have been dismissed; more specifically, with regard to the proceedings brought by certain radiologists before the same Lyons Court of First Instance, since an order to close the proceedings was issued at the end of 2018, the pleadings have been postponed until January 2021.

In accounting terms, at the end of the financial year as at 30 June 2019, the costs relating to the demolished building and the associated legal dispute amounted to EUR 39.7 million excluding tax. The current provisions (consolidated) covering the capitalised finance costs, legal expenses and part of the destroyed buildings came to EUR 16.7 million at the same date. To date, the recognised provisions cover 42.0% of the amount incurred by the Group in relation to the costs of the demolished building and litigation. The preliminary expert report of 5 July 2013 made no indication regarding the overall construction costs of Mermoz II but it did define certain "additional costs".

The provisions recognised to date by Ramsay Générale de Santé, which represent 42% of the amount incurred by the Group in relation to the costs of the demolished building and the litigation, take into account part of the amount of the transaction mentioned and do not require any further adjustment in light of the expert report and of the arguments put forward by the defendants.

The Court of First Instance in Lyons gave its judgement on 24 September 2019 by which the plaintiffs, namely Compagnie Générale de Santé, Sci de l'Europe, the Hôpital Privé Jean Mermoz and the Centre d'Imagerie Mermoz, all Group subsidiaries, are maintained in their main claims and are compensated for a total amount excluding interest of EUR 66.5 million.

By this expected decision, the Group is thus recognised in its claims and the judgement is accompanied by provisional enforcement under a condition that the plaintiffs will implement it with their counsel. However, as this is a first instance decision, the Group expects that it will be appealed by one or more of the defendants in the case, and that it will therefore have to manage a new legal phase for this file opened in 2002, as mentioned in the preceding paragraph. The outcome of an appeal cannot be estimated at this stage.

(ii) The significant litigation initiated in 2007 with the Fondation Clément Drevon and the Clinique Clément Drevon due to Group's difficulties in implementing the agreements signed with them has ended. However, a less significant related legal dispute remains open concerning the Group's request for restitution of a sum of EUR 527,000 that, according to it, was unduly retained by the agent during the liquidation of the Clinique Clément Drevon.

C Other disputes

At the date of publication of this document, there are no other significant disputes.

2.4.8 Significant change in the financial or commercial situation

See Part 2 - Sect. 2.3 – Para. 2.3.1.

❖

2.5 CASH FLOWS AND CAPITAL

2.5.1 Financing

A. General provisions of lending agreements in effect at the date of publication of this document

In the light of changes to the major shareholders following the inclusion of the share capital of the companies Ramsay Health Care (UK) Limited and Predica on 1 October 2014, the Company drew up a new credit agreement on the same day as Borrower and Guarantor with its subsidiaries Compagnie Générale de Santé and Alphamed as Borrowers and Guarantors, its subsidiary Immobilière de Santé as Guarantor, Barclays Bank Plc, BNP Paribas S.A., Crédit Agricole Corporate & Investment Bank, Deutsche Bank AG, London Branch, Natixis, London Branch and Natixis as the initial lenders and BNP Paribas SA as agent and surety agent, which its subsidiary Médipsy joined as Additional Guarantor (the "2014 Credit Agreement") for an initial total amount of EUR 1.075 million for a term of six years.

The 2014 Credit Agreement refinanced the bank debt on the 2007 Credit Agreement, paid off overdrafts, refinanced Ramsay Santé's debt as part of the merger that took place on 1 July 2015 (in which the latter was absorbed by the Company), and provided funds for the general operational needs of Group companies, covered acquisitions and investment expenditure, and also allowed for the financing of extraordinary distributions.

This financing initially consisted of five lines of credit:

- A B1 tranche totalling EUR 660 million, which is in turn divided into a B1A tranche of EUR 500 million and a B1B tranche of EUR 160 million, the purpose of which is (a) to refinance existing Company debt, (b) to finance all kinds of distribution (in relation to the B1B tranche only) and (c) to pay transaction costs and furnish liquidity;

- A B2 tranche totalling EUR 240 million, the purpose of which is (a) to refinance the existing debt of Ramsay Santé following its absorption by the Company, (b) to pay transaction costs and furnish liquidity;

- An "acquisition/Capex" tranche in the total amount of EUR 75 million, the purpose of which is (a) to finance acquisitions/joint ventures authorised by the 2014 Credit Agreement, (b) to pay costs in connection with the acquisitions/joint ventures, (c) to refinance the existing debt of the companies purchased through the acquisitions/joint ventures authorised and (d) to finance ordinary and extraordinary investment outlays.

- A renewable "revolving credit" tranche totalling EUR 100 million, the purpose of which is to cover the group's general needs and working capital requirements.

This financing was the subject of a request for modification and a 2-year extension which was definitively approved by the lenders on 11 August 2017. The maturity of the loan was thus extended from 30 September 2020 to 3 October 2022; the margin on Term Loans B was reduced by 37.5 basis points on the basis of a Zero-floor Euribor index and a "cov-lite" structure was adopted.

Since then, as part of the acquisition of Capio AB, the above syndicated loan was incremented on 31 October 2018 by EUR 750 million by a TLB3 facility for six years ("Incremental Facility"), part of which was used to acquire Capio AB shares (B3A) and the other part to repay the financing of Capio AB (B3B). The B3 facility supports a margin of 3%.

The 2014 Credit Agreement contains, among others, the following habitual obligations for this type of facility, non-compliance with which may entail compulsory repayment of the sums furnished:

o External growth operations are limited to those that meet certain financial and documentation conditions within certain limits;

o Sales of assets are normally not permitted, with the exception of certain sales or operations with stated limitations such as sales or operations carried out in the normal course of business, some intragroup sales or sales of assets for which the net proceeds do not exceed EUR 10 million per year;

o The bilateral and complementary debt that the group can subscribe to is limited in terms of type of debt and within the certain limits;

o There is an early repayment obligation in effect where there is a change of control, a stock market listing of a member of the Group other than the Company, a sale of assets, receipt of insurance compensation or cash flows beyond a certain level.

The 2014 Credit Agreement also contains the usual statements and guarantees in this kind of financial arrangement, and stipulations concerning default scenarios.

o The leverage ratio must be kept below a certain level, the ratio being tested in the case of special events

In this respect and as a reminder, the adoption of a "cov-lite" structure resulted in the elimination of the systematic test on a half-yearly basis of the leverage ratio, defined as the ratio of net financial debt to gross operating surplus, subject to restatements and adjustments provided for in the contractual documentation (the "Leverage Ratio"). It has been replaced by a test that is triggered only in the event that, at a given half-year-end date, more than 40% of the RCF (revolving credit facility for a total amount of EUR 100 million) is drawn down.

In this case, the 2014 Credit Agreement requires compliance with a maximum Leverage Ratio of 5.00:1, it being understood that this commitment only concerns lenders under the RCF. If this Leverage Ratio of 5.00:1 is not respected, the lenders under the RCF may require the early repayment of the RCF, unless the default is remedied (either by repayment of the RCF to return below the 40% threshold, or by injection of new liquidity by the shareholders).

In the event that (i) the Leverage Ratio default is not remedied; (ii) the lenders under the RCF decide to bring forward the maturity date of the RCF Facility; and (iii) RGdS is unable to pay the amounts due to the lenders under the RCF as a result of this accelerated maturity date, this would result in a payment default requiring the early repayment of all facilities under the 2014 Credit Agreement, including the *Incremental Facility*.

At the date of publication of this document, the RCF is not drawn down, therefore the Company is not required to perform a Leverage Ratio calculation test to verify the maximum of 5.00:1.

Compliance with a certain level of Leverage Ratio is also a condition for the authorisation of certain transactions:

- in order to be able to proceed with an external growth transaction for an acquisition price in excess of EUR 30 million, the 2014 Credit Agreement requires compliance with a maximum pro forma acquisition Leverage Ratio of 4.50:1;
- in order to set up an *Incremental Facility*, the 2014 Credit Agreement requires compliance with a maximum Leverage Ratio of 4.50:1;
- in order to be able to carry out "debt buy-back" transactions (i.e. the acquisition by RGdS of its own debt under the 2014 Credit Agreement): the 2014 Credit Agreement requires compliance with a maximum Leverage Ratio of 5.00:1; and
- in order to be able to repay the debt of a *Non-Consenting Lender* or a *Non-Funding Lender*, the 2014 Credit Agreement requires a maximum Leverage Ratio of 4.00:1.

Finally, the Leverage Ratio determines the level of margins applicable to the credit lines made available to the RGdS Group under the 2014 Credit Agreement, as well as the amount of cash surplus that must be allocated on an annual basis to the mandatory early repayment of the 2014 Credit Agreement (as an exception to the principle of *bullet* repayment) and the amount of distributions to authorised shareholders.

Distributions to shareholders are authorised (subject to the absence of default events) within the limits set out below:

- as long as the Leverage Ratio is greater than 3.50:1, the lower of (i) EUR 5 million and (ii) 33% of the *Retained Excess Cash Flow*;
- when the Leverage Ratio is less than or equal to 3.50:1 but greater than 3.00:1, 50% of the *Retained Excess Cash Flow*;
- without limit when the Leverage Ratio is less than or equal to 3.00:1,

where the *Retained Excess Cash Flow* corresponds to the remaining excess cash available *(Excess Cash Flow* as defined in the 2014 Credit Agreement) after mandatory early repayment of the 2014 Credit Agreement as described above.

As a reminder, RGdS did not distribute any dividends in the last three financial years. Given the priority allocation of the Group's cash flows to its debt reduction under the 2014 Credit Agreement and, where applicable, to its investments, the Group does not plan *to* distribute dividends in the near future.

It should be noted that the Acquisition of Capio and the financing put in place in connection with the Acquisition of Capio have not called into question and do not call into question compliance with the commitments undertaken by the Company in its banking documentation. The 2014 Credit Agreement provides for the possibility of adding new lines to finance acquisitions, subject to compliance with the conditions stipulated therein.

The Acquisition of Capio and the implementation of the aforementioned *Incremental Facility* met the criteria for authorisation under the 2014 Credit Agreement (in particular the Leverage Ratio test for the *Incremental Facility*): at 30 June 2018, the Group's *pro forma* Leverage Ratio (excluding synergies), post-Acquisition of Capio, taking into account the credit facilities governed by the 2014 Credit Agreement, drawn down at that date for an amount of EUR 880 million and the *Incremental Facility* for a total amount of EUR 750 million, was 4.03:1 (compared to 4.50:1 as specified above).

$$\textbf{Ratio de Levier} = \frac{\mathbf{1\,625,6}}{\mathbf{375,6}} = \mathbf{4,33}$$

At the date of publication of this document, RGdS has not identified any particular risk related to the failure to comply with its obligations under the 2014 Credit Agreement due to the acquisition of Capio and the implementation of the aforementioned acquisition financing and the resulting increase in its indebtedness. For information purposes, at 30 June 2019, the leverage ratio was 4.33.

At 30 June 2019, tranches B1 (A and B), B2 and B3 (A and B) have been drawn down:

Senior debt	Original lines of credit	Duration (Year)	Due date	30 June 2019		
				Amount drawn down	Amount not drawn down	Early repayment
Term B1A facility	500.0	8	03/10/2022	440.0	0.0	60.0
Term B1B facility	160.0	8	03/10/2022	160.0	0.0	0.0
Term B2 facility	240.0	8	03/10/2022	240.0	0.0	0.0
Revolving Credit facility	100.0	8	03/10/2022	0.0	100.0	0.0
Acquisition / Capex facility 1(1)	75.0	8	03/10/2022	40.0	35.0	0.0
Term B3A facility	265.6	6	22/10/2024	265.6	0.0	0.0
Term B3B facility	484.4	6	22/10/2024	484.4	0.0	0.0
TOTAL	**1 825.0**			**1 630.0**	**135.0**	**60.0**

(1) Provided a certain level of financial leverage is not exceeded, the company may request that each of its creditors provide an additional line of capex credit.

B. Specific provisions of lending agreements in effect

- Financial ratio clause:

The 2014 Credit Agreement amended in August 2017 no longer stipulates that the Leverage Ratio must remain below a certain limit during the term of the agreement, excluding special, non-continuous events that are exhaustively listed.

C. Sureties

Pursuant to the 2014 Credit Agreement, pledges on share accounts were granted (either simultaneously or successively, depending on the individual case) by the Company and some of its subsidiaries, Compagnie Générale de Santé and Alphamed, acting as Borrowers and Guarantors pursuant to the 2014 Credit Agreement, as follows:

- The Company issued a pledge for the shares held by it in its subsidiary Compagnie Générale de Santé, representing 100% of its share capital.
- Compagnie Générale de Santé pledged the shares held by it in (a) Alphamed, accounting for 99.66% of the equity, (b) Immobilière de Santé, accounting for 94.86% of the equity and (c) Pass, representing 100% of its share capital.
- Alphamed pledged the shares held by it in (a) Immobilière de Santé, accounting for 5.14% of the equity, (b) Parly II, accounting for 99.471% of the equity and (c) Hôpital Privé de l'Ouest Parisien, representing 100% of its share capital.
- Compagnie Générale de Santé issued a pledge for the shares held by it in its subsidiary Médipsy, representing 100% of its share capital.
- Compagnie Générale de Santé issued a pledge for the shares held by it in its subsidiary Hôpital Privé Métropole, accounting for 99.69% of its share capital. Hôpital Privé Métropole in turn has issued a pledge for the shares held by it in HMP Nord, representing 66.94% of its share capital.
- Capio AB issued a pledge for the shares held by it in its subsidiary Capio Groupe Services AB, representing 100% of its share capital.
- Ramsay Générale de Santé SA issued a pledge for the shares it holds in its subsidiary Capio AB representing 100% of its share capital.

A summary table of these pledges is given in paragraph 6.4.1. of this document (Part 6).

2.5.2 Cash flows and capital resources

Detailed information on consolidated cash flows and financing flows and the cost of net financial debt are set out in the tables and information in Chapter 5.2 of the notes to the consolidated financial statements (see Part 2, section 2.4 para. 2.4.2).

2.5.3 Debt position at 30 June 2019

Net financial debt at 30 June 2019 increased significantly to EUR 1,641.7 million compared to EUR 927.1 million at 30 June 2018. This debt includes, in particular, EUR 1,955.3 million in non-current borrowings and financial debt, EUR 69.4 million in current financial debt, offset by EUR 368.5 million in positive cash flow.

This change in the Group’s net financial debt reflects the impact of the takeover of the Capio Group, including its level of debt.

After the interest rate risks pertaining to the swaps are hedged, the Group's exposure to these interest rate risks are broken down as follows: 71.4% of financial debt at a fixed rate and 28.6% at a floating rate.

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2.6 INFORMATION ON TRENDS, FORECASTS OR ESTIMATES OF INCOME

2.6.1 Recent developments and future prospects

The financial year 2019 saw relative price stability in France after six years of decline. Thanks to the involvement of its employees and the trust of its mostly independent practitioners, the Ramsay Générale de Santé Group is continuing its approach of continuous improvement of its organisations to improve the quality of the services it provides and ensure the serenity of its patients.

In addition, the Group is initiating a vast integration plan following the acquisition of Capio with the objective of sharing best practices in place in the various countries covered, further increasing its attractiveness and the quality of its facilities and generating the expected synergies.

In this new context, the Group is targeting organic growth of more than 1% in the number of patients treated.

The Group aims to improve its debt ratios by an appropriate allocation of financial resources and administering the performances expected in its major investment projects.

2.6.2 Projected Group earnings

The Group has not announced any earnings forecasts for the 2019-2020 financial year.

2.6.3 GROUP OBJECTIVES

In order to cope with the pressures on its economic model in a sector marked by unequal game rules between the public and private sectors and penalised by restrictive tariff campaigns, Ramsay Générale de Santé has resolutely committed itself to a strategy of adaptation and search for efficiency in the interest of its patients and doctors.

In France, the Group's objective is to meet the needs of patients on an ongoing basis and to integrate this response into the territorial needs of the regional public health authorities. To this end, the Group has established its organisation around specialist divisions that can provide healthcare services based on coordinated units. These divisions are adapted to developments in medical activities and can meet the expectations of patients in the region and boost the attractiveness of their facilities.

The Group also intends to increase its positions in the Nordic countries through better territorial coverage and active participation in calls for tenders for new management mandates.

The Group is also pursuing its medicalisation initiative aimed at strengthening the partnership with its doctors and developing a policy of monitoring and evaluating the medical offering in a context of change in a sector affected by overcapacity. As the leading private operator in France and in Sweden, the Group seeks to provide proposals for structuring an integrated healthcare offer, focused on the quality of care and patient safety.

Ramsay Générale de Santé is constantly adapting to medical needs and remains strong in its research and innovation capacity fuelled by major recurring investments. A new, agile and responsive organisation allows the Group to make the most of the potential offered by all of its locations and businesses.

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2.7 PROPERTY AND EQUIPMENT

2.7.1 MANAGEMENT OF REAL ESTATE ASSETS

A. Ramsay Générale de Santé real estate strategy

Ramsay Générale de Santé operates a large and strategic real estate portfolio in order to carry on its business, and has modern, well-maintained real estate assets that are up to date with regard to sectoral developments in terms of security, healthcare and medical requirements, in order to cater for the largest possible number of patients in the best possible conditions.

The group regularly redeploys its real estate policy in the context of its long-term strategy based on refocusing on its core business as a provider of hospital care services with an active policy of internal or external growth to boost its regional positions. In this context, Ramsay Générale de Santé has gradually outsources a portion of its real estate portfolio, the buildings housing existing or new facilities (regrouping or creation) with the following objectives:

- optimisation of management of leased facilities through the harmonisation of the leases drawn up.
- arrangement of partnerships with a limited number of qualified investors to assist the Group in streamlining its management of property and financing restructuring or development projects concerning the properties.

Between 2006 and 2011, Ramsay Générale de Santé outsourced roughly forty properties to two investors: Gecimed (now Primonial Group) and Icade Santé (Icade Group).

By engaging in a policy of proactive management of their portfolio, Gecimed and Icade Santé have since sold some of the buildings of the Ramsay Générale de Santé Group buildings to real estate companies managed by BNP Paribas Reim.

In 2014, the Group subsequently sold the following:

- The premises of one post-operative care clinic in Harfleur (Seine Maritime) to a real estate company managed by SwissLife Reim.
- The premises of one outpatient clinic under construction in Marseilles (Bouches-du-Rhône) to a civil-law real estate brokerage company managed by Amundi.

At 30 June 2019, the portfolio leased in France was distributed as follows:

Partner	Primonial Reim	Icade Santé	BNP Reim	*Total*
Number of assets	21	32	10	*63*

These operations were carried out as a balanced relationship between Ramsay Générale de Santé and its partners in a bid to provide visibility and security for investors, chiefly through the signature of long-term triple net leases, enabling Générale de Santé to maintain sufficient flexibility in operational management of its assets and acting as Delegated Contracting Authority on behalf of investors to carry through work schedules.

Alongside its outsourcing operations, Ramsay Générale de Santé has arranged a number of financial leases to take advantage of favourable interest rates (building of the Hôpital Privé de Dijon Bourgogne which opened on 3 August 2017, the result of the regrouping of business at the Clinique Sainte-Marthe, Clinique de Fontaine and Clinique de Chenôve).

The Group intends to pursue the development and modernisation of its real estate portfolio, chiefly focused on extending its facilities in the medicine/surgery/obstetrics segment and creating sub-acute care and rehabilitation facilities.

These projects are fully in keeping with the strategy pursued by Ramsay Générale de Santé to structure its network of facilities around territorial divisions to produce two types of establishments in the long term:

- major private hospitals providing healthcare and comprehensive diagnoses with excellence divisions, carrying out projects in the general interest.
- smaller specialist establishments.

B. Real estate management policy

Ramsay Générale de Santé has a policy in effect to streamline, modernise and improve its structures on a permanent basis to better meet the healthcare needs of local populations. Within this framework, the Group continues to carry out projects relating to:

- the creation of new sites (grouping of facilities or creation of new healthcare units over 2 - 5 years).
- major restructuring projects such as extensions (duration 1 - 3 years).
- smaller restructuring projects during the year (with a total average budget of between EUR 1 million and EUR 5 million).

In recent years the Group has carried out major non-recurring investment projects to replace, regroup and restructure its assets. These projects are in keeping with prospects of asset portfolio growth and profitability.

The Group also ensures the technical management of its properties (safety/fire, HVAC, utilities and electricity) and coordinates maintenance plans, optimising costs and monitoring the budgets in each case.

2.7.2 GENERAL DESCRIPTION OF THE REAL ESTATE ASSETS OCCUPIED BY HEALTHCARE FACILITIES

A. Geographical location of Ramsay Générale de Santé facilities in France

Ramsay Générale de Santé's facilities are distributed over a large part of France, covering the major geographical areas (Ile-de-France, Auvergne Rhône-Alpes, Bourgogne Franche-Comté, Provence-Alpes-Côte d'Azur, Hautes de France and Normandy). These regions have high population densities, and in some of them population growth is higher than the national average.

B. General description of the real estate assets occupied by healthcare facilities in France

In France, the Group's property assets account for a total surface area of 1,524,772 m² at 30 June 2019.

The surface areas of facilities range from between 1,000 m² and 53,000 m², averaging out at 10,373 m² – their size depends on the hospitalisation needs in the sector.

The average size of medicine/surgery/obstetrics facilities is almost 15,900 m², with considerable differences between specialist clinics or clinics in central Paris and polyvalent private hospitals with major technical hubs, chiefly outside Paris.

The average size of sub-acute care and rehabilitation facilities is 5,500 m², exceeding 10,000 m² only occasionally.

The scope of consolidation of the entities constituting the Ramsay Santé group before its merger with Générale de Santé was integrated on 1 July 2015, and its 30 medium-stay psychiatry and post-operative care facilities are chiefly located in rural or suburban areas, accounting for an average surface area of 4,200 m².

C. Predominance of rental properties in France

At 30 June 2019 most property assets were rented:

Owned:	283,326 m²	or 18.58%
Rented:	1,180,467 m²	or 77.42%
Leased:	60,979 m²	or 4.00%
Total:	*1,524,772 m²*	*100%*

The assets owned by Primonial Reim, Icade Santé and BNP Paribas Reim account for 70% of rented facilities.

D. The Group's property assets owned outright or under property leases

At 30 June 2019, the carrying amount of the Ramsay Générale de Santé Group's property assets stood at EUR 728 million, 73.0% of which was accounted for by fully-owned assets or property leases, and the rest by the carrying amount of construction carried out at sites where the Group is the tenant.

Net consolidated assets of the Ramsay Générale de Santé Group:

Nature of the right	Carrying amount (in thousands of euros)	Percentage
Owned / leased	528,442	72.59%
Rented	199,512	27.41%
Total:	*727,954*	*100.00%*

2.7.3 THE GROUP'S MAIN PROPERTY ASSETS

The facilities have movable equipment, including imaging equipment belonging to the category of heavy equipment, which is wholly owned by the Group or is subject to equipment or finance leases. In accordance with the applicable accounting regulations, all of this heavy medical equipment is accounted for in the Group's consolidated financial statements.

2.7.4 Main investments in the period ended 30 June 2019

Over the last twelve months, Ramsay Générale de Santé has allocated around EUR 219 million to industrial investment, as follows:

- EUR 106 million on maintenance and renewal of medical and technical equipment, as well as for regulatory and safety compliance
- EUR 35 million on projects to combine, create or convert facilities
- EUR 57 million on capacity and innovation projects
- EUR 21 million on modernisation projects and IT systems

Three new facilities opened during the year. Clinique Le Gouz located in Louhans and dedicated to the psychiatric care of health professionals opened in October 2018, as did the Clinique La Croix du Sud, the result of the merger of two Toulouse medicine/surgery/obstetrics clinics belonging to the CAPIO group (Clinique Saint Jean Languedoc and Clinique du Parc) in the south-east of Toulouse. This last facility of more than 30,000m² has about thirty operating theatres and meets the challenges of the accelerated development of outpatient surgery. Finally, the Médipôle Lyon-Villeurbanne opened its doors in January 2019. It brings together 7 facilities in Lyons, including two facilities of the CAPIO group (Clinique du Tonkin, Clinique du Grand Large) and five RESAMUT facilities (Clinique mutualiste de Lyon, Clinique de l'Union, SSR Les Ormes, SSR Centre Bayard and SSR pédiatrique La Fougeraie). With a surface area of 60,000m², it includes a very comprehensive technical platform with about thirty operating theatres, an obstetrical block and two sub-acute care and rehabilitation technical platforms including a balneotherapy area.

The group continued to modernise its mental health facilities, with a new facility joining the network at the end of 2018 (the Centre alcoologique Alpha in Royans).

Finally, Ramsay Générale de Santé has continued to invest heavily in its information systems in order to gain in flexibility and reliability, but also to digitalise its relations with patients and doctors. In this context, the deployment of the Ramsay Services internet portal continued during the financial year ended 30 June 2019. It allows patients, via their personal secured area, to process their admissions online, to access additional services (care assistants, childcare, etc.), to answer a satisfaction questionnaire and, finally, to benefit from post-hospitalisation follow-up.

PART 3 – RISK FACTORS AND RISK MANAGEMENT

The Ramsay Générale de Santé Group is by its very nature exposed to a variety of risks which, even if understood in a structured manner, may have an adverse effect on the Group. Investors are invited to carefully review all the information contained in this document, including each of the risk factors described in this section, before purchasing or subscribing to Company shares.

This section presents the risks specific to the Ramsay Générale de Santé group which, at the date of publication, are identified as being likely to have a significant adverse effect on the Group, its reputation, its business, its financial position or its results. It is important to understand these risks before making investment decisions.

From a methodological perspective, the Group risk identification process involves key Group managers, including members of the Executive Committee, led by the Audit and Risk Management Department. The Parent Company's Board of Directors has established a Risk Committee made up of three directors, which involves different subject-mater experts as required (e.g. risk, crisis, human resources) and reviews the periodic reports prepared by risk area. Risk mapping is monitored by means of a dashboard containing indicators that are presented twice a year to the members of the Risk Committee. In 2019, the Committee held two meetings with all its members and the Board of Directors took note of the summary of work involving the identification of risks. For its part, the Audit Committee, also established by the Board of Directors, reviews more specifically financial risks. The work of these two committees is organised in accordance with the provisions of the rules of procedure.

Part 3 presents the Group's most material risks in terms of their potential criticality (in decreasing order) and the measures that have been implemented to address them.

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3.1 RISK FACTORS

As the Group operates in the public health sector, the entry point to this business sector essentially involves obtaining, maintaining and renewing authorisations, and especially regulated agreements. This results in an industry risk due to the significantly dominant share of these activities at group level.

Once the business activities have been established, they in turn generate operational risks which, for a company, are by nature considered generic or non-specific, but which, precisely because of the corporate purpose applicable to most of the constituent entities, require specific risk approaches.

The Group considers that, since healthcare facilities require the authorisations mentioned above throughout their business lives (obtaining, maintaining and, where necessary, changing these authorisations depending on the needs of the territories covered), their management is a first priority in a global approach to risks. Therefore, industry risk is considered to be likely to be high and to have an impact on the life of the institutions themselves. In this respect, the Group's geographic fragmentation, which in itself reflects the economic and legal architecture chosen by the Group, is an initial source of mitigation of these risks.

3.1.1 INDUSTRY RISK

Most of the business activities of the Company and its subsidiaries are therefore subject to regulations that involve a legal component (health law) and an economic component (tariffs). This regulatory environment and the fragmentation of the Group's locations generate risks that the Group, although it strives to control them, may face and have to deal with damage to its image, reputation, costs or results.

A. Complex regulations applicable to healthcare activities that generate risks

The extensive regulation of healthcare activities provides a framework for the short and long-term development, expansion and operation of a medical and healthcare facility. Applicable standards in terms of health and safety, hospital facilities, personnel, medical equipment and devices, the storing and communication of medical records, environmental protection and the disposal of waste from health care activities constitute a very extensive and particularly complex body of regulations.

The Group cannot guarantee that all of its facilities comply with these regulations and standards. Changes in the nature, interpretation or application of these regulations could adversely affect certain practices, requiring changes in facilities and equipment, personnel management or the services provided, or involving substantial expenditure, changes to investment programmes or increased operating expenses.

Specific constraints during major health crises in France (pandemics or extreme weather events or crises) are also likely to have an impact on operations and their financial parameters.

In order to guard against the potential consequences of regulatory changes, the Group, with the support of its central departments and with the assistance of specialised external consultants, monitors regulations to ensure that its activities comply with the laws and regulations in force, and to anticipate significant changes to the regulations that apply to its business activities.

B. The sensitivity of obtaining and maintaining operating permits

All clinics, hospitals and medical centres require permits that are issued by the regional public health authorities when creating, converting or grouping healthcare activities, and when installing heavy equipment (acquisition and replacement), changing the location of an existing facility or renewing authorisations (following failure to submit the assessment file within the regulatory deadlines or injunction when assessing renewal).

These authorisations are generally obtained and renewed subject to compliance with the procedures for evaluating and controlling the quality of services required by the laws in force. An application to obtain or renew an authorisation could be refused. If the facility in question contests the refusal, the decision may be upheld. Any changes to the applicable rules or regulations or registration procedures may require investments or generate additional restrictions. The non-renewal, suspension or limitation of activities or withdrawal of operating permits would result in a decrease in the level of traffic, which could have an adverse effect.

In order to prevent this risk, the Group has implemented a set of measures to ensure rigorous monitoring of control and quality procedures, supervised in particular by the Quality, Risk and Healthcare Divisions department. Audits are carried out on a regular basis to ensure compliance with regulations and the proper application of the Group's quality procedures.

C. The specific risk linked to the pricing of medical procedures

Health policies in France, and especially the annual pricing policy, are subject to a general push to increase control, reduce health expenditure and control the public deficit. The financing of healthcare procedures by the national budget and the fees for medical procedures decreed in this regard have been steadily eroded over the last several years. Medical protocols or instructions are subject to pressure to reduce the number of medical procedures, which affects the volume of care the Group's facilities can offer. The CPAM (primary health insurance fund), on the other hand, may decide to reduce or even eliminate reimbursement levels for certain treatments or drugs, requiring patients to cover a larger portion of the cost of medical care. Changes in healthcare pricing policies, resulting in a reduction in government funding for patient care and treatment or the payment of public aid, may have an adverse effect on the Group's business. And, while the Group is committed to deploying measures to compensate for tariff reductions or cost increases, it cannot guarantee that it will always be able to compensate for further tariff reductions or price increases of essential items.

D. Disputes related to invoicing of medical procedures

Social Security, which covers the bulk of healthcare expenses, can contest invoices issued by health care facilities or claim reimbursement for services for various reasons. Such recourse by the Social Security system, which is concerned with recovering amounts that it considers to have been unduly paid, is likely to generate temporary difficulties, exposing the Group's affected facilities to legal expenses or difficulties in reimbursing the amounts claimed. Disputes with authorities in relation to calculations of amounts payable, audits of compliance with the applicable laws and regulations and internal compliance policies may also increase the complexities and costs of the Group’s billing processes.

The Group has established a medical information organisation at central and local levels that reduces risk through various levers, such as the practice of coding medical procedures, the sharing of best practices through the school for medical information technicians (TIM), the monitoring of standardised protocols, and availing of the assistance of subject-matter experts when necessary. Facilities make regulatory interpretations in relation to tariffs that could be challenged by governments and possibly subject to adverse adjustments.

E. Aggressive sectoral competition and competitive environment

Competition from other hospitals or clinics, both public and private, and in general, competition between groups of private hospitals can locally destabilise the group's facilities or lead to oversupply resulting in a drop in volumes and negative arbitration by the health authorities.

Competition could limit the ability of facilities to attract patients or expand their operations. As the public authorities are limiting the growth of healthcare spending in France, defining and controlling the evolution of tariffs per service and reducing the capacity of supply of healthcare, the hospital sector as a whole must review its organisation. In a context of strong disparities in terms of the size and nature of care that reflects these social and economic trends, Ramsay Générale de Santé must face increased competition from the public hospital sector and must adapt its economic model to a changing environment in order to safeguard its competitiveness.

In order to face the competitiveness of the public sector and this competition, the Group makes the attractiveness of its facilities a priority, which requires, among other things, a sustained investment effort. It offers its patients quality care thanks to its practitioners and qualified nursing staff who work at its facilities. Continuous improvement in the quality and safety of healthcare is one of the Group's strategic objectives.

3.1.2 RISK RELATED TO THE GROUP'S GROWTH AND STRATEGY

In order to provide a coherent healthcare offer, the group has performed the occasional or comprehensive positioning or repositioning of its business operations by taking measures to ensure external growth, the last of which was a significant measure (acquisition of the Capio group). Constrained room for manoeuvre and the expansion into new "markets" – even though from a public health standpoint the term conveys an economic aspect that is too simplistic in view of the stakes involved – generate a specific risk both in terms of ambitions and implementation. Despite a rigorous examination of the operations to be carried out (such as acquisitions or restructuring processes), the prospects of internal or external growth may be limited due to a development that favours models other than those operated by Ramsay Générale de Santé. New constraints could also hamper deployment despite a wider geographical distribution of risks.

The Group's strategy depends in particular on its ability to identify suitable acquisition targets, to conduct relevant audits, to negotiate transactions under favourable terms and conditions, to complete these transactions and integrate the acquired facilities into the Group, and to build profitability assumptions. In addition to the risk of identifying attractive targets or completing the contemplated transactions under favourable terms and conditions, (in particular financial), the Group may encounter competitive difficulties for targets that meet its criteria.

In addition, an external expansion operation may require the opinion or authorisation of the competition authorities due to the significance of the market share that such a transaction would represent, and in carrying out the procedure, a refusal by the authorities to give a favourable opinion on the transaction could have a negative impact on the Group's business, financial position and operating results. Acquired facilities do not always meet the Group's quality requirements, organisational standards or expected profitability ratios, and integration actions, along with the associated costs or expected savings may require more time or a review of protocols.

Faced with the challenge of measuring and taking action on these risks, the Group continuously monitors sector and regulatory developments, seeks up-to-date advice on the management of such risks and maintains extensive dialogue with stakeholders.

3.1.3 Integration risks

Ramsay Générale de Santé and Capio are two large companies that have operated independently, with geographically dispersed operations, different corporate cultures and customer bases. While both have a strong track record of acquiring other entities and profiting from the resulting benefits thanks to effective integration processes, and notwithstanding the group's experience in acquiring other entities and profiting from the resulting benefits, the integration of Capio involves inherent uncertainties and costs, and the group may incur significant costs, delays or other operational or financial difficulties when integrating Capio.

The expected synergies and other benefits from the Capio Acquisition (including growth opportunities, cost optimisation and increased revenues and profits) may not materialise as expected if Ramsay Générale de Santé is unable to deliver its healthcare services to Capio's patients and vice versa, or to complete the integration of information systems and business processes, retain key practitioners or personnel, or respond to unexpected events, circumstances, litigation or legal liabilities, or due to legal or regulatory constraints, or due to adverse patient or supplier reaction following the acquisition of Capio. The Company cannot guarantee that, following their integration into the Group, Capio's businesses will retain their existing patient base, generate the anticipated margins or cash flows, or achieve the anticipated synergies or other expected benefits.

However, no assurance can be given that the synergies exist or will be achieved within the expected timeframe, as the potential achievement and extent of the expected synergies depends on factors and assumptions, some of which are beyond the control of Ramsay Générale de Santé. The Group's ability to achieve the expected cost synergies could be compromised by the materialisation of one or more of the risks related to the Group's business described in this document. In addition, costs incurred to achieve synergies may be higher than anticipated or additional, unanticipated costs may arise, resulting in a reduction in shareholder value. Failure to achieve the expected synergies or to control the cost increases generated in this context could have a material adverse effect on Ramsay Générale de Santé's business, operating income, financial situation and prospects.

In order to optimise this integration, in addition to the strong involvement of the management teams, the Group has set up an international cross-functional project management team and has strengthened the resources allocated to the entire integration process.

In addition, in order to guard against the potential consequences of these risks related to the integration of Capio's business activities and the failure to achieve the synergies and other benefits expected from the Capio Acquisition, dedicated teams have been put in place to monitor the integration process and ensure its successful completion. Ramsay Générale de Santé has structured its organisation and information systems to maximise the success of the Capio integration. Ramsay Générale de Santé pays particular attention to the involvement and dissemination of the common values of the combined Group with respect to all Capio stakeholders (practitioners, facility managers, employees, patients, administrations, Capio suppliers). Ramsay Générale de Santé relies, in partnership with Capio's teams, on the value of Capio's management and employees to ensure the success the integration.

3.1.4 FINANCING AND MARKET RISKS

A. Risks related to the Group's debt and financial covenants

At 30 June 2019, the net debt of the Ramsay Générale de Santé Group as defined by the IFRS stood at EUR 1,621.7 million. A detailed description of the Group's indebtedness and financing, and more specifically of the 2014 Credit Agreement in force at the date of publication of this document, is provided in Section 2.5 above.

The Group's significant indebtedness may have significant negative consequences on the Group's activities, such as:

- limiting its ability to invest in the development of its business.
- limiting its ability to sell off real estate assets.
- limiting its ability to borrow additional sums to meet working capital requirements, investment requirements, debt repayments or other contingencies.
- limiting its ability to invest its operating cash surpluses in its areas of business, because the 2014 Credit Agreement compels the Group to allocate a portion of operating cash surpluses to debt repayments.

In addition, the agreements governing the Group's financing contain customary clauses restricting its operational freedom (covenants), in particular with respect to security interests, the completion of acquisitions or investments, and restricting its ability to contract financial debt or grant loans and dispose of assets. They also contain clauses for early total or partial repayment (especially in the event of a change in control or the sale of assets), and early enforceability clauses if certain events occur.

Even if the credit facilities made available under the 2014 Credit Agreement, with the exception of the revolving credit facility, are term loans that are repayable at maturity and, as a result, the Group does not immediately have to meet its repayment or repayment obligations under its bank debt, the Group may not be able to meet its obligations under these agreements or face significant limitations on its operating leeway. If it were unable to repay or refinance the borrowed sums at their maturity, the Group could find itself in a strained liquidity situation. Consequently, the Group would be compelled to sell off certain assets, postpone investment, increase shareholders' equity or restructure its debt. It cannot guarantee that these operations, if they were possible, could actually be carried out in favourable conditions. In the long term, the Group could incur a major liquidity risk if it is unable to refinance its debt. The compulsory early repayment clauses, if they were enforced, would also entail a significant liquidity risk for the Group.

In order to control the risks associated with its debt, to prevent any tense situations and to take advantage of market improvements, the Group constantly manages its debt and the risks described and seeks the best up-to-date approach to the Group's financing arrangements, if necessary by renegotiating the terms and conditions. To do so, it relies on the careful, thorough monitoring of its Finance Department. In this context also, the company has conducted a specific review of its liquidity risk, and considers that it is in a position to meet its future repayments. On the one hand, the signature on 11 August 2017 of a two-year extension of the 2014 Credit Agreement, with a new maturity date of October 2022, and on the other hand, the implementation of a new EUR 750 million credit facility for the acquisition of Capio AB with a maturity date of October 2024, has reduced the risks associated with the initial conditions.

In order to protect itself against this risk, the Group ensures the visibility and solidity of its cash flows, which enables it to benefit from the confidence of its banking partners.

B. Interest rate risks

Bank debt under the 2014 Credit Agreement, as updated in 2017, is variable-rate only. The Group is thus exposed to the risk related to changes in interest rates, and a rise or fall in these rates could result in additional interest charges for the Group, reducing the cash flow available for investments and limiting its ability to service its debt.

The Group has a policy for monitoring and managing interest rate risk. Changes in interest rates are monitored by the Finance Department. To ensure its protection, the Group sets up hedging instruments to convert variable-rate debt into fixed-rate debt. It uses standard derivative instruments (interest rate *swaps*, *caps, floors*).

As required by the 2014 Credit Agreement, interest rate risk was hedged at the end of January 2015 and at the beginning of 2019. The debt coverage ratio will decrease in 2020, but remains at high levels, starting at 71% and dropping to 66.67% from the end of 2022 to the end of 2024. The average fixed rate of the debt is around 0.25%, to which is added the syndicated line of credit. The average cost of debt over the past year was 3.27%; the average cost of debt, excluding the base effect, should remain close to these levels, as the Group is not very sensitive to changes in short-term interest rates. An interest rate cut, which is unlikely given the current already negative levels, would have no effect on the average cost of debt (the syndicated loan being *floor-linked* in the event of a negative 3-month Euribor). Conversely, in the event of a 100bp increase in interest rates, for example, the cost of debt would rise by only EUR 5.8 million.

The compensation for this low exposure to changes in variable rates is the sensitivity in terms of valuation of the portfolio of interest rate hedging products. Thus a change in variable rates of 100 basis points would impact the valuation of interest rate derivatives EUR 35 million interest rate *swaps* (interest rate swaps) plus EUR 1.6 million euros for interest rate caps.

C. Exchange rate risks

The Ramsay General Healthcare Group's activities are mainly carried out by subsidiaries operating in the Eurozone, including France, Italy and Denmark (the Danish krone being linked to the Euro). The residual exchange rate risk therefore relates to the Group's subsidiaries operating in Sweden and Norway.

The Group manages its foreign exchange risk only for its intra-group refinancing portion, with the use of *Fx swaps*
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This international financing in foreign currencies was sharply reduced after the annual closing due to the transfer of Capio France shares to Ramsay Générale de Santé on 1 July 2019 by Capio AB, which reduced its interco debt in respect of Ramsay Générale de Santé by offsetting its receivables.

3.1.5 OPERATIONAL RISK

Every company is exposed to operational risk by the mere fact of carrying on its business. The Ramsay Générale de Santé Group assumes these risks like any other company, however some of them are specific to the human activity of providing healthcare.

A. Risks related to healthcare activities

Hospital and healthcare activities, which are by nature sensitive because they involve human life and take place within a specific professional and ethical framework, generate many risk assumptions that are specific to healthcare facilities. This results from the human and vital dimension of care, and the complex and scientific nature of medicine. A patient's stay at a facility, or the occurrence of an incident, accident or loss, take on a sensitive human dimension, both individually and socially, and characterise an upstream and downstream approach to this risk that is appropriate to this context. Prescription errors, misdiagnosis or faulty patient management are all direct situations, with a nosocomial infection or pandemic constituting indirect situations.

In the event of a disaster at one or more facilities caused by fire, flooding, natural disaster or other accidental or catastrophic events, the resulting disruption to activities could lead to significant consequences or even the inability to operate one or more facilities, even if business continuity plans that take into account the main risks of the facilities have been produced. The Group may not have sufficient alternative accommodation capacity in a nearby location to serve the patients of the damaged or destroyed facility, or it may not be able to find alternative accommodation capacity and be forced to face the resulting temporary or permanent loss of business. Even if the financial loss is normally covered under insurance policies (see section 3.3 below), there would be a loss of confidence on the part of patients and practitioners and the impossibility of ensuring business continuity, recovering lost revenue and regaining market share in the territory affected by the disaster.

In order to protect itself against these risks, the Group has implemented procedures to ensure the traceability actions taken and products used and, in addition to these internal procedures, complies in all cases with pre-existing procedures regarding best industry practices and procedures for using health products. It has hedged these risks by subscribing to various insurance policies and relies on its Insurance Department in structured internal liaison with the Quality, Risk and Healthcare Divisions department, which monitors claims within the Group, informs General Management and the Audit Committee and periodically organises multidisciplinary meetings with the insurance departments.

Similarly, the management of adverse events and crises systematically involves taking into account the conclusions of the investigations carried out and, in the case of serious adverse events, analysing their root causes. Finally, with regard to behavioural risks (support for staff and patients in difficult situations, dealing with serious adverse events, for example), the central services also have useful and necessary resources in this area, such as the Quality, Risk and Healthcare Divisions department in the event of a crisis or significant event.

B Medical liability risk

Doctors are at the front line of the provision of care in healthcare facilities. They are supported by medical and non-medical staff and rely on the organisation put in place by the facility. This cross-functional collaboration certainly puts practitioners at the forefront of the medical risk scene and, since almost all of the Group's practitioners work on a freelance basis and not as employees, they have professional liability insurance cover taken out in their own name. Although doctors, surgeons and anaesthetists are in principle solely responsible for their actions, healthcare facilities may be subject to liability claims, for example in connection with medical errors committed by practitioners. The civil liability of the Group's facilities, although separate from that of practitioners, may then be jointly engaged by the courts. In addition, the Group may be held liable for having collaborated with an uninsured doctor, even if the Group has established a procedure for obtaining insurance certificates from practitioners who practice within its facilities.

The civil liability of the Group's facilities, although separate from that of practitioners, may then be jointly engaged by the courts. Moreover, liability claims against practitioners working at our facilities may increase their insurance premiums and affect their reputation, activity and ability to attract patients, and even their practice. The Group could also be held liable for having collaborated with an uninsured doctor. Independent practitioners, including surgeons and anaesthetists working at clinics or hospitals, are in principle solely liable for their actions. However, facilities may be subject to liability claims, for example in relation to medical errors committed by practitioners, regardless of whether they are employees.

The reputation and, consequently, the business and profitability of the Group's facilities may, notwithstanding the specific liability of the practitioners concerned, be adversely affected by the liability of the practitioners (whether or not such actions are well-founded). The Group's facilities may also suffer the effects of such difficulties on the continuation or consequences of contracts between them and doctors. The Group adopts a strong identity strategy in relation to the Group's brands, and therefore the fact that the liability of a healthcare facility is engaged would be likely to reflect on the reputation of the Group as a whole. Errors or professional misconduct committed in the Group's facilities by medical or non-medical personnel may have a significant adverse impact on the Group's reputation, business, financial position or results. The risk may be heightened by the increasing recourse to legal proceedings for incidents related to the provision of care.

In order to prevent these risks from occurring, the Group ensures that the bodies within the facilities, such as the Facility Medical Board (CME), are properly organised, that there is dialogue with practitioners and the medical community, and remains vigilant with regard to the quality of care and the updating of procedures as part of the quality approach and good practices disseminated to all its facilities. Staff training programmes are also provided in order to offer quality care. Finally, the Group is insured against the financial consequences of the civil liability of its facilities (see paragraph 3.4 below).

Moreover, in the event of the occurrence of a serious incident or adverse event, the Group has a professional crisis management unit dedicated to dealing with situations specific to healthcare facilities (see paragraph 3.2.6 below).

3.1.6 RISKS RELATED TO HEALTH PROFESSIONALS

The group's activity requires qualified, available and committed professionals, whether they be practitioners, facility directors or healthcare personnel. The success of the facilities is highly dependent on the group's ability to attract, recruit, retain and train all of the human resources involved, whether they operate within the framework of an employment law relationship for employees or within the framework of a contract of employment or a sole proprietorship for self-employed or independent workers.

A. Recruitment of practitioners

The success of the facilities depends on their ability to attract, recruit and retain qualified, experienced and highly skilled doctors, who in turn are able to attract patients and maintain and strengthen the Group's reputation in certain specialties. Their relationship with the local medical profession, whether by reason of their speciality or their reputation, is just as decisive in the decision to refer new patients to the facilities. Thus, competition for highly qualified practitioners can be complex and difficult, and the recruitment of specialists in key specialties may require the negotiation of specific financial and other conditions and reduce the room for manoeuvre of the facilities concerned.

In order to guard against the risks associated with the recruitment of qualified practitioners, the Group implements an active recruitment and replacement policy, including abroad. The group also seeks to offer an attractive working environment with modern technical platforms. This is part of its ongoing dialogue with the medical community and its strategy includes the necessary actions to recruit talented practitioners.

The medical dimension of the business also leads the group to place the doctor at the heart of the major decision-making processes concerning purchases (medicalisation of purchases, one of the key elements of the group's previous strategic plan but maintained as a permanent vector since then) and health management (Health Security Unit, see below), as an example. These elements constitute a well-known differentiation in the approach to the recruitment of practitioners and are intended to reduce the occurrence of the risks mentioned in the previous paragraph.

B. Risks related to the recruitment of healthcare workers

The recruitment of healthcare personnel in healthcare facilities has been and may still be decreasing or even in shortage of supply. Difficulties in recruiting healthcare staff in certain geographical areas and/or an increase in the staff turnover rate, particularly qualified healthcare staff, may have consequences for the organisation and proper operation of the facilities and for the quality of service provided. The private hospital sector in particular is experiencing significant competition for qualified personnel, especially in certain regions, and depending on the territories concerned, there is still some tension in the professions of nurses, midwives, physiotherapists and radiographers, and differences in the management of remuneration and social security contributions.

In order to protect itself against this risk, the Group has implemented procedures to recruit the personnel required for the business activities of its facilities, including by seeking abroad if necessary. The Group is committed to deploying a proactive human resources policy and to providing consistent and competitive compensation and an attractive working environment for its employees. Career support programmes have been put in place to facilitate the conversion rate of internships into actual recruitment.

C. Risks related to labour relations

The Group employs people in six European countries under various statutes and agreements. In France, the country with the highest number of employees, the applicable labour law provisions may be specific to healthcare activities and make their human organisation more complex, in terms of protection, representation and also the way in which staff carry out their duties in medical facilities exposed to the use of regulated pharmaceutical products and special devices and to potentially onerous human interactions, both in physical (e.g. patient movement) and in psychological terms (morbidity and mortality). Recourse by employees to collective measures to defend their interests or their situation on the basis of applicable regulations or on the basis of claims presented by works councils or other employee representative bodies could lead both the employing facilities and the group to face significant individual or collective labour disputes. Strike movements mat thus be initiated locally and can sometimes benefit from media coverage. The Group cannot rule out a deterioration in labour relations that could lead to disruptions, work interruptions, labour disputes or other demands. Such labour disputes could affect the quality of service, disrupt the Group's activities and increase labour costs, which could have an adverse effect on the Group's operating results and financial position.

Settlements of actual or potential labour disputes or an increase in the number of employees covered by collective bargaining agreements could increase the social charges related to employee employment, productivity and flexibility. An increase in social security contributions, or labour costs that are not offset by an increase in healthcare rates or business volumes or by any other measure could have a significant negative impact on the Company's business, operating results and financial position.

