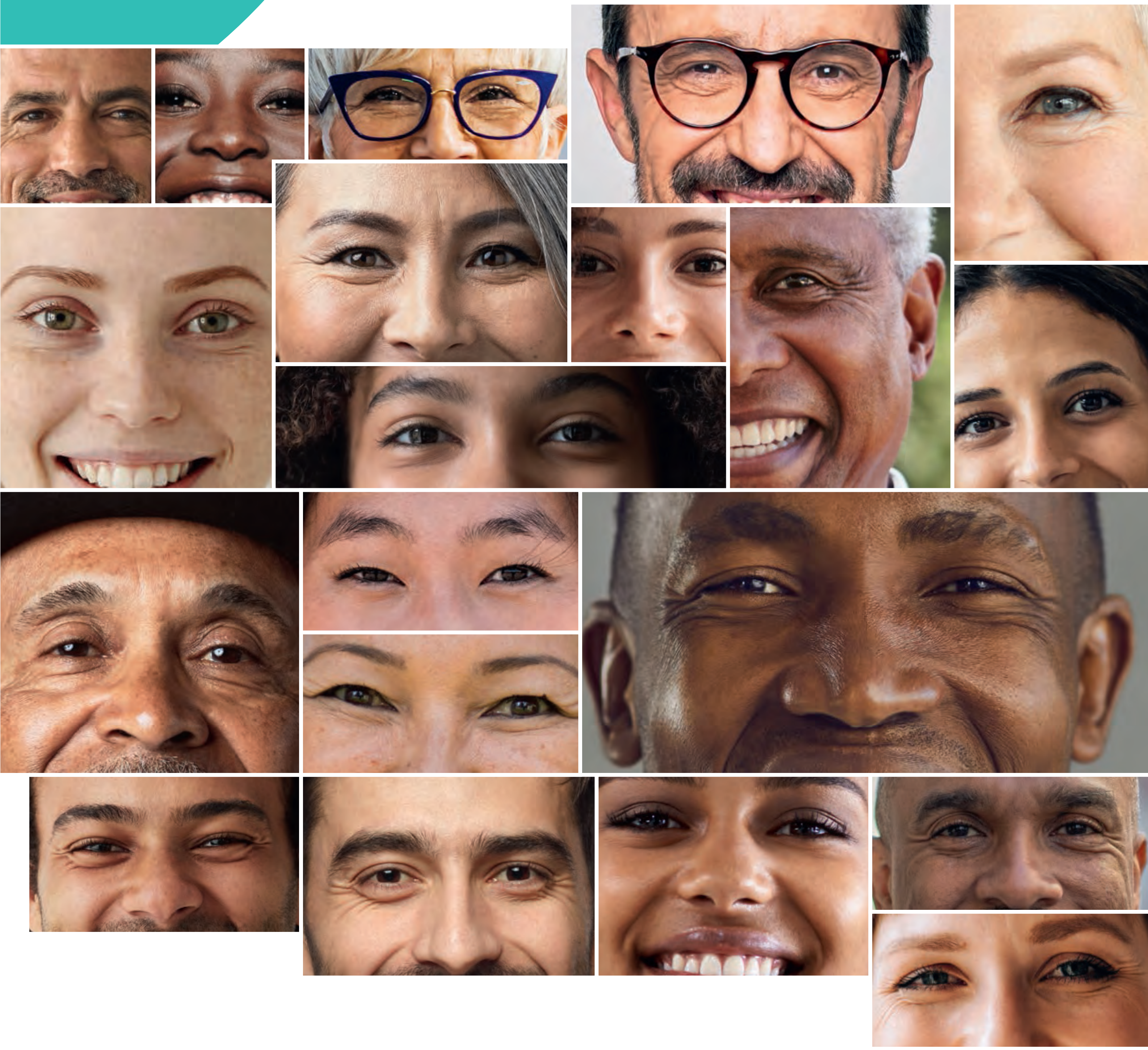


2023 UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

ORPEA

Contents

2023 UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

"The Group's mission is to provide healthcare and assistance to highly frail and vulnerable people."

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on 6 May 2024 with the AMF as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation. The Universal Registration Document may be used in support of an offer of securities to the public or the admission to trading on a regulated market of financial securities if accompanied by a prospectus and, where applicable, a summary and any modifications made to the Universal Registration Document. All of the documentation is then approved by the AMF in accordance with Regulation (EU) 2017/1129.

Pursuant to Article 19 of Regulation (EU) 2017/1129, this Universal Registration Document incorporates by reference the 2021 Universal Registration Document, filed on 16 June 2022, under number D. 22-0517 (https://www.emeis-group.com/wp-content/uploads/2011/12/ORPEA_URD-2021_EN_b7d0f.pdf), the 2022 Universal Registration Document, filed on 7 June 2023, under number D. 23-0461 (https://www.emeis-group.com/wp-content/uploads/2023/07/ORPEA_DEU_2022_UK_.pdf), the first amendment to the 2022 Universal Registration Document, filed on 10 November 2023 under number D. 23-0461-A01 (www.emeis-group.com/wp-content/uploads/2023/11/ORPEA_Amendement_URD.pdf) (in French only), the second amendment, filed on 5 December 2023 under number D. 23-0461-A02 (www.emeis-group.com/wp-content/uploads/2023/12/ORPEA_Deuxieme_Amendement_DEU_2022.pdf) (in French only) and the third amendment, filed on 17 January 2024 under number D. 23-0461-A03 (www.emeis-group.com/wp-content/uploads/2024/01/ORPEA-Troisieme-Amendement-DEU-2022.pdf) (in French only). The aforementioned Universal Registration Documents are available on the AMF and ORPEA websites (www.emeis-group.com, under ORPEA S.A., Shareholders & Investors, Documentation), or on request from the Company's registered office (ORPEA S.A. – Investor Relations – 12, rue Jean Jaurès – CS 10032 – 92813 Puteaux Cedex, France).

This Universal Registration Document including the annual financial report is a reproduction of the official version which has been prepared in European Single Electronic Format ("ESEF") and is available on the AMF and ORPEA websites.

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.

With nearly 78,000 employees at work every day, we are committed to the mission of supporting all highly frail and vulnerable people. We design health, care and life pathways for the patients, residents and beneficiaries we welcome each year to our nearly 1,000 facilities worldwide. Our mission also extends to the loved ones and the social relationships of the people we care for.

2023 KEY FIGURES

93,470
beds

1,031
facilities in strategic city-centre locations in 21 countries

MORE THAN 30 YEARS
of experience in care and support services

NEARLY 283,000
patients and residents welcomed, cared for and supported last year

NEARLY 78,000
employees, 56% of whom are care staff

€5,198 MILLION
in revenue

Our story began in 1989 when a neuropsychiatrist opened a first nursing home in Saujon, in France's Charente-Maritime region. Today, the Group operates mainly in Europe, and offers comprehensive care through hospitals, nursing homes, assisted-living facilities and home care solutions with a network of over 1,000 facilities and some 78,000 employees. After a serious crisis of confidence, in 2022, the Group launched its *With you and for you, changing ORPEA* Refoundation Plan with the goal of radically transforming the organisation for the benefit of patients, residents, their families, and employees too.

France	**Italy**
Belgium	**Austria**
Netherlands	**Poland**
Ireland	**Czech Republic**
United Kingdom	**Slovenia**
Luxembourg	**Croatia**
Germany	**Spain**
Switzerland	**Portugal**

OUR EXPERTISE

PLAYING AN ESSENTIAL ROLE IN THE LIVES OF THE MOST VULNERABLE PEOPLE

Providing care and supporting the life plans of our residents and patients is our mission, at the heart of which lies our medical expertise. Enhanced by scientific research and technical progress, our teams and our stakeholders build on this expertise day after day.

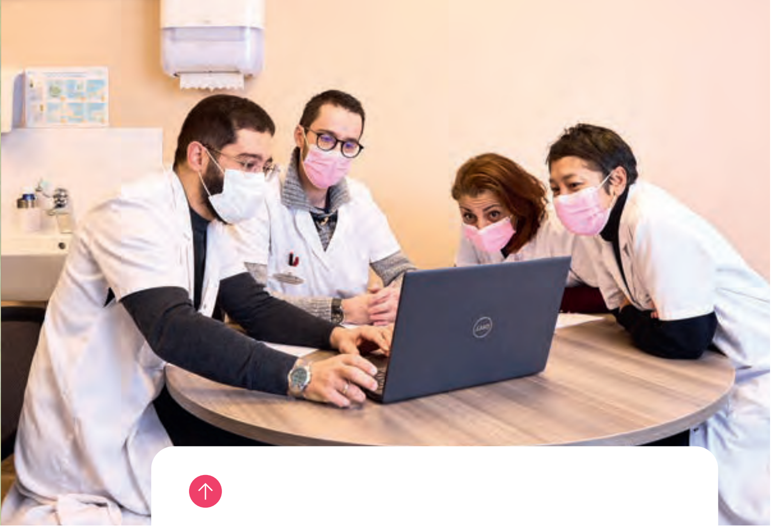
The Group's dedicated team of nearly 78,000 professionals work in four main areas of expertise:

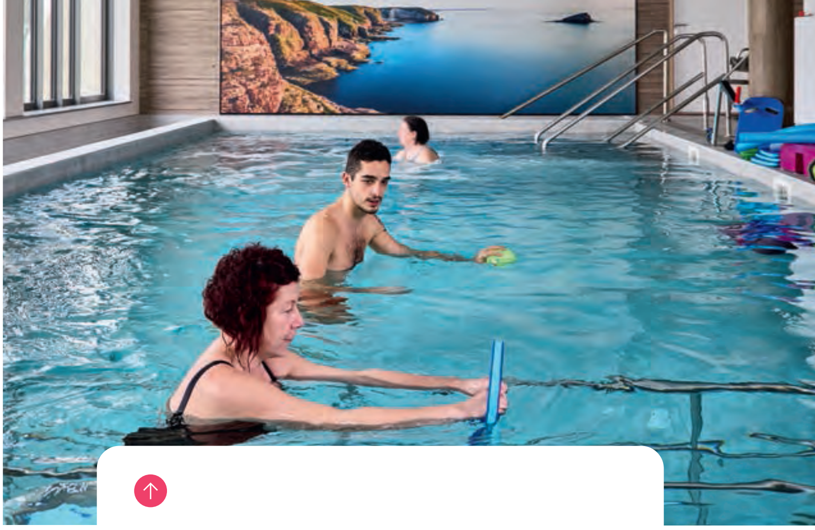
- Temporary or long-term dependency and severe dependency;
- Neurodegenerative diseases, including Alzheimer's and Parkinson's;
- Post-acute care and rehabilitation;
- Mental health including psychotic and thymic illnesses, sleep disorders and addictions.

Our multidisciplinary teams cover a wide range of professions, providing care at our facilities or our patients' homes.

20
job categories in our four main areas of expertise

Nearly 78,000
committed professionals





OUR MENTAL HEALTH HOSPITALS

provide support and care by combining a wide range of approaches to help patients regain mental balance and a healthy lifestyle.

Mood disorders – Anxiety disorders – Addictions – Sleep and eating disorders – Post-traumatic stress disorders – Burn-out – Borderline personality disorders – Therapeutic groups – Specialised units for teenagers and young adults – Specialised mother-child psychiatric rehabilitation units – Geriatric psychiatry units – Perinatal psychiatry – Full-time hospitalisation – Day and night hospitals – Pre- and post-hospitalisation follow-up.

OUR POST-ACUTE AND REHABILITATION HOSPITALS

welcome patients following surgery or as part of an acute episode of a chronic illness.

Multi-purpose, geriatric and oncology rehabilitation clinics – Functional rehabilitation – Cardiovascular rehabilitation – Respiratory rehabilitation – Rehabilitation clinics specialising in the treatment of musculoskeletal, nervous system and digestive system disorders, as well as patients in a persistent vegetative state – Highly specialised care units – Full-time hospitalisation – Day hospital – Prevention and therapeutic education programmes.

OUR NURSING HOMES

are homes for elderly people who need individual attention, care or personalised help with everyday tasks.

Long stay – Short stay – Day care – Alzheimer's and related conditions unit for long stays or day care.

OUR ASSISTED-LIVING FACILITIES

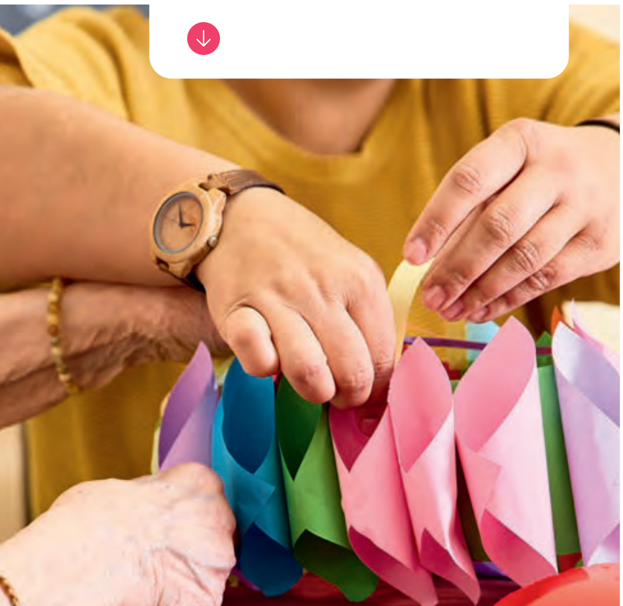
offer a secure, high-quality living environment for those who want to enjoy life at their own pace and with complete independence.

Flat rental – Discovery stays.

OUR HOME CARE SERVICES

are adapted to the degree of autonomy, needs and desires of our beneficiaries, helping them remain in their familiar surroundings, close to their loved ones.

Personal services (help with washing, eating, mobility and getting around, leisure activities, etc.) – Additional services (cleaning, ironing, grocery shopping, etc.).



OUR VALUES AT THE HEART OF OUR ACTIONS

THIRST TO LEARN

#ethics
A commitment to humanity in Spain

In Spain, the Group has signed a partnership agreement with the Hippocratic Movement, an international non-profit organisation whose mission is to promote empathy and humanity and to train healthcare professionals in **#ethics**. On the day of the signing, a bust of Hippocrates, the father of medicine, was unveiled at the Aravaca facility in Madrid.

#training
High-level training in China

ORPEA has launched a **#training** programme in partnership with the Peking University Hospital, which offers high-level training to the country's geriatricians, nurses and caregivers interested in learning about European practices and standards. Nearly 1,000 professionals were trained over eight sessions. The programme is constantly evolving, and recently included a module on non-medicinal therapies.

#innovation
Rewarding medical excellence

Each year, almost 100 projects from all our facilities around the world compete for our Excellence Awards. Some 14 countries competed in five categories: healthcare innovation, research, clinical ethics, the 1,000 Smiles initiative and the new employee experience category. An e-learning project presented by SeneCura in Austria and the "reverse CVs" by Polyclinique de La Lèze in France won awards in the new category. At a time when the Group is expanding its horizons, **#innovation** is essential!

A COMMITMENT TO HUMANITY

#InterculturalDialogue
Diversity in Poland

At the first My Company Diversity Awards in 2023 in Poland, the Antonina facility won in the **#InterculturalDialogue** category. Located in Piaseczno, the nursing home won the award for its "integration of staff from diverse cultures and nationalities, thereby improving the position of cultural, ethnic and religious minorities in society".

#age Ageless beauty in Italy

For International Women's Day on 8 March 2023, five of our facilities in northern Italy honoured the women in its facilities. Some of the women were the subject of a photo exhibition open to residents, their families and the general public. This initiative was a tribute to the ageless beauty of all the women in our facilities.

#diversity in Ireland

Ireland has attained Bronze accreditation from the Irish Centre for Diversity for its ongoing commitment to diversity and inclusion across its 23 facilities and home care services. The Bronze Investors in Diversity score shows that we have laid a solid foundation for diversity and inclusion throughout our activities.
Investors in Diversity is Ireland's first diversity and inclusion accreditation framework.

#biodiversity

Changing how we look at life

In 2023, the Group published its **#biodiversity** charter.
Through this charter, it has chosen to organise its medical and care activities, real estate projects and support functions with a constant eye on the environment, living organisms and biodiversity.
The Group's commitments, which are the result of a collaborative approach, are set out in its internal "BiophilGood" label.

#catering

Swiss cuisine in the spotlight

In 2023, Senevita earned the Swiss SVG Trophy for winning a team competition focusing on the particular challenges of **#catering** in hospitals and healthcare facilities, both in the public and private sectors in Switzerland. Well done to the chefs!

#alzheimers

Reconnecting with the community through exercise in Brazil

On 24 September 2023, all caregivers and residents at the Cora Senior facility in São Paulo were invited to walk together down Paulista Avenue to raise awareness about preventing **#alzheimers** disease. It was an opportunity to remind people of the benefits of exercise in preventing neurodegenerative diseases and reconnect with the local community.

SPIRIT OF MUTUAL AID

#housing

Protecting vulnerable employees in France

Today in France, 12 million people are vulnerable because of their **#housing** conditions.
The Group has set up a guaranteed accommodation scheme to help employees who are temporarily faced with severe housing difficulties. This emergency scheme will be activated on the basis of eligibility criteria to guarantee immediate shelter and offer support towards a permanent accommodation solution.

#digitise

Supporting elderly people with tech in the Czech Republic

The SeneCura subsidiary has forged a partnership with ICT4elders, a project aimed at promoting new information and communication technologies among senior citizens. Through mentoring sessions, patients and residents can familiarise themselves with new tools, which they can use in particular to communicate with their loved ones. After a successful trial in Prague, the Group is planning to extend this partnership across Europe.

#mentalillnesses

Art and mental health in Germany

For World Mental Health Day on 10 October, two of Germany's psychiatric clinics opened their doors to the general public to raise awareness, dispel the prejudices often associated with mental illness and present the care provided by the facilities. In addition to touring the facilities, visitors enjoyed a concert put on by patients and an exhibition of photos and works of therapeutic art around the theme of the relationship with the body. All were warmly welcomed!

OUR MISSION OF CARE

PUTTING CARE BACK AT THE HEART OF WHAT WE DO

The year 2023 was marked by a refocus on our core mission of care and support, thanks to the commitment of our professionals. **OUR MOTIVATION.**

Three bodies have been created to lay the foundations for a medical policy:

- **a Medical and Healthcare Commission** chaired by the Group Executive Vice President, Medical, Professor Pierre Krolak-Salmon;
- **an International and Interdisciplinary Scientific Council** chaired by Professor Didier Pittet, to coordinate expert consensus, literature reviews, academic partnerships and pilot studies;
- **an Ethics Advisory Board** headed by Professor Emmanuel Hirsch, to draw up ethical guidelines.

We led an in-depth reorganisation of the medical, caregiver and quality divisions to significantly boost the quality of care, thanks to a formalised multidisciplinary approach, particularly to prevent the risk of infection, undernutrition and falls. To quickly test out our new organisational structure, around 30 pilot projects were launched to support personalised care pathways and stays. These pilot initiatives focus on key areas such as prevention of long-term care requirements and serious complications from diseases by prioritising social ties, nutrition and meals, as well as physical activity.

“WE HAVE TRANSFORMED OUR MECHANISMS FOR DIALOGUE.”

10%
increase in the direct care ratio in nursing homes in France.

To better assist the daily lives of our patients and residents, we have increased the direct care ratio by **10%** in our nursing homes in France, with enhanced support from a three-pronged managerial team, namely the Facility Manager, Coordinating Doctor and Health Executive. We have also taken key measures, such as recruiting a local buyer to offer more organic and seasonal produce and expanding training programmes for chefs.

To become a more active listener for our patients, residents and their loved ones, we transformed our mechanisms for dialogue. In 2023, 84% of Group countries had already implemented tools to improve outreach with families. In France, we developed a listening platform to meet the requests of our patients’ and residents’ relatives, with a mediation system headed by Claude Evin. Putting care back at the heart of what we do was the key pillar of our transformation plan. Thanks to the commitment of all our teams, the year saw many advances made to better serve our caregivers, residents, patients and beneficiaries. ●

TRAINING

A HIGH-IMPACT **MANAGERIAL WORKFORCE**

In December 2023, the Group, in partnership with EDHEC Business School, announced the creation of the first Management School specialising in the health, care and support sector. **OUR IMPACT.**

70

students enrolled on a voluntary basis

This Management School, the first of its kind to specialise in healthcare, is in line with the Group's HR strategy to care for its caregivers, incite and encourage them, and provide them with the means to improve how we support the most vulnerable. The IMPACT Management School will train all the Group's managers in areas that increasingly require adaptability, listening skills, management and support in a context of profound change. The first cohort of **70 students**, enrolled on a voluntary basis, will be followed by a second group of 400 participants starting in April 2024. Further groups are scheduled for June and October. In one year, the Management School will have trained 1,000 regional managers, facility directors, coordinating nurses, doctors, health supervisors, support function managers and more. They will have the opportunity to learn from others, master new tools and work on their management skills, which are essential in their personal and professional development and for supporting teams. At the end of the programme, each participant will sit a certification exam in front of a panel made up of representatives from the Group and EDHEC. In parallel, some 500 deputy facility directors will receive training in the fundamentals of human resources. This industry first clearly attests to our desire to give our employees the skills to perform well, and in the best possible conditions, for the well-being of all our beneficiaries. It also demonstrates the Group's ambition of being at the forefront of transforming the health and care sector. ●

ETHICS

ETHICS WITH YOU AND FOR YOU

In January 2023, Professor Emmanuel Hirsch was appointed Ethics Vice President with the primary responsibility of implementing and coordinating the Group's new ethics policy. To bring this major project to fruition, a number of bodies have been set up.

First is the Ethics Advisory Board, tasked with setting the guidelines for the ethics policy, supporting its implementation and assessing its relevance, consistency and effectiveness in terms of the Group's commitments. The ethics, hospitality and compassion ambassadors are the Ethics Board's regional delegates. They provide the ethics management with on-the-ground expertise and help to develop networks that are as close as possible to practices and commitments in the field. By December 2023, France had 23 ambassadors. Secondly, the Emergency Ethics Consultation Unit provides support in exceptional situations at the request of Executive Management. In day-to-day practice, the governance, anticipation, monitoring and vigilance systems, with the help of ethics and positive treatment correspondents, are tasked with contributing to the development of good ethics. A national board and thematic groups round out these systems in France.

Meetings, training sessions and workshops were held throughout 2023 in France and abroad, particularly in Belgium and Italy. The Ethics Department has produced a number of publications, including reports on "Ethics and end-of-life care" and "Towards an approach based on hospitality, positive treatment and compassion". It has also contributed to an in-depth study of the use of new digital technologies in facilities and in the home. In short, 2023 was a year of building strong foundations, with the promise of 2024 being just as intense and decisive, with an additional priority to strengthen international dialogue on best practices in terms of ethics. ●

RESTRUCTURING

2023, THE YEAR OF THE FINANCIAL RESTRUCTURING

In view of the financing requirements defined in its Refoundation Plan, ORPEA S.A. proposed a global solution to all stakeholders concerned by the financial restructuring, as part of a conciliation procedure followed by an accelerated safeguard procedure. **OUR APPROACH.**

In 2023, negotiations based on the plan drawn up by Group Management were held with the main banking partners (G6), a group of ORPEA S.A.'s unsecured creditors (the SteerCo) and the members of the "Groupement" led by Caisse des Dépôts, together with CNP Assurances, MAIF and MACSF.
The main agreements signed at the beginning of 2023 led to the launch of an accelerated safeguard procedure, under which the plan could be voted on by the various classes of affected creditors, including shareholders, and then approved by the Nanterre Specialised Commercial Court. The following is a summary of the main steps involved in implementing this plan, which is designed to accelerate the Company's transformation and its refocus on its core mission. ●

MAIN STAGES IN IMPLEMENTING THE FINANCIAL RESTRUCTURING IN 2023

14 FEBRUARY
Lock-up agreement with Caisse des Dépôts, CNP Assurances, MAIF and MACSF, and the SteerCo

18 MARCH
Agreement Protocol with the main banking partners

24 MARCH
Launch of the accelerated safeguard procedure following approval by the Nanterre Specialised Commercial Court *(Tribunal de commerce spécialisé de Nanterre)*

25 MAY
Waiver granted by the AMF of the obligation for the Groupement to file a public offer

28 JUNE
General Meeting of OCEANE bondholders and shareholders and results of the votes of the classes of affected parties

24 JULY
Approval of the Accelerated Safeguard Plan (by way of a cross-class cram down approved by the Nanterre Specialised Commercial Court)

9 NOVEMBER
Dismissal by the Paris Court of Appeal of appeals relating to the AMF exemption

13 NOVEMBER
19 DECEMBER
Launch and settlement-delivery of the first two capital increases, followed by the entry into force of adjustments to the financing concerned

22 DECEMBER
Annual General Meeting and renewal of the Board of Directors

THE ELDERLY

CONFERENCES FOR THE ELDERLY SEASON 2

In the spring of 2022, in the midst of a crisis, the Group launched an initiative unprecedented in the sector: the Conferences for the Elderly. In 47 of our nursing homes in France, we interviewed and listened to our residents and their families, as well as our employees and, more generally, all our stakeholders. More than 1,800 people took part in the first edition. Given its success, a second edition was held in October 2023. **OUR CONNECTIONS.**

700

people involved in meetings organised at the facilities

Some 15 new meetings (involving almost **700 people**) and "expanded" residents' councils were organised at all our facilities. Once again, these meetings gave residents, their families, employees, elected representatives and partners the opportunity to share their impressions of life at the facilities and provide a true assessment of the situation, one year after the first edition and the launch of the Refoundation Plan.

What emerged from the dialogue with families, residents and employees was a list of areas for improvement and priorities for a better future in facilities, as well as recommendations. Participants were able to put forward suggestions on the following topics: "Enriching residents' social lives", "Opening up our facilities to the community", "Reinventing dialogue with family, friends and stakeholders and rethinking their place and role in the running of our facilities".

The minutes of the second edition of the Conferences for the Elderly will be presented at the residents' council meeting in spring 2024.

Q&A

WRITING A NEW CHAPTER FOR THE GROUP

283,000
men and women in vulnerable situations cared for each year

Laurent Guillot and Guillaume Pepy, 2023 saw the Groupement, made up of Caisse des Dépôts, MAIF, MACSF and CNP Assurances, become shareholders of ORPEA. What are the initial consequences of this?

— LAURENT GUILLOT
In order to finance ORPEA's Refoundation Plan, carrying out the restructuring transactions was absolutely essential. And thanks to the tremendous commitment of our teams, we were successful. Our new shareholders, who demonstrated their unwavering commitment to us in 2023, share our values of ethics, quality of care and support, efficiency and rigour that are also at the core of the management team's ambitions. The confidence and support of our new shareholders mark a new chapter in our history, as we continue and accelerate the implementation of our transformation. The arrival of the Groupement is excellent news for our teams, patients and residents, and for our relations with public authorities and all our stakeholders.

— GUILLAUME PEPY
All our shareholders – in particular, the French people whose savings are managed by Caisse des Dépôts et Consignations, as well as the members of MAIF and MACSF – expect the highest levels of human and social performance from the Group, and rightly so, as well as a good return on capital invested. The arrival of the Groupement also marks the start of a new governance pact. We will all succeed if we can guarantee excellence in all our businesses and solid corporate performance in a sector that is highly regulated and weakened by the economic climate. This governance pact represents a significant challenge for our Company – and the Group's Board of Directors, together with its Chief Executive Officer, is committed to meeting this challenge.

A year has passed since the Refoundation Plan was rolled out. From your point of view, what are the first wins?

— LAURENT GUILLOT
After the announcement of our Refoundation Plan in November 2022, we devoted 2023 to its implementation. Our policy on health and safety in the workplace (in France, workplace accidents with lost time were down 25% over two years), labour relations, remuneration and attractiveness is beginning to bear fruit. In 2023, our staff turnover rate fell by 1.5 points and the absenteeism rate fell by 0.2 points. Recognition, quality of work life and fair remuneration for our employees are key to improving care. This was the first objective of our plan. To take better care of our patients, residents and beneficiaries, we have structured our medical and nursing policy at Group level and, in 2023, we rolled out fundamental policies on hygiene, suicide prevention, the medication circuit and first aid. Experimental programmes are also at the heart of our strategy. Thirty pilot projects have been launched in France focusing on mealtimes and daily activity patterns.

— GUILLAUME PEPY
In terms of governance, I would like to acknowledge and recognise the extraordinary commitment of the Group's Board of Directors to providing the management team with the support they needed throughout 2023. Since the summer of 2022, the Board has spent almost 16 months of intense work on reorganisation. Its members have worked alongside Laurent Guillot and the Executive Management team at each of the key stages of the financial restructuring and our Refoundation Plan.

GUILLAUME PEPY
CHAIRMAN OF THE BOARD
OF DIRECTORS OF ORPEA

LAURENT GUILLOT
CHIEF EXECUTIVE OFFICER OF ORPEA

What are the main challenges facing the Group in 2024?

— LAURENT GUILLOT

Taking care of our teams will remain our priority. We will continue to share our new Group culture in line with the core values we first announced in 2023, namely a commitment to humanity, taste for life, thirst to learn and spirit of mutual aid. We will also step up the implementation of health and safety programmes, training and communications. And we plan to finalise our employer brand. Thanks to an innovative development and training policy, we will complete our transformation into a learning company. Lastly, our talent policy will help us to retain our employees and recognise their potential. Our aim is to become the best employer in the sector, which is key to providing better care and support. In order to take better care of our patients, residents and beneficiaries, we will strengthen prevention and quality of life in our nursing homes and hospitals and at home. We will enhance the training of our professionals, develop the skills and commitment of our caregivers, and continue to roll out our ethical approach internationally. We will also identify, test and roll out new medical activities and strengthen the Group's innovative medical and nursing capacities. Our transformation is being put into practice as part of the CREATE programme, which is structured around our strategic priorities and 48 key projects designed to give a major boost to operating performance. In 2024, we renamed our Group *emeis* and we believe that this new brand will carry and support all these ambitions across the globe.

"Recognition, quality of work life and fair remuneration for our employees are key to improving care. This was the first objective of our plan."
Laurent Guillot

— GUILLAUME PEPY

With *emeis*, our five activities, whether in the form of psychiatric care, rehabilitation care or home care services for the elderly are brought together under the same mission: to guarantee personalised care and support for all vulnerable people. This mission is entrusted to nearly 78,000 professionals who take care of close to **283,000 men and women** in vulnerable situations. Our governance methods cannot be that of just another company. Now more than ever, the Group's new governance will have to focus on medical and nursing excellence, innovation in care and support, and paying special attention to each individual's needs. That is the Board's challenge for this year.




SHARED VALUES
TO BENEFIT PATIENTS, RESIDENTS AND BENEFICIARIES

In January 2023, the Group launched a major consultation with its 78,000 employees worldwide. The aim was to identify what employees were proud of, what their priorities were and the areas for improvement, as they cared for and supported their patients. The results of this consultation were used to define our four shared values. These values are not new; they have always guided the day-to-day actions of caregivers, supervisors and support staff. They reflect the Group's ethics and give everyone a sense of responsibility.

A COMMITMENT TO HUMANITY

Because it is by caring for the most vulnerable that our humanity is revealed.

We are personally and collectively committed to helping vulnerable people. These individuals need our help in order to retain their spark, dignity and individuality. We are all well aware of the responsibility that brings, and shoulder our responsibility ethically and empathetically. Every act of care, every gesture and every word lets the individual know we are there for them, and demonstrates our utmost respect for who they are.

SPIRIT OF MUTUAL AID

Because caring starts with supporting one another.

In order to tackle the enormous challenge of caring for and supporting society's most vulnerable, public authorities, the non-profit sector, local players and businesses must all stand shoulder to shoulder. We get actively involved across the board. It's the way we work. Resources are pooled between sites. Team members offer each other support. We can confidently rely on one another.

TASTE FOR LIFE

Because caring for others cultivates a desire to live.

Caring for and looking after a vulnerable individual enables that person to get back on with their life or helps them feel alive. We take each patient, each resident and each family by the hand to walk that path together. We share our spark with everyone in our care. We nurture their appetite for life by maintaining a positive mindset and offering activities or projects that are tailored to their own personal interests.

THIRST TO LEARN

Because the more we learn, the better we care.

We strive to improve our practices each day and are receptive to pertinent input, be that from doctors, carers and nurses or, indeed, anyone else involved in looking after the patient and supporting their well-being. We also welcome input from patients, residents and their families. Our work spans multiple disciplines that are all constantly changing as new discoveries are made, be that in technology, culture, human and social sciences or as a result of new initiatives introduced in the field. In every workplace and wherever we operate, our quality of care and support is underpinned by the most cutting-edge knowledge and expertise.

ORPEA BECOMES *EMEIS*

In March 2024, the Group turned a new page in its history and unveiled its new identity: *emeis*. Much more than a change of name, it is the concrete expression of the ambition set out in the Group's Refoundation Plan launched in November 2022.

With this new brand, the Group is presenting its activities under a single banner, drawing on its strengths: the extraordinary commitment of its teams, its cutting-edge medical expertise, its constant drive for innovation, the complementary nature of its businesses, and more. *emeis* has a clear and engaging mission: to be even more useful to patients, residents and society, by offering personalised care and support, at every moment and to every vulnerable person.

emeis means "Us" in ancient Greek and it is the embodiment of the profound meaning of the Group's shared commitment: working together to help society become stronger, by taking care of all those who are vulnerable. It is also a testament to the Company's approach. It develops the strength of the collective by bringing together the 78,000 healthcare professionals and experts with patients, residents and beneficiaries, and by working hand in hand with all those involved in healthcare such as public and private healthcare players, families and caregivers, local businesses and non-profits.

This ambition is built on four pillars:

- Giving our collective of 78,000 healthcare and support experts and professionals the means to work together even more effectively.
- Supporting local communities in accessing personalised care and support for each vulnerable person.
- Offering personalised support that meets every medical, personal and social need of the patient or resident.
- Anticipating the development of specialised care for increasingly prevalent diseases (heart failure, neurological diseases, etc.), as well as more personalised support for each individual. ●

On the strength of these deeply held convictions, and ready to take up one of the greatest societal challenges of the world to come, *emeis* proudly presents its mission:

"Together, let's stand as a strength for the vulnerable among us"

The new health paradigm: **we're living longer, but we're more fragile**

In recent years, global public health has made progress in key areas, such as the reduction in infant mortality in 146 countries, and the reduction in the number of patients with HIV[1]. But at the same time, new types of frailty and vulnerability are emerging. There are three key phenomena at work today.

1

THE WORLD'S POPULATION IS AGEING AT AN ACCELERATED RATE.
According to the United Nations, the number of people aged 65 or over is set to more than double worldwide, rising from 761 million in 2021 to 1.6 billion in 2050. This growth will be faster in North Africa, sub-Saharan Africa and Western Asia, while Europe and North America will have the highest proportion of elderly people[2].

2

MENTAL HEALTH ISSUES ARE ON THE RISE.
According to the WHO, by 2022, almost one in eight people in the world was living with a mental disorder. Serious mental disorders can reduce a patient's life expectancy by 10 to 20 years. And access to care is unequal: only 12% of people suffering from psychosis receive the necessary support in low-income countries, compared with 70% in high-income countries[3].

3

LIFESTYLE DISEASES ARE BECOMING MORE PREVALENT.
These are diseases that are not transmitted biologically, but are linked to our lifestyles and can become chronic. They include obesity (1.2 million deaths in Europe every year), drug addiction (400,000 deaths worldwide) and the development of respiratory diseases linked to pollution.

Against this backdrop, the Group is reinforcing the complementary nature of its five businesses to offer each patient personalised support that covers all the types of frailty of tomorrow, whether physical, mental or cognitive.
In concrete terms:

- We are stepping up prevention, both at home and in nursing homes, to raise awareness of the effects of our lifestyles on our health, and to detect frailties at an early stage.
- We are developing cutting-edge treatments for increasingly prevalent diseases such as Alzheimer's and depression.
- We offer support that takes into account the needs of each patient, whether medical, personal or social, by building a genuine relationship with them and their families.

[1] https://www.un.org/sustainabledevelopment/fr/health/
[2] https://news.un.org/fr/story/2023/01/1131287
[3] https://www.who.int/fr/news-room/fact-sheets/detail/mental-disorders

A key issue for the care professions in the 21st century: **attracting and retaining talented employees**

In the future, the rapid rise in the periods of vulnerability at all stages of life will make the many care professions even more essential. These professions – doctors, nurses, caregivers, care assistants, physiotherapists, and others – **share two major assets:**

1

THEIR MEANING AND USEFULNESS: caring for others means contributing to the values of altruism, empathy and solidarity, which are the essence of our society. This commitment was particularly valued around the world during the Covid-19 crisis.

2

THE ADDED VALUE THEY PROVIDE TO PATIENTS: which means enabling a variety of options such as independent living in their own homes, or as part of a group in a facility.

However, the care sector is currently experiencing a real labour crisis. The WHO estimates that there will be a shortage of 18 million health workers worldwide by 2030, mainly in low- and lower-middle-income countries. Developed countries are not spared, either. In France, for example, 67% of healthcare facilities reported recruitment difficulties in 2022, citing the shortage of candidates as the main cause (77%)[1], with an estimated 46,000 vacancies in the care sector. The risk for the future is that patients will receive insufficient support due to a lack of qualified professionals.

