ORPEA PUBLISHES ITS FINANCIAL RESULTS FOR THE 1ST HALF OF 2022

Decline in operating profitability and net income at -€269m significantly impacted by asset impairments

Puteaux (France), 28 September 2022 (6:15 pm CEST)

The ORPEA Group reports its consolidated results, reviewed by the statutory auditors, for the six months ended 30 June 2022, which were approved today by the Board of Directors.

Laurent Guillot, Chief Executive Officer, said: *"ORPEA has strong assets: first and foremost, 71,000 professionals who are as committed as ever to our residents and patients; its care protocols, which have always been one of the pillars of the Group; and its dense network of facilities with leading positions in its main countries. As a result, turnover for the first half of 2022 is up by more than 10%.*

However, the company has been severely affected by the unethical behaviour of its former managers and by its rapid international and real estate development, which have weakened ORPEA's financial situation. The net result is thus strongly affected by assets depreciation.

In this context, I took a first series of very concrete measures this summer. These include the launch of an ambitious recruitment plan, greater autonomy for facility managers to hire and improve quality of care, and more dialogue with families, as evidenced by the results of the "Etats Généraux du Grand Age" held in France. This is a first step that will be followed by a transformation plan to be presented in the autumn, paving the way for the definition of a new model, bringing more trust and more transparency in the support of the most fragile people."

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1. Consolidated income statement

(€m) – including IFRS16 impact	2021	H1 2021	**H1 2022**	*Chg. H1 2022 vs. H1 2021*
Revenue	4 299	2,070	**2,295**	+10.9%
EBITDAR	1 070	515	**427**	-17.1%
EBITDAR margin	*24,9%*	*24.9%*	***18.6%***	*-628 bps*
EBITDA	1 041	499	**415**	-16.9%
EBITDA margin	*24,2%*	*24.1%*	***18.1%***	*-605 bps*
Recurring Operating Profit	396	231	**82**	-64.6%
Recurring operating margin	*9,2%*	*11.1%*	***3.6%***	*-758 bps*
Non current items	-41	12	**-251**	
Operating Profit (Loss)	355	242	**-170**	
Net Finance cost	-249	-109	**-96**	
Result before tax	106	133	**-266**	
Net Result – Group share	65	102	**-269**	

Rental income not deducted from EBITDA under IFRS16 was €171 million in H1 2021 and €202m in H1 2022 (the increase being mainly due to the development of the Group). EBITDA excluding the impact of IFRS16 was €682m for the full year 2021, €326 million for H1 2021 and €209 million for H1 2022.

Revenue for the first half of 2022 amounted to €2,295m, up 10.9%, of which 6.4% was organic. Activity was characterised by good overall momentum in clinics both in France and internationally, and in retirement homes outside France. In France, the nursing home activity was affected by the crisis faced by the Company (5-point decrease in occupancy rate between January and April 2022 followed by a gradual recovery). Revenue for the period benefited from the contribution of acquisitions made in 2021 and changes in scope in 2022.

EBITDAR was €426.7m in H1 2022, representing a margin of 18.6%, compared with 24.9% in H1 2022. This decline, totalling around 628 bps, is mainly attributable:

- for approximately 190 bps, to the substantial reduction in Covid-related compensations received in its various countries (net impact: €40m), which the increase in the Group's occupancy rate between the two periods did not offset;
- for approximately 190 bps, to the recording of sizeable specific income, totalling €40m (reversal of provisions, reduction of social security contributions and VAT credits) in the first half of 2021 that did not recur in 2022;
- for approximately 213 bps, to an increase in other costs in a highly inflationary environment for purchases, whereas the rates charged to patients and residents remained virtually stable in the short term. The most marked inflationary effects were on catering and especially on energy. As a result of the hedging policy decisions made in 2021, the company’s energy purchases for 2022 are only partially hedged, and there is no hedging on electricity in France in particular. As a result, the Group's energy costs as a percentage of revenue in the first half of 2022 stood at 2.9%, compared with 1.9% in the first half of 2021.

EBITDA amounted to €414.9m, representing a margin of 18.1% of sales.

Recurring Operating Profit (after depreciation and provisions) was €81.8m, which compares to €230.7m in H1 2021.

Depreciation, amortisation and provisions amounted to €333.2m, compared with €268.7m in the first half of 2021. This change includes the increase in depreciation and amortisation linked to the increase in the number of facilities operated, as well as an additional allocation to the provisions of €83.2m that had been booked at 31 December 2021 following the joint IGF-IGAS (France's Inspectorate General for Finance and Inspectorate General for Social Affairs) mission's report. The latter was increased to €100.8 million at 30 June 2022, an increase of €17.6m. This change includes the estimated surplus of €14.3m for the first half of 2022 (compared to €41m for the whole of 2021) and an additional €3.3m following the notification received from the CNSA ("Caisse Nationale de Solidarité pour l'Autonomie").

Indeed, on 29 July 2022, the CNSA notified ORPEA S.A. that it intended, following the report of the joint IGF-IGAS audit dated March 2022, to request the return of unduly received funding in the amount of €55.8m.

In its reply dated 29 August 2022, ORPEA undertook to reimburse a sum of €25.6m, corresponding to:
- the territorial economic contribution (CET) and the social solidarity contribution (C3S), for €19.6m. For the record, these amounts had not been provisioned at the close of the 2021 accounts;
- amounts corresponding to end-of-year discounts that would have been received from our suppliers for purchases financed by the "care" section, for €5.6m;
- expenses related to the cost of taking out civil liability insurance policies, for €0.5m.

The Company has reallocated its provision lines to be consistent with the amounts requested and has made additional provisions of €3.3 million. On the other hand, ORPEA has not made any provision for the staff costs demanded with regard to the life auxiliaries "filling in" as assistant nurses, corresponding to an amount of €30.2m.

The table below summarises the evolution of the provisions mentioned above:

in €m	Provisions as of 31 December 2021	Charges to provisions H1 2022	Reversal of provisions H1 2022	Provisions as of 30 June 2022
2017-2020 surpluses (*)	19.8			19.8
2021 surpluses (before validation of statement of income and expenditure (**))	41.1			41.1
H1 2022 surpluses (estimate)		14.3		14.3
Total provisions related to surpluses	**60.9**	**14.3**	**-**	**75.2**
Provisions for repayment of charges linked to Care and Dependancy	22.3	3.3		25.6
Total provisions	**83.2**	**17.6**	**-**	**100.8**

(*) The surpluses correspond to the unused part of the public subsidies for activities related to care and dependency
(**) "ERRD" (Etats Réalisés des Recettes et des Dépenses / statement of provisional income and expenses) are made annually by all dependancy care operators and validated by Authorities

The net finance cost was -€96.1m, including a positive effect of €24m provision on interest rate hedging instruments, with no impact on the Company's cash position.