Obligations to inform and consult employee representative bodies to manage, develop or restructure certain aspects of the business may have cost or schedule management implications, may also limit the flexibility of salary or reorganisation policies, and may limit the Group's ability to respond effectively to market developments. Important strategic decisions may not be welcomed by some employees or employee representatives, and this could lead to employment disputes that could also disrupt the Group’s business.

In order to protect itself against social risks, the Group ensures good relations with its employees. It implements an active human resources policy based on high-quality social dialogue, the development of professional skills and qualifications, and actions to ensure health, safety and quality of life at work.

D. Recruitment of facility directors

The position of director of a healthcare facility is a key function for the management of medical teams and personnel as a whole, and the implementation of the Group's strategy within the facility and across the division. The Group's success depends in part on the skills, efforts and motivation of its directors, department heads and managers. The labour market for these directors may tighten for competition or concentration reasons, or because local conditions and staff departures would lead to a loss of expertise.

This is why the Group is committed to implementing a proactive human resources policy and having the appropriate resources in terms of skills and numbers, but it could find itself in a situation of either insufficient staffing levels or increased staff costs if its recruitment campaigns or resource management strategy are unsuccessful.

3.1.7 Other RISKS IDENTIFIED WITH REGARD TO THEIR SPECIFIC APPLICATION TO THE HEALTHCARE SECTOR

A. Cyber risk

Like many companies that extensively use information systems, computer links and dematerialisation, Ramsay Générale de Santé is susceptible to the risk of cyber-attack, which may affect its information systems and its tangible and intangible equipment, such as computers, servers (isolated or in networks, connected to the Internet or standalone) and its peripheral devices, as well as its data, with various consequences, directly or indirectly affecting the Company or its subsidiaries. In a context of significant growth in malicious attacks of this type, the company is thus exposed to risks related to hacking and data loss, the temporary blocking of its processing capacities, the need to restore blocked or altered data, the use of external back-up services and the requirement to invest in new equipment.

To mitigate this risk, the Company has implemented a series of measures, the details of which are set out in the body of this document, which would undermine their effectiveness given the exponential capacity of perpetrators to adapt to their targets’ defences.

In the summer of 2019, the Company faced a “ransomware" type of attack, the consequences of which, at the date of publication of this document, have been managed without irreparable damage, as no personal data was stolen or destroyed, although certain facilities still face difficult or unavailable access to data managed by them. This crisis was the subject of a global management process involving various internal and external stakeholders, and was brought to the attention of institutional investors in real time in relation to the Group's activities. It was also publicised in the media, as is common practice for these kind of events, and the group issued a press release on the subject.

The Group remains vigilant, aware that it cannot exclude the possibility of another attack in the future, despite all the actions taken since the launch of the first attack and the measures it has implemented after analysing its circumstances and consequences.

B. Risks related to environmental protection, hygiene, health and safety regulations

As a result of their business activities, healthcare facilities produce and are responsible for the treatment and disposal of specific waste, in particular medical wastes. The storage and transportation of this waste is strictly regulated and the sites have signed agreements with specialised companies for the subcontracting, transport and elimination of waste, however a failure by the subcontractor to comply with its contractual obligations, particularly with respect to applicable regulations, could expose the Group's facilities to a risk of liability or a sanction that could have a significant negative impact on their reputation, business, operating results and financial position. If the applicable laws and regulations became more stringent, additional compliance costs may be incurred.

Similarly, activities are exposed to health and safety risks and liability claims against facilities or practitioners using the equipment. This is the case in the event of a nosocomial infection, which may be the case in the event of an insufficient response to a pandemic. In the future, if any of these health, safety or medical risks were to materialise, the Group could be exposed and/or fined, and its operating authorisations could be suspended or withdrawn for non-compliance with applicable regulations. This could have a significant adverse effect on the Group's reputation, our business operations, our financial situation, operational results and prospects. As a result of these risks, claims could be made and their consequences could exceed the limits of the insurance policies taken out by the Group.

The increasing complexity of the set of regulations relating to environmental protection and the deployment of energy transition measures could lead to regulations that require the Group to incur additional expenses or costly adaptations. The Group's facilities may be exposed to risks related to safety, in particular risks related to asbestos or nosocomial infections, which are likely to engage the Group's liability, which could have a negative impact on the reputation of the Group as a whole, its financial situation or its results.

In order to protect itself against these risks, each year the Group invests the funds needed to allow its structures to comply with the requirements that apply to them. At the same time, the Group relies on rigorously selected service providers to comply with regulations on environmental protection, hygiene, health and safety at its facilities. The Quality, Risk and Healthcare Divisions department ensures the ongoing control and monitoring of compliance with these regulations.

C. **Risks related to personal and health data**

The group's departments and facilities process personal data (including patients' health data) that are now governed by a complex and demanding set of regulations. Facilities generate and manage sensitive personal information and apply security protocols on the use, transfer and circulation of medical information. The purpose of these laws and protocols is to secure flows and maintain adequate confidentiality, while ensuring compliance with the right of access to this information and the protection of patient privacy. Any failure to comply with the terms and conditions of processing operations, maintaining confidentiality and complying with regulatory procedures could result in the group being held liable.

In the same way, inadequate data protection or unlawful use of or disclosure to unauthorised third parties of data, whether voluntary or involuntary, would produce the same consequences.

Ramsay Générale de Santé has appointed a Data Protection Officer in accordance with the provisions of the General Data Protection Regulations (GDPR). The DPO is based in the Group's central services and reports to the Internal Audit, Risk and Investments Department. Various actions have been carried to ensure compliance with the new regulations, including the establishment of a register of processing operations, the updating of contractual clauses, the creation of a platform to ensure compliance with the principles of confidentiality of personal data for any new processing operation that may be implemented, and various procedures, including that relating to the manner in which the rights of data subjects may be exercised.

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3.2 RISK MANAGEMENT

This section includes the information referred to in Article L225-102-4 of the French Commercial Code concerning risk mapping, regular assessment of the situation of subsidiaries, subcontractor suppliers, risk management and prevention, and alert mechanisms.

As provided for in the texts, the following information is presented below:

- Risk mapping;
- Assessment procedures;
- Appropriate actions to mitigate risks or prevent serious harm;
- Alert mechanism;
- The system for monitoring measures implemented.

This constitutes the Ramsay Générale de Santé Group's Vigilance Plan, whose internal supporting framework, which is developed and distributed, is based on the following documents:

- The Ramsay Générale de Santé Charter of values and good practices, which encourages the sharing of values with the aim of ensuring the group's sustainability and development related to the themes of caring for people, safety, team spirit, continuous progress and responsible management.
- The Ramsay Générale de Santé policy on gifts and invitations.
- The Ramsay Générale de Santé Code of Conduct on the prevention of corruption and influence peddling.
- The "Sapin II Law" internal alert system

3.2.1 Internal control objectives and framework

Ramsay Générale de Santé prioritises the management of the risks described in the previous section and deploys significant human and organisational resources in this area.

In addition, internal control is a process implemented by the Group's directors, management and employees to provide reasonable assurance of the achievement of the general objectives set out in the internationally recognised framework established by the COSO ("Committee of Sponsoring Organisations"), namely the:

- effectiveness and efficiency of operations
- reliability of financial information
- compliance with laws and regulations in force

It also serves to safeguard assets and to prevent and detect the risk of error and fraud, especially in financial and accounting areas, and, more generally, to control the risks associated with the Group's business operations.

The role of the Internal Audit Department is therefore to provide reasonable assurance that these objectives are achieved. An internal control system, however, only provides reasonable assurance, not an absolute guarantee of achievement of the Group's objectives, due to the inherent limitations of any process implemented by human beings, and the resource constraints that must be considered in any company.

3.2.2 Risk mapping

The Group maps the main risks as part of its risk management process. The process of creating and reviewing the risk map, which is steered by the Audit and Risk Management Department, makes it possible to identify the main risks to which the Group is exposed and to assess, for each of them, their potential impact as well as the action plan and procedures implemented, and in particular the persons responsible within the Group for monitoring and associated controls.

The Audit and Risk Management Department regularly updates this mapping of the Group's risks. Work is currently underway to revise the risk mapping developed in 2018, particularly in the wake of the acquisition of the Capio Group. This risk mapping enables the Group to define and monitor the various procedures and specific action plans implemented to reduce or control the risks identified. By way of example, the internal procedures put in place to manage the risks identified by the Group are described in the section below.

3.2.3 Players and internal control organisational framework within the Group

The internal control organisation within the Group is primarily composed of:

- the Quality, Risk and Healthcare Divisions department, reporting to the Operations department, which contains a crisis management cell.
- the IT systems department, reporting to the Operations Department in France, which has a person to supervise IT security.
- the Group's legal departments (Group, health, real estate, social affairs, insurance);
- the Audit and Risk Management Department, reporting to general management.
- the Financial Internal Control Department;
- the Data Protection Officer (DPO);
- the Risk Committee and the Audit Committee, which are responsible in particular for monitoring the effectiveness of internal control and risk management systems, each within the area of competence defined by the Board of Directors' rules of procedure.

The Group takes great care to ensure that internal procedures are in place to guarantee patient safety. All risks are compiled, analysed and processed in a coordinated fashion at each of the Group's facilities by a Vigilance and Risk Monitoring Committee (known as "COVIR"), which has the task of drawing up, analysing and steering continuous improvement plans on the basis of the data gathered from a reporting system flagging adverse events and tables to manage potential risks.

The Group is also is developing a risk management training policy to move forward from individual reactive risk management to proactive collective risk management as part of everyday practices at group facilities. Training is offered at the healthcare facilities to improve the application of the methodology along with the tools for identifying and analysing potential risks.

In order to address specific risks that may be faced by the Group, the Company has also implemented specific procedures, including the following:

3.2.4 GENERAL OPERATION OF THE INTERNAL CONTROL AND PROCEDURES IMPLEMENTED

A. Environment, scope and general organisation of internal control

The Group's general internal control environment is characterised by a high level of risk dispersion. It is based on a centralised organisation with a policy of delegating responsibilities to the facilities and functional and divisional departments.

The Group's internal control organisation, in fact, must take into account the scope of consolidation 372 entities at 30 June 2019 (216 at 30 June 2018), and in this regard it is considered that the hospital care and services are distributed among most areas of hospitalisation activities (medicine, surgery, obstetrics, physical rehabilitation and follow-up care, mental health, radiotherapy, medical imaging etc.), which are carried out in situ at the facilities over a considerable part of mainland France.

The general operation of internal control at the Ramsay Générale de Santé group is thus based on the following:

- Firstly, the Ramsay Générale de Santé Charter:

It sets out the ethical principles and standards of behaviour that all Group employees must respect when performing their actions and responsibilities. This charter is supplemented by a summary document that sets out all the existing Group-wide limitations in terms of commitments to third parties.

- Secondly, decentralised responsibility of internal control:

Local management (facilities) is very much aware of the responsibilities conferred upon it, and the importance of implementing proper internal control regulations to meet the objectives stipulated above.

- Thirdly, centralised control based on delegated responsibility:

The Group's organisation is based on a traditional pyramid structure with a head office containing the general management bodies, central functional services and a number of shared services (purchasing and IT systems), in addition to divisional management units, acting as genuine liaisons with general management to implement Group procedures.

The organisation of the Finance division is based on the centralised functional departments relayed by operational financial teams (divisions and facilities). The centralised functional departments include Financing and Treasury, Management Control and Consolidation.

The Group's main procedures can be consulted on the Group's intranet, as well as the guide setting out the main rules to be respected with regard to the separation of duties. The procedures are as follows:

B. Procedure for processing accounting and financial information

A unified IT system, using the market's most widely used consolidation software application, provides the financial data required to manage and control the activity of operational units within reasonable time frames.

The accounting and financial rules and methods are regularly updated and communicated to each operational unit. They are also available on the Group's intranet.

Interim and annual accounts are finalised in accordance with specific instructions issued after they have been validated by the auditors. Prior to period close, the Group's and financial department identifies the areas that require specific attention and define the appropriate accounting treatment.

A financial planning and management control process including:

- a strategic plan, updated regularly,
- a budget procedure,
- monthly posting of accounts,
- monthly meetings to monitor performance,

is the main component of the process of monitoring the performance of the various facilities.

This means that each unit draws up a detailed monthly financial report in the form of a consolidation package required to prepare the Group's consolidated financial statements. The financial report is single-format, and is sent to head office 15 days after the end of the month at the latest. Financial information is sent to a centralised unified database, which is used as required by internal management processes and also for external publications.

The operational units include in the consolidation packages financial statements that have been drafted in compliance with Group standards as well as analysis tables allowing the preparation of the consolidated financial statements and the notes to the statements. The consolidation packages are checked by a central team, which validates the accounting options used throughout the process, carries out the actual consolidation operations, and also validates items which on principle contain the most risk (i.e. intangible assets, tax, provisions and off-balance sheet commitments). intangible assets, taxes, provisions, off-balance sheet commitments).

C. **Procedure for acquisitions**

Acquisitions are managed by the Development Department. Depending on the global or individual thresholds, they may be subject either to prior authorisation by the Board of Directors or to information and consultation with its Chairman. Depending on the proportions of the operation concerned, the Company also uses financial, legal or accounting consultants to carry out the usual audits for this type of operation, often drawing on the company's internal services (real estate department, department of legal and accounting affairs, investment department), and to provide assistance with drawing up contracts and, where applicable, asset and liability guarantees. In the case of major acquisitions, when the operation has been completed, a multidisciplinary steering team charged with managing and monitoring the addition of the new assets is set up.

D. **Investment procedure and real estate projects**

For the risks related to investments in facilities, the Group introduced an investment procedure, the purpose of which is to select investment projects on the basis of a number of criteria, including: a precise definition of the nature of the investment, the risk factors associated with a positive or a negative decision, the components and parameters of the business plan established, the estimated budget and the positioning of the operation with respect to the objective priorities presented by the establishment, especially with regard to regulations. Major projects are reviewed by General Management and the Operations, Administration and Finance and Investment departments.

The investment procedure is thus based on the following general principles:

- Integration of the process into a multiannual framework in accordance with an annual investment budget
- Emergence of projects at lower levels, with upward selection in a two-phase process by the Group's investment division
- Procedural logic based on greater formalisation and standardisation of investment projects
- Centralising the decision to invest,
- Structured ex-post monitoring of investment projects.

The investment division monitors the implementation of this procedure, which is essential to steer the Group and a number of its commitments, especially with respect to banks. Application of the procedure is constantly assessed, and regular updates are performed.

A management procedure for real estate projects was issued in connection with this overhaul of the Group's investment procedure. The measure was subsequently enhanced with a management procedure for commitments and control of invoices by Real Estate Management.

E. **Governance procedure for IT projects**

The main IT projects are analysed before the investment decision is made to ensure that they meet the Group's strategic and operational objectives and that they fit into the IT master plan in order to facilitate their security management in an increasingly threatening environment (data theft, viruses, etc.).

In view of the entry into force of the General Data Protection Regulations, a Data Protection Officer (DPO) was appointed in March 2018. The DPO is responsible for managing the implementation of compliance actions with regard to the new regulations and ensures in particular that all processing activities comply with the applicable regulations.

F. Recruitment procedure for qualified personnel

In the case of risks in connection with shortages of qualified staff, the Group has implemented procedures to engage the staff required for its facilities, even abroad, as the case may be. This information complements the specific risk approach developed in paragraph 3.1.5 of this Part. It has also taken measures enabling the integration of interns and tutoring assistance as part of a mentoring scheme during internships and “open days” with the aim of increasing the rate of intern-to-employee conversion recruitment. Recruitment procedures may also be carried out at certain facilities as a response to certain situations (particularly sponsorship schemes).

G. Miscellaneous procedures

The procurement procedure has been in effect since July 2014. A guide on the general internal control organisation of the processes of patient administration, invoicing and receivables accounting, describing the main control mechanisms to be implemented, was added to the existing procedures in March 2017.

In relation to gifts and invitations, the Ramsay General Health Charter reminds everyone that no forms of corruption are permitted within the Group. In this context, a policy specifying the rules applicable to the acceptance or offer of gifts and invitations was prepared and published in March 2017. This policy is supported by an electronic reporting platform.

A professional whistleblowing system with a secure mailbox dedicated to receiving alerts was set up within the Group at the beginning of 2018.

The Group is involved in multiple projects aimed at increasing its level of protection against cyber risks within the framework of a reference system that is currently being revised. In this context, it has deployed procedures and solutions to control the remote access of its users and third-party maintainers and to manage the enabling/disabling of permissions in some of its systems.

3.2.5 Management of internal control and continuous improvement

A. Quality, Risk and Healthcare Divisions department

The management of risk management systems within the Group is partly carried out by the Quality, Risks and Care Channels Department in cooperation with the functional departments concerned, particularly the Insurance Department, and is supported, if necessary, by the Communications Department and the Health Legal Department.

The department is operational 24 hours a day every day of the year, and its task is to compile all alerts in relation to serious adverse events arising at facilities in connection with the provision or organisation of healthcare. It handles these events, coordinates management and conducts analyses.

All facility directors are trained to make them aware of the risks in connection with their core business, and with the legal aspects and communication of these risks.

Moreover, with respect to facilities forming part of its network, Ramsay Générale de Santé is most careful to ensure that internal procedures are in place to guarantee the safety of patients. The data collection, analysis and coordinated processing of all the monitored and non-monitored risks, the latter being the most numerous, are handled within each Group facility by a Vigilance and Risk Monitoring Committee (“COVIR”) with responsibility for gathering, analysing and monitoring the ongoing improvement plans based on the data collated within the framework of a system of signalling adverse events and management tables of potential risks.

The Group implements an updated procedure for treatment of serious adverse events ("SAEs") as part of the national programme for patient safety deployed by the Ministry of Health, and has already implemented three sections of this multi-year programme (2013-2017) - specifically patient information, improvements to training and the reporting and consideration of serious adverse events associated with healthcare, and safety culture. It has also implemented a procedure for the reporting of avoidable serious adverse events identified by the Ministry of Health and the ANSM which specifically give cause to take urgent preventative action.

B. Audit and Risk Management Department

The Audit and Risk Management Department assesses the effectiveness of Group processes in relation to risk management, internal control and corporate governance and to submit proposals to strengthen their effectiveness.

The head of the Audit department reports to the Chief Executive Officer and the Audit Committee on the progress made on the audit plan and the results of assignments carried out, in accordance with the audit charter drawn up with formal definitions of the role, responsibilities and powers of Internal Audit in keeping with the professional standards in force.

The Group makes use of a self-assessment approach to internal control by macro-process. The self-assessment questionnaires are completed on a regular basis by facilities, which must indicate their level of compliance with the rules set out in the questionnaires, thereby introducing a process of gradual convergence of all internal control procedures currently implemented within the Group. Conversely, the questionnaires are amended based on the good internal control practices implemented at some of the facilities and that are identified during the operational phase of the questionnaire process.

The following self-assessment campaigns were conducted:

- a first self-assessment campaign was conducted in 2009/2010 focusing on internal controls for treasury management,
- a second campaign in 2011/2012 focused on human resource management,

- a third campaign in 2013/2014 focused on procurement and supply management.
- a fourth campaign in 2015/2016 focused on the administrative management of patients and the invoicing and collection of payments for services provided by the Group's facilities,
- a fifth campaign in 2017/2018 focused on governance and risk management within the Group's facilities.

In parallel with these campaigns, an internal control questionnaire covering around 200 key controls (including accounting and finance in particular) is completed by Group facilities every six months. Documentary checks of a sample of at least 70 questions are performed in around twenty facilities each year.

The recommendations submitted after the audits are followed up on a regular basis.

3.2.6 Health Security Unit

The Group has implemented a process for managing alerts and crises within the Quality, Risk and Healthcare Divisions department, creating a dedicated unit about ten years ago. Composed of doctors and reporting to General Management with a 24/7 on-call duty, this Health Security Unit (CSS) acts in continuous interaction with a set of internal contacts that it can mobilise depending on the nature of the event (operations, legal, communication) and manages the cases with various external stakeholders concerned according to the nature of the event: Regional Public Health Agency, health authorities, judicial police, insurers, media).

It has a structured reference framework and a single Crisis Guide for all facilities (in France, for the moment), and also prepares quarterly reports and an annual review. Training and feedback sessions are regularly organised, bringing together a range of internal stakeholders, including division and facility directors and quality assurance managers.

3.2.7 Group risk management procedure

A. organisation of the quality approach

Continuous improvement in the quality and safety of healthcare is one of the Group's strategic objectives and it continues to develop quality approaches within its facilities. Certification of facilities by the French National Health Authority (HAS), certification of services or ISO 9001 2000 certification of certain high-risk processes such as sterilisation are the major elements of these processes.

The Group established the Quality, Risk and Healthcare Divisions department to coordinate the implementation of the global vision of risk prevention and control. To support the facilities in these approaches and strengthen the quality of care provided, it created a new internal reference system, "Qualiscope", focusing on structural factors such as integrated quality and risk management and which, in each facility, is supported by a quality assurance manager/risk manager who is a member of the facility's management committee. Beyond the instruments deployed, there is an effective on-site auditing and oversight procedure that enables the maintenance of a constant level.

B. Training offered within Group facilities

Ramsay Générale de Santé operates an external and internal training policy at all the Group's divisions based on the humanist values of respect and consideration of the patient's expectations and needs and also on safety and quality requirements at the facilities. All basic quality and risk prevention training is carried out internally.

C. Certification of facilities by the French National Health Authority

Public and private health facilities undergo an external assessment process by the Higher Health Authority, known as certification, which furnishes an independent appraisal of the quality of the facility every four or six years. The new HAS V2014 certification process replaced V2010 at the end of October 2018.

The Group's results are discussed in §1.2.8 B above; the Group considers all the steps involved in the certification process as an integral part of its risk management approach.

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3.3 INSURANCE COVER

At the date of publication of this document, various insurance policies taken out by the Company, its subsidiaries or the groups thereof cover the risks to which they are exposed. The paragraphs below summarise the main insurance policies and the guarantees in effect in France.

Excluding the French sites, insurance policies taken out by the subsidiaries, in accordance with the guarantees required by health operators and local factors, cover the same risks, and similar programmes are place to protect the liability internal players. These annual programmes are drawn up for each country in conjunction with the local subsidiaries of the parent company's broker, covering medical malpractice, equipment and installations at the facilities, as well as operating losses. A small number of facilities have a policy that is not included in the group programme (this is also true for some facilities in France).

3.3.1. CIVIL LIABILITY INSURANCE

All the French subsidiaries are grouped together under civil liability insurance programmes. These programmes have been developed within the framework of an insurance guarantee policy determined by General Management and coordinated with the brokers. Multi-annual insurance policies have been taken out and procedures have been implemented to closely manage claims, as well as a risk management and training process.

Changes in the scope of consolidation are periodically monitored in order to adapt the scope of cover to take into account certain specific requirements (current contracts or new activities). This approach is also in line with general developments in relation to medical risks and health professionals, and it is regularly updated based on both legal developments, in terms of determining damages and their compensation, and technical developments, in terms of practice methods and the increasing complexity of the organisation of care and patient management. The emergence of new risks and a significant increase in compensation payments have led the Group to adapt the nature and extent of its cover.

For technical investment and management reasons, civil liability risks are covered under two insurance lines (with the exception of Capio France, which is in a single line) that meet legal obligations, setting out the essential principles of liability and compensation for medical accidents. In addition to their regulatory basis, these policies cover any claims against the insured facilities in terms of professional civil liability resulting from non-medical activities, as well as operating civil liability. The policies cover all Group companies, supplemented, as necessary by policies that were taken out by some companies before they joined the Group's scope of consolidation, as well as specific policies for certain facilities.

As required by law, the cover applies to all new claims arising after signature of the contract, regardless of the date on which the incident causing damages occurred. Also, as required by law, the cover excludes claims where the event that caused the damage was known at the time the contract was signed, with these claims therefore relating to previous policies.

A. Professional medical civil liability

The insured facilities are covered in accordance with Article L. 1142-2 of the French Public Health Code and Article L. 251-1 of the French Insurance Code against the financial consequences of their possible civil liability for damages suffered by their patients and dependent parties as the result of prevention, diagnosis or healthcare activities.

They are also covered against the financial consequences of the civil liability of employees and agents at the facilities insured acting within the confines of the tasks assigned to them, even if they are acting independently in the exercise of professional medicine, arising from damages suffered by patients and dependent parties as the result of prevention, diagnosis or healthcare activities.

B. Professional non-medical civil liability

Cover on the contract is extended to the economic consequences of the civil liability of the insured facilities against bodily injuries, material and non-material damages as the result of negligence, omission, a factual or legal error or an inaccuracy in interpretation of the law or regulations, occurring during audits, consultancy, procurement of medical equipment and products, management of real estate and catering.

C. Operating civil liability

The facilities insured are covered against the economic consequences of their possible civil liability vis-à-vis third parties (including patients, dependent parties and visitors) in the exercise of their activities at a health facility, arising from:

- the actions of any person in the capacity of an agent or employee of the facility insured.
- properties, any kind of facilities, equipment, materials, products or goods that they own, use or keep for the exercise of their activities at a health facility.

3.3.2. CIVIL LIABILITY INSURANCE

The wide variety and categories of property required for the business activities of the facilities and for the Group as a whole, including functional and support entities for example, are taken into account in a detailed policy that covers the damages that such property may suffer. Whether they are owned or leased properties, equipment used in the facilities, or central or local tools and fittings, these assets are covered by a policy that is identical to the civil liability insurance policy, which is underwritten by the Group's insurers on the advice of its brokers.

Thus, risks related to material damage to movable and immovable property and the associated operating losses are insured under multi-annual programmes, unless otherwise contracted with the owners of the buildings. The facilities themselves, however, are still covered under the Group programme taken out with Zurich, for damages to movable assets and associated operating losses. In particular, the programmes cover major risks of property damage, business interruption, rent, civil liability of building owners, as well as guarantees for claims by neighbours and third parties. The policies cover sudden and accidental material damage to the items insured, as the result of fire and similar hazards (explosions and lightning strikes), inclement weather, electrical accidents, damage by water, theft, broken glass and machinery breakdowns. The rental liability of the insured is also covered. Cover is also provided for operating losses as a result of the damages described above from a reduction in revenue and increased operating expenditure.

Real estate programmes are covered by nominal physical damage policies that are adapted to the architectural and construction challenges of these programmes, as well as to the financial and scheduling dimensions of major projects. When a building site is set up (construction, extension, renovation), the entity holding the land or property rights or operating it, in its capacity as project owner or delegated project owner, takes out policies that are adapted to the nature of the programme. Various guarantees contribute to cover the new risks involved: construction insurance, construction damage insurance, civil liability of the project owner, all-risks construction site, non-construction manufacturer.

3.3.3. INSURANCE OF OTHER RISKS

The Group is likely to face other types of risks, which are systematically identified after an analysis and review of the cover required to be taken out with specialised companies. These are specially adapted policies for which the group can use a dedicated broker.

By way of example, Civil Liability insurance for Directors and Corporate Officers, covers in particular the liability of natural persons or legal entities of the constituent entities exercising functions as corporate officers within one or more subsidiaries or representing these same corporate officers.

The fleet of vehicles used on behalf of the facilities is also insured through a specific programme and a periodic review of claims is carried out and adjustments made to the fleet.

The Group is also insured against "cyber" risks resulting from fraud or breaches that compromise the integrity of the information systems, covering in particular its civil liability in the event of a breach of privacy or data confidentiality, network security or extortion, or a breach of data, system security or availability.

Finally, as the Group is active in the field of biomedical research, a research sponsor liability insurance policy has been taken out in addition to the tools allocated to this particular sector.

3.3.4. CLAIMS MANAGEMENT

The insurance contracts, considered as dynamic agreements to support the Group's activities, are managed by the Insurance Department, which reports to the Group's legal department, with an organisational link to the Quality, Risk and Healthcare Divisions department (see §3.2 above). Similarly, in the event of a serious event or incident that may or may not trigger a claim, other departments may become involved and they work together to jointly manage the case, much like the crisis unit.

The department, a central platform for coordinating the handling of reported events and claims, ensures coordination with all the services of the facilities and the specific departments of the Group’s Broker. Periodic multidisciplinary meetings are also organised with the services of the insurers. This coordinated and detailed approach with regard to the definition of risks and situations and the level of each claim, is part of a global dynamic that takes into account the changes in medical risks due in particular to the implications of the cases before the commissions for arbitration and indemnification, or before the judicial courts.

The Insurance Department periodically produces claims reports to monitor changes in the number and nature of claims reported by the Group's entities and to identify sensitive files in terms of legal, financial or media issues. The documentation is systematically reviewed by General Management and by the members of the Company's Audit Committee, including without a formal meeting.

The Group's main insurers are AXA France, CNA, Allianz, Chubb and Sham.

The main brokers are AON and Gras-Savoye Téméris.

PART 4

STATEMENT OF NON-FINANCIAL PERFORMANCE

The information in this fourth part focus on the Group's move towards a non-financial performance statement, with the integration of the subsidiaries acquired during the year (in progress), and complies with the provisions of Articles L.225-102-1 et seq. and R.225-105 of the French Commercial Code. They have been verified by one of Ramsay Générale de Santé's Statutory Auditors, appointed as an Independent Third Party Organisation, whose report is included at the end of this section.

A. STATEMENT RELATING TO THE BUSINESS MODEL

Following its successful takeover bid for Capio in 2018, the Ramsay Générale de Santé Group has become one of the European leaders in hospitalisation and primary care. Today it has 36,000 employees and works with nearly 8,600 practitioners. Ramsay Générale de Santé has a presence in 6 countries (France, Sweden, Norway, Denmark, Germany and Italy), with 310 facilities, and treats more than 7 million patients a year.

Ramsay Générale de Santé's business model is based on the vocation of facilities to meet public health need by providing quality services that meet the challenges of contemporary societies (access to healthcare, medical demographics and geography, professional aspirations), and this is done by applying management rules that ensure the company's profitability in an environment of strong pricing constraints.

In this regulatory and societal context, Ramsay Générale de Santé is constantly adapting its strategy. Quality and safety of care are a priority in all the countries where it operates and are part of the culture of each facility, which makes it one of the references in modern medicine, particularly in the areas of outpatient surgery and rapid post-operative recovery. The group also invests more than EUR 200 million euros every year in new surgical and imaging technologies and in the construction and modernisation of its facilities. It also innovates to improve patient care, with new digital tools or by developing its organisations to improve the efficiency of patient care provided.

Finally, the group supports its staff and the practitioners who work in its facilities throughout their professional careers and shares a sound set of values at the human and societal levels with these communities, which are all united by the goal of caring for others.

B. STATEMENT ON RISK ANALYSIS

The Group's key managers, including the members of the Executive Committee, have defined the risk identification process, which is led by the Audit and Risk Management Department. A Risk Committee, set up by the Board of Directors and made up of three directors, involves different subject-mater experts as required (e.g. risk, crisis, human resources) and reviews the periodic reports prepared by risk area. Risk mapping is monitored by means of a dashboard containing indicators that are presented twice a year to the members of the Risk Committee.

For risks relating to social and environmental responsibility (CSR), the Group has not established a specific committee, but these risks are managed, validated and integrated under the coordination of the Executive Committee. In terms of operational management, these risks are managed by various internal players according to the type of risk (such as the Health Security Unit, the Legal and Insurance department, the Quality, Risk and Healthcare Divisions department, etc.). Their ranking and criticality level were determined jointly by the Legal Department and the Internal Audit and Risk Management Department.

In societal and environmental terms, healthcare activities involve above all a human risk for both patients and staff. This is why the global approach of the business model integrates the daily management of such risks into the organisation and control of the Group's activities. The identification and prioritisation of risks is quite directly linked to the levels of compliance required and the analysis of their results. The inclusion of genuine corporate policies (in terms of personnel and career management or architectural issues, to name just two areas) and values (fight against corruption, ethics charter) in the business model reinforces the governance that ensured the responsible management of all risks.

With regard to the Group's business activity, the main risks identified in terms of social and environmental matters are as follows:

1°) The risks inherent in the management of human resources dedicated to patient care: The developments below will therefore address the data and statistics relating to human resource management, work organisation, methods for processing working time parameters and remuneration. The specific environmental impact of job vacancies in the sector will be outlined.

2°) The coherence of the social policy with regard to societal issues such as recruitment, disability, training, staff profit-sharing will be specified in order to explain the approach and treatment of risks in these areas.

3°) Health and safety at work are priorities that are also set out below, and staff contact with patients, who are both fragile and at risk, and the use of devices and substances constitute priorities for the group in terms of the measures deployed to manage these particular risks.

C. PARAMETERS AND METHODOLOGY

The entities which are consolidated in respect of the financial scope are the parent companies, subsidiaries in which the shareholding exceeds fifty per cent, and equity-accounted entities and constitute the scope of consolidation referred to in section 2.3 of this document. However, the companies of the Capio Group acquired on 7 November 2018 have retained a closing date for their financial year of 31 December, which is also the date on which the various annual reports are drawn up. As a consequence, this section does not include all the entities in the scope of consolidation, therefore the subsidiaries of the Capio group in France and Europe are not included in the scope of the statement of non-financial performance. The harmonisation of social, societal and environmental processes and policies is ongoing. Similarly, the subsidiaries of the medical transport business are not included in the report, as the procedures for reporting data are not in place at this stage.

The essentially human aspects of the activity of the health care facilities described above, as well as the non-industrial nature of the activity or the fact that it is not part of a physical transformation or manufacturing process, exclude by definition the consideration of certain criteria or lead to the qualification of raw or quantitative data: some facilities have significant water consumption, but they perform sub-acute care and rehabilitation activities, including rehabilitation in swimming pools or pool therapy. Air treatment standards in health care facilities, and particularly in surgical wards can significantly increase electricity consumption. The obligation to use these air treatment units can also generate risks of propagation (infectious risks) which are by definition increased when in contact with vulnerable populations, notwithstanding the respect of standards, procedures and the general management of such risks.

In addition, certain information is not included in this statement, for example in relation to the use of goods and services that the facilities produce or use, information relating to its societal commitments in favour of the circular economy, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable nutrition, because it is not significant with regard to the group's activity.

For this reason, two specific groups have been established up under which to report the data, which differ in certain points within the consolidation group: A social reporting group and an environmental reporting group.

For the first, the data used are those of French facilities employing staff whose corporate data share a common software program ("Opera"). This scope does not include companies with a purely functional vocation (e.g. Pass, Districare, SI Care), holding companies (e.g. Ramsay Générale de Santé SA, Compagnie Générale de Santé, Immobilière de Santé, Dynamis and Alphamed, Médipsy, HPM Hôpital Privé Métropole) and companies with no employees (either due to the structure’s lack of activity or due to the secondment of staff from other structures), and real estate companies (e.g. SCI and other real-estate-related entities).

The entities not included in the social reporting group because they do not report their data through the Opera software are as follows:

GIE Ramsay Générale de Santé Hospitalisation	Centre d’Imagerie Médicale de Drancy
GIE Ramsay Générale de Santé	Baya Hôtel et SPA
SA L’ANGIO	Imhotep
IRM Chenôve	Scanner Marcel Sembat
SAS SIM des Peupliers	Clinique La Parisière
Centre d’Imagerie Médicale d’Aulnay	IRM Marne Chantereine
IRM Bachaumont	Centre d’Imagerie en Coupe du Blanc Mesnil
Scanner Bachaumont Paris Centre	HPM Nord
Alpha	Scanner du Vert Galant

The second includes the legal entities of the Ramsay Générale de Santé group which are included in the scope of consolidation at 30 June 2019 and are engaged in the following activities: (i) medicine/surgery/obstetrics (MSO) (ii) sub-acute care and rehabilitation, (iii) mental health, (iv) medical imaging, (v) radiotherapy centres, (vi) care homes and (vii) sports physiotherapy with water or energy consumption measured and recorded. Also included in this scope is Baya Hôtel et Spa (the Group's sole entity to operate a hotel close to a sub-acute care and rehabilitation facility – the CERS in Capbreton). A more detailed list of entities included in the environmental reporting scope is provided in section 4.1 below.

Exceptionally, the entities for which it was not possible to set up the necessary processes for reporting environmental data were excluded from the environmental scope, namely IRM Bachaumont, Scanner Bachaumont Paris Centre, SIM de Drancy, Centre de Radiothérapie Beauregard, Autodialyse du Vert-Galant, TEP Jean Perrin and the company Immotep.

The third part of this document contains a detailed description of the risks identified in connection with the provision of healthcare and the management of hospitals, clinics and subsidiaries dedicated to this scope of consolidation. The following developments address these risks in the context of the human resources deployed to perform the activities mentioned.

4.1 HUMAN RESOURCES MANAGEMENT AND HEALTHCARE CHALLENGES

The quality of care is based on the expertise of the personnel that make up the entire professional human chain at the service of patients. The risk of fluctuations in this quality must be controlled at all levels of this human chain, from recruitment to the performance of their employees' duties, to their support throughout their career. This is why the group has implemented a proactive human resources policy, and why it also strives to have the right resources in terms of skills and numbers by promoting a working environment that is attractive for its employees and reassuring for patients.

Employees are thus encouraged to work together on a permanent basis to provide patients with a relevant, very high standard of medical care in all health authorities where the Group's hospitals and clinics are located. The Group's mission is therefore to provide life-long support for the needs of patients and their continued good health; the values remain focused on individual well-being, safety, a progress-oriented team mindset and responsible management.

To ensure a clear understanding of this section, below is the list of institutions included in the social reporting scope:

CLINIQUE DU SPORT
CLINIQUE DES PLATANES
HOPITAL PRIVE CLAUDE GALIEN
HÔPITAL PRIVE CLAIRVAL
CLINIQUE DE PERREUSE
IMAGERIE DE CLAIRVAL
HOPITAL PRIVE JACQUES CARTIER
IMAGERIE MEDICALE JACQUES CARTIER (I.M.J.C.)
HOPITAL PRIVE DES PEUPLIERS
CLINIQUE DE LA DEFENSE
CLINIQUE MAUSSINS-NOLLET
HOPITAL PRIVE SAINTE MARIE CHALON
HOPITAL PRIVE D'ANTONY
CLINIQUE JEANNE D'ARC (Gien)
HOPITAL PRIVE DROME ARDECHE
HOPITAL PRIVE DIJON BOURGOGNE
CLINIQUE DU LANDY
HOPITAL PRIVE DE BOIS BERNARD
HOPITAL PRIVE JEAN MERMOZ
HOSPIDOMI LE HAVRE
IMAGERIE MEDICALE DE BOIS BERNARD (SIMBB)
CLINIQUE MARCEL SEMBAT
CLINIQUE GEOFFROY SAINT HILAIRE
HOPITAL PRIVE LA LOUVIERE
HP DE L'EST LYONNAIS
CLINIQUE SAINT-BARNABE
CLINIQUE DE MONTEVRAIN
CMCO D'EVRY
CLINIQUE DE VILLENEUVE SAINT GEORGES
CLINIQUE LAMBERT
SAS CLINIQUE LA MONTAGNE
CLINIQUE DE LA MUETTE
CLINIQUE DU PLATEAU BEZONS
SNC ANGE GARDIEN
HP DE VERSAILLES
CLINIQUE DE LA ROSERAIE
CLINIQUE CONVERT
CLINIQUE DE L'UNION
LE MARQUISAT
IMAGERIE DE LA RES. DU PARC
CENTRE DE RADIOTHERAPIE DE SAVOIE NORD
IR HAUTES ENERGIES (I.R.H.E)
CLINIQUE DU MOULIN
CLINIQUE AUZON
CLINIQUE D'YVELINE
CLINIQUE DE L'ESPERANCE
CLINIQUE MON REPOS (Ecully)
CLINIQUE DE CHANGE NOTRE DAME DE PRITZ
MAS DU VENDOMOIS
CLINIQUE BELLE ALLEE
CLINIQUE PSYCHIATRIQUE DU PARC (Nantes)
CLINIQUE DE L'ESCREBIEUX
CLINIQUE ST MARTIN (Ollioules)
CLINIQUE DES MONTS DU FOREZ
CLINIQUE SAINT MICHEL
CLINIQUE DES QUATRE SAISONS
CLINIQUE PEN AN DALAR
CLINIQUE DU CHÂTEAU DE TREMBLAY
CLINIQUE RECH
CLINIQUE LE GOUZ
GIE INTER-FILIALES
CLINIQUE DES TROIS CYPRES
CLINIQUE DU PONT DE GIEN

HOPITAL PRIVE PAYS DE SAVOIE
CLINIQUE KENNEDY
HOPITAL PRIVE DE VILLENEUVE D'ASCQ
CLINIQUE D'ARGONAY
HOPITAL PRIVE ARMAND BRILLARD
CLINIQUE JOUVENET
HOPITAL PRIVE DE L'ESTUAIRE
CLINIQUE BLOMET
HOPITAL PRIVE SAINT MARTIN-CAEN
CLINIQUE MONTICELLI-VELODROME
CLINIQUE SAINT AME (DOUAI)
HOPITAL PRIVE DE L'EST PARISIEN
SIM DE DOUAI (S.I.M.D.)
SOCIETE D'IMAGERIE SAINT MARTIN CAEN
CLINIQUE BON SECOURS
GDS INTER POLES
COMPAGNIE PHOCEENNE DE SANTE
CENTRE DE RADIOTHERAPIE BEAUREGARD
IRIDIS MARSEILLE
SAS DES PEUPLIERS
HOPITAL PRIVE DE LA LOIRE
HOPITAL PRIVE DE MARNE CHANTEREINE
HOPITAL PRIVE DE L'OUEST PARISIEN
HOPITAL PRIVE DE PARLY II
HOPITAL PRIVE DE LA SEINE SAINT DENIS
CLINIQUE DES MARTINETS
HOPITAL PRIVE DU VERT GALANT
HOPITAL PRIVE PAUL d'EGINE - HPPE
C.I. NUCLEAIRE DE LA PLAINE DE FRANCE
AUTODIALYSE DU VERT GALANT
CLINIQUE DU BOIS D'AMOUR
HPMV
CLINIQUE EUGENIE
CLINIQUE RONSARD
CLINIQUE DE SAINT VICTOR
CLINIQUE PHILAE
CLINIQUE OCEANE
CLINIQUE LES ROSIERS
CLINIQUE IRIS MARCY L'ETOILE
CERS SAINT RAPHAEL
CLINIQUE DE CHATILLON
CLINIQUE DE PROVENCE-BOURBONNE
CLINIQUE ROSEMOND
CLINIQUE DE CHAMPIGNY
CLINIQUE DE CHOISY
CLINIQUE DE L'AMANDIER
CLINIQUE DU CHALONNAIS
CERS CAPBRETON
CLINIQUE DU BOURGET

4.1.1 SOCIAL MAPPING

A. EMPLOYMENT: OVERALL DESCRIPTION AND BREAKDOWN OF STAFF

At the date of this document, Ramsay Générale de Santé had 18,425.95 employees, expressed in average full-time equivalence (FTE). It should be noted that temporary staff are not included in the indicators, and this figure does not include doctors with their own practices operating at the Group's facilities. Furthermore, in areas like catering and cleaning, most of the Ramsay Générale de Santé healthcare facilities use sub-contractors whose staff are not included in the number of Group employees.

The table below (table A1) shows the breakdown of employees expressed in average full-time equivalents by main category and sub-category, in application of the consolidation standards. Most of the headcount comprises healthcare personnel and staff contributing to patient care, particularly nurses and healthcare aides, across all specialist medical areas.

Table A1.

		Nombre ETP payés			Nombre ETP payés
Groupe de Filière	Classif Doc de réf	MCO	SANTÉ MENTALE	SSR	
Administrative	AGENTS ET EMPLOYES SERV ADM	1 235,25	120,76	97,95	**1 453,96**
	AUTRES PERSONNELS ADM	338,59	34,34	33,06	**405,98**
	DAF COMPTABLES, CHEFS COMPTABLES, AGENTS CPTABLES	153,43	13,61	17,63	**184,68**
	SECRETAIRE MEDICALE	496,16	30,98	57,60	**584,74**
Administrative Total		**2 223,43**	**199,69**	**206,25**	**2 629,37**
Générale et Technique	AUTRES PERSONNELS GEN ET TECHN	136,37	19,95	21,15	**177,48**
	CUISINIERS/EMPLOYES DE CUISINE		36,02	32,16	**68,18**
	ESG	287,46	65,27	30,63	**383,37**
	TECHNICIEN	210,24	26,07	21,02	**257,33**
Générale et Technique Total		**634,07**	**147,31**	**104,97**	**886,35**
Non applicable ou non défini	N/A	3,85	0,00	0,00	3,85
Non applicable ou non défini Total		**3,85**	**0,00**	**0,00**	**3,85**
Soignante et concourant aux Soins	AIDE SOIGNANTE ET AUX PUER	3 064,36	295,07	495,30	**3 854,72**
	ASH	978,63	159,19	50,62	**1 188,44**
	AUTRES PERSONNELS SOIGNANTS	425,27	192,36	502,05	**1 119,68**
	BRANCARDIER	572,25		20,31	**592,56**
	IDE	6 296,09	671,53	401,62	**7 369,24**
	PHARMACIENS ET PREPRA PHARMA	371,02	29,20	35,02	**435,24**
	SAGE FEMMES	346,52			**346,52**
Soignante et concourant aux Soins Total		**12 054,14**	**1 347,34**	**1 504,91**	**14 906,39**
Total général		**14 915,49**	**1 694,34**	**1 816,12**	**18 425,95**

Abbreviations:
IDE = State-certified nurses
ASH = hospital services agent
Prépa Pharma = pharmacists
ESG = general service employees
ADM = clerical staff

NB: the Medicine/Surgery/Obstetrics sector ("MSO") includes radiotherapy, dialysis and medical imaging. Qualifications and their distribution were the result of collective bargaining, as was sub-acute care and rehabilitation.

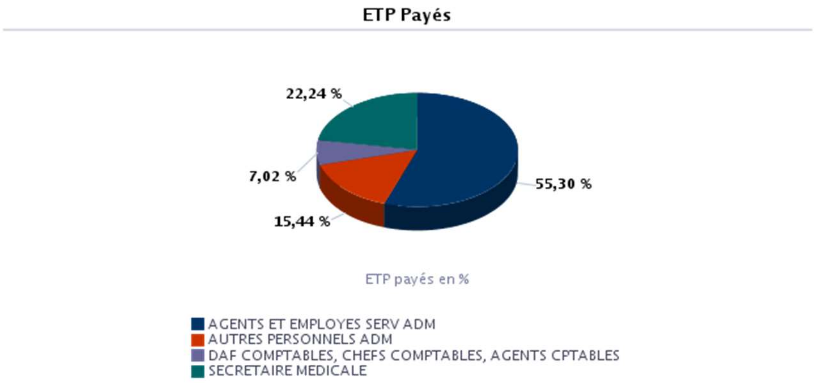
B. EMPLOYMENT: HEADCOUNT AND QUALIFICATIONS

The table below (table B1) shows the breakdown of the Group's employees at 30 June 2019 (also consolidated data) by function and, for each of the major categories of functions, shows the category expressed as a ratio of total Group employees.

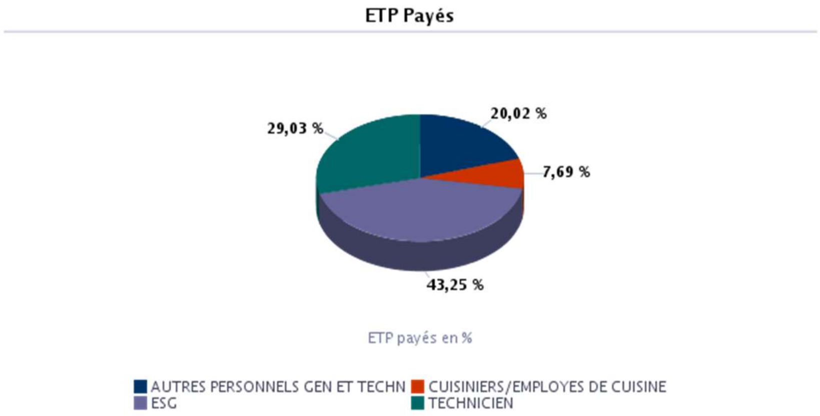
Table B1.