67%
of healthcare facilities reported recruitment difficulties in 2022

The Group is aware of this challenge and has been recruiting on a huge scale for the past two years, taking on 800 new permanent employees every month and 1,000 work-study students in 2023. The Group has set up ten regional human resources centres in France to recruit from among local communities.

Its ambition is to raise the profile of healthcare professions over the long term to attract and retain the talent of tomorrow. The Group is preparing to establish itself as the benchmark employer in the care sector by responding to the difficulties highlighted by professionals:

- It has raised salaries to recognise and reward the strength of employees' commitment to serving patients.
- It is strengthening its safety policy (prevention, reorganisation of working hours, etc.) so that all employees can protect their own health while caring for others.
- It is developing training courses (launch of a graduate programme, diplomas, etc.) to offer attractive career paths for everyone to develop their skills and take on greater responsibilities.
- It is helping create a shared culture of belonging by formalising its values (unveiled in 2023) and its corporate purpose (announced in 2024), following a process of dialogue with employees.

[1] https://www.who.int/fr/health-topics/health-workforce#tab=tab_1

Regional coverage, **a challenge for access to healthcare worldwide**

The United Nations has placed access to healthcare at the heart of its Sustainable Development Goals. The third goal of the 2030 Agenda for Sustainable Development in particular aims to "ensure healthy lives and promote well-being for all at all ages". Yet equal access to healthcare is still far from being a reality. There are major disparities:

1

BETWEEN COUNTRIES

Brazil, for example, has one of the lowest rates of practising doctors among OECD countries (21.4 doctors per 10,000 inhabitants), far behind Sweden (70.6 doctors)[1].

2

BETWEEN REGIONS OF THE SAME COUNTRY

In France, for example, 10 million people live in areas where access to healthcare is below the national average. At the same time, the country's Association of Rural Mayors *(Association des maires ruraux de France – AMRF)* has noted a concentration of young doctors in urban areas. When a doctor leaves a village, almost 2,500 people are left without a general practitioner.

Regional coverage is set to become an even greater challenge over the next few years. The World Bank estimates that 7 out of 10 people worldwide will live in urban areas by 2050.

The Group is aware of these challenges and is helping to ensure that every patient can be cared for in all its host regions. In the 21 countries where the Group is present, it offers comprehensive, multidisciplinary and personalised support:

- With a strong local presence, by developing bridges between its five activities – nursing homes, home care services, post-acute and rehabilitation hospitals, psychiatric hospitals and assisted-living facilities – and by strengthening their complementarity with the care offered by other public and private players.
- With home care services, which can benefit people who have lost their autonomy. These services are offered in France, Austria, Germany and Switzerland.
- Through highly supervised outpatient care to support patients in their personal plans. Psychiatric care and related services are increasingly sought after through this range.

We are also committed to supporting our patients by working closely with their families and relatives, who are the first trusted point of contact. We involve them in important decisions and in monitoring the support provided. Ever mindful of the impact their role can have on their quality of life, we pay close attention to their health, both physical and mental.

[1] https://data.who.int/fr/indicators/i/217795A

Mitigating and adapting to climate change: **a battle to be fought on all fronts**

For several years now, climate change has been accelerating, marked by an increasing number of challenges, such as global warming, a rise in natural disasters, erosion of biodiversity and increasingly scarce resources.

According to the UN, climate change could lead to 250,000 more deaths every year between 2030 and 2050, due to increased undernutrition, malaria, diarrhoea and heat stress alone[1]. But climate change brings with it many other public health challenges:

1

INCREASED RISK OF INFECTIOUS DISEASES
linked to the spread of bacteria, as illustrated recently by the SARS-CoV2 pandemic.

2

REDUCED AGRICULTURAL PRODUCTION
caused by drought, particularly in developing countries.

3

A NEW MENTAL HEALTH ISSUE:
climate anxiety. In 2020, 70% of young people in ten countries including Brazil, the United Kingdom and the Philippines said they were "very worried" or "extremely worried" about climate change, with 45% citing an impact on their daily lives (sleep, diet, etc.)[2].

As a healthcare company, **the Group is helping to prepare our society for these challenges by stepping up medical research into new climate-related diseases and potential solutions, and by ramping up preventive measures.**

And as a company pure and simple, our role is also to **help society reduce its impact on the climate and support its development.** We play this role on a daily basis through our activities, in particular through the following:

- Catering: the 47 million meals we distribute each year are a way of caring for our patients (nutrition), but also a lever for our environmental commitment, as 28% of our carbon emissions come from catering. That's why our Responsible Food Charter brings together nine different commitments, such as guaranteeing food safety and limiting our energy and water consumption.
- Our buildings: as part of our Green Building strategy, we are working to reduce the energy consumption of our buildings by 29% by 2030, and carbon emissions by 32% compared with 2019. We are also promoting biodiversity and biophilia (contact with nature), which contribute to the well-being of patients and residents, through innovative practices such as eco-pastures and animal therapy.

28%
of our carbon emissions come from catering

[1] https://www.who.int/fr/news-room/fact-sheets/detail/climate-change-and-health#:~:text=L%27OMS%20prévoit%2C%20selon%20des,paludisme%20et%20des%20inondations%20côtières.
[2] https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(21)00278-3/fulltext

AI in healthcare: **providing accurate diagnoses, personalised support and better care to patients**

The digital revolution is picking up pace, marked by the rise of big data and the development of new technologies such as AI. In all companies, AI can strengthen collective intelligence and encourage rapid analysis and decision-making. In the care sector, it is a major opportunity to invent the support services of tomorrow, which will be continuously updated and personalised. It can be used to:

1

KNOW AND ASSESS CHANGES IN PATIENTS' NEEDS IN REAL TIME
by collecting and analysing key data – sleep quality, nutrition, heart rate, risk of falls.

2

CONTINUOUSLY ADAPT THE CARE AND TREATMENT OF EACH PATIENT,
from their medication to their rehabilitation care.

3

FACILITATE COMMUNICATION WITH PATIENTS
and strengthen the bond with them, thanks for example to AI technologies that incorporate natural language processing.

4

ENCOURAGE THE EXCHANGE OF INFORMATION AND DIALOGUE BETWEEN HEALTHCARE PROFESSIONALS
and between facilities through remote collaboration, which makes it possible to seek the advice of an expert remotely.

These are all levers for adjusting and personalising support for each patient, while strengthening the coordination of professionals in each facility. For example, certain connected health technologies can be used in nursing homes to analyse the risk of patients falling in real time. It gives employees an opportunity to intervene more quickly with those who are at risk, while freeing up some of the professionals' time so that they can devote it to other tasks, such as leading social activities.

The Group is harnessing the digital revolution to deliver excellence in healthcare by inventing and deploying the technological solutions of tomorrow.
Through its Open Innovation platform, the Group is investing in four areas:
- the care pathway,
- hospitality,
- accommodation,
- human resources.

This roadmap is guided by a deeply rooted ethical conviction: to ensure that technology, far from replacing people, complements and strengthens them.
The Group is carrying out its own work to create training tools and best practices that will help bring this approach to life on a daily basis.

At the Lescer neurological rehabilitation centre in Madrid (Spain), our approach is based on the International Classification of Functioning (ICF), which focuses on the needs of the patient and their family in their environment following a neurological problem.

The Orgemont clinic in Argenteuil (France) houses the central pharmacy for all our facilities in the Val d'Oise area.

At Hildegard von Bingen in Rodgau (Germany), patients can plan a short stay or even spend the day enjoying the activities on offer.

Exposure to virtual reality can prove highly effective in the treatment of anxiety disorders.

At the Institut Médical Spécialisé in Plancoët (France), geothermal energy is used to heat the building.

RESOURCES

COMMITTED EMPLOYEES

- **Nearly 78,000 employees,** 57% of whom are healthcare and support professionals
- Strong recruitment capacity: **20,708 new permanent hires** in 2023
- **Labour relations:** a European Works Council has been in operation since 2021. In France, there are 21 Social and Economic Committees and 608 employee representatives
- **51% women** in the Group's **Management Team**

OUR EXPERTISE: MEDICAL AND ETHICAL

- **Over 30 years' experience** in caring for and supporting vulnerable people
- **Five families of expertise:** addiction, neurodegenerative diseases, rehabilitation, post-acute care and mental health, supported by 20 types of specialisation (for example, neurodegenerative disorders, behavioural addictions, child psychiatry, obesity, diabetes, etc.)
- **Three new bodies for the Group's Medical Department:** a Group Medical Committee, an International and Interdisciplinary Scientific Council and an Ethics Advisory Board
- **45% of host countries** have established a research partnership with a renowned university
- **80 active projects** in 2023 as part of the open innovation policy
- **57% of Group employees** trained in the Code of Conduct – Ethics and CSR in 2023 (vs. 27% in 2022)

GOVERNANCE SUPPORT TO RESTORE FINANCIAL BALANCE

- **Solid governance** supported by long-term, reference shareholders (the "Groupement" which owns 50.2% of ORPEA S.A.: Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF Épargne Retraite)
- **Financial balance restored** (net debt reduced by more than €5 billion)

OUR CORPORATE PURPOSE

"Together, let's stand as a strength for the vulnerable among us."

We are committed to mobilising our innovative strength to give those who find themselves in a vulnerable state the desire and the ability to live life to the fullest, and to give their loved ones peace of mind.

OUR INTERNATIONAL PRESENCE

Network outside Europe

- Mexico
- Brazil
- Uruguay
- China
- United Arab Emirates

OUR VALUES

- A commitment to humanity
- Thirst to learn
- Spirit of mutual aid
- Taste for life

OUR FIVE ACTIVITIES

- Nursing homes
- Post-acute hospitals
- Mental health hospitals
- Home care and services
- Senior assisted-living facilities

SHARED VALUES

FOR OUR EMPLOYEES

- **More than 1 million hours of training** provided in 2023
- **46% of employees participated in training sessions**
- **39.4% of regional directors, facility directors and head nurses** promoted internally
- **188 professions within our five activities**
- **35% reduction in frequency rate of** work-related accidents in 2023 compared to 2020

FOR OUR PATIENTS, RESIDENTS, BENEFICIARIES AND THEIR FAMILIES

- **283,925 patients and residents cared for in 2023**
- **92.4% resident overall satisfaction** rate
- **33 NPS** (Net Promoter Score) in 2023 for residents
- **71% of facilities certified** ISO 9001 or equivalent by an external body in 2023 (vs. 67% in 2022)
- **72% of facilities had a trained** ethics/positive treatment correspondent in 2023 (vs. 45% in 2022)
- **84% of Group countries** have implemented tools to improve outreach with families (vs. 76% in 2022)

FINANCIAL PERFORMANCE

- **Return to good financial performance** in transparency with all stakeholders
- **Aligning steering models** with managerial responsibilities

RESOURCES

REAL ESTATE TO SUPPORT OPERATIONS
- **1,031 facilities** in operation at the end of 2023 (vs. 992 in 2022)
- Cutting-edge **technological equipment**, particularly in psychiatric and post-acute and rehabilitation care, for example: in France, motorisation of the lower limbs with LEXO, and a hypoxic chamber; and in Austria, a cryotherapy chamber
- An average of **€140 million spent** each year on maintaining, renovating, extending and improving our real estate portfolio

A STRUCTURED ENVIRONMENTAL POLICY
- **Creation of a joint CSR and Quality department** in 2023, reporting to the Chief Executive Officer (the Group Executive Vice President, CSR and Quality is a member of the Group Executive Committee)
- **The Green Building strategy:** controlling energy consumption and associated greenhouse gas emissions
- **75% of the Group's main listed suppliers** signed the Group's Responsible Procurement Charter in 2023
- **60% of the Management Team's variable remuneration** tied to non-financial objectives

A LOCAL NETWORK IN EACH HOST COMMUNITY
- **93,470 beds** in operation at the heart of communities in 21 countries (vs. 90,860 in 2022)
- **Governance** (Group, countries, facilities) that fosters **accountability, updated** as part of the Refoundation Plan

GEOGRAPHICAL BREAKDOWN OF 2023 REVENUE

Group revenue: €5,198 million

58.4%
France, Benelux, United Kingdom, Ireland
- **574** facilities
- **45,431** beds

26.0%
Central Europe
(Germany, Italy, Switzerland)
- **247** facilities
- **24,316** beds

9.9%
Eastern Europe
(Austria, Czech Republic, Croatia, Slovenia, Poland)
- **124** facilities
- **12,754** beds

5.5%
Iberian Peninsula and Latin America
- **83** facilities
- **10,394** beds

0.2%
Other countries
(China, UAE)
- **3** facilities
- **575** beds

CHALLENGES

Keeping up with the demographic transition and lifestyle diseases

Attracting and retaining talented employees

Meeting the challenges of regional coverage and accessibility to healthcare

Taking action to combat the depletion of the planet's resources and climate change

STRATEGY

Give employees the means to do their job well while protecting their health

Provide better care and support to patients, residents and their families

Have a positive economic and social impact

Build a transparent and efficient model

SHARED VALUES

SUPPORTING THE REGIONS
- **Nearly 78,000** local jobs
- **51% of the** Group's facilities involved in volunteering initiatives in 2023 (vs. 44% in 2022)
- **Local sourcing for over 50% of food products:** 79% of Group facilities

A SOCIETAL ROLE
- **61% of facilities in the Group's major host countries** are located in rural and medium-density areas (vs. 39% in densely populated areas)
- **Specific expertise on key issues:** increasing life expectancy, growing number of neurodegenerative diseases, mental health issues (eating disorders, mental health of young people)

FOR THE PLANET
- **100% of construction or major renovation projects** are certified HQE, LEED, BREEAM, DGNB or GPR, with the 2023 projects subject to a prospective climate resilience analysis and an adaptation plan
- **14% reduction in energy consumption** in 2023 compared with 2019 (kWh net/sq.m.).
- **26.67% less kgCO_2eq/sq.m./year from energy consumption** in 2023 compared to 2019. NB: target of 17% reduction by 2025 and 32% reduction by 2030 (Scopes 1 and 2)
- **4,531 tonnes of organic food waste** recovered across the Group in 2023

OVERHAUL OF THE BOARD OF DIRECTORS

As part of the financial restructuring, the Annual General Meeting held on 22 December 2023 approved the overhaul of the Board of Directors and appointed Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF Épargne Retraite as directors, along with Méka Brunel, Sibylle Le Maire, Frédérique Mozziconacci and Philippe Grangeon. The Board of Directors, which met at the end of the above-mentioned Annual General Meeting, appointed Laurent David (nominated by the SteerCo member holding the largest portion the Company's unsecured debt at 31 January 2023) and Pascale Pradat as non-voting advisors.

Following the appointment of the members of the Groupement as directors, the Company was informed of the appointment of the following permanent representatives:

- Audrey Girard, for Caisse des Dépôts et Consignations
- Stéphane Dedeyan, for CNP Assurances
- Pascal Demurger, for MAIF
- Stéphane Dessirier, for MACSF Épargne Retraite

4

Board Committees:
- Audit and Risk Committee
- Appointments and Remuneration Committee
- Ethics, Quality and CSR Committee
- Investment Committee

2023 KEY FIGURES

13
members including
2 directors representing employees

2
non-voting advisors

45.4%
women

58.8
average age

LESS THAN 1 YEAR
in average seniority

3
independent directors

A detailed description of the Board of Directors, which underwent an overhaul in 2023, can be found in Chapter 4 of this Universal Registration Document.

EXECUTIVE COMMITTEE
AND MANAGEMENT COMMITTEE

The Group Executive Committee comprises 25 members, eight of whom are members of the Management Committee.

Laurent Guillot
Chief Executive Officer

Fabienne Dulac
Deputy Chief Executive Officer

Fanny Barbier
Group Executive Vice President Human Resources

Muriel Barnéoud
Group Executive Vice President CSR and Quality

Prof. Pierre Krolak-Salmon
Group Executive Vice President Medical

Laurent Lemaire
Group Executive Vice President Finance, Procurement, Information Systems

Frédérique Raoult
Group Executive Vice President Communications

Géry Robert-Ambroix
Group Executive Vice President Real Estate

Julia Clavel
M&A Director

Aulde Courtois
Governance Director and Secretary of the Board of Directors

Bérengère Demoulin
Group Legal Affairs Director

Guillaume Dunis
Group Audit, Risks & Compliance, Insurance Director

Charles Murciano
Group Transformation Director

Erwan Dupuy
Operations Director France

Dr. Erik Hamann
Chief Executive Officer, Germany

Akthar Hussain
Chief Executive Officer, United Kingdom

Anton Kellner
Chief Executive Officer, Central and Eastern Europe

Jeroen Kleinjan
Chief Executive Officer, Dagelijks Leven (Netherlands)

Beata Leszczynska
Chief Executive Officer, Poland

Neal Mac Groarty
Chief Executive Officer, Ireland

Alessandra Taveri
Chief Executive Officer, Italy

Olivier Van Houtte
Chief Executive Officer, Belgium

Anton Van Mansum
Chief Executive Officer, Netherlands

Yen Wang
Chief Executive Officer, Latin America

Asunción Zaragoza
Chief Executive Officer, Spain and Portugal

1

1

PRESENTATION OF THE ORPEA GROUP AND ITS MARKETS

Presentation of the ORPEA Group

In an increasingly ageing population affected by the rising prevalence of chronic diseases, ORPEA has established itself, since its creation in 1989, as a provider of healthcare, care services and life pathway support for society's most vulnerable individuals. At the end of 2023, the Group had around 93,470 beds in operation[1] at 1,031 facilities in 21 countries.

ORPEA operates in various areas of expertise throughout the care pathway:

- home care and services;
- nursing homes;
- post-acute and rehabilitation hospitals, including both inpatient and outpatient services;
- Mental health hospitals, for people with mental illnesses, including both inpatient and outpatient care (day and night hospitals);
- senior assisted-living facilities.

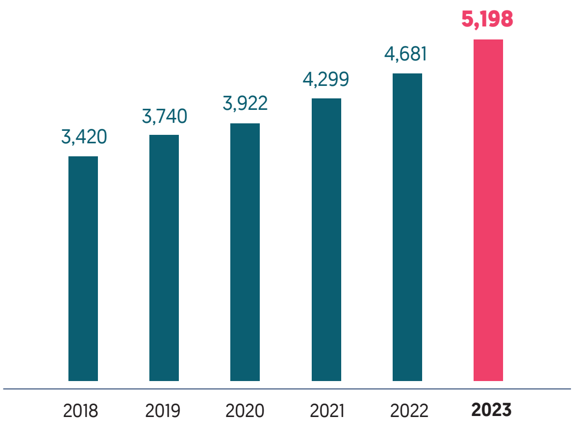
After a phase of rapid growth characterised by a focus on property development, excessive debt and management practices that were inadequate or even contrary to its corporate interest, ORPEA embarked on a complete overhaul of its strategy in 2022 with the aim of **refocusing on the organisation's primary mission**, in line with stakeholder expectations. Combined with a financial restructuring plan on an unprecedented scale, which was negotiated and implemented in late 2023, the overhaul also involved changing the company's share ownership. New long-term shareholders – **Caisse des Dépôts, CNP Assurances, MAIF** and **MACSF** – came on board in December 2023 with the means to support and spur an accelerated transformation enabling the company to effectively respond to the challenges facing society.

Thanks to its newly sound financial structure and the continuation of initial measures, launched in 2022 by the new management team led by Laurent Guillot, to put medical care and nursing back at the heart of the company's strategy, ORPEA is set to regain its status as a benchmark player in its core business: offering integrated long-term care services at home or in residential facilities for individuals with physical or mental health vulnerabilities.

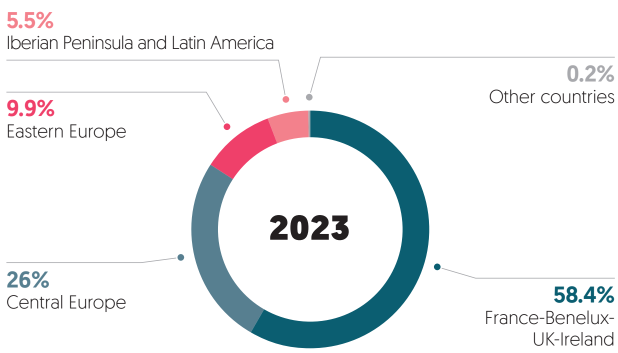
1.1 ORPEA's key figures

1.1.1 Revenue

CHANGE IN GROUP REVENUE – 2018-2023
(in millions of euros)



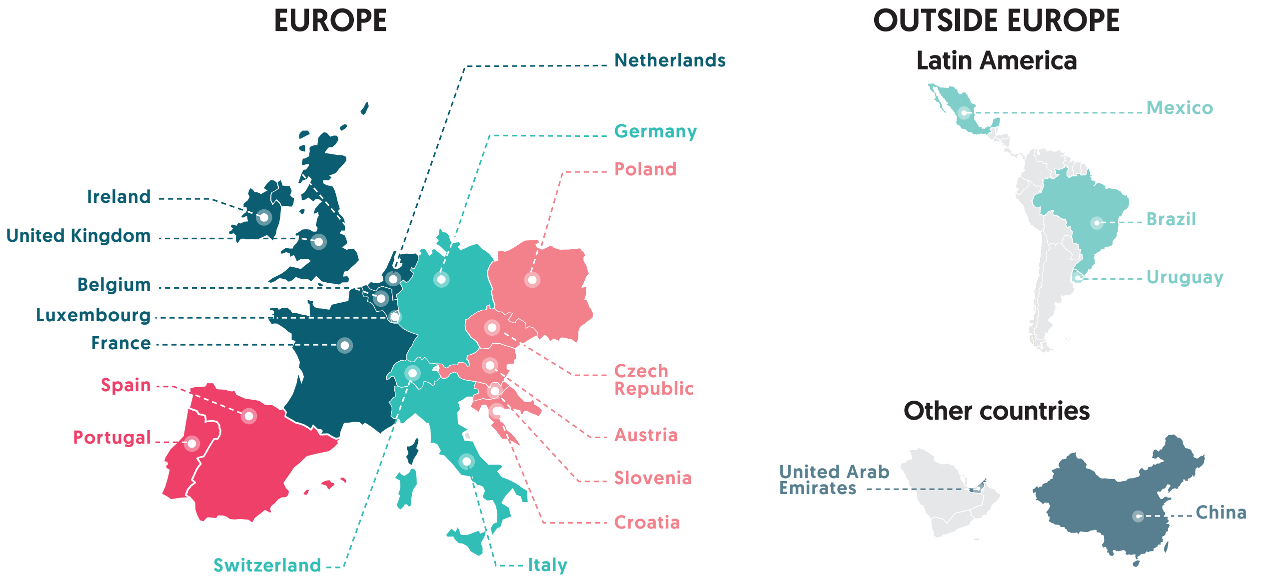
GEOGRAPHICAL BREAKDOWN OF 2023 REVENUE



(1) *Across fully consolidated entities.*

1.1.2 A network of facilities in 21 countries

A GLOBAL NETWORK OF 93,470 BEDS IN OPERATION AT 1,031 FACILITIES AT 31 DECEMBER 2023



France-Benelux-UK-Ireland	Central Europe	Eastern Europe	Iberian Peninsula and Latin America	Latin America	Other countries (United Arab Emirates)	Other countries (China)
574 facilities	247 facilities	124 facilities	68 facilities	15 facilities	1 facility	2 facilities
45,431 beds	24,316 beds	12,754 beds	8,904 beds	1,490 beds	36 beds	539 beds

FACILITIES AND BEDS IN OPERATION BY GEOGRAPHICAL AREA

	Number of open facilities in operation[1]			Number of beds in operation[1]		
	31 December 2023	31 December 2022	Change	31 December 2023	31 December 2022	Change
France-Benelux-UK-Ireland	**574**	**551**	**+23**	**45,431**	**44,170**	**+1,261**
France	361	358	+3	33,629	33,462	+167
Belgium	55	51	+4	6,360	5,708	+652
Netherlands	132	116	+16	3,173	2,686	+487
Ireland	23	23	0	2,028	2,105	-77
United Kingdom	2	2	0	95	86	+9
Luxembourg	1	1	0	146	123	+23
Central Europe	**247**	**237**	**+10**	**24,316**	**23,765**	**+551**
Germany	174	171	+3	17,903	17,620	+283
Switzerland	43	43	0	3,821	3,767	+54
Italy	30	23	+7	2,592	2,378	+214
Eastern Europe	**124**	**124**	**0**	**12,754**	**12,764**	**-10**
Austria	84	85	-1	7,750	7,685	+65
Poland	13	12	+1	1,481	1,380	+101
Czech Republic	17	17	0	2,271	2,315	-44
Slovenia	6	5	+1	805	731	+74
Latvia	-	1	-1	-	202	-202
Croatia	4	4	0	447	451	-4
Iberian Peninsula and Latin America	**83**	**79**	**+4**	**10,394**	**10,007**	**+387**
Spain	57	55	+2	8,009	7,795	+214
Portugal	11	11	0	895	893	+2
Brazil	13	11	+2	1,279	1,108	+171
Uruguay	1	1	0	91	91	0
Mexico	1	1	0	120	120	0
Other countries	**3**	**1**	**+2**	**575**	**154**	**+421**
United Arab Emirates	1	-	+1	36	-	+36
China	2	1	+1	539	154	+385
TOTAL	**1,031**	**992**	**+39**	**93,470**	**90,860**	**+2,610**

(1) Number of beds and apartments open and in operation at the end of the period across the Group's fully consolidated entities.

1.2 The ORPEA Group's core activities: a range of services covering the full spectrum of long-term care

ORPEA's mission is to meet all physical and mental long-term care requirements, both temporary and permanent. The Group has developed a comprehensive offering of care solutions and services across five activities in its main host countries:

Home care and services

For seniors at risk of losing their autonomy

Nursing homes

Long and short stays
Day care, Alzheimer units
Patients aged over 80 on average

Hospitals

Inpatient and outpatient care

Post-acute care

Specialities:
musculoskeletal system, geriatric care, addiction, cardiology, nervous system, respiratory system, oncology
70% of patients aged over 70

Mental health

Specialities:
addiction, mood disorders, sleep disorders, ADD and borderline personality disorder
Units for children, teenagers and adults

Assisted-living facilities

Apartments for seniors aged over 70 on average, who still have some autonomy

Core activities
Additional activities

1.2.1 Nursing homes for dependent elderly people

Life in nursing homes

Each of the Group's nursing homes has a multidisciplinary team of trained and qualified staff to assist residents with all aspects of daily life, provide care essential to their well-being and ensure their safety.

From the outset, residents are provided with a personalised plan that is tailored to their life history in line with their needs and expectations. The plan is subsequently reassessed to reflect changes in their state of health.

Medical and paramedical follow-up procedures are drawn up by the Group's Medical department so that care complies with regulations. The residence team ensures that residents are treated with respect and dignity, and ethics ambassadors are on hand to train staff in positive treatment and the prevention of mistreatment.

Quality of life maintained

- **Comfortable single rooms that can be customised**
- Local catering with appealing and nutritious options
- Maintaining social contact with loved ones, other residents, and the community
- **Shared, friendly spaces:** lounges, bars, dining rooms, activity rooms, etc.
- **A choice of therapeutic activities and sessions** every day in line with residents' personal care plan

A wide range of solutions to meet the needs of residents and their families

- Long stays
- Temporary stays to rest, prepare for a return home after hospitalisation or to try out the nursing home
- Day care (in some facilities) to offer activities to elderly people living at home during the day, and provide respite for carers

Special care for people with neurocognitive conditions such as Alzheimer's

Most ORPEA retirement homes have specialised units dedicated to people suffering from neurocognitive disorders such as Alzheimer's or related diseases.

Admission to these units is decided by the facility's multidisciplinary team, on the basis of medical history, in consultation with the resident's family, in order to ensure safety, dignity and well-being.

The units are autonomous, independent and secure living spaces within the facilities, normally with a capacity of 12 to 16 beds, where residents can move around freely and in complete safety.

The layout and design of the Group's Alzheimer's units have been specifically studied by ORPEA's Medical department.

Volunteer staff, who are qualified and trained to look after these residents, care for them on a daily basis and offer them appropriate activities. ORPEA has always focused on the development of non-drug-based approaches to caring for these residents, in order to improve their quality of life, develop their potential, limit behavioural problems inherent to the disease and maintain their independence.

Special care for highly dependent residents

ORPEA offers care in High Dependency units for residents who need it. There are more staff in these units, who are trained to address the mobility challenges facing these patients and the risks associated with reduced mobility. Specific technical resources are available (adapted wheelchairs, equipment to prevent bedsores, ceiling hoists, etc.).

Meals are taken in a dedicated meal area, accompanied by care staff, following a choking risk assessment to adapt food textures if needed.

Residents' personalised care plans are tailored to their needs, with activities focusing on relaxation and sensory stimulation.

1.2.2 Hospitals: Mental health hospitals

Post-acute care: areas of specialisation

The ORPEA Group's post-acute and rehabilitation hospitals, which are primarily located in France, Switzerland, Poland, Germany and Austria, care for patients requiring functional rehabilitation or balanced treatment administered by medical teams, paramedical teams and technical units specially designed to cater for each area of specialisation. The hospitals provide multidimensional, multidisciplinary care tailored to patients' needs and life plans, and their approach is regularly reassessed during each patient's stay, in line with their wishes and any changes in their state of health.

Prevention and therapeutic education are part of the rehabilitation programme.

Several specialities and care plans are offered, including:

GERIATRIC REHABILITATION

- Oncogeriatrics
- Orthogeriatrics
- Neurodegenerative disorders
- Post-fall syndrome
- Decompensation from chronic disease

NEUROLOGICAL REHABILITATION

- Stroke
- Parkinson's disease
- Chronic neurological diseases
- Head trauma with severe brain injury
- Paucisymptomatic conditions and chronic vegetative state

CARDIOLOGICAL AND PULMONARY REHABILITATION

- Respiratory decompensation from chronic respiratory disease (asthma, COPD)
- Sleep respiratory pathologies
- Chronic heart failure
- Chronic coronary disease

REHABILITATION FOR DISORDERS OF THE DIGESTIVE, METABOLIC AND ENDOCRINE SYSTEMS

- Obesity and complications
- Diabetes and complications
- Digestive illnesses (cancer, inflammatory bowel disease, etc.)

ORTHOPAEDIC REHABILITATION

- Post surgery
- Post-trauma care
- Rheumatic diseases

HAEMATO-ONCOLOGY REHABILITATION

- Care between chemotherapy cycles

ADDICTION FOLLOW-UP CARE

- Pharmacological addictions
- Behavioural addictions (compulsive shopping, pathological gambling, cyberaddiction)

Mental health care offering

The Group's mental health facilities, primarily located in France, Switzerland, Germany and the Netherlands, accommodate patients with mental health conditions.

Psychiatric specialities

- **Mood disorders:** depression, bipolar disorder
- **Anxiety disorders:** obsessive-compulsive behaviour, panic attacks, anxiety, social phobia
- **Addictions**
- **Eating disorders**
- **Sleep disorders**
- **Post-traumatic stress disorder (PTSD)**
- **Burn-out**
- **Group therapy**

Specialised units

- **For children, teenagers and young adults** aged 5 to 25
- **Special mother-child psychiatric rehabilitation units**
- **Geriatric psychiatry units**
- **Long-term mental health disorders** requiring 24-hour protection and support
- **Perinatal psychiatry**

1.2.3 Home care services

To meet the needs and expectations of people requiring long-term care and still living at home, the Group has an offering of home care services, primarily in France, Austria, Germany, the Netherlands, Brazil and Switzerland.

These services are used by people, elderly or otherwise, after a hospital stay or following an accident. They cover personalised, tailored at-home care with a range of services to help people continue living at home, including housework, assistance with personal hygiene, meal preparation, administrative assistance and other types of support depending on individual needs.

1.2.4 Senior assisted-living facilities

In Belgium, Austria, Switzerland, Germany and France, the Group has also developed assisted-living facilities providing accommodation adapted to independent elderly people and their lifestyle choices. These facilities do not provide medical care, but staff are on hand around the clock and various services are provided (concierge, housekeeping, hairdressing, entertainment, meals, etc.).

The senior assisted-living facilities have common areas encouraging conviviality and an active social life.

1.3 Leveraging solid assets to regain a leading position in the sector

With increased resources and focus given to employees, healthcare expertise, long-term shareholders, a strong local network in all its key markets and quality real estate assets, ORPEA has what it takes to undertake and succeed in its refoundation project.

1.3.1 Increased resources for employees and upgrade of labour relations in France

To guarantee high-quality care for the long term, ORPEA took measures in 2022 to attract and retain employees, particularly in France, its main host country. As well as stepping up recruitment, which led to a significant increase in the direct care ratio in 2023, it was also necessary to reshape labour relations in cooperation with the employee representative bodies, which were on the whole themselves also overhauled. Following professional elections held at the ORPEA and CLINEA subsidiaries on 28 March and 27 November 2023, 19 local works councils were set up, 605 employee representatives were elected and three representative trade unions emerged at national level.

Labour relations have been upgraded through mandatory annual negotiation agreements introduced at CLINEA (December 2022) and ORPEA (June 2023). These have given rise to a general pay rise, the introduction of meal vouchers and the phased introduction of a 13th month bonus.

To further improve quality of care and support for its patients and residents, ORPEA has also made it a priority to deploy an active prevention process to ensure the health, safety and well-being of its employees.

1.3.2 A new organisation for care and ethics

Three key bodies have been set up to develop the medical and nursing approach and support medical and support projects for patients and residents in the Group's facilities:

Professor Emmanuel Hirsch	Professor Pierre Krolak-Salmon	Professor Didier Pittet
The Ethics Advisory Board	**A Medical and Nursing Committee**	**An international and interdisciplinary Scientific Council**
ROLE	**ROLE**	**ROLE**
• **Identify** questions and concerns raised by internal teams, patients, residents and their families as well as all stakeholders • **Set** policies for the ethics approach and assess its relevance, consistency and effectiveness in terms of the Group's commitments	• **Prepare** and monitor our medical and support plan • **Ensure** safe and excellent care • **Organise** continuous training and assessments of professional practices	• **Establish** expert consensus on the Group's activities, academic partnerships, reviews and pilot studies • **Coordinate** calls for projects
• **Regional units:** 15 regional ambassadors in place since October 2023 • **Events:** Six regional ethics meetings	• **Restructuring of the Mental Health department** • **A Care department** • **A Medical Transformation department**	• **ORPEA Live:** rolled out in four countries (1,800 users to date) • **International Working Group:** selection of five systems out of 40, with two pilot studies carried out
A framework for our care pathways and best practices		**Medical and care practices based on science and best practices**

1.3.3 A local network in each host community

The Group's teams strive to extend their facility's influence in their community, and to ensure that it is integrated into the local healthcare system through the following measures:

- reaching out to practitioners and establishing partnerships with local operators in order to develop better networks and the best care pathways for all;
- engaging with local people who are ageing and/or losing their autonomy: providing services (digital training) and organising conferences (for caregivers) beyond the walls of the facilities;
- working with local authorities to better meet their needs and become a trusted partner (for example, in France, forging partnerships with medical schools (IFAS, IFSI) in each region);
- encouraging facility directors to sign local partnerships whenever possible.

1.3.4 Real estate: a business line supporting the Group's operations as part of an adapted ownership policy

Real estate, corresponding to the properties where ORPEA develops its care and support activities, is a strategic business. Our teams have built up a wealth of expertise, particularly in development and construction.

As part of its overhaul, ORPEA has begun adjusting its asset ownership policy with a "Capex Right" strategy, whose objectives include reducing the level of ownership compared with the historical level, to 20%-25% of the portfolio of operated real estate assets, and create a dedicated real estate company in which ORPEA would remain the main shareholder and operator.

ORPEA will be working to shape its real estate development around the following criteria:

- focus on activities and markets where the Group holds a satisfactory competitive position;
- assets generating a double-digit EBITDA margin (excluding IFRS 16) and a development margin close to 10%;
- building design incorporating innovative approaches.

The real estate strategy is based on a "Green Building" approach, integrating in particular the objective of reducing CO_2 emissions (Scopes 1 and 2) by 17% by 2025 and 32% by 2030, through the following initiatives:

- producing renewable energy at facility level;
- launching energy audits: 100% of sites already audited in France and Italy, and before the end of June 2024 for the other European Business Units (Switzerland, Ireland, the Netherlands, Austria, Spain, Poland and Germany);
- replacement of oil and gas boilers with district heating or another energy-efficient solution;
- installation of the Building Management System (BMS) tool for controlling all the main equipment in a building (heating, air conditioning, lighting, etc.) and optimising user comfort while reducing energy consumption;
- environmental certification (BREEAM or equivalent) for 100% of ORPEA new builds since 2021.

1.4 Rising demand underpinned by an ageing population and the increased prevalence of chronic diseases

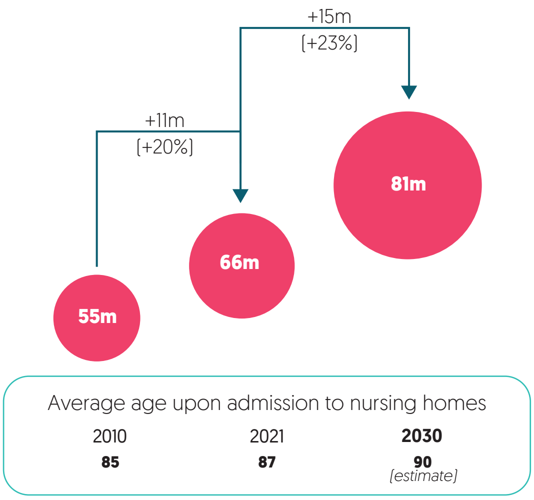
Faced with the challenges posed by Europe's ageing population and changing lifestyles (due to urbanisation and sedentary living), private operators of nursing homes and hospitals have a crucial role to play alongside public initiatives. In the majority of countries where ORPEA is present, development of the Group's activities hinges on precise expertise and compliance with a strict regulatory framework that constitutes a real barrier to new market entrants.