Non-current items amounted to -€251.4m. They include €20m of costs related to the management of the crisis and €186m of asset depreciations. These impairments, unrelated to the crisis faced by the Group in France, concern intangible assets, €79m to goodwill in Brazil (on Brazil Senior Living and on the Group's historical activities whose development prospects are slower than expected) and €49m to the valuation of operating licences. In addition, an impairment of €58m was recognised on receivables from related parties, mainly in Belgium.

The net result for the first half of 2022 was a loss of €269.4m.

It is specified that the accounts at 30/06/2022 do not include the potential accounting implications of the ongoing strategic review, nor the outcome of negotiations currently being conducted with the Group's historical partners:

- For the June 2022 financial statements, asset impairments have been made for specific assets partially impaired at the end of 2021 or for assets for which an indication of potential impairment has been identified for subsequent years. The other "Cash Generating Units" (CGUs) were not tested for the June closing as the Group has initiated the preparation of a strategic review of the CGUs and its property assets. This strategic plan will form the basis for updating the annual impairment of goodwill and intangible assets across all CGUs as of 31 December 2022, the annual valuation of property assets and the monitoring of the Group's compliance with the commitments made under the financing obtained in June 2022.

- Advances granted by the ORPEA Group to associates and joint ventures amounted to €478m at 30 June 2022. Advances granted by the ORPEA Group to other companies amounted to €220m. A significant part of these receivables concerns a single partner. ORPEA has entered into negotiations with this partner to unwind the partnerships and recover the real estate assets in exchange for the receivables. To date, and without prejudging the outcome of these negotiations in the second half of the year, the Group does not anticipate significant future losses on these receivables given the value of the underlying real estate assets.

2. Main balances of the consolidated balance sheet

(€m)	31 Dec. 2021	**30 June 2022**
Net tangible assets	8,069	**8,475**
Net intangible assets	3,076	**3,065**
Shareholder's equity	3,811	**3,703**
Gross financial debt	8,863	**9,476**
Including financial liabilities maturing within one year	*1,856*	*1,842*
Cash	952	**1,133**
Net financial debt	7,910	**8,343**
Lease commitments (IFRS16)	3,265	**3,557**

At 30 June 2022, the value of **tangible assets** amounted to €8,475m, an increase of €406m, mainly as a result of construction projects.

Intangible assets amounted to €3,065m.

Net debt amounted to €8,343m, up €433m.

Cash amounted to €1,133m, an increase of €181m compared with the end of 2021. This increase was due to drawdowns undertaken within the framework of the financing agreement.

3. Covenants as of 30 June 2022

The Company reminds readers that bilateral bank loans as well as borrowings made under German law, *Schuldschein*, for a total amount of c. €4.1bn as of 30 June 2022, are subject to the following contractually agreed covenants, tested on a half-yearly basis:

$$\text{R1} = \frac{\text{consolidated net financial debt (excluding net real estate debt)}}{\text{(consolidated EBITDA excluding IFRS16}^{1} - 6\,\%\ \text{x net real estate debt)}}\text{, and}$$

$$\text{R2} = \frac{\text{consolidated net financial debt}}{\text{Equity + quasi equity}^{2}}$$

As of 30 June 2022, these two ratios stood at 3,58 and 1,87 respectively, within the required limits of 5.5x for R1 and 2.0x for R2 at 30 June 2022. The components of the calculation are shown in the table below:

(€m)	31 December 2021	**30 June 2022**
Consolidated net financial debt (1)	7,910	**8,343**
o.w debt allocated to real estate (*)	*87.7%*	*96.5%*
Net real estate debt (2) *(**)*	6,937	**8,047**
EBITDA excluding IFRS16 (3) [last twelve months]	682	**565**
Equity + quasi equity (4)	4,574	**4,470**
R1 ratio = [(1)-(2) / [(3)-6% x (2)]	3.66	**3.58**
R2 ratio = (1) / (4)	1.73	**1.87**

(*) Starting from the calculation made in June 2022, the approach has been redefined to better reflect the allocation of debt to real estate. This allocation is now carried out in detail on a line-by-line basis. (**) This figure is used only for the calculation of R1 ratio

[1] At the end of June, calculation based on last twelve months
[2] Deferred tax liabilities linked to the valuation of intangible operating assets under IFRS in the consolidated financial statements

Update on the Financing Agreement announced on 13 June 2022

The Group has started to overhaul its financing strategy, with a first step based on the Financing Agreement announced on 13 June 2022, which was the subject of a conciliation protocol approved by the Nanterre Commercial Court on 10 June 2022.

This syndicated loan of €1.729 billion (comprising several A1, A2, A3, A4 and B loans) is to be made available progressively until 31 December 2022, subject to conditions precedent. It is associated with an optional refinancing facility of up to €1.5 billion (C1 and C2 loans), which is intended to refinance any existing financing (excluding any bonds, Euro PP or *Schuldschein*) of the ORPEA Group that is not secured. Details of the Terms and Conditions of these credit facilities are available in the presentation attached to this Press Release.

The status of the drawdowns on these various financing lines is summarized in the table below:

Loans	A1	A2/A3	A4	B	TOTAL	C (C1+C2) (3)
Principal (€m) (1)	700	600	200	229	**1 729**	**1 500**
Situation as of 30/06/2022						
Drawings	689	198	0	0	**887**	0
Undrawn amount	*11*	*402*	*200*	*229*	*842*	0
Situation as of 27/09/2022						
Drawings	700	600	0	155	**1454**	**796**
Undrawn amount	*0*	*0*	*200*	*74* (2)	*274*	*704* (4)

(1) As presented in the Press Release dated 13 June 2022
(2) Remainder to be drawn at the end of each month until 31 December 2022 to refinance the core banking group contractual bilateral debt instalments
(3) New financing facilities used to refinance existing unsecured debt (excluding bonds and Schuldschein)
(4) Rest of the envelop (€704m) could be proposed, as appropriate, to bilateral unsecured creditors outside the core banking group excluding EuroPP and Schuldschein