Groupe de Filière	Classification	Nombre ETP payés	ETP payés en %
Administrative	AGENTS ET EMPLOYES SERV ADM	1 454,12	7,89%
	AUTRES PERSONNELS ADM	405,98	2,20%
	DAF COMPTABLES, CHEFS COMPTABLES, AGENTS CPTABLES	184,68	1,00%
	SECRETAIRE MEDICALE	584,74	3,17%
Administrative Total		**2 629,53**	**14,27%**
Générale et Technique	AUTRES PERSONNELS GEN ET TECHN	177,48	0,96%
	CUISINIERS/EMPLOYES DE CUISINE	68,18	0,37%
	ESG	383,37	2,08%
	TECHNICIEN	257,33	1,40%
Générale et Technique Total		**886,35**	**4,81%**
Non applicable ou non	Non Classé	3,68	0,02%
Non applicable ou non défini Total		**3,68**	**0,02%**
Soignante et concourant aux Soins	AIDE SOIGNANTE ET AUX PUER	3 854,69	20,92%
	ASH	1 188,45	6,45%
	AUTRES PERSONNELS SOIGNANTS	1 119,68	6,08%
	BRANCARDIER	592,56	3,22%
	IDE	7 369,27	39,99%
	PHARMACIENS ET PREPRA PHARMA	435,24	2,36%
	SAGE FEMMES	346,52	1,88%
Soignante et concourant aux Soins Total		**14 906,40**	**80,90%**
Total général		**18 425,95**	**100,00%**

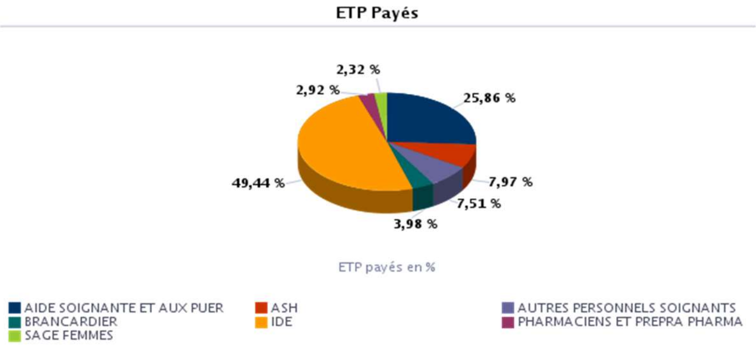
Administration



General and Technical



Healthcare and contributors to patient care

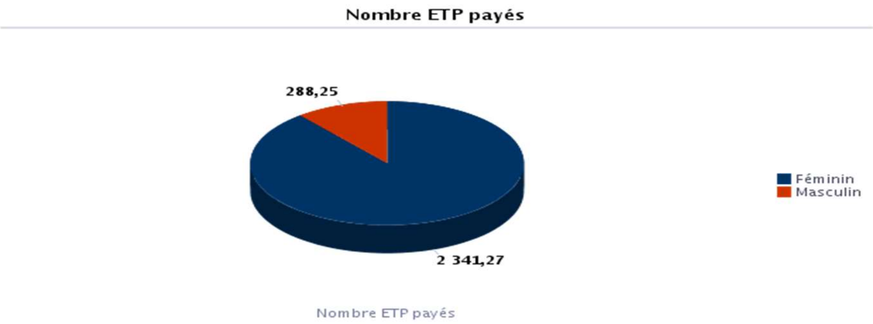


The breakdown of employees by gender, in full-time equivalents, is presented in the table below (table B2):

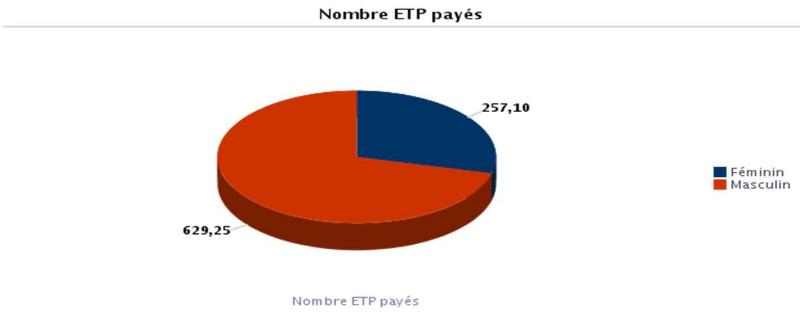
Table B2.

		Nombre ETP payés			Nombre ETP payés
Groupe de Filière	Sexe	MCO	SANTÉ MENTALE	SSR	
Administrative	Féminin	1 946,15	204,08	191,05	**2 341,27**
	Masculin	245,58	27,48	15,20	**288,25**
Administrative Total		**2 191,73**	**231,55**	**206,25**	**2 629,53**
Générale et Technique	Féminin	166,35	60,69	30,06	**257,10**
	Masculin	467,72	86,63	74,91	**629,25**
Générale et Technique Total		**634,07**	**147,31**	**104,97**	**886,35**
Non applicable ou non défini	Féminin	0,00	2,38	0,00	**2,38**
	Masculin	0,00	1,29	0,00	**1,29**
Non applicable ou non défini Total		**0,00**	**3,68**	**0,00**	**3,68**
Soignante et concourant aux Soins	Féminin	10 031,30	1 090,33	1 179,07	**12 300,70**
	Masculin	2 022,86	257,01	325,84	**2 605,71**
Soignante et concourant aux Soins Total		**12 054,16**	**1 347,34**	**1 504,91**	**14 906,40**
Total général		**14 879,95**	**1 729,88**	**1 816,12**	**18 425,95**

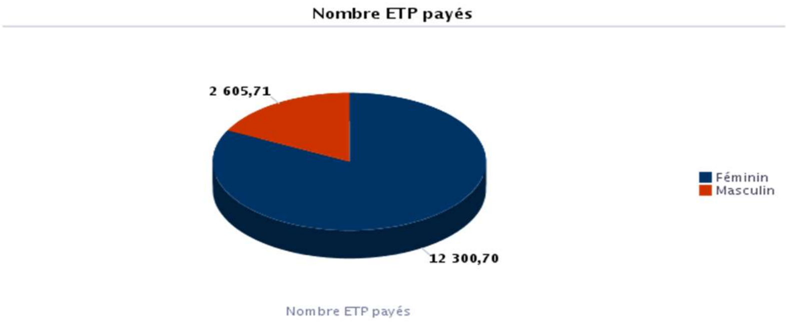
Administration



General and Technical



Healthcare and contributors to patient care

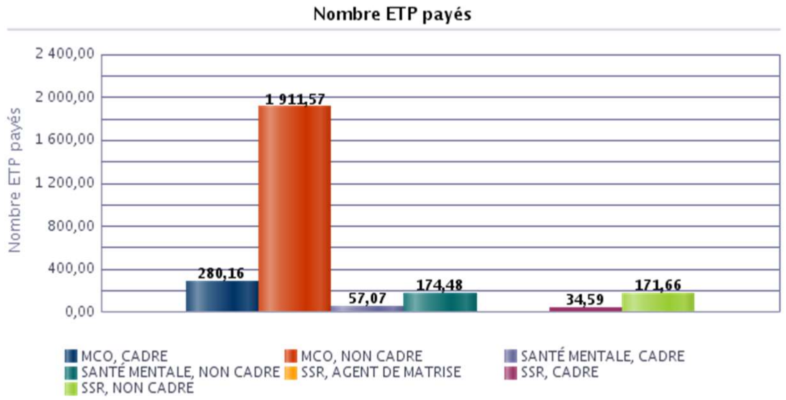


The table below (table B3) shows, in average full-time equivalents, the breakdown between management and other staff, with these two categories sub-divided into medical and non-medical personnel.

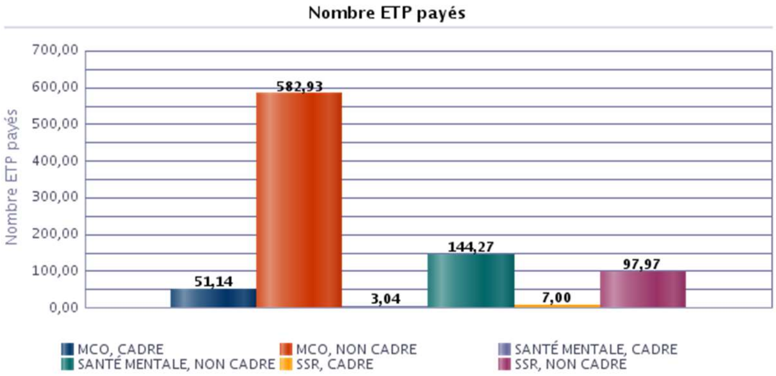
Table B3.

		Nombre ETP payés			Nombre ETP payés
Groupe de Filière	Position	MCO	SANTÉ MENTALE	SSR	
Administrative	AGENT DE MATRISE			0,00	**0,00**
	CADRE	280,16	57,07	34,59	**371,82**
	NON CADRE	1 911,57	174,48	171,66	**2 257,71**
Administrative Total		**2 191,73**	**231,55**	**206,25**	**2 629,53**
Générale et Technique	CADRE	51,14	3,04	7,00	**61,18**
	NON CADRE	582,93	144,27	97,97	**825,17**
Générale et Technique Total		**634,07**	**147,31**	**104,97**	**886,35**
Non applicable ou non défini	CADRE	0,00	3,68	0,00	**3,68**
	NON CADRE	0,00	0,00	0,00	**0,00**
Non applicable ou non défini Total		**0,00**	**3,68**	**0,00**	**3,68**
Soignante et concourant aux Soins	AGENT DE MATRISE			0,21	**0,21**
	CADRE	602,13	151,96	195,21	**949,29**
	NON CADRE	11 452,03	1 195,38	1 309,49	**13 956,90**
Soignante et concourant aux Soins Total		**12 054,16**	**1 347,34**	**1 504,91**	**14 906,40**
Total général		**14 879,95**	**1 729,88**	**1 816,12**	**18 425,95**

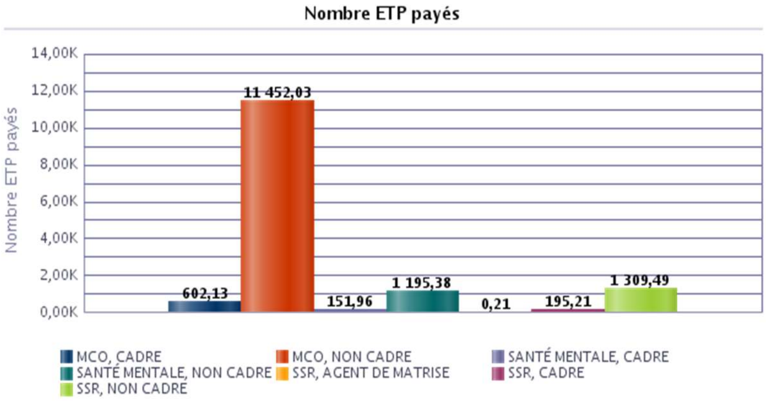
Administration



General and Technical



Healthcare and contributors to patient care

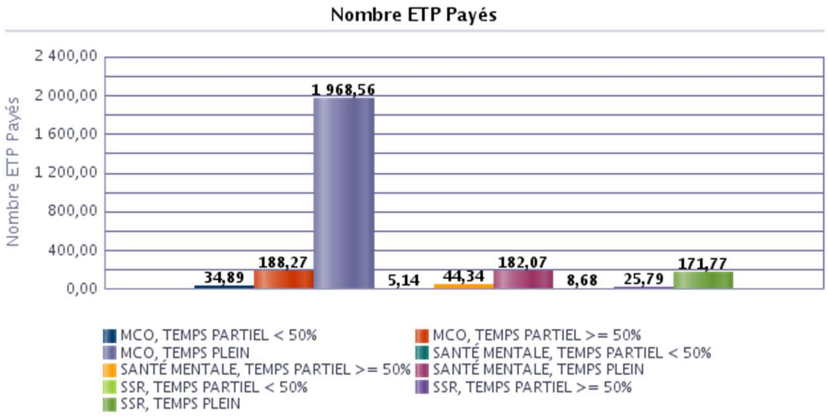


The table below (table B4) shows the breakdown of employees (full-time equivalents) in terms of their working hours (full or part-time), with these two categories sub-divided into medical and non-medical personnel.

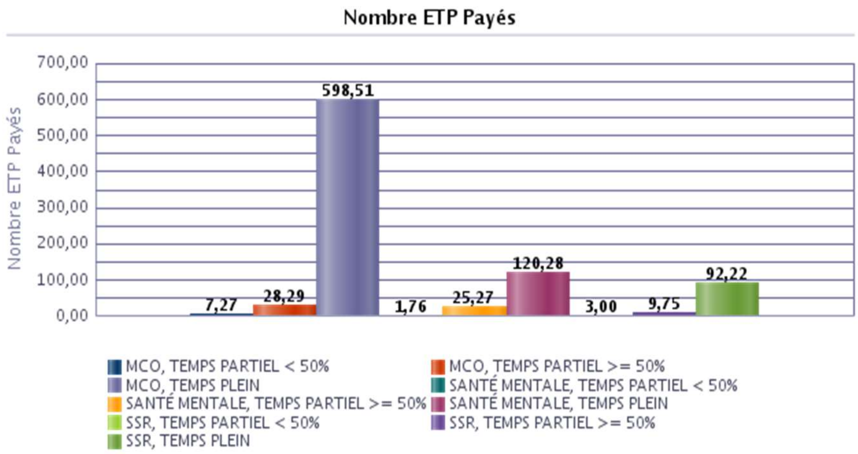
Table B4.

		Nombre ETP payés			Nombre ETP payés
Groupe de Filière	Type de travail	MCO	SANTÉ MENTALE	SSR	
Administrative	TEMPS PARTIEL < 50%	34,89	5,14	8,68	**48,72**
	TEMPS PARTIEL >= 50%	188,27	44,34	25,79	**258,40**
	TEMPS PLEIN	1 968,56	182,07	171,77	**2 322,41**
Administrative Total		**2 191,73**	**231,55**	**206,25**	**2 629,53**
Générale et Technique	TEMPS PARTIEL < 50%	7,27	1,76	3,00	**12,03**
	TEMPS PARTIEL >= 50%	28,29	25,27	9,75	**63,31**
	TEMPS PLEIN	598,51	120,28	92,22	**811,00**
Générale et Technique Total		**634,07**	**147,31**	**104,97**	**886,35**
Non applicable ou non défini	TEMPS PARTIEL < 50%	0,00			**0,00**
	TEMPS PLEIN	0,00	3,68	0,00	**3,68**
Non applicable ou non défini Total		**0,00**	**3,68**	**0,00**	**3,68**
Soignante et concourant aux Soins	TEMPS PARTIEL < 50%	202,85	59,54	30,75	**293,14**
	TEMPS PARTIEL >= 50%	1 136,56	219,97	165,69	**1 522,22**
	TEMPS PLEIN	10 714,75	1 067,83	1 308,47	**13 091,04**
Soignante et concourant aux Soins Total		**12 054,16**	**1 347,34**	**1 504,91**	**14 906,40**
Total général		**14 879,95**	**1 729,88**	**1 816,12**	**18 425,95**

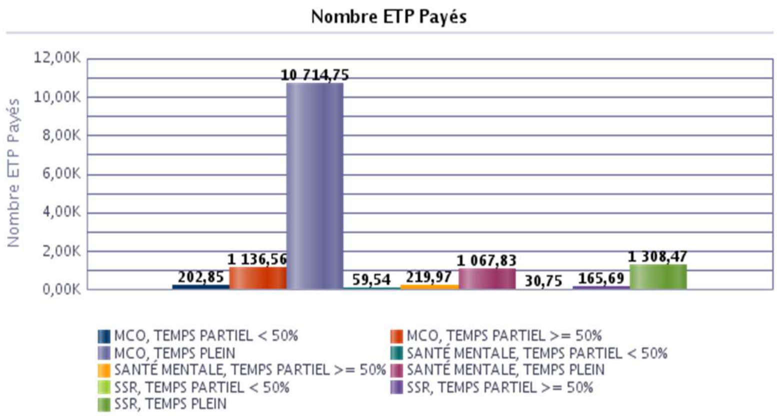
Administration



General and Technical



Healthcare and contributors to patient care

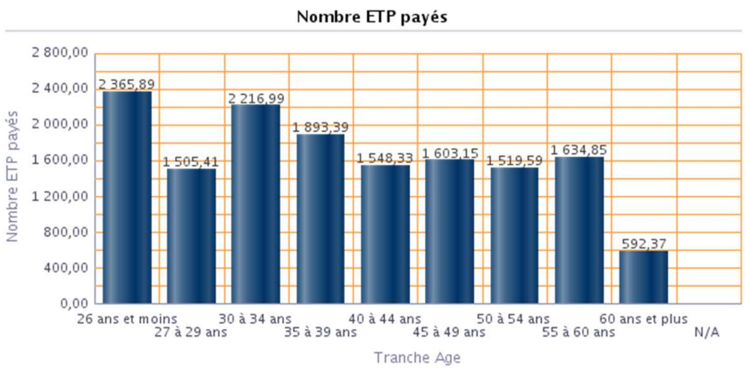


The table below (table B5) shows the breakdown of employees (full-time equivalents) in terms of their age bracket, with these two categories sub-divided into medical and non-medical personnel.

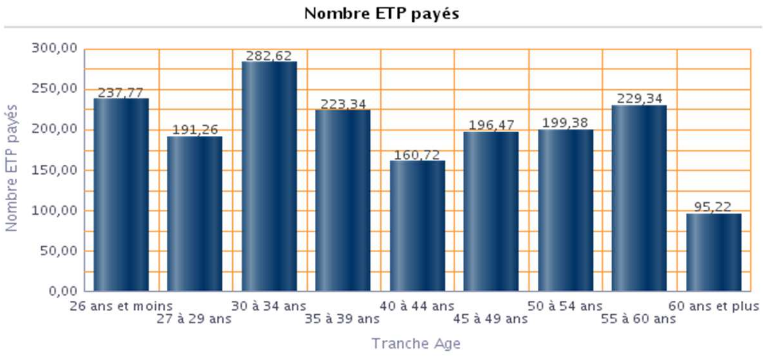
Table B5.

Tranche Age	Nombre ETP payés MCO	SANTÉ MENTALE	SSR	Nombre ETP payés
26 ans et moins	290,18	18,11	13,57	**321,86**
27 à 29 ans	144,60	9,87	12,44	**166,90**
30 à 34 ans	261,03	26,91	24,59	**312,53**
35 à 39 ans	292,63	32,85	30,84	**356,31**
40 à 44 ans	249,02	29,49	17,13	**295,64**
45 à 49 ans	294,82	38,63	39,09	**372,54**
50 à 54 ans	285,45	27,97	30,11	**343,53**
55 à 60 ans	288,88	38,60	30,29	**357,77**
60 ans et plus	85,13	9,12	8,19	**102,44**
Administrative Total	**2 191,73**	**231,55**	**206,25**	**2 629,53**
26 ans et moins	68,78	12,88	9,55	**91,21**
27 à 29 ans	48,54	4,01	3,22	**55,77**
30 à 34 ans	81,66	8,88	11,89	**102,43**
35 à 39 ans	68,16	16,51	16,71	**101,38**
40 à 44 ans	75,39	18,46	8,33	**102,18**
45 à 49 ans	81,41	18,00	9,59	**109,00**
50 à 54 ans	88,91	20,39	18,04	**127,34**
55 à 60 ans	96,75	40,23	22,01	**158,99**
60 ans et plus	24,48	7,95	5,63	**38,05**
Générale et Technique Total	**634,07**	**147,31**	**104,97**	**886,35**
30 à 34 ans	0,00	1,00	0,00	**1,00**
35 à 39 ans	0,00	0,86	0,00	**0,86**
40 à 44 ans	0,00	0,66	0,00	**0,66**
45 à 49 ans	0,00	0,28	0,00	**0,28**
50 à 54 ans	0,00	0,58	0,00	**0,58**
55 à 60 ans	0,00	0,30	0,00	**0,30**
Non applicable ou non défini Total	**0,00**	**3,68**	**0,00**	**3,68**
26 ans et moins	2 006,93	149,70	214,64	**2 371,28**
27 à 29 ans	1 312,28	120,87	175,61	**1 608,75**
30 à 34 ans	1 874,30	167,07	246,14	**2 287,51**
35 à 39 ans	1 532,60	166,71	175,79	**1 875,11**
40 à 44 ans	1 223,92	151,61	135,26	**1 510,79**
45 à 49 ans	1 226,91	144,94	147,79	**1 519,64**
50 à 54 ans	1 145,23	149,93	151,22	**1 446,39**
55 à 60 ans	1 249,22	186,72	177,04	**1 612,98**
60 ans et plus	482,76	109,79	81,40	**673,96**
Soignante et concourant aux Soins Total	**12 054,16**	**1 347,34**	**1 504,91**	**14 906,40**
Total général	**14 879,95**	**1 729,88**	**1 816,12**	**18 425,95**

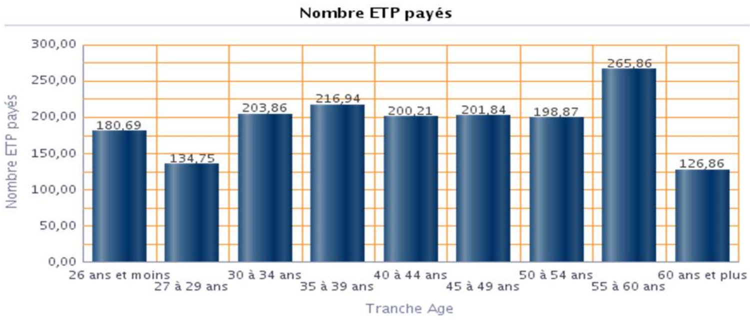
<u>Medicine/Surgery/Obstetrics</u>



Sub-acute care and rehabilitation.



Mental health

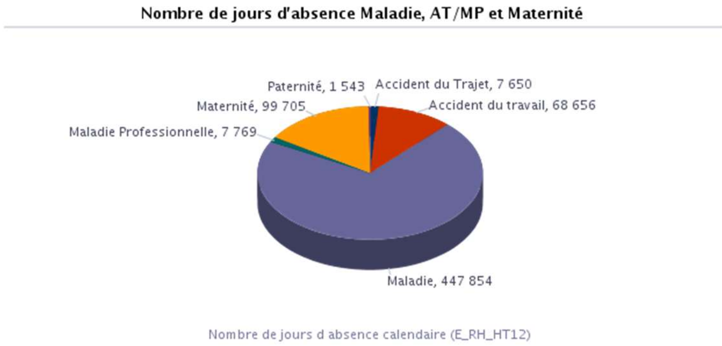


C. EMPLOYMENT: ABSENTEEISM

It should be noted that the absenteeism monitored in the monthly reporting dashboard concerns only illness, workplace/travel accidents and vocational disorders, together with maternity leave. It consolidates the number of days off work as reported to the Social Security organisation. The table below shows the overall data on absenteeism (illness, maternity leave, workplace/travel accidents and professional illnesses) in number of days of absence from work.

Table C1

Nbre jours théoriques planifiés	Nbre de jours d'absence Maladie	Nbre de jours d'absence Maternité	Nbre de jours d'absence Accident du travail	Nombre de jours d absence AT Trajet	Nbre de jours d absence Maladie Professionnelle
5 285 360	447 854	105 244	68 656	7 650	7 769



4.1.2 EMPLOYMENT AND WORK

A. RECRUITMENTS AND DEPARTURES

The shortage of nurses, midwives, physiotherapists and X-ray technicians has been reduced in recent years with slight differences between one profession and another, and between regions. The implementation of a pro-active human resources policy has also provided the necessary resources to manage this relative shortage.

The Group also recruits employees on fixed-term contracts during the year, recorded under the “Average FTE on the payroll” indicator, to cover unforeseen staff absences (illness, maternity leave etc.).

Thanks to their active partnership policy with the IFSI nursing schools, Ramsay Générale de Santé facilities take on numerous nursing interns and healthcare aides throughout their studies. The facilities’ willingness and capacity to offer internships as part of the students’ curriculum is an essential element in recruiting nursing staff and healthcare aides.

For managers, an appraisal system has been established involving the annual evaluation of their performance and skills. In addition to the establishment of performance targets, annual interviews are also an opportunity to focus on employee career plans, their expectations in terms of professional development and their training needs.

The Group thus seeks to acquire a perfect knowledge of the internal skills of its employees and analyse the match between its current and future business needs, enabling an improved vision of the forward planning of job and skills.

The Group also prioritises the professional mobility of its staff, using the Jobs Exchange intranet platform created for this purpose, to give them access to information on Group vacancies. This platform is directly populated by the Group’s job offers and applications management tool, Talent_Recrut, It offers career opportunities within the Group to employees looking to expand their technical and management skills. To facilitate transfers between Group entities, a Mobility Charter managed by Group Human Resources and the internal HR network, sets out the conditions for internal transfers.

The table below (table D1) shows the number of employees on permanent contracts that were made redundant, broken down by category (medical and non-medical).

Table D1

		MCO	SANTÉ MENTALE	SSR	Nombre de départs
Groupe de Filière	Motif fin de contrat	Nombre de départs	Nombre de départs	Nombre de départs	
Administrative	LICENCIEMENT	15	2	2	**19**
	LICENCIEMENT	4		3	**7**
	LICENCIEMENT	20	2		**22**
	LICENCIEMENT	6	2		**8**
Administrative Total		**45**	**6**	**5**	**56**
Générale et Technique	LICENCIEMENT	3			**3**
	LICENCIEMENT			3	**3**
	LICENCIEMENT	7		1	**8**
	LICENCIEMENT	5	3	1	**9**
	LICENCIEMENT	1			**1**
Générale et Technique Total		**16**	**3**	**5**	**24**
Soignante et concourant aux Soins	LICENCIEMENT	55	3	2	**60**
	LICENCIEMENT	2		11	**13**
	LICENCIEMENT	81	12	7	**100**
	LICENCIEMENT	1			**1**
	LICENCIEMENT	72	13	6	**91**
	LICENCIEMENT	20	1	2	**23**
	PRISE D'ACTE DE LA			1	**1**
Soignante et concourant aux Soins Total		**231**	**29**	**29**	**289**
Total général		**292**	**38**	**39**	**369**

The table below (table D2) shows the number of new permanent contracts, broken down by category (medical and non-medical).

Table D2

		Nombre de nouveaux contrats			**Nombre de nouveaux contrats**
Groupe de Filière	Motif embauche	MCO	SANTÉ MENTALE	SSR	
Administrative	CDI CREATION DE POSTE	27	2	4	**33**
Administrative	CDI POSTE VACANT	265	24	15	**304**
Administrative Total		**292**	**26**	**19**	**337**
Générale et Technique	CDI CREATION DE POSTE	15	1		**16**
Générale et Technique	CDI POSTE VACANT	91	18	15	**124**
Générale et Technique Total		**106**	**19**	**15**	**140**
Non applicable ou non défini	CDI POSTE VACANT		6		**6**
Non applicable ou non défini Total			**6**		**6**
Soignante et concourant aux Soins	CDI CREATION DE POSTE	109	12	27	**148**
Soignante et concourant aux Soins	CDI POSTE VACANT	1 472	197	249	**1 918**
Soignante et concourant aux Soins Total		**1 581**	**209**	**276**	**2 066**
Total général		**1 979**	**260**	**310**	**2 549**

B. EMPLOYMENT, COLLECTIVE AGREEMENTS AND EMPLOYEE REPRESENTATION

The main collective agreement applicable to Ramsay Générale de Santé's healthcare facilities in France is the French Private Hospital collective agreement of 18 April 2002 (Convention Collective Nationale de l'Hospitalisation Privée), extended by the decree of 29 October 2003.

For information and consultation purposes, based on the headcount thresholds provided for by legislation relating to staff representation, each medical facility has a works council and/or staff representation or a Social and Economic Committee. Negotiations in respect of working hours and compensation take place within each facility on an annual basis. Draft agreements are monitored and technically and legally validated by the Group. The Group currently has 93 works councils / economic and social councils (with more than 50 employees).

A Group works council meets at least twice a year at the Group's head office; it is briefed on business activity, the Group's financial position and the companies comprising the Group; once a year, it receives the consolidated financial statements and the related Statutory Auditors' report. It is kept informed of employment developments and major national human resource projects. The Group works council also receives annual data relating to the workforce, employment trends, professional training, remuneration and, more generally, any social information of a cross-functional nature. The Group works council has 17 full members and 8 alternate members (one alternate is designated per trade union organisation and per college with at least one titular member).

The nature of employee relations within Ramsay Générale de Santé allows the overall social climate to be considered good.

C. ORGANISATION OF WORKING TIME

In accordance with the applicable legislation, the organisation of working time is mostly structured at the level of the medical teams in work cycles of up to twelve weeks with a working time of between eight and twelve hours.

The Group's business activity requires the 24/7 presence of the teams and the work cycles take into account the need to ensure permanent patient care. Activity is nonetheless reduced at weekends, based on patient admissions.

D. REMUNERATION AND CHANGES TO REMUNERATION

Remuneration is adapted to local budgetary constraints, taking into account price aspects, the management situation of the facilities and the labour market.

At the end of June 2019, the consolidated payroll stood at EUR 594,401,575.

During the period ended 30 June 2019, the general trends of changes to remuneration were a salary increase of 0.5% overall for the year, affecting the professional categories subject to competition (nurses, healthcare aides, midwives). It should be pointed out that these remuneration elements are taken from a broader scope than that mentioned at the beginning of this chapter.

4.1.3 SOCIAL POLICY IN SUPPORT OF EMPLOYMENT

A. ACCOMPANYING EMPLOYEES THROUGHOUT THEIR LIVES

For the past decade, the Ramsay Générale de Santé Group has been committed to supporting parenting.

This approach has been reflected in the progressive implementation of a childcare programme in the Group's facilities. There are now 33 crèches, micro-crèches or partnerships with childcare networks, which welcome more than 300 children of Group employees.

This childcare programme, known as "Les Enfants de Ramsay Générale de Santé", meets the needs of employees seeking a childcare solution adapted to their very specific schedules and lifestyles, and involves the facilities in the quest for a better balance between employees' professional and personal lives.

The structures that take care of these children are selected for the quality of their care and the partners work to continuously improve the quality of life in the crèches and to reduce their impact on the environment. For example, this involves the systematic deployment of the policy to secure the "Ecolo crèche" label for all the structures managed by Crèche Attitude, one of our partners, by 2020 (excluding new openings or crèches that have been operating for less than two years).

Employees also have access to emergency childcare for their children near their home or place of work in the event of a disruption of their usual childcare arrangements (hospitalisation, training, absence of childminders, etc.). The "Solu'crèche" arrangement provided by Crèche Attitude[14] allows Group employees who are also parents to benefit from the national Crèche Attitude network.

In addition, Ramsay Générale de Santé has signed the Parenting Charter and is a member of the Corporate Parenting Observatory ("Observatoire de la Parentalité en Entreprise"), the aim of which is to provide staff with the means to achieve a better work/life balance. To this end, Ramsay Générale de Santé has already introduced a reduction in working hours for pregnant women from the second month of pregnancy.

The Group has implemented a system to cover healthcare costs for its staff, which each facility may join depending on its respective social policy.

[14] Crèche Attitude, crée en 2003, est un des premiers réseaux de crèches conventionnées.

B. Lifelong training

For Ramsay Générale de Santé, lifelong professional training for staff is a key factor for the development of the skills of employees and a tool to facilitate the achievement of the Group's strategic objectives. This is also a key support measure for staff.

The scope of this indicator is the social scope with the exception of the following healthcare facilities:

- Centre d'imagerie Jacques Cartier
- Imagerie Nucléaire de la Plaine de France
- Autodialyse du Vert Galant
- SAS Les Peupliers Radiothérapie

The scope of this indicator included data from:

- The Economic and Social Unit (ESU) formed by the Ramsay Générale de Santé and Ramsay Générale de Santé Hospitalisation EIGs.
- The company Alpha
- La Parisière
- HPM Nord

Between 1 January 2018 and 31 December 2018, 7,509 Ramsay Générale de Santé employees participated in training corresponding to roughly 448,349,25 training hours (including 152,977.09 completed hours) and a budget of EUR 11.435 million.

Training data (budget, employees trained, number of hours etc.), including 152,977.09 hours related to files whose status is "completed", are expressed in the calendar year from 1 January to 31 December 2018, which is why we chose this period. Data from 1 July 2018 to 30 June 2019 would have been approximate.

It should be noted that, for the purposes of calculating the training hours, the number of initial and continuous training hours covered by an accredited collection agency (OPCA – Organisme Paritaire Collecteur Agréé) as part of the training plan have been used, as well as periods of vocational training (vocational training contracts are not accounted for) and/or the individual training account scheme (CPF – Compte Personnel de Formation: the hours booked represent training that is underway or completed), and this method reflects the business reality in terms of training. The Group views training as a key element in career management and in adapting to rapidly-changing medical and paramedical techniques, thus enabling a high standard of patient care.

The lifelong training plan constitutes one of the Group's strategic objectives and is an integral part of the multi-year actions underway.

During the year ended 30 June 2019, the Group continued its specific training schemes:

- Priority themes such as outpatient care, development of a service culture, hygiene, good sterilisation practices, stress prevention and management, prevention and management of aggression and violence;
- Adaptation of the skills of State-certified nurses (IDE) arriving from specialised services, accreditation and other Quality approaches, preparation for VAE (each year, Ramsay Générale de Santé pursues its policy to encourage the development of Validation of Acquired Work Experience with encouraging results).

The Group continues to develop a common managerial culture by training middle management in management fundamentals. This major ambition comprises the implementation of certification-based vocational training for middle management, tailored to Ramsay Générale de Santé's needs in partnership with the ESCP Europe Business School of the Paris Chamber of Commerce. The 17-day training course covers all management fundamentals, and targets medical and non-medical middle managers.

This high-quality training policy focuses on the needs and expectations of patients, as well as on safety and quality assurance requirements.

Patient information and pain management training is offered to practitioners and paramedics.

Courses on quality audits, risk prevention and the evaluation of professional practices completes the training offer.

In-house training plays an important role: many experts regularly conduct training for Group employees. Ramsay Générale de Santé offers training to professionalise its in-house trainers.

The Group offers its healthcare professionals a CPD plan consisting of actions provided by external CPD organisations and/or in-house CPD actions.

In the context of the IBODE decree, which defines acts falling within the exclusive competence of IBODEs, the Group offers:

- for IBODEs: a 49-hour complementary training module
- for operating theatre nurses: IBODE training courses or support for IBODE VAE

In addition, the Group places special emphasis on taking on interns and work-study trainees on vocational training and apprenticeship contracts, medical staff (nurses, healthcare aides, physiotherapists, technicians) and clerical staff (medical secretaries, HR).

C. SPECIFIC TRAINING FOR MANAGERS

Several years ago, the Group devised a Manager Reference System which was deployed in 2013 to provide the Group's managers with a reference standard for key managerial skills. Known as Olympe, the scheme was organised into eleven seminars during which some 500 Group managers shared their experience of five key roles: Promoting the corporate vision/Steering performance/Managing change/Attracting and developing talent/Encouraging cross-functionality.

In addition, Olympe enabled all the participants to share the vision and strategy of Ramsay Générale de Santé, while promoting cross-functionality, cooperation and team work.

To complete this approach, Ramsay Générale de Santé created the Olympe Digital platform in 2016. It provides all Group Managers with permanent access to the Ramsay Générale de Santé Health Manager's Toolkit. Today 1,872 people have access to the platform, including 88 new registrants in 2019. Each month, an average of 117 modules are consulted. This tool consolidates a shared vision of management within the Group.

Ramsay Générale de Santé has developed new customised programmes to support the development of its managers' skills in the following topics: negotiation, communication, crisis management, management, finance, etc.

D. CAREER MANAGEMENT

A career management policy enables all employees to plan their professional development. The Jobs Exchange, career appraisal interviews, skills evaluations and a proactive training plan are tools to which all Group employees have access following contact with the respective human resources departments.

In terms of executive management, a number of tools have been created for the forward management of jobs and skills in order to promote mobility, career development and the mapping of career paths.

Career committees are set up within the facilities and at the headquarters: these are forums for exchange and decision-making concerning the professional development of the Group's managers, based on an analysis of their level of competence and performance in light of the Group's values and their desire for professional development. They make it possible to identify high-potential managers, thus helping to anticipate the matching of resources with the Group's needs in key positions.

Lastly, Générale de Santé encourages the Group's employees or external candidates to join an internal training programme as preparation for working as managers or assistant managers of health facilities. This programme enables the acquisition, within a period of six to eight months, of the knowledge and skills required to perform these functions. This allows the Group to fill any shortfalls between the existing and required skills of future facility managers and assistant managers.

E. ORGANISATION OF WORKPLACE DIALOGUE AND COLLECTIVE LABOUR AGREEMENTS

On 9 January 2014, Ramsay Générale de Santé signed a "Forward Planning of Jobs and Skills" agreement with employee representatives, including an inter-generational dimension to replace the Group agreement promoting the employment of seniors which had been in effect since 2010. This agreement aims to reinforce a dynamic human resources policy in terms of training and the mapping of career paths, and comprises measures adapted to the needs of employees irrespective of their age.

Ramsay Générale de Santé and employee representatives wished to make combating illiteracy a key objective of this agreement. Initiatives to raise awareness among managers will be used to help them identify the employees concerned by this issue. Training to raise skills to the level required to exercise their professional functions will then be offered to employees seeking to benefit from this policy.

The agreement also comprises measures aimed at promoting the vocational integration of employees aged 26 years and under, together with a "training" dimension enabling senior employees to upgrade their professional skills and anticipate their subsequent career moves.

Measures involving the transmission of knowledge and skills supplement this process through the implementation of inter-generational groups.

A training module entitled “Retirement: preparing for change” has been proposed. Its goal is to support employees and prepare them for the change marked by the transition into retirement.

The welfare initiatives are managed in each facility or hospital by their employee representatives, and account for 0.25% of the payroll on average.

F. Ramsay Générale de Santé as a social policy player in the professional sector

The Group contributes to establishing social policy for the private hospital sector. This policy should help the sector to define the development of the collective bargaining agreement, a motivating career path for medical personnel, a proactive social policy vis-à-vis the employment of persons with disabilities and seniors, and more widespread consideration of poor working conditions. The negotiations to be conducted in the years ahead will facilitate the sector’s ability to face future challenges.

G. Employee incentive agreements and profit-sharing schemes

- Incentive agreements

Incentive agreements have been concluded at several of the Group’s subsidiaries.

During the financial year ended 30 June 2019, EUR 5.37 million was allocated to Group employees as part of incentive agreements (versus EUR 4.1 million in 2018).

- Profit-sharing schemes

Pursuant to the legislation in force, Group companies employing more than 50 staff and generating profits pay a profit-sharing reserve to their employees.

During the financial year ended 30 June 2019, EUR 7.945 million was allocated to Group employees as part of profit-sharing schemes (versus EUR 4.8 million in 2018).

4.1.4 HEALTH AND SAFETY AT WORK

As an activity performed by people for the benefit of people, healthcare by definition calls for a global policy of safety at work, directly influencing the health of both employees and patients cared for in its facilities. A global approach to risk and compliance with risk requirements are essential to the performance of a group such as Ramsay Générale de Santé.

A. Occupational medicine

The Group has declared its compliance with all the requirements relating to employee medical inspections pursuant to the provisions of Article L. 4622-1 of the French Labour Code.

Professional illnesses are not currently consolidated at Group level, and are addressed by the facility concerned. Some of the ailments concerned are conditions linked to the handling and transportation of hospital patients (musculoskeletal disorders).

B. Psychosocial risks

A legal and social framework has been formalised for psychosocial risks, thanks to a series of agreements signed by employee representatives. These include the national interprofessional stress agreement of 2 July 2008 and the national interprofessional agreement on workplace harassment and violence of 26 March 2010. In liaison with the Human Resources Department, the Group’s facilities have a comprehensive range of tools addressing the prevention of risks, the evaluation of any emerging risks and the appropriate measures to be taken with those involved.

Furthermore, Ramsay Générale de Santé offers a psychosocial support service accessible to all Group staff through a partnership with Réhalto, a company specialising in employee support. Employees can request support whenever they encounter professional difficulties, family or personal issues, or dependency problems.

The psychosocial intervention services can be accessed free of charge for up to six hours of counselling per year and per family at a psychologist’s practice located close to the employee’s home.

Réhalto also offers a professional support service for Group managers. This service can be provided as telephone counselling for managers on how to handle difficult relationships and management situations with their staff.

Lastly, for exceptional situations a “Crisis Management and Post-Traumatic Intervention Services” department has been set up to plan the deployment of crisis cells across the facilities.

This aim of this department is to:

- Rapidly find professional support during crisis situations which destabilise employees and impact the effective operation of the facilities.
- Anticipate cases of post-traumatic syndrome and the psychological and physical reactions of staff.
- Reduce the human consequences of such events.

Since 2014, the Group has deployed a psycho-social risk monitoring (PSR) system designed to detect risk situations as early as possible.

Tertiary prevention is organised in an escalation plan, starting from the correction initiated at facility level to the use of specialised firms where necessary. At the same time, a help and support hotline is available to all employees, which can be accessed 24 hours a day.

For secondary and primary prevention, our policy is based on the Single Assessment Document for occupational risks (DUERP). It is structured around the assessment of risks, including psychosocial risks. We have added a dynamic monitoring tool to DUERP. A set of key indicators and recording of facts brought to the attention of Management, either directly by staff or by the CHSCT, are reported in order to provide early detection of emerging risks.

For planned changes that have a strong impact on one or more teams, a dedicated follow-up is scheduled and documented (specific risks, follow-up indicators) within the framework of the DUERP. It is updated over the duration of the project.

In 2019, we issued a “shared commitment survey” to all facilities for the first time. It allows us to regularly measure the perceptions of all employees on various subjects, including issues related to quality of life at work. The survey results for each facility are used to develop an action plan to improve areas that are deemed to be critical. This survey is part of a gradual improvement process.

C. Occupational safety and work-related accidents

The following were included in this scope: the company Baya Hotel & Spa, GIE Ramsay Générale de Santé and Ramsay Générale de Santé Hospitalisation.

Ramsay Générale de Santé mobilises all of its operational parties, coordinated by the Group’s Human Resources Department in relation to occupational hazards. In 2014, it launched an action plan for the prevention of occupational accidents and diseases across all facilities. The number of travel-related/workplace accidents entailing downtime stood at 930 between 1 July 2018 and 30 June 2019.

The number of days of absence from work due to accidents at in the workplace and while commuting is 65,926 days for the financial year 2019.

D. Measures to protect the health and safety of personnel

1) Health and safety regulations

The Ramsay Générale de Santé Group ensures that its facilities have implemented internal procedures to monitor the measures in place to manage health and safety.

In accordance with the applicable regulations, the facilities draw up a single occupational risk assessment document which include, for each work situation, the identified risks (severity and frequency level) and the appropriate preventive measures. This document is prepared in collaboration with the CHST of the facilities.

2) Regulations regarding products and equipment

Some of the Group’s facilities have equipment that use ionising radiation and are subsequently subject to articles L. 1333-1 et seq. of the French Public Health Code which has established relevant measures governing the use of this radiation, including medical treatment (diagnostic radiology, radiotherapy, nuclear medicine). These regulations aim to limit exposure to ionising radiation as far as possible and make it mandatory to immediately report to the authorities any incidents or accidents liable to compromise the health of individuals exposed to ionising radiation.

4.1.5 OBSERVANCE OF THE PRINCIPLES OF LABOUR LAW

A. Boosting the employment of people with disabilities

On 8 March 2017, Ramsay Générale de Santé signed a fourth agreement for the employment of disabled workers, the aim of which is to reach a 6% employment quota in 2019. This target was achieved by the end of 2018.

In 2018:

- 1,082 people with disabilities in the workforce (representing an employment rate of 6%)
- Recruitment of 45 persons recognised as "disabled workers", including 33 on permanent contracts (this data was gathered from Annual Mandatory Declarations of Employment of Handicapped Persons ("DOETH") by healthcare facilities for the preceding calendar year, it was not possible to collect any information on the hiring of people recognised as "disabled workers" for the period ended 30 June 2019)
- Development of the following partnerships:
  - with the CRIP retraining and professional integration centre in Castelnau-le-Lez[15], France's nurse training institute (IFSI) for workers with disabilities. engagement of 7 apprentice nurses and 14 nursing interns at our facilities.
  - with the IFAS Red Cross in Romainville, which allowed us to welcome a total of 2 apprentices.

As part of its job retention policy, the Group has completed 94 workstation adjustments. 17 assessments and professional reorientation support measures were carried out within the framework of these adjustments.

B. Gender equality

Respect for gender equality is an integral part of the policies pursued by the Group's facilities. The Group takes a global approach to professional equality, the fight against the specific vulnerability of women, protection of women against violence, and parity in terms of social and professional responsibilities. This issue is addressed by negotiations and action plans at each facility.

C. Combating discrimination, promoting the right to freedom of association and collective bargaining, eliminating employment discrimination and professional discrimination

The Company and companies within the Group apply all the provisions of labour law applicable in France, which consolidate the main rules laid down by the International Labour Organisation. At this stage, no discrimination of any kind has been recorded and thus the Group has not deemed it necessary to implement a specific procedure. The same is true for job announcements within the Group, which include no specific requirements likely to suggest the existence of discrimination.

D. The workplace values of Ramsay Générale de Santé

The values applied by the Group comprise all the major principles enshrined in the Group's social responsibility policy. The business activities are specifically oriented towards human welfare, an ambition that requires the concrete commitment of all stakeholders to an approach where ethics is the main focus. Respect for others and for their individual health and welfare is as integral to responsible workplace human resource management as it is to patient care, enabling all levels of the Group to move towards the effective governance of responsible and ethical commitments.

The Group regularly undertakes actions directed at enhancing its performance in relation to these major principles.

For example, aside from its internal actions (including those involving facility certification, see section 3.2.7 of this document), the Group's Quality and Risks Department deploys quality assurance procedures incorporating not only the relevant regulatory requirements (including V2014 certification), but also all issues for the optimised management of quality assurance and risks for the medical teams, the affirmation of its direction in terms of the quality of patient care and high professional standards for employees. This approach is an integral part of an ongoing overall quality assurance approach thanks to the definition of priorities corresponding to the real challenges of healthcare facilities. The involvement of staff in these approaches is based on a steering process for quality assurance initiatives with greater added value and a reinforced level of training.

With the support of all of its staff, Ramsay Générale de Santé aims to transition from the management of quality standards to management by quality.

The Group operates in France only and complies with French legislation. It respects all regulations concerning forced or compulsory labour and child labour.

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4.2 CORPORATE ENVIRONMENTAL RESPONSIBILITY

As a major public health player, Ramsay Générale de Santé is particularly affected by all environmental and sustainable development issues. The Group's commitments in these areas are reflected both in the day-to-day management of the healthcare facilities and their business and in strategic choices that have a specific impact on the environment, such as architectural choices and forms of energy consumption.

The information in this section relates to an extended scope consisting of the following entities:

CLINIQUE DU SPORT	CLINIQUE GEOFFROY SAINT HILAIRE	CLINIQUE EUGENIE
CLINIQUE DES PLATANES	HOPITAL PRIVE LA LOUVIERE	CLINIQUE DE LA ROSERAIE
HOPITAL PRIVE CLAUDE GALIEN	TEP HENRI BECQUEREL	SNC ANGE GARDIEN
HÔPITAL PRIVE CLAIRVAL	SCANNER MARCEL SEMBAT	CLINIQUE DE PERREUSE
IMAGERIE DE CLAIRVAL	HP DE L'EST LYONNAIS	CLINIQUE DU MOULIN
HOPITAL PRIVE JACQUES CARTIER	CLINIQUE LA PARISIERE	CLINIQUE AUZON
IMAGERIE MEDICALE JACQUES CARTIER (I.M.J.C.)	CLINIQUE SAINT-BARNABE	CLINIQUE D'YVELINE
L'ANGIO - SERVICE INTERCLINIQUES D'IMAGERIE MEDICALE	CLINIQUE DE MONTEVRAIN	CLINIQUE DE L'ESPERANCE
HP Résidence du Parc (secondary facility of HP Clairval)	CMCO D'EVRY	CLINIQUE MON REPOS (Ecully)
HOPITAL PRIVE DES PEUPLIERS	CLINIQUE DE VILLENEUVE SAINT GEORGES	CLINIQUE DE CHANGE NOTRE DAME DE PRITZ
CLINIQUE DE LA DEFENSE	CLINIQUE LAMBERT	MAS DU VENDOMOIS
CLINIQUE MAUSSINS-NOLLET	SAS CLINIQUE LA MONTAGNE	CLINIQUE BELLE ALLEE
HOPITAL PRIVE SAINTE MARIE CHALON	CLINIQUE DE LA MUETTE	CLINIQUE PSYCHIATRIQUE DU PARC (Nantes)
HOPITAL PRIVE D'ANTONY	CLINIQUE DU PLATEAU BEZONS and Centre consult. Des Grésillons (secondary facility of Val Notre Dame)	CLINIQUE DE L'ESCREBIEUX
CLINIQUE JEANNE D'ARC (Gien)	HP DE VERSAILLES - FRANCISCAINES	CLINIQUE ST MARTIN (Ollioules)
HOPITAL PRIVE DROME ARDECHE	HP DE VERSAILLES - LA MAYE (secondary facility of Franciscaines)	CLINIQUE DES MONTS DU FOREZ
HOPITAL PRIVE DIJON BOURGOGNE	CLINIQUE CONVERT	CLINIQUE SAINT MICHEL
IRM CHENOVE (ME)	CLINIQUE DE L'UNION	CLINIQUE DES QUATRE SAISONS
IRM DU PARC	LE MARQUISAT	CLINIQUE PEN AN DALAR
CENTRE D'IMAGERIE MERMOZ	IMAGERIE DE LA RES. DU PARC	CLINIQUE DU CHÂTEAU DE TREMBLAY
CLINIQUE DU LANDY	CENTRE DE RADIOTHERAPIE DE SAVOIE NORD	CLINIQUE RECH
HOPITAL PRIVE DE BOIS BERNARD	INSTITUT DE RADIOTHERAPIE DE HAUTES ENERGIES (I.R.H.E)	CLINIQUE LE GOUZ
HOPITAL PRIVE JEAN MERMOZ	IRIDIS MARSEILLE	CLINIQUE DES TROIS CYPRES
STE D'IMAGERIE WATTEAU (Armand Brillard)	SAS DES PEUPLIERS	CLINIQUE DU PONT DE GIEN
SOCIETE D'IMAGERIE MEDICALE DE BOIS BERNARD	HOPITAL PRIVE DE LA LOIRE	CLINIQUE RONSARD
HOPITAL PRIVE PAYS DE SAVOIE	HOPITAL PRIVE METROPOLE NORD	CLINIQUE DE SAINT VICTOR
CLINIQUE KENNEDY	GCS URGENCES DE LA MAIN	ALPHA
HOPITAL PRIVE DE VILLENEUVE D'ASCQ	HOPITAL PRIVE DE MARNE CHANTEREINE	CLINIQUE PHILAE
CLINIQUE D'ARGONAY	HOPITAL PRIVE DE L'OUEST PARISIEN	CLINIQUE OCEANE
HOPITAL PRIVE ARMAND BRILLARD	HOPITAL PRIVE DE PARLY II	CLINIQUE LES ROSIERS
CLINIQUE JOUVENET	HOPITAL PRIVE DE LA SEINE SAINT DENIS	CLINIQUE IRIS MARCY L'ETOILE
HOPITAL PRIVE DE L'ESTUAIRE and SSR Petits Colmoulins (secondary facility of HP de l'Estuaire)	CLINIQUE DES MARTINETS	CERS SAINT RAPHAEL
HOPITAL PRIVE SAINT MARTIN-CAEN	HOPITAL PRIVE DU VERT GALANT	CLINIQUE DE CHATILLON
CLINIQUE MONTICELLI-VELODROME	HOPITAL PRIVE PAUL d'EGINE - HPPE	BAYA HOTEL ET SPA
SAS SIM DES PEUPLIERS	SOCIETE SCANNER DU VERT GALANT	CLINIQUE DE PROVENCE-BOURBONNE
CLINIQUE SAINT AME (DOUAI)	CENTRE D'IMAGERIE NUCLEAIRE DE LA PLAINE DE FRANCE	CLINIQUE ROSEMOND
HOPITAL PRIVE DE L'EST PARISIEN	CLINIQUE DU BOIS D'AMOUR	CLINIQUE DE CHAMPIGNY
SOCIETE D'IMAGERIE MEDICALE DE DOUAI (S.I.M.D.)	HPMV	CLINIQUE DE CHOISY
SOCIETE D'IMAGERIE SAINT MARTIN CAEN	CENTRE D'IMAGERIE EN COUPE DU BLANC MESNIL	CLINIQUE DE L'AMANDIER
CLINIQUE BON SECOURS (HP Arras Les Bonnettes)	SAS IRM CHAMPIGNY	CLINIQUE DU CHALONNAIS (ex. Val de Seille)
CENTRE D'IMAGERIE D'AULNAY	SCANNER CHAMPIGNY	CERS CAPBRETON
CLINIQUE BLOMET	IRM BRY (E 01/11/2016)	CLINIQUE DU BOURGET
CLINIQUE MARCEL SEMBAT	IRM MARNE CHANTEREINE	

Due to the difficulties in obtaining and reporting consumption data over the summer period (the data must be for the financial year, i.e. 1 July of a given calendar year to 30 June of the following calendar year), it was decided that the environmental consumption data would run from 1 April of year N to 31 March of year N+1. Thus, for 2019 environmental reporting, the data reported are those from 1 April 2018 to 31 March 2019.