1.4.1 Growing needs – a major challenge for today's society

NURSING HOMES

European population aged over 75

(millions of people, European Union)

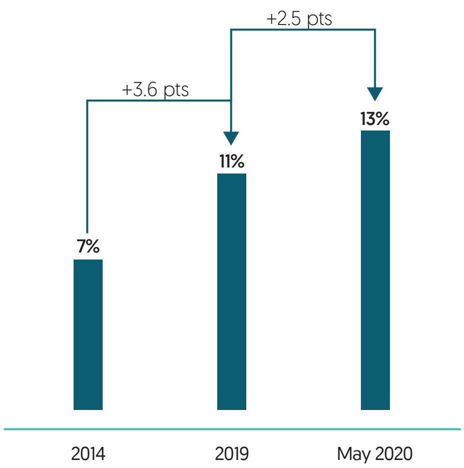


Source: UN

MENTAL HEALTH HOSPITALS

Prevalence of depression

(%, 2014-2020, France)

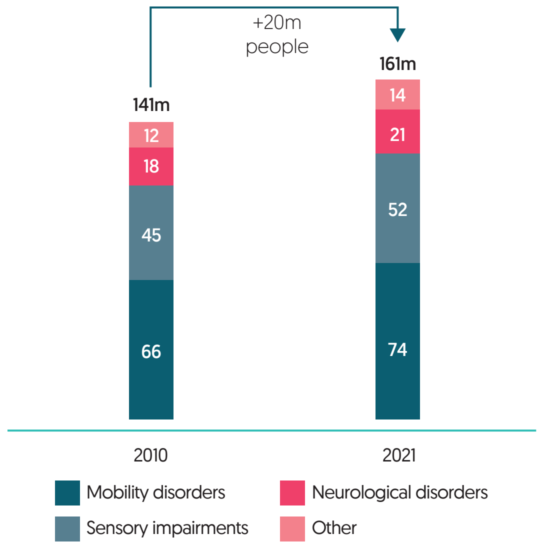


Source: French Ministry of Solidarity and Health (Directorate of Research, Studies, Evaluation and Statistics)

REHABILITATION HOSPITALS

Prevalence of mobility and neurological disorders and sensory impairments in people aged 70+

(millions of people, European Union)



Source: WHO

Medical advances have helped lengthen life expectancy in most of the countries in Europe. The population aged 75 and over is therefore expected to continue growing in the coming years, reaching 81 million in 2030. At the same time, with the increase in the number of people affected by neurodegenerative diseases or chronic illnesses, the need for temporary or permanent accommodation solutions is unavoidable. In France, for example, the Jeandel-Guérin report (2021) highlighted a significant increase in the age and degree of dependency of people in nursing homes.

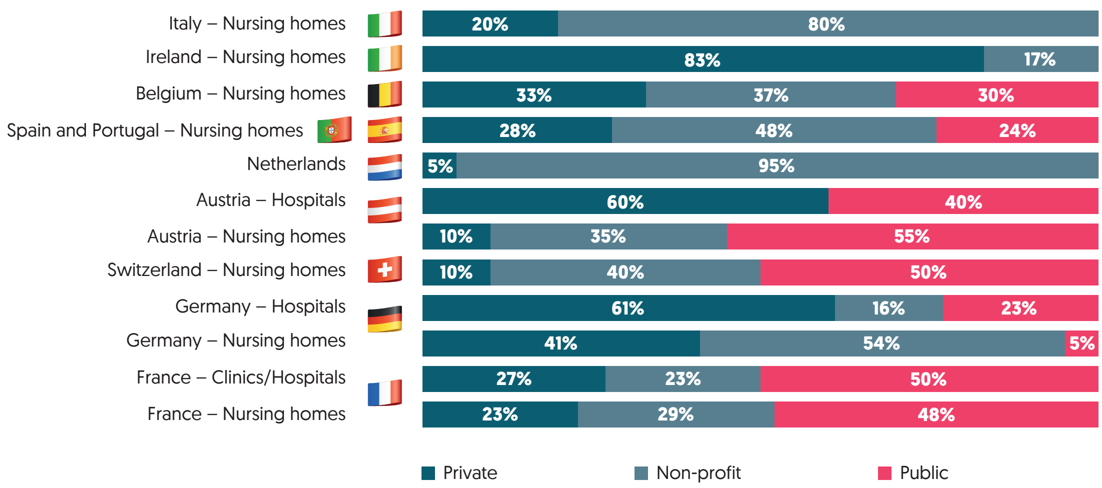
In parallel, according to World Health Organization estimates, the number of people suffering from neurodegenerative diseases is expected to rise from 47.5 million to 135 million by 2050. This means that in the many countries that will be facing the issue, a customised and specialised care offering will be needed that has not yet been sufficiently developed in most of the countries where ORPEA is present.

1.4.2 Profile of the nursing home sector

The long-term care sector has similar characteristics in all the European countries where the Group operates:

- it is dominated by public-sector and non-profit operators, which account for between 40% and 95% of existing beds;
- the private commercial sector is still fragmented, comprising many independent players;
- there are a number of pan-European groups, such as Clariane, ORPEA, Domus Vi and Colisée Patrimoine.

BREAKDOWN OF BEDS BY COUNTRY AND TYPE OF OPERATOR AT END-2023



Source: management estimates

1.4.3 A growing need for medical services and facility specialisation, for both nursing homes and hospitals

Greater medical needs in nursing homes

Nursing home residents are being admitted later in life and are increasingly dependent, an underlying trend that is being seen across most European countries. For example, according to a July 2022 study by the French Directorate of Research, Studies, Evaluation and Statistics (Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques – DREES), the median age of residents entering an institution was 88, up from 87 in 2015. For this reason, the average stay is 18 to 24 months, compared with around three to three and a half years 25 years ago. Such stays, whether temporary (to provide respite to carers) or long-term, require more extensive medical services in nursing homes, an on-site multidisciplinary care team, specialised units caring for residents and patients with neurodegenerative diseases such as Alzheimer's, and higher levels of safety and security.

Increased specialisation of post-acute and mental health hospitals

The reduced length of stays in medical, surgical and obstetrical facilities due to the development of outpatient care, means that post-acute hospitals are now of paramount importance within health systems. Post-acute and rehabilitation hospitals offer complex rehabilitation treatments, provided by multidisciplinary teams, after patients undergo major operations. Post-acute facilities are becoming increasingly specialised depending on the pathologies treated (e.g., the musculoskeletal system, nervous system, respiratory system, cardiology and oncology).

At the same time, in many countries where ORPEA operates, changes in lifestyles are leading to increasingly prevalent psychological disorders, including well-known disorders (depression, bipolar disorder, schizophrenia, addictions, etc.) and pathologies for which treatments are more recent (sleep disorders, burnout, eating disorders, etc.). Faced with the increase in these pathologies, private operators are providing a specialised care offering as a complement to public action.

1.5 A regulated activity with controlled fees

Residential facilities for dependent elderly people, post-acute and rehabilitation hospitals, and mental health hospitals are highly regulated because of the major social and public health issues involved in operating them.

In France, Spain, Belgium, Italy, Switzerland, Austria and Poland, an administrative permit from regional or national supervisory authorities is required before any new healthcare facility or nursing home can be set up, converted or extended. The number of new permits issued in these countries is tightly controlled and restricted by the public authorities in an effort to ensure a decent standard of care and services and to keep spending under control.

The process of obtaining a permit and the regulatory framework vary from country to country, or even from region to region within certain countries. As a result, it is crucial to have well respected and experienced local teams on the ground with the requisite knowledge.

In addition to administrative permits, strict operational, technical, construction, safety and environmental standards apply in the sector. Minimum ratios of care and non-care staff to residents must also be maintained. Strict standards also apply to the budgetary management of public funds. Compliance with all these standards is closely monitored in all European countries by various national or local supervisory authorities.

A controlled pricing system

Pricing for long-term care facilities and hospitals is controlled across all European countries in a bid to keep public healthcare spending in check. Per diem rates have two main components:

- a component that broadly consists of care and medical expenses, which is usually funded by the public authorities;
- a component that broadly corresponds to accommodation, meals, activities and entertainment or additional residential services, which is usually paid for by the resident or patient themselves, or covered by private insurance systems.

France

Nursing home (EHPAD) fees have three components:

- the accommodation fee, payable in full by the resident (or the departmental authorities, if the facility has government-approved “social assistance” beds). Increases in accommodation fees are subject to government control and every year the French Ministry of the Economy and Finance sets the percentage of the annual increase payable by residents from 1 January. That said, the accommodation fee may be freely agreed for any new residents;
- the fee for long-term care, funded by the personal autonomy allowance (allocation personnalisée d’autonomie – APA), which covers part of the cost based on the elderly person’s care requirements and means;
- the personal care fee, which is a per diem rate funded by the French national health insurance system, paid in monthly instalments to the facility in the form of a lump sum.

The fees for post-acute and rehabilitation and mental health facilities are set by the French national health insurance system, which pays a per diem rate for each patient cared for that covers the cost of all medical care, personal care, medicines and accommodation based on a two-bed room. Changes to this flat-rate fee covering all the related costs are regulated and controlled. In addition to the per diem rate paid by the French national health system, facilities may levy additional fees for hospitality services such as private rooms, television, telephone, wifi and other services. These additional fees are paid directly by patients, who may apply for reimbursement of all or part of the cost from their mutual health insurer. These fees may be changed freely.

Germany

Nursing home fees have three main components:

- a real estate component, known as the investment cost, which covers the rent or the property investment needed to build and maintain the building. Part of this component is paid for by the local authorities in respect of social assistance recipients or by residents;
- the fee for meals and hospitality services, which is paid for by residents or their family;
- the medical care and personal care fee, the majority of which is paid for by the national health insurance system. This system of financing is secured, since it has a surplus after the funding system for long-term care was reformed several years ago in Germany. The allowance is based on the resident’s care requirements and varies from region to region. Increases in fees are agreed annually with the local supervisory authorities.

The fees for post-acute hospitals and mental health hospitals are based on per diem rates. They are agreed with the various health insurance and/or pension funds and they vary within a single facility based on a resident’s conditions and insurance. Likewise, special fees apply for private patients. Broadly speaking, the per diem fees covered by pension funds are higher than those paid for by the national health insurance system owing to the importance of getting people back to work.

Belgium

Nursing home fees have two components:

- the accommodation fee, payable in full by the resident. Accommodation fees are set by prior application to SPF Économie, a federal public service. Nursing home facilities cannot apply for a rate increase without first submitting a request, including substantiated arguments for the increase. As such, changes in fees are regulated and controlled;
- the medical care allowance, which is funded by the national health and disability insurance system (INAMI) based on the number of residents and their care requirements.

Italy

The pricing system is regional, with each region having complete autonomy. For example, the Marches region calculates the extent of each resident's care requirements and awards the facility a care services allowance. In other regions, the local health authority (ASL – *Azienda Sanitaria Locale*) gives the future resident a voucher granting access to an accredited facility depending on the availability of beds under the scheme.

Spain

Accommodation and care fees may be freely negotiated and are payable in full by residents.

In certain cases, nursing homes and the regional supervisory authorities enter into agreements primarily to reserve a certain number of beds for people with long-term care needs who have applied for assistance or full or partial coverage of the care. Under these agreements, fees are set in advance, and any changes have to be approved.

Switzerland

The medical care allowance covers around 30% of the per diem rate, which is based on the care requirement, and is covered by the national health insurance system or by private insurance. The remaining balance, which covers accommodation, services and care requirements, is paid for by the resident or their family, or in part by the canton if the resident cannot afford the full amount. This part of the fee may be changed freely.

Austria

Nursing home fees have three components:

- accommodation costs, paid for by the residents;
- costs of care;
- any supplements paid by private residents.

Similarly to Germany, long-term care insurance covers a portion of the care costs based on a single national sliding scale linked to the resident's care requirements. In addition, if a resident does not have sufficient income, the payment may be covered by welfare benefits. Where this applies, the full per diem rate is charged to the state (*Länder*) authorities, which then recover the outstanding amount from the resident.

Every year, the state authorities set the amount by which fees may increase, usually indexed to consumer price inflation. Larger increases may be agreed, but this requires detailed justification.

Czech Republic

Nursing home fees have four main components:

- a basic fee covering the accommodation payable by residents and their families;
- the personal care fee, which is paid for by the authorities;
- medical care costs, which are covered individually by the national health insurance system;
- additional services providing higher standards of quality, which are paid for by residents or their families.

Poland

There are two types of beds:

- authorised beds operated under a licence granted by the NFZ (national health fund);
- authorised beds run by private commercial operators.

The cost of so-called "commercial" beds is paid for in full by residents' families, while the cost of "NFZ" beds is partially covered by the public sector. The NFZ agreement provides for full or partial reimbursement of medical care costs.

Accommodation costs are borne by the patients or their families. The average per diem rate is thus covered by a combination of reimbursements from the NFZ, the local authorities and private financing by families.

Netherlands

65% of the per diem rate is paid for by the government (the daily medical care costs are covered by health insurance), with the remaining 35% covering the accommodation payable by the residents.

For new residents, the outstanding amount can be set freely.

Luxembourg

52% of the per diem rate is paid for by publicly funded long-term care insurance (covering care and assistance costs), with the remaining 48% covering the accommodation and services payable by the resident.

There are no pricing controls concerning the accommodation.

Ireland

Under the general Fair Deal system, 73% of the per diem rate is paid for by the Health Service Executive. The balance is paid for both by the patient and a voluntary dependency insurance system.

1.6 Main provisions of the Accelerated Safeguard Plan implemented from the end of 2023 in accordance with the terms approved by the Nanterre Specialised Commercial Court on 24 July 2023

1.6.1 Background leading to a major financial restructuring programme

Faced with the risk of a liquidity impasse identified in the first half of 2022, an initial attempt to overhaul the financing strategy was launched with the main banking partners (G6)…

At the beginning of 2022, the negative media coverage surrounding the publication of the book *Les fossoyeurs*, the resulting uncertainty and unfavourable developments in the macroeconomic environment made it impossible for the Group to access bank or market financing, on which it was regularly reliant. The shock came at a critical time for the Group, with an identified financing requirement for 2022 in excess of €2 billion, linked to both investment projects and contractual debt maturities.

In need of an urgent solution and faced with an atypical debt structure (over 700 credit lines and numerous creditors to be brought together to negotiate a solution) and the prospect of a complex process incompatible with the sensitivity of the Group's business, a solution was negotiated with the six largest French banks (the "**G6**"), as part of an initial conciliation procedure approved by the Nanterre Specialised Commercial Court in June 2022. As the Group has a large real estate asset base (estimated to be worth more than €8 billion at the time), the financing solution is based on a programme of property disposals designed to rapidly reduce debt before implementing a broader refinancing programme.

The €3.2 billion syndicated loan signed in June 2022 (the "**June 2022 Loan**") was intended to meet short-term liquidity needs for €1.7 billion and to extend the maturities of other financing lines until 2026 (for €1.6 billion). It was designed as a "bridging loan" backed by real estate disposals carried out between 2022 and 2025 for a total of €2 billion, of which €1 billion before 31 December 2023 and €500 million per year in 2024 and 2025.

…but the search for a more permanent solution involving all of ORPEA S.A.'s creditors, proved essential in view of the imbalanced capital structure.

However, a number of developments have made it impossible to carry out the real estate disposal programme on the planned scale and schedule:

- rising interest rates affecting all segments of the real estate market (offices, retail, healthcare, etc.);
- weaker operating performance in the first half of 2022 (inflation, occupancy rate of nursing homes in France impacted by the crisis, etc.);
- the strategic review launched by the new management team, leading to expected asset write-downs from October 2022.

These factors, leading to a negative perception of ORPEA by property investors, a risk of breached covenants at end-2022 and a liquidity risk, made it necessary to undertake a broader financial restructuring. This was set out in a second conciliation procedure opened on 25 October 2022, followed by an accelerated safeguard procedure opened on 27 March 2023 by a decision of the Nanterre Specialised Commercial Court.

As part of this second conciliation procedure and under the aegis of the appointed conciliator, at the end of 2022 ORPEA S.A. entered into discussions with its creditors to restructure its debt, obtain new financial resources and amend its existing financing documentation to enable the effective implementation of essential financial operations. ORPEA S.A. held discussions with a group of long-term investors, in particular regarding the injection of new equity as well as with the G6 banks on the terms and conditions of additional financing.

The resulting transactions, details of which are given in section 1.6.2.1, were approved by a decision of the Nanterre Specialised Commercial Court on 24 July 2023 and implemented from November 2023.

1.6.2 Main parameters of the financial restructuring launched in 2023

Faced with short-term liquidity needs and the financing challenges set out in its Restructuring Plan presented on 15 November 2022, ORPEA proposed, as part of the second conciliation procedure, a comprehensive solution to all stakeholders affected by the financial restructuring.

The main parameters of the solution negotiated with the main banking partners (G6), a group representing ORPEA S.A.'s unsecured creditors (the "**SteerCo**") and the members of the consortium made up of Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**") are presented in section 1.6.2.1, with sections 1.6.1.2 and 1.6.1.3 presenting the transactions still to be completed and the main financial commitments over the period 2022-2025.

1.6.2.1 Main financial transactions included in the Accelerated Safeguard Plan

The key points of ORPEA S.A.'s financial restructuring – with all of the transactions summarised below having been completed as at the date of this Universal Registration Document – are as follows:

Capital transactions	• The conversion into capital of all ORPEA S.A.'s unsecured debt *(December 2023)*	"Equitisation Capital Increase", **with pre-emption rights, of** €3.9 billion **backstopped by ORPEA S.A.'s unsecured creditors, who would subscribe if required by offsetting their existing receivables**
	• New equity contributions totalling €1.55 billion *(December 2023 then February 2024)*	"Groupement Capital Increase" **subscribed for** €1.16 billion **by Caisse des Dépôts, CNP Assurances, MAIF and MACSF** + "Rights Issue" for €0.4 billion, **subscribed for €0.2 billion by Caisse des Dépôts, CNP Assurances, MAIF and MACSF, and backstopped for €107.5 million by the SteerCo**
Additional financing + contractual amendments	• Agreement with the main banking partners ("G6") on additional financing and amendments to the June 2022 financing documentation	• **€400 million + €200 million of additional secured financing on Group real estate assets** • **Amendment of the June 2022 financing documentation (including in particular the extension of the final maturity to December 2027 and the reduction of the margin to 2.00% per annum)**
	• Other waivers requested from Group lenders (mainly at subsidiary level)	• **Non-application of "R1" and "R2" financial covenants as from 31 December 2022 with the introduction of a new leverage covenant (net debt/pre-IFRS 16 EBITDA < 9.0x) as from June 2025** • **Non-application of change of control clauses following the Groupement's acquisition of a stake in the capital**

*"**G6**" refers to the Group's main banking partners (BNP Paribas, Groupe BPCE, Groupe Crédit Agricole, La Banque Postale, Groupe Crédit Mutuel Alliance Fédérale and Société Générale). The "Groupement" refers to a number of long-term French investors led by Caisse des Dépôts, accompanied by CNP Assurances, and also including MAIF, accompanied by MACSF. The "SteerCo" refers to the five main institutions coordinating a broader group representing ORPEA S.A.'s unsecured creditors.*

As a result of the capital transactions described above, a reverse share split of one (1) new share for every one thousand (1,000) existing shares took place on 22 March 2024. The aim was to restore the usual number of shares in issue, after the three capital increases carried out under the Company's Accelerated Safeguard Plan led to the creation of a very large number of shares.

The Company repaid all the drawdowns made under the Additional Financing following the Groupement Capital Increase.

1.6.2.2 Transactions still to be carried out at the date of this Universal Registration Document

In consideration for the Groupement's Subscription Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of the Groupement, subsequent to completion of the Rights Issue and the Reverse Share Split, of 1,170,888 share warrants (the "Groupement Warrants"), corresponding, on the basis of a theoretical equivalent value of the Company's shareholders' equity post financial restructuring of approximately €2,700 million, a total value equal to 10% of the amount of the Groupement's Subscription Commitments, i.e., approximately €19.6 million, entitling their holders to subscribe for shares representing (after taking account of the Reverse Share Split) 0.725% of the Company's share capital, on a fully diluted basis, each warrant giving the holder the right to subscribe for one new share, at a subscription price of €0.01 per share. The issue of Groupement warrants was the subject of the 27th resolution submitted to the Annual General Meeting held on 22 December 2023. This resolution was rejected by shareholders, with only 65.55% votes in favour (the members of the Groupement did not take part in the vote).

In addition, in consideration for the SteerCo's Backstop Commitments, the Accelerated Safeguard Plan provides for the allocation by the Company to the members of the SteerCo, subsequent to the Rights Issue, of 1,162,279 share subscription warrants (the "SteerCo Warrants" and, together with the Groupement Warrants, the "Backstop Warrants") corresponding, on the basis of a theoretical equivalent value of the Company's shareholders' equity following the financial restructuring of approximately €2,700 million, to 10% of the amount of the SteerCo's Backstop Commitments, i.e., approximately €19.4 million, entitling their holders to subscribe for shares representing (after taking into account the Reverse Share Split) 0.720% of the Company's share capital, on a fully diluted basis. The issue of SteerCo Warrants was the subject of the 28th resolution submitted to the Company's Annual General Meeting of Shareholders, which was held on 22 December 2023. This resolution was adopted by the shareholders (SteerCo members and their affiliates did not take part in the vote).

If all of the Backstop Warrants are not issued within a period of six months from the settlement-delivery of the Rights Issue scheduled for 15 February 2024, the Accelerated Safeguard Plan (paragraph 3.5.5(b) of Part III) provides that the members of the Groupement and the members of the SteerCo will receive from the Company their equivalent in cash, i.e., 10% of the amount of the Groupement's Subscription Commitments and 10% of the amount of the SteerCo's Backstop Commitments (i.e., approximately €19.6 million for the benefit of the members of the Groupement and approximately €19.4 million for the benefit of the members of the SteerCo, i.e., a total amount of approximately €39 million).

The Company reserves the right to submit resolutions to authorise the allocation of Backstop Warrants to members of the Groupement and the SteerCo for approval at the next Annual General Meeting to be held to approve the financial statements for the year ended 31 December 2023.

In this event, and if approved by the Annual General Meeting, the Company will issue the Groupement Warrants to the Groupement members and SteerCo Warrants to the SteerCo members in accordance with the above-mentioned terms and conditions. In the event of rejection by the Annual General Meeting, the Groupement Warrants and the SteerCo Warrants will not be issued, and, in accordance with the provisions of the Accelerated Safeguard Plan, the Company will therefore pay the members of the Groupement and the members of SteerCo a total amount of approximately €39 million.

1.6.2.3 Main financial commitments for 2022-2025

a) June 2022 loan agreement

ORPEA and the G6 banks have agreed to make certain amendments to the syndicated loan agreement signed on 13 June 2022 (the "**Existing Loan Agreement**") as part of the financial restructuring programme (the "**Amendment**", signed on 29 May 2023). It entered into force on the date on which the applicable conditions precedent were satisfied (the **"Effective Date"**), including the receipt by ORPEA of the proceeds from the Groupement Capital Increase.

The main terms of the Addendum can be summarised as follows:

	A Loan, consisting of:				
	A1 Loan: €700 million	**A2/A3 Loans: €600 million**	**A4 Loan: €200 million**	**B Loan: €227 million**	**C1/C2 Loans: €1,500 million**
Margin	2.00% per annum				
Maturity date	31 December 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below:			31 December 2027	31 December 2027
	31 December 2027 (or, in the case of the First Net Disposal Proceeds (as defined below), 31 October 2026)	31 December 2027	31 December 2023		
Repayments	31 October 2024: €200 million 31 October 2025: €200 million This repayment will be increased by the total amount of the first net proceeds from disposals received by the Group after the Effective Date up to €100 million (the "**First Net Disposal Proceeds**"). 31 October 2026: €200 million	At maturity	31 December 2023: €200 million	At maturity	At maturity

The commitments under the Amendment are summarised below:

Annual cash sweep based on disposals

ORPEA has undertaken to make mandatory early repayments on 30 June of each year (and for the first time on 30 June 2025) for the A1, A2/A3 and B Loans in an amount equal to:

- 75% of the net proceeds from the disposal of operating and real estate assets received by the members of the Group as from 13 June 2022 and up to 31 December of the prior financial year; less
- the total amount of the Repayments, voluntary early repayments and mandatory early repayments (plus any First Net Disposal Proceeds received by any member of the Group, even if not yet allocated for early repayment of the Loans) from the Effective Date to 31 December of the prior financial year,

it being specified that this amount will be reduced to the extent necessary to ensure that the Group's Liquidity (as defined below) as adjusted for this early repayment is at least equal to €300 million until 31 December of the current financial year.

The above early repayment will be applied in the chronological order of the scheduled repayments of the A1, A2/A3 and B Loans (*pari passu* and on a pro rata basis for repayments falling on the same date).

Net proceeds from subscriptions to new capital market debt issues

In accordance with the Existing Loan Agreement, subject to the provision that any early repayments made using such proceeds are allocated to the Repayments, in chronological order, of the A1, A2/A3 and B Loans (*pari passu* and on a pro rata basis for Repayments falling on the same date).

Minimum level of cash/undrawn committed facilities

The €300 million minimum liquidity undertaking provided for in the Existing Loan Agreement will be tested on the last day of the first full calendar quarter ending after the Effective Date, i.e., 31 March 2024. For the purposes of this undertaking, the "**Group's Liquidity**" corresponds to the sum of (i) the Group's cash and cash equivalents, and (ii) all undrawn committed facilities immediately available under the Group's existing financing arrangements.

Disposal undertakings

Undertaking to dispose of €1.25 billion worth of real estate assets (gross asset value excluding duties) by 31 December 2025.

b) Additional Financing

Pursuant to the Agreement Protocol entered into on 17 March 2023 as part of the second conciliation procedure, ORPEA's main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale – the "**Lenders**") agreed to participate in a senior financing arrangement ("New Money Debt") for €600 million, consisting of three facilities:

(i) a €400 million revolving credit facility (the "**D1 Facility**");

(ii) a revolving credit facility of up to €100 million (the "**D2 Facility**"); and

(iii) a revolving credit facility of up to €100 million (the "**D3 Facility**").

The above financing was granted to ORPEA S.A. (with the exception of the first €200 million tranche granted under the D1 Facility, which was granted to Niort 94 (RCS 440 360 006) and Niort 95 (RCS 811 249 978)).

The financing agreements related to the New Money Debt, dated 26 May 2023, were signed electronically on 29 May 2023.

As of the date of this Universal Registration Document, all the drawdowns made in 2023 under this Additional Financing have been repaid, with only Loan D1 remaining available for €400 million.

The commitments under the Additional Financing are summarised below:

Undertakings relating to all net proceeds received in respect of any debt incurred in connection with external financing

ORPEA, Niort 94 and Niort 95 have undertaken that all net proceeds received by Niort 94, Niort 95 or any of their subsidiaries in respect of any debt incurred in connection with external financing will be allocated (subject to customary exceptions) to the early repayment of the D1 Facility, for 50% of the proceeds.

Undertaking to maintain an N94/95 LTV Ratio

ORPEA, Niort 94 and Niort 95 have undertaken that the N94/95 LTV ratio will not exceed 55% at 31 December 2023 and 50% at 31 December of each subsequent year, the "**N94/95 LTV Ratio**" being defined as follows:

- "N94/95 LTV Ratio" means the ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value.
- "N94/95 Consolidated Debt" means, at the relevant test date:
  - the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans[1] covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "**LTV Subsidiaries**").
- "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

c) Covenants

Following the financial restructuring, financing with R1/R2 financial covenants[2] at Group level represented a consolidated outstanding amount of €324.7 million at 31 December 2023.

As from 30 June 2025, the first test date, the Company will be subject to a single leverage covenant set by the net debt excluding IFRS 16/EBITDA pre-IFRS 16 formula, with a maximum of 9.0x.

(1) *Any payment or repayment of these intra-group loans is strictly subject to the terms of the subordination agreement.*
(2) *R1 = consolidated net debt (excluding property debt)/consolidated pre-IFRS 16 EBITDA - 6% property net debt; R2 = consolidated net debt/(equity + quasi-equity).*

2

2

RISK FACTORS AND INTERNAL CONTROL

2.1 Risk factors

A risk is the possibility of an event occurring that could prevent the Group from achieving its objectives, undermine its financial position or its reputation, or affect its stakeholders.

In response to the reputation crisis following the publication of the book *Les fossoyeurs* and the ensuing financial crisis, a new risk map was drawn up in 2023 as part of a written procedure presented to the Audit and Risk Committee, which involved both the Group's management and its various functions, as well as the managers and functions of the various geographical areas in which the Group operates.

Pursuant to the provisions of Article 16 of Regulation (EU) 2017/1129 (Prospectus 3) of the European Parliament and of the Council, the risk factors considered to be the most significant at the date of this Universal Registration Document are set out below by category.

There are 16 risk factors, presented in descending order of severity within each category.

The level of severity of each of these risks (moderate, significant, major) has been determined according to the probability of occurrence and their anticipated negative impact on the Group. This summary of net risks reflects the Group's exposure to risks by integrating the control actions in place to reduce their impact or probability.

The risks presented in Chapter 3 "Non-Financial Statement" have been integrated into this analysis. Depending on how material they are, they have been included in the description of certain risk factors below.

However, it cannot be excluded that other risk factors, currently deemed non-material or not yet identified, may affect ORPEA in the future.

2.1.1 Operational risks (net risks)		Severity
2.1.1.1	Risk related to medical care and quality of care and the security of patients and residents	Significant
2.1.1.2	Risk related to failure to respect the rights and dignity of vulnerable persons	Significant
2.1.1.3	Risk related to attracting, recruiting and retaining employees	Significant
2.1.1.4	Risk related to employee health and safety	Significant
2.1.1.5	Risk of damage to the Group's image	Significant
2.1.1.6	Risk related to cybersecurity and IT systems	Moderate
2.1.1.7	Risk related to managing medical and personal data	Moderate

2.1.2 Financial risks (net risks)		Severity
2.1.2.1	Liquidity risk	Significant
2.1.2.2	Risk related to the management of owned and operated real estate assets	Significant
2.1.2.3	Risk related to inflation and rising costs	Significant
2.1.2.4	Interest rate risk	Moderate

2.1.3 Risks related to business ethics and the environment (net risks)		Severity
2.1.3.1	Risk related to failure to comply with business ethics	Moderate
2.1.3.2	Risk related to failure to adapt to the consequences of climate change	Moderate

2.1.4 Strategic, legal and regulatory risks (net risks)		Severity
2.1.4.1	Dispute, claims and litigation risk	Major
2.1.4.2	Risk related to the Group's strategy and the 2022-2025 Business Plan (extended to 2026)	Significant
2.1.4.3	Risk related to changes in the legislative and regulatory environment	Moderate
2.1.4.4	Risk related to the award and renewal of operating licences	Moderate
2.1.4.5	Risk related to the Group's new shareholding structure	Moderate

2.1.1 Operational risks

2.1.1.1 Risk related to medical care and quality of care and the security of patients and residents

Risk identification

The Group offers comprehensive care for all types of frailty and vulnerability: physical and intellectual, on either a permanent or temporary basis. Patients and residents may have mental health problems, addictions or severe depression. In today's socio-demographic environment, and given the frailty and vulnerability of the people being cared for, safety and the quality of care provided are crucial (see section 3.2 of this Universal Registration Document).

A lapse in care could relate to safety or the quality of care, and could take different forms, in particular risks concerning infection or epidemic diseases, non-compliance or misuse of a medical device, drug-related iatrogenesis, food chain problems, a resident or patient leaving a facility without the staff's knowledge, suicide or attempted suicide.

Caring for frail people also involves ensuring their physical safety. Each country, or sometimes even region, has strict and specific building standards and regulations that must be respected. In addition, the security of premises open to the public is subject to external controls by local authorities.

Several non-exhaustive examples of risks related to the safety of premises are unsafe drinking water, contamination of hot water, inability of the infrastructure to guarantee optimal protection against climatic risks, or a problem with a building's security.

If any of the above factors were to occur they could damage the Group's reputation, incur civil and/or criminal liability and generate supplementary direct and/or indirect costs (upgrading facilities, compensation, legal advice, higher insurance premiums, etc.), and if such occurrence were on a significant scale, this could negatively impact the Group's image, business, financial position and results.

Finally, although the Covid-19 pandemic seems to be under control, thanks in particular to the effectiveness of vaccination, it cannot be ruled out that the pandemic may start up again, or that another pandemic may occur, which could lead to a further increase in the mortality of patients or residents, and to difficulties in recruiting staff. Such a situation would significantly slow business and generate additional costs, which would have an adverse impact on the Group's financial position, results and outlook.

Risk management

The new Chief Executive Officer decided to split the medical functions from the quality and CSR function, to create two separate departments.

This risk is now managed by three separate departments, reporting directly to Group Executive Management, whose managers are also members of the Executive Committee.

- A new Group Medical Department is responsible for supporting the Group in the implementation of the main priorities of its care programme. The Group's medical and care policy is structured around three complementary governance bodies: (i) the Group Medical Commission, (ii) the Ethics Advisory Board and (iii) the Scientific Council (see section 3.2.2.2 of this Universal Registration Document).
- The CSR and Quality department is responsible for steering the Group's sustainable development strategy and for strengthening its quality policy and objectives.
- One of the main missions of this Real Estate department is to put real estate back in its rightful place as a business line designed to support operations, which is a key factor in operational excellence.

In addition, from July 2022, the CSR and Innovation Committee became the Ethics, Quality and CSR Committee, the aim being to support the Board of Directors' work by ensuring, in particular, that medical ethics and quality are at the heart of the Group's mission and activities.

More generally, since the fourth quarter of 2022, Executive Management has initiated a process to overhaul its quality controls and simplify the procedure for reporting incidents, and has increased the awareness of teams on the subject to speed up reporting. As part of the Refoundation Plan, new indicators for monitoring the quality of facilities and care were introduced in 2023 (see section 3 of this Universal Registration Document), in order to provide the assessment data needed to continuously improve the Group's practices.

The service approach provided to patients and residents by ORPEA facilities and teams is based on a culture of quality that is organised, documented, certified, supervised and controlled. It incorporates extensive healthcare and nursing regulations, at the crossroads of several issues: care, building safety, food and specific constraints linked to the hospital environment.

The risks associated with medical care and quality of care are vigilantly monitored within the Group's facilities. The management of these risks is based, among other things, on:

- a Group quality policy, which sets out the principles and rules of ORPEA's quality management system;
- a set of procedures and protocols that is regularly updated in line with regulatory changes, best practices and feedback;
- regular team training and awareness-raising;
- a risk assessment of each patient or resident (falls, suicide, running away, allergies, etc.);
- good traceability of care procedures;
- the provision of sufficient quantities of high-quality materials and equipment;
- better arrangements for listening to and managing complaints from residents, patients, beneficiaries and their families, in particular by strengthening the engagement and participation of residents, patients and families in the life of the facilities and developing external mediation arrangements;
- a health control plan;
- monitoring of medical and quality indicators by the Medical and CSR and Quality departments.

Self-assessments, audits, controls, incidents and indicators are analysed and corrective action plans are put in place where required.

Liability insurance has also been taken out at Group level.

Regarding the safety of facilities, each country has a maintenance department or team responsible for putting in place and monitoring all building safety and maintenance operations. This is underpinned by:

- an investment policy for maintenance and regular upkeep;
- a prevention policy implemented through team training and preventive and corrective maintenance operations;
- internal and external audits of sites and their compliance with administrative and safety procedures.

Specific risks such as Legionnaires' disease, non-potable water and fire are managed in accordance with applicable local regulations and Group best practices (protocols, maintenance, training, etc.).

Every facility has both a crisis management plan and a business continuity plan.

2.1.1.2 Risk related to failure to respect the rights and dignity of vulnerable persons

Risk identification

The publication of the book *Les fossoyeurs* in January 2022 called into question the Group's respect for the rights and dignity of vulnerable people, which confirms the importance of this risk. The Conferences for the Elderly *(États Généraux du Grand Âge)* organised in the Group's French nursing homes in the spring of 2022 highlighted the difficult and delicate balance to be found between the need to respect individuality and the constraints of living in a community, and between safety and freedom of movement. This is also true for the Group's other facilities, both in France and abroad (see sections 3.1 and 3.2 of this Universal Registration Document).

Patients, residents or beneficiaries may be victims of mistreatment, or may feel that they have been mistreated. This threat may be the result of deliberate or accidental negligence, affecting their dignity, privacy, or physical and mental well-being.

A failure by the Group to respect the rights and dignity of vulnerable people could have negative consequences on the health of residents and patients, as well as on the Group's reputation and could result in legal liability. If such a failure were to occur on a large scale, it could have a negative impact on the Group's image, business activity, financial situation and results.