Under the terms of the Financing Agreement, the Company has made a number of commitments, including a commitment to maintain a consolidated cash level of €300m at the end of each quarter, starting on 30 June 2023 (only financial ratio commitment to comply with), commitments to dispose of property assets[3] for an amount of €1bn by 31 December 2023, increased to €1,5bn by December 2024 and to €2bn before the end of 2025, of which, and commitments to allocate net proceeds from the disposal of operating assets[4] for a cumulative amount of €1.2bn. As at 27 September 2022, a gross value of €94m of property assets had been sold as part of the transaction in the Netherlands announced on 28 July 2022. ORPEA remains fully committed to implementing the commitments made in the framework of this financing but remains exposed to the risk of not being able to respect the terms of this Agreement. As security for the repayment of the amounts due under the syndicated loan agreement, ORPEA has granted first ranking pledges on certain of its assets representing 25% and 32% of the Group's revenues respectively. The collateral will be enforceable in the event of certain events of

[3] Real estate assets disposal commitments do not prevent the group from becoming tenant for these assets

[4] Operating asset means any member of the Group or goodwill (whether taken alone or together with other members of the Group and goodwill subject to the same disposal) that is not a property asset (as defined below). Property Asset means any property asset or any member of the Group (if applicable, together with the other assets and members of the Group subject to the same disposal) more than 50% of whose assets consist of property assets or property rights, provided that such property assets are not operated by such member of the Group (or any member of the Group subject to the same disposal).

default under these agreements (in particular in the event of a breach of covenants or cross default on other debts in excess of €100m).

The repayment schedule of the gross financial debt as of 30 June 2022, pro forma of the drawdowns made until 27 September 2022, is presented in Appendix 2 of this press release. In addition, a description of the main terms and conditions of these credit facilities is set out in Appendix 3.

Outlook

As indicated in the press release published on 12 September 2022, the downward trend in the financial performance of the business observed in the first half of 2022 could be amplified in the second half of the year due to the additional volatility observed in energy prices.

In this context, and depending on the recovery of the occupancy rate, the Group's EBITDAR margin in the second half of 2022 could be lower than in the first half of 2022, which would require ORPEA to approach the relevant creditors in order to renegotiate these financial covenants (for a description of the Group's financing, see slides 19 to 21 of the presentation attached to this Press release). Such a step would only be taken in the event of a proven risk of non-compliance with a ratio, with a view to preserving the Group's financial structure.

Web Conference

ORPEA invites you to a conference call in English on Wednesday 28 September 2022 at 7:00 pm (CEST – Paris time) hosted by Laurent Guillot, Chief Executive Officer and Laurent Lemaire, Chief Financial Officer.

The conference call will be accessible via webcast. Participants can register by clicking on the following link: https://channel.royalcast.com/landingpage/orpeaeng/20220928_1/

Communication

The half year results are also described in the presentation material which forms part of this press release and is available on the company's website.

Financial calendar

ORPEA will announce its Q3 2022 revenues on 8 November 2022 after market close.

About ORPEA

ORPEA is a leading global player, expert in the care of all types of frailty. The Group operates in 22 countries and covers three core businesses: care for the elderly (nursing homes, assisted living, home care), post-acute and rehabilitation care and mental health care (specialised clinics). It has more than 71,000 employees and welcomes more than 255,000 patients and residents each year.

https://www.orpea-group.com/

ORPEA is listed on Euronext Paris (ISIN: FR0000184798) and is a member of the SBF 120, STOXX 600 Europe, MSCI Small Cap Europe and CAC Mid 60 indices.

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DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely 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 and uncertainties that are described within the Company's Universal Registration Document available on the company's website and on the French financial markets regulator, AMF's website (www.amf-france.org), and in the Half-Year 2022 financial report which will be published in French version on 30 September 2022.

Appendix 1 – Consolidated accounts at June 2022

Consolidated income statement in €m	H1 2021	H1 2022
REVENUE	**2,070**	**2,295**
Staff costs	(1,276)	(1,439)
Purchases used and other external expenses	(347)	(438)
Taxes and duties	(27)	(44)
Depreciation, amortisation and charges to provision	(269)	(333)
Other recurring operating income and expenses	80	41
Recurring operating profit	**231**	**82**
Other non-recurring operating income and expenses	12	(251)
OPERATING PROFIT	**242**	**(170)**
Net financial expense	(109)	(96)
PROFIT BEFORE TAX	**133**	**(266)**
Income tax expense	(31)	(6)
Share in profit (loss) of associates and JV	(0)	3
Profit (loss) attributable to non-controlling interest	0	(1)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	**102**	**(269)**

Consolidated balance sheet - in €m	31-Dec-21	30-Jun-22
Non-current assets	**16,181**	**16,830**
Goodwill	1,669	1,679
Net intangible assets	3,076	3,065
Net tangible assets and real estate under development	8,069	8,475
Right of use assets	3,073	3,342
Other non-current assets	294	269
Current assets	**2,415**	**2,671**
Cash and short-term investments	*952*	*1,133*
Assets held for sale	**388**	**280**
TOTAL ASSETS	**18,984**	**19,781**
Equity and indefinitely deferred taxes (*)	**4,417**	**4,296**
Non-current liabilities	**11,026**	**11,905**
Non-current financial liabilities excluding bridging loans	7,007	7,565
Long-term bridging loans	0	68
Long-term lease commitments	2,968	3,232
Provisions for liabilities and charges	223	239
Deferred tax liabilities and other non-current liabilities	828	800
Current liabilities	**3,541**	**3,579**
Current financial liabilities excluding bridging loans	1,305	1,182
Short-term bridging loans	551	660
Short-term lease commitments	297	325
Provisions	22	23
Trade payables	335	372
Tax and payroll liabilities	329	380
Current income tax liabilities	69	43
Other payables, accruals and prepayments	633	594
TOTAL LIABILITIES	**18,984**	**19,780**

(*) *incl. indefinitely deffered taxes on intangibles assets, of €606m at December 2021 and €594m at June 2022*

Cash Flows - in €m (including IFRS16)	H1 2021	H1 2022
Cash-flow from operations	445	338
Change in working capital	(51)	14
Net cash from operating activities	**394**	**352**
Capex (including construction)	(296)	(473)
Acquisition of real estate	(158)	(2)
Disposals of real estate	29	5
Net investments in operating assets and equity investments	(378)	(48)
Net cash from financing activities	470	347
Change in cash over the period	*60*	*181*
Cash at the end of the period	**949**	**1,133**

In accordance with IFRS16, lease payments made under long-term leases (€171m in H1 2021 and €202m in H1 2022) are not deducted from EBITDA and EBITDA and therefore from operating cash flow but are classified as financing flows.

