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ORPEA

2022 Full-Year results and Q1 2023 revenue

12 May 2023

ORPEA GROUPE

Agenda & Speakers

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1	REFOUNDATION PLAN IN PROGRESS	**Laurent Guillot** Chief Executive Officer
2	2022 FULL-YEAR RESULTS AND Q1-2023 REVENUES UPDATE ON FINANCIAL RESTRUCTURING	**Laurent Lemaire** Executive Vice President, Finance, Procurement and IT
3	NEXT STEPS AND OUTLOOK	**Laurent Guillot** Chief Executive Officer

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Refoundation plan in progress

Laurent Guillot

Chief Executive Officer

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A new governance in 2022

A SUBSTANTIALLY RENEWED BOARD OF DIRECTORS IN 2022

14 members
Including 2 employee representatives

50%	< 2 years	11/12
Female board members	Average seniority [1]	Independent directors [2]

3
Specialised committees
Chaired by new directors

- Ethics, Quality and CSR Committee
- Audit and Risk Committee
- Appointments and Remuneration Committee

A NEW EXECUTIVE COMMITTEE, SMALLER AND MOBILISED AROUND PRIORITY ISSUES

Represented functions

- Human Ressources
- Medical
- Sustainable Development and Quality
- Finance, Procurement, IT
- Communication
- Real Estate

[1] Calculated without taking into account the directors representing the employees
[2] Afep-Medef code, without taking into account the employee representatives

A necessary financial restructuration as a prerequisite for the success of the Refoundation Plan

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Since July 2022

First steps to end dysfunctional practices quickly

- **Remedy:** ~ 50 dismissals (zero tolerance, revision of the Code of Ethics); revision of the reporting policy (serious adverse events, alerts acceleration of recruitments
- **Organise:** normalization of labour relations, structuring of support functions
- **Remobilize:** broad dialogue initiative with stakeholders and analysis of expectations formulated during the "Etats Généraux du Grand Age", direct communication with employees

Since November 2022

A Refoundation Plan to restore the trust of our stakeholders

- **Elaboration of the refoundation plan Changing ORPEA**
- A company project based on 4 pillars
  - Our people
  - Our patients, our residents and their families
  - The society
  - Our stakeholders
- A new business plan

During 2023

A major financial restructuring to ensure the company's sustainability and to finance the Refoundation

- Achieving a sustainable financial structure by converting €3.8bn of debt into capital and increasing equity capital
- Long-term institutional investors invest €1.55bn in the capital
- Obtaining new resources from the main banking partners in the form of secured debt
- **Amendment of financing contracts**

4 pillars to rebuild an efficient and transparent model, with first milestones already achieved

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PEOPLE

Major progress on labor relations, recruitment and training

PATIENTS, RESIDENTS, FAMILIES

Implementation of the medico-healthcare project (supervision, Medical Commission, catering, etc.) and mediation mechanisms in Europe

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SOCIETY

The first steps towards the “mission-driven company”, focused on care, in line with contemporary sustainability issues

STAKEHOLDERS

A complete overhaul of the financial structure is well underway and its implementation, in accordance with the timetable defined on November 15, will allow the financing of the Refoundation plan

Actions undertaken around the 4 pillars of the plan

Our PEOPLE

Our PATIENTS, our RESIDENTS and their FAMILIES

SOCIETY

STAKEHOLDERS

A COMPANY REBUILT ON ITS FUNDAMENTALS WITH AN AMBITIOUS HR POLICY…

… that guarantees employees' health, safety and well-being

… that effectively attracts motivated recruits

… that knows how to mobilize, develop and recognise

… with mobilized HR teams and reinforced resources

… with an agile organisation that fosters a new management and HR culture

Actions undertaken around the 4 pillars of the plan

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Our People

Our PATIENTS, our RESIDENTS and their FAMILIES

SOCIETY

STAKEHOLDERS

A COMPANY DEDICATED TO THE HEALTH, CARE AND LIFE PROJECT OF THE MOST VULNERABLE...

An EVP Medical sitting on the Executive Committee...

... who relies on 3 pillars: a medical and nursing commission, an international scientific council and an ethical orientation council

... who monitors and audits quality/care safety indicators

... who ensures an even more fluid communication between our teams, our patients, our residents and their families

... in the service of the personalization of the caring of our patients and our residents

Actions undertaken around the 4 pillars of the plan

Our People

Our PATIENTS, our RESIDENTS and their FAMILIES

SOCIETY

STAKEHOLDERS

A "MISSION-DRIVEN COMPANY" PROJECT FOCUSED ON CARE, IN LINE WITH CONTEMPORARY SUSTAINABILITY ISSUES

Towards a "mission-driven company"...

Definition of our values (H1 2023)

Definition of our purpose (H2 2023)

Initiatives undertaken around the 4 pillars of the plan

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Our PEOPLE

Our PATIENTS, our RESIDENTS and their FAMILIES

SOCIETY

STAKEHOLDERS

A FINANCIAL RESTRUCTURING ESSENTIAL TO THE SUCCESS OF THE REFOUNDATION PLAN

Main steps and objectives achieved since opening of the Conciliation proceeding

14/02	Lock-up Agreement Groupement - SteerCo - ORPEA
10/03	Signing of Lock-up Agreement by c. 51% of unsecured financial creditors
20/03	Agreement with G6 banks: new money debt and misc. amendments
24/03	Judgment opening of the accelerated safeguard procedure

Only plan capable of ensuring the long-term financing of the company → Conversion of the debt is essential, mechanically leading to a massive dilution of existing shareholders

Backed by long-term institutional investors: Caisse des Dépôts et Consignation, CNP, MAIF, MACSF

Support from main banking partners (G6) and a majority (c. 51%) of Orpea SA unsecured creditors

Target of 20% to 25% of owned real estate in Orpea's portfolio

Key financial indicators 2022

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SALES	EBITDAR	IMPAIRMENTS	NET INCOME (GROUP SHARE)
€4,681m +8,9% / +5.5% organic	**€780m** (16.7% margin)	**€(5.7)bn** (including €3.8bn pre-tax P&L impact)	**€(4)bn**

A 2022 FINANCIAL YEAR SETTING THE STAGE FOR A MORE TRANSPARENT MODEL

- Growing activity and operating performance (EBITDAR margin) close to the target announced on 15 November 2022
- In-depth review of the entire asset portfolio
  - Reflecting the company's profound reorganization…
  - To provide an adjusted view of the capital employed
- A more sustainable basis for rebalancing the financial structure and achieving a successful re-foundation

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2022 results and update on the financial Restructuring
Q1 2023 Revenue

Laurent Lemaire

Group CFO, Procurement, Information Systems

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2022 Financial results

Impacted by the inflationary environment and impairment of assets

Context of the financial reporting process relating to 2022 consolided financial statements

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Taking into account :

- the Group's cash position at May 4, 2023, which amounts to €354 million
- the company's cash flow forecasts, based on the following structuring assumptions
  - new money debt of €200 million in May 2023, €200 million in July 2023 and potentially €200 million from September 2023 under the agreement with the G6;
  - successive capital increases planned during the last quarter for an amount of €1.55 billion,

the Company considers, at the date of closing of the accounts, that it has cash resources compatible with its projected commitments and is thus in a position to meet its cash requirements over the next 12 months.

On this basis, the Board of Directors has approved the financial statements for the year ending December 31, 2022 as a going concern.

Audit procedures on consolidated financial statements have been performed by the Group Auditors. The audit report will be issued after verification of the management report and finalisation of the procedures required for the filing of the Universal Registration Document. It will include an observation highlighting the justification, by management, in the financial statements of the going concern principle, as well as one highlighting the change in methodology regarding IAS 16 with the end of the revaluation model pertaining to operating properties, land and buildings owned and operated by the Group.

Evolution of revenue by geographic area

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€m	Revenue 2021	Revenue 2022	Growth %	Organic Growth %*
FRANCE BENELUX UK IRELAND	2,643	2,802	+6.0%	+4.3%
CENTRAL EUROPE	1,086	1,197	+10.2%	+5.5%
EASTERN EUROPE	395	435	+10.2%	+8.6%
IBERIAN PENINSULA + LATAM	171	242	+41.3%	+16.8%
OTHER COUNTRIES	3	4	+32.6%	+20.9%
TOTAL	**4,299**	**4,681**	**+8.9%**	**+5.5%**

- **Average occupancy rate increases** slightly in 2022 compared to 2021 despite the crisis observed in the French nursing home market
- **Contribution of openings**
  - Opening of 30 new facilities representing ~2,300 beds
  - Mainly in Netherlands and in Eastern Europe
- **Change in scope:** consolidation of Brasil Senior Living Group since 1/1/2022

*Organic growth of Group revenue reflects the following factors: 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and daily price; 2. The year-on-year change in the revenue of refurbished facilities or those where capacity has been increased in the current or year-earlier period; 3. Revenue generated in the current period by facilities opened during the year or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

Evolution of occupancy rate in 2022

Overall occupancy rate increases thanks to the following elements:

- **Gradual recovery from the covid-19 crisis;**
- **Ramp-up of newly opened facilities**

Group occupancy rate (nursing homes and clinics) increases over the year: +60bps

Decline in the occupancy rate of nursing homes in France due to the crisis faced by Orpea: -400bps

(84.6% at 12.31.2022 vs 88.5% at the end of January 2022)

Average occupancy rate	2021	2022	Var.
France Benelux UK Ireland	83.8 %	83.6 %	(20) bp
Central Europe	78.1 %	79.1 %	+100 bp
Eastern Europe	79.9 %	81.9 %	+200 bp
Iberian Peninsula and Latam	76.4 %	78.0 %	+160 bp
Other countries	ns	ns	n.a.
Total Group	**81.0 %**	**81.6 %**	**+60 bp**

Evolution of number of operated facilities and beds

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End of period data (*)	No. of sites 2021	No. of beds 2021	No. of sites 2022	No. of beds 2022
FRANCE BENELUX UK IRELAND	530	43,076	551	44,170
CENTRAL EUROPE	234	23,597	237	23,765
EASTERN EUROPE	116	11,671	124	12,764
IBERIAN PENINSULA + LATAM	68	8,934	79	10,007
OTHER COUNTRIES	1	154	1	154
TOTAL	**949**	**87,432**	**992**	**90,860**
			+4.5%	***+3.9%***

(*) Number of facilities, beds and flats in operation, at the end of the period for the fully consolidated entities, excluding ambulatory locations.