Risk management

Respect for the rights and dignity of vulnerable people is central to the Refoundation Plan. This absolute requirement is fully in line with ORPEA's new care project, which will make it possible to identify and implement the most appropriate responses to the present and future imperatives of care and support. The project is based on three pillars: a Medical Commission, an international and interdisciplinary Scientific Council made up of experts to support the best level of medical and care practices, and an Ethics Advisory Board responsible for providing operational responses to the questions raised by ORPEA teams, residents and patients as well as their families who place their trust in the Group's facilities (see section 3.2.2.2 of this Universal Registration Document). Professor Emmanuel Hirsch, appointed Director of Medical Ethics in January 2023, chairs the Ethics Advisory Board and is responsible for implementing and coordinating the renewal of the Group's medical ethics policy.

To prevent the risk of mistreatment, ORPEA put in place a preventive protocol in all its facilities and corrective measures are taken when a case of mistreatment is reported. This protocol encompasses different aspects such as the procedures for recruiting and integrating new employees, supporting and training them, and the management of a case of suspected or actual mistreatment. In addition, the ethics of medical treatment and care require reflection and the implementation of measures to promote attitudes and practices that respect the rights and dignity of the people cared for in the Group's facilities (respect for the rights and values of the person, respect for dignity and integrity, non-discrimination, non-stigmatisation, free and informed consent, confidentiality, end-of-life and grief support for the person and their family, and the prevention and treatment of pain and suffering).

Cases of mistreatment or suspected mistreatment are considered to be sentinel events and are reported to the competent authorities in accordance with applicable rules in the corresponding country. Events may be reported by an employee, a resident, a patient, a family member or any other person within the facility. Each event is subject to an internal investigation, an analysis of the causes and the implementation of corrective actions.

In addition, the Group is committed to promoting a positive treatment approach based on professional recommendations and best practices. This approach is developed within a given facility or home care system through ongoing interaction between all of the players involved, in liaison with the person directly concerned and their relatives. Difficulties that have arisen while caring for a resident/patient are discussed at the weekly briefings held in each Group facility, in order to allow the team to find the best solutions while respecting the freedom, rights, individuality and dignity of the resident or patient. In addition, ORPEA is committed to setting up a national network of "ethics and positive treatment correspondents" led by ambassadors in the various regions. In January 2023, ORPEA and 1,827 other members of the National Union of Private Facilities, Residences and Home Help Services for the Elderly (SYNERPA) in France signed an unprecedented Charter of Commitments to put ethics and transparency back at the centre of care for the elderly.

Lastly, ORPEA's values have been enshrined in the Group's Code of Conduct – Ethics and CSR. All the Group's professionals are expected to comply with these principles and their behaviour should be exemplary at all times.

2.1.1.3 Risk related to attracting, recruiting and retaining employees

Risk identification

At 31 December 2023, the Group had almost 78,000 employees, with 85% on permanent contracts, and the Group-wide staff turnover rate was 29.4% for the year. Staff ratios vary greatly from country to country and even from facility to facility, depending on the applicable regulations and the average dependency level of residents and patients (see section 3.3 of this Universal Registration Document). For example, in France in 2023, the ratio was about 0.79 full-time equivalent (FTE) staff members for one resident in a nursing home.

The quality, availability and commitment of employees play a key role in the Group's success, in order to provide a service that meets the expectations of patients, residents and their families, as well as the various regulatory requirements applicable to the Group. However, ORPEA operates in a sector that is experiencing a shortage of qualified personnel in many countries, mainly attributable to the growing needs of an ageing population and the fact that working with the elderly can be perceived as an unattractive career. In the Group's case, this situation has been exacerbated by the recent damage to its reputation.

If, despite the Refoundation Plan, ORPEA fails to identify, attract, train and retain competent and responsible employees, including a sufficient number of qualified care staff, the care and treatment of its residents or patients could be compromised. A shortage of qualified care staff, if sustained and not addressed by the operator, could lead to a suspension of admissions and reduce the number of beds that can be occupied, or even of the operating licence itself in some countries. Similarly, the operation and development of the Group's activities and its results could be significantly affected.

Risk management

As part of the presentation of its Refoundation Plan in November 2022, ORPEA announced its intention to put in place a structured human resources and salary policy in order to improve working conditions, better recognise and value its employees and boost employee loyalty. Human resources are thus the first pillar of the Group's refoundation process, with the aim of maintaining adequate staffing levels to ensure the continuity and quality of care and services.

This refoundation requires new managerial practices and a different culture in order to give employees the means to carry out their work while guaranteeing their health, safety and well-being and ensuring their development, recognition and engagement.

The new organisational and governance arrangements - which are gradually being implemented at Group level - must therefore foster collaboration at all levels and give autonomy to the facilities, with the countries and regions providing support and the Group ensuring that policies, ethics and fairness are in line with generally accepted and shared practices.

To achieve these objectives, the Group has notably significantly strengthened its human resources management teams and put in place action plans, mainly to:

- strengthen the workforce and its structure to guarantee the quality and continuity of care: the Group wishes to promote and strengthen the use of permanent contracts and full-time employment in order to meet the challenges of workforce stability, retaining personnel and enhancing the Group's attractiveness (see section 3.3.2 of this Universal Registration Document);
- implement and manage a proactive training policy, aimed at developing skills and retaining employees through numerous programmes such as specialised and value-building diplomas for the care teams in partnership with renowned universities and/or schools (see section 3.3.5 of this Universal Registration Document);
- strengthen mobility and internal promotion (see section 3.3.5 of this Universal Registration Document);
- review remuneration, which is the subject of high expectations across the entire health sector (see section 3.3.2 of this Universal Registration Document);
- deploy management practices in order to give employees the means to better carry out their work without compromising their health, safety and well-being, and also foster their development, recognition and engagement;
- reposition labour relations as a lever for progress. In France, for example, all employee representative bodies were renewed in 2023 and are involved in concrete negotiations with the Human Resources department (see section 3.3.3 of this Universal Registration Document);
- set up listening systems to identify and take into account the expectations and needs of employees and their ideas to improve job satisfaction and to involve them in the Group's transformation (see section 3.3.3 of this Universal Registration Document).

2.1.1.4 Risk related to employee health and safety

Risk identification

The work carried out by ORPEA employees entails a certain number of risks – such as risks related to exhaustion due to understaffing, excessive workload, the emotional burden caused by the suffering or death of patients and residents, and the pace of work.

In addition, the absence of health and safety protocols and/or their poor definition or non-implementation can be aggravating factors for these risks. The same may apply if the physical working conditions are not suitable for the proper performance of Group employees' operations and tasks.

The lack of training and/or awareness-raising initiatives for employees exposed to health and safety risks can also increase the likelihood of this risk occurring.

The Group-wide work-related accident frequency fell to 25.23 in 2023, down from the benchmark rate of 38.64 in 2020 (see section 3.3.4.1 of this Universal Registration Document).

These risks highlight the need to prioritise the health, safety and well-being of employees, in order to create a working environment that is conducive to supporting vulnerable people. Failure to implement a corporate culture that puts people at the heart of the Group's priorities could undermine the well-being and safety of employees, as well as the care of vulnerable people.

Risk management

The human resources pillar of the Refoundation Plan highlights ORPEA's commitment to being a company that guarantees the health, safety and well-being of its employees. To achieve this ambition, a Group Health and Safety department was gradually set up in 2023, with the task of rolling out a health risk management system in all the geographical areas in which the Group operates. The Group's Refoundation Plan sets a target of reducing the frequency rate of work-related accidents by 20% by 2025, compared to 2020.

The global approach will have four focuses: ambitious common standards based on a just culture; well-being (working conditions, social climate, work atmosphere); active prevention; and suitable equipment.

It will also form part of a continuous improvement process including training of managers, monthly monitoring of indicators, appropriate work schedules, listening units, and sharing and circulation of local initiatives to improve management of emotions.

2.1.1.5 Risk of damage to the Group's image

Risk identification

In view of its activities, the Group is particularly exposed to the risk of its reputation being damaged by events. This is all the more so since the Covid-19 pandemic and the publication of a book in France entitled *Les fossoyeurs* that exposed the healthcare and nursing sector in general, and ORPEA in particular.

The crisis that followed this publication had a strong negative impact on the Group's image, with consequences on business levels at its nursing homes in France and Belgium. It also restricted, for the first time, access to new external financing and impacted the Group's property disposal programme, resulting in a liquidity crisis.

The Group's image could be further affected by public information relating to the existence, content or outcome of the investigations and legal proceedings – particularly criminal investigations – launched as a result of (i) reports made or complaints filed by third parties (i.e., patients, residents, families), and/or (ii) the outcome of complaints filed by the Group itself, which could implicate the Group, its executives and its employees.

Whether founded or not, the criticisms and allegations levelled against the Group could be amplified by the spread of information on news media and social media.

The Group's image could be further adversely affected if it fails to achieve the objectives of its Refoundation Plan.

Finally, the Group could be held liable from a social, societal or environmental perspective in the event of non-compliance with the relevant regulations or business ethics, with the consequence of damaging its image in view of stakeholder expectations.

Risk management

Since 2022, ORPEA has chosen a position of transparency and sincerity in order to win back the trust of all its stakeholders.

In France, the Group organised the Conferences for the Elderly in the second half of 2022 to foster discussion on the expectations of patients, residents and their families. This initiative, which brought together more than 2,000 participants through some 50 physical meetings, produced a summary shared with all the participants, the conclusions of which fed into part of the Refoundation Plan.

In November 2022, ORPEA presented its Refoundation Plan, and its objectives include the aim to restore trust and involve its stakeholders in the challenges of tomorrow. The Group's ambition is to once again become the leading player in the sector by refocusing on the quality of care and the support and development of its employees. The Group's teams are fully mobilised to implement the Refoundation Plan (see sections 3.2 and 3.3 of this Universal Registration Document).

In addition, a Group Communications department was created in July 2022. The Group Communications Director reports to the Chief Executive Officer and is a member of the Group Executive Committee. Her mission is to improve the company's reputation and attractiveness and to restore trust and dialogue with all stakeholders.

Lastly, depending on the content of information published in the media, the Group consults with its teams and its legal counsel on whether to respond or take appropriate legal action.

2.1.1.6 Risk related to cybersecurity and IT systems

Risk identification

IT systems play an important role in ORPEA's operations. If these systems become unavailable or malfunction, whether due to a failure of hardware or software solutions or because of a third party, human error or a malicious act, the Group's facilities and administrative offices could be prevented from operating effectively.

The Group, its suppliers and subcontractors face cybersecurity risks. Despite the security measures implemented by the Group, these risks remain high due to the constant evolution and increasing complexity of attacks, which are also ever more frequent and severe. The risk is all the greater as the Group holds sensitive data, particularly personal data and medical information, essential for ensuring proper care to patients and residents.

Depending on the type of attack or information systems failure that it might suffer, the Group could face various consequences (such as personal data and/or medical and/or confidential information being lost or stolen, or resident and patient care being compromised) as well as the ensuing repercussions (failure of the main operational systems, inability to carry out daily tasks, etc.). Any system malfunction or shutdown or loss of data could have a major negative impact on the Group's business, image, financial position, results and outlook.

Risk management

The Group allocates a significant investment budget to the Information Systems department and is committed to continuously improving its information systems and related infrastructure to effectively meet the needs of users and the Group as a whole. It has embarked on a process of upgrading its information tools and systems, notably by improving infrastructure and deploying shared and recognised international solutions.

The Information Systems Security department is responsible for ensuring the security of the infrastructure, systems and applications required for the Group's operations. Its main objective is to prevent intrusions, virus infections and attacks by implementing and managing a suite of hardware and software specifically dedicated to IT security. Specialised companies, as well as external auditors and the Group Internal Audit department, periodically carry out evaluations to test the effectiveness and robustness of the measures and controls.

On several occasions the Group has detected attempted *malware* intrusions into its IT system, although these did not have any significant impact on the continuity of its services.

In 2022, a Security Operations Centre (SOC) team and a Computer Emergency Response Team (CERT) were established, enabling the Group to strengthen its cyberdefence capability.

Lastly, ORPEA S.A. has been ISO 27001 certified since October 2016 and certified as a healthcare data host (HDS) since 2019 for its Data Centre's activities. The HDS and ISO 27001 certifications were renewed in August 2022 for a period of three years.

2.1.1.7 Risk related to managing medical and personal data

Risk identification

The Group's activities increasingly rely on the automated processing of personal data – health data, in particular.

In an environment where data is increasingly digitalised, the risks associated with its collection, processing, hosting and confidentiality are unavoidable challenges.

It is important to deal with all these aspects in compliance with the General Data Protection Regulation (GDPR) and/or current local regulations and to meet the growing expectations of data subjects.

Failure by the Group and its service providers to comply with the rules and its documentation (accountability obligation) could result in the Group being held liable.

For example, the processes put in place by the Group to ensure data protection could be subject to shortcomings, such as incomplete identification of the processing performed, inadequate information for data subjects or security measures that do not take account of all vulnerabilities. Personal data processing could be subject to fraud or other internal or external wrongdoing. The Group or its service providers could be victims of cyberattacks (viruses, denial of service, etc.), sabotage or intrusion (physical or virtual), which could affect the availability, integrity and/or confidentiality of such data. If such an event were to occur, it could adversely affect the data subjects concerned by the stolen or disclosed data. In turn, this would affect the Group's reputation and the trust placed in it. The Group could be held liable if the necessary data compliance and protection measures are not effectively implemented, which could have a significant financial impact (fines imposed by data protection authorities [CNIL in France], damages payable to persons concerned) and could expose ORPEA to non-compliance risk.

Risk management

In accordance with the regulations in force, the Group's data protection measures include:

- formalised procedures relating to data;
- governance, consisting of an independent Group Data Protection Officer (DPO), who reports to the Audit, Risk, Internal Control and Compliance department, and correspondents and/or DPOs in all the geographical areas, who ensure that the Group's data protection policy and any locally applicable regulations are implemented;
- organised collaboration with the team in charge of managing the security of the Group's IT systems, particularly in the context of ISO 27001 and Healthcare Data Host (HDS) certifications;
- carrying out a formal, joint review with the Information Systems department of new projects before they are launched in order to guarantee the protection of personal data from the design stage (privacy by design and by default);
- collating data processing operations in the appropriate registers and carrying out impact assessments where applicable;
- processes for handling requests from data subjects to exercise their rights;
- handling security incidents affecting personal data (data breaches);
- structured appeals to experts for cases where this is required;
- information, awareness and training initiatives.

An audit of the data protection measures in place for France was carried out in 2023. Corrective actions are planned and are in the process of being implemented.

2.1.2 Financial risks

2.1.2.1 Liquidity risk

As part of its Accelerated Safeguard Plan, the Group restructured all of ORPEA S.A.'s gross debt (excluding lease liabilities under IFRS 16), which led to a reduction in debt at Group level of around €4.3 billion (€5.3 billion at end-2023 compared with €9.6 billion at end-2022).

At 31 December 2023, the Company's net debt stood at €4.7 billion (excluding lease liabilities under IFRS 16) and its cash and cash equivalents stood at €645 million (compared with €856 million at end-2022).

Risk identification

Risks relating to the Additional Financing "new money debt"

Notwithstanding the repayment on 28 December 2023 of all the amounts drawn under the Additional Financing reflecting the proceeds from the issue of new shares under the Groupement Capital Increase on 19 December 2023, the revolving credit facility under the D1A (€200 million) and D1B (€200 million) Tranches may be drawn down again by the Group until its final maturity date of 30 June 2026; as a result, and for as long as this facility is likely to be drawn down or is actually drawn down in the future, the Company's commitments under the new money Additional Financing documentation (see Note 4.14 to the consolidated financial statements) (and in particular compliance with a Niort 94/Niort 95 Ratio (N94/95 Ratio) LTV[1] not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year) will continue to apply.

In the event of non-compliance with one or more of the aforementioned undertakings (including the N94/95 LTV Ratio), any amounts drawn down under the D1A and D1B Tranches and still due at the date of such non-compliance shall fall due immediately. The Banks would also have the option of cancelling these D1A and D1B Tranches, which could no longer be drawn down in the future. In the event that no amount is drawn under Loans D1A and D1B at the date of such default, the Banks shall have the option of cancelling these Loans, which may no longer be drawn down in the future.

The N94/N95 LTV Ratio requirement was met at 31 December 2023. However, in the event of a drop in the value of the real estate assets currently owned by Niort 94 and Niort 95 and a lack of new real estate acquisitions, this ratio requirement may not be met at the relevant test dates.

Risks relating to the Existing Loan Agreement signed in June 2022, amended by the 17 March 2023 Agreement Protocol and the 26 May 2023 Addendum signed on 29 May 2023

Under the Existing Loan Agreement of 13 June 2022, as amended by the Agreement Protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash plus undrawn Group credit facilities of €300 million, tested quarterly as from the first full calendar quarter after completion of the second capital increase provided for under the restructuring plan (i.e., from 31 March 2024);
- carry out real estate disposals for €1.25 billion by the end of 2025, including €292 million already carried out at 31 December 2023. The conditions of use for the proceeds from disposals are set out in Note 4.14 mentioned above.

Failure by the Group to respect its undertakings under the above-mentioned financing arrangements could result in an event of default. In such a case, the lenders could enforce the security interests granted to them, which would affect assets that are substantial for the Group and could have significant consequences on its financial position, business and development.

In addition, the Group's commitment to carry out real estate disposals within a limited time period could mean that it may have to sell the assets for less than their net carrying amount, which could require the Group to recognise impairment losses against the assets concerned.

Other risks related to the Group's financing

The Group's existing debt at 31 December 2023 (see Note 4.14 to the condensed consolidated financial statements) includes certain commitments, such as asset-backed guarantees, which could restrict the Group's ability to raise additional debt if new difficulties were to arise.

A large portion of bilateral borrowings, as well as *Schuldscheindarlehen* subscribed by the Group, are subject to the following contractually agreed covenants, referred to as the "R1" and "R2" ratios. Further to waivers obtained by the Group from all the lenders concerned, these covenants did not apply at 31 December 2022 and no longer apply as from that date. The waivers nevertheless provide for the application of a new leverage covenant (net debt excluding IFRS adjustments/12-month EBITDA pre-IFRS 16), which will only apply from the half-year financial statements ending 30 June 2025. At 31 December 2023, debt formerly subject to the R1/R2 covenants and not due to be settled as part of the Equitisation Capital Increase totalled €325 million.

Risk management

The Company considers that, in the event of a decline in the value of the real estate assets currently owned by Niort 94 and Niort 95, of a magnitude resulting in a failure to comply with the above-mentioned "Loan To Value" ratio, it would still be able to provide Niort 94 and Niort 95 with additional assets, free of collateral and of a value that would enable it to comply with the required ratios.

The Group's liquidity at 31 March 2024 stood at €1,158 million (i.e., Group cash flow of €758 million, plus the €400 million in undrawn amounts under the D1A and D1B Tranches). The Board of Directors applied the going concern principle when it reviewed the consolidated financial statements, after taking into account the information available to it about the future including, in particular, the cash flow forecasts for the next 12 months. These forecasts include the assumption of a drawdown under the D1A and D1B Tranches and compliance with the minimum threshold of €300 million. Based on this information, and taking into account its assessment of the liquidity risk related to the items mentioned above, the financial statements for the year ended 31 December 2023 were prepared on a going concern basis.

(1) The ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value, where "N94/95 Consolidated Debt" means, at the relevant test date: the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "LTV Subsidiaries"); and "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

2.1.2.2 Risk related to the management of owned and operated real estate assets

Risk identification

The ORPEA Group operates almost exclusively from physical sites that are either owned directly by the Group or leased from third parties. At 31 December 2023, real estate assets represented a net carrying amount of €4.8 billion. As part of its refinancing programme, the Group has undertaken to sell assets worth €1.25 billion by the end of 2025.

A lack of due diligence and/or strategic planning, as well as a failure to implement efficient and cost-effective policies to manage its real estate assets, and more specifically its asset disposal plan, could have a material adverse effect on the Group's financial position, results and outlook.

The impact of this risk could be accentuated if the Group were unable to identify all the assets it owns or leases, or if it owned or operated assets that did not meet the Group's operational excellence requirements or the expectations of the property market (poor design, construction defects, adjacent environmental risks, etc.). In addition, unforeseen technical or regulatory developments could have an impact on the value of the assets.

Lastly, the real estate sector is subject to cycles of varying lengths, and is also influenced by fluctuations in the global economy, and more specifically by the monetary policies of central banks. These external factors may have a significant impact on the announced disposal plan.

Risk management

At end-2022, the new Chief Executive Officer decided to establish a Real Estate department, which reports to him directly and is led by a member of the Executive Committee. The teams in this new department were bolstered in 2023 with the addition of professionals with significant and proven experience in the sector. The new department must implement an effective policy of maintaining and managing assets to the highest standards, as well as carrying out asset management arbitration in order to implement the announced asset disposal programme, in particular through sale and leaseback transactions. For these latter transactions, the Group is developing a network of investors that vary in size and geography.

A robust real estate portfolio is based on real estate assets that meet the various standards and regulations in force locally, as well as the Group's operational excellence. In addition, under its expansion policy and in order to meet its quality standards, the Group manages most of its own operating property development and redevelopment projects. The company has a Construction department, which in turn reports to the Real Estate department. Once constructed, buildings require ongoing maintenance programmes to ensure that the assets are properly maintained and remain of the highest quality, always complying with regulatory requirements

In addition, the Group employs independent real estate valuers who carry out an annual estimate of the market value of the real estate assets held by the Group. These annual assessments enable the Group to effectively implement its real estate asset management policy.

Lastly, all real estate transactions are reviewed and approved by internal decision-making bodies, and by the Group's Board of Directors for the most significant transactions.

2.1.2.3 Risk related to inflation and rising costs

Risk identification

Since mid-2021, the global economy has seen a return of inflationary tensions, which firmly took hold and intensified in 2022 and 2023. The Group's operating profitability is affected by this inflationary environment, particularly due to the pressure on energy and food prices and on wages.

One of the pillars of the Refoundation Plan is to develop a human resources policy that gives our employees the means and conditions to carry out and take pride in their work. This has started to generate an increase in payroll costs (due in particular to growth in headcount and salary rises) and growing training expenditure.

The cost of investments in and renovation of the real estate owned or leased by the Group could be affected by a sharp increase in the price of raw materials in the global market or by interruptions in the supply chain, which could drive up costs of some construction projects prior to their delivery, as well as maintenance and upkeep costs during the operating phase.

Lease payments will also be affected by this inflationary environment as a result of indexation clauses and when leases are renewed. In 2023, lease payments on the Group's non-owned real estate represented approximately 9% of its revenue. This proportion will increase in the coming years in view of the commitments made by the Group to dispose of real estate assets as part of its deleveraging strategy and financial restructuring process.

Risk management

In 2023, the Group significantly strengthened its procurement teams and is implementing a policy designed to anticipate price increases through forward-looking purchase management. Controlled monitoring of consumption of both consumables and raw materials is progressively implemented.

In addition, the Group has been able to raise prices in certain businesses and geographical areas, thereby partly reducing the increase in costs incurred.

Human resources are at the heart of the Group's Refoundation Plan. Investments in this area are expected to result in increased employee engagement and retention, which should lead to lower costs related to turnover, absenteeism and short contracts, and improve support and care with stabilised teams.

The new Chief Executive Officer has established a Real Estate department, which reports to him and is led by a member of the Group Executive Committee. The department is responsible for shifting the Group towards holding fewer real estate assets, primarily through sales to major investors who are already lessors of the Group, so that it can have preferential conditions. Additionally, lease payments on non-owned properties are controlled through a proactive policy for managing existing leases and forward planning lease expiry dates. Lastly, a real estate management control team was formed in 2022.

After being strengthened since 2021, the Group's construction teams continue to give it new negotiating levers in the choice of its suppliers of raw materials and construction works, while enabling it to keep costs and construction lead times under control.

2.1.2.4 Interest rate risk

Risk identification

Details on the Group's net debt are provided in Note 4.14 to the consolidated financial statements.

The Group's debt structure is mainly composed of floating-rate debt denominated in euros. The €3 billion secured syndicated loan (Tranches A, B and C) granted to the Group bears interest at Euribor plus a margin.

The Group is therefore exposed to the risk of interest rises in the eurozone. Despite the fact that, after hedging, the majority of its debt is at fixed rates, future hedging costs could increase, which could impact the Group's financial position and results.

The value of the Group's existing real estate assets could be negatively affected by a rise in interest rates which would in turn adversely impact the yields expected by investors. This could have a negative effect on the valuation of the Group's real estate assets.

Risk management

The Group's strategy is to hedge a major portion of its consolidated net debt against interest rate risk. To that end, it uses a portfolio of financial instruments in the form of (i) interest rate swaps, under which it generally receives interest at the three-month Euribor and pays a fixed rate specific to each contract, and (ii) interest rate caps.

At 31 December 2023, the notional amount of interest rate hedges used by the Group was €2,044 million.

The interest rate risk management strategy is described in section 4.16.1 of the notes to the consolidated financial statements.

Analysis of sensitivity to fluctuations in interest rates

The Group's debt is composed of floating-rate debt. A change in the yield curve would therefore affect:

- the amount of interest payable on floating-rate debt;
- the fair value of derivatives.

Analyses are performed based on the assumption of a 1% increase or 0.10% decrease in the three-month Euribor yield curves.

The fair value of derivatives is sensitive to changes in the yield curve and volatility trends. Volatility is assumed to remain unchanged for the purposes of this analysis.

At 31 December 2023, net debt amounted to €4,642 million (excluding lease liabilities under IFRS 16), with approximately 15% arranged at fixed rates before interest rate hedges and 53% after the effects of hedging and the remainder at floating rates.

Including the impact of hedges:

- a 1% (100 basis point) rise in the yield curve would increase the Group's financial expenses by €42.8 million (before tax and capitalisation of financial expenses);
- a 0.10% (10 basis point) decrease would decrease the Group's financial expense by €4.2 million.

2.1.3 Risks related to business ethics and the environment

2.1.3.1 Risk related to failure to comply with business ethics

Risk identification

The various legal investigations currently under way against the Group and its former executives, which were reported in the media in 2023, relating to past unethical business practices, show that failure to comply with business ethics can have a negative impact on the Group's image, business activity, financial position and results.

Inappropriate or illegal behaviour by Group employees, executives and/or external third parties acting on behalf of or as counterparty to the Group presents a legal as well as reputation risk.

In addition, the Group's activities entail building relationships with public authorities and public officials, as well as with health professionals (doctors, pharmacists, etc.) in all of the countries where it operates. Consequently, the Group may incur sanctions if it does not fully comply with the requirements of France's Sapin II law, in particular with regards to its anti-corruption provisions, and the various applicable local laws and regulations.

Some of the legal proceedings currently under way – which were reported in the media in 2023 and 2024 – relate in particular to past business practices of former Group executives and employees which the Group considers unethical. These proceedings show that failure to comply with business ethics can have a negative impact on the Group's image, business activity, financial position and results.

Risk management

The Refoundation Plan presented in November 2022 reaffirmed the importance of ethics and Executive Management's commitment in this area. A zero-tolerance principle applies to all unethical practices.

In terms of organisation, business ethics is the responsibility of the Compliance department. The department is supported by compliance correspondents in the geographical areas who are tasked with implementing all policies in this area (see section 3.4.1 of this Universal Registration Document).

As part of the Group's implementation of France's Sapin II law and local laws on the same subject, the Group has integrated into its internal control system a compliance programme including measures on the prevention of corruption and influence peddling. The Group now has a Code of Conduct – Ethics and CSR and an Anti-Corruption Code of Conduct, which have been distributed and are applicable in all countries where the Group operates. These codes are also available on the Group's website.

They reaffirm the importance that Executive Management places on ethics in all aspects of the Group's business, whether regarding medical ethics or business ethics. They also serve as a source of information for external stakeholders. The codes are underpinned by training and awareness programmes that are gradually being rolled out to the Group's most exposed employees.

In 2023, the Group also introduced a new risk map for corruption and breaches of integrity. This mapping resulted in risk mitigation plans to be implemented by the countries concerned and coordinated by the Group Compliance department.

As part of its ethical approach, the Group also relies on a robust body of documentation, which was greatly enhanced in 2023 with, in particular, a gifts and entertainment policy and a donation and sponsorship policy. During the 2023 financial year, a campaign to identify potential conflicts of interest was also rolled out across all geographical areas, involving a pre-defined eligible population. Where necessary, action plans to deal with conflicts were put in place.

Lastly, ORPEA has an internal whistleblowing tool which allows employees, suppliers and other stakeholders to report breaches of the Code of Conduct – Ethics and CSR or illegal activity, including corruption, influence peddling as well as duty of care violations.

2.1.3.2 Risk related to failure to adapt to the consequences of climate change

Risk identification

The Group's activities have an impact on the environment and climate change has an impact on the Group's activities.

Environmental protection issues are directly linked to public health issues. ORPEA's activities also have an impact on natural resources and greenhouse gas emissions. Through the construction and operation of its facilities, ORPEA generates waste (waste generated by care-related tasks, catering, construction, etc.) and consumes natural resources (water, food, mineral raw materials). ORPEA could be held liable and its image could be impacted if it does not take the necessary actions to preserve natural resources and reduce energy consumption.

As is the case for many companies, a greenhouse gas emissions assessment carried out at Group level on Scopes 1, 2 and 3 puts emissions linked to Scope 3 at the top of the list, with food, in particular, accounting for 29% of total emissions generated by the Group. This is followed by energy, which accounts for 24% of emissions, and travel, at 14% – a proportion comparable to 2022. These three categories alone account for 67% of total emissions, enabling the Group to identify the most relevant levers for reducing its environmental impact.

In 2022, ORPEA took action by drawing up an ambitious official strategy for sustainable buildings called the Green Building Strategy (GBS). ORPEA's aim is to innovate by constructing and renovating facilities that blend into the environment and are energy-efficient with low greenhouse gas emissions, during both the construction and operating phases, while contributing to the quality of life, autonomy and comfort of residents, patients and employees. Failure to take into account the impact of climate risks (natural disasters, flooding, heat waves, extreme cold, etc.) on facilities could affect the health and safety of patients, residents and employees.

Risk management

Managing the impact of its operations on the climate and the natural environment is a priority for the Group. Actions in this domain are described more fully in the Group's Non-Financial Statement in Chapter 3 of this Universal Registration Document.

Environmental awareness and responsibility are promoted at every level of the organisation. CSR correspondents are being appointed in each of the Group's countries to support the operational roll-out of the CSR strategy. The Group is implementing initiatives to help achieve the green transition related to both the operation and development of its buildings in areas including:

- the protection of natural resources through optimised water, biodiversity and waste management, notably linked to food;
- energy and consumption management for its real estate portfolio;
- HQE or equivalent certification for all its buildings under construction and major renovation projects.

To roll out the energy pillar of the Green Building Strategy, the Group leverages a network of Energy Managers who have helped improve the monitoring of energy consumption and implement actions to reduce it. In addition to reducing its energy consumption, ORPEA has been increasing its focus over the past few years on using renewable, less carbon-intensive energy from non-fossil sources (solar, wind, water, geothermal, heat pumps, biomass, etc.). This involves on-site energy production at certain sites and the purchase of green energy from the grid. In 2021, ORPEA committed to reducing its energy consumption by 16% by 2025 and 30% by 2030, in kWh net/sq.m./year (2019 benchmark year), and its greenhouse gas emissions by 17% by 2025 and by 32% by 2030, in kgCO_2eq./sq.m./year, for Scopes 1 and 2 (2019 benchmark year).

ORPEA is aware that taking into account the climate resilience of its properties constitutes a major challenge. Buildings are particularly exposed to the effects of climate change, which has an impact on the comfort of residents, patients and employees. Strengthening the climate resilience of its real estate assets is one of the commitments made in the Group's GBS. In addition, in 2022, service providers were selected to carry out climate risk analyses and draw up adaptation plans for new buildings. In 2023, physical climate risk vulnerability analyses were carried out for 67 buildings recently delivered (in 2022) or under development. The GBS is described in further detail in the Group's Non-Financial Statement in Chapter 3 of this Universal Registration Document.

At the beginning of 2021, as part of the 2023 CSR roadmap, ORPEA also committed to obtaining "HQE or equivalent" environmental certification for all future buildings.

Lastly, in accordance with the recommendations of the Task Force on Climate Related Financial Disclosures, ORPEA has begun to identify the risks and opportunities related to climate change that could have a direct impact on its daily work in the service of vulnerable people requiring care.

2.1.4 Strategic, legal and regulatory risks

2.1.4.1 Dispute, claims and litigation risk

Risk identification

Dispute, claims and litigation risk is a significant risk taking into account wrongdoing in 2022, particularly in the nursing homes operated by the Group in France (the "**Described Acts**") and the ensuing financial crisis, which led to the ongoing financial restructuring in 2023 and 2024.

1) Dispute, claims and litigation risk following the Described Acts

The Group responded to questions put to it by the joint investigation team set up by the French government, comprising members of the General Inspectorate for Social Affairs (*Inspection générale des affaires sociales* – IGAS) and the General Inspectorate for Finance (*Inspection générale des finances* – IGF). On 26 March 2022, Brigitte Bourguignon – then Minister Delegate to the Minister of Solidarity and Health, in charge of Autonomy – announced that she would be forwarding the investigation team's report to the French public prosecutor.

Since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences. The Group is not aware of the exact content or number of these complaints.

Based on publicly available information, it appears that the Nanterre public prosecutor was initially in charge of (i) the legal investigations based on the report provided by the authorities and (ii) some of the complaints filed. In this context, the Group's head office and several facilities were searched in June and November 2022. On 7 January 2024, an article in *Le Parisien* reported that on 22 November 2023, the Nanterre public prosecutor opened an investigation on charges of manslaughter, unintentional injury, failure to assist a person in danger and endangering others. This information was followed by receipt of a government warning at the end of March 2022, following the joint report by the IGF and the IGAS and 53 complaints from residents' families received since April 2022. The Nanterre public prosecutor confirmed to the AFP on 8 January 2024 that a judicial investigation had been opened into the above-mentioned charges.

To date, ORPEA is not a party to this judicial information, has not been summoned and does not have access to the file.

On 2 May 2022, the Group announced that it had filed a complaint with the public prosecutor against unnamed persons for past events and operations – totally unrelated to the living and care conditions of residents – that could adversely affect ORPEA's best interests and which were discovered following internal investigations. On 20 December 2022, ORPEA filed a complaint against the former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering. Following this complaint, ORPEA has continued its investigations and filed additional complaints against other named persons.

On 30 June 2023, the Group became aware through the media of a press release from the Nanterre public prosecutor stating that, further to complaints lodged by ORPEA:

- a preliminary investigation had been opened by the Nanterre public prosecutor for breach of trust, fraud, misuse of corporate assets, organised money laundering and private corruption;
- as part of this investigation, the Group's former Chief Executive Officer, former Chief Financial Officer and former Chief Operating Officer were taken into custody on 27 June 2023;
- the Nanterre public prosecutor's office requested that a judicial investigation be opened;
- on 29 June 2023, the above-mentioned persons were brought before the investigating judges of the Nanterre judicial court's economic and financial division and indicted (although the press release does not specify the charges against each of them); and
- the Group's former Chief Executive Officer and former Chief Financial Officer were remanded into custody following their indictment, while the Group's former Chief Operating Officer was placed under judicial supervision.

On 26 January 2024, the Nanterre public prosecutor announced via an Agence France-Presse press release that in mid-January 2024, searches had been carried out simultaneously in Belgium, Italy, Portugal, Luxembourg, Switzerland and France in connection with this case, and that hearings had been held by the four investigating judges in charge of the case at the Nanterre judicial court. In response to the press release, the Group stated that, to the best of its knowledge, the investigations under way in France and abroad did not target the Group but certain of its former executives, employees or partners, in the context of the proceedings initiated by the complaints lodged by ORPEA.

Lastly, on 16 February 2024, the Nanterre public prosecutor indicated that the Group's former Chief Executive Officer had been released under judicial supervision, and that the former Chief Financial Officer was still being held in regards to this case.

If the above procedures were to result in lawsuits or criminal proceedings being brought against the Group, its executives and/or its current or former employees, and in civil rulings or criminal convictions being handed down against them, this could impact the Group's cash flow and damage its image and reputation, which would negatively affect its business, financial position, results and business development prospects.

2) Dispute, claims and litigation risk related to ORPEA's financial restructuring

Following the opening of a second conciliation procedure by order of the President of the Nanterre Specialised Commercial Court (*Tribunal de commerce spécialisé de Nanterre*) (the "**Court**") on 25 October 2022 and the subsequent announcement and implementation of the draft financial restructuring plan, some of ORPEA's individual creditors and minority shareholders have initiated legal proceedings against the Company in an attempt to frustrate discussions with its main creditors and obstruct the adoption of its draft financial restructuring plan. More specifically, the main purpose of these legal proceedings is to call into question each stage of ORPEA's restructuring and the agreements entered into between the Company and its financial creditors, or to attempt to force the convening of an early Annual General Meeting. To date, none of these proceedings have been successful.

At 31 December 2022, three legal actions had been filed against ORPEA, including (i) a third-party opposition to the judgement of the Court of 10 June 2022 (the "**Conciliation Judgement**") having approved the conciliation protocol signed on 3 June 2022 between ORPEA and its banking partners (the "**Conciliation Protocol**"), (ii) a third-party opposition to the order of the opening of the second conciliation procedure of the President of the Court on 25 October 2022, and (iii) summary proceedings with a summons to appear at a specified time before the President of the Court seeking the suspension of the second conciliation procedure and the appointment of an expert on the basis of Article 145 of the French Code of Civil Procedure *(Code de procédure civile)*. In all three cases, the Court and its President dismissed all claims against ORPEA.

The decisions handed down in the two third-party oppositions were final.