However, and exceptionally, the data for electricity consumption are those for 1 July 2018 to 30 June 2019.

4.2.1 GROUP ENVIRONMENTAL POLICY

Ramsay Générale de Santé is attentive to the challenges of responsibly governed sustainable development and it is concerned with providing the required levels of safety in its activities and manages the resources necessary in view of such constraints (temperature of facilities and technical platforms, water treatment and waste disposal systems).

For the past few years the Group has engaged in an approach to CSR based on ISO 26001, the reference management system for social responsibility with a view to contributing to sustainable development based on the principles of transparency, accountability, compliance with laws and standards, and stakeholders.

Although the Group does not carry out any industrial activity, it generates non-industrial pollution and harmful substances and is therefore committed to engaging all of its stakeholders in the following responsible actions:

- Preservation of environmental media: water, air, land and human health, and control over the potential impacts of the operation of its facilities;
- Prevention of climate change and reduction of greenhouse gas emissions;
- Reduction of energy resources and the need to implement an energy management system;
- Preservation of water resources;
- Protection of natural environments and biodiversity.

In terms of environmental protection, with its waste management policy and the partnerships operated with its service providers, Ramsay Générale de Santé remains a major positive contributor to the challenges of reducing pollution or preserving resources and environments. The Group complies with environmental legislation and makes a proactive commitment to continuous CSR improvement. The Group's sustainable development governance is organised around various the principles and bodies and a sustainable development committee has been set up within each facility, with the Group's Quality Department overseeing their implementation. The following courses of action are taken:

- Limitation of contaminated wastewater. Waste sorting, compliance with the Hospital No-Smoking Charter, etc.
- Raising staff awareness: the Group keeps its employees informed of levels of performance, actions and best environmental protection practices. Communication initiatives on environmental protection are also put in place and are the subject of permanent efforts by the Quality Assurance Department and subsequently local quality assurance units, which update and evaluate, on a daily basis, the operating methods and procedures linked to environmental management based on the requirements of the French National Authority for Health (HAS - Haute Autorité de Santé), the body responsible for certifying healthcare facilities within the framework of patient care. To this end, internal auditors implement a programme of regular in-field audits which, in addition to the objective of carrying out these audits, enables permanent in-field communication.
- Sharing with partners: development of medical, commercial and institutional networks, promoting the image of a centre of medical and technical excellence, implementation of appropriate communication with the creation of awareness-raising events (disability week).
- Rationalisation of staff travel and systematically seeking to reduce energy and raw materials consumption.
- Raising awareness about increasingly stringent environmental regulations.
- Encouraging the facilities to deploy their own environmental policies, depending on the activities, local conditions and user expectations.
- Appropriate water management: quality and volume, verification of physical and chemical quality, microbiological aspects of water quality and the use of environment-friendly water treatment processes.
- Definition of network maintenance plans: balancing diagnostics, hydraulics, health risk prevention.
- Management of air quality: microbiological and particle control of controlled-environment rooms, maintenance plan adapted to the different uses of internal air, establishment of an air health logbook.

The Group Purchasing Department, which is responsible for negotiating with the various suppliers, is committed to taking into account the environmental impact of the products and services offered to the facilities (choice of low-energy-consumption equipment that meet international standards like Energy Star, referencing of greener consumables, selection of low-CO2 vehicles for the Group’s car fleet) and to communicating on eco-responsible initiatives.

For healthcare facilities, structures that consume energy resources and emit greenhouse gases (in particular gas, electricity and refrigerant consumption), an "Energy Management" Steering Committee was established within the Group's Real Estate Division. Within a context of the proliferation of medical equipment, technological innovations and patient care requirements, it aims to establish systems and processes to improve energy efficiency, thereby leading to cost savings and a reduction in greenhouse gas emissions via the systematic implementation of energy management.

The Group uses various approaches, mainly consisting of defining a series of Energy Performance Indicators, pinpointing priority improvements, establishing a hierarchical action plan based on the resources required, evaluating the results and seeking continuous improvement in energy management.

Lastly, the Group has a "Facility Maintenance Contractual Policy" committee, overseen by the Group's Real Estate Division.

To this end, and in order to ensure the sustainability of its technical infrastructure, ensure the optimal energy yield of its facilities and encourage partners (facility maintenance provider) to contribute to sustainable development, the Group maintains an ongoing dialogue with stakeholders. This cross-functional training committee includes in particular stakeholders involved in group purchasing, maintenance service managers and service users. The Committee defines a sustainability strategy for equipment, and on this basis draws up criteria for contractual arrangements, using the product and service specifications incorporating the required levels of performance.

4.2.2 MANAGEMENT OF THE GROUP IN ITS ENVIRONMENT

A. SAFETY OF FACILITIES

A healthcare facility is part of an ecosystem and interacts with the environment as a whole. Hospitals and clinics have the status of establishments open to the public ("ERP") and because their activities present general risks related to receiving the public, accommodation, catering and specifics related to the techniques and products used, they are subject to environmental regulations and standards designed to prevent such risks. The main regulations are:

- the general regulations applicable to classified installations (Articles L. 511-1 et seq. of the French Environmental Code), fire safety and electrical safety;
- protection against health hazards associated with asbestos exposure (in particular, articles R.1334-14 et seq. of the French Public health Code), risks associated with exposure to biological agents (Decree 94-352 of 4 May 1994) and ionising radiation (articles R.1333-1 et seq. of the French Public Health Code).
- the use of domestic hot water and gas for medical purposes.

Like all "ERP" buildings, the safety of Group facilities is regularly inspected by municipal or departmental commissions on safety. The inspections ensure that the facilities adhere to the safety standards and rules applicable. The committees also take action following any transformations of the buildings or one-off events, such as major work involving the installation of heavy-duty equipment or temporary reorganisation of the premises.

B. WASTE MANAGEMENT

1) Hospital waste in general

The management of hospital waste by the Group's healthcare facilities falls within the regulatory framework of Articles R. 1335-1 to R. 1335-8 of the French Public Health Code for waste from healthcare activities and R. 1335-9 to R. 1335-14 for the elimination of anatomical waste. Waste from healthcare activities ("DAS") is initially divided into hazardous waste from healthcare activities ("DASRI") and waste treated as household waste ("DAOM »). Within the first category, a distinction is made between waste from chemical/toxic medical waste and waste from healthcare activities involving a risk of infection.

After defining the concept of medical waste covering, in particular, waste arising from diagnostic, monitoring and preventive, curative or palliative treatment activities in the field of human medicine, as well as waste from medical research and training, the legislative provisions (based on EC Directive No 2008/98 of 19 November 2008) go on to define the conditions for the processing of this waste. The facilities used for the collection, storage and pre-treatment of medical waste are, in principle, subject to the provisions of the Public Health Code and not to French legislation on classified facilities. The waste producer (i.e. the healthcare facility) is directly responsible for disposal of this waste and is required to sign a written agreement with a waste collection and disposal contractor. The French Ministries responsible for health and the environment establish the mandatory terms and conditions of these agreements, together with the documentation requirements for the traceability of waste collection and disposal operations.

2) Waste from healthcare activities involving a risk of infection

Concerning waste from healthcare activities involving a risk of infection and similar waste (DASRI), the French Public Health Code provides for a specific procedure for separating this from other types of waste and the use of strictly regulated disinfection and incineration procedures. Furthermore, the transport of this waste for treatment outside hospital facilities is governed by the same requirements as those applicable to the transport of hazardous goods and materials. Hazardous medical waste tracking forms must be completed by the healthcare facility, the waste collection and disposal contractor and the operator of the waste processing facility.

The responsibility of the healthcare facilities extends to traceability of disposal, and the Group is committed to the relevant legislation in its contracts with the waste management and disposal contractors.

The Group has also set out to establish measures with the main service providers for the collection and management of hazardous waste (DASRI) to raise staff awareness on the effective sorting of such waste: providing training for staff and auditing practices within facilities.

Of the 127 Group facilities falling within the environmental scope and producing hazardous waste (DASRI) up to 30 June 2019, the following 38 facilities have been excluded from the scope of this indicator, as their data was not taken into account in the Group reporting:

- 28 mental health facilities (the latter produce small amounts of DASRI as a result of their activities).
- HP Sainte Marie Chalon, Clinique d'Argonay, Clinique La Parisière;
- Centre de radiothérapie Savoie Nord, Cers Saint Raphaël, Cers Capbreton;
- Clinique Saint Barnabé and Clinique Rosemond;
- Institut de Radiothérapie des Hautes Energies and the company Iridis Marseille.

During the reporting period considered, 5,342 tonnes of DASRI waste was collected in Group facilities.

3) Waste treated as household waste

It is not currently possible to establish the quantity of waste treated as household waste (DAOM) produced by the Group's healthcare facilities because it is collected by the local authorities and no weighing system is used.

4) Biowaste

In order to harmonise to a maximum extent the conditions for the collection of biowaste in the facilities and thus facilitate its management at Group level, the Group has referenced a provider that the facilities can call on to carry out these services. They may also, if they wish, take advantage of a support service (after conducting an audit, the provider can propose an organisation to implement the collection and provide staff awareness on the sorting of biowaste).

5) Fight against food waste

On the basis of feedback from the provider in charge of catering and patient satisfaction surveys, the Group is carrying out measures in some facilities to combat food waste.

It has also conducted a review of basic catering services to ensure that the quality and quantity of these meet the expectations of patients while preventing wastage.

Some outpatient facilities are testing an exit lounge. Whereas meal trays were previously offered to patients in their room, facilities are now providing patients with a lounge where snacks are offered: since patients are free to choose what they want and how much they want, there is less food waste.

Finally, the Group and its partner in charge of collective catering have developed a system to monitor "ghost trays", i.e. meal trays ordered but not consumed for various reasons (e.g. discharge of a patient). This monitoring makes it possible to analyse the causes of non-consumption and to put in place the necessary measures to reduce food waste.

C. WASTEWATER DISPOSAL

The healthcare facilities comply with national and local wastewater disposal regulations. Article L. 1331-10 of the French Public Health Code provides that "*any discharge of wastewater other than domestic wastewater into the public sewage system must receive prior authorisation from the mayor or, when competence in terms of collection at the point of discharge has been transferred to a public authority or a joint commission, by the Chairman of that public authority or joint commission, subject to the opinion of the public official responsible for the transport and treatment of wastewater and downstream treatment of sludge, if this local authority is different.*"

In addition to compliance with these provisions and depending on the zones of operation and their attachment to one regional authority or another, the healthcare facilities also comply with the provisions of agreements on approved effluents, which lay down the permissible levels of substance discharges. The data and the references vary, for example, depending on developments in the medical techniques used by the facilities, which have led to a very significant reduction or even the eradication of some types of discharge (e.g. disappearance of silver baths in the development of X-rays and the use of digital processes). In other areas such as nuclear medicine, the use of gamma cameras is accompanied by the in situ deployment of decay tanks for controlled waste disposal. In the architectural phase, block plans include a summary of permeable surfaces enabling ordinary rainwater to be distinguished from other water discharges.

It should be borne in mind that the industrial questionnaires implemented by the regional authorities (generally sanitation departments) relating to water usage and connections distinguish between process water, cooling, sanitary and washing water, and also list the discharge points by type of wastewater, the processing facilities and the measurements and analyses relating to the discharges. At central level, there is no management or statistical analysis of such information.

4.2.3 RESOURCE AND ENERGY MANAGEMENT

A. WATER SUPPLY AND MODERATION MEASURES

Ramsay Générale de Santé has implemented specific measures to help the healthcare facilities manage their supply and consumption of water. These measures are chiefly based on management by specially trained internal teams. Multi-technical contracts were the gradually rolled out across the facilities. Signed with specialised service providers, these contracts aim to increase the relevance of the actions carried out and allow for synthesis at a national level.

Water remains a necessary good for a large number of processes involved in the delivery of care (cleaning, cleanliness) and it is sometimes used for the provision of the care itself (rehabilitation centres and balneotherapy).

B. ENERGY MANAGEMENT AND MEASURES IMPLEMENTED TO IMPROVE ENERGY EFFICIENCY

In this case also, the internal teams at healthcare facilities are involved in the management and operation of flows. The principle of multi-technical contracts mentioned above is replicated in this area and enables daily, weekly and monthly checks to be established. The contracts propose a range of maintenance tasks established on a calendar basis.

The Group has established an energy management partnership. The chosen partner, UBIGREEN, is a company specialising in the energy and environmental performance of buildings, aimed at optimising the real-time management of energy consumption to achieve short-term savings. Through this partnership, Ramsay Générale de Santé optimises its environmental and energy choices based on energy audits, alternative solutions, real-time management of consumption and the incorporation of a sustainability approach into processes.

Courses of action include the following:

- Tariff adjustments on energy supply contracts
- Optimisation of metering plans
- Capitalisation in the form of reproducible best practices
- Measuring improvements to energy efficiency
- Review of work leading to energy savings with a profitable return on investment

Another dimension of energy-saving at national level has been arranged with specialised companies operating as a network and contributing to the implementation of solutions adapted to the facilities, thereby ensuring greater control over their energy efficiency. Specifically, the initiatives underway also cover a number of major priorities, namely:

- Tariff adjustments on energy supply contracts
- Management of the installations (human, technical and organisational resources),
- Adjustment of devices
- Regulation of facilities
- Proper solutions for insulation, lagging and a reduction of losses.

C. ENVIRONMENTAL IMPACTS

The following data provide a series of indicators on energy consumption (impact of the Group's activity on the environment) between 1 April 2018 and 31 March 2019, with the exception of electricity consumption, which is carried forward to 1 July 2018 – 30 June 2019. Please note as a precaution that the following entities have not been taken into account for the calculation of the indicators below:

IRM Bachaumont	Autodialyse du Vert Galant
Scanner Bachaumont Paris Centre	Imhotep
Société d'Imagerie Médicale de Drancy	TEP Jean Perrin
Centre de Radiothérapie Beauregard	

Electricity:

This indicator takes account of consumption by all companies within the environmental scope.

In the reporting period considered, 190,732 MWh of electricity was consumed by the in-scope companies, defined above.

It should be noted that this year, it was decided that the electricity consumption of meters for which the facilities have opted for a “blue tariff” would be excluded from reporting. As a reminder, the consumption of these meters represented 0.3% of the Group’s overall consumption for the 2016/2017 financial year.

Gas:

108 facilities use gas. However, the following entities have been excluded from the scope of this indicator (as the data could not be reported):

HP des Peupliers
SIM des Peupliers
Clinique Geoffroy Saint Hilaire
HP La Louvière
SAS des Peupliers

In the reporting period considered, 135,305 MWh was consumed by the in-scope companies, defined above.

District heating:

Twenty facilities have district heating systems. However, the following entities have been excluded from the scope of this indicator (as the data could not be reported):

HP Dijon Bourgogne
IRM Chenove
Clinique Monticelli-Vélodrome
Clinique Bon Secours (Arras les Bonnettes)
Clinique Blomet

In the reporting period considered, 22,407 MWh was consumed by the in-scope companies, defined above.

Water:

This indicator takes into account consumption by all entities within the environmental scope, with the exception of the following, for which no data is reported:

HP Dijon Bourgogne
HP Clairval
Clinique Psychiatrique du Parc
Institut de Radiothérapie de Hautes Energies
Clinique Blomet
Clinique Rosemond
SAS des Peupliers
BAYA HOTEL et SPA
Clinique de la Muette

Consumption was not taken into account in the calculation of the indicator due to the absence of information for the following facilities:

- Clinique du Parc Monceau (secondary facility of HPM Nord)
- Centre de jour de Douai (secondary facility of Clinique de l’Escrebieux)
- Office space belonging to Hôpital Privé d’Antony
- Clinique de la Maye (secondary facility of Hôpital Privé de Versailles)
- Clinique de Valence (secondary facility of Hôpital Privé Drôme Ardèche)

Most of the Group’s healthcare facilities operate in urban areas and are thus connected to the networks established and managed, directly or indirectly, by municipalities or regional authorities.

Over the reporting period, the Group’s facilities consumed 1,534,462 m³ of water.

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4.3 SOCIAL AND ETHICAL COMMITMENTS

The sustainability and development of Ramsay Générale de Santé is rooted in the Group's credibility as a key player in the private hospitalisation sector in France. To this end, management ensures that all internal stakeholders adhere to a set of values, which are published in a guide and widely distributed. These values relate mainly to:

- Personal well-being
- Safety
- Team spirit
- Continuous progress
- Responsible management

The objective is to promote shared principles when defining and implementing company actions, and in the behaviour of its employees, which are in the interest of patients, of medical partners, of the community of stakeholders, and also of the community in general. The success of a group like Ramsay Générale de Santé is only possible if it is considered by all as a responsible, honest and exemplary player in terms of human relations management.

4.3.1 INFORMATION CONCERNING CSR COMMITMENTS TO SUSTAINABLE DEVELOPMENT

A. ARCHITECTURAL MEASURES

All of the Group's new real estate projects include a High Environmental Quality (HEQ) component in a dynamic enriched by the experience of recent constructions and in particular the certification of the Hôpital Privé Dijon Bourgogne.

This dynamic calls for particular when consulting companies in relation to:

- Choice of construction products (collection for 75% of materials in contact with indoor air, floors, walls, ceilings);
- Construction suite nuisances (commitment to the low-nuisance construction site charter);
- Energy management (provisions limiting artificial lighting consumption not taken into account in the RT calculation).

Similarly, the development of projects incorporates the requirements associated with the operation of healthcare facilities related, in particular, with the management of clinical waste (classification of waste by type, estimation of hazardous and non-hazardous waste flows, arrangements made to promote sorting: DASRI-DAS-DD- Packaging waste-DND, choice of disposal routes with environmental, technical and economic analysis giving as much priority as possible to reclamation), with health security (medical activities, treatment of water and air, use of products or materials) and with the optimisation of the standard of care offered to users.

The projects are also gradually being appraised with the aim of integrating dimensions of maintenance, space quality and comfort.

B. CLIMATE CHANGE

The main sources of direct greenhouse gas emissions are those of any facilities with sensitive populations (patients, employees):

- Gas combustion (heating), fuel oil related to the use of generators (however these only operate in case of power failure)
- exceptional refrigerant leaks (building air conditioning), use of medical gases

In addition, the operation of the facilities necessarily generates indirect emissions of greenhouse gases. The main indirect emissions are:

- Generation, transmission and distribution of electricity
- Purchases of various products and services (including purchases of medicines, medical equipment, catering services, laundry services)
- Treatment of all waste generated by the facilities
- Transport of patients and visitors

However, the Group endeavours to reduce these indirect greenhouse gas emissions by implementing several measures developed in section 4.2.

C. Protection of biodiversity

As a socially responsible company, Ramsay Générale de Santé is concerned by the protection of biodiversity. This is why it gives priority to the construction of new facilities in urban or suburban areas which can be accessed by public transport, and dedicates a significant part of its projects to the development of a responsible natural environment. However, in view of its business activities, the Group has not put in place any indicators to measure the benefits of actions taken to protect biodiversity.

D. Economic, social and local impact of the Group's business

Ramsay Générale de Santé's strategy is to group its services in divisions located at the heart of major population basins with significant territorial health challenges. The Group organises its activities by considering all the medical and regional needs in the healthcare sector. It adapts its activities and its care offer to the environmental and human dimension of its sites.

In addition to its role as an employer, the Company takes into account local needs such as attractiveness and training in the management of its activities. Within this framework, partnership with "healthcare staff" training schools led to the recruitment and mentoring of numerous interns during the reporting period. These partnerships, principally with the IFSI nurse training institutes, have led the Group to:

- Take in interns at its facilities, who can thus acquire vocational skills and be followed up with a focus on high-quality professional induction and mentoring.
- Ensure the active presence of Ramsay Générale de Santé health executives in the IFSI's educational orientation cycles.
- Draw up intermediary and final assessments of the skills acquired by interns.

For several years, the Group has been welcoming medical interns to its facilities to validate their course of study. Nearly half of all interns in training in metropolitan France are in private facilities.

However, the nature of the activities of the Group's healthcare facilities is such that the following information is not deemed relevant:

- Impact on local or neighbouring communities: apart from employees recruited locally and the care provided by healthcare facilities, there is no impact on such populations.
- Conditions for dialogue with individuals and organisations: the medical authorisations obtained by the facilities in France are based on authorisations issued by the regulatory authorities. In this sense, dialogue on this subject with local populations is not relevant.

E. Partnerships or sponsorship initiatives

The Ramsay Générale de Santé Corporate Foundation has been working for almost ten years along with its public partners and the authorities to promote the development of therapeutic innovations in the field of cell therapy and regenerative medicine. The Foundation has contributed to a significant humanitarian initiative to promote the anonymous and free donation of stem cells from umbilical cords to respond to two specific challenges:

- Assist patients who are awaiting transplants by harvesting units of cord blood for therapeutic use in transplants.
- Assist medical researchers in the development of new cell therapy treatments, giving them units of placental stem cells for scientific use.

In recognition of its sponsorships, the Ramsay Générale de Santé Foundation received the Grande Cause Nationale 2009 label awarded by the French Prime Minister and the Prix Spécial du Jury 2012 awarded by the French private hospital federation ("Fédération de l'Hospitalisation Privée").

To respond to the needs of medical researchers, the Ramsay Générale de Santé Foundation is committed to developing an umbilical cord blood unit distribution system that is free, transparent and strictly compliant at both ethical and regulatory levels.

A Scientific Council, under the partnership between AP-HP and the Ramsay Générale de Santé Foundation, reviews researchers' requests in order to best meet their expectations.

Since 2017, the Ramsay Générale de Santé Corporate Foundation has been expanding its focus on preventive healthcare and developing innovative programmes to sensitise, inform and raise collective awareness of prevention. Prevention measures are structured on three levels:

- The primary prevention aims to prevent health problems by providing information on dietary, physical activity, stress management and sleep behaviours
- Secondary prevention: diagnosis and therefore screening, both derived from Ministry initiatives and by developing the Group's own measures
- Tertiary prevention, which is aimed at people who have been ill, to better prevent and avoid potential relapses.

The Scientific Group of the Ramsay Générale de Santé Corporate Foundation (separate from the Scientific Council) ensures the relevance and medical coherence of the Foundation's prevention measures. It verifies the proposals submitted to it within the framework of regular internal calls for proposals.

4.3.2 ETHICAL COMMITMENTS

A. INTERNAL PROCEDURES GOVERNING FAIR COMMERCIAL PRACTICES

Personalised care, safety, a team spirit and progress-oriented mindset and responsible management form a body of values which unite employees around a common, entrepreneurial spirit. The daily affirmation of these values aims to enable recognition internally but also by external partners such as practitioners, the regulatory authorities and the general public.

In terms of combating fraud, the Group relies on the general principles of internal control. Their practical application is based on management procedures and a methodological guide on the separation of tasks within the management processes of the facilities and their departments (which concerns the entire internal chain from the heads of facilities and divisions to the heads of the financial, accounting, payroll, human resources and IT functions and, more generally, any employee with responsibility for a team or an operational or support process). It is also based on tools and systems such as the automated accounting transaction monitoring system. This system is a powerful tool to prevent any risk of fraud.

In this area, in accordance with the principles that came into force with the enactment of the Sapin 2 Law, the Group has implemented an internal alert system designed to collect reports by employees on conduct or situations that are contrary to the company's code of conduct. The purpose of this widely circulated Code of Conduct is to prevent and detect acts of corruption or abuse of office. It illustrates the types of behaviour to be prohibited as they are likely to characterise misconduct. It also determines the penalties for the behaviour in question. This system is complemented by an appropriate policy on the acceptance and declaration of gifts and invitations in accordance with the general principles of the aforementioned Charter.

B. THE EXTERNAL FRAMEWORK OF THE RELATIONSHIP WITH SUPPLIERS.

Through the centralisation of its procurement, the Group has established a policy encouraging suppliers (equipment, medical devices, pharmaceuticals, etc.) to commit to continuous improvement of products and services in order to best meet the needs of patients and caregivers. As part of the agreements signed with suppliers, the parties make a mutual commitment to follow a set of common sustainable development values, and Ramsay Générale de Santé requires this to be implemented along the supply chain in order to also ensure the commitment of the suppliers of its suppliers.

The Group's numerous partners thus make a major commitment to sustainable development (membership of the United Nations Global Compact, Committee 21, Good Practice Charters).

C. The fight against tax evasion.

Similar to the application of accounting standards, in tax matters the Group applies the rigorous principles of constant compliance with the rules for determining its overall results and the results of each of its constituent entities, all within a responsible framework that complies with the requirements of the tax laws of each of the countries in which it operates. Overall, most of the Group's subsidiaries are bound by tax consolidation agreements for each country in which they are legally established. Declarations are drawn up in accordance with the tax procedures applicable in each of these countries. Cross-border flows are limited to the Group's internal financing requirements in strict compliance with the loan agreements. The actions are documented and reviewed with the assistance of external experts from regulated professions.

4.3.3 PROTECTION OF THE HEALTH AND SAFETY OF PATIENTS

For Ramsay Générale de Santé, placing the safety and quality of patient care at the heart of its medical practices is one of the keys to organising care and five commitments form the basis for achieving the desired levels of quality and safety of care:

- Patient safety remains the priority in all circumstances.
- The coordination of health professionals in personalised patient care is the standard for the organisation of healthcare.
- Continuous professional development of the teams is essential to ensure compliance with Good Practices and quality of care.
- Observance of good practices and patient satisfaction are indicators which are monitored on a continuous basis.
- Sharing experiences across the Group contributes to improving the quality and safety of patient care.

The facilities can thus ensure the consistency of their medical/healthcare projects with the requirements to secure certification by France's Higher Health Authority and the objectives of the French National Plan for Patient Safety.

Ramsay Générale de Santé takes great care to ensure that internal procedures are in place to guarantee patient safety. The data collection, analysis and coordinated processing of all the monitored and non-monitored risks, the latter being the most numerous, are handled within each Group facility by a Vigilance and Risk Monitoring Committee ("COVIR") with responsibility for gathering, analysing and monitoring the ongoing improvement plans based on the data collated within the framework of a system of signalling adverse events and management tables of potential risks. Each facility has drawn up its own risk map and defines any associated action plans.

This commitment is reflected in the organisation of the facilities and central services: continuous quality improvement, risk prevention and the organisation of coordinated care pathways are deemed to be the concern of all involved.

The Group ensures the involvement of professionals in this process and has chosen to embrace innovative methods: dedicated expert teams to support the field professionals; Qualiscope, a new internal quality reference system; carrying out annual audits; harmonising the main procedures; standardising common tools; and internal training are all solutions that guarantee this dynamic of continuous improvement in quality and patient safety.

The implementation of dedicated tools (paragraph A) and its organisational expertise in various healthcare-specific sectors (paragraphs B to G), allow the Group to cover the entire methodological spectrum when accompanying patients in safety along their care journeys by means of specific monitoring, prevention and control measures.

A. METHODS AND TOOLS DEDICATED TO PATIENT PROTECTION

"Qualiscope" reference system

The "Qualiscope" reference system was developed on the basis of regulatory and enforceable criteria and on the Group's values and strategic objectives. It offers a rigorous and homogeneous working framework for teams at Group facilities. This reference system is focused on priority objectives: safe patient care, administration of medicines, patient documentation, pain prevention, patient information and the evaluation of professional practices. It aims to support the in-field teams in the steering and implementation of quality assurance projects, medical projects, evaluation of the quality of healthcare organisation and planning of HAS certification (the mandatory external evaluation of the organisation of healthcare facilities which takes place every four years).

Qualiscope also guarantees consistency with processes such as continuous professional development or France's "Digital Hospital" project, and enables experience to be shared throughout the Group. Regular audits help the Group ensure the longevity and continuity of the continuous improvement approaches to standards of patient care and safety.

"GERIMED" software

All adverse events are classified and analysed in a common platform known as "GERIMED". The aim is to implement a safety-first culture and to learn from any incidents. Thanks to an adapted training programme, individual health professionals can flag, analyse and handle as a team the sources of incidents to be able to overcome and learn from them to avoid any recurrence.

Systemic analysis method

The occurrence of (serious) adverse events is the subject of a root cause analysis implemented in a multi-disciplinary manner in order to ensure teamwork, encourage the sharing of experiences and prevent their future re-occurrence. Morbidity-mortality reviews, carried out on a regular basis in multi-disciplinary teams, supplement this process. In addition, experience and feedback is shared by addressing specific topics in inter-facility meetings that are held to enable the situations behind the emergence of any crises and incidents to be discussed and best practices to be shared.

Analysis of patient satisfaction and listening

A questionnaire given to each patient aims to measure their satisfaction. The responses are entered and analysed on a dedicated platform developed for this purpose. The information collected makes it possible to measure the quality of services and to set up any measures for improvement locally or on a wider scale. This approach, considered in terms of pathologies, interventions and rehabilitation phases makes it possible to ensure that practices and deadlines implemented for patients are efficient.

B. PREVENTION AND MONITORING OF HOSPITAL-ACQUIRED INFECTIONS

The fight against Healthcare-Associated Infections (HAI) is one of the major public health challenges and is a constant focus of the Ramsay Générale de Santé group.

All of the Group facilities have a Technical Committee on Nosocomial Infections ("CLIN"), which reports to the Facility Medical Board ("CME") and is supported by a Hospital Hygiene Team ("EOH"). All these CLINs and EOHs are coordinated at the Group's head office by a specialised doctor in the Health Security Unit (CSS). In each facility, the CLIN is responsible for preparing an annual action programme for preventing nosocomial infections, coordinating the actions of the facility's medical staff and establishing an activity report on the actions taken to prevent such infections. The EOH is in charge of the practical organisation of the fight against nosocomial infections, in particular in relation to staff training, evaluation audits, and investigations of alerts and internal and external reporting, as necessary.

The CLIN and EOH activity reports at all French hospitals and clinics are analysed in detail and rated, and all of the scores are available to the general public on the website of the French National Health Authority (HAS); the demands for these scores rise over time.

The purpose of publishing these scores is to respond to the need for transparency in respect of users, and to develop indicators to evaluate the improvement of the prevention of risks of infection within the facilities. They are analysed for the HAS certification of healthcare facilities and also have a financial impact (through the funding of Quality and Safety of Care Indicators: IQSS). The results of these scores have been posted at all Group facilities for several years.

Furthermore, the Health Security Unit (CSS - Cellule de Sécurité Sanitaire) at the Group Risk Department coordinates a specific arm in charge of the monitoring, early-warning and investigation of infectious risks at Group's facilities (with a 24/7 obligation) in close cooperation with the healthcare authorities (ARS) and the 17 national support centres for the prevention of associated infections (CEPIAS): Centre for the prevention of healthcare-associated Infections (ex CCLIN), as well as the public health surveillance agency: Public Health France (CPF). The Ramsay Group ensures the implementation of PROPIAS (National Programme for the Prevention of Healthcare-Associated Infections) actions, in particular specific actions for the control of multi-resistant bacteria and the prevention of hand-transmitted infections for all our facilities, and specific surveillance of post-operative infections (ISO) are now in place in all the Group's medical-surgical facilities (MCOs).

In order to improve the responsiveness of management teams in sensitive situations, the Health Security Unit coordinates crisis communication training courses which are organised to train all new facility directors to help them manage crisis situations related to a serious infectious risk, and more generally any crisis situation including SAEs (Serious Adverse Events Associated with Care) which must now be systematically reported to the health authorities.

C. HAEMOVIGILANCE

Haemovigilance, according the French Public Health Code, is the "systematic monitoring of the entire blood transfusion chain, from the donation of blood and its components to the subsequent follow-up of recipients".

The haemovigilance procedure is primarily based on the following:

- The French Agency for Medicines and Health Products ("ANSM) ensures the implementation of haemovigilance: it defines the national strategy, steers and coordinates the actions of all parties involved, monitors compliance with surveillance procedures and, as necessary, takes all measures required to safeguard the blood supply and/or refer matters to the relevant authorities.

- Haemovigilance officers are appointed by the heads of every healthcare facility, whether public or private, to supervise haemovigilance procedures, establish structured processes and report any unintended or adverse effects resulting from the administration of labile drug products. These officers are either doctors based at the facility or pharmacists. Stand-ins must also be appointed.
- When a healthcare facility has a blood bank, a head and manager of the bank are appointed and trained (specific training). Here too, the relevant individuals are doctors or pharmacists, for whom stand-ins are also appointed. The facility may also call on technicians for day-to-day operation of the blood bank (blood bank distribution).
- At regional level, regional haemovigilance coordinators supervise the regional blood surveillance procedure and report to the relevant authorities. These coordinators report to the Regional Health Authority.

In this regard, Ramsay Générale de Santé deploys a continuous improvement process for standards of blood transfusion safety and haemovigilance. A system of surveillance and permanent alert is in place at the facilities, from the prescription of blood until the follow-up of transfused patients. Its purpose is to collate transfusion data and evaluate any ensuing adverse effects to prevent their recurrence, and to ensure the traceability of the products administered.

The Group's facilities report all serious incidents in the blood transfusion chain to the ANSM, i.e. incidents arising during a stage in the transfusion process, irrespective of whether a transfusion has already taken place. To this end, the Ramsay Générale de Santé Group, with its experience in this area, actively participates in the development of national analysis tools for such incidents and is involved in the data analysis, recommendation and regulation bodies of the ANSM. The Group also helps establish recommendations on good practices through the Higher Health Authority.

The facilities apply regulations on the traceability of blood products by maintaining blood transfusion incident reporting systems common to all their healthcare facilities, together with a manual of good transfusion practices and an information brochure for patients. To further improve the traceability and management of stocks of blood products in blood banks, the Medicine, Surgery and Obstetrics facilities have a software solution which automates the monitoring of transfusions from the initial transfusion request through to discharge of the patient.

A network of haemovigilance blood surveillance correspondents completes the organisation, ensuring ongoing training and promoting the sharing of experiences and knowledge. Through this network, the Group plans to harmonise practices and help to continuously improve patient care.

D. PHARMACOVIGILANCE

The purpose of pharmacovigilance is to monitor medicinal products to prevent the risk of adverse reactions resulting from their use, whether this risk is potential or proven. It is an important safeguard that is performed throughout the life of a medicinal product.

Pharmacovigilance is coordinated at national level by the French Agency for Medicines and Health Products (ANSM), assisted by its network of 31 Regional Pharmacovigilance Centres (CRPV).

The mandatory section of the contract for the improvement of the quality and efficiency of care (CAQES) places particular emphasis on risk management and the decree of 6 April 2011 specifies that the facility's management, in consultation with the chairperson of the facility's medical commission or medical committee must put in place an organisation that is responsible for the analysis of adverse events, medication errors or deficiencies related to the provision of care.

In addition, any doctor, dental surgeon, midwife or pharmacist must immediately report any adverse reaction they suspect is due to a product set out in Article R.5121-150, of which they are aware, to the regional pharmacovigilance centre. Other health professionals, patients and approved patient associations may report any adverse reaction suspected of being due to a drug or product on the same list.

In this regard, the clinical pharmacist ensures, for each facility, that any serious or unintended adverse effects likely to be attributed to the use of medicinal substances (or related products including blood-based products), any sterile medical devices (disposable or non-disposable), or to their improper use, are promptly reported to the regional pharmacovigilance centre to which the facility belongs.

E. BIOVIGILANCE

Biovigilance consists of monitoring incidents and the risks of incidents relating to the cells, tissues and organs of the human body used for therapeutic purposes, to human-derived products other than medicines, to medical devices incorporating human body elements and products and to ancillary therapeutic products together with the adverse effects resulting from their use.

The "AFSSAPS" implements the biovigilance system at national level, assisted by a national biovigilance commission.

Every healthcare facility is required to appoint a local biovigilance officer responsible for informing the competent authorities of any incidents or adverse effects, and conducting suitable examinations and investigations.

The Ramsay Générale de Santé Group chiefly carries out cornea transplants at facilities specialising in ophthalmology.

F. Medical device vigilance

Medical device vigilance involves monitoring incidents or risks arising from the use of specific medical devices once they are on the market as defined by Article L5211-1 of the French Public Health Code.

This monitoring activity is organised in much the same way as haemovigilance and pharmacovigilance with, in particular, the mandatory appointment of local medical device vigilance officers in each healthcare facility (pharmacist and bio-medical engineer) who are responsible for reporting to the "AFSSAPS" and device manufacturers any incidents, risks or malfunctions involving the devices.

Pursuant to the regulatory procedure, one medical device vigilance officer per healthcare facility is registered with the "AFSSAPS".

G. Crisis management

A 24/7 monitoring system enables the Quality, Risks and Healthcare Division to fulfil its duty of collating all alerts relating to serious adverse events and *never events* (events that should never happen) arising in the healthcare facilities involving the provision or organisation of patient care. It handles these events, coordinates management and conducts analyses. On this point, see section 3.2.6 of this document concerning the Health Security Unit).

Finally, the Ramsay Générale de Santé Group is currently developing a risk management training policy to move forward from reactive individual risk management to proactive collective risk management as part of everyday practices at Group facilities. Training is offered at the healthcare facilities to improve the application of the methodology along with the tools for identifying and analysing potential risks.

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4.4 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD-PARTY BODY, ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION APPEARING IN THE MANAGEMENT REPORT

To the general meeting of shareholders of the company Ramsay Générale de Santé,

In our capacity as statutory auditor of Générale de Santé, appointed as an independent third-party body and accredited by certification body COFRAC under the number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby present our report on the consolidated statement of non-financial-performance for the financial year ended 30 June 2019 (hereinafter the “Statement”), as presented in the group management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the company

The Board of Directors is responsible for preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main-non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators. The Statement was prepared by applying the company's procedures, (hereinafter the “Reference System") the significant elements of which are presented in the Statement and available on request at the company's head office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession of Statutory Auditor. In addition, we have implemented a quality control system with documented policies and procedures to ensure compliance with the code of ethics, professional standards and applicable laws and regulations.

Responsibility of the Statutory Auditor appointed as an independent third party body

We are responsible, on the basis of our work, to issue a reasoned opinion expressing a conclusion of limited assurance on the following:

- compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided in accordance with para. 3 of sections I and II of Article R. 225-105-of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks, hereinafter the "Information".

It is not, however, our responsibility to deliver an opinion on the following:

- the company's compliance with other applicable legal and regulatory provisions, in particular with regard to due diligence, the fight against corruption and taxation;
- compliance of products and services with applicable regulations.

Nature and scope of the work

Our work described below was performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, which determines the procedures followed by independent third parties in carrying out their assignment, and with the professional standards of the French National Auditing Body (Compagnie Nationale des Commissaires aux Comptes) in relation to this task, as well as international standard ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We carried out audit work that allows us to assess the Statement's compliance with the regulatory provisions and the fair presentation of the Information:

- We familiarised ourselves with the business activities of all the companies included in the scope of consolidation, of the presentation of the main social and environmental risks related to these activities, and of their effects in terms of respect for human rights and the fight against corruption and tax evasion, together with the subsequent policies and their results;.
- We assessed the suitability of the Reference System in terms of its relevance, completeness, reliability, neutrality and comprehensibility, taking into account industry best practices, where appropriate.
- We verified that the Statement covers each category of information provided for in section III of Article L. 225-102-1--regarding social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement includes an explanation of the reasons for the absence of the information required by the second paragraph of section III of Article L. 225-102-1.
- We verified that the Statement presents the business model and the main risks related to the activity of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as its policies, actions and results, including key performance indicators.
- We verified, where relevant with regard to the main risks or policies presented, that the Statement presents the information provided for in section II of Article R. 225-105.
- We assessed the process of selecting and validating the main risks.

- We inquired as to the existence of internal control and risk management procedures implemented by the company.
- We assessed the consistency of the results and key performance indicators selected with respect to the main risks and policies presented.
- We verified that the Statement includes a clear and reasoned explanation of the reasons for the absence of a policy in relation to one or more of these risks.
- We verified that the Statement covers the scope of consolidation, i.e. all of the companies included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement.
- We assessed the information gathering process implemented by the entity aimed at ensuring the completeness and sincerity of the Information.
- In relation to the key performance indicators and other quantitative[16] results we considered most important, we implemented the following:
  - analytical procedures to verify the correct consolidation of the data gathered and the consistency of their trends;
  - detailed testing on a sample basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents.
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) we considered to be the most important[17];
- We assessed the overall consistency of the Statement in relation to our knowledge of the Group.

In our opinion, the work we conducted in applying our professional judgment provides a limited level of assurance; a higher level of assurance would require more extensive audit work.

Means and resources

Our work engaged the skills of five people in October 2019.

To assist us in carrying out our work, we drew on the expertise of our specialists in sustainable development and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement.

Conclusion

On the basis of our work, we have not identified any material misstatements likely to call into question the fact that the non-financial performance statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly in accordance with the Reference System.

Comments:

Without qualifying the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- The scope of reporting is not consistent across all social and environmental indicators, due to the exclusion of certain entities, and does not include data relating to the recently acquired Capio Group;
- As stated in the Statement, the reporting period used for training is the calendar year 2018 and not the financial year ending 30 June 2019;
- The indicator "total training hours" refers only to the hours of training undertaken and paid for over the period, not those completed;
- The environmental indicators were consolidated this year over a reporting period from 1 April 2018 to 31 March 2019, with the exception of electricity consumption.

Paris-La Défense, 31 October 2019
One of the Statutory Auditors,

Deloitte & Associés

Jean-Marie Le Guiner
Partner, Audit

16 Equivalents temps Plein payés moyens, Nouveaux contrats CDI, Licenciements CDI, Nombre de jours d'arrêt de travail par catégorie d'absence, Nombre d'accidents de travail et trajet avec arrêt, Nombre de jours d'arrêt de travail liés aux accidents de travail et trajet, Heures de formation totales, Heures de formation soldées, Nombre de personnes engagées dans une formation, Consommation d'électricité, Consommation de gaz, Consommation de chauffage urbain, Consommation d'eau, Tonnage des DASRI.

17 Visites périodiques de sécurité par des commissions régionales, Cadre interne de la loyauté des pratiques.

PART 5CORPORATE GOVERNANCE

5.1 DIRECTORSHIPS, MANAGEMENT, SUPERVISION AND GENERAL MANAGEMENT BODIES

Ramsay Générale de Santé is a French limited company ("Société Anonyme") with a Board of Directors. A summary of the main provisions of the rules of procedure and internal regulations are provided in section 6.4.7 of this document.

5.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

As of the reporting date, the Company's Board of Directors comprises ten members, as shown in the following table, which takes into account any changes up to 24 October 2019.

Name and surname or company name	Date of appointment to the current directorship	Date of expiry of the term	Number of company shares held
Chairman			
Craig McNally	General Meeting of 13 December 2016	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Vice-Chairman			
Jean-Jacques Duchamp	General Meeting of 13 December 2016	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Independent members			
Anne-Marie Couderc	General Meeting of 13 December 2016	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Valérie Hortefeux	General Meeting of 13 December 2016	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Director representing employees			
Elvire Kodjo	Board of Directors' meeting of 25 September 2019	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2023	-
Other Board members			
Carmel Monaghan	General Meeting of 13 December 2016	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Olivier Chrétien	Board of Directors' meeting of 3 October 2018[(1)]	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Bruce Soden	General Meeting of 13 December 2016	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2020	-
Crédit Agricole Assurances Represented by: Magali Chessé	General Meeting of 14 December 2017	Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2021	-
Ramsay Health Care (UK) Ltd. Represented by Peter Evans	General Meeting of 14 December 2017	Date of the Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2021	57,993,112

(1) Olivier Chrétien was co-opted by decision of the Board of Directors on 3 October 2018. This appointment was ratified by the General Meeting of 13 December 2018.

The table below lists the directorships of Board members on the basis of the latest information or the information known at the date of filing of this document:

Name	Age	Date of initial appointment	Main position at the Company	Main position outside the Company	Other positions or directorships held during the last five years (other than at a subsidiary of the Company)
Chairman					
Craig McNally	58	01/10/2014	Chairman of the Board of Directors Member of the Appointments and Remuneration Committee	Chairman and CEO of Ramsay Health Care Limited Member of the Board of Directors' Risk Management Committee	Director of Ramsay Health Care (UK) Limited. Director of Ramsay Sime Darby Sdn Bhd
Vice-Chairman					
Jean-Jacques Duchamp	65	01/10/2014	Vice-Chairman of the Board of Directors Member of the Appointments and Remuneration Committee	Deputy Managing Director of Crédit Agricole Assurances	Director of Société Foncière Lyonnaise Representative of Prédica, Director of Gécina, Director of Semmaris, Director of CLH Director of Comexposium Director of a number of companies within the Crédit Agricole Group (CRP-AM, Pacifica, Spirica)
Independent directors					
Anne-Marie Couderc	69	27/03/2014	Independent member of the Board Chair of the Appointments and Remuneration Committee Member of the Audit Committee	Chair of the Board of Directors of Air France KLM Member of the Audit Committee of Air France KLM	Independent member of the Board of Directors of Plastic Omnium Chair of the Board of Directors of Presstalis Independent member of the Board of Directors of Transdev

Valérie Hortefeux	51	27/03/2014	Independent member of the Board Member of the Audit Committee Member of the Appointments and Remuneration Committee Member of the Risk Committee	Member of the Board of Directors of Mediobanca	Member of the Board of Directors of Blue Solutions Member of the Board of Directors of Socfinasia

Director representing employees

Elvire Kodjo	40	25/09/2019	Member of the Board	Head of the Care Unit of Hôpital Privé Armand Brillard	

Directors

Carmel Monaghan	48	27/04/2016	Member of the Board Chair of the Risk Committee	Chief of Staff of the Ramsay Health Care Group (Australia)	Trustee of Ramsay Hospital Research Foundation Ltd.
Olivier Chrétien	52	03/10/2018	Member of the Board	Group Strategy Director at Ramsay Health Care	French Foreign Trade Advisor in Australia Managing Director, Business Development & Corporate Planning, Wesfarmers Ltd Managing Director, Wesfarmers Industrial & Safety
Bruce Soden	65	01/10/2014	Member of the Board Member of the Audit Committee	Director and Group Chief Financial Officer of Ramsay Health Care Limited	Director of Ramsay Sime Darby Health Care Sdn Bhd, Ramsay Health Care Joint Venture with Sime Darby Director and Vice-Chairman of the Board of Directors of Ascension Ramsay Global Sourcing Limited and Ramsay Health Care Joint Venture with Ascension Holding International LLC

Crédit Agricole Assurances		23/02/2015	Member of the Board Chair of the Audit Committee Member of the Risk Committee		
Magali Chessé (1)	45	18/01/2016	Permanent representative of Crédit Agricole Assurances on the Board	Share Investment Strategy Officer at Crédit Agricole Assurances	Member of the Supervisory Board of Indigo and Elis, Member of the Boards of SAS Arcapark and Cassini Permanent representative of Prédica on the Board of Directors of Frey and Semmaris Member of the Board of Directors of 2i Aeroporti SpA Non-voting observer of Siparex Associés and Tivana France Holding Group TDF Permanent representative of Predica on the Supervisory Board of SCA Effi Invest II
Ramsay Health Care (UK) Limited		23/06/2015	Member of the Board Member of the Audit Committee		
Peter Evans (1)	70	24/05/2016	Permanent representative of Ramsay Health Care (UK) Limited on the Board of Directors	Deputy Chairman of Ramsay Health Care Limited. Chairman of the Audit Committee and Risk Management Committee; member of the Appointments and Remuneration Committee. Trustee of the Paul Ramsay Foundation.	

(1) The date indicated is the date of appointment as permanent representative

5.1.2 PROFILES OF BOARD MEMBERS AND PERMANENT REPRESENTATIVES OF LEGAL ENTITIES

Craig McNally

Craig McNally has been Chief Executive Officer of Ramsay Health Care Group since July 2017 after having held various positions in the group over the past 27 years, including leading Ramsay's global strategy, growing the company to tenfold its size by strengthening the capabilities of the existing portfolio, new facilities and acquisitions (including Affinity Health Care, Capio UK, Ramsay Health, Ramsay Sime Darby and Générale de Santé, now Ramsay Générale de Santé), in addition to direct responsibility for Ramsay's operations in Europe and Asia

Craig McNally has been Chairman of the Board of Directors of the Company since June 2017.

His business address is 126 Phillip Street, Sydney NSW 2000, Australia.

Jean-Jacques Duchamp

Jean-Jacques Duchamp has been Deputy Managing Director of Crédit Agricole Assurance since 2011.