Evolution of EBITDAR margin

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€m	2021 *	2022	Var.
Revenue	4,299	4,681	+8.9%
Staff costs	(2,644)	(3,028)	+14.5%
As a % of revenue	*(61.5)%*	*(64.7)%*	-318 pb
Other expenses	(584)	(873)	+49.5%
As a % of revenue	*(13.6)%*	*(18.7)%*	-506 pb
EBITDAR	1,070	780	-27.1%
EBITDAR %	24.9 %	16.7 %	**-824 bp**

- **EBITDAR margin 2022 at 16.7% (-30bps vs target published on November 15th, 2022)**
- Evolution of the **occupancy rates in 2022** does not compensate the decrease of Covid subsidies granted, the 2021 positive non-recurring items (reversal of provisions, tax credits, etc.) nor the fact that 2022 was marked by a significant increase in costs in the context of a highly inflationary environment.

- **Personnel costs** increase by 14.5%: acceleration of recruitment in France during the 2nd semester and general inflationary environment affecting healthcare professions in the main geographical areas
- **Other costs** increase by +49.5%: high increase in energy and food costs vs. almost stable resident and patient prices over the year
- **Group energy supply costs:** 3.5% of revenue in 2022, compared to 2.3% in 2021

*Personnel costs and other expenses have been reclassified from the published figures in FY 2021 to better reflect their nature (temporary staff costs, payroll taxes).

Evolution of EBITDAR margin

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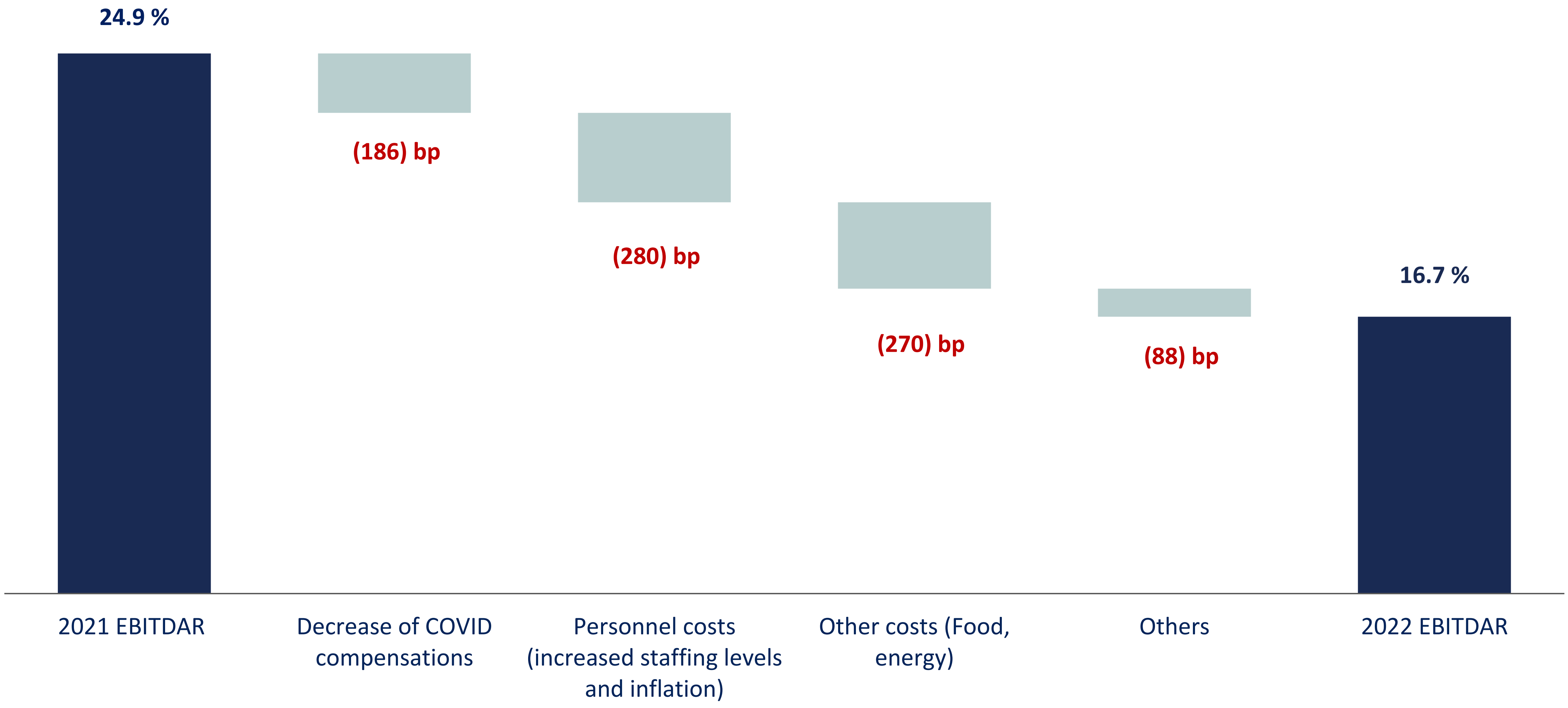

Evolution of EBITDAR margin by geographic area

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€m	2021 EBITDAR	2022 EBITDAR	Var. % vs 2021	2021 EBITDAR %	2022 EBITDAR %	Var.
France Benelux UK Ireland	694	445	(35.9)%	26.3 %	15.9 %	(1 039) bp
Central Europe	284	245	(13.7)%	26.1 %	20.5 %	(568) bp
Eastern Europe	61	63	+3.0%	15.4 %	14.4 %	(100) bp
Iberian Peninsula and Latam	32	24	(23.4)%	18.7 %	10.1 %	(856) bp
Other countries	(1)	2	ns	ns	ns	ns
TOTAL	**1,070**	**780**	**(27.1)%**	**24.9 %**	**16.7 %**	**(824) bp**

FRANCE - BENELUX - UK - IRELAND

- **FRANCE:** Impact of the drop in the occupancy rate of nursing homes + inflationary context + acceleration of recruitments (+ 800 per month) over Sept-Dec.
- **BELGIUM:** strong impact of inflation (energy + food) + difficult country context
- **IRELAND:** operations affected by a continuing covid context

CENTRAL EUROPE

- Mainly inflation effect (tempered in Germany by *hedging* on energy costs)

EASTERN EUROPE

- Inflationary effects (tempered by energy *hedging*)
- Solid growth in occupancy rate over the period

IBERICA + LATAM

- **SPAIN:** strong inflation effect (energy and other expenses)
- **LATAM:** highly dilutive effect of the entry into the scope of consolidation of Brazil Senior Living in 2022

Specific points relating to 2022 financial statements

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1 Impairment tests of intangible assets (IAS 36)

2 Evolution of the value of operating properties held

3 Financial partnerships

4 Non-current items

5 Taxes

Impact of new business plan on asset valuation

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New business plan produced by facility as part of the strategic and financial review established for the Strategic plan presented on 11/15/2022

Decrease in asset value

Impacts #1

Intangible (goodwill and licences)
IAS 36

Impacts #2

Fixed assets

Impairment tests of tangible and intangible assets (IAS 36)

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IAS 36 impairment

(Goodwill and licences impairment tests)

Total (excluding taxes): €(3.1)bn

- Fixed assets: €(1.0)bn
- Licences: €(1.4)bn
- Goodwill: €(0.4)bn
- Other assets: €(0.2)bn

Impact on 2022 accounts

- The total amount of impairment relating to IAS 36 has **no direct impact on the company's cash flow** (non-cash)
- These impairments are **recognized** in 2022 income statement under "**non-current items**".