In a ruling handed down on 16 November 2023, the Versailles Court of Appeal deemed inadmissible the demands of creditors who had appealed the order of 20 January 2023 seeking the suspension of the second conciliation procedure and the appointment of an expert. This ruling by the Versailles Court of Appeal may still be appealed to the Court of Cassation.

During the year ended 31 December 2023, these same creditors and/or shareholders continued to oppose the terms of ORPEA's financial restructuring and contested the various stages. The following procedures were initiated during the 2023 financial year, of which (a) seven were completed and (b) five were still in progress at the date of publication of this Universal Registration Document.

The following procedures were initiated during the 2023 financial year, of which (a) six were completed on 31 December 2023 and (b) six were still in progress at the date of publication of this Universal Registration Document.

a) Procedures initiated during the 2023 financial year and completed at the date of publication of the Universal Registration Document

(i) four appeals to the supervisory judge of the Court against the classification of affected parties decided by the judicial administrators under the accelerated safeguard procedure. Under orders handed down on 15 May 2023, these appeals were declared inadmissible or dismissed by the supervisory judge. Two of the supervisory judge's four decisions have been appealed to the Versailles Court of Appeal. In a ruling dated 22 June 2023, the Versailles Court of Appeal confirmed the orders of 15 May 2023 and the classification of affected parties, with the exception of class number 7. Having taken note of this decision, the judicial administrators updated the classification of the parties in order for the vote on the Accelerated Safeguard Plan by the classes of affected parties to take place on 28 June 2023 in accordance with this decision, which has no impact other than this practical impact;

(ii) summary proceedings at a specified time initiated by certain ORPEA shareholders before the President of the Court to request the appointment of an ad hoc representative authorised to convene an Annual General Meeting of ORPEA shareholders for the purpose of deciding, in particular, on the dismissal of three of the members of its Board of Directors and on the capital increases provided for both by the draft accelerated safeguard plan drawn up by ORPEA and by the "alternative" draft prepared at the initiative of some of its shareholders and creditors. By order of 31 May 2023, the President of the Court rejected the request to appoint an ad hoc representative;

(iii) summary proceedings at a specified time initiated by certain ORPEA shareholders before the President of the Court for the purpose of retracting the order of 11 May 2023 granting ORPEA's request to extend the deadline for the Annual General Meeting convened to approve the financial statements for the year ended 31 December 2022. By order of 23 June 2023, the President of the Court dismissed the request to retract the order of 11 May 2023;

(iv) a request by an ORPEA shareholder to the supervisory judge for draft resolutions to be placed on the agenda of the meeting of the classes of affected parties. By order of 26 June 2023, the supervisory judge rejected the shareholder's request to add items to the agenda;

(v) four appeals lodged by ORPEA creditors and shareholders with the Court to contest the valuation of the Company during the review of the Accelerated Safeguard Plan. Under the terms of the Court's ruling handed down on 24 July 2023, the Court rejected the challenges to the Company's valuation and approved the Accelerated Safeguard Plan proposed by the Company (the "Approval Order"). Certain creditors and minority shareholders lodged an appeal against this decision with the Versailles Court of Appeal on 3 August 2023. In a ruling dated 30 January 2024, the Versailles Court of Appeal upheld the Approval Order and dismissed the challenges brought by the appellants. This decision may still be appealed to the Court of Cassation;

(vi) a third-party opposition to the Approval Order filed by certain ORPEA creditors. By submissions duly filed on 17 October 2023, the third-party objectors withdrew from the proceedings, which was noted by the Court on 17 October 2023; and

(vii) three third-party oppositions to the Court's judgement of 24 March 2023 (the "**Opening Judgement**") opening ORPEA's Accelerated Safeguard Procedure by certain creditors and an ORPEA minority shareholder association. In a decision dated 13 September 2023, the Court dismissed the third-party oppositions, declaring them null and void or inadmissible. Certain creditors appealed the Court's decision of 13 September 2023 before the Versailles Court of Appeal. In a ruling dated 26 March 2024, the Versailles Court of Appeal upheld the Court's decision of 13 September 2023 to dismiss the third-party oppositions to the Opening Judgement, declaring them inadmissible. This decision may still be appealed to the Court of Cassation.

b) Proceedings initiated during the 2023 financial year and still in progress at the date of publication of the Universal Registration Document

(i) a merit-based procedure initiated by certain creditors of ORPEA before the Paris Commercial Court (*Tribunal de commerce de Paris*) seeking to nullify the lock-up agreement entered into by ORPEA with the group of investors led by Caisse des Dépôts et Consignations and some of its unsecured creditors on 14 February 2023;

(ii) a discovery application made by certain creditors at the U.S. District Court for the District of Delaware under section 1782 of Title 28 of the United States Code against a member of the SteerCo and a financial advisor to the SteerCo; in which ORPEA intervened voluntarily. In a decision dated 9 January 2024, the District Court for the District of Delaware declared that the plaintiffs were entitled to request the production of documents under section 1782 of the United States Code, but limited the scope of the documents that could be ordered produced. Petitioners' requests for the production of documents will be settled between the parties or, failing agreement, by referral to the U.S. judge;

(iii) a merit-based procedure brought on 17 March 2023 by an ORPEA creditor before the Frankfurt Court for payment of the creditor's claim against ORPEA;

(iv) summary proceedings-retraction before the Court for withdrawal of the Conciliation Judgement by certain ORPEA creditors. By decision of 22 June 2023, the Court declared the application to set aside the Conciliation Judgement inadmissible. Some of ORPEA's creditors appealed the decision of 22 June 2023 before the Versailles Court of Appeal; and

(v) three appeals lodged by certain creditors and ORPEA shareholders before the Paris Court of Appeal seeking the annulment or reversal of the waiver decision of the AMF *(Autorité des marchés financiers)* no. 216C2262 taken at its meeting on 25 May 2023 and published on 26 May 2023. The Paris Court of Appeal handed down its ruling on 9 November 2023, dismissing all the appeals. On 10 January 2024, certain ORPEA creditors appealed in cassation against the decision of 9 November 2023 of the Paris Court of Appeal.

The risk of impact of these ongoing legal proceedings on future carried out restructuring operations (i.e., jeopardising or delaying the completion of the project) appears to be limited if (i) the majority of these proceedings have already been subject to a favourable decision by the court in a first instance, without the arguments presented by the opposing parties differing from what was argued before the first judge, (ii) if certain appeal decisions are – or may be – appealed to the Court of Cassation by the opposing parties, this appeal will not have a suspensive effect and will not prevent the execution of the appeal decision, (iii) the foreign proceedings (discovery in the United States or action for payment in Germany) are not likely to have a direct impact on the restructuring and (iv) with regard to the application for the Lock-Up Agreement to be declared null and void, the Company has raised an objection as to jurisdiction before the Paris Commercial Court in favour of the Nanterre Commercial Court, which has already ruled in favour of the validity of this agreement.

Risk management

In early February 2022, the Board of Directors commissioned Grant Thornton France and Alvarez & Marsal to conduct an independent review of the Described Acts. Grant Thornton and Alvarez & Marsal submitted their final reports to the Board of Directors on 27 May 2022 and 27 June 2022, respectively, on (i) the use of public funds and business relations with third parties, including some public officials; and (ii) the care of nursing home residents and employment law. The findings of these independent investigations rule out allegations of widespread systemic abuse. In particular, they refute the claim that incontinence products were rationed as well as several allegations concerning meals and food. On the other hand, they report shortcomings and deficiencies, particularly in the handling of safety events, management incentives and human resources management.

The Company also cooperated with the IGAS and IGF joint investigation team, which submitted its final report on 26 March 2022, highlighting certain instances of wrongdoing.

Before the aforementioned report findings were published, ORPEA undertook a series of remedial measures targeting its internal processes to eliminate any practices identified as inappropriate and allocate to that purpose the necessary human and financial resources.

Measures were immediately taken to remove the persons likely to be involved in the above-mentioned fraud and to strengthen the Group's internal control procedures. As a result, a number of disciplinary proceedings have been initiated against several Group managers, which are being challenged in court by the relevant employees.

The Board of Directors has also unanimously approved various structural changes, including:

- conducting a study regarding the transformation of ORPEA into a mission-led company *(société à mission)*;
- the renewal of the Board of Directors;
- a major transformation plan, deployed primarily in France.

Since July 2022, more significant actions have been undertaken, particularly in France, in order to:

- remedy: get the business "back on track". This means zero tolerance of unethical practices, transparent scrutiny when a facility is challenged, a review of the policy for reporting sentinel events, increased attention on hiring and retaining employees, and enhanced training on ethics and positive treatment;
- organise: bring the Group up to the highest standards in the sector, structure a human resources and salary policy, create an Ethical Care and Positive Treatment Committee in France, launch the reorganisation of support functions;
- remobilise: regain our position as a major player in the future of "ageing well", which means broadening the dialogue with stakeholders (begun with the Conferences for the Elderly), defining a mission statement *(raison d'être)*, taking part in discussions on mission-led companies and inventing the care and services of tomorrow, while promoting synergies within our business.

ORPEA is cooperating closely with the authorities on all ongoing proceedings and is being supported by highly regarded law firms to ensure that its interests are protected.

2.1.4.2 Risk related to the Group's strategy and the 2022-2025 Business Plan (extended to 2026)

Risk identification

On 15 November 2022, the new management team of the Group presented its *With you and for you, changing ORPEA* Refoundation Plan. The aim is to restore trust and involve the stakeholders of the Group in the challenges of tomorrow. With this plan, ORPEA's ambition is to once again become the leading player in the sector by refocusing on quality of care and employee support and development.

On the same day, the Group presented the outlook for its 2022-2025 Business Plan, which was subsequently updated in May 2023 and again in November 2023 (and extended to 2026). The 2024 forecast is presented in section 5.5.2 of this Universal Registration Document.

The Group's ability to implement its business plan and achieve the forecast presented is subject to a number of risks, uncertainties and risks described in this Chapter. The Group's business plan is notably based on a strategic review of its assets to focus on the most attractive countries (such as France, Germany and the Netherlands) and identify, if necessary, restructuring or disposal plans (in countries such as Belgium, Italy and Portugal).

The success of any disposals or restructuring, depends on the Group's ability to target attractive offers and conduct effective negotiations. The negotiation of unfavourable conditions or a setback could have an impact on the profitability of the transaction concerned, or even lead to it not being completed, which could affect the Group's ability to achieve the aforementioned forecast.

Risk management

In 2023 and early 2024, the three capital increases (the Equitisation Capital Increase, the Groupement Capital Increase and the Rights Issue) provided for by the Company's Accelerated Safeguard Plan were implemented on schedule for a total amount of €5.4 billion. The strengthened equity resulting from the capital increases has significantly mitigated the liquidity risk (see section 2.1.2.1 of this Universal Registration Document) and provided the Group with additional resources to achieve its objectives.

In addition, in 2023, all the Group's teams worked non-stop on the operational implementation of the Refoundation Plan. The risks underlying the Refoundation Plan and the measures deployed to date to mitigate these risks are presented in this chapter.

Business plans are drawn up based on budgets prepared using processes that were significantly improved in 2023, both in terms of increased frequency and the tools provided to the operating entities for their preparation. These budgets are systematically reviewed by country and Group Executive Management, and the business plan is approved by the Board of Directors.

2.1.4.3 Risk related to changes in the legislative and regulatory environment

Risk identification

Both in France and internationally, the Group may not sufficiently anticipate public or private reforms that could impact its strategy, development and financial position.

In some of the countries where the Group operates, the pricing applied by facilities has two components:

- a component that broadly consists of care and medical expenses, which is funded by the public authorities (national or regional health insurance system, national long-term care insurance etc.);
- a component covering accommodation and/or superior comfort levels (e.g., a private room), paid for by the resident or patient.

The portion paid for by the public authorities varies from country to country, and even from one region to another within the same country, but makes up less than 50% of total funding in most cases.

The portion paid for by patients and residents is deregulated in most countries, but increases – generally on a yearly basis – may be regulated and subject to an inflation-linked cap, at least for existing residents and patients. For new residents and patients, however, the pricing of this portion is generally not regulated.

The Group's activities also require it to comply with numerous local and international laws and regulations in a complex and changing legislative and regulatory environment. These include laws and regulations relating to healthcare and nursing, construction, rental activity, various licences and permits, personal data and the environment.

The constant and increasing legislative and regulatory changes can create legal instability and make it difficult to detect and anticipate direct or indirect impacts on the Group's business. Non-compliance with any of these standards or regulations could expose the Group to sanctions, including financial or criminal penalties, and to media exposure that could tarnish its image and reputation.

Risk management

The Group is present in 21 countries, so it has diversified its exposure to several healthcare systems by expanding its operations in countries such as Germany, Austria, Ireland and Switzerland where public funding is secure over the long term.

In addition, the Group has always focused on countries where a significant portion of its revenue is generated from private funding. In the event of a cut in public funding, the Group has a degree of flexibility because of the proportion of its funding that comes from private sources.

The Group keeps track of regulatory changes in each of the countries in which it operates, through both local and Group-level legal, medical and operational functions.

2.1.4.4 Risk related to the award and renewal of operating licences

Risk identification

A licence is required to operate a nursing home or medical facility in France and in most of the other countries where the Group operates. These licences are issued by the competent authorities in each country. The ease and speed with which such licences can be obtained varies depending on the applicable national and regional regulations. In some countries, such as France, Belgium and Austria, obtaining such licences is directly dependent on a quota of planned beds, whereas in other countries it is contingent on complying with architectural, safety, quality, staffing and other standards.

Failure to obtain licences could slow down the Group's business development, which would impact its financial position and outlook.

To maintain or renew their licences – which are granted either for a fixed or unlimited period – the entities concerned usually have to undergo service quality assessments and controls. Depending on the country, these procedures are carried out by either the national or regional supervisory authorities. Any failure to comply with the applicable regulations could result in administrative closures and/or the withdrawal of operating licences.

If an operating licence were to be withdrawn or not renewed, this could have adverse reputational, operational and financial impacts for the Group.

In countries where licences are highly regulated and limited by governments, the Group recognises the licences as intangible assets and they are tested for impairment. The withdrawal or non-renewal of a licence could therefore result in the Group having to write down some of its assets. At 31 December 2023, intangible assets represented a total net value of €1.5 billion and mainly corresponded to these licences.

In France, a healthcare regulation has been modified and will require all hospitals to submit a new licence application in order to be compliant and able to continue their activities.

Risk management

In France, the supervisory authorities (regional health authorities, departmental councils) carried out 31 nursing home inspections in 2023, compared with 179 in 2022. Seventeen inspections were carried out on site unannounced versus 14 document-based investigations which were not followed up by an on-site inspection. As in 2022, no closures or temporary suspensions of activities were imposed on nursing homes in France.

In addition, the French Regional Health Agencies carried out five inspections in the Group's French hospitals (i.e., in 3.82% of these hospitals). Almost all inspections took place unannounced and on site. These inspections did not give rise to any closures or temporary suspensions of activities.

In Belgium, the authorities carried out 70 inspections in 2023 at 67 ORPEA nursing homes (before closures), compared to 170 inspections in 2022. In 2023, three nursing homes have had their licences temporarily suspended. In this region, three facilities remained under review and subject to special monitoring by the quality teams.

In the other countries where the Group operates, there were no major events during the period that compromised the operation of facilities.

In addition, since mid-2023, the French teams of the Legal Affairs department, which are in contact with regulatory bodies, have been fully mobilised to submit licence renewal requests for all of the Group's healthcare activities in France.

The Group's quality procedures, which cover all subsidiaries and all stages of resident and patient care, as well as the care provision traceability approach implemented by the Medical department and the audits performed by the support units, help ORPEA protect itself against the potential risk of operating licences not being granted or renewed.

2.1.4.5 Risk related to the Group's new shareholding structure

Risk identification

Since the settlement-delivery of the Groupement Capital Increase on 19 December 2023, the members of the Groupement (who have stated that they are acting in concert) have held 50.2% of the Company's share capital and voting rights. As a result, in view of their percentage ownership, they will be able to approve or reject all resolutions submitted for the approval of the Company's shareholders at an Ordinary General Meeting, in particular the appointment of members of the Board of Directors, the approval of the annual financial statements and dividend payment, as well as to reject any resolutions submitted for the approval of shareholders at an Extraordinary General Meeting, if they hold at least two-thirds of the voting rights, to approve the decisions submitted to this meeting, in particular the authorisation to carry out capital increases or mergers or partial asset contributions or any other decision requiring the approval of the Company's shareholders on an extraordinary basis.

In addition, the 22 December 2023 version of the Internal Rules of the Board of Directors incorporates the stipulations of the investment agreement entered into on 5 December 2023 between the Company and the Groupement, for the purpose of reflecting and clarifying the governance rules and principles set out in the Accelerated Safeguard Plan (the "**Investment Agreement**"), and also provides for the following:

(i) a veto right in favour of Caisse des Dépôts et Consignations, if it holds at least 15% of the Company's share capital or voting rights (not including shares issued by the Company to Group executive corporate officers and employees under plans that were implemented when the Investment Agreement came into force), in connection with any decision relating to (a) the transfer of the Company's registered office outside France, or (b) the disposal of a portion of the Group's operating activities in France representing more than 20% of the Group's revenue; and

(ii) an individual veto right in favour of Caisse des Dépôts et Consignations whenever it holds at least 15% of the Company's share capital or voting rights (calculated as indicated above), and MAIF, provided that it holds at least 10% of the Company's share capital or voting rights (calculated as indicated above) in connection with any decision relating to (a) the appointment and/or dismissal of the Company's Chief Executive Officer, (b) the reorientation of the activities of the Company and its subsidiaries, (c) the acquisition or disposal of assets of the Company and its subsidiaries for an individual amount in excess of €400,000,000 or for a global annual amount in excess of €600,000,000 or involving the entry into or exit from operations in a country by the Group, (d) the issue of shares and/or securities giving access, directly and/or indirectly, immediately and/or in the future, to the Company's share capital and/or voting rights other than (x) in cash and/or (y), with pre-emption rights and/or (z) in favour of the Group's executive corporate officers or employees under long-term incentive plans, or (e) amending the Company's Articles of Association to abolish the double voting rights granted to those shareholders whose shares have been registered in the same name for two years.

In addition, insofar as since the 22 December 2023 General Meeting only three of a total of 11 directors (excluding directors representing employees) are considered independent within the meaning of the AFEP-MEDEF Code at the close of this Meeting, the Company does not comply with recommendation 10.3 of the AFEP-MEDEF Code, which stipulates that at least one-third of directors in controlled companies[1] should be independent. Furthermore, with regard to the composition of the Board of Directors' committees approved by the Board of Directors meeting held on 22 December 2023 following the above-mentioned Annual General Meeting, which complies with the provisions of the Investment Agreement, the Company does not comply with recommendations 17.1, 18.1 and 19.1 of the AFEP-MEDEF Code relating to the composition of the Audit Committee, the Appointments Committee and the Remuneration Committee.

The achievement levels for the applicable objectives were as follows:

- two of the five directors on the Audit and Risk Committee are independent, i.e., an independence rate of 40%[2]. The composition of this Committee does not comply with recommendation 17.1 of the AFEP-MEDEF Code, which stipulates that at least two-thirds of the members of the Audit Committee should be independent.
- two out of the six directors on the Appointments and Remuneration Committee are independent, i.e., an independence rate of 40% (excluding the director representing employees). The composition of this Committee does not comply with recommendations 18.1 and 19.1 of the AFEP-MEDEF Code, which stipulate that the majority of the members of the Appointments and Remuneration Committee should be independent.

Risk management

The following measures are designed to mitigate the risk of the Company's control being exercised in an abusive manner:

- Firstly, the Board of Directors is chaired by an independent director, and has three independent members out of a total of 11, excluding directors representing employees (although the proportion of independent members does not comply with recommendation 10.3 of the AFEP-MEDEF Code, which stipulates that for controlled companies, at least one-third of directors should be independent).
- Secondly, the Internal Rules of the Board of Directors include measures to prevent conflicts of interest.

(1) As set out in Article L. 233-3 of the French Commercial Code.

(2) This percentage was calculated based on the membership of the Audit and Risk Committee, excluding the non-voting advisor. As a reminder, Méka Brunel was appointed as Chair of the Audit and Risk Committee and Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan), MAIF (represented by Pascal Demurger) and Mireille Faugère were appointed as members of this Committee by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023. Laurent David, appointed as a non-voting advisor by the Board of Directors at the above-mentioned meeting, also sits on this Committee.

2.2 Internal control

2.2.1 Scope and objectives of internal control

Internal control is a system designed to provide reasonable assurance that:

- the strategies set by Executive Management are executed;
- the applicable laws and regulations are complied with;
- internal procedures and protocols are applied effectively and efficiently;
- controls intended to manage and mitigate risks are understood and applied across the Group, and appropriate actions are implemented;
- precautions are taken to protect people (residents, patients, employees, etc.), assets and the Group's reputation;
- information produced is reliable, comprehensive and of a high quality, including financial and accounting information.

The internal control system – rolled out in all countries – therefore contributes to the effective management of the Group's activities, the safety and effectiveness of its operations and the efficient use of its resources, by establishing a control environment that is adapted to its businesses. This control environment – which is based on rules, procedures and charters drawn up at both Group and local level – provides a framework for a structured organisation aimed at safeguarding operations and reacting swiftly and effectively if sentinel events occur. However, there can be no guarantee that internal control will be 100% effective, despite best efforts and the resources deployed to this end.

2.2.2 Continuous improvement of internal control

The internal control system is underpinned, in particular, by risk mapping. This process enables the Group to identify and analyse risks and accordingly draw up an internal control plan to mitigate any major new identified risks. Three main risk maps are used within the ORPEA Group to gain an overview of risk exposure and to prioritise and monitor the associated action plans. They are as follows:

- map of major risks;
- map of information systems risks;
- map of corruption and influence peddling risks.

These maps were all updated in 2023.

The internal control system needs to be adapted and enhanced over time in light of the lessons learned from internal and external audits, attempted and actual fraud and any wrongdoing in operations, as well as in line with changes in the legal and regulatory environment.

The findings of the external and internal investigations were taken into account when preparing the Refoundation Plan and led to actions to strengthen the internal control system. This work continued in 2023 with the arrival of a new Internal Audit and Control, Risk and Compliance Director.

2.2.3 Main internal control participants

2.2.3.1 Board of Directors and Board Committees

Board of Directors

The Audit and Risk Committee and the Ethics, Quality and CSR Committee report to the Board on their internal control and risk management work, which the Board then reviews. The Board of Directors approves the individual financial statements and the annual and half-yearly consolidated financial statements based on recommendations issued by the Audit and Risk Committee.

Since 2022, the Board of Directors has chosen to review the responsibilities of its Board Committees in order to reaffirm its commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to vulnerable people, as well as meeting the challenges that this entails.

In addition, as part of the Group's financial restructuring and in accordance with (i) the Lock-Up Agreement and (ii) the Company's Accelerated Safeguard Plan, the Annual General Meeting of 22 December 2023 approved the overhaul of the Board of Directors following the Groupement's acquisition of a stake in the Company. Lastly, the new Board of Directors, which met immediately after the aforementioned Annual General Meeting, decided to (i) appoint two non-voting advisors, (ii) create an Investment Committee, (iii) change the remit of its four Committees and (iv) determine their new composition (see section 4.1 of this Universal Registration Document).

Audit and Risk Committee

The Audit Committee has been renamed the Audit and Risk Committee and its role has been strengthened and clarified, particularly with regard to risk-related responsibilities. The Committee is responsible for monitoring (i) the preparation of financial information, (ii) the effectiveness of internal control, internal audit and risk management systems, (iii) the audit of the individual and consolidated financial statements, and (iv) the Group's real estate strategy.

In particular, as part of its responsibilities under point (ii) above, the Committee:

- ensures that there are appropriate control procedures and organisations in place within the Group to identify and manage risks, including social and environmental risks, and that corrective action is taken if any weaknesses or shortcomings are identified;
- reviews, based on Company risk maps and other resources, risk exposure in areas such as finance, operations and compliance, and measures taken as a result;
- familiarises itself with the findings of external audit work and with any internal control weaknesses reported by the Statutory Auditors.

The Audit and Risk Committee may be consulted on any issue relating to the procedures for control of unusual risks and may also, at its discretion, interview the Internal Audit Director.

Ethics, Quality and CSR Committee

The CSR and Innovation Committee has become the Ethics, Quality and CSR Committee to ensure that ethics, quality and CSR are at the heart of the Group's mission.

Among other things, the Committee monitors issues related to: (i) the safety and quality of life and care of people in the Group's facilities, (ii) the health, safety and well-being of employees, (iii) the Group's environmental footprint, and (iv) the implementation of innovative solutions and how the Group's actions improve understanding of societal challenges.

As part of its work, the Committee discusses all issues relating to ethics and also assists the Board of Directors in monitoring the smooth running of existing quality and operational risk management processes within the Group as well as training, planning and tracking tools. It ensures that the Quality department assists facilities in implementing a quality system and that it checks and monitors the actions put in place.

The Committee works closely with the Audit and Risk Committee on all matters falling within its remit, including internal control, compliance, risk management and analysis and non-financial information.

The roles and responsibilities of the Board Committees are described in Chapter 4 of this Universal Registration Document.

Investment Committee

At the end of 2023, an Investment Committee was set up, composed of at least three directors. The role of the Investment Committee is to examine the Group's investment and divestment strategy and its implementation. Thus, it is responsible for, in particular:

- examining proposed acquisitions and disposals, including real estate transactions, and partnerships entered into in this context, subject to the prior authorisation of the Board of Directors in the context of the restrictions on the powers of the Executive Board;
- monitoring investments and divestments within the Group.

This monitoring enables the Committee to issue recommendations, if necessary, in relation to the improvement of existing processes, and potentially, to the implementation of new processes.

2.2.3.2 Executive Management

Executive Management designs and implements the internal control and risk management systems and is responsible for the quality of those systems. It assesses the systems on a continuous basis.

Executive Management is responsible for leading the Group's strategic projects, particularly in the areas of internal control and risk management, by setting priorities and allocating the necessary resources. It ensures that these decisions are implemented by establishing the related organisational structure and objectives.

Executive Management is required to communicate all relevant information to the Board of Directors and the Board Committees in a timely fashion so that they can properly perform their internal control work.

2.2.3.3 Internal Audit and Control, Risk and Compliance department

In 2022, the new Chief Executive Officer, upon announcing that a new management team had been tasked with rebuilding the Group, stated that the Internal Audit and Control, Risk and Compliance department would report directly to him going forward. The Audit and Risk Committee also communicates directly with the Internal Audit and Control, Risk and Compliance Director.

The department is structured around two units: permanent control and periodic control.

The permanent control unit works on identifying and preventing risks as well as on the design of the internal control system. It has four main sub-units:

- risk management, in charge of preparing and coordinating various risk mapping exercises;
- internal control, responsible for formalising and coordinating the internal control system;
- compliance, tasked with ensuring that the Group complies with its legal and regulatory obligations, particularly those related to combating corruption and influence peddling;
- data protection, in charge of ensuring that the Group complies with its obligations related to processing personal data.

The permanent control unit is supported by centralised teams at the Group's headquarters and also has a network of local correspondents in the various geographical areas. These correspondents are responsible for adapting, where applicable, the Group's principles to specific local requirements and for monitoring the implementation of the internal control system.

The periodic control unit corresponds exclusively to internal audit and is responsible for ensuring that the internal control system is effective and that risks are mitigated within all Group entities. It may also recommend improvements to limit risk exposure.

2.2.3.4 Finance, Procurement and Information Systems (IS) departments

The Group Finance department is responsible for preparing the financial statements, maintaining compliance with tax legislation, assisting operations staff with establishing and monitoring key performance indicators, and managing the Group's cash and financing. It is also responsible for the Group's financial reporting.

The Procurement department ensures, in particular, that ethical standards are adhered to, that facilities receive high-quality, cost-effective and easy-to-use products and services, and that procurement contributes to the Group's CSR policy.

The Information Systems department ensures the Group's businesses have access to secure infrastructure and applications adapted to their needs. It oversees cybersecurity management and draws up business continuity and recovery plans.

Its role and responsibilities are described in more detail in section 2.2.5 below.

2.2.3.5 Group CSR and Quality department

The Group CSR and Quality department is responsible for:

- strengthening the Group's Sustainable Development strategy and coordinating its CSR policy by ensuring that they are incorporated into all its businesses to drive sustainable performance;
- strengthening the Group's Quality policy and objectives as part of the Refoundation Plan, across all operations and support units, in order to optimise Group processes and operating procedures.

The Quality department in each geographical area is responsible for aligning, formalising and updating processes in conjunction with the various business lines, thereby guaranteeing best care and quality-of-life practices in all facilities. The Quality teams also help facilities with certification and internal and external quality assessments, by providing methodological assistance and hands-on support.

2.2.3.6 Legal department

The Group Legal department advises and assists Executive Management and all the operations and support departments with safeguarding the Group's interests and assets from a legal perspective (securities, financing, corporate law, M&A, real estate, contracts, competition, intellectual property, operations). It is responsible for identifying legal risks and optimising their management (including in the event of disputes).

Some day-to-day and exceptional legal matters are managed by the Legal department of the relevant geographical area.

2.2.3.7 Medical department

The Medical department is based on three pillars: a Group Medical Commission, an international and interdisciplinary Scientific Council made up of healthcare and nursing experts, and an Ethics Advisory Board responsible for providing operational responses to the questions raised by teams.

2.2.3.8 Human Resources department

The Human Resources department is responsible for drawing up and implementing human resources policies, putting HR management at the heart of the Group's priorities in order to rebuild trust among employees, improve working conditions, promote well-being at work, increase the appeal of care professions and foster excellence. This role involves managing the social and people-related aspects of the Group's transformation, thereby establishing the basis for constructive employee relations so that the Group's people can play a key role in fulfilling its commitment to taking care of employees, residents and patients. In particular, it is responsible for strengthening best practices and occupational health and safety for employees (see section 2.1.1.4 "Risk related to employee health and safety").

2.2.3.9 Other Corporate services

In addition to the above-mentioned departments, the Group has other functions which help draw up guidelines applicable to all Group entities, assist the local teams in the various geographical areas with implementing those guidelines, and monitor, validate and/or control certain aspects of those teams' work. These include:

- the Real Estate department, (defining and implementing the Group's real estate strategy, portfolio management, acquisitions, asset and property management, building design and construction, etc.);
- the Communications department (building the Group's appeal and reputation, as well as restoring trust and dialogue with all stakeholders, etc.);
- the Transactions and M&A department (analysing all greenfield development, restructuring/extension and acquisition projects, organising Development Committee meetings).

2.2.3.10 The main departments in the Group's geographical areas/Business Units

Local managers are responsible for safeguarding the activities within their remit and must therefore ensure that the appropriate control system is in place. The headquarters of the geographical areas/Business Units also have their own support services such as finance, quality, catering, human resources and IT, whose role includes supporting, safeguarding and controlling operations.

2.2.4 Cross-functional internal control systems applicable to the Group

2.2.4.1 Control activities

Control activities, which are carried out at every level of the organisation, aim to safeguard operations and to enable the Group to achieve its objectives while accepting a tolerable level of risk. They are conducted on the basis of the procedures and operating methods in place.

2.2.4.2 Body of internal rules

Internal Control Reference Framework

Since 2020, ORPEA has had a set of Group Standards, which, for each of the Group's key functions (operations, medical, quality, catering, human resources, finance, procurement, information systems, legal, compliance, risks, etc.), define a common set of rules applicable to all entities in order to safeguard its activities, facilitate the integration of its various entities, encourage international collaboration, and harmonise best practices within the Group. In 2023, the Group undertook a complete overhaul of its internal control reference framework, which has now been formalised for all significant processes that have a direct impact on the financial statements. This framework must be applied in all the geographical areas where the Group operates.

Quality procedures

Each country has a set of quality procedures. Wherever possible, based on business activity and/or local regulations, the same quality procedures and tools apply to all facilities in each country.

The procedures cover a range of events that could affect the safety of residents, patients and employees, as well as the Group's proper functioning, performance and/or reputation. They contain preventive and corrective measures together with actions for managing such events.

They are reviewed whenever deemed necessary (e.g., in the event of a regulatory change) and at least once a year, by the local Quality department in conjunction with the operations and support departments concerned, in order to incorporate any required amendments as part of a continuous improvement policy. Facility directors are systematically informed of any updates, and must confirm that the procedures are being applied in the facility for which they are responsible.

Compliance standards

The Group's compliance policies are set out by the Compliance department, which works closely with the other support departments and in particular the Legal department.

These policies, which are in line with the Group's risk maps, mainly focus on anti-corruption and integrity measures as well as personal data protection regulations. The key measures associated with these two risks are described in section 2.1 above.

2.2.4.3 Main control bodies

In addition to the Board of Directors and the various Board Committees (described in Chapter 4 of this Universal Registration Document), the Group has set up several bodies whose roles are to (i) ensure that the business is properly and smoothly run, and to monitor that the Group's rules – both its operational rules and those for safeguarding its activities – are effectively applied, and (ii) draw up any necessary corrective action plans. The main committees responsible for these roles are:

- **The Business Review Committee**, whose monthly meetings are held at Group level and cover each geographical area. This committee reviews the current situation of the Business Units in the geographical area that fall within the scope of the meeting, as well as their key figures and the main difficulties encountered.
- **The Development Committee**, whose role is to validate development projects (building new facilities, acquisitions or restructuring operations). This Committee's meetings are attended by Executive Management and representatives from the Group Finance, Real Estate, and Transactions and M&A departments, as well as representatives (generally the CEO, CFO and Head of Development) of the geographical area or Business Unit concerned. The Legal, Medical and Compliance departments receive the project briefing in advance and may attend meetings depending on the agenda.
- **The Real Estate Committee**, a decision-making body for the acquisition/disposal of real estate assets, whose role is to issue the approvals needed to implement such projects. This Committee's meetings are attended by the Chief Executive Officer and representatives from the Group Finance, Real Estate, Legal, Transactions and M&A departments, as well as representatives from the geographical area concerned.
- **The Quality Committee**, whose meetings are held at geographical area or Business Unit level and which relays best practices within the facilities and verifies that they are being effectively applied. This Committee also addresses any implementation difficulties encountered by operations teams and proposes solutions to ensure that targets are met. It analyses the main quality indicators (complaints, sentinel events, satisfaction surveys, etc.) and also studies ways of developing and improving internal control tools.
- The Group-level Business **Ethics Committee** is responsible for:
  - promoting a culture of ethics within the Group;
  - examining the measures taken to prevent and detect acts of corruption and/or breaches of professional ethics and, where appropriate, making recommendations;
  - validating policies or procedures, or updates to them, relating to business ethics.

  It is also kept informed of:
  - the monitoring of alerts received under the Group's whistleblowing system;
  - changes in key indicators (deployment of policies and procedures, training, high-criticality conflicts of interest);
  - the main legislative and regulatory developments relating to business ethics.

2.2.4.4 Crisis management and business continuity plans

A crisis management plan is in place that outlines the instructions for activating crisis units both at the Group and local levels. Each facility should also have a business continuity plan (BCP) detailing all the incidents, accidents or disasters that could affect that facility and the actions that should be taken if such events occur.

The crisis management plan must round out the BCP by cataloguing all the human resources, equipment and logistics that would be necessary in the event of a health crisis and explains how to set up a crisis unit. These plans are submitted to the relevant authorities, where required, and are verified and controlled by the operations departments and the Quality department.

2.2.4.5 Process for handling sentinel events

Handling sentinel events is a key issue for the Group. In 2022, it committed to updating its reporting procedure and further raising team awareness on the issue in order to speed up the reporting process. Its efforts in this area are evidenced in particular by the inclusion of a review of the prior month's sentinel events at every Board of Directors, Ethics, Quality and CSR Committee and Business Review Committee meeting, as well as the inclusion of systematic early reporting or direct reporting of sentinel events in the criteria for the Chief Executive Officer's 2022 bonus.

At the same time, since July 2022, a weekly report for each country has been prepared and sent to the Group's Executive Management and the Executive Committee of each country, listing all sentinel events that took place, their severity, the time it took to report them to the authorities and the corrective measures taken. This process not only keeps the management team fully informed, but also enables it to identify new collective prevention priorities.

In line with the above-mentioned commitment, the procedures for handling these events were also simplified to empower front-line teams and shorten reporting times. In France, for example, quick reference sheets were shared with all teams and displayed in staff rooms to remind people of the main requirements when a sentinel event occurs. Furthermore, to encourage reporting, the Group is building a trust-based "just culture" with employees that promotes consistent, constructive and fair responses to sentinel events. This just culture is being achieved through country-specific Charters of Commitments. Thanks to these measures, the time taken to report events to the authorities has been significantly reduced since end-2022.

Sentinel events are reported to the authorities according to the applicable local regulations.

2.2.4.6 Assessments and audits

Internal audit assignments

The Internal Audit unit of the Group Internal Audit and Control, Risk and Compliance department is responsible for assessing that internal control procedures effectively cover the risks to which the Group is exposed. Internal audit assignments are therefore conducted by the Group's internal audit teams in all of its geographical areas. The audit plan is partly drawn up based on the risk map and dialogue with the members of the Group Executive Committee. This plan is presented to the Audit and Risk Committee, which approves it annually, prior to its implementation. It usually includes different types of engagements, including general audits, specific audits, thematic reviews and special engagements.