Appendix 2 – Gross financial debt maturity profile

Maturity profile of gross debt (€m) as of 30/06/2022	H2 2022	2023	2024	2025	2026	2027	Post 2027
Financial Leases & Mortgage	126	249	233	194	165	141	906
Bank Loans	679	1,113	755	270	340	50	78
Private Placements	228	385	502	345	551	230	452
Bonds	-	-	-	400	-	500	500
Total	1,032	1,747	1,490	1,210	1,056	922	1,937

Maturity profile of gross debt (€m) as of 30/06/2022 PF of drawings made up to 27/09/2022	H2 2022	2023	2024	2025	2026	2027	Post 2027
Financial Leases & Mortgage	126	249	233	194	165	141	906
Bank Loans	522	929	427	681	1,035	26	78
Private Placements	228	385	502	345	551	230	452
Bonds	-	-	-	400	-	500	500
Total	876	1,563	1,162	1,620	1,750	898	1,936

(*) excluding factoring program with €128m drawn as at 30 June 2022 and issuance costs for €46m. Repayment of the RCF considered as the final maturity dates of the committed facilities.

Appendix 3 – Summary Terms and Conditions of the Financing Agreement dated June 2022

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Use of proceeds	▪ General corporate purposes of the Group and costs related to the financing			▪ Refinance the payments due in respect of the unsecured existing financing with the core banking group excluding any bonds and Schuldschein for the second half of 2022 and related costs	▪ Refinance other existing unsecured financing (excluding any bonds and Schuldschein) and related costs
Principal amount (€m)	▪ €700m	▪ €600m	▪ €200m	▪ €229m	▪ A maximum of €1,500m
Drawings	▪ €689m drawn as of 30/06/22 ▪ €700m drawn as of 27/09/22	▪ €198m drawn as of 30/06/22 ▪ €600m drawn as of 27/09/22	▪ Undrawn	▪ €155m drawn as of 27/09/22	▪ C1: €796m drawn as of 27/09/22
Amortisation profile	▪ One repayment at maturity	▪ €100m on 30/06/24 ▪ €100m on 31/12/24 ▪ €100m on 30/06/25 ▪ The remainder on 31/12/25	▪ One repayment at maturity	▪ One repayment at maturity	▪ One repayment at maturity
Permitted drawdowns	▪ Maximum of two	▪ Two (A2 and A3 Loan)	▪ One only[2]	▪ Monthly based on existing debt to be refinanced (as the case maybe with simultaneous drawings for the C1 loan)	▪ Based on confirmations of commitment
Final maturity date	▪ 31/12/23 or 30/06/24[1]	▪ 31/12/25	▪ 30/06/23 or 31/12/23[3]	▪ 31/12/25	▪ 31/12/26
Availability period	▪ From 13/06/22 to 30/09/22	▪ A2 Loan: 1-30/09/22 ▪ A3 Loan : From 13/06/22 to 31/12/22	▪ 13/06/22 and until 31/12/22	▪ 13/06/22 and until 31/12/22	▪ 13/06/22 and until 31/12/22
Annual margin	▪ 4.00% to increase by 2.00% from 01/01/24	▪ 4.00%	▪ 3.50% to increase by 1.00% from 01/07/23	▪ 4.00%	▪ 5.00%
Security interests and privileges	▪ A 'Dailly' assignment of intra-Group loans financed by drawing on the Loans ▪ First-ranking pledges on: ▪ 100 % of the share capital of CEECSH (the ''CEECSH'') ▪ 100 % of the share capital of ORESC 25 S.à.r.l (''ORESC'')				▪ (i) Security interests equivalent to A Loans for C1 Loan and (ii) Second ranking pledges for the C2 Loan

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Commitments relating to the disposal of operating and real estate assets	▪ Implement a program of disposal of operational assets for a minimum cumulative net proceeds of €1bn ▪ Disposal of real estate assets for a cumulative amount in gross asset value (excluding rights) of (i) €1bn by 31/12/23; (ii) increased to €1.5bn by 31/12/24; and (iii) increased to €2bn by 31/12/25 (4)				
Commitments relating to the early repayment of loans	▪ Allocate 100% of the net proceeds from the disposal of real estate assets covered by the MoU to repay the A4 loan ▪ Allocate 25% of the net proceeds from the disposal of real estate assets (subject to the preceding paragraph) in excess of a cumulative amount of €1,270m (including those referred to in the preceding paragraph) to repayment of the A2/A3 and B loans (5) ▪ Allocate the net proceeds from the sale of operating assets, up to a limit of €1.2bn, to repayment of the A1 loan, and then (up to 50% of said proceeds, i.e. €250m) to the A2/A3 and B loans ▪ Allocate 25% of the net proceeds from the sale or subscription in the event of the opening of the capital of its subsidiary Niort 94, in repayment of the A2/A3 and B loans (within the limit of a repayment amount of €150m) ▪ Allocate 25% (for proceeds up to €1m and 50% (above) of the net proceeds from new debt issues on the capital markets (subject to customary exceptions), to repayment of the A2/A3 and B loans ▪ Allocate the net proceeds received from any financing from the State or from Bpifrance, in repayment of the A3 loan				
Other commitment	▪ From 30/06/23, a minimum cash level of €300m (tested quaterly) ▪ The Loans do not contain other financial covenants				

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Security interests enforcement	As long as the original lenders under the Credit Agreement and any subsequent lenders on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding and undrawn commitments at that date under the Loans (other than the C2 Loan): ▪ Non-payment under the Loans ▪ Breach of the minimum consolidated cash commitment described below ▪ Insolvency and collective proceedings ▪ Non-compliance with commitments relating to (i) the disposal or operating and real estate assets described above; or (ii) preservation of assets provided as security ▪ Default and acceleration (cross-default) above a cumulative threshold of €100m ▪ Refusal by the statutory auditors to certify the ORPEA Group's consolidated financial statements or the existence of reserves on the group's continuity of operations If the original lenders under the credit agreement and any subsequent lenders on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the commitments under the credit agreement hold less than 66.2/3% of the outstanding and undrawn commitments at that date under the Loans (other than the C2 Loan): ▪ Non-payment under the Loans ▪ Insolvency and collective proceedings The Second Ranking Pledges will only be discharged once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the commitments under the C2 Loan)				
Events of defaults (subject to the usual materiality thresholds and cure periods as the case may be)	▪ Any non-payment default under the Loans; ▪ Breach of the minimum consolidated cash level for the Group of at least €300m on the last day of each quarter from 30/06/2023 ▪ Default and cross-acceleration above a cumulative threshold of €40m; ▪ Insolvency and collective proceedings; ▪ Enforcement proceedings from a cumulative threshold of €40m; ▪ Refusal of certification by auditors of the ORPEA Group's consolidated accounts; ▪ Administrative, arbitral, governmental or regulatory disputes that would reasonably be expected to (i) have a material adverse effect or (ii) impact the commitments relating to the disposal of operating and real assets				