Specific points relating to 2022 financial statements

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1. Impairment tests of intangible assets (IAS 36)
2. Evolution of the value of operating properties held
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5. Taxes

Change of accounting policies related to operating properties under IAS 16

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HISTORICAL ACCOUNTING POLICIES

- Revalued at fair value of operating properties accounted as assets in financial statements
- The difference between cost and fair value is recognised under « Revaluation reserves » net of taxes in equity

FROM 2022 CLOSING → CHANGE OF ACCOUNTING POLICIES

- Change of accounting policies related to operating properties under IAS 16
- ORPEA will continue to publish the value of its operating properties on an annual basis, including the valuation carried out by independent experts → this asset value will be different from the value of operating properties recorded in financial statements

Equity reduced by €1.5bn
(no impact on 2022 P&L)

Reduction corresponding to the cumulative net amount of IAS revaluations recorded in the accounts at 12/31/2021 net of reversals on deferred taxes liabilities

(€1.9bn – €0.4bn)

Items that impacted the value of real estate portfolio

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1

New business plan

Forecast by facility as part of the Strategic plan presented on November 15, 2022

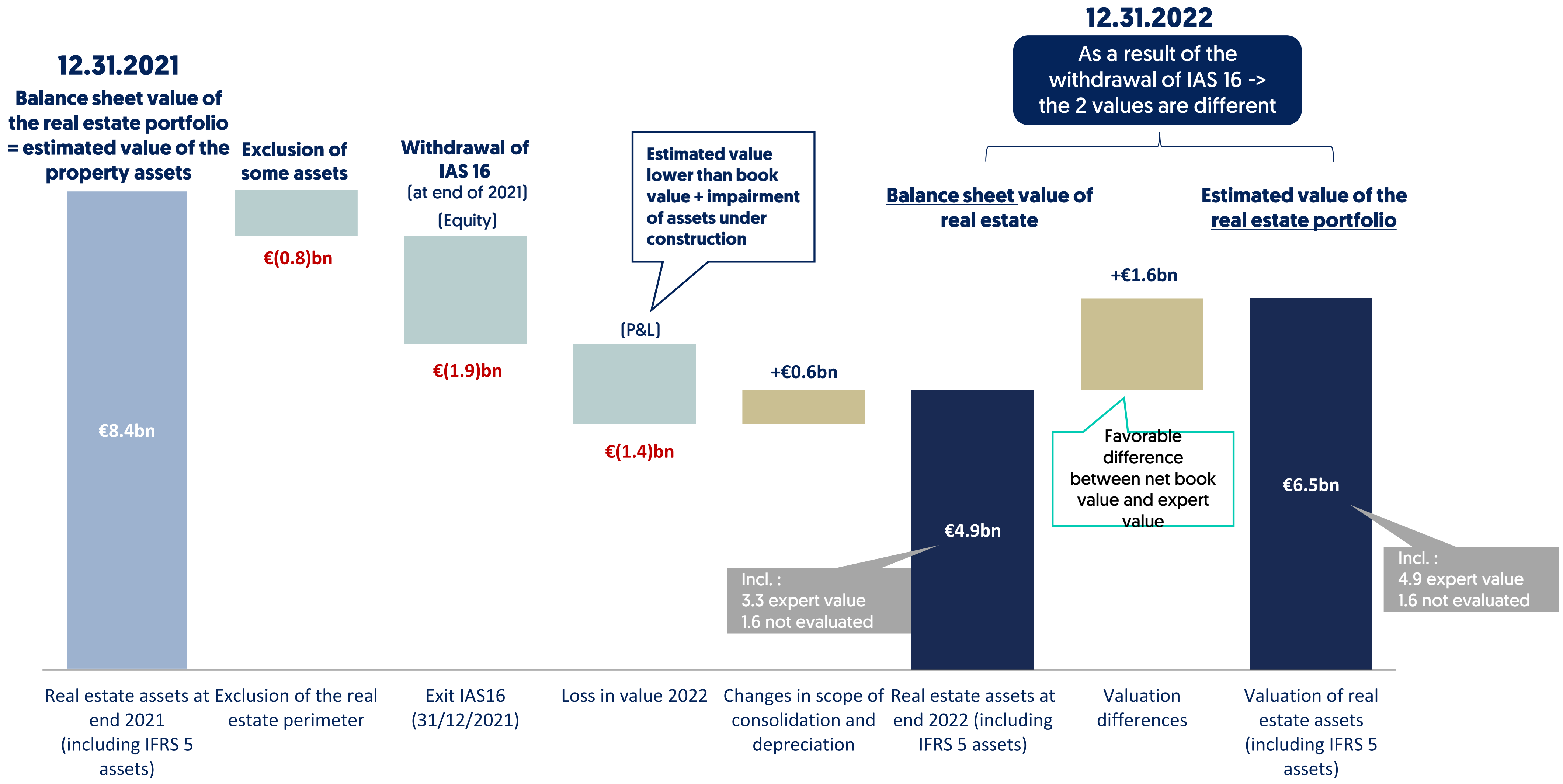
2

Other specific parameters have impacted the value of real estate portfolio in 2022 financial statements

- Evolution of return rates (interest rates, markets parameters…)
- Detailed review of internally valued assets (furnished rentals, assets under construction…)
- Reclassification of some assets outside the property scope (equipment)

Average yield of assets valued by independent experts:
5.1% in 2022 vs ~4.8% in 2021 (the 2021 average yield has been recalculated according to the method used for FY2022)

Evolution of the value of the real estate portfolio

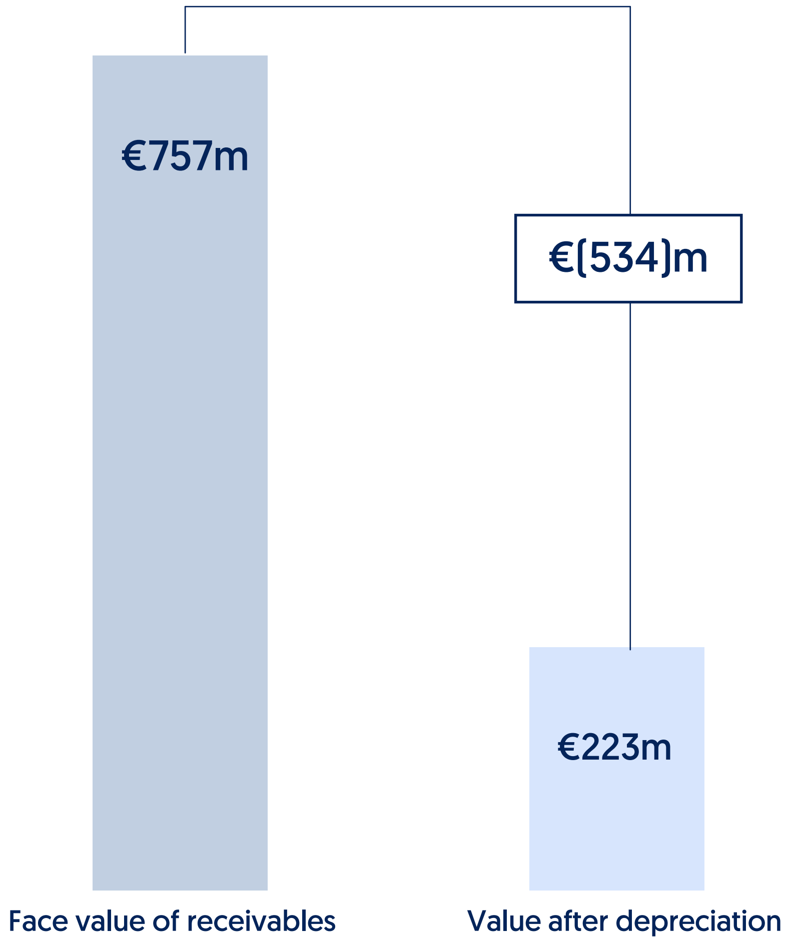


Specific points relating to 2022 financial statements

1. Impairment tests of intangible assets (IAS 36)
2. Evolution of the value of operating properties held
3. **Financial partnerships**
4. Non-current items
5. Taxes

Financial partnerships

Value at 12.31.2022



UPDATE ON FINANCIAL RECEIVABLES RELATED TO PARTNERSHIPS

- Advances granted by the Group to associates, joint ventures and to other subsidiaries amounted to €757m at 12.31.2022
- A large part of the value of these financial receivables is considered as bad debt
- In 2022, the Group has entered into negotiations in order to unwinding these partnerships and recovering the assets (including real estate) backed by these receivables
- A significant portion of these receivables concerns a single partner, with whom an initial agreement was signed at the beginning of 2023 for part of the scope concerned; negotiations are continuing for the remaining part of the scope

Summary of asset impairments at the end of 2022 (excluding tax)

	21/12/2022 (Released)	Real 2022		
In billion euros	**Total**	**Shareholders' equity**	**P&L**	**Total**
Appraised real estate assets	1.1	1.2	0.6	1.7
Non appraised real estate assets (*)	0.9 to 1.0		0.5	0.5
Real estate assets	**2.0 to 2.1**	**1.2**	**1.1**	**2.2**
Goodwill			0.4	0.4
Authorizations	*		1.4	1.4
Other fixed assets			0.2	0.2
Intangible assets	**2.5 to 2.7**	**0.0**	**2.0**	**2.0**
Receivables	**0.4**	**0.0**	**0.5**	**0.5**
Others	**0.1 to 0.2**	**0.0**	**0.2**	**0.2**
Impact of IAS 16 measurement	0.7	0.8		0.8
TOTAL	**5.7 to 6.1**	**1.9**	**3.8**	**5.7**

(*) WIP, LMP notably

Final amount at the bottom of the range communicated on 12.21.2022

Specific points relating to 2022 financial statements

1. Impairment tests of intangible assets (IAS 36)
2. Evolution of the value of operating properties held
3. Financial partnerships
4. **Non-current items**
5. Taxes

Non-current items

Non-current items 2022	€m
Depreciations IAS 36	3,081
Other real estate depreciations (assets under construction/other)	372
Depreciation of financial receivables	534
Crisis management expenses - refinancing	50
Crisis management expenses - HR	26
Crisis management expenses - others	36
Others (including accounts receivable adjustments)	124
TOTAL	4,223

NB: gross amounts before tax.