He graduated as an agronomist from France's National School of Forestry and Water Resources, working at the World Bank and subsequently the Ministry of Agriculture before taking up a post in Crédit Agricole's general inspection department in 1985.

In 1991, he became Director of Financial Management at CNCA (now Crédit Agricole SA), and was appointed Financial Director of Predica in 2011. He has served as the Director of the Finance, Internal Audit and Business Division of Predica and a member of the Executive Committee since 2004.

His business address is 16-18 boulevard de Vaugirard, 75015 Paris.

Elvire Kodjo

Elvire Kodjo, born in 1979, graduated in 2002 from the Institut de Formation en Soins Infirmiers Théodore Simon (Neuilly sur Marne). She is currently in charge of a care unit at the Hôpital Privé Armand Brillard in Nogent sur Marne where she manages a team in the dialysis and chemotherapy departments. She has also been a staff representative since 2004.

Elvire Kodjo was appointed to the Board of Directors of Ramsay Générale de Santé SA on 25 September 2019 as a Director representing employees pursuant to Article L.225-27-1 of the French Commercial Code as amended by Law n°2015-994 of 17 August 2015 on to social dialogue and employment.

Her business address is Hôpital Privé Armand Brillard, 3-6 avenue Watteau, 94130 Nogent-sur-Marne.

Anne-Marie Couderc

Born on 13 February 1950, Anne-Marie Couderc is a graduate in private law and holds a diploma to practise as a lawyer.

She began her career in 1972 as a lawyer at the Paris bar. She was Legal Manager of Hachette's industrial sector from 1979 to 1982, and then held various management positions within the Lagardère Group from 1982 to 1995.

Concurrently, Anne-Marie Couderc has pursued a political career,- having been a municipal elected official in Paris in 1983, before serving as a Paris councillor until 2001, then as Deputy Mayor of Paris from 1989 to 2001. Elected to parliament in 1993, she served in government in 1995 as Secretary of State to the Prime Minister, Employment Secretary, and subsequently as Deputy Minister for Employment at the Ministry of Employment and Welfare in Alain Juppé's second government until 1997.

In 1997, she was appointed Managing Director and of Hachette Filipacchi Associés and then, from 2006 to 2010, Secretary General of Lagardère Active (press and audiovisual activities). From 2011 to 2017, she was Chairperson of the Presstalis Group (press distribution business). She was appointed to the Board of Directors of Générale de Santé (now Ramsay Générale de Santé) in March 2014.

Anne-Marie Couderc is non-executive Chairperson of the Air France-KLM Group and of the Board of Directors of Air France and Chairperson of the Appointments and Governance Committee.

Her business address is 2 rue Robert Esnault-Pelterie 75007 Paris.

Magali Chessé

Magali Chessé has been the Share Investment Strategy Officer at Crédit Agricole Assurances since 2010. She started her career at Private Equity in 1999 (risk capital / capital development), then became Director of Investment at Crédit Agricole Private Equity, before joining Predica, where she was in charge of managing and monitoring equity, private equity and infrastructure asset classes. Magali Chessé is a director of Foncière Frey, the 2i Aeroporti airport platform and a member of the Supervisory Board of Indigo and Elis. She represents the Crédit Agricole Group on various boards and bodies. She holds degrees in economics and business administration (University of Strasbourg, University of Paris Dauphine) and is a member of the French Society of Financial Analysts. She also holds a Certificate of Corporate Directors (IFA/Sciences-Po).

Her business address is 16-18 boulevard de Vaugirard, 75015 Paris.

Valérie Hortefeux

Born in 1967, Valérie Hortefeux began her career in 1994 in the communication sector, in a number of marketing and communication positions with Radio Monte Carlo. She worked on the Sofirad strategy (holding company for the French State's holdings in external broadcasting companies) directly with its Chairman before joining Banque Privée 1818 as a private banker and then in the Origination Department until 2015. She was appointed as an independent director to the Company's Board of Directors in March 2014. She also sits on the Audit Committee, the Appointments and Remuneration Committee and the Risk Committee.

Member of the Board of Directors and Chairperson of the Appointments and Remuneration Committee of Blue Solutions (Bolloré Group) since 2013, Valérie Hortefeux was appointed Director of Mediobanca on 27 October 2017 and is a member of the Risk Committee, the Remuneration Committee and the Shareholders' Agreement Committee of the Bank of Milan.

Carmel Monaghan

Carmel Monaghan was appointed Chief of Staff of Ramsay Health Care in 2015 and is responsible for planning and directing the administrative, operational and strategic activities of the Office of the Chief Executive Officer. She is also responsible for the global marketing strategy, for brand management, for public files, for communication and for the company's social responsibility scheme.

Carmel Monaghan joined Ramsay Health Care in 1998 and has steered the company's marketing and communication strategy through several major mergers and acquisitions, both in Australia and abroad. During this period, she assumed various functions, including most recently that of Ramsay's Global Director of Marketing and Public Records, and handler for the coordination of the company's worldwide marketing activities, all while guaranteeing that they remain consistent with performance improvements within the company.

Before joining Ramsay Health Care, Carmel Monaghan was Director of Public and Media Relations of the Queensland branch of the Australian Medical Association (AMAQ) for four years, between 1994 and 1998.

She was a member of the Board of Directors of the Veteran's Research Foundation between 1998 and 2005 and is currently the Director and Secretary General of the Gallipoli Medical Research Foundation, a role which she has held since the foundation was established in 2005.

Carmel Monaghan was appointed Director of Ramsay Générale de Santé SA in April 2016.

She holds a Bachelor of Business in communications from the University of Technology in Queensland, and obtained her master's degree in business administration in 2002.

Her business address is 126 Phillip Street, Sydney NSW 2000, Australia.

Peter Evans

Peter Evans was appointed Deputy Chairman of Ramsay Health Care on 27 May 2014 after having served as Non-Executive Director from his appointment to the Board of Directors in 1990. He began his career at Ramsay Health Care in 1969 as a chartered accountant after working for twenty years with KPMG's predecessors. He specialises in the financial management of hospitals and has over 45 years of extensive experience in the health care field. Peter Evan is the Chairman of the Audit Committee and Risk Management Committee of Ramsay Health Care, and is also a member of the Remuneration Committee.

He is also a trustee of the Paul Ramsay Foundation. He has been actively involved with several other charity organisations over many years.

His business address is 126 Phillip Street, Sydney NSW 2000, Australia.

Bruce Soden

Bruce Soden has been the Group Finance Officer for Ramsay Health Care since the start of 1997. In this role, Mr Soden is responsible for all financial operations and corporate governance functions of the business, including treasury, banking and finance, legal and company secretariat, investor relations, Group accounting and taxation. During his 27 years with the Group, Bruce Soden has led the capital management strategy of Ramsay Health Care through many critical milestones, including the acquisition of the privatised Department of Veteran Affairs' hospitals Hollywood and Greenslopes, Ramsay's listing on the ASX in 1997, the company-transforming acquisitions of Affinity Health Care, Capio UK, Ramsay Santé, Ramsay Sime Darby and Ramsay Générale de Santé, and the capital procurement for these.

Bruce Soden is a member of the Risk Management Committee on the Board of Directors of Ramsay Health Care, and is also a Director of Ramsay Sime Darby Health Care Sdn Bhd.

Mr Soden was also previously Finance Director of Ramsay's operating entities after four years spent in New Orleans (USA) as the Director and Senior Vice President of Ramsay Health Care Inc., a listed US healthcare company.

Before joining Ramsay in 1987, Bruce Soden was a financial consultant for a major global accounting firm for 11 years.

His business address is 126 Phillip Street, Sydney NSW 2000, Australia.

Olivier Chrétien

Based in Australia since 2005, Olivier Chrétien joined Ramsay Health Care as Group Chief Strategy Officer on 28 May 2018. He is in charge of strategy, investments and acquisitions, and innovation within the Group, as well as the Pharmaceuticals Division in Australia. He is also a member of the Board of Directors of Ramsay Sime Darby, the Joint Venture that manages the Group's hospital assets in Asia. He is also French Foreign Trade Advisor in Australia.

Olivier Chrétien has extensive experience in business management as well as growth and acquisition strategies. Prior to joining Ramsay Health Care, Mr. Chrétien spent 12 years in senior management positions with the Wesfarmers Group, an industrial and retail conglomerate and Australia's largest private employer. There he executed a large number of acquisitions, divestments and restructuring programmes and was a member of the Group Executive Committee for 10 years. In charge of the Industrial & Safety division, he managed an industrial portfolio in Australia, New Zealand, Indonesia, China and the United Kingdom and implemented a restructuring and growth strategy that saw the division's sales exceed USD 1.7 billion. In 2015, he took responsibility for acquisitions and Group strategy and joined the Boards of Directors of the various Group divisions. Before joining Wesfarmers, he worked for 9 years for BCG, an international strategy consulting firm, mainly for international pharmaceutical groups as well as airlines and hotel groups, in France and Australia. He started his career at Serete Productique, in charge of logistics and automation for industrial projects.

Olivier Chrétien is a graduate of the Ecole Centrale de Paris and holds an MBA from Insead and an Executive MBA from Harvard Business School. He is also a graduate of the Australian Institute of Company Directors.

His business address is 126 Philip Street, Sydney NSW 2000, Australia.

5.1.3 Meetings of the Board of Directors

The Board of Directors met thirteen times between 1 July 2018 and 30 June 2019, with an average attendance rate of over 90%. The high number of meetings for this financial year compared to that of an average financial year, is linked to the decisions and operations relating to the acquisition of the Capio Group and to the capital increase that made it possible to refinance this acquisition.

The Committees created by the Board of Directors also held meetings to prepare the recommendations necessary for the Board's work prior to the Board meeting, and also examined all issues relating to the tasks assigned to them by the rules of procedure adopted and updated by the Board. Thus, the Audit Committee met five times with an attendance rate of 96%, the Appointments and Remuneration Committee held three meetings with the participation of all its members, and the Risk Committee concentrated its work on a single meeting with the participation of all its members.

5.1.4 General Management

The Company is a limited liability company with a Board of Directors, having opted for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer.

At the reporting date, general management is carried out by a single Chief Executive Officer.

The term of office of the Chief Executive Officer, initially appointed by the Board of Directors on 30 June 2011, was renewed once by the Board of Directors on 17 June 2014, and then a second time by the Board of Directors on 13 December 2016. This three-year term of office will expire at the end of the next General Meeting, which will vote on 10 December 2019 on the financial statements for the financial year ending 30 June 2019.

The Board of Directors will decide on the renewal of the Chief Executive Officer's term of office at the end of the General Meeting of 10 December 2019, the Appointments and Remuneration Committee having, in its meeting of 22 October 2019, decided to recommend that the Board renew the term of office for a further period of three years.

Name and surname or company name	Date of appointment	Date of expiry of the term	Number of company shares held
Chief Executive Officer			
Pascal Roché	Board of Directors of 13 December 2016	Ordinary General Meeting of the Company convened om 10 December 2019 to approve the financial statements for the financial year ended 30 June 2019	-

The positions held by the Chief Executive Officer are as follows:

Name	Age	Date of initial appointment	Main position at the Company	Main position outside the Company	Other positions or directorships over the last five years (other than at a subsidiary of the Company)
Pascal Roché	56	30 June 2011	Chief Executive Officer	Chairman of Compagnie Générale de Santé SAS (France) Chairman of Capio AB (Sweden)	Director of Aviva

5.1.5 Profile of the Chief Executive Officer

Born in 1962, Pascal Roché is a French HEC graduate, with a degree in private law (Paris II Assas) and a higher qualification in Economics and Strategy of organisations (Paris Dauphine, 1985), and is also an IAF actuary (1995). He started his career as a strategy consultant before entering the insurance division of the UAP Group in 1991 (later AXA France), where he assumed responsibility for several operating divisions before being appointed as Deputy CEO of Axa France Services in 2000, then as Director of Central Functions at Axa France. In 2002, he was appointed as the Chief Executive Officer of the Barclays Banking Group for France before serving as Chief Executive Officer for Barclays Spain in 2010. He joined Générale de Santé in June 2011 as CEO.

His business address is at the Company's registered office, 39 rue Mstislav Rostropovitch 75017 Paris (France).

5.1.6 Declarations concerning members of the Board of Directors and General Management

To the Company's knowledge, and based on the statements made by the members of the Board of Directors and Executive Management, there are no family ties between the members of the Board of Directors and General Management.

To the best of the Company's knowledge, over the last five years: (i) no corporate officers have been convicted for fraud, (ii) no corporate officers have been associated with a bankruptcy or been the subject of sequestrations or liquidations, (iii) no corporate officers have been incriminated and/or affected by official public sanctions by statutory or regulatory authorities (including professional bodies) and (iv) no corporate officers have been prevented by the courts from acting as a member of an administrative, managerial or surveillance body of an issuer, or from taking part in the management or organisation of the business of an issuer.

5.1.7 Conflicts of Interest

To the best of the Company's knowledge, there are (i) no conflicts of interests concerning directorship bodies or general management at Ramsay Générale de Santé; (ii) no arrangements or agreements drawn up by the Company with its main shareholders other than those described in the special report by the Statutory Auditors (section 6.3 of this activity report), nor are there agreements with customers or suppliers involving the selection of a member of the Board of Directors or of General Management, (iii) no restrictions accepted by members of the Board of Directors or of General Management concerning the sale of any interests they may hold in the equity of the Company.

5.2 BOARD PRACTICES

These developments describe the operation of the Company's directorships and management.

5.2.1 Corporate Governance Code

The Company refers to the recommendations of the Corporate Governance Code for listed companies published by AFEP and MEDEF in its updated version dated June 2018 (the "AFEP-MEDEF Code"), which is available on the Medef website at the following address: www.medef.com.

The Company’s head office holds a copy of the AFEP-MEDEF code, made permanently available to members of the governance bodies, which were also issued with a copy of the Articles of Association and rules of procedure of the Company upon appointment and is communicated when this registration documentation is amended.

In accordance with the *"comply or explain"* rule set forth in Article L.225-27-4 of the French Commercial Code and Article 27.1 of the APEF-MEDEF Code, the following table details the recommendations of the APEF-MEDEF Code that the Company decided not to apply along with the reasons why:

Recommendations of the AFEP-MEDEF Code (the "Code")	Ramsay Générale de Santé practices and justifications
Proportion of independent directors on the Board of Directors (Article 8.3 of the Code) *“ "In controlled companies, independent directors should account at least for a third" Directors representing employee shareholders and directors representing employees are not included in the calculation of these percentages. ”*	At the date of publication of this document, the Board of Directors of Ramsay Générale de Santé comprises two independent directors out of nine members, excluding the director representing employees. The Company is a controlled company as defined in Article L. 233-3 of the French Commercial Code, with two major shareholders together holding 92.16% of the total share capital. The composition of the Board of Directors therefore reflects the shareholder structure. This is why there are only two independent directors, namely Anne-Marie Couderc and Valérie Hortefeux (the independent directors account for 22.22% of the Board). The amendment to the Articles of Association approved by the General Meeting of 13 December 2016, after which (i) the number of directors comprising the Board of Directors was reduced from eleven to ten members, and (ii) a director representing employees was appointed, has allowed a reduction in the proportion of directors appointed on the proposal of the major shareholders, while at the same time strengthening diversity among the Board of Directors.
Proportion of independent members on the committees (articles 15.1, 16.1 and 17.1 of the Code) “ *The proportion of independent directors on the audit committee should be at least equal to two-thirds and the committee should not include any executive corporate officers." ”* “*The committee responsible for appointments [...] should not include any executive corporate officers, and should have a majority of independent directors”.* *“ “The committee responsible for remunerations [...] should not include any executive corporate officers, and should have a majority of independent directors”. It is recommended that the Chairman of the Committee be independent and that an employee director be a member of the Committee. ”*	As of the date of publication of this document, the Audit Committee has two independent members among its five members, the Appointments and Remuneration Committee has two independent members among its four members and the Risk Committee has one independent member among its three members. The Company considers that, although the Committees do not have the recommended proportions of independent directors, the composition of said Committees does not affect their ability to effectively perform the tasks assigned to them by law and by the internal regulations of the Board of Directors. It is important to note in this regard that, in accordance with the recommendations of the Code, the duties of the Chairman of the Appointments and Remuneration committee are carried out by an independent director. In addition, the Director representing employees appointed on 25 September 2019 is not currently a member of the Appointments and Remuneration Committee. The Board of Directors will shortly begin considering changes to the composition of this Committee.
Ongoing information (Article 25.1 of the Code) “ *All of the corporate officers’ compensation components, whether potential or vested, must be publicly disclosed immediately after the meeting of the Board approving the relevant decisions." ”*	All the compensation components of the Company's corporate officers are described in detail in the related document and are published on the Company's website. In addition, in accordance with the provisions of article L.225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to the corporate officers are subject to the approval of the Annual General Meeting ("say on pay" ex ante). In accordance with the provisions of article L.225-100 of the French Commercial Code resulting from the same law, the remuneration components paid or allocated to the corporate officers for the past financial year are now subject to a binding vote by the shareholders at the annual general meeting and the payment of variable or exceptional remuneration for the financial year in question is subject to the approval of the same general meeting ("say on pay" ex post). Lastly, the Company complies with the requirement to publish on its website all the compensation components allocated to corporate officers at the end of their term of office, in accordance with articles L.225-42-1 and R.225-34-1 of the French Commercial Code. In view of the implementation of all of these disclosure measures, the Company does not consider it necessary to disclose all of the compensation of its corporate officers immediately after the Board meeting at which they were approved, which is generally held close to the date of publication of this document.

Recommendations of the AFEP-MEDEF Code (the "Code")	Ramsay Générale de Santé practices and justifications
Minimum number of Company shares held by a director (article 19 of the Code) *" unless otherwise provided by law, the director must be a shareholder in their own right and, pursuant to the provisions of the Articles of Association or the internal regulations, own a minimum number of shares that is significant in relation to the directors' fees allocated. If they do not hold these shares when they take up their duties, they can use the directors' fees to acquire them. The director communicates this information to the company, which includes it in its annual report"*	The Company's Articles of Association and internal regulations do not set a minimum number of Company shares to be held personally by the directors. The Board of Directors considers that this recommendation has not been adapted to Ramsay Générale de Santé in view of its shareholder structure and the resulting composition of the Board.
Obligation of corporate officers to hold shares (Article 22 of the Code) *" The Board of Directors sets a minimum quantity of shares that corporate officers must hold in registered form until the end of their term of office. This decision shall be reviewed at least at each renewal of their term of office. "*	The Company's corporate officers do not currently hold any Ramsay Générale de Santé shares. Since there are no stock options, performance shares or, in general, any multi-annual remuneration payable to the corporate officers, and given the low liquidity of the Company's shares, the decision was taken to not implement this recommendation.
Combination of severance payment and non-competition indemnity granted to corporate officers (Article 23.6 of the Code) *" The non-competition indemnity must not exceed the maximum sum of two years' remuneration (fixed + annual variable). Where a severance payment is also made, the aggregate of the two payments may not exceed this limit. The non-competition indemnity must be paid in instalments during its term. "*	In the event of revocation, non-renewal, forced departure or requested resignation from his position as Chief Executive Officer, Mr Pascal Roché is likely to receive, subject to performance conditions, a severance payment corresponding to 24 months of the fixed and variable monthly remuneration received during the 24 months preceding his departure. He also benefits from a non-competition indemnity corresponding to three months of fixed remuneration based on the fixed remuneration received during the 12 months prior to his departure in consideration of a non-competition obligation of 12 months from the termination of his duties. As the non-competition indemnity of the Chief Executive Officer is cumulative with his severance payment, the cumulative amount of these two indemnities could theoretically slightly exceed two years of fixed and variable annual remuneration in the event that the maximum performance criteria for payment of the severance indemnity is achieved. However, given the very modest amount of the non-competition indemnity (three months of fixed remuneration) and the strategic interest of this non-competition obligation for the Company, the Board of Directors did not consider it necessary to provide that the cumulative amount of the severance payment and the non-competition indemnity could not exceed two years of fixed and variable annual remuneration.

5.2.2 ORGANISATION OF THE GOVERNANCE OF THE RAMSAY GÉNÉRALE DE SANTÉ GROUP

Ramsay Générale de Santé is a limited company governed by a Board of Directors whose composition and rules of operation are subject to the provisions of Article 14 of the Articles of Association and are detailed in paragraph 5.2.3 of this document.

The rules governing the function and powers of the Board and the committees it has set up have been set out in the internal regulations, the latest version of which was adopted by the Board of Directors on 20 February 2017.

The functions of Chairman of the Board of Directors and Chief Executive Officer of the Company are separated.

The Chief Executive Office has the broadest powers to act on behalf of the Company, within the confines of the business purpose that the law expressly reserves for the shareholders' meetings and the Board of Directors. Pursuant to Article 15.5 of the articles of association, the internal regulations provides for limits on the CEO's powers which, in view of the subject matter or the related amount, are subject to prior approval by the Board of Directors.

5.2.3 COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS AND THE ADVISORY COMMITTEES

5.2.3.1 Composition of the Board of Directors

Pursuant to Article 14 of the Articles of Association, the Board of Directors is composed of at least six and no more than ten members, subject to the derogations provided by law, in particular in the event of a merger. The Board must also include at least one independent director and one director representing employees. Board members may be individuals or legal entities that are appointed, renewed and may be removed at any time by the ordinary general meeting. Individuals aged over of seventy-five years may not be appointed to the Board of Directors should their appointment have the effect of increasing the number of Board members who have reached this age to more than 50%. When this threshold has been exceeded, the oldest Board member is automatically considered to have resigned.

Members of the Board of Directors have knowledge of the health industry and exercise financial competence within their functions. The profiles of each of the directors are provided in section 5.1.2 of this document.

The term of office of Board members is four years. The terms are staggered over time.

At the date of this report, the Company's Board of Directors comprises ten members, as follows:

- Chairman: Craig McNally;
- Vice-Chairman: Jean-Jacques Duchamp
- Independent directors: Anne-Marie Couderc and Valérie Hortefeux
- Director representing employees: Ms Elvire Kodjo;
- Other Directors: Carmel Monaghan, Olivier Chrétien, Bruce Soden, Ramsay Health Care (UK) Limited represented by Peter Evans and Crédit Agricole Assurances represented by Magali Chessé.

The detailed composition of the Board of Directors is presented in paragraph 5.1.1 of this document.

A. Employee representation

The Company's Articles of Association were amended by the General Meeting of 13 December 2016 to allow the appointment of a director representing employees under the provisions of Article L.225-27-1 of the French Commercial Code, as amended by Law No. 2015-994 of 17 August 2015 on social dialogue and employment.

The trade union organisation that obtained the most votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labour Code in the Company and its direct and indirect subsidiaries with a registered office in France, appointed Lynda Ait Mesghat on 8 February 2017 as Director representing employees, the Board of Directors having taken note of this appointment on 25 April 2017. As Lynda Ait Mesghat is no longer an employee of the Hôpital Privé du Vert Galant, her term of office as Director has ended and the aforementioned trade union organisation, by letter dated 17 September 2019, appointed Elvire Kodjo, an employee of the Hôpital Privé Armand Brillard, as Director representing employees, which was noted by the Board of Directors at its meeting of 25 September 2019.

The director representing employees shall have the same status, powers and responsibilities as the other directors. His term of office is four years and will expire at the end of the General Meeting called to approve the financial statements for the financial year ending 30 June 2023.

B. Representation of major shareholders

The Company is a controlled company as defined in Article L. 233-3 of the French Commercial Code, with two major shareholders, Ramsay Health Care (UK) Limited and Predica holding a respective total of 52.53% and 39.62% of the share capital.

Ramsay Health Care (UK) Limited and Predica are bound by a shareholders' agreement entered into on 30 September 2014, as amended on 12 December 2016. The main provisions of this shareholders' agreement were the subject of two notices published by the AMF on 8 October 2014 under number D&I 214C2099 and 21 December 2016 under number D&I 216C2885 and are described in paragraph 6.2.4 of this document.

In accordance with the shareholders' agreement mentioned above five members were appointed on nomination by Ramsay Health Care (UK) Limited (Olivier Chrétien, Carmel Monaghan, Craig McNally, Bruce Soden and Ramsay Health Care (UK) Limited) and two members were appointed on nomination by Predica (Jean-Jacques Duchamp et Crédit Agricole Assurances).

C. Balanced representation of men and women on the Board of Directors

The composition of the Board of Directors complies with the principle of balanced representation of men and women in accordance with the provisions of Article L.225-18-1 of the French Commercial Code resulting from Law no. 2011-103 of 27 January 2011 relating to the balanced representation of women and men on the Boards of Directors and Supervisory Boards and to professional equality providing that the proportion of directors of each gender may not be less than 40% at the end of the first ordinary general meeting following 1 January 2017.

Women comprise 45% of the Board of Directors (four members out of nine, excluding the director representing employees). The appointment of a woman as a director representing employees means that the Company has achieved a female employment rate of 50%, which is a very positive step.

It should be noted that the three committees set up by the Board of Directors are all chaired by women.

D. Independence of directors

The Board of Directors performs an annual assessment of the independence of each of its members, as necessary. In accordance with article 8.2 of the AFEP-MEDEF Code, members of the Board of Directors are considered independent if they have no relationship with the Company or its management that could compromise their freedom of judgment. The criteria used by the Board of Directors to assess the independence of its members are in line with the recommendations of the Afep-Medef Code in this regard:

- they are not employees or corporate officers of the Company, or employees or directors of the parent company or a consolidated company, and have not been over the last five years,
- they are not corporate officers of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or a corporate officer of the Company (either currently or who has acted in this capacity for less than five years) holds a directorship,
- not to be a significant customer, supplier, investment banker or commercial banker of the Company or its group, or for which the Company or its group represents a significant portion of the business;
- they do not have any close family ties to a corporate officer;
- they have not acted as auditors of the company in the last five years,
- they have not been directors of the company for more than twelve years.

As indicated above, the Board of Directors has two independent members out of nine members (excluding the director representing employees), namely, Ms Anne-Marie Couderc and Ms Valérie Hortefeux, representing 22.22% of the total number of directors. This proportion is slightly lower than one-third of the members of the Board of Directors recommended by the Afep-Medef Code for controlled companies pursuant to Article L. 233-3 of the French Commercial Code. This situation, however, is a result of the Company's shareholder structure consisting of two major shareholders holding a combined total of 92.16% of the share capital, it being specified that the amendment to the Articles of Association approved by the General Meeting of 13 December 2016, after which (i) the number of directors comprising the Board of Directors was reduced from eleven to ten members, and (ii) a director representing employees was appointed, allowed a reduction the proportion of directors appointed on the proposal of the majority shareholders, and at the same time enhancing diversity within the Board of Directors. As a reminder, before the entry into force of this amendment, the Board of Directors used to have two independent members out of eleven, and the other nine members were only appointed on the proposal of the reference shareholders. The appointment of a second director representing employees will be made in accordance with the new provisions of Act No. 2019-486 of 22 May 2019, known as the “Pacte Act”, and will further strengthen the diversity of the Board of Directors’ composition.

Moreover, if the proportions of independent members of the Board of Directors and its advisory bodies do not attain the exact proportion recommended in each case by the Afep-Medef Code, the Board and the advisory bodies are still bound to adhere to the stringent rules of procedure, which were renewed following the arrival of the new major shareholders.

The Board of Directors is also committed to strict compliance with the provisions concerning information and expression of non-controlling shareholders and, in its view, the inclusion on the Board of two independent directors and one director representing employees allows the full (and deliberative) expression of the principles of good governance.

5.2.3.2 Operation of the Board of Directors

A. Conditions for preparation and organisation of the work of the Board of Directors

In compliance with the principles of the Articles of Association and the internal regulations, meetings of the Board of Directors entail a notice convening its members and the Statutory Auditors where applicable, which sets out the agenda for the meeting. It is generally sent by electronic means to members of the Board of Directors within the time frames stipulated in the internal regulations, and is accompanied by documentation related to the items on the agenda.

The Company has also adopted enhanced governance standards since the change of control that took place on 1 October 2014:

- The length of time between meetings of the Audit Committee and meetings of the Board of Directors called to consider the recommendations of the Audit Committee was increased, as was the frequency of meetings of the committees created in order to broaden the scope of their work and establish a work progress calendar.

- the number of directors was increased from seven to ten, including two independent directors and one director representing employees, thereby boosting collegiality and plurality of points of view concerning the Company, how it conducts its business and the decisions it must take. It is hereby specified that the Company and its Board of Directors have implemented appropriate technical and linguistic means to ensure effective communication.

- staggered terms of office for the phased renewal of Board members have been established. Thus, the term of office of seven members of the Board will expire at the end of the General Meeting convened at the end of 2020 to approve the financial statements for the financial year ending 30 June 2020, and the term of office of the three other members of the Board, including the Director representing the employees, will expire at the end of the General Meeting convened at the end of 2021 to approve the financial statements for the financial year ending 30 June 2021;

- regarding the periodic evaluation of the operation of the Board of Directors under the responsibility of the Appointments and Remuneration Committee, implemented as from 2017, a new questionnaire was issued during the summer of 2019 and was reviewed during the Committee's meeting on 22 October 2019 (see B below).

The work of the Board and the committees established, their frequency and the procedures for making decisions or recommendations are based on the Articles of Association, internal regulations and general rules and practices in this area. The Board of Directors monitors compliance with the separation of the functions and competences of the Board of Directors and of the Chief Executive Officer pursuant to the law and the Articles of Association. The Statutory Auditors are called to meetings of the Board of Directors and to meetings of the Audit Committee as required by legal and regulatory provisions or issues on the agenda.

The Board of Directors and the Committees have satisfied the current basic principles of corporate governance.

The number of Board and committee meetings is specified in §5.1.3 above.

Throughout the financial year, members of the Board and the Committees may engage in verbal or written communication to foster dialogue between them and guide the flow based on the Group's current needs. Likewise, prior to the official meetings, the Board and Committee members have access on request to all the documentation they require to carry out their tasks. All the directors may, on their own initiative, seek information from the functional units of the Company and obtain any information necessary to fully familiarise themselves with the company. Depending on the nature of the issues, the Board may appoint one or more of its members to assist General Management in performing an operation reviewed and/or authorised by the Board. Employees responsible for functional or operational internal services or departments may be invited to assist with the work of the committees.

The Company's Articles of Association place restrictions on the powers of the Chief Executive Officer, and the rules of operation contain overall and unit ceilings for each type of undertaking. The full text of the Articles of Association is available on the Company's website.

B. Assessment of the operation of the Board of Directors

In accordance with the recommendation of article 9 of the AFEP-MEDEF Code and the provisions of the internal regulations, a new formal evaluation of the operation of the Board of Directors was carried out during the summer of 2019 on the basis of an internal questionnaire, with the assistance of the Board's Secretariat and under the responsibility of the Appointments and Remuneration Committee and its Chairman, an independent Director.

The Appointments and Remuneration Committee met on 22 October 2019 to perform a detailed review of the summary of responses to this questionnaire and the accompanying comments. The general findings were presented to the Board of Directors at its meeting of 24 October 2019 and a summary memorandum will be drawn up shortly on the points for improvement, to be shared by all Board members and, if necessary, with Executive Management, concerning the points relating to the circulation of information between the stakeholders involved in the Group's governance.

5.2.3.3 Consultative committees

In accordance with the statutory provisions and recommendations in this regard, the Board of Directors has established committees to study issues in their specific area of competence, allowing the Board to make decisions on the basis of a review of the documented issues and recommendations, as appropriate.

The Board is assisted in its tasks by three consultative committees: the Audit Committee, the Appointments and Remuneration Committee and the Risk Committee Their respective roles are advisory.

A. The Audit Committee

The purpose of the Committee is to review the accounting methods and principles adopted in the preparation of the individual and consolidated accounts to ensure their relevance and continuity, that there are sufficient grounds for any changes proposed and that they are adhered to. At the time of preparation of the financial statements, the Committee reviews the accounts and issues an opinion on the draft interim, annual and, where appropriate, quarterly individual and consolidated financial statements before they are presented to the Board. It reviews the draft management reports and all other documents prior to their publication, containing accounting or financial information for which publication is required by current legislation, as well as any accounts drawn up for the purposes of specific significant transactions (transfers of assets, mergers, market transactions, payment of interim dividends, etc.). It examines the scope of consolidation and material off-balance-sheet commitments and risks.

With respect to control, internal audit and statutory auditors, the Audit Committee must verify that internal procedures have been defined to collect and check information to ensure that such information is reliable and made available quickly; each year, the committee reviews the statutory auditors' audit plan, the conclusions of their reviews, their recommendations and follow-up; each year it reviews internal control's monitoring plan with the head(s) of this area, the conclusions of their reviews, their recommendations and follow-up; it supervises the procedure for selection or renewal of the statutory auditors, ensuring that the auditors are of the best quality and not the least expensive; it issues a reasoned opinion on the fees requested for carrying out legal reviews and on the choice of auditors, and submits its recommendations to the Board.

The Audit Committee is also informed by General Management of the Company's financial position and the methods and techniques used to define financial policy; it is regularly informed of the Company's overall financial strategy and reviews any financing or accounting issues submitted to it by the Chairman, the Board, General Management or the statutory auditors.

The terms of office of members of the Audit Committee match the terms of their Board directorships.

At the date of publication of this document, the Audit Committee is composed of five members, all of whom are financially literate and two of whom are independent:

- Chairperson: Crédit Agricole Assurances, represented by Ms Magali Chessé
- Members: Anne-Marie Couderc (independent director), Valérie Hortefeux (independent director), Bruce Soden and Ramsay Health Care (UK) Limited represented by Peter Evans.

B. The Appointments and Remuneration Committee

The Board consults the Appointments and Remuneration Committee in the scope of selecting the Company's corporate officers (members of the Board, the Chief Executive Officer or Chief Operating Officer, as applicable). It is responsible for making recommendations for proposals for appointments and, where appropriate, co-option of Board members, to be submitted to the general meeting, for proposals for appointment by the Board of the Chief Executive Officer and for proposals for appointment by the Board of the Chief Operating Officer.

The Committee's choice of candidates to carry out functions as Board members is guided by the interests of the Company and all its shareholders. It may take account of issues such as representation of any vested interests, whether or not to renew directorships, the integrity, competence, experience and independence of each candidate, and the suitable number of independent Board members.

It also issues recommendations for the appointment of members of the Committees created by the Board, in due consideration of their respective tasks. It issues proposals to the Board concerning the choice of candidates, explaining its reasons.

The Committee ensures that the Company cannot appoint as executives or engage Company auditors or any signatories of a firm that has carried out functions as the statutory auditor of the Company for a period of five years following cessation of their functions as auditors of the Company.

With regard to remuneration, the Appointments and Remuneration Committee has the following main responsibilities:

- to review and submit proposals concerning the remuneration of corporate officers and in particular make recommendations regarding the remuneration amounts and performance criteria relating to the annual variable remuneration and severance pay of the Chief Executive Officer;
- to propose to the Board a global remuneration amount to be allocated to the members of the Board (formerly directors' fees) which will be proposed to the General Meeting of the Company, and to give an opinion on the distribution of the global remuneration amount allocated by the General Meeting among the members of the Board, as well as on the exceptional remuneration allocated by the Board to its members for missions or mandates entrusted to them;

- to issue its opinion to the Board concerning the general policy of allocation of share subscription or purchase options and concerning the option plan or plans for employees and/or executives of the Company and of companies it controls, as defined in Article L. 233-3 of the French Commercial Code.

The Committee is also competent to review and hold consultations concerning the composition of the Company's management structure. It is therefore consulted by the Board for the purposes of selecting the Company's corporate officers.

The terms of office of members of the Appointments and Remuneration Committee match the terms of their Board directorships.

At the date of publication of this document, the Committee has two independent members and is chaired by one of them in accordance with the recommendations of the Afep-Medef Code:

- Chairperson: Anne-Marie Couderc (independent director);

- Members: Valérie Hortefeux (independent director), Jean-Jacques Duchamp, Craig McNally, Christopher Rex.

C. The Risk Committee

The purpose of this Committee is to advise the Board of Directors on the overall risk strategy and risk appetite of any kind, both current and future, and to assist the Board as it checks the implementation of this strategy. It is responsible for reviewing the risk control procedures and is consulted on the setting of the overall risk limits, as appropriate. The Committee is thus authorised to issue any substantiated opinion on the Group’s risk management policy and the overall risk provisioning, as well as on specific provisions and monitoring of off-balance-sheet commitments.

It assesses and monitors the effectiveness of the means and measures implemented and may issue any appropriate report on these matters by questioning the company's departments concerned and by carrying out any audit or external consultation, as necessary.

The Committee issues its recommendations to the Board of Directors in keeping with internal procedures in this regard; it performs regular reviews of the risk management framework, ensuring in particular that it is in effect.

The Risk Committee intervenes in particular in the areas of risk mapping, the adequacy of risk mitigation measures, preparation for the possible occurrence of pandemics, risk management, and also the behaviour and values adopted by the Group.

At the date of publication of this document, the Committee is chaired by a member of the Board with relevant experience in risk management and is composed as follows:

- Chairperson: Ms Carmel Monaghan,

- Members: Valérie Hortefeux (independent director) and Crédit Agricole Assurances represented by Magali Chessé.

5.2.4 OTHER INFORMATION RELATING TO THE GOVERNANCE OF THE COMPANY

A. Information on service contracts binding members of the board to the company or any of its subsidiaries

Information concerning agreements binding members of the Board to the Company or any of its subsidiaries is set out in the auditor's report as described in section 6.3.5 of this document.

No agreements have been drawn up between members of the Board of Directors and the Company or its subsidiaries that provide for the granting of benefits, and the same applies to the agreements referred to in the aforementioned auditors' report, entered into with, or for the benefit of, any of the Group's managers in a personal capacity.

B. Procedures for participation by shareholders in general meetings

Pursuant to the provisions of several paragraphs of Article 13 of the Articles of Association, "*Each share issues the entitlement to one vote at general meetings of shareholders. However, double voting rights are granted to all fully paid-up registered shares under the conditions and within the time limits set by law. Each share issues entitlements to profits and corporate assets in proportion to the capital it represents.*"

The procedures for attendance of shareholders at the general meetings of Ramsay Générale de Santé are covered in Articles 19 and 20 of the Articles of Association, the main provisions of which are set out below:

All shareholders are entitled to attend general meetings either in person or by proxy, subject to the following conditions:

- For holders of registered shares: the shares must be listed in the name of the shareholder (or the proxy registered on behalf of the shareholder pursuant to the legal and regulatory provisions in force) by the second business day preceding the General Meeting at midnight (Paris time) in the registered share account held by the Company or its representative.

- For holders of bearer shares: the shares must be listed in the name of the shareholder (or the proxy registered on behalf of the shareholder pursuant to the legal and regulatory provisions in force) by the second business day preceding the General Meeting at midnight (Paris time) in the bearer share account held by the agent authorised to keep their accounts, and registration must be proven by a share certificate issued by the agent.

Also, where appropriate, pursuant to the legal and regulatory provisions in force, shareholders must provide the Company with all means of identification required.

Shareholders may either attend the general meeting in person or arrange a proxy representation through their spouse, their partner with whom they have entered into a civil solidarity pact, another shareholder of the Company or any other individual or legal entity of their choice, as provided by the law and regulations, or they may send a proxy to the Company without identifying a representative, as provided by the law and regulations, or they may write to the Company to request a remote voting form, by e-mail if necessary, as provided by the regulations in force.

This written request must be delivered to or received at the registered address at least six days before the date of the general meeting.

It is hereby stipulated that, if a proxy arrangement is addressed to the Company with no indication of the identity of the representative, the general meeting will issue a vote in favour of the adoption of the draft resolutions presented or approved by the Board of Directors and a vote against the adoption of all other draft resolutions. For the purposes of voting, shareholders must choose representatives that agree to vote in the manner indicated by the shareholders.

Pursuant to the law and regulations, shareholders may send their proxy form for any general meeting by electronic means. Shareholders may also send their remote voting form for any general meeting by electronic means. Any hard copy remote voting forms or proxy arrangements that arrive at the Company less than three days before the date of the general meeting will not be considered. Electronic remote voting forms or proxy arrangements may be received by the Company or its representative up to the day before the general meeting by 3.00 p.m. Paris time at the latest.

When an electronic request is submitted for an attendance card, proxy or remote voting, the electronic signature must meet the conditions of reliability as stipulated in the first sentence of paragraph two of Article 1316-4 of the French Civil Code, with an identification procedure to guarantee a link between the signature and the form, which may take the form of an identifier and a password.

Shareholders may also, if the Board so decides when convening the General Meeting, attend the General Meeting by videoconference or by means of telecommunication, including Internet, in accordance with the legal and regulatory provisions in force at the time of their use. Shareholders taking part in the General Meeting that use one of the aforementioned procedures will be considered present for the purposes of calculating the quorum and majority.

In accordance with applicable regulations, the Company may use electronic communication instead of postal means to meet the formalities laid down in the regulations.

Two members of the works committee appointed by the committee, one belonging to the category of technicians and supervisors, and the other belonging to the category of general employees or, where applicable, the persons stipulated in Articles L. 2323-64 and L. 2323-65 of the French Labour Code, may also attend general meetings. Following their request to do so, they must be allowed to speak during any deliberations requiring a unanimous vote by shareholders.

One or more shareholders representing at least the percentage of share capital stipulated in law are entitled to request the addition of items and/or draft resolutions to the agenda of general meetings, in accordance with applicable legal and regulatory conditions. The works committee is entitled to request the addition of draft resolutions to the agenda of general meetings, in accordance with applicable legal and regulatory conditions.

At ordinary and extraordinary general meetings, the quorum is calculated on the basis of all shares comprising the share capital, and at special general meetings, on the basis of all shares held by the category concerned, after the deduction of shares not entitled to voting rights pursuant to legal provisions.

In the case of remote voting, only forms received by the Company within the deadlines stipulated in the preceding article will be taken into account for the purposes of calculating the quorum.

Voting rights carried by shares are proportional to the share capital they represent. Each share issues an entitlement to one vote.

General meetings may be validly held using videoconferencing facilities or by electronic telecommunication or teletransmission. Shareholders taking part in the general meeting that use videoconferencing facilities or telecommunication means enabling their identities to be verified, the nature and conditions of application of which are determined by current regulations, are considered present for the purposes of calculating the quorum and majority.

Representatives that have met the obligations stipulated in paragraphs three and four of Article L. 228-1 of the French Commercial Code may, provided they respond to the request by the Company or its representative for them to previously furnish, in the conditions laid down in law, the list of non-resident owners of the shares to which these voting rights are attached, transmit the votes or authorisations of an owner of shares that is not registered in France, as defined in Article 102 of the French Civil Code.

Votes or authorisations issued by representatives that have not declared themselves as such by virtue of paragraph four of Article L. 228-1 of the French Commercial Code or paragraph two of Article L. 228-3-2 of the French Commercial Code, or that have not disclosed the identity of the owners of the shares by virtue of Articles L. 228-2 or L. 228-3 of the French Commercial Code, cannot be accepted.

The current version of the Company's Articles of Association is held at the Paris Trade and Companies Register. The Articles of Association may be consulted on the Company website (http://ramsaygds.fr/), under the section "Assemblées Générales" [General Meetings].

5.3 REMUNERATION AND BENEFITS

The Company refers to the version of the Corporate Governance Code for listed companies AFEP-MEDEF (the "AFEP-MEDEF Code") updated in June 2018 to determine the remuneration policy for its corporate officers. Pursuant to the recommendations of the "AFEP-MEDEF" Code, the remuneration of corporate officers is established by the Board of Directors following review of the recommendations of the Appointments and Remuneration Committee.

In accordance with the provisions of Article L.225-100 of the French Commercial Code, the components of the remuneration paid or allocated in respect of the financial year ended 30 June 2019 to corporate officers will be subject to a vote by shareholders at the annual general meeting to be held on 10 December 2019 and the payment of variable or exceptional remuneration components will be subject to the approval of the same general meeting.

The principles and criteria for determining, distributing and allocating the components of remuneration of corporate officers for the financial year ending 30 June 2020 set out below will also be submitted to the vote of the General Meeting of 10 December 2019 pursuant to the provisions of article L.225-37-2 of the French Commercial Code.

5.3.1 REMUNERATION AND BENEFITS OF CORPORATE OFFICERS

The principles and criteria for determining, distributing and allocating the components of remuneration of corporate officers for the financial year ended 30 June 2019 were established by the Board of Directors after examining the recommendations of the Appointments and Remuneration Committee and approved by the General Meeting of 13 December 2018 pursuant to the provisions of article L.225-37-2 of the French Commercial Code.

The components of the remuneration paid or allocated for the financial year ended 30 June 2019 to the Chairman of the Board of Directors and the Chief Executive Officer set out below are in accordance with the remuneration policy approved by the General Meeting of 13 December 2018.

A. Remuneration of the Chairman of the Board

It should be noted that the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company are separated.

Craig McNally was appointed Chairman of the Board of Directors on 22 June 2017 for the remainder of his term of office as director, which will expire at the end of the Company's Ordinary General Meeting called to approve the accounts for the financial year ending 30 June 2020.

The Chairman of the Board of Directors does not receive any specific remuneration for this mandate and does not receive any benefits in kind.

For the financial year ended 30 June 2019, Craig McNally received only the amount of remuneration allocated to the members of the Board (formerly directors' fees) in accordance with the allocation rules set out in section 5.3.2 below.

B. Remuneration of the Chief Executive Officer

Pascal Roché was appointed Chief Executive Officer on 30 June 2011 and reappointed on 17 June 2014 and 13 December 2016. His term of office will expire at the end of the General Meeting of 10 December 2019. The Board of Directors will decide on the renewal of the Chief Executive Officer's mandate at the end of the next general meeting on 10 December 2019.

Remuneration of the Chief Executive Officer consists of a fixed remuneration, an annual variable remuneration and certain benefits. The Chief Executive Officer also receives severance pay in the event of forced redundancy and non-competition indemnity.

The Chief Executive Officer was not granted any stock options or performance shares of the Company or its subsidiaries during the financial year ended 30 June 2019, or during previous financial years. Given the Company's capital structure, which results in the low liquidity of its shares, the Board of Directors did not wish, at this stage, to set up a medium or long-term compensation plan in the form of stock option plans or free share schemes.

Fixed remuneration

During the financial year ended 30 June 2019, the Board of Directors, on 24 October 2018, maintained the amounts and principles of remuneration of the Chief Executive Officer, whose fixed remuneration amounted to EUR 510,000, and then on 22 February 2019 increased it to EUR 610,000 with effect from 1 January 2019 in order to take into account the change in the size of the group following the acquisition of Capio AB and the resulting increased responsibilities, the other provisions remaining unchanged.

Variable remuneration

In accordance with the remuneration policy for corporate officers approved by the General Meeting of 13 December 2018, the variable portion of the Chief Executive Officer's remuneration may represent up to 120% of fixed remuneration for the reference financial year, subject to the achievement of quantitative and qualitative target criteria defined and assessed by the Board of Directors on the recommendation of the Appointments and Remuneration Committee, according to the following weighting:

- the qualitative share of variable remuneration can represent up to 40% of annual fixed remuneration.

- the quantitative share of variable remuneration can represent up to 60% of annual fixed remuneration if the quantitative target criteria have been met and up to 80% of the quantitative objectives are exceeded by more than 10%.

For the financial year ended 30 June 2019, the Board of Directors' meeting of 24 October 2018 and 22 February 2019 maintained, on the recommendation of the Appointments and Remuneration Committee, the following qualitative and quantitative criteria:

- **Qualitative criteria**

- Continued promotion and deployment of the Group culture (representing 10% of variable remuneration);

- Building the conditions for the success of the strategic external growth plan (representing 10% of variable remuneration);

- Effective integration of the Capio Group (representing 10% of variable compensation);

- And a criterion that cannot be disclosed for reasons of confidentiality (representing 10% of variable remuneration).

- **Quantitative criteria**

- EBITDA budgeted for the financial year (representing 20% of the variable remuneration if the objectives are achieved and 26.6% if the objectives are exceeded);

- Compliance with the Group's financial commitments (representing 20% of the variable remuneration if the objectives are achieved and 26.6% if the objectives are exceeded);

- And a criterion that cannot be disclosed for reasons of confidentiality (representing 20% of the variable remuneration if the objectives are achieved and 26.6% if the objectives are exceeded);

The Board of Directors' meeting of 24 October 2019, after examining the recommendations of the Appointments and Remuneration Committee, noted the levels of achievement of the above criteria and decided to grant variable remuneration of EUR 616,000 to the Chief Executive Officer for the financial year ended 30 June 2019, corresponding to 110% of his annual fixed remuneration. In accordance with the provisions of Article L.225-100 of the French Commercial Code, the payment of this variable remuneration is subject to approval by the General Meeting of 10 December 2019.

Extraordinary remuneration

The Board of Directors, having heard the opinion of the Appointments and Remuneration Committee, decided to grant an exceptional bonus of EUR 150,000 to the Chief Executive Officer in consideration of his involvement and contribution to the completion and success of the Capio Group takeover bid. In accordance with the provisions of Article L.225-100 of the French Commercial Code, the payment of this exceptional remuneration is subject to approval by the General Meeting of 10 December 2019.

Benefits

The Chief Executive Officer has a company car as a benefit in kind, the use of which is valued at EUR 1,920 for the financial year ended 30 June 2019.

The Chief Executive Officer also benefits from (i) the collective health and retirement benefits plan under the conditions applicable to the Company's salaried executives, (ii) a senior executive unemployment insurance policy under the Corporate Officers' Social Guarantee ("GSC") and (iii) professional civil liability insurance in his capacity as Chief Executive Officer.

Severance pay

Pascal Roché benefits from severance pay in the event of dismissal, non-renewal, forced departure or requested resignation from his position as Chief Executive Officer, the principles of which have not been modified since the first appointment of the Chief Executive Officer on 30 June 2011.

The maximum amount of this indemnity corresponds to twenty-four months' remuneration based on the average fixed and variable monthly remuneration received during the twenty-four months prior to departure.