Notes to the table of Appendix 3:

(1) In the event of receiving one or more indicative offers for the sale of operating assets for aggregate net proceeds of €1bn
(2) Drawing conditional on the delivery of memorandum of understanding relating to the sale of real estate assets for €200m (the « MoU ».
(3) In the event of signature of a MOU to sell real estate assets for net proceeds of €200m
(4) As of September, 27th 2022, €94m of gross asset value disposals have been achieved
(5) Real estate assets disposal commitments do not prevent the group from becoming tenant for these assets

2022
HALF-YEAR RESULTS

28 September 2022

ORPEA
GROUPE

BEYOND THE CRISIS

LAURENT GUILLOT
Chief Executive Officer

A KEY PLAYER IN A SECTOR WITH STRONG UNDERLYING TRENDS

Ever aging European population

Boomers to represent largest part of our residents and patients by 2030

Increasing rehabilitation and mental health treatment throughout Europe and the world

STRONG LOCAL ASSETS ON WHICH TO REBUILD

71,000 committed professionals and close to 1,000 facilities

Strong care expertise and processes based on long practices and knowledge

Extended network with top 3 positions
on main markets

HOWEVER

Unethical behaviors and deviant practices at the very top of the company

H1 review of P&L and B/S leading to significant impact

Broken internal control & management processes

2022 operational performance below expectations due to crisis and macro environment

Weakened financial situation due to too fast internationalization and real estate development financed heavily by increasing leverage

HALF-YEAR 2022 KEY FIGURES

REVENUE

€2,295m
+10.9% / +6.4% org.

EBITDAR

€427m
(margin = 18.6%)

NET RESULT
(GROUP SHARE)

- €269m
(incl. €183m of intangible and financial assets depreciation)

FINANCIAL DEBT & CASH

Gross debt	**€9,476m**
Cash	**€1,133m**

COVENANTS
(AS OF JUNE 2022)

Leverage 3.6x (max 5,5x)
Gearing 1.9x (max 2.0x)

REBUILDING ORPEA 1/2

MAY

First steps to redesign financial strategy

JULY

Renewed Board with experienced members

JULY – SEPTEMBER

Immediate actions to ensure:

- Proper ethical principles to social responsibility
- Safety and working conditions of our colleagues
- Quality of care and support for our patients, residents and families

REBUILDING ORPEA 2/2

JULY – SEPTEMBER

Renewed management team with focus on key functions at stake: Medical, HR, Real Estate, Communication EVPs

Reconnection with all stake holders with a fair and transparent approach: employees, residents, patients and families, authorities, shareholders

REFOCUSING ON CARE IS THE ONLY WAY TO GENRATE PROFITABLE AND SUSTAINABLE GROWTH

HY22 RESULTS

LAURENT LEMAIRE
Group Chief Financial Officer

H1 2022 REVENUE

(€m)	Revenue H1 2021	Revenue H1 2022	Growth %	Organic Growth %*
FRANCE BENELUX UK IRELAND	1,277.8	1,391.1	8.9%	5.9%
CENTRAL EUROPE	516.4	577.3	11.8%	5.8%
EASTERN EUROPE	192.7	210.0	9.0%	6.7%
IBERIAN PENINSULA + LATAM	81.1	114.2	40.8%	15.2%
OTHER COUNTRIES	1.5	1.9	26.1%	24.1%
TOTAL	**2,069.5**	**2,294.6**	**10.9%**	**6.4%**

Organic revenue growth supported by ramp-up of new facilities, notably in the Netherlands and Eastern Europe, as well as a higher average occupancy rate vs. H1 2021

In France, activity in nursing homes was affected by the crisis, leading to a decrease in occupancy rate compared with the start of the year followed by a progressive recovery

Key perimeter effects:
Brazil Senior Living Group since 1/1/2022 following the buyout of minority interests;
2021 acquisitions in Ireland (Brindley, Belmont, FirstCare) and Switzerland (Sensato)

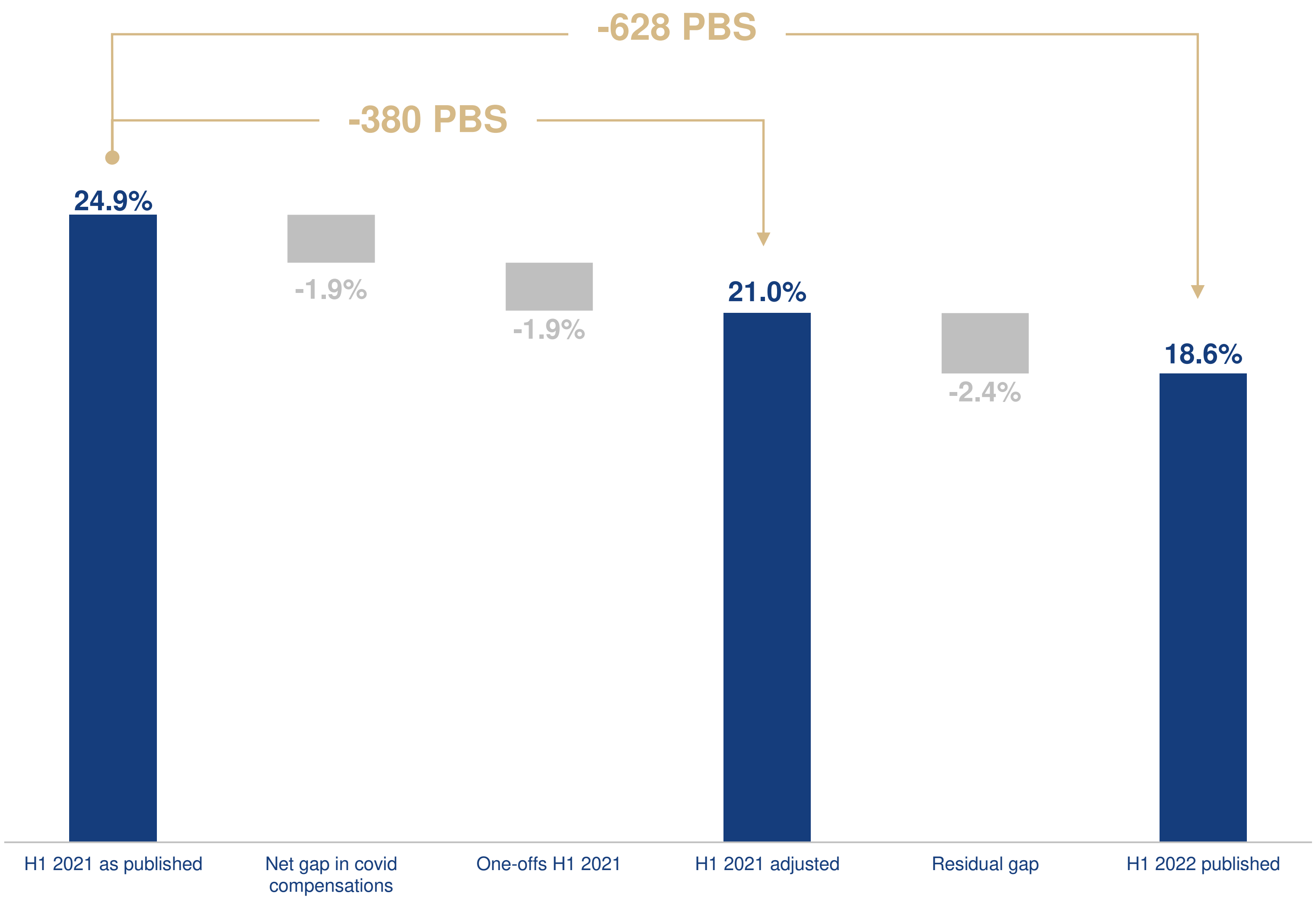
*Organic growth in consolidated revenue reflects the following factors: 1. The year-on-year change in revenue of existing facilities as a result of changes in their occupancy and per diem rates; 2. The year-on-year change in revenue of redeveloped facilities or facilities where capacity was increased in the current or previous year; 3. Revenue generated in the current period by facilities created during the current or previous period, and the change in revenue of recently acquired facilities in comparison with the previous equivalent period.