Specific points relating to 2022 financial statements

1. Impairment tests of intangible assets (IAS 36)
2. Evolution of the value of operating properties held
3. Financial partnerships
4. Non-current items
5. Taxes

Taxes

Taxes (income statement)	€m
Deferred taxes IAS 36	603
Others	(7)
TOTAL	**596**

No impact on cash-flow

Net income

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€m	2021	2022
EBITDAR	1,070	780
EBITDAR %	*24.9 %*	*16.7 %*
EBITDA	1,041	756
EBITDA %	*24.2 %*	*16.2 %*
D&A and provisions	(645)	(805)
EBIT	396	(49)
Financial result	(249)	(319)
Non current	(41)	(4,223)
Net income before tax	106	(4,591)
Income tax	(38)	596
Share in profit/(loss) of associates and JVs	(1)	(33)
Minority interests	(2)	1
Net result (Group share)	**65**	**(4,027)**

Note: EBITDA hors IFRS 16 2021 : 682 M€ / 15.9% margin ; 2022 : 342 M€ / 7.3% margin

Depreciations on new assets + additional IFRS 16 charge (new facilities…)

Impact of the increase of spreads in June Refinancing + rise in interest rates

Mainly IAS 36 impact + impairments of real estate and receivables with financial partners

Positive impact of the reversal of IAS 36 deferred tax liabilities

Cash flow statement 2022

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	(M€)
EBITDA excl. IFRS 16	**342**
EBITDA adjustments cash / non cash	11
Change in. WCR (excl. income tax)*	(23)
Operating CAPEX	(136)
Income taxes (cash)	(72)
Operational Cash Flow	**122**
Development capex	(638)
Real Estate disposals	132
Non-current items	(152)
Net financial expenses	(215)
Net financial investments	(94)
Changes in perimeter	(31)
Others	(40)
VAR. NET FINANCIAL DEBT (excl. IFRS)	**(916)**
Net financial debt (excl. IFRS) 12/31/2021	**(7,944)**
Change in net debt	(916)
Net financial debt (excl. IFRS) 12/31/2022	**(8,860)**

(*) excluding taxes, partnership financing and security deposits

- vs. €59m presented on November 15, 2022
- Reduction vs. the BP presented on November 15, 2022
- Mainly in The Netherlands
- Mainly Orpea crisis-related costs
- Related to past commitments

Net financial debt at the end of 2022

Structure of net financial debt at the end of 2022

€m	ORPEA SA	Subsidiaries	Total
June 2022 Financing	3,227	-	3,227
G6 New Money	-	-	-
Secured debt	320	1,762	2,082
Private Placements €	32	-	32
Sub-total secured debt	3,579	1,762	**5,341**
Listed bonds	1,400	-	1,400
Bank debt	155	416	571
Private Placements €	698	-	698
Schuldschein/NSV	1,570	136	1,706
Sub-total unsecured debt	3,823	552	**4,375**
Gross financial debt (excl. IFRS)	7,402	2,314	**9,716**

Cash flow	856	Net debt at end 2021 :	*Var.*
Net financial debt as at 31.12.2022 (excl. IFRS)	8,860	7,944	*916*
IFRS adjustments	*- 102*		
Net financial debt (IFRS view, excl. IFRS 16)	8,758	7,910	*848*

1

FINANCING OF €3.227bn WITH THE MAIN BANKING PARTNERS (*)

- Syndicated loan of €1.7bn with staggered maturities until 2025, of which €900m (A1 and A4 loans) had to be repaid before the end of 2023 out of the net proceeds from the sale of property assets (€1bn to be realized before the end of 2023)
- Refinancing line (Loan C) of €1.5bn to extend the maturity of certain debts to 2026

(*) *under a conciliation procedure approved on June 10, 2022. Terms and Conditions subject to adjustment pursuant to the agreement concluded on March 17, 2023 with the main banking partners*

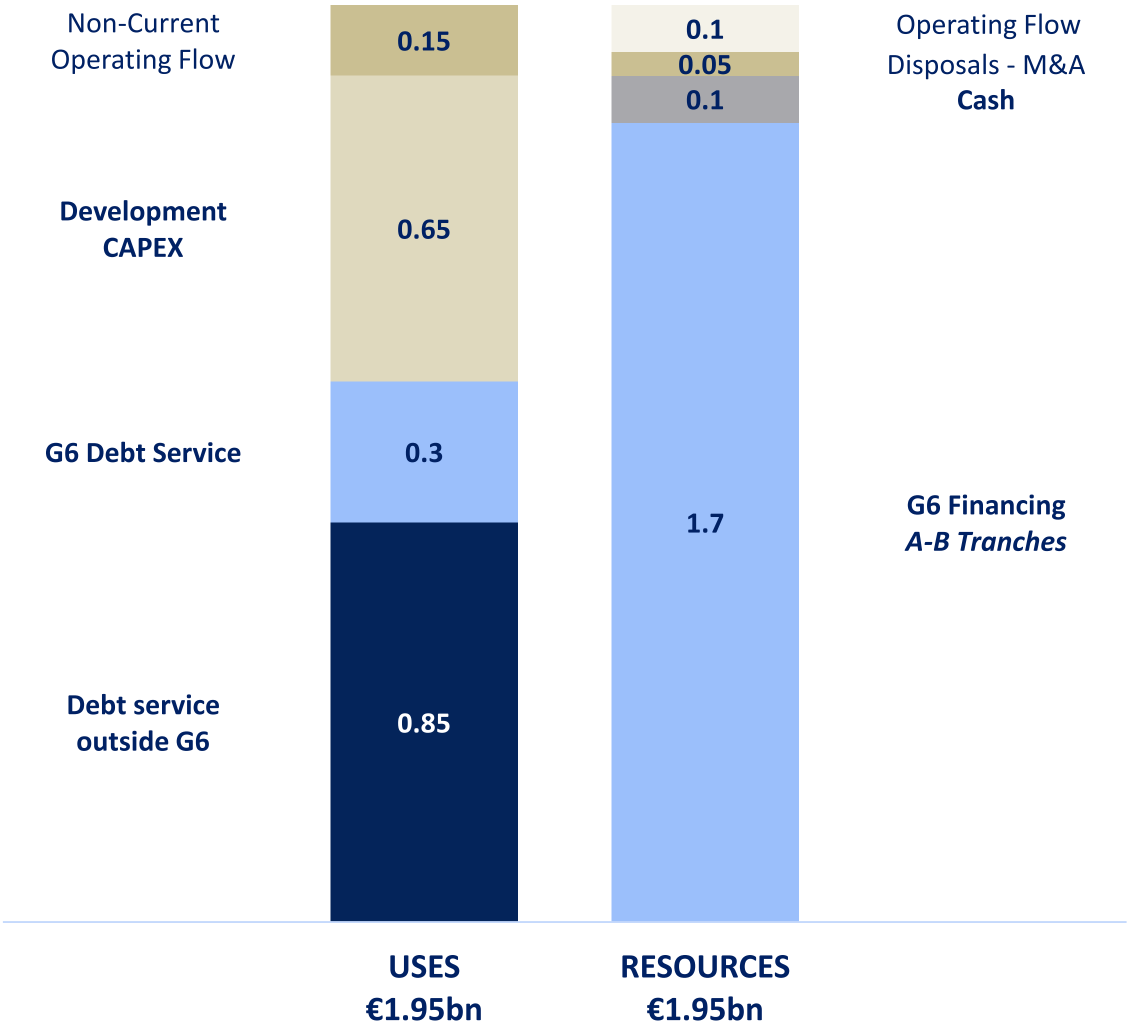
2

UNSECURED DEBT ORPEA SA

- Settlement of the entire amount (€3.8 billion) under the accelerated safeguard procedure opened on 24 March 2023, through a capital increase with maintenance of the preferential subscription rights of the existing shareholders (**) guaranteed by all unsecured creditors who will subscribe, if necessary, by way of compensation with their existing claims (conversion of the debt into shares)

(**) *any cash proceeds resulting from the subscription by the existing shareholders to this capital increase being used in full to reimburse the Company's unsecured financial creditors at par value in due proportion*

Use of new money from the June 2022 refinancing



The June 2022 new money (loans A & B) of €1.7bn mainly financed:

- ✓ Debt service excluding G6 (interests and principal repayments): €0.9bn
- ✓ Development CAPEX: €0.7bn

R1 and R2 covenants and adjustments under the accelerated safeguard

2022

~€2.3bn of financial debt comprising R1/R2 covenants at 12/31/2022, including:

- **€2bn** at ORPEA SA level, the application of which is suspended during the accelerated safeguard procedure and that will be converted into equity following the accelerated safeguard procedure
- **€0.3bn** for subsidiaries for which a signed or an agreement in principle has been obtained with regard to waivers relating to the R1/R2 financial ratio clauses