Pursuant to article L. 225-42-1 of the French Commercial Code, payment of this indemnity is subject to at least three of the following five criteria:

(i) financial ratios established by the loan agreements of the Ramsay Générale de Santé Group;

(ii) organic growth of the Ramsay Générale de Santé Group equal to or more than organic growth in the private hospital sector;

(iii) EBITDA established in the budget based on the budget for the year preceding the date of termination;

(iv) revenue established in the budget based on the budget for the year preceding the date of termination;

(v) non-overrun of the Capex established in the budget.

This severance pay was maintained without any change at the time of the renewal of the mandate of Mr Pascal Roché as Chief Executive Officer by the Board of Directors on 13 December 2016 and will be submitted for approval to the General Meeting on 13 December 2018 in accordance with the provisions of article L.225-42-1 paragraph 4 of the French Commercial Code.

Non-competition indemnity

Mr Pascal Roché is subject to a non-competition obligation for a period of twelve months from the date of cessation of his functions. In exchange, Mr Pascal Roché receives a non-competition indemnity equal to three months of fixed remuneration paid over the last twelve months of employment. This non-competition indemnity is cumulative with the severance payment likely to be received by the Chief Executive Officer.

C. Summary tables (Afep-Medef Code and AMF position-recommendation no. 2009-16)

Table summarising the remuneration, options and shares granted to each corporate officer (Table 1)

As the Company forms part of a group, the information refers to all sums payable, by all companies within the chain of control, in connection with the functions exercised at the Company.

In euros, before social security contributions and taxes

	Period ended 30 June 2018	**Period ended 30 June 2019**
Pascal Roché - Chief Executive Officer		
Remuneration payable for the year (*detailed in Table 2*)	1,124,810	1,327,920
Valuation of multi-annual variable remuneration awarded during the year	None	None
Valuation of options granted during the year	None	None
Valuation of performance shares granted during the year	None	None
TOTAL	**1,124,810**	**1,327,920**
Craig McNally – Chairman of the Board of Directors		
Remuneration payable for the year (*detailed in Table 2*)	55,000(1)	55,000(1)
Valuation of multi-annual variable remuneration awarded during the year	None	None
Valuation of options granted during the year	None	None
Valuation of performance shares granted during the year	None	None
TOTAL	**55,000**	**55,000**

(1) Remuneration in respect of his directorship.

Table summarising the remuneration of each corporate officer (Table 2)

In euros, before social security contributions and taxes

	Period ended 30 June 2018		Period ended 30 June 2019	
Pascal Roché – Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	510,000	510,000	560,000	560,000
Variable remuneration (1)	612,000	612,000	616,000(2)	612,000
Extraordinary remuneration	None	None	150,000	0
Remuneration allocated to directors (formerly directors' fees)	None	None	None	None
Benefits in kind (company car)	2,810	2,810	1,920	1,920
TOTAL	**1,124,810**	**1,124,810**	**1,327,920**	**1,173,920**
Craig McNally – Chairman of the Board of Directors	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	None	None	None	None
Variable remuneration	None	None	None	None
Extraordinary remuneration	None	None	None	None
Remuneration allocated to directors (formerly directors' fees)	55,000	55,000	55,000	0
Benefits in kind	None	None	None	None
TOTAL	**55,000**	**55,000**	**55,000**	**0**

(1) The variable remuneration due in year N-1 is paid in year N.
(2) Payment subject to the approval of the General Meeting of 10 December 2019 in accordance with the provisions of Article L.225-100 of the French Commercial Code.

Share subscription or purchase options granted during the year to each corporate officer by the issuer and by any company of the Group (Table 4)

No subscription or purchase options with respect to the shares of one of the Group's companies were granted to a corporate officer of Ramsay Générale de Santé during the period ended 30 June 2019 or during previous financial years.

Share subscription or purchase options exercised during the year by each executive director (Table 5)

No corporate officer has exercised any stock options during the financial year ended 30 June 2019 or during previous financial years.

Performance shares granted during the year to each corporate officer by the issuer and by any group company (Table 6).

No performance shares have been granted to the corporate officers of Ramsay Générale de Santé during the financial year ended 30 June 2019, or during previous financial years.

Performance shares are free shares granted to corporate officers in accordance with Articles L. 225-197-1 et seqq. of the French Commercial Code, subject to additional conditions set out in the “AFEP-MEDEF” Code.

Performance shares that became available during the financial year for each corporate officer (Table 7)

No performance shares became available to corporate officers during the financial year ended 30 June 2019, or during previous financial years.

History of share subscriptions or purchase options granted (Table 8)

The Company has not granted any stock options (since 2006).

History of performance shares granted (Table 9)

The Company has never granted performance shares.

Multi-year variable remuneration of each executive corporate officer (Table 10)

Corporate officers do not receive multi-year variable remuneration. The Chief Executive Officer receives only an annual variable remuneration.

Other information (Table 11)

The table below summarises the terms and conditions relating to corporate officers.

Corporate Officers	Employment contract		Additional retirement scheme (1)		Indemnities or benefits payable or that may be payable in the event of cessation of or changes to functions (2)		Indemnities in relation to a non-competition clause (3)	
	Yes	No	Yes	No	Yes	No	Yes	No
Pascal Roché Chief Executive Officer Term start date: 30 June 2011, renewed on 17 June 2014 and 13 December 2016 Term end date: 10 December 2019		X		X	X		X	
Craig McNally Chairman of the Board of Directors since 22 June 2017 Term start date: 22 June 2017 Term end date: General Meeting ruling on the 2020 financial statements		X		X		X		X

(1) Neither the Company nor its subsidiaries make provision for or recognise any sums for payment of pensions, retirement benefits or other benefits for members of the Board of Directors.
(2) Pascal Roché's severance payment is presented in paragraph 5.3.1 B. above.
(3) Pascal Roché's non-competition indemnity is presented in paragraph 5.3.1 B. above.

D. Components of the remuneration paid or allocated to the corporate officers for the financial year ended 30 June 2019 submitted to the vote of the general meeting of 10 December 2019 ("say on pay" ex post)

The tables below present the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to the executive officers for the financial year ended 30 June 2019 and submitted to the vote of the General Meeting of 10 December 2019 pursuant to article L225-100 of the French Commercial Code ("say on pay" ex post).

These remuneration components comply with the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total compensation and benefits of all kinds attributable to corporate officers approved by the General Meeting of 13 December 2018 pursuant to the provisions of Article L225-37-2 of the French Commercial Code.

1) Components of the remuneration due or attributed to Mr Pascal Roché, Chief Executive Officer, for the financial year ended 30 June 2019.

Components of remuneration	Amounts	Comments:
Fixed remuneration	EUR 560,000	During the financial year ended 30 June 2019, the Board of Directors' meeting of 24 October 2018 maintained the annual fixed remuneration of the Chief Executive Officer at EUR 510,000 subsequently increasing it to EUR 610,000 with effect from 1 January 2019 in order to take into account the change in the size of the group following the acquisition of Capio AB and the resulting increased responsibilities.
Annual variable remuneration	EUR 616,000	For the financial year ended 30 June 2019, the Board of Directors' meeting of 24 October 2018 and 22 February 2019 maintained, on the recommendation of the Appointments and Remuneration Committee, the following qualitative and quantitative criteria: • **Qualitative criteria** - Continued promotion and deployment of the Group culture (representing 10% of variable remuneration); - Building the conditions for the success of the strategic external growth plan (representing 10% of variable remuneration); - Effective integration of the Capio Group (representing 10% of variable compensation); - And a criterion that cannot be disclosed for reasons of confidentiality (representing 10% of variable remuneration). • **Quantitative criteria** - EBITDA budgeted for the financial year (representing 20% of the variable remuneration if the objectives are achieved and 26.6% if the objectives are exceeded); - Compliance with the Group's financial commitments (representing 20% of the variable remuneration if the objectives are achieved and 26.6% if the objectives are exceeded); - And a criterion that cannot be disclosed for reasons of confidentiality (representing 20% of the variable remuneration if the objectives are achieved and 26.6% if the objectives are exceeded); The Board of Directors' meeting of 24 October 2019, after examining the recommendations of the Appointments and Remuneration Committee, noted the levels of achievement of the above target criteria and decided to grant variable remuneration of EUR 616,000 to the Chief Executive Officer for the financial year ended 30 June 2019, corresponding to 110% of his annual fixed remuneration taking into account the levels of performance in achieving the quantitative criteria as set out above (the maximum level of which was 120%). In accordance with the provisions of Article L.225-100 of the French Commercial Code, the payment of this variable remuneration is subject to approval by the General Meeting of 10 December 2019.
Deferred variable remuneration	None	
Multi-annual variable compensation	None	
Extraordinary remuneration	EUR 150,000	The Board of Directors, having heard the opinion of the Appointments and Remuneration Committee, decided to grant an exceptional bonus of EUR 150,000 to the Chief Executive Officer in consideration of his involvement and contribution to the completion and success of the Capio Group takeover bid. In accordance with the provisions of Article L.225-100 of the French Commercial Code, the payment of this exceptional remuneration is subject to approval by the General Meeting of 10 December 2019.
Share options, performance shares or any other kind of long-term remuneration	None	
Remuneration allocated to directors (formerly directors' fees)	None	
Valuation of benefits of all kinds	EUR 1,920	Valuation of use of the company car, a benefit that is renewed each year on the decision of the Board of Directors, on the recommendation of the Appointments and Remuneration Committee.

Components of remuneration	Amounts	Comments:
Severance pay	No payment	Pascal Roché benefits from severance pay in the event of dismissal, non-renewal, forced departure or requested resignation from his position as Chief Executive Officer. The maximum amount of this indemnity corresponds to twenty-four months' remuneration based on the average fixed and variable monthly remuneration received during the twenty-four months prior to departure. Pursuant to article L. 225-42-1 of the French Commercial Code, payment of this indemnity is subject to at least three of the following five criteria: (i) financial ratios established by the loan agreements of the Ramsay Générale de Santé Group; (ii) organic growth of the Ramsay Générale de Santé Group equal to or more than organic growth in the private hospital sector; (iii) EBITDA established in the budget based on the budget for the year preceding the date of termination; (iv) revenue established in the budget based on the budget for the year preceding the date of termination; (v) non-overrun of the Capex established in the budget. This severance pay was maintained without any change at the time of the renewal of the mandate of Mr Pascal Roché as Chief Executive Officer by the Board of Directors on 13 December 2016 and was submitted for approval to the General Meeting on 13 December 2018 in accordance with the provisions of article L.225-42-1 paragraph 4 of the French Commercial Code.
Non-competition indemnity	No payment	Mr Pascal Roché is subject to a non-competition obligation for a period of twelve months from the date of cessation of his functions. In exchange, Mr Pascal Roché receives a non-competition indemnity equal to three months of fixed remuneration paid over the last twelve months of employment.
Supplementary Pension Plan	None	

2) Components of the remuneration due or attributed to Mr Craig McNally, Chairman of the Board of Directors, for the financial year ended 30 June 2019.

Components of remuneration	Amounts	Comments:
Fixed remuneration	None	Mr Craig McNally does not receive any specific remuneration in relation to his duties as Chairman of the Board of Directors.
Annual variable remuneration	None	
Deferred variable remuneration	None	
Multi-annual variable compensation	None	
Extraordinary remuneration	None	
Share options, performance shares or any other kind of long-term remuneration	None	
Remuneration paid to directors and members of one or more committees established by the Board	EUR 55,000	Craig McNally is eligible to receive the amount of remuneration allocated to members of the Board of Directors (formerly directors' fees) in accordance with the distribution rules set by the Board of Directors after consulting the Appointments and Remuneration Committee. To date, he has not received this remuneration in the reported period.
Valuation of benefits of all kinds	None	
Severance pay	None	
Non-competition indemnity	None	
Supplementary Pension Plan	None	

E. Remuneration policy for corporate officers submitted to the vote of the general meeting ("say on pay" ex ante)

Pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, the Board of Directors sets out the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional items making up the total compensation and benefits of any kind attributable to corporate officers.

The Ordinary General Meeting to be held on 10 December 2019 will be asked to approve the remuneration policy for corporate officers for the financial year ending 30 June 2020. As the functions of the chairmanship of the Board of Directors and General Management have been separated, two resolutions will be presented respectively for the Chairman of the Board of Directors and for the General Management.

1) Remuneration policy for the Chairman of the Board of Directors, non-executive corporate officer

The Board of Directors has decided not to allocate specific remuneration to the Chairman of the Board of Directors. The latter only receives remuneration in respect of his directorship (formerly directors' fees) and in accordance with the distribution rules set by the Board, as set out in section 5.3.2 of this document. It is specified that the chairmanship of the Board of Directors as such does not entitle the holder to additional remuneration, unlike the chairmanship of the various committees.

The Chairman of the Board of Directors does not receive any benefits in kind.

2) Remuneration policy for corporate officers subject to approval by the general meeting of 10 December 2019 ("say on pay" ex ante)

Remuneration for corporate officers is determined by the Board of Directors after reviewing the recommendations of the Appointments and Remuneration Committee. General Management is carried out by a single Chief Executive Officer The principles and criteria of his remuneration are detailed in §5.3.1 B above.

Fixed remuneration

The fixed remuneration of the Chief Executive Officer is determined by the Board of Directors after reviewing the recommendations of the Appointments and Remuneration Committee and in accordance with the pertinent recommendations of the AFEP-MEDEF Code. In accordance with the recommendations of the Afep-Medef Code, the amount of the fixed remuneration is only reviewed at relatively long intervals. As such, the amount set in October 2015 was revised in February 2019 to take into account the change in the size of the group following the acquisition of Capio AB and the resulting increased responsibilities.

Annual variable remuneration

The Chief Executive Officer's annual variable remuneration can represent up to 120% of fixed remuneration for the reference year.

In accordance with the recommendations of the Afep-Medef Code, annual variable remuneration is subject to the achievement of qualitative and quantitative target criteria defined and assessed by the Board of Directors on the recommendation of the Appointments and Remuneration Committee, according to the following weighting:

- the qualitative share of variable remuneration can represent up to 40% of annual fixed remuneration.
- the quantitative share of variable remuneration can represent up to 60% of annual fixed remuneration if the quantitative target criteria have been met and up to 80% of the quantitative objectives are exceeded by more than 10%.

In accordance with the provisions of Article L.225-100 of the French Commercial Code, the payment of the annual variable remuneration for a given financial year is subject to approval by the Ordinary General Meeting of the elements of the compensation paid or allocated to the Chief Executive Officer for that financial year.

The Board of Directors, at its meeting on 24 October 2019, postponed to the meeting it will hold after the general shareholders' meeting of 10 December 2019, the determination of the Chief Executive Officer's remuneration for the financial year ending 30 June 2020.

Long-term remuneration

Taking into account the capital structure of the Company and the low liquidity of the Company's shares, the Chief Executive Officer does not receive any remuneration in the medium or long term, in particular in the form of allocation of performance shares.

Benefits

The Chief Executive Officer receives a company vehicle as a benefit in kind in accordance with the Company's practice.

The Chief Executive Officer can also benefit from (i) the collective health and retirement benefits plan under the conditions applicable to the Company's salaried executives, (ii) a senior executive unemployment insurance policy under the Corporate Officers' Social Guarantee ("GSC") and (iii) professional civil liability insurance in his capacity as Chief Executive Officer.

Extraordinary remuneration

In accordance with the recommendations of the Afep-Medef Code, the Board of Directors may grant an extraordinary remuneration to the Chief Executive Officer if special circumstances justify it and are made explicit by the Board.

In accordance with the provisions of Article L.225-100 of the French Commercial Code, the payment of exceptional remuneration for a given financial year is subject to approval by the Ordinary General Meeting of the elements of the compensation paid or allocated to the Chief Executive Officer for that financial year.

The Board of Directors, having heard the opinion of the Appointments and Remuneration Committee, decided to grant an exceptional bonus of EUR 150,000 to the Chief Executive Officer in consideration of his involvement and contribution to the completion and success of the Capio Group takeover bid. The payment of this exceptional remuneration is subject to approval by the General Meeting of 10 December 2019.

Severance pay in the event of cessation of functions

The Board of Directors may choose to grant a severance payment to the Chief Executive Officer. In accordance with the provisions of article L.225-42.1 of the French Commercial Code and the recommendations of the Afep-Medef Code:

- the granting of severance pay is subject to the procedure of the regulated agreements and is approved by the Shareholders at each renewal of the mandate;
- payment is subject to the fulfilment of demanding performance conditions;
- severance pay only applies to cases of forced redundancy;
- the amount of the severance pay may not exceed two years' remuneration (fixed and annual variable).

By way of illustration, Pascal Roché benefits from severance pay in the event of dismissal, non-renewal, forced departure or requested resignation from his position as Chief Executive Officer.

The maximum amount of this indemnity corresponds to twenty-four months' remuneration based on the average fixed and variable monthly remuneration received during the twenty-four months prior to departure.

Pursuant to article L. 225-42-1 of the French Commercial Code, payment of this indemnity is subject to at least three of the following five criteria:

(i) financial ratios established by the loan agreements of the Ramsay Générale de Santé Group;
(ii) organic growth of the Ramsay Générale de Santé Group equal to or more than organic growth in the private hospital sector;
(iii) EBITDA established in the budget based on the budget for the year preceding the date of termination;
(iv) revenue established in the budget based on the budget for the year preceding the date of termination;
(v) non-overrun of the Capex established in the budget.

This severance pay was maintained without any change at the time of the renewal of the mandate of Mr Pascal Roché as Chief Executive Officer by the Board of Directors on 13 December 2016 and approved by the General Meeting on 13 December 2018 in accordance with the provisions of article L.225-42-1 paragraph 4 of the French Commercial Code. It will be reviewed again by the Board of Directors at the time of renewal of the Chief Executive Officer's term of office, which will take place at the end of the General Meeting of 10 December 2019.

Non-competition indemnity

In accordance with the provisions of article L.225-42-1 of the French Commercial Code, the Board of Directors may grant a non-competition indemnity to the Chief Executive Officer in return for a non-competition obligation following the termination of his functions within the Company.

By way of illustration, Mr Pascal Roché is subject to a non-competition obligation for a period of twelve months from the date of cessation of functions. In exchange, Mr Pascal Roché receives a non-competition indemnity equal to three months of fixed remuneration paid over the last twelve months of employment.

This non-competition indemnity will be reviewed again by the Board of Directors at the time of renewal of the Chief Executive Officer's term of office, which will take place at the end of the General Meeting of 10 December 2019.

F. Equity ratio between the level of compensation of corporate officers and the median and average compensation of the Company's employees

In accordance with article L.225-37-3 of the French Commercial Code as amended by law n°2019-486 of 22 May 2019, (the "Pacte" law), the table below presents the level of remuneration of the Chief Executive Officer compared to the average and median remuneration on a full-time equivalent basis of the Company's employees other than corporate officers and the change in this ratio over at least the five most recent financial years, presented together in order to allow comparison. It should be noted that Craig McNally does not receive any specific remuneration in relation to his duties as Chairman of the Board of Directors and the information required by the new Article L.225-37-3 of the French Commercial Code is therefore not applicable to him.

This presentation may be subject to change based on any subsequent clarifications and official positions circulated to companies.

Pascal Roché **Chief Executive Officer**	Financial year 2014 - 2015	Financial year 2015 - 2016	Financial year 2016 - 2017	Financial year 2017 - 2018	Financial year 2018 - 2019
Ratio to average employee compensation	45	39	39	38.5	47
Ratio to median employee compensation	48	42	42	41	50

5.3.2 REMUNERATION OF DIRECTORS

A. Terms and conditions of allocation of directors' remuneration

The Ordinary General Meeting of 9 June 2015 set the total amount of remuneration allocated to the members of the Board of Directors (formerly directors' fees) at EUR 475,000 euros with effect from the financial year commencing 1 January 2015, the amount of which has remained unchanged since then. As a result, the directors only receive this remuneration distributed among them, within the limits of the overall allocation made at the annual general meeting, for each twelve-month period corresponding to the calendar year and *pro rata temporis* for the duration of their term of office during that period.

The Board of Directors adopted the recommendations of the Appointments and Remuneration Committee with regard to individual remuneration items allocated to the members of the Board of Directors, made as follows:

- fixed annual share for each director: EUR 35,000;
- fixed annual share for each committee member: Eur 10,000 (for one or more committee memberships);
- fixed annual portion for each committee chairperson: EUR 10,000 (for one or more terms of office as committee chairperson).

B. Remuneration received by members of the Board of Directors

The table below (table 3 of AMF position-recommendation no. 2009-16) details the remuneration received by the members of the Board or their permanent representatives, with the exception of the Chairman of the Board (Craig McNally), whose remuneration is detailed in paragraph 5.3.1 above

In euros, before social security contributions and taxes

	Amounts paid for the period ended 30 June 2018	**Amounts paid for the period ended 30 June 2019**
Lynda Ait Mesghat Director representing employees (1)		
Remuneration paid to board members	23,100	29,050
Other remuneration	None	None
Anne-Marie Couderc Independent Director, Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee		
Remuneration paid to board members	55,000	55,000
Other remuneration	None	None
Crédit Agricole Assurance Member of the Board of Directors, Chairman of the Audit Committee, member of the Risk Committee Represented by Magali Chessé		
Remuneration paid to board members	35,000	35,000
Other remuneration	None	None
Jean-Jacques Duchamp Director, member of the Appointments and Remuneration Committee		

	Amounts paid for the period ended 30 June 2018	Amounts paid for the period ended 30 June 2019
Remuneration paid to board members	55,000	55,000
Other remuneration	None	None
Valérie Hortefeux Independent director, member of the Audit Committee, the Appointments and Remuneration Committee and the Risk Committee		
Remuneration paid to board members	45,000	45,000
Other remuneration	None	None
Carmel Monaghan Director, Chair of the Risk Committee		
Remuneration paid to board members	35,000	None
Other remuneration	None	None
Ramsay Health Care UK Limited Member of the Board Represented by Peter Evans		
Remuneration paid to board members	45,000	None
Other remuneration	None	None
Christopher Rex Member of the Board of Directors and member of the Appointments and Remuneration Committee (2)		
Remuneration paid to board members	45,000	33,750
Other remuneration	None	None
Bruce Soden Member of the Board of Directors, member of the Audit Committee		
Remuneration paid to board members	45,000	None
Other remuneration	None	None
Olivier Chrétien Member of the Board (3)		
Remuneration paid to board members	None	None
Other remuneration	None	None

(1) Whose term of office ends in November 2018.
(2) Whose term of office ended on 3 October 2018.
(3) Olivier Chrétien was co-opted by the Board of Directors at its meeting of 3 October 2018 to replace Christopher Rex, who resigned. This co-optation was ratified by the General Meeting of 13 December 2018.

5.4 REPORT OF THE CHAIRMAN OF THE BOARD ON CORPORATE GOVERNANCE

In accordance with the provisions of Articles L.225-37 et seq. of the French Commercial Code, the Board of Directors presents its report on corporate governance, approved at its meeting of 24 October 2019. This document contains all the information relating to corporate governance provided for in Articles L.225-37 et seq. of the French Commercial Code that must be included in the Board of Directors' report on corporate governance. The following cross-reference table identifies the information required in this document, which is incorporated by reference into this report.

Information required pursuant to Articles L.225-37 et seq. of the French Commercial Code	**Document**	
	Section(s)	**Page(s)**
Governance (L. 225-37-4 of the French Commercial Code)		
List of all offices and functions held in any company by each corporate officer during the financial year	5.1.1	188-191
Agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other, another company of which the former directly or indirectly holds more than half of the capital, with the exception of agreements relating to current transactions and concluded under normal conditions	6.3.1	228-229
A table summarising the delegations currently in force that have been granted by the general meeting of shareholders in the area of share capital increases and showing the use made of these delegations during the financial year	6.4.4	239-241
The choice between one of the two methods general management of the Company	5.1.4	*194-195*
The composition, conditions of preparation and organisation of the work of the Board	5.2.3.2	199-200
The diversity policy applied to members of the Board of Directors	5.2.3.1	198-199
Any limitations that the Board of Directors may place on the powers of the Chief Executive Officer	5.2.2	197
The provisions of the Corporate Governance Code that have been set aside, the reasons why, and the place where this code can be consulted	5.2.1	195-197
The specific terms and conditions of shareholder participation at general meetings	5.2.4 B	202-204
Remuneration of executives (L.225-37-2 and L.225-37-3 of the French Commercial Code)		
Draft resolutions on the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to corporate officers	5.3.1 E	211-213
The total compensation and benefits of any kind paid to each corporate officer by the Company during the financial year ended, as well as those received from companies controlled or controlling the Company, as applicable	5.3.1 A, B, C and D	204-211
Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to components of remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or subsequent to the performance of these duties, as well as the precise methods for determining these commitments and the estimated amount of the sums likely to be paid out	5.3.1 – B 5.3.1 – D	204 -206 208-211
Level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer compared to the average compensation on a full-time equivalent basis of the Company's employees other than corporate officers and the change in this ratio over at least the last five financial years	[5.3.1 – F]	213-214
Level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer compared to the median compensation on a full-time equivalent basis of the Company's employees other than corporate officers and the change in this ratio over at least the last five financial years	[5.3.1 – F]	213-214

Information required pursuant to Articles L.225-37 et seq. of the French Commercial Code	Document Section(s)	Page(s)
Elements likely to have an impact in the event of a public offer (L. 225-37-5 of the French Commercial Code)		
Structure of company capital	6.2.1 6.4.1	221-222 236-237
Statutory restrictions on exercise of voting rights and transfer of shares or the clauses of agreements brought to the knowledge of the company	6.2.4 B	224-225
Direct or indirect shareholdings in the Company's capital	6.2.1	221-222
The list of parties holding any shares with special control rights and description of same	N/A	N/A
Control mechanisms established in a potential employee shareholding system, when control rights are not exercised by employees	N/A	N/A
Shareholder agreements of which the company is aware and which may entail restrictions on the transfer of shares and exercise of voting rights	6.2.4 B	224-225
Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Articles of Association	6.4.6 B	242-245
The powers of the Board of Directors, in particular with regard to the issue or redemption of shares, are as follows	6.4.6 B	242-245
Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company	N/A	N/A
Agreements establishing compensation for members of the Board of Directors or employees if they resign or are dismissed without good and sufficient cause, or if their employment is terminated due to a takeover or exchange offer	N/A	N/A

PART 6 - GENERAL INFORMATION ABOUT THE GROUP

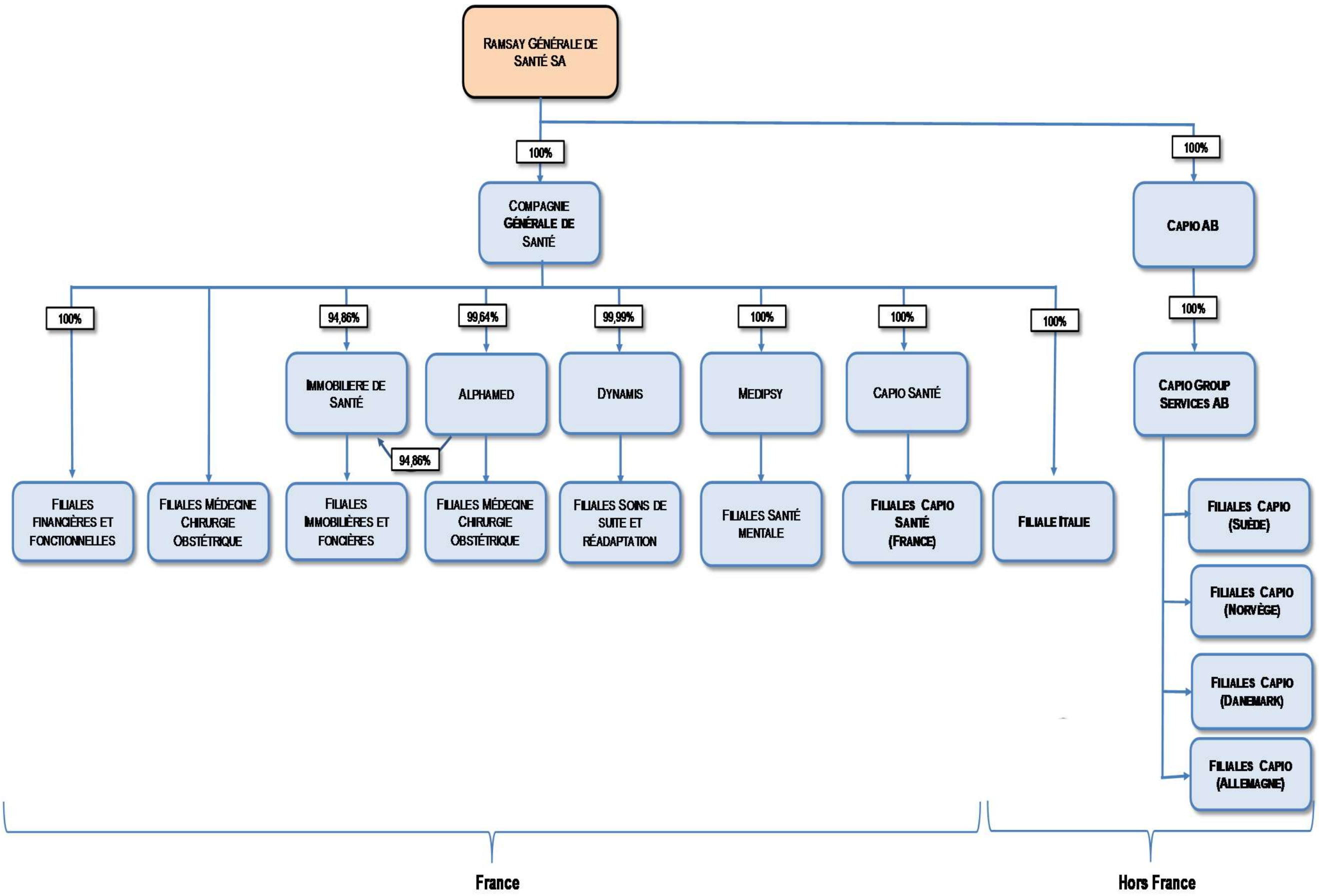
6.1 ORGANISATION

6.1.1 SIMPLIFIED GROUP ORGANISATION CHART

The organisational chart below shows a simplified structure of the shareholdings of the main companies making up the Ramsay Santé Group at the date of publication of this document.

The two direct subsidiaries of Ramsay Générale de Santé SA are responsible for holding the Group's operating and functional assets. To ensure management cohesion, Pascal Roché, Chief Executive Officer of Ramsay Générale de Santé SA (see part 5 above) is also Chairman of Compagnie Générale de Santé SAS (Paris) and Chairman and CEO of Capio AB (Stockholm). Pascal Roché also manages the economic interest groups dedicated to the Group's central services (see §6.1.3 B below), the Healthcare Cooperation Group (GCS), dedicated to research and teaching. He chairs the Ramsay Générale de Santé corporate foundation and the company Dynamis SA.

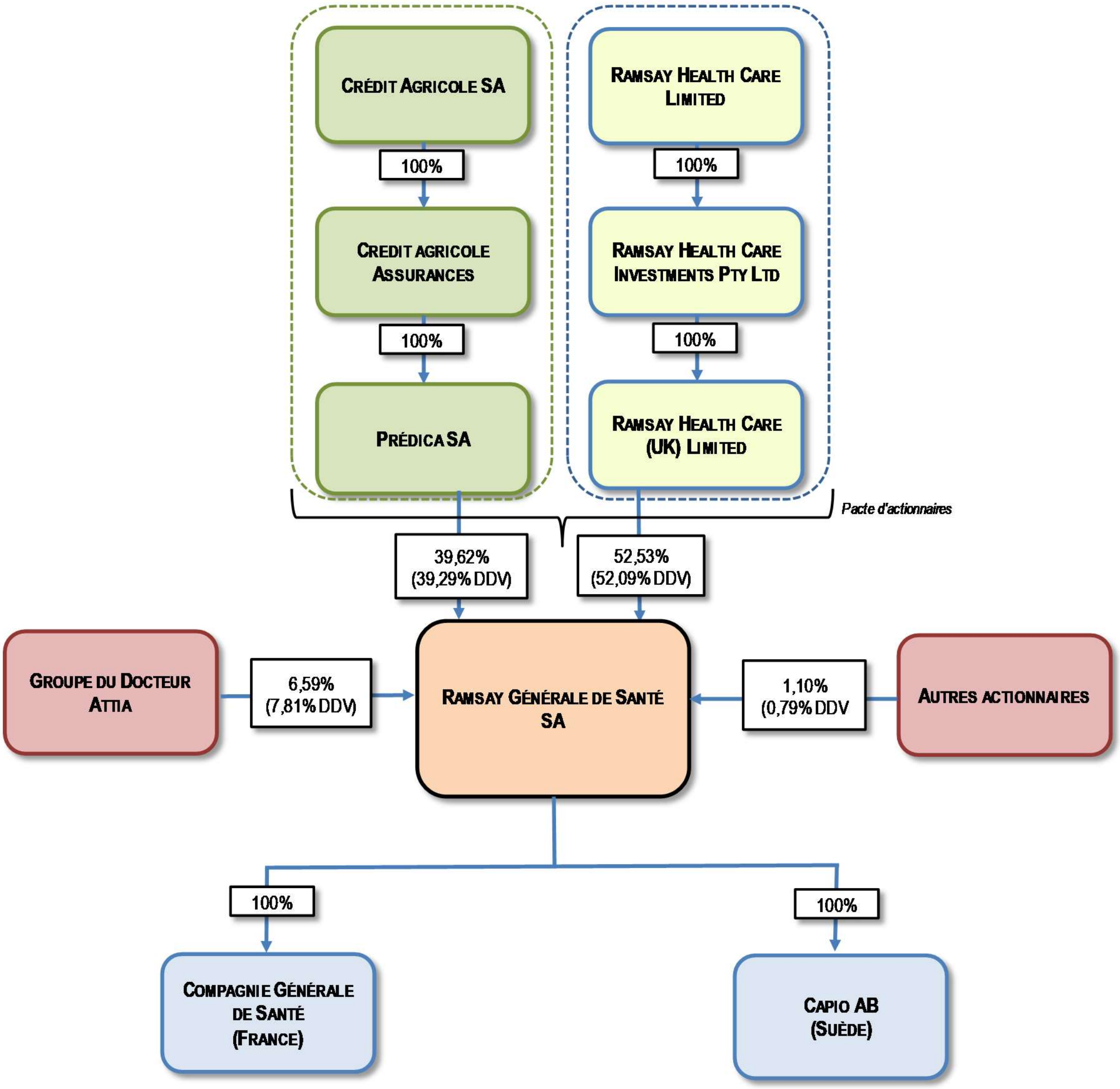
The other direct or indirect subsidiaries of Compagnie Générale de Santé have management bodies that correspond to their legal form and to the territorial structure of the Group's organisation. Thus, the managers of the healthcare institutions operated by the operating subsidiaries are the natural persons responsible at a local level (operations managers, division managers, facility managers), by country and by branch of activity. The functional subsidiaries are managed by members of the Executive Committee according to their respective purposes.



6.1.2 ORGANISATION CHART OF COMPANIES CONTROLLING THE COMPANY

The organisational chart below shows a simplified structure of the companies controlling the Company, as stated in section 6.1.2 of this document, at the date of the document.

The percentages shown in this organisational chart are calculated on the basis of capital consisting of 110,389,690 shares, representing 185,566,319 theoretical voting rights as at 30 September 2019, as detailed in §6.2.1.



6.1.3 Group structure

A. Principles and organisation

Ramsay Générale de Santé SA is a holding company whose own activity is the management of two wholly owned subsidiaries which hold all the subsidiaries of the Ramsay Générale de Santé group, one in France and Italy, and the second in Sweden, Norway, Denmark and Germany. These two subsidiaries are themselves owners of the share capital of operating entities (mainly clinics and hospitals) or management entities, it being specified that common tools are deployed to provide functional support to all economic interest groups or specialised subsidiaries. Most of the Group's operating subsidiaries are thus grouped under holding companies by country or by business, as shown in the organisation chart in Section 6.1.1 above.

Each of the Group's facilities operates under its own responsibility and is subject to the regulations applicable to its head office and the healthcare offer in the country in which it operates, the strength of the whole being based on shared internal standards in terms of organisation, quality of care and reporting. This organisation corresponds to the efficient territorialisation of the supply of care as desired by the competent health authorities and in general by the supervisory bodies within the framework of national health policies.

The specific nature of the Ramsay Health Group lies in the large number of entities dedicated to its activities (a little over three hundred and seventy entities). The largest number corresponds to the main operating entities (clinics, hospitals, nursing homes) around which specialised support structures revolve (such as in imaging), supplemented by real estate, finance and organisation companies, or even companies that have historically been intermediaries and which are regularly restructured.

B. Common and shared services

All operating entities use centralised management structures for consulting and assistance, as well as central and shared services. These are mainly economic interest groupings but also subsidiary capital companies (e.g. for the provision of purchasing and supply services). In return, the subsidiaries pay annual contributions covering the operating expenses of the EIGs on an internal regulatory basis with allocation keys defined by type of cost and according to the use of the various services by each member.

C. Group financing and cash flows

The Group's financing is discussed in Section 2.4 of this document, the main focus of which is the Credit Agreement and its various financing lines, as well as internal resources from shareholders and the Company's accumulated profits.

The Group's financial links operate as follows:

- a capital system governed by common corporate and fiscal law (dividends and other).

- a financial system operating through current accounts: the cash management agreements described above also define the nature of the parent / subsidiary current accounts, and allocate calculations of debtor and creditor interest rates in relation to the funds borrowed. Certain current accounts are "structural" and concern subsidiary acquisitions and the financing of restructuring investment packages, "contingency" current accounts concern the cash management by subsidiaries, cash-pooling and adjustments to the working capital requirement, and current accounts used by the main holding companies are employed for sums over EUR 50 million.

The Company has deployed a centralised cash management system to handle its cash flows. For this system to work, each Group company opens a bank account with banks specified by the Group. The accounts of subsidiaries are managed centrally by Central Iéna and Compagnie Générale de Santé, which act as a pivot companies for the banks. There are two types of service contracts with banks. The first type is a cash-pooling contract, which consists of daily consolidation of the account of each company concerned in relation to the account of the pivot company. The second type is an interest scale merger contract, whereby the account of each company is only merged as interest on the account of the pivot company, and the accounts are posted quarterly.

6.2 MAIN SHAREHOLDERS

6.2.1 SHAREHOLDING OF THE COMPANY

At the date of publication of this activity report, Ramsay Générale de Santé's equity stood at EUR 82,792,267.50, composed of 110,389,690 shares with a par value of EUR 0.75 each, fully paid up.

At 30 September 2019, the share capital and voting rights of Ramsay Générale de Santé were distributed as follows:

Shareholders	Number of shares	% of capital	Number of theoretical voting rights (1)	% of theoretical voting rights
Ramsay Health Care (UK) Limited (*)	57 993 112	52.53	96 662 256	52.09
Predica (*)	43 740 279	39.62	72 905 797	39.29
Joint subtotal concert Ramsay Health (UK) Limited / Predica	101 733 391	92.16	169 568 053	91.38
Mr André Attia's group (2)	7 275 296	6.59	14 487 352	7.81
Treasury shares (3)	25 301	0.02	25 301	0.01
Other shareholders	1 355 702	1.23	1 485 613	0.80
TOTAL	110 389 690	**100**	185 566 319	**100**

(*) Shareholders acting in concert.
(1) This table takes account of shares with double voting rights acquired pursuant to the Articles of Association.
(2) Number of shares and voting rights held indirectly by Mr André Attia through Carolam Santé, SCA Attia Villard Fribourg, BA Partners, Rainbow Santé and Société L'Arche, acting jointly.
(3) This table takes into account treasury shares at 30 June 2019.

The table below sets out developments in the Company shareholding structure between 1 October 2017 and 1 October 2019 (shareholdings and voting rights):

	1 October 2017			1 October 2018			1 October 2019		
Shareholders	**Number of shares**	**% capital**	**% voting rights***	**Number of shares**	**% capital**	**% voting rights***	**Number of shares**	**% capital**	**% voting rights***
Ramsay Health Care (UK) Limited (1)	38,669,144	50.91	51.21	38,669,144	50.91	51.17	57,993,112	52.53	52.09
Predica (1)	29,165,518	38.4	38.62	29,165,518	38.4	38.59	43,740,279	39.62	39.29
Subtotal concert (1)	**67,834,662**	**89.31**	**89.83**	**67,834,662**	**89.31**	89.77	**101,733,391**	**92.16**	91.38
SCA Attia Villard Fribourg (2)	813,389	1.07	1.08	813,389	1.07	1.08	813,389	0.74	0.88
Rainbow Santé (2)	16,812	0.02	0.02	16,812	0.02	0.02	16,812	0.02	0.02
BA Partners Santé SA (2)	351,459	0.46	0.39	351,459	0.46	0.46	414,699	0.38	0.41
Carolam Santé (2)	6,030,346	7.94	7.99	6,030,346	7.94	7.98	6,030,346	5.46	6.50
L'Arche (2)	-	-	-	50	0	0	50	0	0
Subtotal concert (2)	**7,212,006**	**9.49**	**9.47**	**7,212,056**	**9.5**	9.54	**7,275,296**	**6.59**	7.81
Treasury shares	25,301	0.03	0.02	25,301	0.03	0.02	25,301	0.02	0.02
Other registered shareholders	146,908	0.19	0.19	135,625	0.18	0.18	161,551	0.15	0.14
Other bearer shareholders	738,218	0.97	0.49	749,451	0.99	0.5	1,194,151	1.08	0.64

(*) (*) Theoretical voting rights pursuant to the stipulations of Article L.223-11 of the AMF's General Regulations.
(1) Shareholders acting in concert
(2) Shareholders acting in concert

The change in the share capital at 1 October 2019 is due to the capital increase with shareholders' preferential subscription rights, implemented on 22 March 2019 to refinance all the subordinated bonds issued for the purpose of financing the acquisition of the Capio Group. Indeed, the Board of Directors, at its meetings of 14 December 2018 and 22 February 2019, decided to make use of the delegation of authority granted to it by the General Meeting of 13 December 2018 in its 15th resolution and delegated its powers to the Chief Executive Officer to determine the form, nature and characteristics of the new shares to be issued, as well as the subscription price. On 15 April 2019, Pascal Roché, Chief Executive Officer, by virtue of the powers granted to him by the Board of Directors, noted that 34,432,595 new shares had been subscribed and that their subscription price had been fully paid up. Following this definitive completion of the share capital increase, the Company's new share capital then subsequently amounts to EUR 82,792,267.50, composed of 110,389,690 shares with a par value of EUR 0.75 each, fully paid-up.

6.2.2 DECLARATION IN RELATION TO CROSSING OF THRESHOLDS AND VOTING RIGHTS

Under the terms of a declaration of threshold crossing sent to the AMF on 6 October 2017 and published by the AMF on 6 October 2017 under number 217C2364:

- Ramsay Health Care (UK) Limited declared, for regularisation purposes, that on 25 September 2015, as a result of a decrease in the total number of voting rights of the Company, it had individually exceeded the threshold of 50% of the voting rights of the Company and held, on that date, 38,669,144 shares representing the same number of voting rights, i.e. 50.91% of the share capital and 50.30% of the voting rights of the Company. It is specified that on this occasion, the concert composed of Ramsay Health Care (UK) Limited and Predica did not cross any threshold and declared that it held 67,834,662 shares representing the same number of voting rights, i.e. 89.31% of the share capital and 88.23% of the voting rights of the Company.

- The aforementioned concert of Ramsay Health Care (UK) Limited and Predica declared that on 12 October 2016, as a result of an allocation of double voting rights, they exceeded the threshold of 90% of the Company's voting rights and held 67,834,663 shares representing 114,911,679 voting rights on that date, i.e. 89.31% of the share capital and 92.64% of the voting rights of the Company. It is specified that the aforementioned concert declared holding, at 4 October 2017, 67,834,662 shares of the Company representing 135,669,324 voting rights, i.e. 89.31% of the share capital and 91.55% of the voting rights of the Company.

Under the terms of a declaration of crossing of thresholds sent to the AMF on 18 October 2017, which was the subject of a notice published by the AMF on 18 October 2017 under number 217C2441, the concert composed of Ramsay Health Care (UK) Limited and Predica declared that on 13 October 2017 they had crossed above the thresholds of 90% of the share capital and voting rights of the Company and held 67,834,662 shares, representing 135,669,324 voting rights, or 89.31% of the share capital and 89.83% of the voting rights of the Company. This threshold crossing results from an increase in the total number of voting rights of the Company.

Under the terms of a declaration of crossing of thresholds sent to the AMF on 16 April 2019, which was the subject of a notice published by the AMF on 16 April 2019 under number 219C0661, the concert composed of Ramsay Health Care (UK) Limited and Predica declared that on 11 April 2019 they had crossed above the thresholds of 90% of the share capital and voting rights of the Company and held 101,733,391 shares, representing 169,568,053 voting rights, or 92.16% of the share capital and 91.38% of the voting rights of the Company. This crossing of thresholds resulted from the subscription to the capital increase with preferential subscription rights, which was definitively completed on 15 April 2019. The increase in Predica's stake in the Company's share capital, initially from 30% to 50%, by more than 1% over less than 12 consecutive months, was the subject of a decision to waive the obligation to file a public offer, reproduced in the AMF notice published under number D&I 219C0301 dated 20 February 2019.

No new threshold crossing declarations have been sent to the AMF since 16 April 2019.

6.2.3 DECLARATION IN RELATION TO THE VOTING RIGHTS OF MAIN SHAREHOLDERS

A double voting right is granted to any fully paid-up registered share for which proof is provided in accordance with the law that it has been registered in the name of the same shareholder for a period of at least two years; the double voting right automatically ceases under the conditions provided for by the French Commercial Code.

Developments in relation to the double voting rights carried by shares issued by the Company between 1 October 2017 and 1 October 2019 are as follows:

	1 October 2017	1 October 2018	1 October 2019
Shares in equity	75 957 095	75 957 095	110 389 690
Theoretical voting rights	151 035 112	151 136 268	185 566 319
Shares with no voting rights			
Registered treasury shares	25 301	25 301	25 301
Bearer treasury shares	0	0	0
Other	0	1 770 154	3 879 097
Exercisable voting rights	**124 010 274**	**149 340 813**	**181 661 921**

The breakdown of equity among the main shareholders at 1 October 2019 and changes over the last three years are shown in the tables in section 6.2.1 above.

Each month the Company posts the voting rights table for the last day of the preceding month on its website.

6.2.4 CONTROL OF THE COMPANY

A. Controlling shareholders

Since 1 October 2014, the Company has been controlled by Ramsay Health Care (UK) Limited and Predica, acting in concert, which together hold 101,733,391 shares and 169,568,053 voting rights in the Company, representing 92.16% of the share capital and 91.38% of the voting rights of the Company at the date of publication of this document.

In an informative memo approved by the AMF as nº 14-575 on October 28, 2014 and in the informative document concerning the merger between Ramsay Santé and Générale de Santé registered by the AMF on May 27, 2015 as nº 15-046, Ramsay Health Care (UK) Limited and Predica declared that, as the Company intended to remain listed following the merger in order to have continued access to capital markets to guarantee the liquidity of Générale de Santé shares, they intended to reduce their respective holdings in the Company through stakes taken up by new healthcare investors as non-controlling shareholders (a distribution of 57% and 43%, respectively), at any time, provided Ramsay Health Care (UK) Limited and Predica together held at least 50.1% of the Company's equity after the merger, and the holding of Ramsay Health Care (UK) Limited was larger than the Predica holding. Provided these share sales were carried through, Ramsay Health Care (UK) Limited and Predica could draw up a non-concert shareholders' agreement with the new investors.

B. Shareholders' agreement between Ramsay Health Care Limited and Predica

On 30 September 2014, Ramsay Health Care (UK) Limited and Predica drew up a shareholders' agreement for the purposes of organising their relationship as shareholders of Ramsay Générale de Santé (formerly named Générale de Santé when the shareholders' agreement was entered into). The provisions of the shareholders' agreement relating to the Company's Board of Directors were amended on 12 December 2016. The main provisions of this shareholders' agreement, as amended on 12 December 2016, were notified to the public by the AMF in two notices published respectively on 8 October 2014 under number 214C2099 and 21 December 2016 under number 216C2885, under the following terms:

" "Concert action:

Ramsay Health Care (UK) Limited and Predica declare they are acting in concert vis-à-vis Générale de Santé.