Facility assessments

ORPEA has developed a quality control process that applies to all Group entities. Nearly 200 criteria are controlled and monitored quarterly by facility directors, regional directors and the different support business lines (quality, medical/care, construction and catering). This process is led by the Group's Quality department. It is based on quality standards and also meets regulatory requirements.

The results of these self-assessments and audits are then compiled into a report once every six months, which enables the geographical areas, Business Units and the Quality department to check that the control processes are being systematically applied and to identify any failure to comply with best practices. If any such failures are identified, a corrective action plan is drawn up and implemented.

The information obtained and conclusions drawn on the basis of these assessments help shape changes in the Group's quality policy.

Lastly, the buildings used by the Group's facilities are regularly internally and externally audited to ensure compliance with health and safety procedures for residents, patients and employees and the proper maintenance of buildings and equipment.

Quality certifications

ORPEA seeks to have its facilities certified so as to obtain an independent assessment of the quality and safety of the people being cared for and of the services provided. The minimum standard chosen by ORPEA is ISO 9000:2015. In countries where certification is not regulated, ORPEA has decided to have all of its facilities certified by independent bodies to guarantee the quality management system, with a focus on the quality and safety of care within the facilities.

In France, external certification by the *Haute Autorité de Santé* (HAS) is conducted every four years for healthcare facilities and every five years for nursing homes. HAS certification of nursing homes was introduced in 2022, with effect from 2023, and replaced the external assessment process by an independent body previously in force. The purpose of these certifications is to assess the quality and safety of the care provided in facilities and to report the findings transparently to all stakeholders.

The Group regards these assessments as an additional opportunity to analyse how well its operations are performing based on an objective, rigorous and impartial approach and thanks to the external views provided by the assessors.

Satisfaction surveys

Surveys are adapted to each country and type of resident, patient and beneficiary in order to fully take into account their expectations. However, some common indicators have been defined for standardised performance measurements across countries.

Satisfaction surveys, for example, are carried out annually at nursing homes to gauge how the residents and their families feel about the quality of care provided and about the way the facilities are being run. These surveys – which are given to all of the residents in residence at the time of the campaign, as well as to their families – add to the information provided by the facility assessments and help the Group put in place the necessary measures for continuous quality improvement. The survey results are presented to the families and the nursing home employees at information meetings. For all nursing homes and assisted-living facilities in all countries, the survey is conducted by an independent external service provider. In 2022, the survey methodology was changed to take into account the findings of internal and external investigations that took place within the Group in early 2022.

In the case of hospitals, patients are also asked to complete a satisfaction survey during and/or at the end of their stay.

Lastly, for home care services, each country organises its own satisfaction survey, either as a paper questionnaire or a digital survey.

2.2.5 Specific internal control framework for preparing and processing financial information

2.2.5.1 Participants in the financial reporting process

Finance department

As part of its role in the financial reporting process, the Finance department has two main tasks: (i) preparing the financial statements and financial information, and (ii) managing cash and financing.

It is therefore responsible for:

- monitoring developments in accounting and tax standards and ensuring new laws and regulations are applied;
- defining the accounting, financial and management principles and procedures to be rolled out in the Group's various geographical areas and entities;
- ensuring the quality and fairness of the financial information of the Group, ORPEA S.A. and its subsidiaries;
- managing the budget process and monitoring operational performance;
- choosing and deploying tools to support key processes (consolidation, cash management, etc.). The Group Finance department mainly comprises the following units: operational financial control, real estate financial control, consolidation, treasury/financing, accounting and tax.

Finance departments of geographical areas/Business Units

The local Finance departments are organised by geographical area/ Business Unit. They are responsible for preparing and verifying the local accounts and financial statements, cash management and monitoring operational performance in accordance with the principles set by the Group.

The local Finance departments report directly to the local Executive Management teams and on a dotted-line basis to the Group Finance department.

2.2.5.2 Process of preparing accounting and financial information

Period-end reporting

The Group Finance department is responsible for preparing the consolidated financial statements based on the financial statements for each of the legal entities and the consolidation packages prepared by the geographical areas and/or Business Units. The Navision system is used in many of the Group's geographical areas and/or Business Units for individual financial statements.

Quarterly consolidated financial statements are prepared in the HFM software, with the process supervised by the Group consolidation unit. The interim and annual consolidated financial statements undergo a limited review and audit, respectively, by the Statutory Auditors.

In 2023, the Group introduced a month-end close on a consolidated basis for the various regions and Business Units. This process is used to compile the figures presented at monthly business reviews with the Group's Executive Management and Finance department.

The Group Finance department constantly monitors changes in accounting standards, tax law and new statutory and regulatory requirements. To help with its decision-making on technical issues, it may also obtain assistance from other corporate departments or external advisors. It stays in contact with the Statutory Auditors throughout the year, and regularly consults them before implementing new approaches.

2.2.5.3 Business and financial performance internal control systems

Operational financial control

Each facility prepares an annual budget based on dialogue between operations staff and management control. Operational management control reviews these budgets and consolidates them at the level of each geographical area/Business Unit. After validation, the budget serves as a roadmap for each facility.

A reporting document is prepared on a monthly basis to monitor changes in revenue, operating expenses, occupancy rates, debt and investments by geographical area/Business Unit. Differences compared with the budget and the previous period are analysed and explained.

This reporting document is presented every month at the business reviews held by the geographical area/Business Unit Finance department and main operations departments and attended by Group Executive Management and the Group Finance department.

The Group operational financial control team consolidates the monthly Business Unit/geographical area information as well as annual budgets.

Real estate financial control

The real estate financial control team is responsible for valuing the real estate portfolio and monitoring the related indicators, in conjunction with renowned international external firms which carry out their own valuation once a year. It also monitors the Group's investments, maintenance activities and changes in external rental costs.

2.2.5.4 Financial communication

The Chief Executive Officer is responsible for financial communication; the Investor Relations department reports to the Group Finance, Procurement and Information Systems (IS) Director.

The published annual and half-yearly financial information is approved for issue by the Board of Directors.

The investor relations and financial reporting section of the Group's website (https://www.orpea-group.com/en/shareholders-investors/) contains all the information available for investors, including presentations given to the financial community, press releases and regulated information.

Executive Management gives a presentation of the Group's results to the financial community twice a year, and revenue is reported quarterly.

2.2.6 Insurance

The Group's insurance policy is coordinated by the Group Internal Audit and Control, Risk and Compliance department as part of an overall risk management policy.

Risks are identified on the basis of a risk map drawn up by the same department (see section 2.3.3.3 of this Universal Registration Document). They are classified according to severity and/or frequency.

Once the main risks have been identified, their potential gross impacts are examined in order to:

- either mitigate the impact of risks through internal prevention measures;
- or be transferred to the insurance market.

This transfer to the market is carried out with various French or international insurance companies with the best financial ratings.

Cover capacities (full limits) are calculated on the basis of maximum possible losses (MPL) calculated each year.

There are two ways of transferring to market:

- by setting up Group insurance programmes that are fully coordinated from head office. The selected insurers issue main policies which are supplemented by local cover, which is in turn reinsured by the main policy via local policies with difference in conditions/difference in limits (DIC/DIL) for programme policies. Free provision of services (FPS) policies have been taken out for certain countries;
- for some specific guarantees compulsory according to local legislation in certain countries or for particular reasons, stand-alone policies are underwritten by subsidiaries in coordination with the Group.

The Group has taken out programme policies for a number of risks, including:

- damage to property and loss of earnings cover for all its operating real estate assets;
- general liability cover for possible damage caused to third parties;
- medical liability cover for possible claims arising from the medical acts of practitioners and carers;
- professional liability coverage in the event of error or omission for all its activities;
- civil liability cover for damage to the environment and biodiversity;
- directors' liability cover in the performance of their duties;
- "cyber" cover to protect digital data;
- internal or external fraud and embezzlement cover;
- a motor fleet policy for employees' vehicles.

All contracts are put back on the market each year to obtain the best rates.

The insurance policies taken out by the Group contain limitations, ceilings on cover and deductibles that could have significant adverse consequences in the event of a claim or legal action. In addition, the Group may have to pay substantial compensation not covered by its existing insurance policies, or incur expenses not reimbursed or only partially reimbursed by its insurance policies.

3

3

NON-FINANCIAL STATEMENT

Today, the challenges of the future, namely population ageing and caring for the frail and vulnerable, mean that we need to go further, redefine our priorities and come up with new, engaging solutions.

Major challenges such as the increase in life expectancy, the rising prevalence of neurodegenerative diseases and the deterioration of mental health are salient social issues that define our times. The significance of these challenges is reinforced, on the one hand, by the sociological and demographic changes that have been deeply affecting modern societies over several decades, and on the other, by the recent pandemic, the consequences of which, although far from being fully known, seem to have had an impact on the increase in mental health issues. Against this backdrop, in October 2022 Executive Management presented its *With you and for you, changing ORPEA* Refoundation Plan to all the Group's stakeholders, placing renewed focus on the essential nature of its purpose.

The plan reaffirms the critical importance of providing quality care and support for all types of health vulnerabilities, while also being more attentive to employees, their quality of life at work and their development. It also states the Group's desire to provide a full range of suitable and diverse care solutions tailored to meet the needs of the populations in the areas where the Group operates and thereby generate a positive economic and social impact.

In 2023, four core values that unite all our employees and stakeholders were introduced and widely embraced: a commitment to humanity, a taste for life, a thirst to learn and a spirit of mutual aid.

That same year, the Company also demonstrated its ability to combine compassionate care, medical and nursing expertise, and ethical values, across all its core activities throughout the world. In addition to medical ethics, embodied within the Group by Professor Emmanuel Hirsch, Ethics Vice-President since January 2023, business ethics are also a key focus amid the financial irregularities still under legitimate legal investigation, which have undermined the trust of patients, residents and their families, as well as that of employees. Aware of its reputation capital, the Group has made ethics a fundamental pillar of its *With you and for you, changing ORPEA* Refoundation Plan, alongside the creation of a new medical division and the reorganisation of support functions relating to human resources, quality, sustainable development, procurement, IT, audit, compliance and communications.

Situated within this specific context, ORPEA's 2023 Non-Financial Statement presents the following:

- the main risks associated with the Company's business;
- the policies applied by the Company including, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of these risks;
- the results of these policies, including key performance indicators (KPIs).

The year 2023 also marked completion of the Group's 2020-2023 Improving Tomorrow CSR plan, which remains pending review prior to the launch of a new CSR strategy.

Lastly, the year ended with a major change in ORPEA Group's corporate governance. At the Annual General Meeting held on 22 December, shareholders approved the inclusion of a consortium consisting of Caisse des Dépôts and three major players (Maif, CNP Assurances and MACSF) (the "Groupement") on ORPEA's Board of Directors. The Groupement will hold seven seats on the Board of Directors alongside three independent directors. The Groupement, which now holds a majority stake in the ORPEA Group (50.2%) following a €1.16 billion capital increase, is determined to play a role as a long-term, responsible shareholder. This is a major step in ORPEA's financial restructuring and the overhaul of its corporate governance. It will give the Group the resources to continue and accelerate its refoundation.

The support of a Groupement with a long-term vision also gives confidence to the families and all the Group's partners (public authorities, suppliers, banks, etc.), which will enable it to speed up its transformation.

ORPEA's refoundation is based on three essential pillars: care for its financial well-being, its employees, and its residents/patients, with the last two pillars being extensively rolled out in 2023. The next step is to continue with these actions and put in place the social pillar of the Refoundation Plan.

The fulfilment of these commitments will be confirmed by two symbolic steps: ORPEA's adoption of a mission statement *(raison d'être)* in 2024 and adoption of the status of a mission-led company *(société à mission)* in 2025, significant components of a unified governance involving all stakeholders.

As a major player in the challenge of demographic transition in European society and intergenerational connections, ORPEA must also contribute to the public debate on the transformation of the elderly care sector. While the programme slated for the upcoming year serves as a solid foundation, Laurent Guillot is calling for a "New Deal" "that encompasses all players in the healthcare sector: the government, national health insurance services, local authorities and operators".

3.1 Corporate Social Responsibility's contribution to ORPEA's transformation

Honouring the trust of our patients and residents, and supporting our employees in their day-to-day, requires an urgent, systemic transformation such as that launched by the new Executive Management team, with a profound impact on governance, strategy, risk analysis and performance indicators in all areas of the Group's business.

The Group's mission is now exclusively to provide care and life pathways to vulnerable individuals at a time of lengthening life expectancy and increasingly prevalent neurodegenerative diseases and mental health challenges that lead to a need for care. To meet these challenges, ORPEA aims to provide a full spectrum of suitable, diversified care solutions tailored to the needs of populations in the areas where it operates.

Between the respectful care and support of vulnerable people, employee development and making a positive impact on the areas where we operate, Corporate Social Responsibility must naturally become an intrinsic part of the Group's activities, as set out in the *With you and for you, changing ORPEA* Refoundation Plan. In September 2023, a Group CSR and Quality Director, who is also a member of the Group's Executive Committee, joined ORPEA, bringing together the Quality and CSR departments.

In 2023, the Group also executed its 2020-2023 Improving Tomorrow CSR plan, which remains pending review prior to the launch of a new CSR strategy. The implementation of a new internal governance system at the end of 2023, along with CSRD regulations, will enable the Group to propose a global and systemic sustainable development strategy, putting Corporate Social Responsibility at the heart of the business model. This new strategy will be supported by the Board of Directors, whose composition was radically changed on 22 December 2023 following the acquisition of a stake in the capital by the Groupement, comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF Épargne Retraite, all leading CSR players. They are also long-term investors, convinced by the major transformations of the Group in 2023 across three key areas: employees, residents/patients, and finances. And they are committed to promoting the Group's societal role in 2024.

3.1.1 Strategic challenges

3.1.1.1 Non-financial risk map

The Refoundation Plan involves fully addressing essential challenges such as control of non-financial risks, concerning the environment, social responsibility, human rights and corruption, within the framework of a prevention policy and the management of risks inherent in the Group's activities. These risks have been described and prioritised in a Group risk map resulting from a structured approach which aimed to identify, assess and control the risk factors liable to adversely affect the Group's operation (see Chapter 2 of this Universal Registration Document).

All geographical areas and activities were included in the exercise to take into account changes within the organisation and its operating environment.

This new, enhanced risk map was shared in its entirety in 2023 with the members of Executive Management and the Board of Directors, in particular through its Audit and Risk Committee.

The Group's risk mapping programme is built on the following pillars:

- identifying risks based on a risk outlook grounded in market practices and with the assistance of the Group's business lines;
- rating each risk based on expected severity, likelihood of occurrence and level of control;
- overseeing action plans to mitigate the risks that constitute major challenges for the Group.

The various internal control participants and bodies (quality, medical, human resources, audit, risk and compliance, etc.), and the CSR and Quality department, have drawn up definitions and rolled out key policies to manage the risks identified.

This risk map has allowed ORPEA to identify the major environmental, social, societal and governance risks that could impact its business or stakeholders, as well as the potential opportunities they present. Actions taken to address these challenges are measured and monitored through performance indicators. The key performance indicators are included in the Group's Improving Tomorrow CSR roadmap below (see section 3.1.3.1 of this Universal Registration Document).

NON-FINANCIAL RISKS AND OPPORTUNITIES AND THE CHALLENGES FOR ORPEA

Main non-financial risks and opportunities	Challenges
Risk related to a failure to respect the rights and dignity of vulnerable persons	Medical and care ethics; health and safety; dialogue with families
Risk related to medical care and quality of care and the safety of patients and residents	
Risk related to facility safety conditions	
Risk of failing to engage in dialogue with patients, residents and their families	
Opportunity to make a positive impact on residents and patients	Well-being; positive treatment
Risk related to attracting, recruiting and retaining employees, and their health and safety	Health and safety; development; training; labour relations
Risk of failure to maintain labour relations	
Risk related to failure to adapt to the consequences of climate change	Reduction of the carbon footprint of buildings and their use, preservation of non-renewable natural resources, resilience of the Group's sites to the consequences of climate change (particularly heat waves)
Risk of environmental damage	Preservation of non-renewable natural resources; waste management
Risks related to purchasing, suppliers and subcontractors	Supply chain vigilance and control
Opportunity to have a positive impact on the ecosystem	Sustainable and responsible supplier relationships
Investment or financing decisions versus responsible or impactful management practices	A precise and holistic view of the company's performance and long-term value creation for shareholders and investors
Opportunity to have a positive impact on markets where it operates	Scientific contribution, solidarity
Risk related to a failure to comply with business ethics principles	Business ethics

3.1.1.2 The Code of Conduct – Ethics and CSR

In the first half of 2022, an updated version of the Code of Conduct – Ethics and CSR[1] was published. This document establishes a framework affirming ethical principles and commitments in terms of Corporate Social Responsibility. The Code is structured around four key commitments and includes 16 principles that guide the conduct of ORPEA's business.

The Code of Conduct – Ethics and CSR

Ethics, as a company placing people at the heart of its concerns

- Principle 1: Respecting the rights and dignity of people
- Principle 2: Ensuring health, safety and well-being in our facilities
- Principle 3: Respecting the privacy of individuals and their personal data
- Principle 4: Maintaining trust-based relationships with families and loved ones

Commitments, as an employer

- Principle 5: Promoting labour relations
- Principle 6: Providing training and support, encouraging career development
- Principle 7: Promoting and respecting equality, diversity and inclusion

Citizenship, as a committed player in local areas and society

- Principle 8: Acting locally and contributing to the development of territories
- Principle 9: Limiting our ecological footprint

Integrity, in the conduct of business

- Principle 10: Banning corruption and influence peddling, regulating gifts and invitations and preventing conflicts of interest
- Principle 11: Actively collaborating with public authorities
- Principle 12: Respecting our suppliers, service providers, partners and competitors
- Principle 13: Providing true, accurate and fair information to our shareholders, investors, lenders and the public, and preventing insider trading
- Principle 14: Using the resources made available by the Group in an ethical and responsible manner
- Principle 15: Protecting the image and reputation of the Group, patients and residents
- Principle 16: Respecting the requirement of confidentiality in the handling of sensitive information

(1) *The Code is available at the following link: https://www.emeis-group.com/wp-content/uploads/2023/01/ORPEA-Ethics-and-CSR-Code-of-conduct-EN.pdf.*

The Code of Conduct – Ethics and CSR is shared with all employees, and also addresses all Group stakeholders. It is intended to be a practical guide, bringing together the principles of good conduct to be observed, as well as concrete examples of everyday situations, in order to guide employees' thinking and help them to make the best possible decisions.

In order to ensure that employees fully comprehend the Code, training courses presenting the challenges and content it addresses are provided throughout the Group. These courses are an opportunity to share the Group's CSR strategy and the associated commitments with employees.

3.1.2 Aligning CSR governance with the Group's ongoing transformation

In line with the Group's *With you and for you, changing ORPEA* Refoundation Plan, particular attention has been paid to the evolution of CSR governance since 2022.

3.1.2.1 An Ethics, Quality and CSR Committee within the Board of Directors

The Ethics, Quality and CSR Committee is one of the Board's Committee. The new Committee's main tasks are to examine the Group's strategy and commitments in terms of social, environmental and societal responsibility and innovation, in terms of strategy as well as monitoring and evaluating actions and their results.

The Committee is made up of six members with recognised and complementary skills in the social, environmental and societal fields, who bring valuable insight to debates.

The Committee monitors CSR challenges related to the safety, quality of life and care of people in its facilities; the health, safety and well-being of employees; the Group's environmental footprint; the implementation of innovative solutions and the charitable work of the ORPEA Foundation. More broadly, the Committee also monitors the Group's strategy and commitments in terms of social, environmental and societal responsibility with regard to the challenges specific to its activity and objectives.

With regard to quality, the Committee is responsible for monitoring the living conditions of residents, as well as the quality and operational risk management processes within the Group, ensuring that the Quality department provides facilities with the requisite support in implementing the quality programme, and ensuring that quality indicators are monitored to facilitate ongoing improvement.

Lastly, the Committee is responsible for monitoring ethical issues, including discussion of potential conflicts of interest, and regularly overseeing updates of the Group's Code of Conduct – Ethics and CSR. It also ensures that business partnerships comply with the values contained in the Responsible Procurement Charter and the Code of Conduct.

The missions and structure of this Committee's work are detailed in the Internal Rules of the Board of Directors (see Appendix 1 of Chapter 4 of this Universal Registration Document or the Company's website[1]).

The Group's executive bodies (Group Executive Committee and the Operations Committees of each country) ensure that the company's social, societal and environmental impacts are fully integrated into its strategy.

ORPEA has chosen to fully involve all its departments (HR, Procurement, Quality, Medical, Construction, IT, etc.) in its cross-cutting corporate social responsibility strategy. Similarly, the geographical areas are progressively appointing local CSR managers or correspondents to lead the strategy in the field and to appropriately respond to the specific issues and requirements in each country. This network of CSR managers and correspondents will continue to grow in 2024.

As indicated in the introduction to the Non-Financial Statement above, the consequences of the 2022 crisis continued to impact the implementation of the CSR action plan and the establishment of cooperative relationships between the Group's business lines through the establishment of dedicated bodies in 2023. These bodies, at both headquarters and business line or country level, have still not been able to meet or adequately address the CSR issues for which they are responsible. 2024 will consolidate the relaunch of these bodies, ensuring that the CSR policy is monitored effectively by both business lines and geographical areas.

The Group CSR and Quality department is responsible for coordinating and promoting the strategy for all countries and Group departments. A new Group CSR and Quality Director, a member of the Group's Executive Committee and who reports to the Chief Executive Officer, joined ORPEA in September 2023. This organisation strengthens and positions CSR at the centre of the Group's activity. The CSR and Quality department participates regularly in the Ethics, Quality and CSR Committee meetings in order to present the progress made over the period.

(1) *https://www.emeis-group.com/wp-content/uploads/2024/02/INTERNAL_RULES_OF_THE-BOARD_OF_DIRECTORS_2023.12.22.pdf*

3.1.2.2 Governing bodies and functions

3.1.2.3 Managerial responsibility for CSR reporting on the path towards CSRD

The drafting of the 2023 NFS and the outlook of CSRD requirements have led the Group to implement a process based on the responsibility of Executive Management – in this case, the Chief Executive Officers (CEOs) in the countries of operation – for CSR reporting, thereby clarifying the Group's role of facilitating and supporting operations in different countries.

The CEOs are now supported at Group level by a dedicated team, and in each country by a CSR manager or correspondent. The aim of the CSR correspondent is to support the local CEOs in a top-down and bottom-up approach, with the correspondents acting as a relay for the Group's CSR policy by:

- **mobilising employees:** because they are close to the teams in the field, the members of the network will foster employee engagement on CSR reporting challenges. They are equipped to interpret data and share local best practices;
- **adapting to the local culture:** the network allows for processes and tools to be adapted to the specific situation of the company and the country in question (stakeholder expectations, cultural challenges and regulations). Internationally, this is a prerequisite for adapting to operational realities.

The network will continue to take shape in 2024 and will be supported by action plans aligned with the Group's CSR strategy.

3.1.3 An overview of the 2020-2023 Improving Tomorrow roadmap

By 2020, the Group had established a formal CSR approach through open dialogue with its stakeholders and identified its priority challenges. This resulted in the 2021 launch of the Improving Tomorrow company-wide programme, with a roadmap of objectives, primarily for completion by 2023.

3.1.3.1 A roadmap with five priorities

Improving Tomorrow is divided into five operational programmes:

- **BE WELL – well-being:** ensuring the well-being of patients, residents and employees in appropriate living and working environments, through the quality of care, quality of catering, quality of life in the workplace, and health and safety awareness.
- **BOOST – career development:** providing access to training and encouraging internal promotions and career development for all employees.
- **ALL IN – inclusion and diversity:** hiring and developing people from all walks of life; helping to change society's view on ageing, disability and mental illness; strengthening social bonds by involving families, loved ones and patient associations in day-to-day life at the facilities.
- **GO GREEN – environmental impact:** managing the Group's environmental impact from the perspective of:
  - **climate:** by rolling out the "Green Building" strategy aimed at controlling energy consumption and associated greenhouse gas emissions and by ensuring the resilience of buildings to the consequences of climate change,
  - **circular economy:** by reducing the production of waste at source and by deploying biowaste recovery systems,
  - **protection of biodiversity and ecosystems:** by integrating the objective of restoring biodiversity in building design, as well as in the parks and gardens of facilities,
  - and by sharing these objectives with all ORPEA partners through its **responsible procurement policy**.
- **ACT BEYOND – contributing to a more ethical, inclusive and collaborative world:** operating within an ethical framework, contributing to sustainable business partnerships, supporting social and environmental projects through charitable and community outreach initiatives, supporting vulnerable populations through preventative healthcare programmes, working with local authorities, investing in research, designing tomorrow's innovative solutions, etc., to build a more just and sustainable world.

This policy is translated into action plans and performance indicators at Group and local level. These indicators are based on recognised international non-financial reporting standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). For cross-reference tables of the Group's CSR roadmap with these standards, see section 3.7 of this Universal Registration Document.

The CSR roadmap, with its strategic priorities, actions and quantified indicators, illustrates the Group's main non-financial challenges.

In view of the implementation of its future policy, the conditions for the bonuses of the Management Team in France and abroad and of regional directors and facility directors were reviewed in 2023. Collective targets have been introduced, amounting to 30% of the bonus. These new rules will be implemented for the 2023 bonus paid in 2024, in line with the conditions applied to the CEO as disclosed in a press release on 16 June 2022. The conditions now comprise financial and non-financial objectives; the non-financial objectives have a greater weighting than the financial objectives, reflecting the Group's dedicated pursuit of the ambitious objectives set out in its Refoundation Plan, underpinning the care and quality of support provided to patients and residents and all the professionals working in the Group (see section 4.3.1.3 of this Universal Registration Document).

The table below sets out the policies implemented for each CSR roadmap challenge, policies which are detailed in the rest of this Non-Financial Statement. It also provides the performance indicators measured, as well as the objectives set by the Group for 2023.

3.1.3.2 Progress on the Improving Tomorrow CSR roadmap in 2023

In 2023, the Group continued to implement its roadmap. The actions taken are described in the following paragraphs of this Non-Financial Statement.

The table below summarises the overall progress made in 2023, compared to 2022, and refers to each of the relevant paragraphs.

PROGRESS MADE ON ORPEA'S CSR ROADMAP

Policies implemented	Programme deployed	Topic	2023 CSR objectives	2022 progress report	2023 progress report
	PATIENTS, RESIDENTS, BENEFICIARIES AND THEIR FAMILIES				
3.2.3.1 Challenges relating to medical and care ethics	BE WELL	Well-being	100% of facilities to have a trained ethics/positive treatment correspondent	45% of facilities had a trained ethics/positive treatment correspondent	72% of facilities had a trained ethics/positive treatment correspondent
3.2.1.3 A quality management system based on international standards			100% of facilities to be certified by an external body according to national standards (ISO 9001, etc.)	67% of facilities certified by an external body (ISO 9001, etc.)	71% of facilities certified by an external body (ISO 9001, etc.)
3.2.4.2 Patient and resident meals: nutritional intake and guest satisfaction			100% of facilities have implemented the Group's Catering Charter and met the commitments relating to nutrition, food safety and environmental footprint	2% of facilities had implemented nine of the voluntary commitments of the Catering Charter 67% of facilities had implemented the voluntary commitments of the Group's Catering Charter with regard to nutrition, food safety and environmental footprint	61% of facilities had implemented nine of the voluntary commitments of the Catering Charter 73% of facilities had implemented the voluntary priority commitments of the Group's Catering Charter with regard to nutrition, food safety and environmental footprint
3.2.1.2 Better involvement of residents, patients and families in the life of the facilities	ALL IN	Inclusion and diversity	Establishment of an enhanced dialogue process with families in each country	76% of host countries had an enhanced family dialogue mechanism in place	84% of host countries had an enhanced family dialogue mechanism in place
3.4.3.2 Supporting the innovation process to change practices	ACT BEYOND	Contributing to a more ethical, inclusive and collaborative world	Three innovative programmes for the well-being of residents and patients rolled out at the Group level	Four countries implemented at least one innovative programme aimed at enhancing autonomy, promoting social interaction or stimulating the five senses of residents and patients	Seven countries implemented at least one innovative programme aimed at enhancing autonomy, promoting social interaction or stimulating the five senses of residents and patients
	EMPLOYEES				
3.3.4 Employee health and safety: a key component of working conditions	BE WELL	Well-being	15% reduction in the frequency rate of work-related accidents compared to 2020	30% reduction in the frequency rate of work-related accidents compared to 2020	34.71% reduction in the frequency rate of work-related accidents compared to 2020
3.3.5.2 Retaining and integrating talent: skills development, employability and careers in a learning organisation	BOOST!	Career development	10% of employees have obtained a diploma or certificate	4.55% of employees on permanent contracts obtained a certificate or diploma in France	15.49% of employees on permanent contracts took a certificate or diploma course
			50% of managers (regional directors, facility directors and head nurses) to have been promoted internally	Internal promotion rate: 37.3%	Internal promotion rate: 39.4%
	ALL IN	Inclusion and diversity	50% women in top management	Percentage of women in top management positions: 33%	Percentage of women in the management team: 51.18%[1]
3.3.3 Renewing labour relations, involving employees	BE WELL	Well-being	Stable or improved level of employee satisfaction as measured by the employee engagement surveys deployed starting in 2021	Employee survey conducted for the whole scope in January 2022 with an overall engagement rate of 65% Update every two years	Survey scheduled for 2024[2]

(1) As announced in the 2022 Universal Registration Document, the structure of the Group's top management changed in 2023. The proportion of women is calculated for Executive Committee members, their direct reports with the title of director, the country CEOs and their direct reports with the title of Director or Head of. This group of people is now referred to as the Management Team.

(2) At the end of 2023, the project for a new employee survey was integrated into the HR priorities. The shape of the project will be defined starting in the first quarter of 2024, and the project will be rolled out to coincide with key Group communications, in particular relating to its values and its mission statement. The aim will be to ask teams about their commitment to their job and to the transformation, and to involve them in defining the employer promise. The aforementioned objective as described in the roadmap was therefore not achieved in 2023.

Policies implemented	Programme deployed	Topic	2023 CSR objectives	2022 progress report	2023 progress report
	ENVIRONMENT				
3.5.1.3 Certification of our buildings 3.5.5 Preserving resources and developing the circular economy	GO GREEN IMPROVING TOMORROW BY ORPEA	**Environmental impact**	100% of new construction and major renovation projects undertaken from 2021 onwards for buildings of more than 1,500 sq.m. developed by ORPEA, and delivered during the financial year, to include[1] HQE or equivalent certification (e.g., LEED, BREEAM, DGNB or GPR)	100% of new construction projects approved by the Development Committee in 2022 include environmental certification	100% of new construction projects delivered in 2023, in accordance with 2021 commitments, include an environmental certification (LEED, BREEAM or HQE) 92% of construction projects under development and approved by the Development Committee since 2021 are seeking environmental certification
3.5.2 Carbon emissions and energy strategy			5% reduction in energy consumption compared to 2019 levels	11% reduction in energy consumption compared to 2019	14% reduction in energy consumption compared to 2019 levels
	PARTNERS				
3.4.2 Implementation of a responsible procurement policy	GO GREEN IMPROVING TOMORROW BY ORPEA	**Environmental impact**	100% of supplier calls for tender include a CSR assessment	51% of calls for tender for global and national suppliers were subject to supplier CSR performance assessments	82% of calls for tender for global and national suppliers were subject to supplier CSR performance assessments
			100% of global, national and regional suppliers to have signed the ORPEA Responsible Procurement Charter	49% of listed suppliers (global, multinational, national and regional) had signed the Group's Responsible Procurement Charter	75% of listed suppliers (global, multinational, national and regional) had signed the Group's Responsible Procurement Charter
	LOCAL COMMUNITIES				
3.4.3.1 Actively contribute to the development of medical and care knowledge for patients, residents and staff	ACT BEYOND IMPROVING TOMORROW BY ORPEA	**Contributing to a more ethical, inclusive and collaborative world**	100% of host countries to have established a research partnership with a renowned university	40% of host countries had established a research partnership with a renowned university	45% of host countries had established a research partnership with a renowned university
3.4.4 Local responsibility			100% of facilities have conducted at least one community outreach initiative	44% of facilities had conducted at least one community outreach initiative	51% of facilities had conducted at least one community outreach initiative
		ALL STAKEHOLDERS			
3.4.1 Compliance with ethics and cybersecurity laws	ACT BEYOND IMPROVING TOMORROW BY ORPEA	**Contributing to a more ethical, inclusive and collaborative world**	Overhaul and roll-out of a new Code of Conduct – Ethics and CSR for all employees	The Code of Conduct – Ethics and CSR has been completely revised. It was distributed in June 2022 to all Group employees	57% of employees trained on the Code of Conduct – Ethics and CSR

(1) In this context, "include" means having obtained the post-delivery certificate, or failing that, having passed the "design" phase audit and awaiting the post-delivery certificate.

Since 2022, the Group has been using a reporting tool that aggregates all roadmap data for the entire scope.

3.1.4 Contributions, commitments and non-financial assessments

3.1.4.1 ORPEA's contribution and commitment to UN initiatives

ORPEA's commitment to human rights

The International Bill of Human Rights

In all countries where it operates, the Group is committed to complying with the principles of the International Bill of Human Rights, which consists of the following texts:

- the 1948 Universal Declaration of Human Rights;
- the 1966 International Covenant on Civil and Political Rights;
- the 1966 International Covenant on Economic, Social and Cultural Rights.

In particular, the Group is committed to reducing the risks related to the following rights which concern its business:

- right to freedom from discrimination;
- right to equality between men and women;
- right to freedom from slavery;
- right to liberty and security of person;
- right to freedom of expression;
- right of peaceful assembly;
- right to freedom of association;
- minority rights;
- right to work;
- right to freedom to choose and accept work;
- right to just and favourable conditions at work;
- right to form trade unions;
- right to strike;
- right of children to freedom from social and economic exploitation;
- right to an adequate standard of living.

Global Compact

ORPEA has made the Sustainable Development Goals (SDGs) a key challenge, as attested by its joining the Global Compact in 2020, its Improving Tomorrow strategy and, more generally, its business as a whole.

The table below details ORPEA's main contributions to the United Nations (UN) Sustainable Development Goals.

In February 2024, ORPEA submitted its Communication on Progress (CoP) to the UN Global Compact. This report provides a public account of its commitment to sustainable development. It provides information on the company's progress in implementing the ten Global Compact principles, which cover human rights, labour standards, the environment and anti-corruption. It also includes information on the company's future sustainability commitments, the measures taken to assess and improve its performance, and concrete examples of sustainability projects and initiatives.

The CoP is a way for ORPEA to demonstrate its commitment to sustainable development and to strengthen its transparency and accountability to its stakeholders.

In 2022, the Group also participated in the Global Compact Early Adopters[1] programme to step up its commitment to the sustainable development goals. The Early Adopters List includes companies that have been testing a new format for annual reporting to the Global Compact (Communication on Progress – CoP).

Participants were given early access in 2022 to the draft CoP, as well as the digital platform on which it was available, and had the opportunity to provide targeted feedback to help improve the platform before its official release in 2023 (https://unglobalcompact.org/participation/report/cop).

In the first half of 2024, ORPEA will submit its CoP to the UN Global Compact, based on 2023 data.

Respect for fundamental labour rights

The Group is committed, in all the countries where it operates, to respecting fundamental labour rights as defined by the eight fundamental International Labour Organization (ILO) Conventions, namely: Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

(1) The Early Adopters programme, initiated by the Global Compact, brings together more than 900 companies in over 80 countries around the world.

ORPEA'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Policies implemented and presented in the Non-Financial Statement	Challenges for ORPEA	Improving Tomorrow programme	SDG target to which ORPEA contributes
3.2.1.5 Increased vigilance on the health and safety of people receiving care 3.2.4 The well-being of residents: shaping their care and life pathways 3.3.4 Employee health and safety: a key component of working conditions	Well-being Inclusion and diversity	BE WELL ALL IN	**3.4 Promoting mental health and well-being**
3.5 Better control over the environmental impact of ORPEA's activities	Environmental impact	GO GREEN	**13.3 Improving individual and institutional awareness and capacity with regard to climate change adaptation and mitigation** 8.4 Ensuring that economic growth does not lead to environmental degradation 12.3 Reducing the amount of food waste at the consumption level
3.4 A responsible corporate citizen committed to its communities	Contributing to a more ethical, inclusive and collaborative world	ACT BEYOND	**17.17 Encouraging and promoting public-private and civil society partnerships, building on experience gained** 11.b Increasing the number of facilities that adopt integrated action plans for inclusive employment, efficient use of resources, adaptation to the effects of climate change
3.3.5.2 Retaining and integrating talent: skills development, employability and careers in a learning organisation 3.3.5.3 Promoting diversity and inclusion within the organisation	Career development Inclusion and diversity	BOOST! ALL IN	**10.2 Promoting social and economic inclusion** 8.5 Ensuring equal pay for work of equal value between women and men 8.8 Defending workers' rights

3.1.4.2 Non-financial performance assessment

As part of its refoundation initiated in 2022, ORPEA is committed to improving its non-financial performance. With regard to the assessment by rating agencies, ORPEA answers non-financial questionnaires relating to social, environmental and governance issues in order to facilitate external evaluation by its stakeholders. The main non-financial rating agencies that regularly monitor ORPEA are: S&P Global, Sustainalytics, Ethifinance (formerly Gaïa Rating), MSCI, ISS, Moody's and CDP. The table below shows the changes in ORPEA's ratings, some of which have been revised due to the crisis experienced in early 2022. The importance given to the crisis by the agencies depends on the relative weight they give to the various risks or rating criteria. ORPEA's ratings have been impacted by the reputational crisis the Group experienced in France in 2022, as past controversies may have a lasting impact on the rating agencies' confidence in ORPEA.