After the financial restructuring

1 single covenant that replaces R1/R2:

- Relates to **€0.4bn** of debt
- Leverage: net debt / EBITDA excl. IFRS 16
- Covenant holiday until H1 2025 and testing from 30 June 2025 at **9.0x**

Simplified view of the consolidated balance sheet at the end of 2022 (assets)

Restated from the withdrawal of IAS 16

(in million euros)	31/12/2022	31/12/2021 Restated *	31/12/2021 Published
ASSETS			
Goodwill	1,362,491	1,668,553	1,668,553
Intangible assets, net	1,592,231	3,076,406	3,076,406
Property, plant and equipment, net	4,374,692	5,324,490	7,237,005
Assets in progress	626,633	832,385	832,385
Right-of-use assets	3,499,987	3,072,567	3,072,567
Investments in associates and joint ventures	7,852	84,158	84,158
Non-current financial assets	180,997	94,703	94,703
Deferred tax assets	581,556	115,510	115,510
Non-current assets	**12,226,438**	**14,268,772**	**16,181,287**
Inventories	16,100	15,735	15,735
Trade receivables	455,368	431,630	431,630
Other receivables, accruals and prepayments	586,957	1,015,354	1,015,354
Cash and cash equivalents	856,417	952,369	952,369
Current assets	**1,914,842**	**2,415,088**	**2,415,088**
Assets held for sale	**353,154**	**387,952**	**387,952**
TOTAL ASSETS	**14,494,435**	**17,071,812**	**18,984,327**

Impairment of intangible assets

Real estate (including IAS 16 withdrawal)

Financial Partnerships

Simplified view of the consolidated balance sheet at the end of 2022 (liabilities)

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Restated from the withdrawal of IAS 16

(in million euros)	31/12/2022	31/12/2021 Restated *	31/12/2021 Published
EQUITY AND LIABILITIES			
Total consolidated equity	(1,502,235)	2,335,364	3,811,228
Long-term financial debt	1,378,335	7,006,775	7,006,775
Non-current lease commitments	3,424,152	2,968,098	2,968,098
Provisions	296,195	148,436	148,436
Provisions for pensions and other employee benefit obligations	66,195	75,035	75,035
Deferred tax liabilities and other non-current liabilities	813,993	997,009	1,433,660
Non-current liabilities	5,978,870	11,195,353	11,632,004
Short-term financial debt	8,236,459	1,855,524	1,855,524
Current lease commitments	344,317	297,098	297,098
Provisions	(0)	22,464	22,464
Trade payables	326,954	334,797	334,797
Tax and payroll liabilities	411,874	329,107	329,107
Current income tax liabilities	112,471	68,808	68,808
Other payables, accruals and prepayments	529,494	633,297	633,297
Current liabilities	9,961,569	3,541,095	3,541,095
Liabilities held for sale	**56,232**	**0**	**0**
TOTAL EQUITY AND LIABILITIES	14,494,435	17,071,812	18,984,327

Negative shareholders' equity

Reversal of deferred tax liabilities (IAS 36)

Including €6.5bn reclassified from long-term to short-term due to the direct and indirect default related to the breach of R1/R2 covenants

Key figures vs. BP presented on November 15, 2022

	Nov 15th 2022	Actual 2022	
Revenue	€4,688m	**€4,681m**	
EBITDAR	€797m	**€780m**	Difference resulting from the reclassification of ~€20m of IT capex in Opex in 2022 and over the duration of the BP
Net financial debt (excluding IFRS 16)	€9.02bn	**€8.86bn**	Variance mainly due to a reduction of capex
Development Capex (1)	€705m	**€638m**	Variance resulting from strict monitoring of committed programs (as a reminder, the projected amount in H1 2022 was > €900m)

(1) : mainly construction of new facilities

Extension of the deadline for the Shareholders' Meeting to approve the 2022 financial statements

In accordance with applicable legal provisions, the Company has requested and obtained from the President of the Nanterre Commercial Court an extension of the deadline for the Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2022. The order issued by the President of the Nanterre Commercial Court on May 11, 2023 extends the meeting deadline **to December 29, 2023**. Consequently, the Company will convene and hold its annual shareholders' meeting before this date and, in any event, once the new shareholders have acquired their stake in the Company's capital.

Update on the Financial Restructuring

Key parameters

Financial restructuring is a prerequisite for the success of the Refoundation Plan

The June 2022 plan was based on major real estate disposals

- 2022-25: €2bn disposal commitment
- From April 2022: discussions initiated with real estate investors (mid-sized operations and larger asset portfolios)

Several unfavourable developments have jeopardised the implementation of the disposals in the anticipated proportions and timing

- Rising interest rates impacting the real estate market
- Weakened operating performance in H1 2022 (inflation, occupancy rates)
- Continued strategic review and anticipation of first asset write-downs

➔ Deteriorated perception, uncertainty on covenants, and expectation of excessive leverage at end 2022 (>25x)

The success of the Refoundation Plan requires a major financial restructuring as envisaged under the accelerated safeguard procedure

› Reduction of net debt by converting unsecured debt into capital and providing new capital funding

› Securing the resources needed for the Refoundation plan: provision of new money and adjustment of the terms and conditions of the June 2022 loan

Submission of the financial restructuring plan to the approval of the classes of affected parties

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- The judicial administrators appointed by the Nanterre Commercial Court will convene the classes of parties affected by the Company's proposed accelerated safeguard plan (including the class of shareholders) (the "**Accelerated Safeguard Plan**") in order to vote on the Accelerated Safeguard Plan (including the capital increases referred to below), at meetings to be held, according to the indicative timetable envisaged to date, around **mid-June**

- In the event that the Accelerated Safeguard Plan is not approved by one or more of the classes of affected parties, it may, pursuant to article L.626-32 of the French Commercial Code, be adopted by the Commercial Court at the request of the Company or of the Judicial Administrator with the agreement of the Company and be imposed on the class or classes of affected parties that did not vote in favor, subject to compliance with the conditions set forth in the aforementioned provisions ("cross-class cram down")

- In the event of a **cross-class cram down**, the Accelerated Safeguard Plan will provide for the issuance, in each of the planned capital increases, of a **number of new shares ten times higher than the number of new shares that would be issued in the event of a favorable vote** of the Accelerated Safeguard Plan by each of the classes of affected parties, resulting in a **dilution of the existing shareholders (in the event that they decide not to participate in any of the capital increases), ten times higher, in the event of a cross-class cram down**

- This would result, **in the event of a cross-class cram down, in the issuance of new shares at issue prices ten times lower than the issue prices applicable in the event of a favorable vote** of the Accelerated Safeguard Plan by each of the classes of affected parties.

- The following two slides present the main financial parameters of each of the capital increases (i) in the event of approval of the Accelerated Safeguard Plan by each of the classes of affected parties and (ii) in the event of non-approval of the Accelerated Safeguard Plan by at least one of the classes of affected parties, and the implementation of a cross-class cram down with respect to the class(es) of affected parties concerned

Main characteristics of the capital increases provided for in the safeguard plan

Approval by each class of affected parties

	1 Conversion of unsecured debt into capital	2 Capital increase Groupement New Money	3 Capital increase with preferential subscription rights
	Amount c. €3.8bn	**Amount c. €1.15bn**	**Amount c. €0.4bn**
Main parameters and terms	• Capital increase with preferential subscription rights for existing shareholders, guaranteed by all unsecured financial creditors of ORPEA SA, SA who subscribe, if applicable, by way of set-off against their existing receivables • Any cash proceeds resulting from the subscription by the existing shareholders will be used in full to repay the unsecured financial creditors of ORPEA SA at par value in due proportion • Approximately 6.4bn new shares issued	• Capital increase in cash reserved for the Groupement, which fully subscribes to it • Approximately 6.5bn new shares issued	• Capital increase in cash with preferential subscription rights for existing shareholders: • Subscribed on an irreducible basis by the members of the Groupement for approximately €0.2bn by exercising their preferential subscription rights • Open to all shareholders (including creditors who have become shareholders) and backstopped by the "SteerCo“ • Approximately 2.9bn new shares issued
Capital structure after each transaction (assuming no participation of existing shareholders)	• Unsecured creditors converted to equity: 99% • Existing shareholders: **1%**	• Groupement: 50.2% • Unsecured creditors converted to equity: 49.3% • Existing shareholders: **0.5%**	• Groupement: 50.2% • Unsecured creditors converted to equity: 39.6% • Unsecured creditors providing new equity (SteerCo): 9.2% • Existing shareholders: **0.4%**
Theoretical issue prices [1]	• Approximately **€0.60 per share** → > 3.3x →	• Approximately **€0.18 per share**	• Approximately **€0.13 per share**

Transactions leading to massive dilution for existing shareholders and based on issue prices significantly below the current share price

(1) Excluding a possible reduction of the nominal value and/or consolidation of shares prior to the implementation of the capital increases