Governance:

a) <u>Representation on the board of directors:</u>

- *the Board of Directors is composed of ten (10) members, including five (5) proposed by Ramsay Health Care (UK) Limited, at least two (2) proposed by Predica, at least one (1) independent member and at least one (1) member representing employees;*
- *the Chairman of the Board of Directors is appointed by the Board of Directors by a simple majority from among the Board members proposed by Ramsay Health Care (UK) Limited, on the recommendation of Ramsay Health Care (UK) Limited and after consultation with Predica;*
- *Predica no longer has the right of prior approval of the nominee proposed by Ramsay Health Care (UK) Limited to serve as Chairman of the Board;*
- *a Vice-Chairman of the Board of Directors is appointed (or removed) by the Board by a simple majority of its members. The Vice-Chairman is appointed from among the Predica representatives appointed to the Board of Directors, on a proposal from Predica;*
- *in the event of a tied vote, the Chairman of the Board of Directors has a casting vote, but the Vice-Chairman does not have a casting vote; and*
- *the CEO is appointed by a majority of board members following a proposal by Ramsay Healthcare (UK) Limited after consultation with Predica.*

b) <u>Representation on board committees</u>:

- *the shareholders' agreement stipulates that the board will have an audit committee and an appointments and remuneration committee.*
- *the audit committee will be composed of four members appointed for a term of four years - two representatives of Ramsay Healthcare (UK) Limited, one representative of Predica and one independent director pursuant to the French AFEP-MEDEF Code.*
- *the appointments and remuneration committee will be composed of four members appointed for a term of four years - two representatives of Ramsay Healthcare (UK) Limited, one representative of Predica and one independent director pursuant to the French AFEP-MEDEF Code.*
- *the chairmen of the two committees will be appointed following proposals by Predica.*

c) <u>Board decisions taken on a qualified majority:</u>

A number of major board decisions may only be taken by a qualified majority of two thirds of directors present or represented:

- *Approval of the business plan of the Générale de Santé group (i.e. Générale de Santé or any company it controls directly or indirectly), of the annual budget (including an investment plan identifying the group's investment projects) and amendments thereto.*
- *Any shares issued by Générale de Santé.*

- *Any decisions for submitting a resolution to the extraordinary general meeting of shareholders of Générale de Santé.*
- *Any shares issued by any group company (other than Générale de Santé).*
- *Any approval of stock option plans, allocations of free shares, and any similar plans concerning the Group.*
- *Any instructions issued by Générale de Santé to group executives concerning their attendance of the general meetings of any group company, when decisions by the general meeting concern any major decisions.*
- *Unless specifically approved in the budget, any external growth projects or sales concerning all or part of the group and not contemplated in the investment plan the unit value of which exceeds EUR 20,000,000 (enterprise value in the case of mergers or acquisitions).*
- *Unless specifically approved in the budget, any investment (other than those stipulated in the preceding paragraph) concerning any group company and not contemplated in the investment plan the cumulative value of which exceeds EUR 15,000,000 in the course of one financial year.*
- *Unless specifically approved in the budget, any increase in group debt that is in excess of EUR 20,000,000, or that brings the group's consolidated debt ratio to more than four times its consolidated EBITDA for the last complete financial year.*
- *Unless specifically approved in the budget, any partnerships between a group company and third party the annual cost of which exceeds EUR 20,000,000.*
- *Unless specifically approved in the budget and unless this is part of the normal course of business, any issuance of sureties, pledges or mortgages by any group company.*
- *Any mergers, demergers or liquidations, unless they are intragroup operations.*
- *Any appointment of auditors for any group company.*
- *Any decisions concerning prior approval of agreements pursuant to Article L. 225-38 of the French Commercial Code, with the stipulation that any board member concerned and/or any board members proposed by a party to such an agreement may not take part in the vote and will not be taken into account for the purposes of calculating quorum and calculating majorities.*
- *Approval of any measures taken before or during any public offer concerning the shares of Générale de Santé that could jeopardize the offer.*
- *Any declarations or undertakings to carry out one of the operations stipulated above or issuances of options or any other agreement that could compel any group company to carry out one of the operations stipulated above.*

d) Decisions by the CEO requiring prior authorisation by the board:

The CEO may only take the following decisions if previously authorised to do so by the board, unless the decisions have already been approved in the budget[18]:

- *Approval of amendment of the business plan and budget (including any investment plans and their financing plans).*
- *Transfer or issuance of any sureties (including any pledges) concerning any group assets, not specifically approved in the budget or on an investment program already approved by the board, the unit value of which exceeds EUR 5,000,000.*
- *Any investment or acquisition of assets by any group company not specifically approved in the budget or on an investment program already approved by the board, the unit value of which exceeds EUR 10,000,000.*
- *Issuance of any loans by any group company to a non-group borrower the unit value of which exceeds EUR 5,000,000.*
- *Appointments, resignations or removals and any major amendments to the terms and conditions of employment contracts or agreements with an employee or a corporate officer at any group company whose gross annual remuneration (excluding benefits in kind) exceeds EUR 250,000.*
- *Any agreements by any group company (other than those stipulated in point 3 above) the cost of which exceeds EUR 5,000,000.*
- *Any strategic agreements by any group company in relation to the creation of a joint venture, a consortium or a partnership with any third parties (excluding commercial agreements), not specifically approved in the budget or on an investment program already approved by the board, in excess of EUR 5,000,000.*

[18] Dès lors qu'elles relèvent du paragraphe (c) ci-dessus, les décisions ci-dessous sont prises à la majorité des deux tiers ; les autres décisions sont prises à la majorité simple.

- *Any credit or financing agreements by any Group company that are in excess of EUR 5,000,000, or that bring the group's consolidated debt ratio to more than four times its consolidated EBITDA for the last complete financial year.*
- *Any transactional agreement concerning any litigation for claims in excess of EUR 1,000,000 and initiation or administration of any judicial, administrative or arbitration proceedings by any group company, as either claimant or defendant.*
- *Acquisition of any shares (through mergers, contributions of group assets to another company or any similar operations), excluding any acquisitions in connection with cash operations carried out as part of the normal course of business, not specifically approved in the budget or on an investment program already approved by the board, in excess of EUR 10,000,000.*
- *Any agreements by any group company not stipulated above with any third parties, not specifically approved in the budget or on an investment program already approved by the board, the annual cost of which exceeds EUR 1,000,000 (excluding agreements drawn up as part of the normal course of business and under normal conditions).*
- *Any declarations or undertakings to carry out one of the operations stipulated above or issuances of options or any other agreement that could compel any group company to carry out one of the operations stipulated above.*

Share transfers:

a) Commitment to respect investment ceiling:

- *The shareholders' agreement stipulates that the stake held by Predica in Générale de Santé may not at any time exceed 99% of the number of shares held by Ramsay Healthcare (UK) Limited and conversely, that the stake held by Ramsay Healthcare (UK) Limited may not account for less than 101% of the number of shares held by Predica.*
- *Moreover, neither Ramsay Healthcare (UK) Limited nor Predica may carry out purchases of Générale de Santé shares the effect of which would be to breach any of the thresholds leading to a mandatory public offering.*

b) Commitment to retain shares:

Ramsay Healthcare (UK) Limited and Predica have undertaken not to assign or in any other way transfer their shares in Générale de Santé for a period of five years[19].

c) Right of first refusal:

After the period stipulated for the undertaking to keep shares as explained above, the parties have mutually granted the right of first refusal if one of them wishes to sell all or some of its shares to a third party[20].

d) Proportional joint sale rights:

If one of the parties has not exercised its right of first refusal, this party will be entitled, if the assignor sells its shares to a third party, to sell a number of shares to the assignee representing the same stake held by the assignor in the capital of Générale de Santé.[2]

e) *Market liquidity of Générale de Santé shares:*

The parties undertake to do all they can to ensure that the market for Générale de Santé shares has a minimum float, with a target of between 15% and 20% of the capital on the basis of the total number of Générale de Santé shares outstanding at 31 December 2015. To this end, the parties agree to meet and negotiate in good faith procedures to increase the float if it accounts for less than 20% of the capital of Générale de Santé at this date.

f) *Review clause:*

The parties agree, within three months of the end of the mandatory period for holding shares, and within three months of each of the periods of two years for renewals of the shareholders' agreement, to meet to consider the possible sale of all or part of their stake in Générale de Santé.

Duration and term of the shareholders' agreement:

The shareholders' agreement is drawn up for a period of six years, and will subsequently be renewed by tacit agreement for periods of two years, in the absence of any objections on notice of six months. " "

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[19] Cet engagement comporte plusieurs exceptions, notamment en cas de transferts libres définis comme : (i) les cessions par les parties au profit de leurs affiliés respectifs, (ii) les cessions d'actions opérées au profit d'un actionnaire minoritaire identifié, (iii) les transferts d'actions effectués dans le but d'accroître la liquidité du marché de l'action Ramsay Générale de Santé, (iv) les opérations d'acheté-vendu qui n'auraient pas pour effet de modifier le nombre total de titres détenu par chacune des parties et (v) les transferts d'actions convenus entre les parties.
[20] Il est précisé que les cessions effectuées par une partie portant sur un nombre d'actions représentant, avec les cessions effectuées pendant les douze mois précédant, moins de 2 % du capital et des droits de vote de Ramsay Générale de Santé ne sont pas concernées.

6.2.5 INFORMATION CONCERNING PROCEDURES FOR EXERCISE OF CONTROL OF THE COMPANY

The Company is controlled by Ramsay Health Care (UK) Limited and Predica acting on a joint basis, and they hold 92.16% of its equity, representing 91.38% of its voting rights at the date of this activity report. Ramsay Health Care (UK) Limited and Predica are party to the shareholders' agreement described in paragraph 6.2.4 above. The Company does not believe that there is any risk of this control being abused.

The governance principles and the composition of the Company's governance bodies are described in detail in sections 5.1 and 5.2 of this document.

6.2.6 INFORMATION CONCERNING THE COMPANY'S CONTROLLING SHAREHOLDERS

In addition to the information provided in paragraph 6.2.1 above and the summary organisation chart in section 6.1, the following information concerns the shareholders bound by the shareholders' agreement described in paragraph 6.2.4 above:

Ramsay Health Care (UK) Limited

Ramsay Health Care (UK) Limited is a registered company in England and Wales that is governed by the Companies Act 1985. As one of the leading companies in hospitalisation and private hospital services in the United Kingdom, it has the benefit of a network of 34 facilities that provide a wide range of specialised healthcare services for the benefit of patients under different schemes. Ramsay Health Care (UK) Limited also operates medical imaging and diagnosis units, and has neurological care facilities at three neurological rehabilitation units. Ramsay Health Care (UK) Limited employs over 5,000 people in the United Kingdom.

100% of its capital is held by Ramsay Health Care Investments PTY Limited, also a wholly-owned subsidiary of Ramsay Health Care Limited (Australia).

The main financial figures are as follows (at 30 June in the years concerned):

	2017	2018	2019
Total net assets *(in millions of euros)*	539.5	461.2	686.6
Basic earnings per share (*in euros*)	1.74	1.49	2.21
Net profit (*in EUR millions*)	49.3	-68.4	22.3

Its Chief Executive Officer is Dr. Andrew Jones.

Predica – Prévoyance Dialogue du Crédit Agricole

Predica, a wholly-owned subsidiary of the Crédit Agricole Assurances group (in turn a wholly-owned subsidiary of Crédit Agricole S.A.), is France's second largest life insurance company. Its leadership is based on the strength of the bank insurance model and the potential of its partner networks, chiefly regional savings banks and LCL. It operates a range of insurance to meet the needs of its customers and their relations throughout their lives. Predica has been successfully adapting to its environment for 30 years, and the company is now working to serve Crédit Agricole Group customers by developing insurance solutions that meet major challenges such as retirement and long-term care.

The key figures of the Crédit Agricole Assurances group are as follows:

	2016	2017	2018
Outstanding *(in billions of euros)*	269	279	285.2
Revenue (*billions of euros*)	30.8	30.4	33.5
Net profit (*in EUR millions*)	1 368	1 431	1 469

Its Chief Executive Officer is Frédéric Thomas.

6.2.7 AGREEMENTS THAT COULD BRING ABOUT A CHANGE IN CONTROL

To the knowledge of the Company, there are no agreements that could bring about a change in control at the Company.

It should be pointed out that the shareholders' agreement described in paragraph 6.2.4 above stipulates that Ramsay Health care (UK) Limited and Predica may not assign or transfer in any way their shares in Ramsay Générale de Santé over a period of five years (except in the case of free transfers defined as: (i) sales by the parties for the benefit of their respective affiliates, (ii) sales of shares for the benefit of an identified non-controlling shareholder, (iii) transfers of shares for the purpose of boosting the market liquidity of Ramsay Générale de Santé shares, (iv) purchase/sale operations that do not affect the total number of shares held by each of the parties and (v) share transfers agreed between the parties.

6.3 RELATED-PARTY TRANSACTIONS

6.3.1 RELATED PARTIES: REGULATED CONVENTIONS.

This section describes the transactions reported in the Company's financial statements that fall within the scope of the provisions of Articles L.225-38 et seq. of the French Commercial Code. These transactions were covered by the regulatory timeframes in an updated memorandum sent to the auditors under the conditions stipulated in Article R. 225-30 of the same code.

During the financial year ended 30 June 2019, as part of the financing of the Capio takeover bid presented in section [1.1.2] of this document, the Board of Directors authorised new regulated agreements, which are detailed in this section and in the special report of the auditors relating to this financial year.

A. Financing of the Ramsay General Health Group, Mandate Letter

At its meeting on 1 October 2014, the Board of Directors, in accordance with the provisions of Article L.225-38 of the French Commercial Code, authorised the conclusion of a debt agreement effective 1 October 2014, with various commitments. The financing made provision for a loan in the total amount of EUR 1,075 million, broken down as follows:

- a B1 tranche in the total amount of EUR 660 million, which is in turn divided into a B1 A tranche up to EUR 500 million and a B1 B tranche up to EUR 160 million, the purpose of which is (a) to refinance existing Company debt, (b) to finance all kinds of distribution and (c) to pay transactions costs and furnish liquidity.

- a B2 tranche in the total amount of EUR 240 million, the purpose of which is (a) to refinance the existing debt of Ramsay Santé, especially debt with regard to its shareholders, (b) to finance all kinds of additional distribution and (c) to pay transactions costs and furnish liquidity.

- an acquisition/Capex tranche in the total amount of EUR 75 million, the purpose of which is (a) to finance acquisitions/joint ventures authorised by the Credit Agreement, (b) to pay costs in connection with the acquisitions/joint ventures, (c) to refinance the existing debt of the companies purchased through the acquisitions/joint ventures authorised and (d) to finance ordinary and extraordinary investment outlays.

- a revolving credit facility for a total amount of EUR 100 million, the purpose of which is to cover the group's general and working capital requirements.

In this context, the Board authorised, under the same regulatory conditions, the conclusion by the Company of the Mandate Letter which forms part of the Financing Documents, in particular in view of the existing links between the Company and the other companies party to the Mandate Letter.

B. Credit Agreement

At its meeting on 1 October 2014, the Board of Directors, in accordance with the provisions of Article L.225-38 of the French Commercial Code, authorised the conclusion by the Company and certain of its controlled subsidiaries within the meaning of Article L233-3 of the French Commercial Code of the Credit Agreement and of any document to be entered into in order to implement the provisions of the Credit Agreement, and remove the conditions precedent relating to its use.

C. Subordination Agreement

On October 1, 2014, the Board of Directors, in accordance with the provisions of Article L.225-38 of the French Commercial Code, authorised the conclusion of the Subordination Agreement by means of which, Ramsay Générale de Santé SA as debtor, certain Group companies (Compagnie Générale de Santé, Alphamed and Immobilière de Santé as initial debtors), agreed third parties and the companies controlled by the Company within the meaning of Article L.233-3 of the French Commercial Code as intra-group creditors benefit from the liquidity it needs to repay its debt, and from the response of the financial institutions party to the Financing, selected by the Company following a call for tenders to which numerous banks responded, and offering financing terms in line with the current market on the basis of usual terms, in particular with regard to interest rates and financial covenants.

D. Amendment to the Credit Agreement

On 22 June 2017, the Board of Directors, in accordance with Article L.225-38 of the French Commercial Code, authorised the conclusion of an amendment to the Credit Agreement referred to in paragraphs A, B and C above, as well as the confirmation by the Company, in its capacity as agent and on behalf of its direct and indirect subsidiaries having the status of Debtors under the Credit Agreement, of the continuation, with respect to the Credit Agreement as amended by the Amendment, of the joint and several sureties and various security interests previously granted under the Credit Agreement by the Company's direct and indirect subsidiaries. The amendment was signed and came into effect on 11 August 2017.

This "Amendment and Extension" of the Group's senior credit agreement of 1 October 2014 removed the maintenance covenants, extended the maturity of the senior debt by 2 years to 3 October 2022 and reduced the margin of the Term Loan B from Euribor +3.5% to Euribor +3.125%.

E. Approval of the acquisition of Capio

In order to finance the acquisition of Capio, the Company:

- issued EUR 550 million in subordinated bonds, subscribed on 31 October 2018 by Ramsay Health Care (UK) and Predica under the terms of two subscription agreements (respectively, the "Ramsay Subscription Agreement" and the "Predica Subscription Agreement"); and
- benefited from a term loan of EUR 750 million, of which the initial lenders are Crédit Agricole Corporate & Investment Bank and Société Générale, which takes the form of an additional line of credit ("*Incremental Facility*") set up under the 2014 Credit Agreement.

1 - Ramsay Subscription Agreement

The Board of Directors, at its meetings of 13 July 2018 and 27 July 2018, authorised, in accordance with article L.225-38 of the French Commercial Code, the conclusion of the Ramsay Subscription Agreement, as amended and restated, in accordance with which Ramsay Health Care (UK) subscribed to the subordinated bonds issued by the Company, in the amount of EUR 313,527,459, in order to (i) pay or refinance the purchase price of the Capio securities tendered in the offer, (ii) pay or refinance the costs relating to the offer and (iii) refinance certain debts of the Capio group with respect to third parties and pay any bank withdrawal fees, redemption premiums and other costs that may be due as a result of such refinancing.

Following the decision to increase the offer price for Capio and the amendment of the financing arrangements of the offer, the Board of Directors' meeting of 3 October 2018, again in accordance with Article L.225-38 of the French Commercial Code, authorised the conclusion of theof the Ramsay Subscription Agreement, as amended and restated.

2 - Predica Subscription Agreement

The Board of Directors, at its meetings of 13 July 2018 and 27 July 2018, authorised, in accordance with article L.225-38 of the French Commercial Code, the conclusion of the Predica Subscription Agreement, as amended and restated, in accordance with which Predica subscribed to the subordinated bonds issued by the Company, in the amount of EUR 236,472,541, in order to (i) pay or refinance the purchase price of the Capio securities tendered in the offer, (ii) pay or refinance the costs relating to the offer and (iii) refinance certain debts of the Capio group with respect to third parties and pay any bank withdrawal fees, redemption premiums and other costs that may be due as a result of such refinancing.

Following the decision to increase the offer price for Capio and the amendment of the financing arrangements of the offer, the Board of Directors' meeting of 3 October 2018, again in accordance with Article L.225-38 of the French Commercial Code, authorised the conclusion of theof the Predica Subscription Agreement, as amended and restated.

3 - Accession Deed

In the context of the *Incremental Facility* and in accordance with the terms of the Credit Agreement, the Company's subsidiaries Capio and Capio Group Services were required, within 60 days of the acquisition of Capio by the Company, to adhere to the Credit Agreement as guarantors and the Intercreditor Agreement as debtors by signing an accession deed (the "Accession Deed"). Pascal Roché, Chief Executive Officer of the Company, and also holding a directorship in Capio, the Accession Deed constituted a regulated agreement within the meaning of Article L.225-38 of the French Commercial Code.

As a result, the Board of Directors of21 December 2018, in accordance with Article L.225-38 of the French Commercial Code, authorised the conclusion by the Company, Capio and Capio Group Services of the Accession Deed.

6.3.2 COMMITMENTS CONCERNING REMUNERATION AND RELATED BENEFITS FOR CORPORATE OFFICERS

Information concerning the remuneration of Craig McNally and Pascal Roché is provided in section 5.3.1 of this document.

A. Craig McNally (Chairman of the Board of Directors)

Craig McNally does not receive any remuneration for his mandate as Chairman of the Board of Directors other than the remuneration allocated to the members of the Board of Directors (formerly directors' fees) as set out in section 5.3.

B. Pascal Roché (Chief Executive Officer)

As Chief Executive Officer, Pascal Roché:

- receives an annual gross sum of fixed remuneration.
- may receive gross variable annual remuneration or bonuses that may represent up to 120% of his fixed annual remuneration subject to the achievement of quantitative and qualitative criteria, the payment of this variable remuneration is subject to the approval of the Ordinary General Meeting in accordance with the provisions of Article L.225-100 of the French Commercial Code;

- may receive exceptional remuneration, the payment of which is subject to the approval of the Ordinary General Meeting in accordance with the provisions of Article L.225-100 of the French Commercial Code;

- is entitled to healthcare expenses (mutual association) and a provident scheme in the conditions currently applicable to corporate officers of the Company.

- is entitled to unemployment insurance under the Corporate Officers' Social Guarantee ("GSC"), with twelve (12) months' cover representing compensation equal to fifty-five per cent (55%) of his net professional taxable salary.

Furthermore, pursuant to the stipulations of Articles L.225-38 and L.225-42-1 of the French Commercial Code, Mr Pascal Roché is entitled to an aggregate indemnity in full discharge in the event of dismissal, non-renewal, forced departure or request for resignation from office as Chief Executive Officer:

- in relation to a change of the strategy he has implemented and promoted up to that point, or

- that occurs within twelve (12) months of acquisition of control (as defined by Article L. 233-3 of the French Commercial Code) of the Company, either by a party acting alone or several parties acting together.

The principles of these commitments were approved by the General Meeting in accordance with the applicable legal provisions on the remuneration of corporate officers and continued unchanged during the financial year ended 30 June 2019.

The components of the Chief Executive Officer's remuneration are detailed in section 5.3.1 of this document.

6.3.3 LIST OF CURRENT AGREEMENTS CONCLUDED UNDER NORMAL CONDITIONS

The companies in the Ramsay Générale de Santé Group are also related by agreements in relation to the provisions of Article L.225-39 of the French Commercial Code, and these were continued in the period ended 30 June 2019 with no amendments to their principles or procedures.

A. Tax consolidation agreement

The companies of the Ramsay Générale de Santé Group are bound by a tax consolidation agreement dated 1 January 2003 between the Ramsay Générale de Santé SA and its consolidated subsidiaries the purpose of which is to formalise the methods for allocating the additional tax savings or charges resulting from the tax consolidation system, which are applied as from the date on which the subsidiary joins the group. This agreement continued unchanged during the 2018-2019 financial year

The agreement stipulates the way in which tax expenditure and savings arising from consolidation are to be shared out between the parent and the subsidiary, in due consideration of the following guidelines:

Tax consolidation in the reports of the consolidated group must reflect the same accounting and financial position that each subsidiary would have with no tax consolidation.

The parent has tax savings as a result of consolidation of the results of companies within the scope of consolidation.

B. Cash management agreement

The Company has deployed a centralised cash management system to handle its cash flows. For this system to work, each Group company opens a bank account with banks specified by the Group. The accounts of subsidiaries are managed centrally by Compagnie Générale de Santé and Central Iéna, which act as a pivot companies for the banks.

The Group companies' cash management system is defined by cash agreements drawn up by the subsidiaries, the pivot cash holding company and the approved bank, and by service contracts drawn up with the banks concerned. The cash agreements lay down the conditions in which cash flows move towards companies in accordance with their respective cash needs.

There are two types of service contracts with banks. The first type is a cash-pooling contract, which consists of daily consolidation of the account of each company concerned in relation to the account of the pivot company. The second type is an interest scale merger contract, whereby the account of each company is only merged as interest on the account of the pivot company, and the accounts are posted quarterly.

The agreement continued during the financial year ended 30 June 2019 and, as such, the Company received an amount of EUR 971,451.41 in interest from Compagnie Générale de Santé and EUR 217.19 from Centrale Iéna. The Company did not pay interest during the same period.

6.3.4 OTHER AGREEMENTS

At 30 June 2019 and also at the date of publication of this document, the Company had no other agreements or commitments relating to its major shareholders.

6.3.5 SPECIAL REPORT BY THE STATUTORY AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS FOR THE PERIOD ENDED 30 JUNE 2019

As the auditors of your company, we wish to present our report on regulated agreements and commitments.

Il nous appartient de vous communiquer, We are responsible for informing you, on the basis of the information supplied to us, concerning the main characteristics of, procedures for, and the background of the Company's interest in commitments that were made known to us or that we encountered in the course of our task, with no obligation to issue statements on their utility or grounds, or to conduct a search for other agreements and commitments.- Pursuant to the provisions of Article R. 225-31 of the French Commercial Code,, selon les termes de l'article R. 225-31 du Code de commerce, it is your responsibility to assess the benefits resulting from these agreements and commitments prior to their approval.

We are also responsible, where applicable, for informing you about the information specified in Article R. 225-31 du Code de commerceR. 225-31 of the French Commercial Code concerning the implementation in the course of the past period of any agreements and commitments approved by the General Meetingpar l'assemblée générale.

We have carried out the procedures we considered necessary with regard to the professional criteria of the French National Auditing Body in relation to this engagement. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

Agreements and commitments subject to approval by the General Meeting

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments entered into during the year ended 31 December 2019 and which have been approved by your Board of DirectorsL. 225-40des conventions et engagements suivants conclus au cours de l'exercice écoulé qui ontconseil d'administration.

► **Between Ramsay Health Care (UK) and Predica, shareholders of your company**

1. **Conclusion of the "Ramsay Subscription Agreement"**

Nature and purpose

Conclusion of the "Ramsay Subscription Agreement" by Ramsay Health Care (UK) and by your company controlled by it within the meaning of Article L. 225-38 of the French Commercial Code.

Stipulations

Your Board of Directors' meeting of 13 July 2018, having considered the objectives of the issue by your company and the subscription by Ramsay Health Care (UK) of the bonds to be issued, namely:

- ► the payment or refinancing of the purchase price of the Capio AB shares in the context of the Offer or on the market, including in the context of the implementation of the mandatory squeeze-out procedure;
- ► the payment or refinancing of costs relating to the Offer;
- ► the refinancing of certain debts of the Capio AB group in respect of third parties and the payment of any bank termination fees, redemption premiums and other costs which may be payable as a result of this refinancing;

having also considered that:

- ► the remuneration of the bonds has been set according to the characteristics of the transaction at a rate of 3.125% per annum, which is an appropriate remuneration for this type of transaction;
- ► the Company has undertaken to repay the full principal amount of the outstanding bonds and to pay all interest accrued in respect of the bonds as soon as reasonably possible, and in any event within six (6) months of the date on which the bonds are issued, by issuing new shares in the Company in connection with a capital increase with preferential subscription rights for shareholders, to which Ramsay Health Care (UK) will subscribe by offsetting the claim for repayment of the bonds and payment of all interest accrued in respect of the bonds against the subscription price of the new shares;

Your Board of Directors has approved the terms and conditions of the "Ramsay Subscription Agreement", authorised the conclusion of the "Ramsay Subscription Agreement" substantially under the terms and conditions presented to the Board of Directors as it relates to Ramsay Health Care (UK), as well as any deed or document required to this effect;

Reasons justifying the interest of the agreement for the company

Your Board's rationale for this agreement is as follows: it noted that the conclusion of the "Ramsay Subscription Agreement", and in particular the financial terms of said "Ramsay Subscription Agreement" and the issue of bonds, is in the company's interest in the context of financing the acquisition of Capio AB.

2. Amendment of the "Ramsay Subscription Agreement”

Nature and purpose

Amendment of the "Ramsay Subscription Agreement" by Ramsay Health Care (UK) and by your company controlled by it.

Stipulations

Your Board of Directors' meeting of 27 July 2018, following its decisions of 13 July 2018, approved the terms and conditions of the “Ramsay Subscription Agreement”, as amended and restated, and consequently authorised the conclusion of the “Ramsay Subscription Agreement”, as amended and restated, substantially under the terms and conditions presented to it as it relates to Ramsay Health Care (UK), as well as any deed or document required to this effect.

Reasons justifying the interest of the agreement for the company

Your Board's rationale for this agreement is as follows: it noted that the conclusion of the “Ramsay Subscription Agreement" as amended and restated, and in particular the financial terms of said “Ramsay Subscription Agreement”, as amended and restated, and the issue of bonds, is in the company's interest in the context of financing the acquisition of Capio AB.

3. Conclusion of the “Predica Subscription Agreement”

Nature and purpose

Conclusion of the “Predica Subscription Agreement" by Predica and by your company controlled by it within the meaning of Article L. 225-38 of the French Commercial Code.

Stipulations

Your Board of Directors' meeting of 13 July 2018, having considered the objectives of the issue by the company and the subscription by Ramsay Health Care (UK) of the bonds to be issued, namely:

- ► the payment or refinancing of the purchase price of the Capio AB shares in the context of the Offer or on the market, including in the context of the implementation of the mandatory squeeze-out procedure;
- ► the payment or refinancing of costs relating to the Offer;
- ► the refinancing of certain debts of Capio AB in respect of third parties and the payment of any bank termination fees, redemption premiums and other costs which may be payable as a result of this refinancing;

Having also considered that:

- ► the remuneration of the bonds has been set according to the characteristics of the transaction at a rate of 3.125% per annum, which is an appropriate remuneration for this type of transaction;
- ► the Company has undertaken to repay the full principal amount of the outstanding bonds and to pay all interest accrued in respect of the bonds as soon as reasonably possible, and in any event within six (6) months of the date on which the bonds are issued, by issuing new shares in the Company in connection with a capital increase with preferential subscription rights for shareholders, to which Predica will subscribe by offsetting the claim for repayment of the bonds and payment of all interest accrued in respect of the bonds against the subscription price of the new shares;

Your Board of Directors has approved the terms and conditions of the "Predica Subscription Agreement" and has authorised the conclusion of the "Predica Subscription Agreement" substantially under the terms and conditions presented to it as it relates to Predica, as well as any deed or document required to this effect.

Reasons justifying the interest of the agreement for the company

Your Board's rationale for this agreement is as follows: it noted that the conclusion of the "Predica Subscription Agreement, and in particular the financial terms of said "Predica Subscription Agreement" and the issue of bonds, is in the company's interest in the context of financing the acquisition of Capio AB.

4. Amendment of the "Predica Subscription Agreement”

Nature and purpose

Conclusion of the “Predica Subscription Agreement" between Predica and your company controlled by Predica.

Stipulations

Your Board of Directors' meeting of 27 July 2018, following the decisions of the Board of Directors' meeting of 13 July 2018, approved the terms and conditions of the “Predica Subscription Agreement”, as amended and restated, and consequently authorised the conclusion of the “Predica Subscription Agreement”, as amended and restated, substantially under the terms and conditions presented to it as it relates to Predica, as well as any deed or document required to this effect.

Reasons justifying the interest of the agreement for the company

Your Board's rationale for this agreement is as follows: it noted that the conclusion of the "Predica Subscription Agreement" as amended and restated, and in particular the financial terms of said "Predica Subscription Agreement" and the issue of bonds, is in the company's interest in the context of financing the acquisition of Capio AB.

5. Conclusion of the "Ramsay Subscription Agreement" and "Predica Subscription Agreement", as amended and restated

Nature and purpose

Conclusion of the "Ramsay Subscription Agreement" and "Predica Subscription Agreement" as amended and restated by Ramsay Health Care (UK), Predica and your company controlled by Predica.

Stipulations

Your Board of Directors meeting of 3 October 2018, having decided to increase the price of the Capio Offer, reviewed the terms and conditions of the financing of said offer and subsequently, after reviewing the draft "Ramsay Subscription Agreement" as amended and restated:

► approved the terms and conditions of the "Ramsay Subscription Agreement" as amended and restated;

► authorised the conclusion of the "Ramsay Subscription Agreement", as amended and restated, substantially under the terms and conditions presented to it as it relates to Ramsay Health Care (UK), as well as any deed or document required to this effect;

and also, having read the draft "Predica Subscription Contract" as amended and reiterated:

► approved the terms and conditions of the "Predica Subscription Agreement" as amended and restated;

► consequently authorised the conclusion of the "Predica Subscription Agreement", as amended and restated, substantially under the terms and conditions presented to it as it relates to Predica, as well as any deed or document required to this effect;

Reasons justifying the interest of the agreement for the company

Your Board's rationale for this agreement is as follows: it noted that the conclusion of the "Ramsay Subscription Agreement" as amended and restated, and the "Predica Subscription Agreement", as amended and restated, and in particular the financial terms of said "Ramsay Subscription Agreement" and "Predica Subscription Agreement" and the issue of bonds, is in the company's interest in the context of financing the acquisition of Capio AB.

► **With the companies Capio and Capio Services, subsidiaries of your company**

Conclusion of the Accession Deed

Nature and purpose

Conclusion of the Accession Deed by your company and the companies Capio and Capio Services, which are controlled by it.

Stipulations

Your board of directors, at its meeting of 21 December 2018, having recalled that, in accordance with the terms of the Credit Agreement, the companies Capio and Capio Services, subsidiaries of your company, are required, within (sixty) 60 days of the acquisition of Capio by your company, to adhere to the Credit Agreement as Guarantors and to the Intercreditor Agreement as Debtors, under the terms of the Accession Deed and to provide the guarantee referred to in Article 20 (Guarantee and Indemnity) of the Credit Agreement and in Article 23 (Guarantee and Indemnity) of the Intercreditor Agreement, and in order to comply with the obligation provided for under the terms of the Credit Agreement, considered it necessary for Capio and Capio Group Services to sign the Accession Deed. It was then specified that as Mr Pascal Roché, Chief Executive Officer of your company, is also a director of Capio, the Accession Deed constitutes a regulated agreement within the meaning of article L. 225-38 of the French Commercial Code as it concerns your company.

Moreover, your Board of Directors, after deliberation and after having taken note of the proposed Accession Deed, has:

► approved the terms of the Accession Deed substantially in the form presented to it;

► authorised the provision by Capio and Capio Services of the guarantees referred to in the Credit Agreement and the Intercreditor Agreement;

► consequently authorised your company and the companies Capio and Capio Services to enter into the Accession Deed.

Reasons justifying the interest of the agreement for the company

Your Board's rationale for this agreement is as follows: it has ascertained that the conclusion by the companies Capio and Capio Services of the Accession Deed is in the interest of your company, in particular insofar as it is an obligation that is applicable to your company in accordance with the terms of the Credit Agreement.

Agreements and commitments already approved by the General Meeting

En application de l'article R. 225-30 du Code de commercePursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the General Meeting in previous years, were carried out in the course of the year.des conventions et engagements suivants, déjà approuvésl'assemblée générale

► **With the companies Compagnie Générale de Santé, Immobilière de Santé and Alphamed, subsidiaries of your company**

1. Letter of accession to the mandate letter

Nature and purpose

Letter of accession to the mandate letter.

Stipulations

On 1 October 2014, your Board of Directors issued authorisation for a new debt agreement as of 1 October 2014 (Financing Documents) along with a joint guarantee by your Company and its subsidiaries Compagnie Générale de Santé and Alphamed as Borrowers and Guarantors to guarantee the obligations of each pursuant to the Financing Documents, and a share account pledge on the shares held by the Company in Compagnie Générale de Santé.

The financing contained in the financing documents is for a total amount of EUR 1,075 million, broken down as follows:

- A B1 tranche totalling EUR 660 million, which is in turn divided into a B1 A tranche of EUR 500 million and a B1 B tranche of EUR 160 million, the purpose of which is (a) to refinance the existing debt of your company, (b) to finance any kind of distribution (in relation to the B1B tranche only) and (c) to pay transaction costs and furnish liquidity;
- A B2 tranche totalling EUR 240 million, the purpose of which is (a) to refinance the existing debt of your company, in particular that relating to its shareholders, (b) to finance any kind of additional distribution and (c) to pay transaction costs and furnish liquidity;
- An "acquisition/CAPEX" loan totalling EUR 75 million, the purpose of which is (a) to finance acquisitions/joint ventures authorised by a Credit Agreement, (b) to pay costs in connection with these acquisitions/joint ventures, (c) to refinance the existing debt of the companies purchased through the authorised acquisitions/joint ventures and (d) to finance ordinary and extraordinary capital expenditure;
- a revolving credit facility for a total amount of EUR 100 million to finance your group's general and working capital requirements.

On 1 October 2014, your company's preparation of the mandate letter, which forms part of the financing Documents, was submitted to the procedure of prior authorisation by the board of regulated agreements stipulated in Article L.225-38 of the French Commercial Code, in due consideration of links between your company and the other companies party to the Mandate Letter.

- **With certain subsidiaries of your company**

1. Conclusion of the Credit Agreement

Nature and purpose

Credit Agreement concluded by your company and a number of subsidiaries controlled by the company as stipulated in Article L.233-3 of the French Commercial Code.

Stipulations

On 1 October 2014, your Board authorised the conclusion, in the name and on behalf of your company, and by some of its subsidiaries, of the Credit Agreement and any other documents to be drawn up for the purposes of implementation of the terms of the Credit Agreement, and the removal of any associated conditions precedent relating to its use.

Your Board of Directors conferred full powers on the Chief Executive Officer and the Deputy Chief Executive Officer, each acting in an individual capacity with the power to delegate any person of their choice to negotiate terms and conditions, agree to any amendments, finalise, sign and carry out the Credit Agreement in the name and for account of the Company and, in a general sense, undertake any commitments, sign any deeds or documents, including APR letters, drawdown notices, selection notices, commission letters, withdrawal deeds concerning existing sureties granted for current debt, and to take any other action that is necessary or required to amend, finalise, sign or execute the Credit Agreement.

2. Conclusion of the subordination agreement

Nature and purpose

Conclusion of the subordination agreement by your company and certain subsidiaries controlled by it within the meaning of Article L. 233-3 of the French Commercial Code.

Stipulations

On 1 October 2014, your Board of Directors authorised the conclusion of the subordination agreement by your company, in its capacity as debtor ("Debtor"), with certain companies of the group to which your company belongs, namely:

- Compagnie Générale de Santé, Alphamed and Immobilière de Santé as the Original Debtors and Third-Party Holders;
- the companies, which are controlled by your company, as "Intra-Group Lenders";

and with the following financial institutions:

- Barclays Bank plc, BNP Paribas S.A., Crédit Agricole Corporate & Investment Bank, Deutsche Bank AG, London Branch, Natixis et Natixis London Branch, as mandated arrangers and initial lenders; and
- BNP Paribas S.A. as agent and surety agent.

3. Amendment to the Credit Agreement

Nature and purpose

Amendment to the Credit Agreement.

Stipulations

On 22 June 2017, your Board of Directors authorised the conclusion of an amendment to the Credit Agreement referred below, as well as the confirmation by your Company, in its capacity as agent and on behalf of its direct and indirect subsidiaries having the status of Debtors under the Credit Agreement, of the continuation, with respect to the Credit Agreement as amended by the Amendment, of the joint and several sureties and various security interests previously granted under the Credit Agreement by the Company's direct and indirect subsidiaries. The amendment was signed and came into effect on 11 August 2017.

This "Amendment and Extension" of the Group's senior credit agreement of 1 October 2014 removed the maintenance covenants, extended the maturity of the senior debt by two years to 3 October 2022 and reduced the margin of the Term Loan B from Euribor +3.5% to Euribor +3.125%.

► **With Pascal Roché, Chief Executive Officer of your company**

Remuneration and other benefits in kind

Nature and purpose

Fixed remuneration, variable remuneration and related benefits

Stipulations

Pascal Roché receives a gross fixed annual remuneration of EUR 510,000, subsequently modified to EUR 610,000 with effect from 1 January 2019, in order to take into account the change in the size of the group following the acquisition of Capio AB and the increased responsibilities resulting therefrom. Beyond this, he may receive a variable remuneration component of up to 120% of his fixed annual gross remuneration. He is entitled to healthcare expenses (mutual association) and a provident scheme in the conditions currently applicable to corporate officers of the Company. Finally, he is entitled to unemployment insurance under the Corporate Officers' Social Guarantee ("GSC"), with twelve (12) months' cover representing compensation equal to 55% of his net professional taxable salary.

Mr Pascal Roché shall also be entitled to an aggregate indemnity in full discharge in the event of dismissal, non-renewal or request for resignation from office as Chief Executive Officer.

The Statutory Auditors

Paris La Défense, 31 October 2019

Deloitte & Associés

Jean-Marie Le Guiner   Stéphane Lemanissier

ERNST & YOUNG Audit

Pierre Jouanne   May Kassis-Morin

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6.4 ADDITIONAL INFORMATION CONCERNING SHARE CAPITAL

6.4.1 INFORMATION ABOUT THE SHARE CAPITAL

A. Share capital

Following the increase in the Company's share capital as described in §6.2.1 above, and at the date of publication of this document, the Company's share capital amounts to EUR 82,792,267.50, composed of 110,389,690 shares with a par value of EUR 0.75 each, fully paid-up.

B. Shares not recognised in the Company's equity

There are no shares that do not form part of the Company's equity.

C. Treasury shares

The Company did not purchase any treasury shares in the year ended 30 June 2019.

At 30 June 2019, the Company held 25,301 treasury shares directly, accounting for 0.02% of the share capital. These shares do not have voting rights.

D. Other shares granting access to the capital

At the date of publication of this document, there were no financial instruments granting access or potentially granting access to share capital, and no dilutions are therefore forthcoming.

E. Pledges granted on shares of the Company and its subsidiaries

There are no pledges on the shares of the Company's controlling shareholders Ramsay Health Care (UK) Limited and Predica.

Pursuant to the clauses and commitments contained in the 2014 Credit Agreement, as amended on 11 August 2017 (described in section 2.4 of this document), securities held by the Company or its subsidiaries Compagnie Générale de Santé and Alphamed were pledged in favour of the Group's lending institutions.

The table below shows pledges on the shares of direct or indirect subsidiaries of the Company at the date of this document:

Name of the company whose shares are pledged	Components	Beneficiaries	Number of shares pledged
Compagnie Générale de Santé	Ramsay Générale de Santé SA	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	9,288,809 shares
Capio AB	Ramsay Générale de Santé SA	BNP Paribas SA as security agent (Barclays Bank PLC, BNP Paribas SA, Crédit Agricole Corporate & Investment Bank, Deutsche Bank AG, London Branch Natixis and Natixis, London Branch as lenders)	141,159,661 shares
Capio Group Services	Capio AB	BNP Paribas SA as security agent (Barclays Bank PLC, BNP Paribas SA, Crédit Agricole Corporate & Investment Bank, Deutsche Bank AG, London Branch Natixis and Natixis, London Branch as lenders)	101,898,196 shares
Immobilière de Santé	Compagnie Générale de Santé	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	9,042,071 shares
Immobilière de Santé	Alphamed	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	489,965 shares

Name of the company whose shares are pledged	Components	Beneficiaries	Number of shares pledged
Alphamed	Compagnie Générale de Santé	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	9,799,839 shares
Performance Achats au Service de la Santé	Compagnie Générale de Santé	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	2,500 shares
Hôpital Privé Parly II	Alphamed	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	189,142 shares
Hôpital Privé de l'Ouest Parisien	Alphamed	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	81,069 shares
Médipsy	Compagnie Générale de Santé	BNP Paribas SA Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis Natixis, London Branch	2,500,000 shares
HPM Hôpital Privé Métropole	Compagnie Générale de Santé	BNP Paribas S.A. Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis	7,953,601 shares
HPM Nord	HPM Hôpital Privé Métropole	BNP Paribas S.A. Barclays Bank PLC Crédit Agricole Corporate & Investment Bank Deutsche Bank AG, London Branch Natixis	2,411,244 shares

For all entities whose securities are pledged, the pledges will end on the later of the following two dates:

- the date on which all of the Secured Obligations under the Credit Agreement will have been repaid in full, it being specified that all of the credit lines mature on 3 October 2022, and
- the date on which none of the Beneficiaries will have an existing obligation towards the Grantor or a Borrower, or Guarantor of which the Grantor is Guarantor under the Financing Documents.

The release of the pledges shall be given in writing by the Security Agent, representing the Beneficiaries, at the request of the Settlor. The Security Agent shall notify the holder of the securities account and the holder of the associated bank account pledged of the release of the pledges.

F. Pledges granted on shares of the Company and its subsidiaries

At the date of this document there were no conditional or unconditional agreements or options on the capital of any members of the Group.

G. Conditional or unconditional agreements or options on the capital of any members of the Group

The distribution of Company capital over the last three years is addressed in detail in paragraph 6.2.1 of this document.

6.4.2 DESCRIPTION OF THE SHARE BUYBACK PROGRAMME TO BE SUBMITTED TO A VOTE AT THE COMBINED GENERAL MEETING ON 10 DECEMBER 2019

Pursuant to Article 241-2 of AMF General Regulations, this section constitutes a description of the buyback program that will be submitted to a vote at the General Meeting convened on 10 December 2019.

This programme would renew the same programme adopted by the General Assembly of 13 December 2018.

A. **Number of shares and portion of equity held by the Company**

At the date of this document the Company directly held 25,301 treasury shares, accounting for 0.02% of share capital.

The Company has no derivative positions open.

B. **Objectives of the share buyback program**

The objectives of the share buyback program to be submitted to a vote at the General Meeting on 10 December 2019 are as follows:

- their cancellation by way of a reduction in the Company's capital;
- their allocation following exercise of the rights attached to securities giving access to capital via reimbursement, conversion, exchange, presentation of a warrant or any other means.
- the implementation (i) of share option plans under the conditions of Articles L. 225-177 et seq. of the French Commercial Code or any similar plans, (ii) free share plans pursuant to the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, (iii) employee shareholder operations reserved for members of a company savings scheme carried out under the conditions of Articles L. 3332-1 et seq. of the French Labour Code, through the sale of shares previously purchased by the Company as part of its share buyback program, or making provision for free allocation of these shares in respect of a contribution in Company shares and/or in lieu of the discount and/or (iv) allocation of shares for the benefit of employees and/or corporate officers of the Company and/or related companies, pursuant to the legal and regulatory conditions applicable;
- the allocation of shares (for exchange, payment or otherwise) in the context of external growth, merger, demerger or contribution; and/or
- the market-making of the Company’s shares by an investment services provider under a liquidity agreement in accordance with the code of ethics recognised by the Autorité des marchés financiers (AMF).

This programme is also intended to allow the implementation of any market practices that are permitted by the AMF after the Shareholders’ Meeting of 10 December 2019, and more generally, the completion of any transactions that comply with the regulations in force. In this case, the Company shall officially notify its shareholders.

C. **Maximum portion of capital to be purchased and maximum amount of funds allocated to the operation**

The maximum purchase price is established as thirty euros (EUR 30) per Company share at a par value of seventy-five euro cents (EUR 0.75) each, excluding acquisition costs (or the equivalent of this amount in any other currency or monetary unit established with respect to several currencies).

The maximum number of Company shares to be purchased may not at any time exceed 10% of the total number of shares making up the Company's share capital at any time. This percentage applies to a sum of the Company's share capital that, where applicable, will be adjusted to take account of transactions affecting capital subsequent to the General Meeting. For information purposes, the share capital at 30 September 2019 consists of eleven million thirty eight thousand nine hundred and sixty nine (11,038,969) Company shares, representing a theoretical maximum amount of three hundred and thirty one million one hundred and sixty nine thousand and seventy euros (EUR 331,169,070). It should be noted that if shares are repurchased to increase the Company share liquidity under the conditions defined by the AMF General Regulations, the number of shares used for the calculation of the limit of 10% specified above corresponds to the number of shares purchased less the number of shares resold during the authorisation period.

D. **Procedures for buybacks**

Company shares may be purchased at any time, except during periods of public offerings involving the Company’s share capital, on one or more occasions, by any and all means, on either a regulated or non-regulated market, via a market-maker or over the counter, including the acquisition of blocks of shares or the utilisation of option strategies, potentially by any third parties acting on behalf of the Company in the conditions stipulated in the final paragraph of Article L. 225-206 of the French Commercial Code.

Company shares purchased in this fashion may be exchanged, sold or transferred by any and all means, on either a regulated or non-regulated market, via a market-maker or over the counter, including the sale of blocks of shares, in compliance with applicable regulations.

Dividends paid on shares in the Company held as treasury stock will be allocated to retained earnings.

All powers necessary are conferred upon the Board of Directors, with the option to sub-delegate under the conditions set by law and regulations, in the event of a change in the par value of the share, an increase in capital by incorporation of reserves, free allocation of shares, division or regrouping of securities, distribution of reserves or any other assets, depreciation of capital, or any other transactions involving equity, to adjust the maximum purchase price referred to above so as to reflect the impact of these transactions on the share value. The Board of Directors is also empowered (and has the right of delegation of authority as permitted by laws and regulations) to implement this authorisation, and in particular to submit any stock exchange orders, to conclude any agreements, to perform any formalities or submit any declarations with any organisation and, more generally, to take any necessary or expedient action to implement decisions taken within the scope of this authorisation.

E. Duration and schedule of the buyback program

Pursuant to Article L.225-209 of the French Commercial Code and the resolution that will be submitted for approval at the General Meeting, the share buyback programme may be carried out over a period of eighteen (18) months after the General Meeting on 10 December 2019.

6.4.3 SUMMARISED DECLARATION OF TREASURY SHARE OPERATIONS CARRIED OUT BY THE COMPANY ON THE BUYBACK PROGRAM

Declaration by the Company on 30 September 2019

Percentage of direct and indirect treasury shares	0.023%
Number of shares cancelled over the last 24 months	-
Number of shares held in portfolio	25,301
Carrying amount of the portfolio	EUR 328,611.17
Portfolio market value (1)	EUR 450,357.80

(1) Ramsay Générale de Santé share price at close of business on 30 September 2019: EUR 17.80.

Under the share buyback programs authorised by the General Meetings, no transactions have been carried out by the Company on its own shares over the last three financial years

	Cumulative gross flows		Open positions at 1 October 2019			
	Purchases	Sales/transfers	Positions open for purchase		Positions open for sale	
			Purchase options bought	Future purchases	Purchase options sold	Future sales
Number of shares	—	—	—	—	—	—
Average maximum maturity	—	—	—	—	—	—
Average transaction price (euros)	—	—	—	—	—	—
Average exercise price	—	—	—	—	—	—
Amount (euros)	—	—	—	—	—	—

6.4.4 SUMMARY TABLE OF DELEGATIONS OF AUTHORITY AND AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS FOR THE PURPOSES OF ISSUING SHARES AND OTHER COMPANY SECURITIES, VALID AT THE REPORTING DATE

The table below shows the delegations of authority and authorisations issued to the Board of Directors for share capital increases, valid at the date of this document.

These delegations and authorisations were approved by the General Meeting of 13 December 2018. With the exception of the authorisation referred to in the twenty-fifth resolution granted for a period of eighteen months, the authorisation referred to in the twenty-seventh resolution granted for a period of thirty-eight months and the authorisation referred to in the twenty-eighth resolution granted for a period of twenty-four months, the delegations and authorisations were granted for a period of 26 months and are therefore valid until 12 February 2021.