SUMMARY OF ORPEA'S NON-FINANCIAL RATINGS (AT THE DATE OF PUBLICATION OF THE 2023 UNIVERSAL REGISTRATION DOCUMENT)

Agencies	Methodology	Rating	Month	Rating	Month	Rating	Month
Moody's	/100	44	April 2022	44	December 2022	44	March 2023
S&P Global	/100	33	March 2022	37	December 2022	28	December 2023
EthiFinance	/100	51[1]	October 2021	57[1]	October 2022	45[1]	November 2023
ISS ESG	D- to A+	C	2021	C+	2022	C+	November 2023
MSCI	CCC to AAA	A	April 2022	BBB	December 2022	BBB	December 2023
Sustainalytics	Level of risk	24 (medium risk)	February 2022	30.8 (high risk)	December 2022	29.0 (medium risk)	February 2024
CDP	D- to A	D	2021	C	2022	C	2023

(1) Ethifinance ESG Ratings considers ORPEA to be critically exposed to ESG risk, which resulted in a 20-point penalty being deducted from the overall score.

In addition to the need for major financial restructuring, the widespread media coverage in France after the crisis in early 2022 highlighted a series of risks specifically linked to social and governance aspects of the Company. Under the impetus of the management team, which underwent an overhaul in 2022, and of the Board of Directors, which was reshuffled to include the Groupement led by Caisse des Dépôts along with MAIF, CNP Assurances and MACSF at the end of 2023, the Company's transformation is set to accelerate, with a particular focus on non-financial issues.

3.1.5 Adopting a new CSR strategy

The Group's Refoundation Plan, *With you and for you, changing ORPEA*, launched in November 2022, reinforces transparency and cooperation with its stakeholders. With this in mind, the Group carried out a materiality analysis that same year. The aim was to better factor in the expectations of its stakeholders and thus prioritise the most relevant challenges.

3.1.5.1 ORPEA's stakeholders, at the centre of the Group's Refoundation Plan

By virtue of its mission, ORPEA is naturally at the centre of a dynamic ecosystem that serves people in the following ways:

- with its patients and residents to care for them, instil trust in our excellence and professionalism and respect their uniqueness;
- with its employees as a responsible, learning Company;
- with local communities as a local player, creating links to make them more inclusive, supportive and resilient, and establishing sustainable and responsible partnerships with local and national partners;
- for the environment through more virtuous and sustainable facilities which also contribute to the well-being of patients and residents.

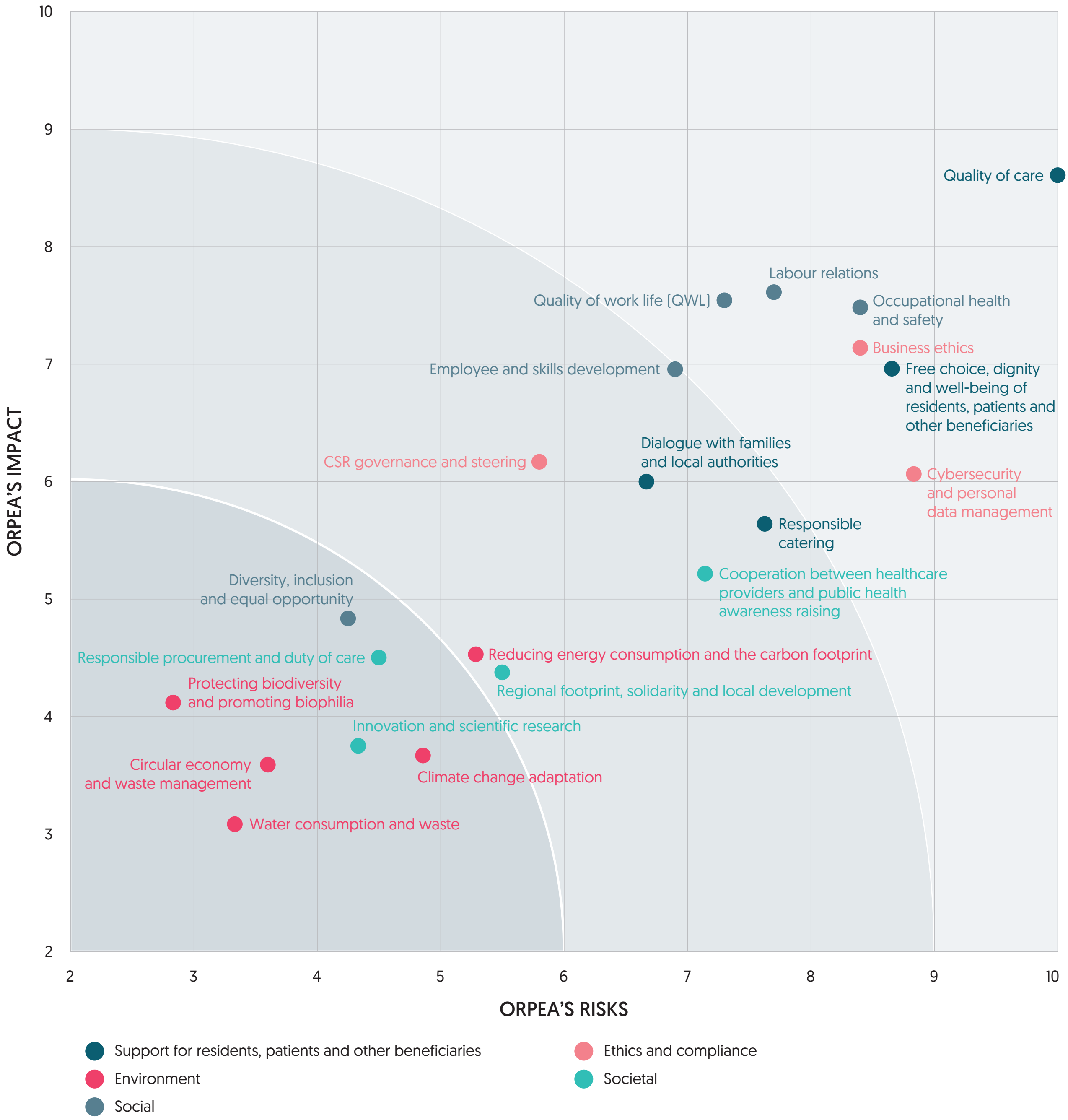
3.1.5.2 ORPEA's materiality matrix

Materiality analysis is an assessment that covers economic, environmental, social and societal challenges. It concerns the challenges that are likely to impact the Group's strategy, business model and sustainability, and to influence stakeholders and their perception of the company. The assessment focuses on the risks and opportunities that each challenge presents for the company (mainly internal point of view) and the positive and negative impacts that the company has on its stakeholders in relation to each issue (mainly external point of view).

A stakeholder risk map was also established to identify and define the challenges to be submitted to internal and external stakeholders. Stakeholders were surveyed to prioritise the risks to and impacts on the Group's sustainability.

The process, launched in May 2022, resulted in a materiality matrix delivered in January 2023. The emphasis on the company's expected responsibilities to its stakeholders is reflected in the business model (see the introduction of this Universal Registration Document).

The risks and impacts are classified by stakeholder category.



This work brought the following material challenges to the fore:

- residents, patients and beneficiaries and the quality of care, including free choice, dignity and well-being of residents, patients and beneficiaries;
- quality of life at work, reduction of health and safety risks for employees and labour relations;
- risks related to business ethics, cybersecurity and personal data management.

On the other hand, environmental risks appear to be a lower priority for stakeholders and the perceived level of control is considered low. This perception can be explained by the Group's core business.

On the basis of the prioritisation of the Group's challenges highlighted by this materiality matrix, and the double materiality matrix to be drawn up in 2024, taking into account its internal governance at the end of 2023, the Group will structure a new CSR roadmap, with new performance indicators, in line with the *With you and for you, changing ORPEA* Refoundation Plan and with the regulatory requirements of the European Corporate Sustainability Reporting Directive (CSRD[1]). This will be an important task for the new CSR and Quality department, whose role includes structuring the future roadmap.

(1) Directive (EU) 2022/2464, known as the Corporate Sustainability Reporting Directive (CSRD).

3.2 Quality of care and support for patients, residents and beneficiaries centred on their life journey

The Group's primary mission is to care for and support beneficiaries of home care, patients and residents, in particular vulnerable persons requiring long-term care or experiencing a loss of autonomy. The quality of care services offered to residents, patients and beneficiaries of home care and their loved ones is a key issue for the Group. It involves excellence of care in line with international best practices and personalised support that is fully transparent for stakeholders, drawing on the interdisciplinary expertise of teams and facilities. This quality of care must be underpinned by facilities that are appropriately furnished and designed to ensure comfort, as well as to meet future requirements as regards biophilic elements and biodiversity. This mission of care and support is focused on the well-being and quality of life of individuals. It is based on ethical standards for care and support practices, as well as positive treatment; quality, risk and business management through a structured process, which is regularly assessed by third parties; and attentiveness to the needs of patients, residents, beneficiaries and their loved ones, since they hold a primary role in their life and care. In addition, quality care also means providing access to a wide range of services, from entertainment and non-drug-based treatments to rehabilitation, attentive meal planning and quality accommodation.

3.2.1 Residents, patients and their families at the heart of our culture of quality

Number of patients and residents staying in the Group's facilities in 2023: 283,925

The trust of residents, patients and their families is essential to succeed in providing the best possible care plan for the people the Group serves. In this context, fostering dialogue and exchanges with residents, patients and their families, gathering their opinions, and listening to their dissatisfactions with a view to meeting their expectations and concerns is a major focus for the Group. This is an integral part of the *With you and for you, changing ORPEA* Refoundation Plan presented by Executive Management in November 2022.

3.2.1.1 Improving the transparency and neutrality of the annual satisfaction survey

Outsourcing to Ipsos and Qualtrics to improve the transparency and neutrality of the annual satisfaction survey in nursing homes

ORPEA has been tracking the satisfaction of its residents and patients through regular surveys of all the people it cares for, with the aim of understanding their expectations and identifying both the actions to be taken to improve them and the priority areas to work on with the teams in the facilities.

In 2023, ORPEA entrusted Ipsos and Qualtrics with this survey for nursing homes and senior assisted-living facilities, counting on the expertise and neutrality of these international players. The Qualtrics platform was deployed in all countries to ensure the security of the digital survey and provide the results directly to Directors. Two collection methods were used to allow the largest number of residents, families and loved ones to respond to this satisfaction survey:

- digitally, with an email sent directly by Qualtrics that allows access to a secure online questionnaire;
- on paper, including the delivery of a prepaid envelope addressed to the local Ipsos agency, so that the questionnaire, once completed, does not pass through the facility.

In hospitals, surveys are carried out continuously, a few days before the patient is discharged, via a paper form or an email sent to the patient, or via a survey company that calls patients a few days after discharge (Austria).

The content of the surveys is adapted to the specificities of each country and to the types of residents, patients and beneficiaries, in order to best take into account their expectations. However, some common indicators have been identified that provide consistent measurements, regardless of the country or activity: overall satisfaction with the facility and the Net Promoter Score recommendation.

For home care services, each host country organises its own satisfaction survey, either as a paper questionnaire or a digital survey. As for the other businesses, the survey assesses the recommendation rate and overall satisfaction with the service, but also looks at specific areas such as relationship with the agency and quality of the provider.

Results

HOSPITALS

Hospitals	Number of respondents	Response rate	Overall satisfaction rate[1]	Satisfaction with care	Satisfaction with catering	Satisfaction with the care team	NPS
2023	**93,402**	**68%**	**91%**	**90%**	**80%**	**91%**	**36.1**
2022	80,626	60%	92%	91%	77%	92%	37.2

(1) *Hospitals measure satisfaction on four levels: "very satisfied", "satisfied", "unsatisfied" and "very unsatisfied" – except in Germany, where they use five. This result includes the response rate of the first two levels of satisfaction out of all the responses given, namely "satisfied" and "very satisfied".*

In 2023, the response rate for satisfaction surveys was up in hospitals, bringing the number of respondents to over 90,000. The satisfaction rate remained very high (91% overall satisfaction) and the NPS was stable at 36.

NURSING HOMES – IPSOS

Nursing homes	Number of respondents	Response rate	Digitisation rate[1]	Type of respondents (% residents)	Overall satisfaction rate	NPS
2023	**33,235**	**/[4]**	**34%**	**48.5%**	**92.2%**	**32**
2022	32,475	49.2%	44.4%[2]	35%	90%[3]	21

(1) In 2023, the satisfaction survey could be filled in digitally in the 19 countries where nursing home activities take place.
(2) A correction to the rate published in 2022 can be found in this NFS.
(3) The overall satisfaction rate is calculated by adding the responses "very satisfied" (12,051) and "satisfied" (17,936), divided by the total number of responses (32,518), i.e., 92.2%.
(4) The response rate used by ORPEA in previous years (number of questionnaires completed/number of questionnaires distributed) with a grouping of the different data collection methods is not recommended by Ipsos. To ensure a more reliable analysis, the participation rate will be used in the future. This year, it stood at 48.3%, indicating a slight decrease but remaining consistent with previous years. In 2023, the participation rates were 34% for digital surveys and 59% for paper surveys.
Note: in 2022, ORPEA published the number of facilities with an overall satisfaction rate of less than 7/10. This indicator will no longer be tracked in the future.

Processing the results is a key part of the satisfaction survey. Management at each facility can track their results during the survey on the Qualtrics platform. An action plan is worked out with all facility staff. All residents and their families are then invited, as well as the residents' councils[1] in France or their equivalent abroad, to a feedback meeting where the results of the survey and the areas for improvement proposed by the team are presented. This is an important opportunity for discussion at the facility and helps set the tone for the year to come.

HOME CARE SERVICES

Home care and services	Number of respondents	Response rate	Overall satisfaction rate	NPS
2023	**2,296**	**31%**	**93%**	**34**
2022	1,930	24%	91%	42

The home care services satisfaction survey showed that satisfaction remained stable at 93%, while the NPS fell to 34. These results will be used by each agency to enhance the improvement plan.

3.2.1.2 Better involvement of residents, patients and families in the life of the facilities

ORPEA is aware that certain situations, and in particular admission to a nursing home, the progression of an illness or a new diagnosis, can cause feelings of stress, guilt or even failure and lead to misunderstandings and concerns. It is the primary mission of facility directors and their teams to maintain ongoing dialogue with residents and patients, and their families. Resident or patient well-being also depends on loved ones feeling confident and secure in their decisions. Everyone has a role to play in supporting the lives of the frail and vulnerable people in ORPEA's care.

Transparent dialogue is initiated upon admission, giving residents, patients and relatives the opportunity to shape the life and care plan. This is a crucial part of taking a long-term approach to prevention and care, and of respecting the choices made by residents and patients, and the role of their families.

The tools we use to improve communication with relatives need to be tailored to the needs of our patients, residents and beneficiaries. At every stage of their journey, we need to be able to provide them with clear, precise and transparent information. For example, in the case of a stay in a nursing home, during the preparation stage, the teams must provide information about the care offered, life in the nursing home and personalised plans. When the resident is admitted, the contract must be explained thoroughly, including details about managing risks associated with ageing-related illnesses and dependency. Then, throughout the resident's stay, the teams offer structured meetings with residents and their relatives to anticipate needs and suggest necessary adjustments to the personalised plan based on any changes in health conditions. Lastly, when the resident reaches end-of-life, more specific support can be offered (for example, training in palliative care), in order to maintain the connection with residents' loved ones.

Each person is invited to get involved, according to their wishes, availability and abilities, in the organisations representing residents, patients and relatives. These dedicated bodies (residents' council, user committees, specific committees for catering and entertainment in France and meetings with residents and their families abroad) allow for transparent exchange of information on life within the facility, communicating expectations and plans, and contributing to the improvement of the policies implemented by the facility.

Improving feedback and complaint management systems

Although complaint management is part of the systems historically put in place within the Group, these systems were reinforced in 2023, with the deployment of a helpline in France for residents, patients and their relatives, as well as the implementation of an external mediation system.

(1) Decree no. 2022-688 of 25 April 2022 on the amendment of the residents' council and other forms of participation.

Complaint management

In each country, a procedure has been established for recording, handling and following up on complaints, whether they come directly from the patient, resident or their family. These procedures ensure that each complaint is taken into account and that a response is systematically provided. In 2023, the definition of critical complaints[1] was reviewed to more effectively take into account the views of families, residents and their loved ones. This new process was rolled out throughout the year and will be fully operational in 2024. In order to monitor their development, the Group also collected complaints based on the previous definition[2]. In France, a computerised complaints system has been set up in nursing homes and hospitals. The aim is to automate complaints tracking and consolidate at country level.

The critical complaints rate was 0.25% (number of complaints in relation to the number of residents and patients in 2023).

PREVIOUS DEFINITION

	Number of critical complaints received	Rate
2023	**705**	**0.25%**
2022	1,215	0.45%

NEW 2023 DEFINITION

	Number of critical complaints received	Rate[1]
2023	**408**	**0.14%**

(1) In order to align all our indicators with those used in the sector, and to provide a more accurate representation of the impact of critical complaints on our operations, the current rate has been modified by dividing the number of critical complaints by the number of days and not the number of residents/patients. From 2024, the new rates will be used to measure changes in complaints.

In addition to critical complaints, the Group follows up on all complaints received, regardless of the channel used to receive them (call centres, satisfaction survey, etc.). A total of 5,911 complaints were received, of which 705 were critical (12%).

Development of external mediation systems

Some countries have set up an external mediation system, such as Austria since 2019. The programme, which is available to facility directors, residents and families, helps each party to re-establish calm dialogue and find a satisfactory response to issues deemed to be conflictual, through the involvement of an independent external third party.

In light of this experience, France launched a similar scheme in May 2022. This mediation system was reinforced at the beginning of 2023 in partnership with a recognised non-profit comprising qualified, independent professionals specialising in intergenerational links and support for vulnerable people: *Part'âge* mediation. This system provides support for facilities to strengthen dialogue, deal with misunderstandings or disputes and prevent and manage conflicts, with particular expertise in relational difficulties that families and facilities may encounter in dealing with frail and vulnerable individuals. In 2023, 55 cases were processed using this system in France, of which 27 resulted in a mediation proposal, with 20 being accepted.

The main sources of conflict were related to the care provided, whether it be dissatisfaction with the care or a loss of trust.

This system, deployed in Austria, France, Italy, Belgium, and Spain, is free of charge for stakeholders, exchanges remain confidential and everyone is free to join and leave at any time.

An assistance platform specific to France

Conferences organised in France by ORPEA

As part of the commitment made in autumn 2022, the Group launched a new edition of the Conferences for the Elderly *(États Généraux du Grand Âge)* in October 2023, with 15 sessions organised in nursing homes across France. In parallel, "enhanced" resident councils (known in France as *"Conseils de la Vie Sociale"*) have been organised in all our assisted-living facilities, with around 670 participants. Once again, residents, families, staff, elected representatives and partners were able to express their feelings about current living conditions at facilities. This assessment of the situation, one year after the first edition and the launch of the Refoundation Plan, offered an opportunity to gather feedback from families, residents and staff on their perceptions of the changes implemented over the past year. It also aimed to identify their priorities for enhancing the future experience within an ORPEA facility and to collaborate with them on proposals to achieve those objectives. Participants were able to make suggestions on the three themes highlighted during the conferences: "Enriching residents' social lives", "Opening up our facilities to the community", "Reinventing dialogue with family, friends and stakeholders and rethinking their place and role in the running of our facilities". Facility directors will present a summary of the conferences to the residents' councils to be held in spring 2024.

(1) On 23 June 2023, a workshop was held with representatives from all countries of operation and attended by all quality managers, resulting in the following definition: complaints are considered critical when the issue they raise seems credible, serious and likely to persist or recur. It therefore represents an ongoing risk to the safety of patients and the quality of care provided within the organisation, a legal risk, or an impact on the reputation of the facility or the Group. Critical complaints may include: 1) a complaint related to a sentinel event; 2) complaints received from government or regional agencies responsible for healthcare quality. On 26 June 2023, this definition was sent to all countries, with each country responsible for distributing it to their local teams.

(2) Complaints are considered critical when they are sent to the headquarters of the different countries or to a competent authority. In the majority of cases, families write to these bodies when they are not satisfied with communication with the facility or when they no longer have confidence in the point of contact. Therefore, all complaints filed outside the facilities are considered critical.

A helpline in France

With a view to improving relations with patients and residents, a helpline dedicated to all residents, patients and families was opened in April 2022. It is a key tool for finding solutions adapted to the care and treatment pathway or care management of a patient or resident. Therefore, if patients, residents or their families encounter a problem or face a situation that seems abnormal to them, they can contact a team of psychologists who will take into account their concerns and liaise with the facility's management team in order to find appropriate solutions. Families often consult this platform when there is a significant or sudden deterioration in the state of health of their loved one, or when the dependence of the patient or resident is increased, demonstrating the need to strengthen dialogue and exchange with families in these situations within facilities. They also seek support during vulnerable moments, particularly when patients are scheduled to be discharged and concerns arise about providing care at home. In 2023, the helpline received 270 requests for support. The main reasons for calls are care (39%), requests for guidance and information (20%) and patient rights and information (17%). The other reasons for calls (<25%) are more disparate (information systems, patient records, staff management, etc.).

Creation of the Stakeholder Relations department for residents, patients, families, loved ones and beneficiaries

Given the extremely fragile populations we care for, supporting families, involving them in the care plan and care pathway, and keeping them informed throughout the process of caring for their loved ones are key issues for the Group's future. That's why, as part of the Refoundation Plan rolled out in September 2023, we have created a Stakeholder Relations department for residents, patients, families, loved ones, and beneficiaries. The aim of this new department is to:

- provide a positive family experience throughout the journey, in collaboration with the Medical and Care departments;
- develop relationships with stakeholders;
- create interpersonal relationships between staff and families;
- implement preventive measures;
- identify risk situations;
- provide training for professionals;
- improve the satisfaction of residents, patients and families.

Improving and adapting communication methods

The facilities also provide information when needed for relatives through letters and emails on topics such as the facility's situation regarding the pandemic, life within the facility (entertainment, meals, etc.) and how they are taking care of their loved ones.

They also organise regular meetings with families or family councils, as is the case in Spain, Italy and Poland. In France, the residents' council fulfils this role; it is a periodic meeting that fosters necessary dialogue between the facility team, the residents and their families.

More "modern" solutions have been deployed in some countries to better maintain social ties, notably through the development of a new application for families: MyORPEA. This application, which is now being rolled out in Ireland, France and Belgium, allows families to become more involved in the day-to-day life of their loved ones. Through the app, family members have access personalised information on their loved one's experience, including photos, updates about activities and personal messages.

This new app is aligned with the Group's Conferences for the Elderly and its Refoundation Plan, and focuses on four key objectives:

- improving communication and transparency with our residents' families;
- increasing the involvement of residents and their relatives in the life of the facility;
- promoting progress in nursing homes through personalised experiences;
- simplifying team organisation by automating many tasks.

The scoping of this project in 2022 with the French and Belgian operational teams, along with an international call for tenders in 2023, has enabled us to select a partner with whom we are co-developing MyORPEA. We are also working closely with users to develop the service, by organising user gatherings that bring together the entire MyORPEA community every quarter. During these events, all feedback and requests for new features are collected, discussed and prioritised based on user needs.

ORPEA intends to introduce a system in all countries aimed at involving families more closely in life within a facility, improving the quality and transparency of the information provided, and maintaining the social bonds that are such a vital part of caring for residents and patients.

2023 CSR objective

100% of countries have implemented a system to strengthen social bonds with families and loved ones.

2023 results

At 31 December 2023, 84% of the Group's countries had implemented tools to improve outreach[1] with families and/or user associations.

All the Group's countries have implemented a system to enhance outreach with families as described above, with the exception of the three Latin American countries (Brazil, Mexico and Uruguay) which were unable to carry out their project.

(1) See section 3.8 "Methodological note".

3.2.1.3 A quality management system based on international standards

The services provided to patients and residents by ORPEA facilities as well as its teams are based on a culture of quality that is organised, documented and certified, and must be constantly managed and monitored.

It incorporates extensive nursing and healthcare regulations, covering several issues: care, building safety, nutrition, and specific requirements for the hospital sector.

However, the business of providing care and support to the frail and vulnerable remains fundamentally people-centric and can in no way be reduced to written tools and codes.

A culture of quality supported by the CSR and Quality department

ORPEA's quality approach is overseen by the new Group CSR and Quality department, which reports directly to the Chief Executive Officer and participates in the Group Executive Committee. The quality policy is implemented by the dedicated country teams who are responsible for monitoring it at local level. In total, in all geographical areas, nearly 110 people work in the Quality departments to implement the quality policy in all facilities. This approach is supported by a Quality Committee, which meets on a quarterly and monthly basis at Group and country level, respectively.

A defined culture of quality

The Group's quality policy has been drawn up in a formal document, the Group Standards, which sets out the principles and rules of the quality management system within ORPEA.

In addition, the quality department in each geographical area is responsible for harmonising, formalising and updating processes with the various business lines, to guarantee best practices for care and quality of life in all facilities. This work aims to provide facilities with accessible and relevant application protocols, traceability and team training tools.

A culture of quality shared with employees

Continued awareness-raising on best practices is a major focus in ORPEA facilities, and is included in the Group Standards for quality, developed in coordination with the Medical and Care department. The highly regulated sector in which the Group operates, the vulnerability of the residents, patients and beneficiaries cared for, and the employee turnover faced by the entire sector, require rigorous standards for team practices. In addition to their initial qualifications and the regular training they receive throughout the year, staff must also be offered further ongoing awareness-raising programmes. These programmes are implemented on a regular basis by way of weekly scheduled sessions in which the staff, together with the doctor and the health supervisor, go over a given practice, review an example of dysfunction and rework the fundamentals of the quality of care provided.

This essential measure is included in the key control points and is checked every six months as part of the internal audits carried out at each facility. Particular attention is also paid to raising the awareness of night staff.

A culture of quality with certification of all facilities

The quality standards chosen to certify ORPEA facilities aim to provide an independent assessment of the quality and safety of the people being cared for and of the services provided. At a minimum, the standards and benchmarks chosen must reach the level of ISO 9000:2015. Some countries provide for other standards that are more appropriate to the health activities or culture of the country concerned, some of which are also regulatory. In France, all the facilities are required to follow the guidelines of the French National Health Authority (HAS). In Austria, the Group uses the E-Qalin system, a quality management system developed in Europe specifically for the healthcare and nursing sector. This certification constitutes a comprehensive quality management system focusing on both processes and results.

ORPEA has decided, in countries where there is no regulatory framework for certification, to certify all of its facilities by independent bodies to guarantee the quality system, with a focus on the quality and safety of care of the facilities. The Quality department of each country is responsible for selecting the benchmark that corresponds to the best quality level in conjunction with the Group Quality department. Where there are no stricter business standards than an ISO and/or mandatory standards, the countries choose to implement the internationally recognised ISO 9000:2015 standard. This is the case for the following countries and activities: Belgium, Ireland, Germany, Netherlands, Spain, Portugal (nursing homes), Poland and French-speaking Switzerland (hospitals).

2023 CSR objective

100% of facilities certified by an external body.

2023 results

71% of facilities are certified to at least ISO 9001 standard.

QUALITY CERTIFICATION OF ORPEA FACILITIES

Geographical area	2023 results	2022 results	Target certification standard	Regulatory (Y/N)
France Benelux United Kingdom Ireland	87%	82%	ISO 9000; HAS health and CQC	YES for France (HAS) and the UK (CQC) NO for Belgium, Ireland and the Netherlands (ISO 9000)
Central Europe	27%	21%	ISO 9000 and ALS benchmark in Italy (based on ISO 9000)	YES for Italy NO for Germany and Switzerland (ISO 9000)
Eastern Europe	80%	90%	ISO 9000, E-Qalin, Easy Leaving	NO
Iberian Peninsula and Latin America	87%	86%	ISO 9000	NO
Other countries	100%	50%	Chinese authority benchmark based on ISO 9000	YES
GROUP	**71%**	**67%**		

In Belgium, due to the impact of the publication of the book *"Les fossoyeurs"* and the restructuring of operations in the country, the programme has been put on hold with a target audit date set for 2024.

In Central Europe, Germany successfully completed the ISO 9000 certification programme for its 148 facilities. The audit was carried out in the second half of 2023, but the certifying body has not yet issued the ISO 9000 certificate. At end-2023, these facilities were therefore not considered to be certified.

Regarding the 35 nursing homes in Switzerland, the programme could not be completed by 2023; the 2024 target audit date has therefore been rescheduled.

In Eastern Europe, certifications are carried out facility by facility. Fifteen facilities in Austria, three in Slovenia, and four in Croatia could not be audited in 2023 but will be in 2024.

In the Iberian Peninsula and Latin America, only facilities in Brazil, Mexico and Uruguay are not certified.

Focus France

In France, the National Authority for Health (HAS) issues the external certification once every four years for healthcare facilities and once every five years for nursing facilities. The HAS certification of nursing facilities was established in 2022, replacing the external assessment by an outside body already in force. The aim of these certifications is to assess the quality and safety of the care provided in facilities and to report on this to all stakeholders in a transparent manner.

To date, there are currently two concurrent systems:

- for hospitals: the HAS V2014 certification and the new HAS V2021 certification (quality and safety of care certification [*Certification qualité sécurité des soins* – CQSS]), which began to roll out in 2021. ORPEA has volunteered to make four of its hospitals pilot sites for this new certification;
- for nursing homes: since 2022, following a regulatory change, the facilities will have to undergo certification based on the guidelines set out by HAS, and the audit to certify the facilities will also be carried out by an approved external body. By end-2023, 30% of nursing homes had passed the external assessment with an average rating of 3.88/4. The other facilities are scheduled for assessment according to a timetable set by the pricing and control authorities. With certifications for 68 nursing homes (and three assisted-living facilities) planned for 2024, 57% of nursing homes will have been assessed during the first two years of implementing the new standards.

HOSPITAL CERTIFICATIONS

Breakdown of certification levels	2023	2022
Certified with distinction, High Quality of Care	14%	22%
Certified, Confirmed Quality of Care	78%	67%
Certified subject to conditions, Quality of Care to be Improved	8%	11%
Not certified	0%	0%

NURSING HOME CERTIFICATIONS

Breakdown of certification levels[1]	2023	2022
Facilities with an above-average rating (3.88/4)	63%	NA

(1) Pending publication of the decree on disclosure of certification levels, the Group presents here the proportion of facilities with scores above the average of results obtained across all certifications carried out during the period.

3.2.1.4 Follow-up of audits carried out in 2022 and regular internal audits

To verify the smooth running of the systems in place to ensure the health and safety of residents, patients and beneficiaries and to meet their expectations as well as those of their families, self-assessments and audits are carried out. These audits, which take place in all countries, are aimed at ensuring that procedures and regulations are properly implemented and that best practices are embraced by the staff.

Internal audits

ORPEA has put in place a quality control process that applies to all its facilities in every country. Nearly 200 criteria are monitored and controlled every six months by facility directors, regional directors and the different support business lines (quality, medical/care, construction and catering).

The Group's Quality department monitors this system, which is based on quality standards and also meets regulatory requirements. The control points cover the following topics:

- the resident and patient pathway, including quality of accommodation, the information provided on admission and during the stay (in terms of services and fees), the implementation of a personalised plan (life plan, care plan) and the respect of rights and freedoms;
- care and treatment, including traceability of care, measures to prevent malnutrition, monitoring the use of restraints, preventing falls, the medication circuit, end-of-life care or support during difficult times of life, and ongoing institutional discussions about positive treatment;
- staff management, from recruitment to team integration and training, monitoring and evaluation of team practices, employee health and safety;
- the involvement of relatives, their place within the facility, methods for consulting residents and families, reviews in the event of a problem;
- safety, in particular the compliance of safety and fire registers, and the monitoring of works;
- catering, monitoring of the food safety control plan and quality of the catering, compliance with the food plan, menus and prescribed diets;
- hygiene, control of best practices, management of potentially infectious medical waste;
- entertainment and social life within the facility, an activities schedule tailored to residents' medical conditions;
- monitoring of the quality process, communication of the facility's project, sharing of quality protocols and adoption by the teams, use of care indicators, monitoring of inspections and external controls and monitoring of the action plan.

These internal assessments allow each facility to identify areas of non-compliance and implement appropriate corrective action plans as a team. The action plans are monitored by facility management and by the support teams during their regular visits. The Group promotes a positive error culture that includes systematically taking stock of and continually improving practices.

External audits

ORPEA entrusts external service providers with a number of specific inspections, such as food safety (bacteriological analyses, kitchen hygiene) or the detection of legionella in water. The results are taken into account by the staff, with corrective action taken where necessary.

The frequency of these inspections varies from country to country and, in all cases, they meet or exceed regulatory requirements. For example, ORPEA carries out bacteriological analyses in all of its facilities in France to ensure the safety of the food products served.

In Belgium, the Federal Agency for the Safety of the Food Chain (FASFC) carried out 28 inspections at our facilities in 2023.

In addition, 12 Kappa inspections took place in Belgium to verify the correct use of the Katz scale to assess a resident's dependency.

Audits by public authorities

Checks are also carried out by the competent state authorities in each country. ORPEA ensures that it takes into account all the recommendations issued by these bodies to correct any discrepancies flagged and to improve its practices in a more general sense.

The Group supports the tightening of these controls, which are complementary to internal quality audits. The inspections performed by the health authorities also complement the various inspections carried out by the French local authorities for public protection (Directions départementales de la protection des populations), which check food safety, local labour inspectorates (*Services départementaux de l'inspection du travail*) and Safety Commissions (*Commissions de sécurité*), which check compliance with safety regulations, particularly in French facilities open to the public. All these inspections systematically result in corrective actions that take into account the discrepancies identified and follow-up in conjunction with the relevant State or departmental authorities.

In France, since the publication of the book *Les fossoyeurs* in 2022, the supervisory authorities (regional health authorities, departmental councils) performed 179 nursing home inspections and ten inspections were carried out by the General Inspectorate for Social Affairs and the General Inspectorate for Finance. Taking multiple inspections of the same facility into account, almost three quarters (72%) of nursing homes were inspected. These inspections resulted in 155 injunctions, 149 of which were resolved (96%). These injunctions led to the introduction of action plans managed at facility, regional and national level.

In 2023, 32 inspections were carried out by French supervisory authorities (regional health authorities, departmental councils), 17 of which were part of the Regional Inspection, Control and Evaluation Programme.

In Belgium, several inspections of facilities were also carried out by regulatory bodies. We recorded 70 inspections across 55 facilities, with some being inspected multiple times (nine of them were inspected three or four times).

Out of the 70 inspections, 16 were prompted by complaints to the authorities, and 19 followed the press release of 16 February 2023 ("A €90 million future plan – ORPEA Belgium").

3.2.1.5 Increased vigilance on the health and safety of people receiving care

Programme for preventing and managing professional risks

The ORPEA Group has implemented appropriate preventive measures and corrective action plans to address the various health and safety risk factors that facilities may encounter (pandemic risk, infection risk, food safety risk, etc.), while taking into account the regulations in force in the various host countries. The analysis of these risks, the implementation of effective preventive measures and the handling of deficiencies are essential to guarantee the health and safety of the residents and patients.

Prevention and facility maintenance

ORPEA has identified the safety risks that may arise at its facilities and has introduced appropriate tools including procedures, training, checklists and control assessments to prevent and manage these risks. The main risks associated with buildings relate to:

- building safety (fire safety, asbestos, radon, etc.);
- water quality and temperature (prevention of the risk of legionella bacteria, monitoring drinking water and controlling tap water temperature, etc.);
- geographical location (risk of floods, chemical spills, forest fires, etc.);
- climate change (risk of heat waves).

ORPEA invests each year to ensure that its facilities in every host country provide high-quality, safe and comfortable accommodation and comply with the applicable health, safety and fire regulations. This investment also helps maintain the appeal of the Group's facilities and meet the comfort and safety expectations of residents and patients.

Maintenance teams set up in each country are responsible for building safety and maintenance, based on a dedicated yearly works budget. This includes training, internal and external audits, preventive and corrective maintenance and improvement work.

In summary:

- a prevention policy implemented through training provided to all the facilities' employees (annually or semi-annually depending on the country). This policy is implemented by either an accredited external firm or a specially trained in-house correspondent in compliance with the legal requirements in each country;
- preventive maintenance work (fire safety system, smoke extraction system, fire doors, fire extinguishers, installation of hot water and maintenance of the water system, monitoring of building temperature, etc.);
- remedial measures (e.g., repairs) as part of a system assuring traceability to identify the issue that has arisen and monitor its resolution;
- internal audits conducted at least annually to verify the implementation and monitoring of these protocols and measures. At the same time, ORPEA has established a network of specialist independent contractors that can audit the safety of its facilities and buildings to check their compliance with the local regulations (fire safety, legionella checks, etc.).

Food safety and hygiene

All the Group's facilities implement a food safety control plan, which helps prevent the chemical, physical and biological risks inherent in mass catering.

Regular audits are carried out, both internally and via external companies.