Main characteristics of the capital increases provided for in the safeguard plan

Not approved by at least one of the classes of affected parties

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	1 Conversion of unsecured debt into capital	2 Capital increase Groupement New Money	3 Capital increase with preferential subscription rights
	Amount c. €3.8bn	Amount c. €1.15bn	Amount c. €0.4bn
Main parameters and terms	• Capital increase with preferential subscription rights for existing shareholders, guaranteed by all unsecured financial creditors of ORPEA SA, SA who subscribe, if applicable, by way of set-off against their existing receivables • Any cash proceeds resulting from the subscription by the existing shareholders will be used in full to repay the unsecured financial creditors of ORPEA SA at par value in due proportion • Approximately 65bn new shares issued	• Capital increase reserved for the Groupement, in cash, with priority right of shareholders if the shareholders, as a class of affected parties, do not approve the accelerated safeguard plan • This priority right will exclusively benefit the shareholders existing before the launch of the first capital increase, and will therefore not benefit the unsecured creditors who may become shareholders of the Company at the end of step 1 • Subscription of the Groupement up to the difference between the total amount of the capital increase and any amount subscribed by the shareholders via their priority right • Approximately 65bn new shares issued	• Capital increase in cash with preferential subscription rights for existing shareholders: • Subscribed on an irreducible basis by the members of the Groupement for approximately €0.2bn by exercising their preferential subscription rights • Open to all shareholders (including creditors who have become shareholders) and backstopeped by the "SteerCo" • Approximately 29bn new shares issued
Capital structure after each transaction (assuming no participation of existing shareholders)	• Unsecured creditors converted to equity: 99.9% • Existing shareholders: 0.1%	• Groupement: 50.2% • Unsecured creditors converted to equity: 49.8% • Existing shareholders: 0.05%	• Groupement: 50.2% • Unsecured creditors converted to equity: 40% • Unsecured creditors providing new equity (SteerCo): 9.8% • Existing shareholders: 0.04%
Theoretical issue prices [1]	• Approximately €0.059 per share → > 3,3x →	• Approximately €0.018 per share	• Approximately €0.013 per share

Transactions resulting in massive dilution for existing shareholders (and 10 times higher than the dilution incurred in the event of approval of the plan by each of the classes of affected parties) and based on issue prices that are significantly lower than the current share price

(1) Excluding a possible reduction of the nominal value and/or consolidation of shares prior to the implementation of the capital increases

The financial restructuring is also based on the implementation of a RCF by the main banking partners and on the modification of the terms and conditions of the June 2022 loan

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1/ Implementation by the group's main banking partners of a RCF
2/ Modification of the terms and conditions of the June 2022 loan

NEW MONEY (RCF)

TOTAL: €400m + €200m

- D1: €400m (échéance 30/06/2026)
- D1A - €200m to be drawn by end of May 2023
- D1B - €200m to be drawn in July 2023
- D2+D3 = 2 x €100m "Bridge to Equity" available in the event of an appeal against the waiver of the launch of a takeover bid to be granted by the AMF (which would result in a delay of the planned capital increases)

Drawings D1B, D2 and D3 remain respectively subject to the establishment of securities and the approval of the safeguard plan by the Commercial Court of Nanterre

MAIN T&C, COMMITMENTS AND GUARANTEES GRANTED UNDER NEW MONEY FINANCING

- Margin: 2.00% p.a.
- Pledge on the shares issued by ORESC 26 directly holding 100% of the capital and voting rights of Niort 94 and Niort 95
- Commitment to maintain an LTV ratio of less than 55% at 31/12/2023 and less than 50% thereafter

MAIN T&C AND COMMITMENTS RESULTING FROM THE AMENDMENT OF THE TERMS AND CONDITIONS OF THE JUNE 2022 CREDIT

- Margin: 2.00% p.a.
- Final maturity: 31/12/2027
- Contractual amortisation: €200m per year over 2023, 2024 and 2026; €300m in 2025
- Property disposals > €1.25bn by end 2025 - replacing previous commitment of €2bn
- Annual cash sweep applicable from 30/06/2025: allocation of 75% of net disposal proceeds of property and operating assets (less contractual amortization) subject to maintaining a minimum liquidity of €300m until the end of the year concerned
- Minimum liquidity covenant (> €300m tested on a half-yearly basis)

Maturity of gross financial debt (excluding IFRS)

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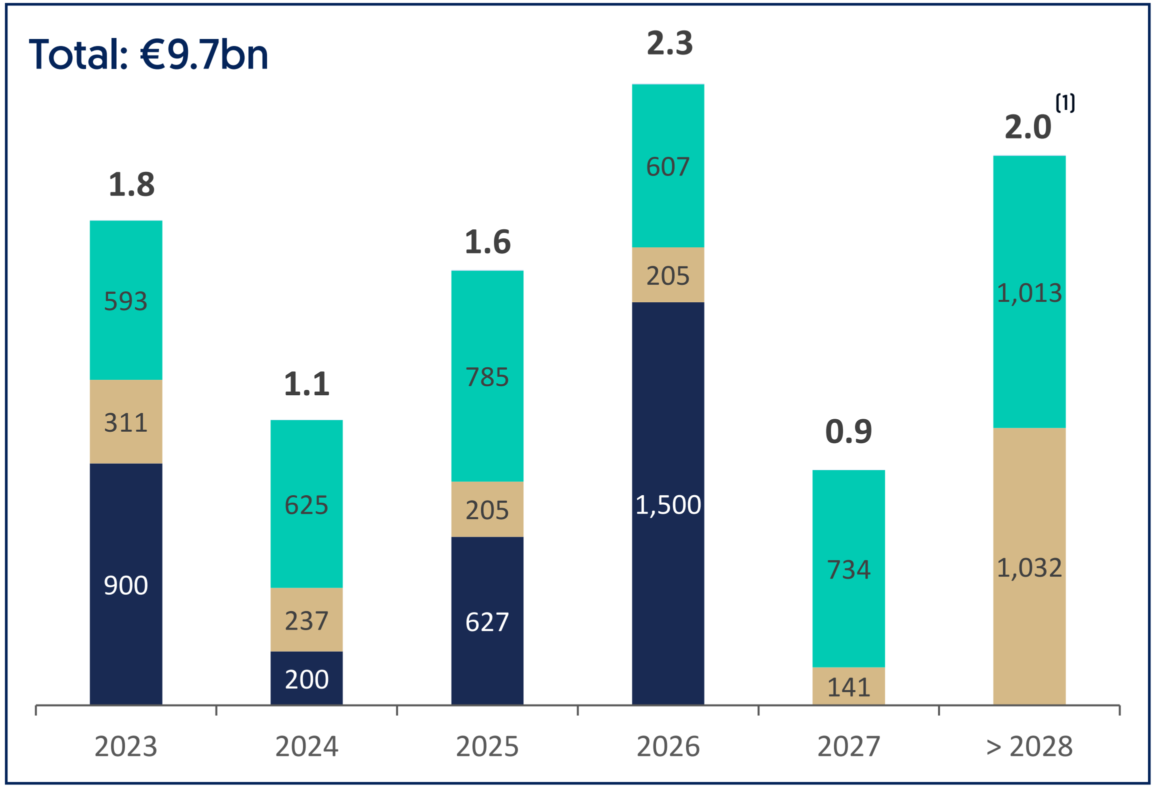
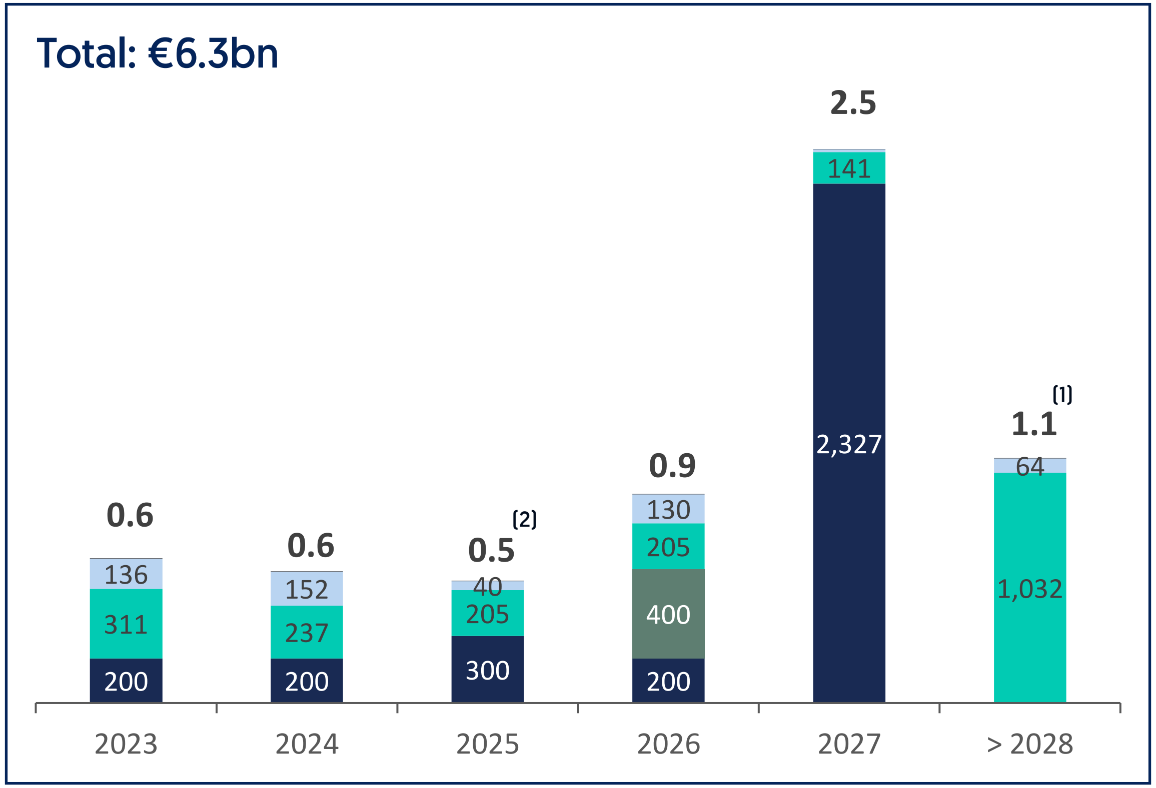
Maturity schedule (*) of gross debt at 31.12.2022 (€m, total in €bn)