BRIDGE EBITDAR MARGIN H1 2021 VS. H1 2022

(as published)	H1 2021	H1 2022
REVENUE (€m)	2,070	2,295
EBITDAR (€m)	515	427
EBITDAR (%)	24.9%	18.6%

One-offs identified specific to H1 2021: €40m (reversal of provisions, …)

Net impact of reduction in Covid compensations between H1 2021 and H1 2022: €40m (gross amount received in H1 2021 €99m vs. €53m in H1 2022). Slight increase in occupancy rate between H1 2021 and H1 2022 was not sufficient to offset the net impact of reduction in covid compensations



EVOLUTION OF EBITDAR MARGIN

(€m)	H1 2021*	Net Covid impact	One-offs 2021	H1 2021 adjusted	H1 2022	Var.
REVENUE	2,069.5			2,069.5	2,294.6	+10.9%
STAFF COSTS	(1,275.8)		(16.0)	(1,291.8)	(1,438.5)	+11.4%
STAFF COSTS %	**(61.6%)**			**(62.4%)**	**(62.7%)**	**(27bps)**
OTHER COSTS %	(278.8)	(40.2)	(24.0)	(343.1)	(429.3)	+25.1%
OTHER COSTS %	**(13.5%)**			**(16.6%)**	**(18.7%)**	**(213bps)**
EBITDAR	514.9	(40.2)	(40.0)	434.7	426.7	(1.8%)
EBITDAR %	**24.9%**			**21.0%**	**18.6%**	**(241bps)**

The reduction in performance between H1 2021 adjusted EBITDAR% [21,0%] and H1 2022 EBITDAR % [18,6%] is -241 bps

This -241 bps reduction is very largely driven by Other Costs (-213 bps) whereas the Staff Costs evolution was limited (-27 bps)

The increase in Other Costs happened in a highly inflationary environment whereas prices charged to patients and residents remained almost stable in the short term

The most significant inflationary effects in H1 2022 concerned catering (~ +15%) and especially energy (~ + 50%)

As a result of the hedging policy decisions made in 2021, the company's energy purchases for 2022 are only partially hedged, and there is no hedging on electricity in France in particular. As a result, the Group's energy costs as a percentage of revenue in the first half of 2022 stood at 2.9%, compared with 1.9% in the first half of 2021.

*Staff costs and Other costs have been reclassified vs. H1 2021 published figures, in order to better reflect their nature (interim, tax on wages)

EVOLUTION OF EBITDAR MARGIN BY GEOGRAPHY (AS PUBLISHED)

(€m)	EBITDAR H1 2021 published	EBITDAR H1 2022 published	Var. %	EBITDAR H1 2021 %	EBITDAR H1 2022 %
FRANCE BENELUX UK IRELAND	333.0	251.8	(24.4%)	26.1%	18.1%
CENTRAL EUROPE	137.0	133.5	(2.6%)	26.5%	23.1%
EASTERN EUROPE	29.0	30.1	3.8%	15.0%	14.3%
IBERIAN PENINSULA + LATAM	16.0	12.0	(25.1%)	19.7%	10.5%
OTHER COUNTRIES	(0.1)	(0.6)			
TOTAL	**514.9**	**426.7**	**(17.1%)**	**24.9%**	**18.6%**

EVOLUTION OF EBITDAR MARGIN BY GEOGRAPHY
(VS. H1 2021 ADJUSTED)

(€m)	EBITDAR H1 2021 published	RESTATEMENTS	EBITDAR H1 2021 adjusted	EBITDAR H1 2022 published	Var. % vs 2021 adjusted	EBITDAR H1 2021 % adjusted	EBITDAR H1 2022 %	Var.
FRANCE BENELUX UK IRELAND	332.8	(56.9)	275.9	251.8	-8.7%	21.6%	18.1%	(349bps)
CENTRAL EUROPE	137.3	(22.4)	114.9	133.5	16.1%	22.3%	23.1%	+86 bps
EASTERN EUROPE	29.2	(1.0)	28.3	30.1	6.4%	14.7%	14.3%	(35bps)
IBERIAN PENINSULA + LATAM	16.1	-	16.1	12.0	-25.6%	19.9%	10.5%	(936bps)
OTHER COUNTRIES	(0.5)		(0.5)	(0.6)	23.2%			
TOTAL	**514.9**	**(80.2)**	**434.7**	**426.7**	**-1.8%**	**21.0%**	**18.6%**	**(241bps)**

FRANCE BENELUX UK IRELAND

- **FRANCE:** H1 2022 performance reduced by the crisis. Progressive recovery in occupancy rate totally offset by significant increase in energy costs (no hedging on electricity), other inflation effects (of which food) and the impact of an active recruitment policy.
- **BELGIUM:** significantly impacted by energy costs.

CENTRAL EUROPE

- **GERMANY:** increase in occupancy rate. Limited impact of energy (hedging).
- **ITALY AND SWITZERLAND:** strong inflationary impact on energy and other costs.