Type of authorisation	Source (1)	Maximum nominal amount or percentage of share capital	Duration of the delegation as of 13 December 2018
Delegation of authority granted to the Board of Directors to make decisions regarding the issuance of shares and/or securities conferring or potentially conferring access to capital and/or issuance of securities conferring entitlement to debt securities, with preferential shareholder subscription rights maintained *(Articles L.225-129 et seq. and L.228-91 et seq. French Commercial Code)*	15th	a. **40,000,000 euros**(2) b. **610,900,000 euros**(3)(debt securities)	26 months
Delegation of authority granted to the Board of Directors to make decisions regarding the issuance of shares and/or securities conferring or potentially conferring access to capital and/or issuance of securities conferring entitlement to debt securities, with preferential shareholder subscription rights maintained withdrawn, for public offerings *(Articles L.225-129 et seq., L.225-135 et seq. and L.228-91 et seq. French Commercial Code)*	16th	a. **20,000,000 euros**(2) (4) b. **610,900,000 euros**(3)(debt securities)	26 months
Delegation of authority granted to the Board of Directors to make decisions regarding the issuance of shares and/or securities conferring or potentially conferring access to capital and/or issuance of securities conferring entitlement to debt securities, with preferential shareholder subscription rights maintained withdrawn, for public offerings relating to Article L.411-2 II of the French Monetary and Financial Code *(Articles L.225-129 et seq., L.225-135 et seq. and L.228-91 et seq. French Commercial Code – Art. L.411-2 II French Monetary and Financial Code)*	17th	a. **11,000,000 euros**(2) (4) b. **122,180,000 euros**(3)(debt securities)	26 months
Delegation of authority granted to the Board of Directors to increase the number of shares and/or securities giving or likely to give access to the capital to be issued in the event of a capital increase, with or without shareholders' preferential subscription rights. *(Articles L.225-129-2 and L.225-135-1 French Commercial Code)*	18th	**15% of the initial issue** (2) (3) (4) for issues performed under the 15th to 17th resolutions	26 months
Authorisation granted to the Board of Directors, in the event of an issue with cancellation of preferential subscription rights of shares and/or securities giving or likely to give access to the share capital, to set the issue price in accordance with the terms and conditions set by the General Meeting, within the limit of 10% of the share capital per 12-month period. *(Art. L.225-136 French Commercial Code)*	19th	**10% of Company capital over a period of 12 months to the day of the issuing decision**	26 months
Delegation of authority granted to the Board of Directors to make decisions on the issue of shares and/or securities conferring or potentially conferring access to capital as remuneration for contributions in kind relating to shares and/or securities conferring or potentially conferring access to capital *(Articles L.225-129 et seq., L.225-147 and L.228-91 et seq.; French Commercial Code)*	20th	a. **10% of Company capital** on the day of issue decision (2) (4) b. **61,090,000 euros**(3)(debt securities)	26 months
Delegation of authority granted to the Board of Directors to decide to increase the share capital by incorporating reserves, profits, premiums or any other amount that may be capitalised. *(Articles L.225-129-2 and L.225-130 French Commercial Code)*	21st	**30,000,000 euros**(2)	26 months
Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities giving or able to give access to capital, with cancellation of the shareholders' preferential subscription right for doctors and other health care professionals pursuing their medical and/or paramedical activities in the facilities held by the Company and/or its subsidiaries. *(Articles L.225-129 et seq. and L.225-138 French Commercial Code)*	22nd	**1,600,000 euros**(2) (4)	18 months
Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities conferring or potentially conferring access to the capital, with preferential shareholder subscription rights withdrawn, reserved for members of savings schemes. *(Articles L.225-129 et seq., L.225-138-1 and L.228-91 et seq. French Commercial Code, L.3332-18 et seq. French Labour Code)*	23rd	**1,600,000 euros**(5)	26 months
Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities giving or likely to give access to the share capital, with cancellation of shareholders' preferential subscription rights and reserved for a category of beneficiaries. *(Articles L.225-129 et seq. and L.225-138 French Commercial Code)*	24th	**1,600,000 euros**(5)(6)	18 months

Type of authorisation	Source (1)	Maximum nominal amount or percentage of share capital	Duration of the delegation as of 13 December 2018
Authorisation granted to the Board of Directors to grant existing or future free shares to eligible employees and/or corporate officers of the Company and/or its affiliates. *(Art. (Art. L. 225-197-1 et seq. of the French Commercial Code)*	25th	**3% of Company capital** at the date of the decision taken by the Board to allocate the shares (**0.3% of Company capital** in the case of shares allocated to corporate officers)(2) (4)	38 months
Authorisation granted to the Board of Directors to reduce the Company's share capital by cancelling treasury shares. *(Art. (Art. L. 225-209 et seq. of the French Commercial Code)*	26th	**10% of Company capital over a** period of 24 months	24 months

(1) Number of the resolution at the General Meeting on 13 December 2018.
(2) The nominal sum of the share capital increase carried out pursuant to the authorisation concerned is applied to the ceiling of EUR 40,000,000 established in the fifteenth resolution.
(3) The nominal sum of the debt securities issued pursuant to the authorisation concerned is applied to the ceiling of EUR 610,900,000 established in the fifteenth resolution.
(4) The nominal sum of the share capital increase carried out pursuant to the authorisation concerned is applied to the ceiling of EUR 20,000,000 established in the sixteenth resolution.
(5) This ceiling is separate and distinct from the ceilings established in the fifteenth and sixteenth resolutions.
(6) The nominal sum of the share capital increase carried out pursuant to the authorisation concerned is applied to the ceiling of EUR 1,600,000 established in the twenty-third resolution.

6.4.5 ITEMS THAT COULD EXERT AN INFLUENCE IN THE EVENT OF A PUBLIC OFFERING

The information stipulated in Article L.225-100-3 of the French Commercial Code concerns items that could exert an influence in the event of a public offering, which must be set out in the report by the Chairman of the Board of Directors.

The information required is set out in the following chapters of the Universal Registration Document:

Structure of company capital	§6.2 Main shareholders §6.4 "Additional information concerning the share capital and provisions of the Articles of Association"
Statutory restrictions on exercise of voting rights and transfer of shares or the clauses of agreements brought to the knowledge of the company pursuant to Article L. 233-11	§6.2 Main shareholders §6.4 "Additional information concerning the share capital and provisions of the Articles of Association"
Direct or indirect stakes in the company's share capital of which the company is aware pursuant to Articles L. 233-7 and L. 233-12	§6.2 Main shareholders
The list of parties holding any shares with special control rights and description of same	N/A
Control mechanisms established in a potential employee shareholding system, when control rights are not exercised by employees	N/A
Shareholder agreements of which the company is aware and which may entail restrictions on the transfer of shares and exercise of voting rights	§6.2 Main shareholders
Rules applicable to appointments and replacements of members of the Board of Directors or the Supervisory Board, and to amendments of the Company's articles of association	§5.2 - “Board practices”
The powers of the Board of Directors or the Supervisory Board, with specific reference to share issues or buybacks	§6.4 "Additional information concerning the share capital and provisions of the Articles of Association"
Agreements drawn up by the Company that are amended or curtailed in the event of a change in control at the Company, unless disclosure, notwithstanding legal disclosure obligations, would seriously impair its interests	§2.4 “Cash flows and capital resources”
Agreements establishing compensation for members of the Board of Directors or the Supervisory Board or employees if they resign or are dismissed without good and sufficient cause, or if their employment is terminated due to a public offering	§5.3 “Remuneration and benefits”

6.4.6 STATUTORY PROVISIONS

A. Corporate purpose (Article 2 of the Company's articles of association)

Article 2 of the Company's articles of association stipulates that the business purposes of the Company in France and any other countries are as follows:

- any commercial and financial operations in connection with healthcare, especially general protection of public health, healthcare protection for individuals and families, welfare action taken in connection with illnesses and patients, the disabled, the elderly and persons in a situation of distress or social inadaptation, and social and medical action to combat illnesses and health hazards.

- any commercial and financial operations in connection with any facilities, services, work, bodies or institutions public or private, making a contribution to any of the activities specified, particularly those providing medical care, such as nursing homes and retirement homes, hospitals and clinics, facilities specialising in medical and surgical activities, readaptation and follow-up care, and psychiatry and mental health facilities.

- the creation, acquisition, rent, lease, installation and operation of any facilities or businesses in connection with any of the activities specified.

- the rental, acquisition, operation and/or sale of any processes, patents, trademarks or licenses concerning these activities.

- direct or indirect interests of any kind in any public or private operations, enterprises or legal entities in connection with these activities.

- any operations making a direct or indirect contribution to fulfilling one of the business purposes set out above or that could enhance these purposes.

- the acquisition, holding, management and sale by any means of any interests in any companies or groups.

In a more general sense, this also includes any industrial, commercial or financial operations or operations with real estate or movables directly or indirectly connected to one of the business purposes set out above or any similar or related purposes.

B. Stipulations of the articles of association and internal regulations concerning director bodies and management

a) Board of Directors (Article 14 of the Articles of Association)

The Company is run by a Board of Directors composed of at least six (6) members to a maximum of ten (10) members, notwithstanding any derogations laid down in law, especially in the event of mergers. At least one member shall be an independent director. At least one member shall be a director representing employees

Board members may be individuals or legal entities that are appointed, renewed and may be removed at any time by the ordinary general meeting (notwithstanding any derogations laid down in law, especially in the event of mergers and demergers).

Board members are appointed for terms of four years, expiring after the ordinary general meeting of shareholders ruling on the financial statements for the previous year, held in the year in which the term expires, notwithstanding stipulations concerning the age limit. They may be reelected under the same conditions.

Individuals aged over of seventy-five years may not be appointed to the Board of Directors should their appointment have the effect of increasing the number of Board members who have reached this age to more than 50%. When this threshold has been exceeded, the oldest Board member is automatically considered to have resigned.

All legal entities appointed to the Board must designate on their appointment permanent representatives that are subject to the same conditions and obligations and undertake the same civil and criminal responsibilities as if they were members of the Board in their own name, without prejudice to the joint liability of the legal entities they represent.

In the event of a vacancy due to the death or resignation of one or more members of the Board, not reducing the number of Board members to less than six, the Board may make provisional appointments between two general meetings.

If the number of Board members becomes less than six but is not less than the legal minimum, the Board must make provisional appointments in order to bring its number to at least six members, within three months of the date on which the vacancy arises.

Appointments made by the Board pursuant to the two preceding paragraphs are subject to ratification at the next ordinary general meeting. If they are not ratified by the ordinary general meeting, the deliberations carried out and the action taken by the Board previously are no less valid.

If the number of Board members is reduced to less than the legal minimum, the Board members remaining must convene the ordinary general meeting immediately in order to make up the numbers of the Board.

Directors appointed in substitution of others remain in their posts only for the period remaining of the term of their predecessors.

The Board of Directors also includes a director representing employees chosen by the union having received the most votes during the first round of elections mentioned in articles L. 2122-1 and L. 2122-4 of the Labour Code for the company and its direct or indirect subsidiaries with headquarters within the borders of France.

In accordance with the provisions of Article 14.1, the term of office of the director representing the employees is four years and shall expire at the end of the ordinary general meeting of shareholders called to approve the financial statements for the past financial year and held in the year in which the term of office of that director expires. The director representing employees may be reappointed.

The term of office may be terminated early under the conditions established by law and by this article 14.2, specifically in the event of the termination of his or her employment contract. If the conditions of article L. 225-27-1 of the French Commercial Code are no longer met, the director representing employees' term of office will end following the meeting during which the Board of Directors confirms the company's departure from the scope of applicability of the obligation.

In the case of a vacancy of the post of director representing employees for any reason, said post shall be filled according to the conditions established by article L. 225-34 of the French Commercial Code. The Board of Directors may still meet and deliberate validly until the director representing employees is replaced.

In addition to the provisions of article L. 225-29 para. 2 of the French Commercial Code, explicit mention is made of the fact that the absence of a director representing employees designated by the union selected according to this article 14.2 shall not affect the validity of the Board of Director's decisions.

Subject to the provisions of this article or the law, the director representing employees shall have the same status, the same powers and the same responsibilities as the other members of the Board.

The Board elects a Chairman and a Vice-Chairman from among its number, and establishes their remuneration and the duration of their functions, which may not exceed the duration of their terms as Board members. They may be reelected, without prejudice to curtailment of terms established by the provisions of the French Commercial Code and, where applicable, application of the age limit.

The Chairman and the Vice-Chairman may not be more than seventy-five years old. When they reach this age during their term, the Chairman or the Vice-Chairman are automatically considered to have resigned after the first Board meeting subsequent to the date on which they reached the age limit.

The Chairman organises and directs the work of the Board, and reports to the general meeting in accordance with the law. The Chairman ensures that the Company's bodies work properly, and specifically ensures that directors are able to carry out their functions.

The Chairman reports to the general meeting on the conditions for preparation and organisation of the work of the Board, the internal control procedures established by the Company, and any restrictions that the Board has placed on the powers of the Chief Executive Officer.

The Vice-Chairman replaces the Chairman in the event the latter is absence, temporarily prevented from carrying out functions, or in the event of the Chairman's death or if the term of the Chairman is not renewed. In the event the Chairman is temporarily prevented from carrying out functions, substitution is valid for the limited duration of the situation of prevention, and continues until the new Chairman has been elected.

The Board meets as often as the interests of the Company require, and in any case at least four times a year. It is convened to meet by the Chairman or, if the Chairman is prevented from doing so, by the Vice-Chairman.

At least one third of Board members in their functions or the Chief Executive Officer, when the Chief Executive Officer is not the Chairman of the Board, may at any time issue a motivated written request to the Chairman or, if the Chairman is unavailable, to the Vice-Chairman, to convene a meeting of the Board, fifteen days after the request has been received at the latest. If the request has not been acted upon, its author or authors, as the case may be, may convene the meeting themselves, indicating the agenda.

Meetings are called by all and any means, and may also be convened verbally. Members of the Board must be informed at least three calendar days before the date of the Board meeting, except for duly motivated emergency reasons.

Board meetings are held at any location stipulated in the notice convening the meeting. Board meetings may be held by video conference or by telecommunications conveying at least the voices of those attending and meeting the technical requirements to permit continuous simultaneous retransmission of the deliberations in such a way as to guarantee effective participation in the meetings, in accordance with the legal and regulatory provisions applicable.

A record is kept of attendance, and this is signed by Board members attending the meeting and lists the names of members considered to be in attendance by video conference or by telecommunications.

The Board is quorate for its deliberations only if at least half its members are present or represented.

Board members may issue written mandates to other members to represent them at Board meetings, and each member present or represented may only make use of a single mandate. The mandate must be signed by the issuer.

The Board appoints a secretary, who need not be a member of the Board.

Board meetings are led by the Chairman or, failing this, by the Vice-Chairman, or failing this by any other member of the Board designated by colleagues.

Decisions are taken on a majority of votes by members present, considered to be present or represented. In the event of a tie, the President shall have the casting vote. The Vice-Chairman or, where applicable, the Chief Executive Officer if he is a member of the Board of Directors, never has a casting vote in the event of a tie.

In derogation of the preceding paragraph, on a majority of two thirds of members in attendance, considered to be present or represented, the Board adopts the following operations concerning the Company and/or the companies it controls pursuant to Article L. 233-3 of the French Commercial Code:

(i) Approval of the business plan of the Group (for the purposes of this document, the "Group" means the Company and any company it controls directly or indirectly), of the annual budget (this must include an investment plan identifying the Group's investment projects) (hereinafter the "Budget") and amendments thereto.

(ii) Any issues of Shares by the Company, pursuant to authorisations and delegations of authority granted by shareholders at general meetings.

For the purposes of these articles of association, "Share(s)" means any shares, bonds or other financial securities issued or to be issued by the Company or any Group company or any other type of rights that confer or may confer access, directly or indirectly, immediately or in the future, that must be - or need not be - exercised, notified, or subject to any other formalities, via conversion, exchange, reimbursement, presentation or exercise of a warrant or an option or by any other means to the allocation of shares or financial securities representing or conferring access to a portion of share capital, profits, the liquidation surplus or to voting rights at the Company or a Group company, including with no restrictions any preferential subscription rights to any increases in the share capital of the Company or of a Group company or the issuance of any financial securities issued or allocated following transformations, mergers, demergers, contributions of assets or similar operations concerning the Company or any company in the Group.

(iii) Any decisions for submitting a resolution to the extraordinary general meeting of shareholders of the Company.

(iv) Any Shares issued by any Group company (other than the Company).

(y) Any approval of stock option plans, allocations of free shares, and any similar plans concerning the Group.

(vi) Any instructions by the Company to corporate officers of the Group concerning their participation in general meetings of shareholders of any Group company, when the decision concerned is stipulated in this Article 14.3.

(vii) Unless specifically approved in the Budget, any external growth projects or sales concerning all or part of the Group and not contemplated in the investment plan, the unit value of which exceeds EUR 20,000,000 (enterprise value in the case of mergers or acquisitions).

(viii) Unless specifically approved in the Budget, any investment other than those stipulated in (vii) above concerning any Group company and not contemplated in the investment plan, the cumulative value of which exceeds EUR 15,000,000 in the course of one financial year.

(ix) Unless specifically approved in the Budget, any increase in Group debt that is in excess of EUR 20,000,000, or that brings the Group's consolidated debt ratio to more than four (4) times its consolidated EBITDA for the last complete financial year.

(x) Unless specifically approved in the Budget, any partnerships between a Group company and third party the annual cost of which exceeds EUR 20,000,000.

(xi) Unless specifically approved in the budget and unless this is part of the normal course of business, any issuance of sureties, pledges or mortgages by any group company.

(xii) Any mergers, demergers or liquidations, unless they are intragroup operations.

(xiii) Any appointment of auditors for any Group company.

(xiv) Any decisions concerning prior approval of agreements pursuant to Article L. 225-38 of the French Commercial Code, with the stipulation that any Board member concerned and/or any Board members proposed by a party to such an agreement may not take part in the vote and will not be taken into account for the purposes of calculating quorum and calculating majorities.

(xv) Approval of any measures taken before or during any public offer concerning the shares of the Company that could jeopardize the offer.

(xvi) Any declarations or undertakings to carry out one of the operations stipulated above or issuances of options or any other agreement that could compel any Group company to carry out one of the operations stipulated above.

After each meeting, the minutes are drawn up and signed by the chairman of the meeting and at least one other Board member. In addition to the items required by the applicable regulations, the minutes contain an indication of the consequences of any technical incidents concerning videoconferencing or telecommunications on the deliberations of the Board.

The Board determines the focus of Company business, and ensures it is put into practice. Subject to the powers explicitly reserved by law for general meetings of shareholders and within the confines of the business purpose, the Board addresses any issues concerning the proper operation of the Company.

It authorises operations within the scope of its competences and the agreements stipulated in Article 17 below.

At any time during the year, the Board performs any controls and verifications it deems appropriate, and may obtain documents to assist it in its task.

The Board may consult with the Chief Executive Officer and/or the Deputy Chief Executive Officer or Officers, who may be asked to attend Board meetings if they are not Board members.

The Board may decide to create one or more special committees to examine issues that the Board or its Chairman submit to secure an opinion. It establishes internal regulations which, in accordance with legal and regulatory provisions and these articles of association, stipulate procedures for the exercise of the attributions and functions of the Board, the Chairman and the Chief Executive Officer, establish rules for the operation of Board committees and specify their respective functions and powers.

Members of the Board and any persons asked to attend meetings of this body are bound to the strictest confidentiality with regard to the deliberations of the Board, and also with regard to information that is confidential or presented as such by the person chairing the meeting.

b) Rules of Procedure governing the Board of Directors

On 20 November 2017 the Board of Directors an amended version of its rules of procedure with a view to establishing, for the Board itself and the three committees created by it, procedures for their operation and their tasks in addition to legal and statutory provisions and the provisions of the Company's articles of association. The Board of Directors adopted a revised version of the internal regulations on 17 February 2016, particularly in order to account for the recently established procedures for the operation and duties of the Risk Committee.

The internal regulations impose certain obligations on Board members to ensure that they are aware of the provisions applicable to them, in order to prevent any conflicts of interests and to ensure that they dedicate the necessary time and attention to their functions and that they act with loyalty.

The regulations also lay down the rules for the operation of the Board as stipulated in the articles of association.

They set out the principles governing procedures for decision-making by the Board and the majority rules applicable, depending on the nature of the decisions.

They also set out the tasks of general management in this context.

B. Non-voting observers (Article 16 of the Articles of Association)

Following a proposal by the Chairman the Board may appoint one or more non-voting observers, who may or may not be shareholders, to oversee application of the articles of association and, where necessary, present observations at general meetings of shareholders.

The term of their functions may be between two and six years. Non-voting observers may be reelected indefinitely. They may be removed at any time following a decision by the Board.

Non-voting observers may receive remuneration, which is established by the Board.

Non-voting observers have access to the same information as members of the Board. Agreements drawn up by them with the Company are subject to the same rules as those applicable to agreements drawn up by members of the Board.

Non-voting observers are convened to Board meetings and take part in deliberations in an advisory capacity, and their absence may not impair the validity of deliberations.

At the date of this document the company had not appointed any non-voting observers.

C. General Management (Article 15 of the Articles of Association)

a. Choice of designation of General Management

The Board has chosen to separate chairmanship from general management pursuant to these stipulations.

Pursuant to legal stipulations, responsibility for the Company's General Management is undertaken by the Chairman of the Board who, in this case, is known as the Chairman and Chief Executive Officer, or by another individual appointed by the Board and known as the Chief Executive Officer.

The Board makes its choice between the two procedures for exercise of general management on a majority of directors present or represented. The Board's choice is made known to shareholders and third parties in the conditions laid down in current regulations.

When the Company's General Management is undertaken by the Chairman of the Board, the provisions of the articles of association and of the law concerning the Chief Executive Officer are applicable to the Chairman of the Board.

The Board establishes the remuneration and the term of the functions of the Chief Executive Officer, and the term may not exceed the term of the Chief Executive Officer as a member of the Board. The Chief Executive Officer may be reelected, without prejudice to instances of curtailment of terms established by the provisions of the French Commercial Code and, where applicable, application of the age limit.

The Chief Executive Officer may not be more than seventy-five years old. When the Chief Executive Officer reaches this age during the term, the Chief Executive Officer is automatically considered to have resigned after the first Board meeting subsequent to the date on which this age limit was reached.

b. Powers of the Chief Executive Officer and relations of the Chief Executive Officer with the Board

The Chief Executive Officer is invested with the broadest powers to act on behalf of the Company in all circumstances. The Chief Executive Officer exercises powers within the confines of the business purpose, subject to any powers that the law and/or these articles of association explicitly reserve for general meetings and/or the Board.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is also bound by action taken by the Chief Executive Officer that is unrelated to the business purpose, unless it can prove that the third party was aware that the action concerned surpassed this purpose, or could not have failed to be aware of this in the circumstances, on the understanding that mere publication of the articles of association is insufficient proof in this regard.

At least once a quarter, and in any case whenever requested to do so by the Board, the Chief Executive Officer submits a report on Company progress to the Board.

The Chief Executive Officer reports on implementation of the annual budget to the Chairman and Vice-Chairman of the Board on a monthly basis.

The Chief Executive Officer must provide the Board with any other information and any other documents the latter deems appropriate for the purposes of carrying out its control tasks.

The Chief Executive Officer must observe the strictest confidentiality with regard to information of a confidential nature.

Restrictions of the powers of the Chief Executive Officer, if any, will be determined in the internal regulations of the Board.

c. Deputy Chief Executive Officer

Following a proposal by the Chief Executive Officer, the Board may appoint one or more individuals to assist the Chief Executive Officer, known as Deputy Chief Executive Officers. There may be no more than five Deputy Chief Executive Officers.

The functions of the Deputy Chief Executive Officer may be conferred upon an individual, who need not be a member of the Board and has not reached the age of seventy-five at the date of the decision to appoint the Deputy Chief Executive Officer or renew the term of the Deputy Chief Executive Officer. When the Deputy Chief Executive Officer becomes older than seventy-five, he is automatically considered to have resigned.

The term of a Deputy Chief Executive Officer who is a member of the Board may not exceed the term of his directorship.

Deputy Chief Executive Officers may be removed by the Board at any time, following a proposal by the Chief Executive Officer.

If the Chief Executive Officer departs or is no longer able to carry out his functions, unless a decision is taken to the contrary by the Board, Deputy Chief Executive Officers retain their functions and attributions until a new Chief Executive Officer has been appointed.

Following an agreement with the Chief Executive Officer, the Board determines the scope and duration of the powers conferred upon Deputy Chief Executive Officers. Deputy Chief Executive Officers have the same powers as the Chief Executive Officer vis-à-vis third parties.

As of the date of publication of this document, the Board of Directors has not appointed a Deputy Chief Executive Officer.

d. Management Committee

The Company has a Management Committee. The number of members on the Management Committee and its composition are established by the Chief Executive Officer. The Management Committee is a consultative body. In this capacity it assists the Chief Executive Officer as the latter deems appropriate in connection with strategic decisions concerning the Company.

D. Rights, privileges and restrictions attached to shares

a. Rights and obligations attached to shares (Article 13 of the Articles of Association)

Each share confers the right to one vote at general meetings of shareholders.

However, double voting rights are granted to all fully paid-up registered shares under the conditions and within the time limits set by law.

Each share issues entitlements to profits and corporate assets in proportion to the capital it represents.

Shareholders are only liable for losses in proportion to their contributions. Rights and obligations attached to shares remain with the shares as they change hands. Ownership of shares automatically entail adherence to the articles of association and the decisions taken at general meetings.

The heirs, creditors, dependent parties or other representatives of shareholders cannot require the Company's assets and securities to be sealed, nor can they demand they be shared or tendered. They may not involve themselves in their administration under any circumstances. For the purposes of exercising their rights, they must abide by corporate inventories and the decisions taken at general meetings.

Each time it is necessary to possess several shares to exercise any rights, or in the event of exchange, regrouping or allocation of shares, or as the result of a share capital increase or reduction, a merger or any other operation, the owners of isolated shares or a smaller number of shares than required may only exercise such rights provided they personally make arrangements for the regrouping and, where applicable, the purchase or sale of the shares necessary.

b. Payment of dividends (Article 27 of the Company's articles of association)

Procedures for payment of dividends are determined by the general meeting or, failing this, by the Board.

In any case, payments of dividends in cash must be made within a maximum period of nine months after the end of the financial year, unless this is extended by a judicial order.

When a balance sheet drawn up during or at the end of the financial year and certified by one or more auditors shows, since the previous reporting date, along with the depreciation/amortisation allowance and any provisions necessary and less any losses from previous years, where applicable, sums to be allocated to reserves pursuant to the law or the articles of association, and in due consideration of profits carried forward, that the Company has made a profit, interim dividends may be distributed before the financial statements for the year have been approved. The sum of the interim dividend may not exceed the amount of profit thus defined.

In respect of all or part of the dividend distributed or interim dividends, the general meeting is empowered to give each shareholder a choice between payment of the dividend or interim dividend in cash or in shares. Within the limits stipulated in law, it may also distribute Company assets by way of a dividend.

Payment of the dividend on shares in respect of which a person that has received an identification request by the Company in the conditions set out in Articles L. 228-2 to L. 228-3-1 or that has supplied incomplete or erroneous information will be deferred until the person has been properly identified.

c. Allocation of profits (Article 26 of the Company's articles of association)

The income statement summarising income and expenses during the financial year shows the profit or loss during that year, after deduction for depreciation/amortisation and provisions. At least five per cent is deducted from profit for the year, less any losses from previous years, to be allocated to the legal reserve. This deduction ceases to be mandatory when the legal reserve stands at one tenth of share capital.

Distributable earnings are composed of the profit for the year, less any losses from previous years and any sums to be allocated to reserves pursuant to the law or the articles of association, and plus any profits carried forward.

A deduction is made from this profit of any sum that the general meeting may decide to carry forward to the following year or to allocate for the creation of any extraordinary funds, provident schemes or any other special or non-special funds.

The balance is distributed among all shareholders pro rata against their capital rights.

Losses in the year are carried forward to be applied to profits in subsequent years until they have been settled in full.

d. Right to the liquidation surplus

The liquidation surplus is distributed among shareholders in the same proportions as their shareholdings.

e. Changes to rights attached to shares

Any amendments to capital or to rights attached to the shares of which it is composed are subject to the provisions laid down in law. The articles of association do not make provision for any derogation rules.

E. General meetings (Articles 19 and 20 of the Company's articles of association)

The procedures for attendance of the Company's general meetings by shareholders are covered in Articles 19 and 20 of the articles of association, the main provisions of which are set out below.

a. Call to general meetings

General meetings are convened and deliberate in the conditions laid down in law. General meetings are held at the registered address or at any other location stipulated in the notice convening the meeting.

b. Attendance at general meetings

All shareholders are entitled to attend General Meetings either in person or by proxy, subject to the following conditions:

o *For holders of registered shares: the shares must be listed in the name of the shareholder (or the proxy registered on behalf of the shareholder pursuant to the legal and regulatory provisions in force) by the second business day preceding the General Meeting at midnight (Paris time) in the registered share account held by the Company or its representative.*

o *For holders of bearer shares: the shares must be listed in the name of the shareholder (or the proxy registered on behalf of the shareholder pursuant to the legal and regulatory stipulations in force) by the second business day preceding the General Meeting at 00:00 (Paris time) in the bearer share account held by the agent authorised to keep their accounts, and registration must be proven by a shareholding attestation issued by the agent.*

Also, where appropriate, pursuant to the legal and regulatory provisions in force, shareholders must provide the Company with all means of identification required.

Shareholders may either attend the general meeting in person or arrange a proxy representation through their spouse, their partner with whom they have entered into a civil solidarity pact, another shareholder of the Company or any other individual or legal entity of their choice, as provided by the law and regulations, or they may send a proxy to the Company without identifying a representative, as provided by the law and regulations, or they may write to the Company to request a remote voting form, by e-mail if necessary, as provided by the regulations in force. This written request must be delivered to or received at the registered address at least six days before the date of the general meeting.

It is hereby stipulated that, if a proxy arrangement is addressed to the Company with no indication of the identity of the representative, the general meeting will issue a vote in favour of the adoption of the draft resolutions presented or approved by the Board of Directors and a vote against the adoption of all other draft resolutions. For the purposes of voting, shareholders must choose representatives that agree to vote in the manner indicated by the shareholders.

Pursuant to the law and regulations, shareholders may send their proxy form for any general meeting by electronic means. Shareholders may also send their remote voting form for any general meeting by electronic means. Any hard copy remote voting forms or proxy arrangements that arrive at the Company less than three days before the date of the general meeting will not be considered. Electronic remote voting forms or proxy arrangements may be received by the Company or its representative up to the day before the general meeting by 3.00 p.m. Paris time at the latest.

When an electronic request is submitted for an attendance card, proxy or remote voting, the electronic signature must meet the conditions of reliability as stipulated in the first sentence of paragraph two of Article 1316-4 of the French Civil Code, with an identification procedure to guarantee a link between the signature and the form, which may take the form of an identifier and a password.

Shareholders may also, if the Board so decides when convening the General Meeting, attend the General Meeting by videoconference or by means of telecommunication, including Internet, in accordance with the legal and regulatory provisions in force at the time of their use. Shareholders taking part in the General Meeting that use one of the aforementioned procedures will be considered present for the purposes of calculating the quorum and majority.

In accordance with applicable regulations, the Company may use electronic communication instead of postal means to meet the formalities laid down in the regulations.

Two members of the works committee appointed by the committee, one belonging to the category of technicians and supervisors, and the other belonging to the category of general employees or, where applicable, the persons stipulated in Articles L. 2323-64 and L. 2323-65 of the French Labour Code, may also attend general meetings. Following their request to do so, they must be allowed to speak during any deliberations requiring a unanimous vote by shareholders.

One or more shareholders representing at least the percentage of share capital stipulated in law are entitled to request the addition of items and/or draft resolutions to the agenda of general meetings, in accordance with applicable legal and regulatory conditions. The works committee is entitled to request the addition of draft resolutions to the agenda of general meetings, in accordance with applicable legal and regulatory conditions.

c. Quorum and voting rights

At ordinary and extraordinary general meetings, the quorum is calculated on the basis of all shares comprising the share capital, and at special general meetings, on the basis of all shares held by the category concerned, after the deduction of shares not entitled to voting rights pursuant to legal provisions.

In the case of remote voting, only forms received by the Company within the deadlines stipulated in the preceding article will be taken into account for the purposes of calculating the quorum.

Voting rights carried by shares are proportional to the share capital they represent. Each share issues an entitlement to one vote.

General meetings may be validly held using videoconferencing facilities or by electronic telecommunication or teletransmission. Shareholders taking part in the general meeting that use videoconferencing facilities or telecommunication means enabling their identities to be verified, the nature and conditions of application of which are determined by current regulations, are considered present for the purposes of calculating the quorum and majority.

Representatives that have met the obligations stipulated in paragraphs three and four of Article L. 228-1 of the French Commercial Code may, provided they respond to the request by the Company or its representative for them to previously furnish, in the conditions laid down in law, the list of non-resident owners of the shares to which these voting rights are attached, transmit the votes or authorisations of an owner of shares that is not registered in France, as defined in Article 102 of the French Civil Code.

Votes or authorisations issued by representatives that have not declared themselves as such by virtue of paragraph four of Article L. 228-1 of the French Commercial Code or paragraph two of Article L. 228-3-2 of the French Commercial Code, or that have not disclosed the identity of the owners of the shares by virtue of Articles L. 228-2 or L. 228-3 of the French Commercial Code, cannot be accepted.

F. **Identification of bearers of shares (Article 10.2 of the Company's articles of association)**

For the purposes of identifying those holding bearer shares, the Company is entitled to request at any time, against remuneration at its expense, "at the central financial instruments depository", as the case may be, the name or corporate name, nationality, year of birth or date of incorporation and address of those holding shares conferring voting rights immediately or in the future at its general meetings of shareholders, the quantity of shares held by each of them and, where applicable, any restrictions that may be applicable to the shares in accordance with Articles L. 228-2 to L. 228-3-2 of the French Commercial Code.

If no reply is forthcoming within the legal and regulatory timeframes or if inaccurate or incomplete information is furnished, the Company will be entitled to issue a direct request for this information to the persons stated on the list submitted by the body in charge of compensation, for whom the Company considers they may be acting and be registered as intermediaries holding shares on behalf of other parties. These persons are then bound, when they are effectively acting as intermediaries, to disclose the identity of the owners of the shares to the financial intermediary acting as an authorised account-holder, which is responsible for informing the Company.

In the case of registered shares conferring access to capital immediately or in the future, the intermediary registered in the conditions laid down in Article L. 228-1 of the French Commercial Code is bound, within the legal timeframes, to disclose the identity of the owners of these shares at the request of the Company, which may be issued at any time.

Following operations arising from Articles L. 228-1 to L. 228-3 of the French Commercial Code, and without prejudice to the provisions of Articles L. 233-7, L. 233-12 and L. 233-13 of the French Commercial Code, the Company may also issue a request to any legal entity holding its shares with a stake in excess of one fortieth of the share capital and/or voting rights to disclose the identify of the persons directly or indirectly holding more than one third of the share capital of said legal entity or voting rights that are exercised at its general meeting.

Failure by shareholders or intermediaries to meet their obligation to furnish the aforementioned information may, in the conditions laid down in law, entail suspension or deprivation of voting rights and entitlement to payment of the dividend attached to the shares.

Shareholders must, where applicable, make their own arrangements to obtain a whole number of financial securities or other rights distributed thus.

G. Sales, transmissions and breaches of statutory thresholds (Article 11 of the Company's articles of association)

Shares may be freely traded. Shares are transmitted by transfers from one account to another on the signed instructions of the assignor or the assignor's accredited representative.

In addition to the thresholds stipulated in the legal and regulatory provisions applicable, any individual or legal entity that, acting either alone or on a joint basis, directly or indirectly holds a number of shares accounting for more than one per cent of the Company's share capital or voting rights must notify the Company of the total number of shares and voting rights held by registered letter with recorded delivery sent to the registered address to the attention of the Chairman of the Board, within five calendar days of breaching this shareholding threshold, certifying that the shares held are not held on behalf or under the control of another individual or legal entity.

This obligation of notification will also apply, under the same conditions, to any individual or legal entity that, acting either alone or on a joint basis, already holds a number of shares accounting for more than three per cent of the Company's share capital or voting rights, each time the party holds, acting either alone or on a joint basis, an additional number of shares accounting for one per cent of the Company's share capital or voting rights, until such time as the party holds, acting either alone or on a joint basis, a total number of shares accounting for more than two thirds of the Company's share capital or voting rights.

The same obligation of notification will apply, with the same timeframe and procedures, each time the portion of share capital or voting rights falls below one of the thresholds stipulated above.

At the request, recorded in the minutes of the general meeting of shareholders, of one or more shareholders accounting for at least three per cent of the Company's share capital or voting rights, failure to adhere to the obligation to declare breaches of these thresholds will be sanctioned, in the case of shares exceeding the portion that ought to have been declared, by deprivation of voting rights at any meeting of shareholders held up to expiry of a period of two years after the date of regularisation of notification.

H Indivisibility of shares - Usufruct (Article 12 of the Company's articles of association)

Shares are indivisible with regard to the Company.

Co-owners of indivisible shares are represented at general meetings by one of their number or by a common agent of their choice. If they cannot agree to the choice of an agent, the agent is appointed on an order by the President of the Commercial Court issuing a provisional ruling at the behest of the first co-owner to take action.

The voting right attached to the share belongs to the usufructuary at ordinary general meetings and to the bare owner at extraordinary general meetings. However, the holders of stripped-ownership shares may reach an agreement among themselves concerning any other form of distribution for the purposes of exercising voting rights at general meetings. In this case, they must make their agreement known to the Company by registered letter with recorded delivery sent to the registered address, and the Company must accept this agreement for any general meeting held after expiry of one month following dispatch of the registered letter, and in this case the postmark accredits the date of dispatch.

Even when deprived of the right to vote, the bare owner is entitled to attend all general meetings.

I. Amendment of share capital (Article 9 of the Company's articles of association)

Share capital may be increased, reduced or redeemed by all procedures and in all manners permitted in law.

C. STATUTORY CHANGES DURING THE YEAR

During the financial year ended 30 June 2019, Article 7 of the Company's Articles of Association was amended as a result of the capital increase carried out on 11 April 2019, as described in §6.2.1 above.

The previous amendment concerned Article 4 of the Company's Articles of Association following the transfer of the registered office by decision of the Board of Directors on 22 February 2018.

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6.5 INFORMATION FROM THIRD PARTIES, DECLARATIONS BY EXPERTS AND DECLARATIONS OF INTERESTS

At the date of this document, the Company has no information from third parties, and has not received or been informed of any declarations by experts or declarations of interests.

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6.6 INFORMATION ON SHAREHOLDINGS

Information concerning companies in which the Company holds a portion of the equity likely to have a major impact on appraisals of its assets, its financial position or its results is addressed in Section 6.1, while developments are addressed in Section 2.3 of this document.

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PART 7 - ADDITIONAL INFORMATION

7.1 PERSON RESPONSIBLE FOR THE ACTIVITY REPORT

7.1.1 PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE DOCUMENT

Pascal Roché, Chief Executive Officer of Ramsay Générale de Santé SA (the "Company").

7.1.2 STATEMENT OF ASSURANCE BY THE PERSON RESPONSIBLE

Having taken all reasonable measures in this regard, I hereby certify that the information in this activity report is genuine to the best of my knowledge, and has no omissions that could alter its scope.

I hereby certify that to the best of my knowledge the financial statements were drawn up in accordance with the accounting standards applicable and provide a true and fair view of the assets, the financial position and results of the company and of all the companies within the consolidated group, and that the management report on page 119 presents a faithful representation of the business developments, results and financial position of the company and of all the companies within the consolidated group, and a description of the main risks and uncertainties faced by them.

I have secured an audit letter from the statutory auditors in which they state they have verified the information concerning the financial position and the financial statements as set out in this document and that they have read the entire document.

Paris, 31 October 2019

Pascal Roché
Chief Executive Officer

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7.2 - STATUTORY AUDITORS

7.2.1 APPOINTED STATUTORY AUDITORS

DELOITTE & ASSOCIÉS

Represented by Mr Jean-Marie Le Guiner and Mr Stéphane Lemanissier,
Tour Majunga, 6, place de la Pyramide
92908 Paris-la-Défense Cedex
Member of the French Institute of Statutory Auditors, Versailles

The firm Deloitte & Associés was appointed by the general meeting of shareholders on 1 June 2001 and subsequently renewed on 27 June 2007, 11 June 2013 and 13 December 2018. Its current term expires after the next ordinary general meeting ruling on the financial statements for the year ended 30 June 2024.

ERNST & YOUNG AUDIT

Represented by Mr Pierre Jouanne and Ms May Kassis-Morin,
Tour First, 1-2, place des Saisons
Paris La Défense 1 – 92400 Courbevoie
Member of the French Institute of Statutory Auditors, Paris

The firm Ernst & Young Audit was appointed by the General Meeting of 16 December 2015. Its term expires after the next general meeting ruling on the financial statements for the period ending 30 June 2021.

7.2.2 Alternate Statutory Auditors

B.E.A.S.

Represented by Ms Mireille Berthelot,
7-9, villa Houssay – 92200 Neuilly sur Seine
Alternate Auditor for Deloitte & Associés
Member of the French Institute of Statutory Auditors, Versailles

The firm BEAS was appointed by the general meeting of shareholders on 1 June 2001 and subsequently renewed on 27 June 2007, 11 June 2013 and 13 December 2018. Its term expires after the next ordinary general meeting ruling on the financial statements for the year ended 30 June 2014.

AUDITEX

1-2, place des Saisons – Paris La Défense 1 – 92400 Courbevoie
Alternate Auditor for Ernst & Young Audit
Member of the French Institute of Statutory Auditors, Paris

The firm Auditex was appointed by the General Meeting of 16 December 2015. Its term expires after the next general meeting ruling on the financial statements for the period ending 30 June 2021.

7.2.3 TERMS OF OFFICE AND SIGNATORIES

No audit mandate is due to end this year.

The signatories are indicated in paragraph 7.2.1 above.

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7.3 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

7.3.1 RESEARCH AND DEVELOPMENT

Ramsay Générale de Santé SA's own business purpose is to serve as the holding and management company of its wholly-owned direct subsidiaries, Compagnie Générale de Santé SAS and Capio AB (see organisational chart in section 6.1 of this document) in which it holds 100% of the share capital. It does not conduct any other business.

Given its pure function as a holding company, the Company is part of the “Investment funds and similar financial entities” categories of the French National Institute of Statistics and Economics (INSEE) with the APE code (main business operation) 6430Z according to the INSEE system. Most of the direct or indirect subsidiaries of both Compagnie Générale de Santé and Capio AB operate private hospitals, healthcare centres or ancillary businesses. Other constituent entities are dedicated to central or specific activities, such as real estate, or functional support, such as cash management or purchasing.

The Company does not engage in research and development activities on its own, however, at its instigation, the various facilities constituted as subsidiaries are entitled, where appropriate, to undertake various research or development activities.

It is also involved in setting up knowledge-sharing and exchange organisations (such as specialty clubs) which boost knowledge and encourage good practices. Strategy likewise includes the deployment of regional medical projects. It has also taken the initiative and created the Ramsay Générale de Santé corporate foundation, whose objective is to deploy initiatives, particularly in relation to sponsorship, supporting actions in the field of therapeutic innovation and health prevention. The Group subsidiaries are members of the Foundation.

The Company also worked with its subsidiaries to create the first Healthcare Cooperation Group (GCS), which is dedicated to research and teaching. This Research & Teaching GCS enables the centralisation of activities in the field of research & teaching, and allows the allocated resources to be pooled in order to better meet the needs of research teams. The last three years have shown solid growth in clinical research, with several articles written in the leading scientific press to publicise the hospital brand and make the Group more attractive to researchers and academic and industrial promoters.

7.3.2 INTELLECTUAL PROPERTY

The group exists and operates on the basis of a strong, protected identity. As a result, both the Company and its subsidiaries have an active policy of protecting intellectual property, and trademarks are first and foremost subject to appropriate filing and renewal procedures. The Company thus owns the intellectual property rights to the "Ramsay Générale de Santé" brand (brand name and logo), filed with the French National Institute of Industrial Property (INPI), while retaining the intellectual property rights to the "Générale de Santé" brand, which has been the subject of several filings with the INPI.

Following the acquisition of the Swedish group Capio at the end of 2018, whose brand is also protected in the countries in which it operates, the group decided to accompany the deployment of global patient care in all the group's facilities in Europe with a renewed "Ramsay Santé" identity. In France, the group will officially communicate under this new brand from October 2019, while the group’s 135 clinics and hospitals will integrate this brand into a three-year image enhancement plan. In the other countries of the group, Sweden, Norway, Denmark and Germany, the group will continue to operate under the Capio brand, while emphasising its membership of the group with the signature “Part of Ramsay Santé”.

The Company is also the owner of the rights to the “Nous prenons soin de vous” [We take care of you] trademark that has been registered with the INPI, just as certain entities within the Group have registered trademarks or names based on local strategies related to one or more activities or locations, such as "Cancer Institutes”, for example..

Registration and renewal of the rights are for a period of ten years from the date of registration or renewal, and this period may be renewed indefinitely.

The Company owns or holds rights in connection with items and data on its website, including text, designs, graphics, photographs, audio material and other video footage.

In the contracts it signs with its partners and suppliers, the Company ensures that the territories of the various industrial or intellectual property rights, image rights, personality rights and, in general, data rights are scrupulously delimited. Similarly, the Company ensures that the rights of third parties are respected in all these matters.

The Company is the owner, proprietor or holder of the intellectual property rights relating to its institutional or economic documentation, its press releases, its internal press, its brochures, catalogues, computer or educational supports, the texts and images it publishes.

7.3.3 PATENTS AND LICENCES

The Company does not have any patents.

The Company and its subsidiaries, or the groupings formed by certain subsidiaries, have subscribed, for their respective business needs, particularly for IT or communication purposes, to various software operating licences or use rights, or integration and deployment contracts for the material, immaterial or documentary resources required to perform their activities.

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7.4 MAJOR CONTRACTS

At the date of publication of this document, no contract has been concluded, other than financing contracts and contracts entered into in the normal course of business, entered into by any subsidiary of the group and containing an obligation or commitment that is material to the group as a whole.

As they are financing contracts relating in particular to senior debt, detailed information on them is provided in this document, mainly in sections 2.4 Financing, cash flows and capital resources and 3.1 Risk factors (in particular in the paragraph Risks relating to obtaining financing).

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7.5 DOCUMENTS ON DISPLAY

The Company's press releases, previous years' activity reports and this universal registration document, including, among other things, historical financial information on the Company filed with the AMF as well as their updates and, in general, the information resulting from the Company's disclosure obligation, can be accessed on its website at the following address http://www.ramsaygds.fr.

Copies are available from the Company's registered office: Ramsay Générale de Santé SA, Shareholder Relations, 39 rue Mstislav Rostropovitch CS 60053 75850 Paris Cedex 17.

The Company's Articles of Association and reports on general meetings, reports by the auditors and any other corporate documents may be consulted at the Company's registered office: Ramsay Générale de Santé SA, Group Legal Department, 39 rue Mstislav Rostropovitch 75017 Paris.

Investor Relations

Arnaud Jeudy

Telephone: From France: 01 87 86 23 00 - From abroad: +33 187 862 300

Office: 39 rue Mstislav Rostropovitch 75017 Paris (head office).

Postal address: 39 rue Mstislav Rostropovitch CS 60053 750850 Paris Cedex 17.

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7.6 CROSS-REFERENCE TABLE

Information required by the annual financial report	Activity report	
	Part / Section / Paragraph	Page(s)
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Group's consolidated financial statements	2 / 2.4 / 2.4.2	44-93
Company management report:		
- Analysis of developments in business, the company's results and financial position	2 / 2.4 / 2.4.3	119-121
- List of valid delegations of authority granted to the Board by the General Meeting of Shareholders	6 / 6.4 / 6.4.4	239-241
- List of items that could exert an influence in the event of a public offering	6 / 6.4 / 6.4.5	241
- Report by one of the Statutory Auditors, appointed as an independent third-party body, on consolidated social, environmental and corporate information appearing in the management report	4 / 4.4	186-187
- Services other than the Certification of the Accounts provided during the financial year by the statutory auditors	2 / 2.4 / 2.4.2	88
Group Management Report:		
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Fees paid to the auditors	2 / 2.4 / 2.4.2	88
Report of the Chairman of the Board on Corporate Governance	5 / 5.4	214-216

7.7 ABBREVIATIONS

ANSM	the French Agency for Medicines and Health Products
ARM	Medical Regulation Assistant
ARS	Regional Public Health Authority
ASH	Agent des Services Hospitaliers - Hospital Services Agent
CDD	Fixed Term Contract
CDI	Permanent contract
CE	Works council
CHSCT	Health, Safety and Working Conditions Committee
CICE	Competitiveness and Employment Tax Credit
CLIN	Nosocomial Infection Control Committee
COMEDIMS	Committee for Medicinal Products and Sterile Medical Devices
COVIR	Vigilance and Risk Monitoring Committee
CPAM	Primary health insurance fund
CSS	Health Security Unit
CVAE	Company value-added contribution
DMP	Shared Medical Record
DPAS	Professional Care Assistant Diploma
DSSI	Director of Nursing
EOH	Operational Hygiene Team
ESG	General Service Employees
ETP	Full Time Equivalent
FCPE	Corporate mutual investment fund
GHM	Diagnosis Related Groups (DRG)
GHS	Homogeneous Inpatient Groups
GHT	Territorial Hospital Groups
HAS	French National Health Authority
HPST	Hospital, Patients, Health and Territories Act
IADE	State-qualified Anaesthetist Nurse
IBODE	Operating Theatre Nurse
IDE	State-qualified Nurse
IFRS	International Financial Reporting Standards
IFSI	Nursing Training Institutes
MSO	Medicine Surgery Obstetrics
ONDAM	National Health Insurance Expenditure Target
OQN	National Quantified Target
PRAPS	Regional Programme for Access to Prevention and Care
PSRS	Regional Strategic Health Plan
RSE	Corporate social responsibility (CSR)
RUS	Care Unit Manager
SSIA	Home Nursing Care Service
SSR	Sub-acute care and rehabilitation
T2A	Per-service pricing
TVA	Value-added tax (VAT)
UGT	Cash Generating Units (GCU)
Carrying amount	Net carrying amount

CORRELATION TABLE (ANNEX 1 OF REGULATION (EC) NO 809/2004)