Pro forma debt maturity of the financial restructuring (€m, total €bn)

- Conversion of ORPEA SA unsecured debt into shares
- Extension of the maturities of the financing to June 2022
- Drawdown of €400m of additional "new money" financing



Secured funding from June 2022 | Secured new money debt | Other secured debts (subsidiaries and ORPEA SA) | Unsecured debt (subsidiaries and ORPEA SA) | Unsecured debt (subsidiaries)

(*) Excluding IFRS reclassification to short term debt due to breach of R1/R2 covenants as at 31.12.2022

Notes:
1 Assumption of long-term renewal of the factoring line of €128M. It is included in the column '> 2028'
2 Repayment of additional principal of € 100 million in 2025 upon receipt of net proceeds of sale of € 100 million

Update of the 2022-2025 Business Plan

Update of the business plan presented on November 15, 2022

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Business outlook 2022 → 2025 unchanged from the vision presented on November 15, 2022

- ✓ Update produced as a result of the reviews carried out in the context of the closing of the 2022 accounts
- ✓ Business outlook 2022 to 2025 unchanged from the vision presented on November 15, 2022
    - EBITDAR / EBITDA excluding IFRS 16 impacted by the reclassification of IT expenses from CAPEX to OPEX (~€19m in 2022 / €30m > 2022) → No impact on operating flows (adjustment to match IT CAPEX)

Financial projections 2022 → 2025 adjusted

- ✓ Considering the 2022 accounts
- ✓ Considering the terms and conditions of the Safeguard Plan (lock-up agreement and G6 agreement)
- ✓ Based on a real estate disposal program of €1.25bn over the period (G6 commitment)

Business perspectives 2022 → 2025

	2022 Real	2025 actualized[1]	CAGR 22-25
Revenue	€4,681m	€6,102m *Unchanged*	+9%
EBITDAR (% CA)	€780m (16.7%)	€1,216m (19.9%) *€30m IT reclassification Capex to Opex*	+16%
EBITDA excl. IFRS 16[2] (% CA)	€342m	€671m *~€45m rental income from property disposals*	+25%
# BEDS	90,860	96,806 *Unchanged*	+2%

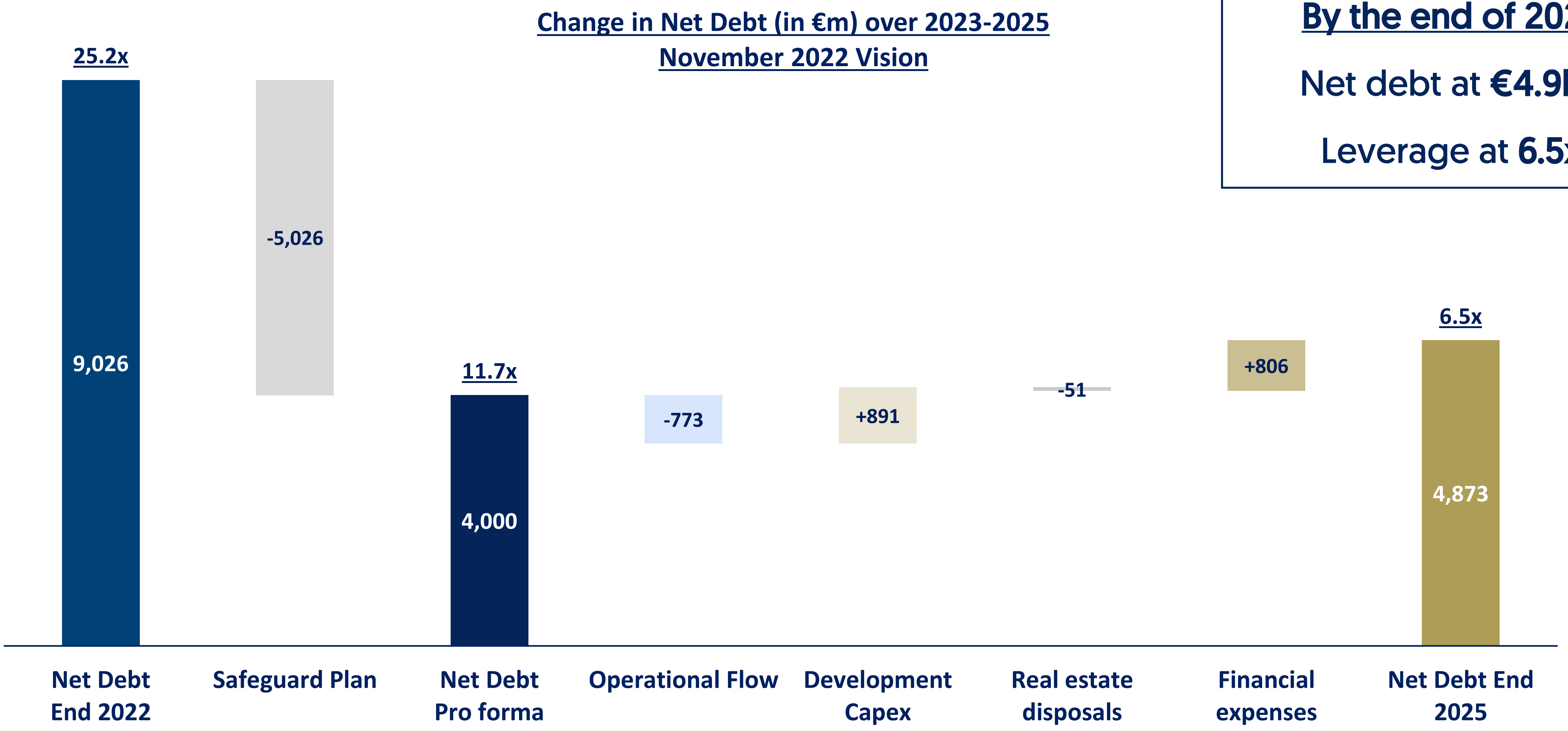
Note : (1) 2025 figures from 2022 geographical scope, (2) IFRS 16 EBITDA - external property rental expenses not considered in IFRS 16 EBITDA (net of all external property rentals)

2022 → 2025 : Operating cash-flow generation

€m [reminder of figures presented on 11/15/2022]	2022R	2023	2024	2025	2022-2025
Operating Cash-Flow[1]	122 [159]	43 [132]	322 [295]	416 [471]	903 €[53]m vs. novembre 22
Development Capex	(638) [(705)]	(478) [(544)]	(282) [(216)]	(124) [(132)]	(1,522) +€75m vs novembre 22
Net balance	**(516)** **[(646)]**	**(435)** **[(412)]**	**40** **[79]**	**292** **[339]**	(619) +€22m vs novembre 22

Note : (1) EBITDA excluding IFRS 16 - change in WCR and other non-cash current items - Maintenance and IT CAPEX - Taxes paid