EASTERN EUROPE

- **AUSTRIA:** profitability slightly impacted by inflationary impact on purchases. Limited impact of energy (hedging).

IBERIAN PENINSULA + LATAM

- **SPAIN:** strong impact of inflation (energy and other costs) ; increase in occupancy rate.
- **LATAM:** dilutive effect stemming from the entry of Brazil Senior Living Group into the consolidation perimeter.

FOCUS P&L

IGF- IGAS PROVISION (in Amortization, depreciation and prov.)

- End of December 2021, a provision of €83.2m had been booked following IGF-IGAS report
- End of June 2022, this provision amounts to €100.8m. This increase of €17.6m results from:
  - €14.3m corresponding to the estimated H1 2022 surpluses on care and dependency allowance
  - €3.3m following the request by the French "Caisse Nationale de Solidarité pour l'Autonomie" (CNSA) on July 29th
- Total amount requested by CNSA: €55.8m
  - ORPEA undertook to reimburse €25,6m corresponding mainly to social taxes, year end discounts from suppliers on purchases financed on the care section → complementary provision of €3.3m booked + existing provision lines reallocated
  - With regard to staff expenses related to life assistants filling in as caregivers (€30.2m) → no provision registered in H1 2022 accounts

NON CURRENT

- Includes €20m costs linked to the management of the crisis
- Includes asset depreciations for €186m:
  - Intangible assets: goodwill (Brazil: €79m) + operating licenses (€49m in several countries)
  - Financial assets: advances granted to associates mainly in Belgium (€58m)

ADDITIONAL INFORMATION TO H1 2022 FINANCIAL STATEMENTS

Assets depreciations end of June 2022 have been focused on a limited number of specific Cash Generating Units (CGU)

The financial statements at June 30, 2022 do not include the possible accounting impacts of the strategic plan review currently being prepared that will be used as the basis for updating the annual impairment of goodwill and intangible assets on all CGU's as at 31 December 2022 and the annual valuation of property assets

Advances granted by the ORPEA to partners (associates, joint ventures and other companies) amounted to €697 million at 30 June 2022

A significant part of these receivables concerns one partner → negotiations ongoing to unwind the partnerships and recovering the real estate assets in exchange for the receivables

To date, and without prejudging the outcome of these negotiations in H2, no significant future losses anticipated given the value of the underlying property

NET RESULT

(€m)	H1 2021	H1 2022
EBITDAR	514.9	426.7
EBITDAR %	**24.9%**	**18.6%**
EBITDA (*)	499.4	414.9
EBITDA %	**24.1%**	**18.1%**
Amort. depr. and provision	(268.7)	(333.2)
Recurring operating profit	**230.7**	**81.8**
Financial result	(109.2)	(96.1)
Non current	11.6	(251.4)
Net income before tax	133.1	(265.8)
Income tax	(30.9)	(5.6)
Share in profit/(loss) of associates and JVs	(0.3)	2.6
Minority interest	0.5	(0.5)
Net result – Group share	**102.4**	**(269.4)**

Includes IGF-IGAS additional provision (+€17.6m) previously mentioned + impact of the increase
in the number of facilities (both owned and rented with IFRS 16 mechanism) on depreciation

H1 2022 includes +€24M one-off with no cash impact (reversal of inefficiency hedging effect)

Cf details mentioned in slide no. 15

(*) EBITDA excluding IFRS 16 : H1 2021: €325.5m; H1 2022: €209.0m

CASH FLOW

(€m) – Including IFRS16	H1 2021	H1 2022
Cash-flow from operations	445	338
Change in working capital	(51)	14
NET CASH FROM OPERATING ACTIVITIES	**394**	**352**
CAPEX (incl. construction projects)	(296)	(473)
Acquisition of real estate	(158)	(2)
Disposals of real estate	29	5
Net investments in operating assets and equity investments	(378)	(48)
Net cash from financing activities	470	347
Change in cash over the period	60	181
CASH AT THE END OF THE PERIOD	**949**	**1,133**

Good resilience of net cash from operating activities despite reduction in profitability

Capex driven by acceleration of construction projects initiated in H2 2021

Net Investments in operating assets and equity significantly reduced and focused on existing commitments (Brazil, Netherlands...)