Debt reduction 2023-2025: November 15, 2022 vision



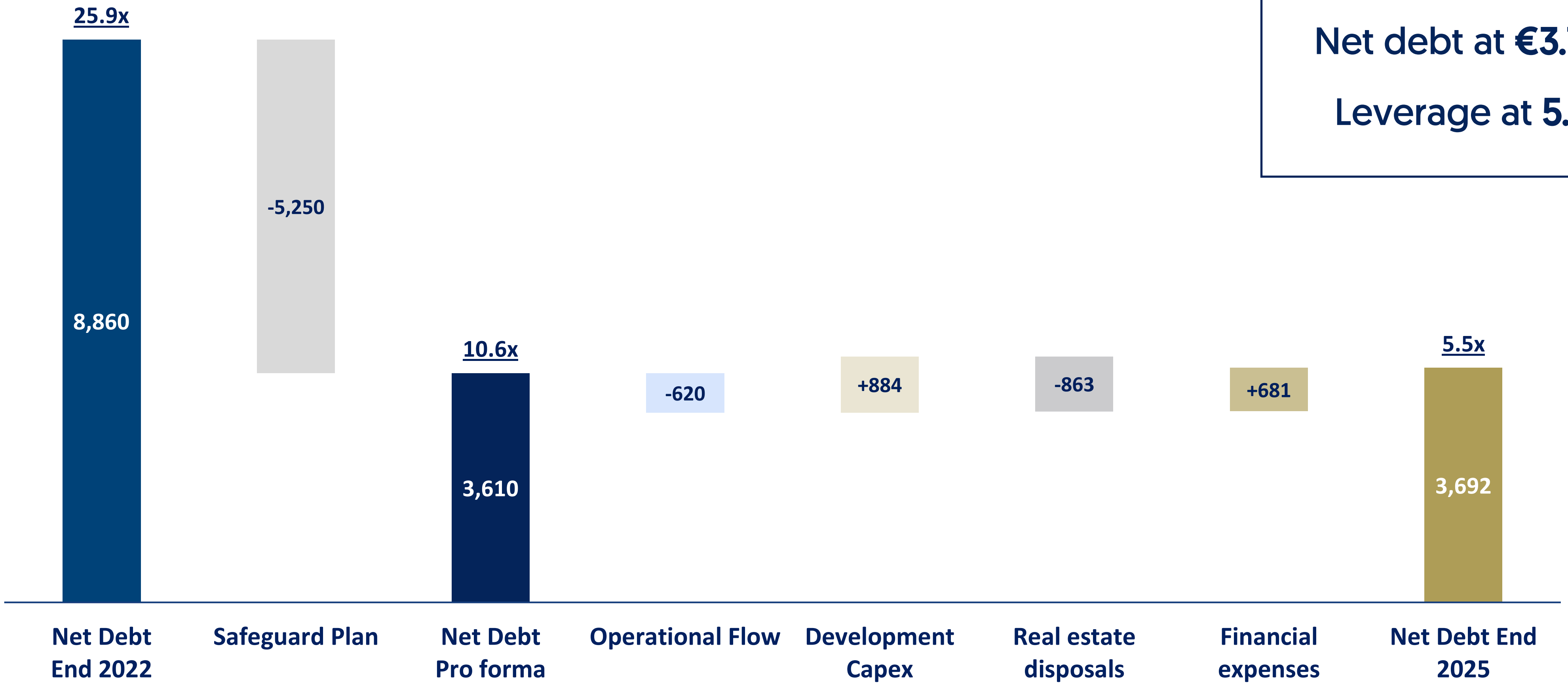
By the end of 2025

Net debt at **€4.9bn**

Leverage at **6.5x**

Debt reduction 2023-2025: updated vision (May 2023)

Change in Net Debt (in €m) over 2023-2025
May 2023 Vision

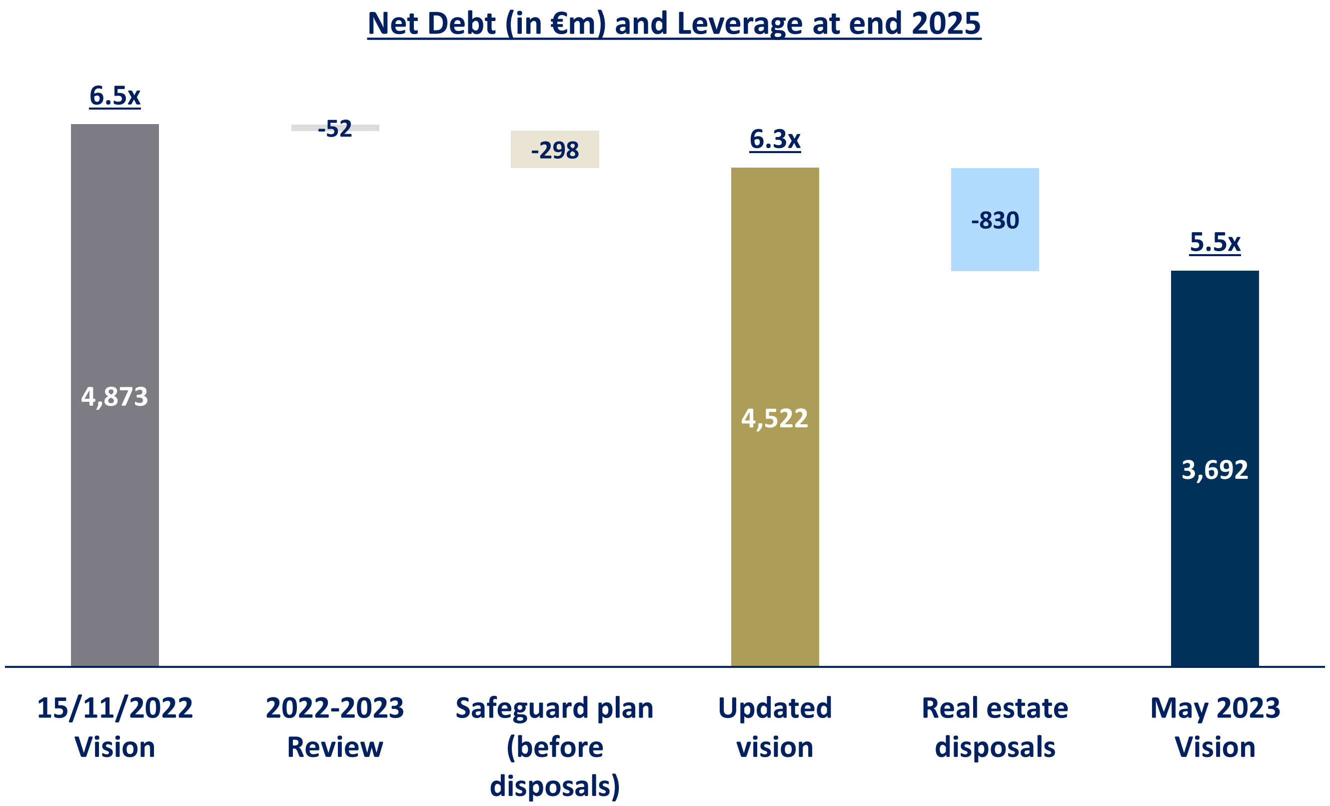


By the end of 2025

Net debt at **€3.7bn**

Leverage at **5.5x**

Summary: update of the leverage target to end 2025



- Leverage at the end of 2025 is a **key parameter** for the Group's future refinancing trajectory (horizon 2025-2026)
- Target net debt at the end of 2025 reduced by **€1.2bn** from one vision to the next:
  - ≈ **€50m** following the 2022-2023 review
  - ≈ **€300m** under the terms and conditions of the Safeguard Plan
  - ≈ **€830m** under the property disposal program

✓ A more ambitious leverage target of **5.5x** at the end of 2025

Q1 2023 Revenue

Q1 2023 Revenue

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€m	Revenue Q1 2022	Revenue Q1 2023	Growth	Organic Growth*
France Benelux UK Irlande	679	720	+6.0%	+5.8%
Central Europe	283	322	+13.7%	+12.6%
Eastern Europe	101	121	+19.7%	+19.6%
Iberian peninsula and Latam	55	69	+24.7%	+21.8%
Other countries	1	2	+88.0%	+3.4%
TOTAL	**1,120**	**1,234**	**+10.2%**	**+9.5%**

Occupancy rate (avg.)	Q1 2022	Q1 2023	Var. (bps)
France Benelux UK Ireland	84.9%	83.8%	(115) bps
Central Europe	78.1%	81.5%	340 bps
Eastern Europe	80.9%	83.7%	287 bps
Iberian peninsula and Latam	74.4%	83.2%	886 bps
Other countries	83.5%	42.9%	(4062) bps
Total	**81.4%**	**83.0%**	**160 bps**

- **Dynamic organic growth: 9.5%**
- **Average occupancy rate of 83%, up +160 bps vs Q1 2022**
- **In France, business was solid in clinics, while the occupancy rate in nursing homes did not recover to date**
- In Central Europe, Eastern Europe and in the Iberian Peninsula and Latin America, business benefited from an upturn in occupancy rates and a favorable price effect.

*Organic growth in Group revenues includes: 1. Change in revenue (N vs. N-1) of existing facilities resulting from changes in their occupancy rates and per diem rates; 2. Change in revenue (N vs. N-1) of facilities that have been restructured or whose capacity has been increased in N or N-1; 3. Revenue generated in N by facilities created in N or in N-1, and the change in revenue of recently acquired facilities over a period equivalent in N to the consolidation period in N-1.

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Next steps and outlook

Laurent Guillot

Group Chief Executive Officer

Transforming ourselves to become once again the benchmark operator in the care and support of the most vulnerable

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Completing the return to basics	Continue the structuring of our financial, IT, purchasing and HR functions affected by the crisis
Supporting the cultural transformation of the group	Develop "trust & inspire" management based on responsibility, ethics and trust
Strengthening care and support at the heart of our activities	Implement the group's medical and nursing project by decompartmentalising our professions and our establishments
Restoring financial stability	Successfully implement the financial restructuring plan
Committing the company to a mission-based model	By living our values, by affirming our "Raison d'être", by transforming our business model

A responsible group, sustainable practices, a positive impact

A corporate project with a mission focused on care, in line with contemporary sustainability issues

DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including references, regarding the Group's expected growth and profitability in the future that may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties relate to factors out of the control of the Company and not accurately estimated, such as market conditions. Any forward-looking statements made in this document are statements about the Company's beliefs and expectations and should be evaluated as such. Actual events or results may differ from those described in this document due to a number of risks or uncertainties described within Chapter 3 of the Company's 2022 Universal Registration Document, which is available on the Company's website, on the French financial markets regulator, AMF's website (www.amf-france.org), and in the 2022 Half-Year Financial Report published on September 30, 2022.