> €1.1Bn in cash at the end of June 2022

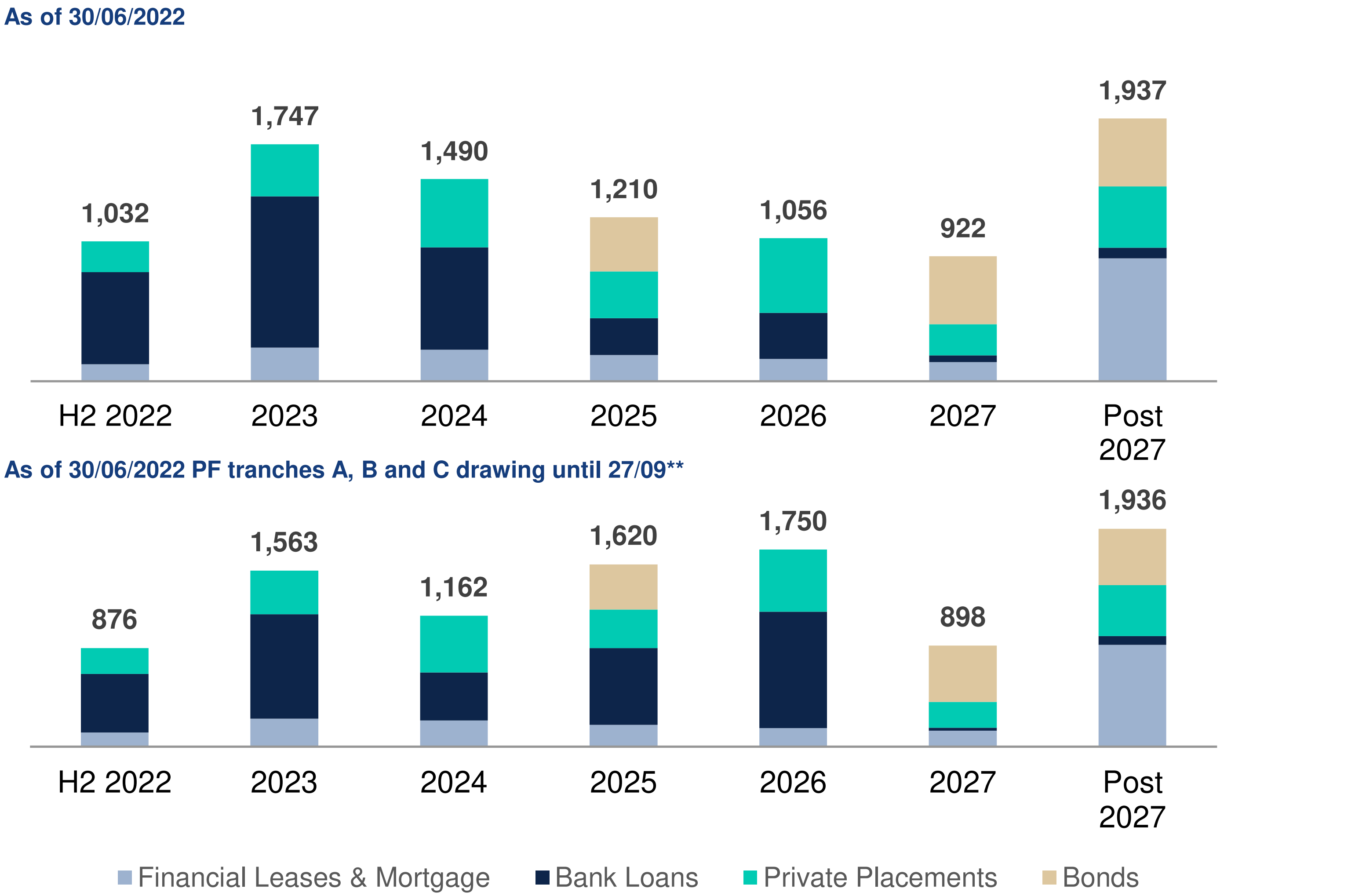
UPDATE ON THE FINANCING PLAN AGREED WITH THE CORE BANKING POOL IN JUNE 2022

Loans	A1	A2/A3	A4	B	TOTAL	C (C1+C2)***
Principal (€m)*	700	600	200	229	1,729	1,500
SITUATION AS OF 30/06/2022						
Drawings	689	198	0	0	887	0
Undrawn amount	11	402	200	229	842	0
SITUATION AS OF 27/09/2022						
Drawings	700	600	0	155	1,454	796
Undrawn amount	0	0	200	74**	274	704****

* As presented in the Press Release dated 13 June 2022 ** Remainder to be drawn at the end of each month until 31 December 2022 to refinance the core banking group contractual bilateral debt installments *** New financing facilities used to refinance existing unsecured debt (excluding bonds and *Schuldschein*) **** Rest of the envelop (€704m) could be proposed, as appropriate, to bilateral unsecured creditors outside the core banking group excluding Euro PP and *Schuldschein*

DEBT MATURITY PROFILE ON 30TH JUNE 2022

MATURITY PROFILE OF GROSS FINANCIAL DEBT (€M)*



- excluding factoring program with €128m drawn as at 30 June 2022 and issuance costs for €46m. Repayment of the RCF considered as the final maturity dates of the committed facilities.

** Tranche A1 (€700m), A2/A3 (€600m), B (€155m), C (€796m)

DEBT AND COVENANTS

Indicators (€m)	31st Dec. 2021 Excluding IFRS 16	30th June 2022 Excluding IFRS 16
Gross financial debt	8,863	9,476
Cash	952	1,133
Net financial debt	7,910	8,343
Net real estate debt (used for covenant calculation)	6,937 *87.7%*	8,047 *96.5%****
Restated financial leverage (R1)*	3.66x (max 5.5x)	3.58x (max 5.5x)
Restated gearing (R2)**	1.73x (max 2.0x)	1.87x (max 2.0x)

End of June 2022, R1 and R2 covenants apply to ~€4.1Bn financial debt. R1 and R2 do not apply to the new financing announced in June (Loans A1/A2/A3/A4, B and C1/C2)

- **ORPEA expects the downward trend in the financial performance of its activities experienced in H1 2022 compared with H1 2021 to continue into the second half of the year and considers it may be amplified by additional volatility observed recently in energy markets.**
- **In this context, and depending on the recovery of the occupancy rate, the Group's EBITDAR margin in the second half of 2022 could be lower than in the first half of 2022, which would require ORPEA to approach the relevant creditors in order to renegotiate these financial covenants.**
- **Such process would only be undertaken in the event of a proven risk of non-compliance with such ratios, with a view to preserving the Group's financial structure.**

* (Net Fin.debt – net real estate debt) / [Ebitda LTM excluding IFRS 16 – (6% x net real estate debt)]
** (Net Financial Debt) / (Equity + Quasi Equity)
*** Starting June 2022, the approach has been redefined in order to better reflect the actual allocation of debt to real estate. This allocation is now done on a detailed line by line approach.

NETWORK AS OF 30 JUNE 2022

Based on fully consolidated entities, as of 30 June 2022 (*)	Nb of sites in operation	Nb of beds in operation
FRANCE BENELUX UK IRELAND	544	43,831
CENTRAL EUROPE	235	23,608
EASTERN EUROPE	123	12,591
IBERIAN PENINSULA + LATAM	79	9,997
OTHER COUNTRIES	1	154
TOTAL	**982**	**90,181**

EXAMPLES OF OPENINGS in H1 2022

Stompetoren (Netherlands)

24 beds created, nursing home

Fohnsorf (Austria)

156 beds created, nursing home and assisted living flats

Les Lilas (France)

88 beds created, rehabilitation hospital

Cormontreuil (France)

47 beds created, rehabilitation hospital

(*) sites in operation. Excluding outpatient.
The figures presented going forward differs from the methodology applied previously. The number of sites and beds in operation are relative to the entities fully consolidated at the end of the period reported.

CONCLUSION

LAURENT GUILLOT
Chief Executive Officer

REBUILDING ORPEA: NEXT STEPS

NOW THAT THE NEW GOVERNANCE AND MANAGEMENT TEAM ARE IN PLACE, QUICKLY REBUILD INTERNAL CONTROL AND RIGHT AND FAIR MANAGEMENT PROCESSES

Expand action plans on:

Ethics & Responsibility:
Zero tolerance on deviant practices

Safety and Working conditions of our colleagues

Quality of care and support for our patients, residents and families

Refocus on care is the only way to make sustainable and profitable growth:

Pursue real estate disposals after first transaction annnounced in July for €126M

Transformation plan to be presented in the fall

Adapt financial strategy in accordance with the evolution of macroeconomic and financial situation, taking into account the transformation plan

REFOCUS ON OUR STRONG LOCAL ASSETS

DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely 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 and uncertainties that are described within the Company's Universal Registration Document available on the company's website and on the French financial markets regulator, AMF's website (www.amf-france.org), and in the Half-Year 2022 financial report which will be published in French version on 30 September 2022.