Examples of best practices in different countries

Germany:

- facilities are externally audited four times a year by Fresenius (Group Standard) and bacteriological analyses are carried out on surfaces and food;
- dishwashers are inspected twice a year to ensure that dishes and utensils are correctly maintained;
- regional catering managers carry out a hygiene audit in the kitchens twice a year.

Spain:

- food hygiene training is standardised through an online platform. It is compulsory for all teams (chefs, sous chefs, directors, representatives, waiters, etc.), and is integrated into the onboarding process for new recruits;
- an external company carries out a quarterly hygiene audit of the facility, in terms of catering (kitchen, pantries, dining rooms, canteens, cloakrooms and Hazard Analysis Critical Control Points (HACCP) documentation), as well as bacteriological analyses based on a sampling plan (adapted to specific local regulatory requirements). These processes are also checked as part of internal hospitality and quality audits.

France:

- each facility has a food safety control plan, which helps prevent the chemical, physical and biological risks inherent in mass catering. The plan covers the requisite points for ORPEA's facilities to fully honour their responsibilities: best practices in food hygiene, compliance with the HACCP method, management of corrective actions and warnings, and introduction of a traceability system. Regular audits are carried out, both internally and via external companies. For example, to ensure the best possible food safety, external bacteriological analyses are conducted quarterly;
- in addition, the Catering department works with its suppliers to offer high-quality products and to ensure the traceability of products and their sourcing.

Ireland:

- training: chefs receive support to follow a level three food safety course and have access to a detailed food safety management system to guide their practices. This system is tailored to their kitchen and highlights specific risks along with appropriate measures to mitigate them;
- a specific inspection has been developed and is carried out twice a year in each kitchen. It was designed by the quality team and assesses food safety practices in the kitchen. In 2024, this inspection will be carried out by an external service provider.

Switzerland:

- all chefs receive food hygiene training during departmental meetings, supplemented by mini-training sessions;
- regular bacteriological analyses are carried out twice a year by an external auditor in a laboratory chosen by the Company;
- annual audits are carried out by regional authorities;
- the ORPEA catering manager also carries out an annual specialised audit of the facilities.

	% of teams trained in food hygiene (HACCP)	% of countries carrying out bacteriological analyses of dishes in their facilities at least once per quarter
France-Benelux-United Kingdom-Ireland	67%	33%
Central Europe	100%	100%
Eastern Europe	80%	60%
Iberian Peninsula and Latin America	67%	67%
TOTAL GROUP	**78%**	**61%**

Crisis management

Every facility has both a crisis management plan and a business continuity plan to deal with any situation, with different levels of response. In the event of a crisis, these plans provide for the immediate roll-out of a crisis unit within the facilities. The facility crisis unit communicates with the national crisis unit, which consists of the Operations department, the Medical department, the Quality department and the Human Resources department. The national unit coordinates actions throughout the Group and centralises the information reported by the local crisis units.

3.2.1.6 Handling safety events

A safety event is an accident, incident, shortcoming or the occurrence of a risk within a facility, the consequences of which have or could have been harmful to residents, patients, visitors or staff. A sentinel event is a significant and critical safety event with consequences on people, whether reversible or not.

Definitions may vary between countries and activities; however, a Group consensus has been reached that each country qualifies sentinel events in the same way, according to their category and their impact in terms of severity on people, also taking into account local regulatory requirements.

Safety events represent a risk of which the Group is well aware and for which staff are committed to implementing all preventive measures necessary (risk assessment at the time of admission, ongoing staff training, preparation of information sheets on what to do in the event of such an occurrence).

If a safety event occurs, the first action is always the protection of people, their safety and, depending on the seriousness of the event, providing psychological support for both the people cared for and employees (see section 3.3.4.1 of this Universal Registration Document).

Reporting safety events as part of ORPEA's "just culture"

The reporting of safety events is an essential step in preventing risks and investigating the causes of malfunctions, in order to implement the actions that will make it possible to prevent them. However, there may be obstacles to the reporting of these events by employees, particularly the fact of admitting an error or wrongdoing, etc.

In order to encourage these reports and remove any obstacles, since 2022, the Group has strengthened the reporting culture by deploying a "just culture" in the face of error. Just culture is an approach that promotes consistent, constructive and fair responses to sentinel events. It is part of an institutional and managerial attitude supported by Executive Management that aims to build trust.

In practice, this "just culture" takes the form of commitment charters directed by management, rolled out to all teams and which may, depending on the country or activity, bear different names, such as "Charter of Trust" and "Pro-reporting Charter". The objective is to ensure teams are fully transparent on the actions taken when a human error occurs and therefore promote feedback and alerting to optimise reporting, for the safety of people.

The numerous awareness-raising and communication actions within this "framework of trust" carried out in 2022 and continued in 2023 by both Executive Management and the entire management line enabled a considerable improvement in reporting as well as in the Group's progress in the awareness and management of these events.

At the same time, procedures were simplified and action sheets were distributed to all teams and posted in the staff rooms, helping to remind them of the main principles when a safety event occurs.

Reporting and escalation of sentinel events

Safety events are reported to the authorities according to the regulations in force in the countries.

In addition, since July 2022, a weekly report is consolidated in each country and sent to the Group's Executive Management and to the Executive Committee of each country, listing the events that have occurred, their seriousness, the timeframe for reporting them to the authorities for France and the corrective measures taken. This report allows management, in addition to being fully informed, to identify new strategies in terms of collective prevention.

In 2023, 3,998 sentinel events were reported, bringing the rate to 1.41%[1], a sharp increase compared to previous years and a clear indication of the awareness-raising actions carried out by the teams on this subject in 2023. In parallel and in addition to sentinel events, 54,965 events and near misses were reported by the teams, reflecting the quality and safety culture established within the facilities.

Sentinel events in 2023

The type of events reported reflects challenges in the Group's activity, as 82% involve care.

In France, the number of reported sentinel events increased by 4.8 points in 2023 compared with 2021.

Reports of sentinel events are also shared with representatives of residents, patients and their relatives (residents' councils, Users Committee, etc.).

A systemic analysis of incident causes

Each safety event is the subject of an analysis of the causes examining the role of various professionals in order to highlight the real causes of the incident, both those that are immediately visible and those that are latent and which may relate to organisation, inter-team communication and training.

This systemic approach to feedback has a corrective and preventive aim (correction of identified risk situations, identification of new protective measures, deployment of new training and/or awareness-raising measures for the teams), as well as an educational and human one (learning from mistakes, perception of multidisciplinary work, reaffirming major challenges at stake in the team, restoration of self-confidence and confidence in one's work).

Each country's quality department provides support and expertise in the methodology of analysing causes: feedback, morbidity and mortality review.

3.2.2 Healthcare and nursing activities

The health, well-being and quality of life of our beneficiaries, patients, residents and their loved ones are central to the Group's purpose. A new structure for our healthcare and nursing activities has therefore become essential to support the Company's transformation plan.

3.2.2.1 Medical and care transformation plan

In November 2022, the Group launched its transformation plan, with the aim of refocusing on its role in the healthcare and nursing sector, particularly to restore its position as a leading provider of care and support pathways for frail and vulnerable people. This led us to define the roles and responsibilities of the new Medical department, bring together isolated medical and healthcare teams and programmes, and forge closer ties with the Group's other departments and support functions in order to forge an integrated, cross-functional medical and healthcare strategy.

Redefining the roles and responsibilities of the Medical department

The Group's Medical department has redefined its roles, missions and responsibilities at facility, country and Group level.

The following medical and care topics have been defined as being part of the roles and responsibilities of the Medical department:

- quality of care, safety and ethics;
- consideration of care and life pathways;
- the attractiveness of the care professions;
- innovation and medical research;
- building the Group's medical and nursing strategy.

Restructuring the Group's Medical department

To support the Group's Medical Director, three Deputy Medical Directors have replaced consultants and taken up responsibility for mental health-related-, rehabilitation-, home support- and nursing home activities. They are supported by a Medical Transformation department, an Ethics department and a Research department. The Group's Medical department also provides functional links with the medical and care departments in each country.

(1) *To align all our indicators with those commonly used in our sector, and to better reflect the impact of sentinel events on our activities, the rate has been adjusted by dividing the number of sentinel events by the number of days rather than the number of residents/patients. From 2024, the new rates will be used to measure changes in our sentinel events.*

Focus France

The Medical department in France is based on the Group's three core activities:

- mental health;
- post-acute care and rehabilitation;
- nursing.

In order to form part of a common strategy, a number of programmes and departments, that were either isolated or did not exist, have been brought together:

- Care department;
- Rehabilitation department;
- Pharmacy department;
- Infection Risk Prevention and Control department;
- Medical Information department;
- Psychology department;
- Mediation department;
- Research department.

Medical and nursing priorities

Under the leadership of the new Medical department and existing bodies (see section 3.2.2.2 of this Universal Registration Document), seven medical and nursing priorities were defined with all countries:

1. update and implement best practices in health and care in appropriate organisations, in line with the recommendations of the Group Medical Care Commission (see GMC[2]);
2. strengthen health prevention and quality of life at home and in nursing homes;
3. improve training, skills and expertise of healthcare professionals;
4. value and involve professional care workers;
5. define and deploy the Group's ethics strategy;
6. identify, test and deploy new activities, networks and medical and care professions;
7. strengthen innovation in healthcare and set up a research project dedicated to evaluating its impact and innovations.

Redefining the fundamentals of clinical practices

As a priority in 2023, the new Medical department focused on redefining the fundamentals of clinical practice.

Three medical and nursing topics were prioritised to strengthen practices in these areas.

The fundamentals

The medication circuit

In view of the issues involved in taking medication in a facility, this issue has been given priority. It requires particular vigilance (drug-related iatrogenesis, managing sentinel events) to ensure the safety of the individuals being cared for. Every source of medication-related error along the pathway has been identified and associated with a specific action plan.

Hand hygiene

The frequency of viral epidemics and their potential seriousness in health facilities requires particular attention as well as an action plan aimed at preventing this risk.

Suicide risk prevention

The risk of suicide is inherent in the people cared for in the Group's facilities, particularly in psychiatry, but not exclusively. Preventing suicide or attempted suicide at our facilities remains a priority. A multi-action plan in this regard has been launched.

Emergency situations

Emergency procedures and equipment in health facilities are crucial in ensuring patient responsiveness and safety. Responding quickly and effectively to critical medical situations not only minimises the risk of complications, but also helps save lives. Regular staff training, optimised and easily accessible equipment, and optimal coordination are essential to ensure an adequate response to medical emergencies.

3.2.2.2 Reinforced support bodies

The Medical department took part in structuring the company as a healthcare and nursing support organisation thanks to three new specialist bodies: a Medical and Care Commission, an international Scientific Council made up of healthcare and nursing experts, and an Ethics Advisory Board responsible for providing operational responses to the questions raised by teams.

The Group Medical Care Commission (GMC²)

The GMC², created in May 2023, provides a forum for discussing practices, organisation, and care pathways. This is an international structure within the Group, which brings together the country-level medical and quality directors and representatives in executive and operational support roles, in particular the directors of the Group's geographical areas.

For now, the GMC² is made up of four sub-committees: infection risk prevention, suicide risk prevention, emergency situations and medication. These sub-committees are in turn made up of experts who have worked in the field, and are responsible for creating or updating procedures in line with international recommendations, analysing indicators and proposing recommendations for best professional practices.

The objectives of the GMC² are defined as follows:

- ensure best practices, quality and safety of care, as well as the medical and nursing organisations that support them, optimise care pathways, consider new care professions, innovation and clinical research;
- interact with Executive Management/the Operations department and all support functions and divisions/countries to shape the Group's development strategy;
- build bridges with the Ethics Advisory Board and the international Scientific Council.

GMC² issues recommendations for all countries. Recommendations are proposed based on a hierarchy consisting of three levels ("basic" – consensual medical advice, "strong" – strong consensual medical advice, to be applied depending on the local legal requirements, and "mandatory", to be applied by all countries).

The International Scientific Committee (ISC)

The ISC is an international interdisciplinary body made up of specialists with expertise in different medical and care fields. It is made up of both internal and external specialists. Its main duties are to:

- formulate the best possible recommendations in terms of medical and care practices;
- carry out reviews of scientific literature to update practices;
- establish a consensus among national and international experts to examine evidence and/or propose the best approaches to adopt based on specific situations;
- propose, define or develop academic partnerships, support the acquisition of new knowledge, and assess the necessary adaptations to medical and nursing practices;
- promote, conduct and/or participate in international research on care ratios, care, prevention, therapeutic treatment, overall health, and the health and safety of nursing staff;
- initiate or develop research protocols deemed as priorities and respond to national and international project calls in areas related to the Group's duties and activities;
- work closely with other existing bodies.

The Ethics Advisory Board

As the Group's ethical guidance body, the Ethics Advisory Board is tasked with setting the guidelines for the ethics policy, supporting its implementation and assessing its relevance, consistency and effectiveness in terms of the Group's commitments. This body is being built progressively through a network of ethics ambassadors at the local and national levels (see section 3.2.3 of this Universal Registration Document).

3.2.3 Operational medical and care ethics

The Group's commitment to medical and care ethics, which has been heavily questioned in the recent past, prompted a thorough examination of the Group's behaviour and practices. The highest standards needed to be met more than ever. The Group's response was to develop a mechanism dedicated to consultation on ethics, shared communication on the culture of ethics and positive treatment, and raising awareness in the field, for all Group employees.

In this spirit, the ethical approach was considerably strengthened in 2023 with the creation of an Ethics department. Its mission is to promote and support the commitment to ethical medical and nursing, "so that no situation identified by a beneficiary, patient, resident, relative or professional that could raise an ethical issue goes unaddressed, unresolved or even unanswered", which is aligned with the values that the ORPEA Group shares and embodies in all its work.

It is an institutional approach that supports all of the Group's professionals in their exemplary behaviour, good conduct, competence, compassion and fair practices. Ethics is one of the pillars, a lever and a vector for the Group's refoundation and transformation.

Ethics guidelines are implemented based on the documented and concerted collection and analysis of immediate realities in the field, as well as the sharing of experience and expertise to encourage collective intelligence. Their objective is to strengthen our commitment to serving each individual and the common good, guided by the shared values embodied in our work.

Personalising an approach that respects the fundamental rights, integrity, values, and choices of each individual, while also taking into account their specific needs in vulnerable situations and the expectations of their loved ones, is a way to define perspectives and courses of action that are mobilising and engaging.

It is important to recognise, bring together, and value the knowledge and talents of each individual to better understand those who place their trust in the Group: the people in our facilities or receiving care at home, the professionals and members of our non-profits, our stakeholders and public authorities.

ORPEA's ethical approach is developed on a daily basis, within bodies that work as closely as possible to the human, social and professional realities in the field, in order to reach as many people as possible and carry out the essential in-depth studies necessary for understanding reality and devising new approaches to care and support.

This approach reflects a spirit of openness, pluralism, respect for individuality and cultures, and attention to the diversity of the Group's missions (including at the international level). It also contributes to societal debates, innovations, and developments.

3.2.3.1 Challenges relating to medical and care ethics

Preventing the risk of mistreatment

To prevent risks of mistreatment, ORPEA implemented a preventive protocol in all of its facilities in France and, where required, corrective measures in response to reports of mistreatment. This protocol helps to prevent mistreatment by addressing:

- staff recruitment procedures;
- onboarding process for new employees;
- the step-by-step protocol in the event of suspected or proven mistreatment, including removal of the person in question in compliance with staff management regulations while an internal investigation is carried out, so as to protect all residents and patients;
- setting up of psychological support for the resident or patient affected, their relatives and facility staff.

ORPEA is particularly vigilant against acts of mistreatment.

Cases of mistreatment or suspected mistreatment are considered sentinel events (see section 3.2.1.6 of the Universal Registration Document) and are reported to the competent authorities in accordance with applicable rules in the corresponding country. Events may be reported by an employee and/or a resident or patient, a family member or any other person involved in the facility. Each event is subject to an internal investigation, an analysis of the causes and the implementation of corrective actions as soon as possible. A system for monitoring and analysing sentinel events – including reports of abuse – has been put in place (see section 3.2.1.6 of this Universal Registration Document). The Group's Medical department examines these sentinel events on a weekly basis, helps employees to implement an action plan, if necessary, and reports to the Group's bodies on a monthly basis.

Promoting a culture of positive treatment

To strengthen and promote this shared culture of positive treatment in all its facilities, ORPEA is setting up a national network of "ethics and positive treatment correspondents".

Role of the ethics and positive treatment correspondents in facilities[1]

Serving residents, patients, families and loved ones (as part of their initial duties):

- welcoming new residents and patients: alongside staff, offering hospitality, attentiveness, and support with regard to maintaining social and family ties, integration, relationships and fulfilment within the facility, etc.;
- personalised monitoring and prevention of the risk of abusive attitudes and behaviours on the part of staff, other residents, or even families;
- gathering comments and suggestions to improve the ethical and positive treatment approach, including consultation initiatives;
- paying attention to the living conditions and social environment of persons cared for, and to the respect of their fundamental rights and freedoms, including the right to privacy, conviviality and safety.

Serving professionals:

- contributing to the integration of newly arrived professionals within teams, availability;
- serving as a helpful resource for employees to come to with their daily work difficulties and questions, advising and directing them to the appropriate people;
- collecting comments and suggestions relating to ethical and professional practices, initiating the necessary consultations with the management and supervisory teams, and referring matters to an ethics body for further consideration as required;
- raising teams' awareness of the challenges and methods of prioritising ethics when drawing up personalised life or care plans;
- organising awareness-raising sessions aimed at strengthening and promoting a shared culture of positive treatment.

2023 CSR objective

All facilities have a staff member who is trained in positive treatment and ethics. ORPEA is committed to identifying, appointing and training an ethics/positive treatment correspondent at each of its facilities who will be responsible for ensuring that best practices are implemented.

2023 progress report

As of 31 December 2023, 72% of the Group's facilities had an appointed and trained ethics/positive treatment correspondent.

(1) The role of the correspondents can be adapted to local regulations and country initiatives.

72% OF FACILITIES WITH A TRAINED ETHICS/POSITIVE TREATMENT CORRESPONDENT IN 2023[1]

Geographical area	At 31 December 2023	Update – 31 December 2022
France Benelux United Kingdom Ireland	48%	40%
Central Europe	100%	56%
Eastern Europe	96%	12%
Iberian Peninsula and Latin America	99%	88%
Other countries (China)	0%	100%
GROUP	**72%**	**45%**

(1) *The scope of the facilities is as follows: all facilities with a care activity, i.e., hospitals and nursing homes that have been in the Group for more than one year.*

There was a significant increase in the number of facilities with an ethics/positive treatment correspondent across the Group in 2023, particularly in Germany (66% in 2022 vs. 100% in 2023), in Switzerland (7% in 2022 vs. 100% in 2023), and in Austria (95% in 2023).

Focus France

The concept of positive treatment is based on the guidelines for good professional practices in France. According to ANESM, the French national agency overseeing the assessment and quality of residential and social care facilities and services *(Agence nationale de l'évaluation et de la qualité des établissements et services sociaux et médico-sociaux)*, positive treatment involves promoting the well-being of the person receiving services with a view to preventing the risk of mistreatment. It is characterised by a continued effort to tailor and personalise the care and support provided. The positive treatment approach is developed within facilities or as part of home care through ongoing dialogue between all the stakeholders, including the patient directly concerned as well as their loved ones. ANESM, now part of the French National Authority for Health (*Haute Autorité de Santé* – HAS), has issued a set of best practices on which the Group bases its protocols and procedures.

Weekly briefing meetings are held in each Group facility to discuss difficulties identified by team members and work together to determine the best solutions for respecting the freedom, rights, individuality and dignity of the residents and patients.

To bring in different perspectives, experts from outside the Group (mainly from the academic field) will also be invited to coach training sessions, as well as in-house experts, who will focus primarily on real-life situations.

Knowledge and skills relating to ethics and positive treatment are passed on to each of the Group's professionals involved in administrative, care or support as soon as they take up their posts, and subsequently through regular awareness-raising sessions.

If these professionals do not currently have the time to dedicate to this mission, the scope of the ethics and positive treatment correspondents' duties will be updated to further define their skills and responsibilities, as well as the procedures for related procedures, while ensuring their independence through consultation with the Ethics Advisory Board.

3.2.3.2 Ethics bodies

The Ethics Advisory Board

Created in January 2023, this is an institutional approach that commits all employees to exemplary behaviour, good conduct and professional best practices. Ethics is one of the pillars, serving as a lever and a vector for the Group's refoundation and transformation.

The strategy is being rolled out based on an analysis of the realities in the field. This includes sharing experience and expertise, which will strengthen and improve our commitment to the values of hospitality, compassion and competence.

It brings together both internal and external professionals to promote a spirit of openness and leverage a variety of skills. To guarantee its independence, a public call for applications was launched in the fourth quarter of 2022 to form the College of Associated Members. Nearly 50 applications were received, leading to the creation of a National College. Its mission is to bring together experiences and expertise with practical relevance (including those of the people cared for and their loved ones, and associations); identify the ethical and societal challenges requiring in-depth thematic studies; create opportunities for consultation and discussions; in particular by supporting the development and work of local ethics bodies; promote access to awareness-raising and training; and organise regional and national events, including an ORPEA Summer University on Ethics;

Ethics bodies for reflection, consultation and monitoring

ORPEA has a wide range of local ethics bodies. These ethics bodies are tasked with being integral parts of the Group's ethical approach: they guide it through their expertise at the local level, interacting with their environment. They are not intended, as such, to develop a clinical ethical approach. The Ethics Advisory Board has launched an investigation into this issue to identify clinical ethics bodies and consider, if necessary, formalising their procedures and setting up a dedicated network.

Cross-cutting themes are being explored in greater depth:

- a culture of hospitality and compassion;
- a person's life journey and end-of-life;
- fundamental rights of elderly people in nursing homes;
- freedom of movement;
- complex decisions – ethical reflection on the development of digital technology in the healthcare and nursing sectors.

The Emergency Ethics Consultation Unit

If governance, anticipation, monitoring, and vigilance mechanisms are meant to enable appropriate decision-making, certain exceptional situations may require consulting an ethics unit. It may also be useful to have access to expertise for feedback, and this is the purpose of the Emergency Ethics Consultation Unit. The unit will be operational in 2024.

3.2.3.3 Towards a shared culture of ethics

The Ethical Academy, values and commitments

Transmitting and sharing knowledge, skills, experience and initiatives in an academic context means mobilising university teaching and expertise through innovative multi-disciplinary training applied to real-life challenges. In collaboration with the Training and Career development department, the Academy offers "ethics courses" closely aligned with our practices.

Publications, sharing ideas and knowledge

The ORPEA Group's professionals are committed to working closely with vulnerable people – whether they are suffering from illness, loss of independence, disability or isolation – and giving them a social role in society, which they must uphold. Through consultations involving residents, patients, families, and stakeholders, an ethics culture is emerging. This reinforces the responsibility and thoughtfulness that underpin the field of support and care. A national network of ethical initiatives has been developing in France since 2023, notably through "ethics, hospitality and compassion" embassies in each region. It will be deployed in other countries in 2024. Two national consultations were held in France in 2022 and 2023, focusing on the concept of positive treatment (particularly in nursing homes) and the challenges of end-of-life care. Based on their day-to-day expertise, ORPEA's teams have been actively involved in contributing to these consultations through thematic reflection groups. The first result of this work was the publication and internal distribution of documents that are now considered as standard references[1]. These contributions[2] to the public debate have also been communicated to public bodies as a recognised expression of shared expertise within the Group. It is now clear that they represent values and practices that may not have previously received enough attention. This goal of setting an example motivates each of us to work with others to serve the common good and to ensure that ethics remain at the heart of our work. It is an integral part of the Group's Refoundation Plan.

3.2.4 The well-being of our residents, shaping their care and life pathways

"Care by ORPEA" is centred on a personalised life pathway, in order to meet the expectations of patients and residents. The attention paid to the well-being of residents and patients is fundamental, in particular to contribute to maintaining their autonomy. This also helps to fight against depression, which is unfortunately still an illness that is all too present in nursing homes.

The Conferences for the Elderly, organised in France in 2023, again highlighted the difficult balance in nursing homes between the essential respect for individuality and the constraints of life in a community, and similarly between safety and freedom of movement.

The declared ambition of nursing homes is to enable their residents to continue to live their lives, but the constraints of the community weigh on the quality of life of residents, some of whom express the frustration of no longer being at home. The restrictive aspect is reinforced by the fact that admission into a nursing home is more often a necessity than a choice, due to the vulnerability of the people concerned, and that it has often been poorly anticipated.

The Group is aware of this constraint and has made this point one of the priorities of the *With you and for you, changing ORPEA* Refoundation Plan: personalised support from the moment of admission and throughout the care and life pathways.

(1) Regular publications:
- *the publication of "Ethics – with you and for you": has established itself as a forum for the expression and reflection of ethics applied to the human, social and professional realities of the missions undertaken and shared within the Group;*
- *the newsletter: this reports on the discussions and work of the various bodies of the Ethics Advisory Board. It also offers a selection of significant contributions to ethical and societal reflection.*

(2) Contribution to the consultation with the French data protection authorities (Commission nationale de l'informatique et des libertés – CNIL): "Installation of CCTV cameras in nursing home rooms", Ethics department, 20 March 2023.
Réflexions appliquées aux approches de la fin d'une vie, Direction de l'éthique, 30 May 2023.
Applied ethical thinking as life draws to a close, Ethics department, 30 May 2023.
"Ethics, compassion and positive treatment" report, Ethics department, 9 June 2023.
"Ethics and end-of-life" report, Ethics department, 1 September 2023.
Ethics resolution "Towards an approach based on hospitality, compassion and positive treatment, 1 October 2023", Ethics department, 1 October 2023.
Ethics resolution "The rights of the elderly", Ethics department, 10 December 2023.

3.2.4.1 Facilities designed and outfitted for people's well-being

The Group pays particular attention to the interior and exterior architectural quality of its buildings. Many of the buildings were designed and developed by the Group. This enables the Group to provide living and working environments that best meet the needs of its stakeholders and the latest quality standards.

The Group implements design choices tailored to the usage needs and profiles of the residents in its buildings. In this way, architectural design serves to enhance the satisfaction and well-being of residents, patients, families and employees.

ORPEA selects locations based on their intrinsic quality as real estate, particularly the quality of the site and where it is geographically situated. Most of the Group's facilities are located in city centres or in attractive surroundings with the aim of fostering close ties with families and care networks, as this is essential for a high standard of care. One of the first selection criteria applied by residents and their families is a facility's location.

From the initial planning stages, ORPEA designs the architecture and amenities of its facilities around people. This philosophy is essential for creating a pleasant care and living environment and goes beyond the quality of nursing care to focus on the well-being of those being cared for.

Criteria for the design and layout of facilities

The Group takes several factors into account:

- lighting, with particular attention to the provision of natural light;
- indoor temperature, which must be kept ambient and comfortable;
- inviting, aesthetically pleasing areas for activities and socialising, and cosy, quiet spaces where residents and patients can spend time with loved ones;
- rooms for well-being and stimulation (hairdressing and well-being salon, Snoezelen relaxation area, reminiscence area, balneotherapy, rehabilitation room, gym, etc.);
- natural green spaces, landscaped to allow easy access for residents and patients;
- appropriate and attractive decor, anchored in the local environment, for example incorporating reminders of the local natural or cultural heritage;
- in general, a biophilic design to promote contact between nature and residents, for their well-being, with the publication of a dedicated charter in 2023 (see section 3.5.4 of this Universal Registration Document);
- convenient access to public transport and local shops so residents/patients can go out and maintain a social life, and family and loved ones can travel easily to and from the facility;
- spaces for daily events or therapeutic, cultural and entertainment activities organised by facility staff or external organisations; these areas can also be used on a regular basis for local associations involved in programmes sponsored by the facility.

ORPEA is committed to obtaining HQE or equivalent environmental certification (BREEAM, LEED, DGNB or GPR) for all its future construction projects (see section 3.5.1.3 of this Universal Registration Document). These certifications take comfort and well-being in the facilities into account:

- BREEAM (Building Research Establishment Environmental Assessment Method): Health and Well-being category;
- LEED (Leadership in Energy and Environmental Design): Indoor Environmental Quality category;
- HQE (High Environmental Quality): Quality of Life category.

In order to strengthen the role of the facilities as contributors to the well-being of patients, residents and employees, the Group drew up and updated Design Guidelines for nursing homes and hospitals. These Design Guidelines focus on comfort, occupant safety and operational efficiency, and apply to all Group entities.

Some examples of best practice in terms of buildings that promote the well-being of residents

The design and architecture of the building and outdoor spaces contribute to the well-being and health of its occupants, primarily residents and patients, but also staff and visitors.

Here are a few examples of nursing homes developed by ORPEA around the world.

In France, the 106-bed HQE-certified nursing home at Bellerive-sur-Allier, which opened in March 2023, includes the following features:

- visual comfort, by prioritising natural light, facilitated by corridors with windows at each end, passing through various rooms and living areas, such as the restaurant and the staff room. These open design elements adhere to the highest standards of access to natural light;
- acoustic comfort, following the recommendations of an acoustician consulted for the project;
- in addition, the functional programme includes communal spaces dedicated to the well-being of residents and their families. These include a hairdressing salon, a comfortable and cosily furnished lounge on each floor, a garden accessible to everyone, and a therapeutic garden for the protected unit (for residents suffering from dementia). The facility also includes areas for residents' loved ones: a dedicated restaurant, four guest rooms, which can be used free of charge, a children's area in the entrance hall, with games and special attention paid to furniture and atmosphere;
- a "sense of place" approach was used in the interior design, connecting it with the local setting of the facility to make it welcoming for residents, with wallpaper featuring iconic landmarks of the region.

In the Netherlands, the nursing homes in Stoutenburg and Apeldoorn, developed by ORPEA subsidiaries September and Dagelijks Leven, respectively, place the well-being of residents at the heart of their living environment, striving to create a "home-like" atmosphere. Common areas are scaled to feel welcoming and personal, and the facilities count only 21 to 24 beds. They are decorated in a warm manner, following the aesthetic codes of the home with large windows that provide natural light and views over the gardens.

The family atmosphere can also be found in the residents' rooms. At Stoutenburg, each resident has a private suite of 32 to 45 sq.m. with a living area and bathroom. The flat can be fully decorated to the residents' taste, with their own furniture. A room for relatives of the residents can be provided by the facility.

In Apeldoorn, there is a memory box at the entrance to each room, made up of items reminiscent of the resident's life, to stimulate his or her memory and personalise the entrance to the area.

In both facilities, the outdoor spaces are designed to encourage social interaction, contact with nature and sensory stimulation, with a walking circuit, bird shelters and collective leisure facilities.

3.2.4.2 Patient and resident meals: nutritional intake and guest satisfaction

In 2023, nearly 44 million meals were served in the Group's facilities, including almost 23 million in France

Meals are a special time of day, fostering a social atmosphere, sharing and enjoyment, and contribute to maintaining good physical and mental health. This is a fundamental issue for frail people who are at high risk of undernutrition.

The results of the satisfaction surveys carried out in 2023 show the overall satisfaction of residents and patients with the meals served (see section 3.2.1.1 of this Universal Registration Document). However, these results show that in some facilities, the level of satisfaction may be well below expectations, and that even in facilities with a satisfactory level, residents' and patients' expectations on the subject of catering remain high.

In France, the catering committees meet three times a year for each nursing home to discuss all matters relating to meals, including special diets and holiday and themed meals.

Best practices in France to help fight undernutrition

In France, a food plan is drawn up to meet the nutritional requirements of each guest; it incorporates the recommendations of the French Agency for Food, Environmental and Occupational Health and Safety (*Agence nationale de sécurité sanitaire de l'alimentation* – ANSES), the French National Nutrition and Health Programme (*Plan national nutrition santé* – PNNS) and the contract catering and nutrition market research group (*Groupement d'études des marchés en restauration collective et de nutrition* – GEM-RCN), in order to ensure the right proportions are served according to the population group, and the right variety of dishes for a balanced diet. A team of two dieticians was hired in 2023 to create the nutritional plan for each menu cycle and ensure strict compliance. The plan on offer provides variety and a balanced diet throughout the seasonal menu cycles and meets protein and calorie requirements. As of 2024, daily nutritional values will be displayed on the menus to ensure transparency of information for residents, patients and their families.

Regarding the treatment of undernutrition, an initial assessment is carried out to determine the resident's undernutrition status in order to make the necessary adjustments through a personalised nutritional programme (calories, proteins and calcium). It is drawn up by the care team for each resident or patient, taking into account their needs and their tastes, while also adapting textures and diets accordingly. Monitoring of nutrition and hydration is carried out by medical and nursing teams, and its frequency is adapted to the needs of the residents and patients and their medical conditions. Rigorous monitoring of undernutrition involves monthly weight checks for all residents and weekly weight checks for undernourished residents. The albumin levels of undernourished residents are measured at least once a year in order to evaluate the effectiveness of the implemented feeding plan. The kitchen teams are also trained in the challenges surrounding undernutrition and the specificities of the elderly and the frail.

In order to accommodate specific diets, meals on the menus are adapted by dieticians to diabetics, salt-free diets or those requiring soft textures. The list of allergens and the origin of meat in dishes are also presented alongside the menus in facilities. Initially scheduled for 2023, the project to carry out ongoing satisfaction surveys (one resident or patient/day) will not be implemented until 2024, due to the change in the organisation of the catering department. A monthly report will help improve the action plans and a quarterly report on the quality experienced by all the residents will be shared with families (in particular during the catering committees).

Examples of international best practices

Germany

As part of training courses, chefs and care staff are taught how to use fortified foods as part of a high-calorie diet. In this regard, new recipes for enriched diets and high-calorie shakes have been developed.

The aim is promote weight gain using natural proteins and to develop muscles.

Belgium

In 2023, the country began to consider a nutritional policy taking into account the recommendations and obligations already in force: from the Walloon ministry for health social protections, disabilities and families, the Agency for Quality of Life (*Agence pour une Vie de Qualité* – AVIQ); and Iriscare (public interest organisation), responsible for health and care management and family benefits. This policy is intended to be adapted to suit the needs of each facility.

Ireland

Actions have been taken at various levels, from the development of menus approved by a nutritionist to the use of an adapted tool to assess the risk of undernutrition when residents arrive, enabling a personalised dietary profile, including preferences, modifications or special diets. This ensures that the kitchen teams meet the needs and preferences of residents. Chefs are encouraged to attend regular resident council meetings to hear residents' feedback on the menu and the quality of the food.

Residents with a medium or high risk of undernutrition receive special care from the medical and paramedical team.

Catering Charter

In 2021, based on its conviction that "health and enjoyment" in catering are key to the well-being of patients and residents, ORPEA, together with all the Catering departments in the various countries, drew up a Catering Charter[1] which sets out the Group's overall food strategy for all its facilities and serves as a guideline for the chefs. It addresses the following themes: detecting and managing the risk of undernutrition as early as possible; guaranteeing food safety; respecting the seasons and promoting local culinary heritage; sourcing local, quality and environmentally friendly products; making meals a real pleasure by stimulating the senses; customising the catering experience to best meet the expectations and needs of each individual; promoting dialogue and participation by residents, patients and users; enhancing the value of the work of the catering teams on a daily basis; reducing the Group's environmental footprint by fighting food waste, limiting energy consumption and water use.

Promoting the adoption and implementation of the charter

The charter is rolled out in all the Group's countries and led by country Heads of Catering. Action plans have been identified to support the countries in achieving the objectives of this charter.

(1) https://orpea-corp-events.com/rse/wp-content/uploads/2022/06/ORPEA-Group_Catering_Charter_GB.pdf

CATERING CHARTER

Geographical area	% of Catering Charter commitments implemented	% of achievement of the voluntary priority commitments of the Catering Charter[1]	% of countries having implemented all the voluntary commitments of the Catering Charter[2]
France Benelux United Kingdom Ireland	80%	59%	33%
Central Europe	100%	90%	100%
Eastern Europe	87%	74%	60%
Iberian Peninsula and Latin America	89%	69%	67%
Other countries	N/A	N/A	N/A
GROUP	**89%**	**73%**	**61%**

(1) The Catering Charter includes nine voluntary commitments, three of which must be met by the end of 2023 according to the CSR roadmap: commitments relating to nutrition, food safety and environmental footprint.
(2) The nine commitments of the Catering Charter relate to nutrition; food safety; respecting seasonality and local culinary heritage; sourcing local, quality products; stimulating the senses; customising the catering experience; promoting dialogue with users; enhancing the value of our teams; and reducing our environmental footprint.

2023 CSR objective

100% of facilities to have implemented the Group's Catering Charter and met the voluntary commitments relating to nutrition, food safety and environmental footprint.

2023 progress report

By 2023, 61% of facilities implemented the nine voluntary commitments of the Catering Charter and 73% of facilities implemented the voluntary commitments of the Group's Catering Charter relating to nutrition, food safety and environmental footprint.

The full roll-out of the charter, which started in January 2022 at the time of the reputational crisis, only achieved an average of eight out of nine commitments in the facilities in France and internationally. This therefore suggests the need for enhanced support in implementing this charter.

Focus France

Egalim Law[1]

In France, the Egalim law, which focuses on food, is an opportunity for facilities in the healthcare and nursing sector to develop, particularly through:

- quality food: it stipulates that facilities in the healthcare and nursing sector must offer quality food that respects the environment and the health of consumers;
- the establishment of short supply chains: it encourages establishments in the healthcare and nursing sector to buy local and seasonal products; facilities can be encouraged to buy from local producers in order to offer quality food and support the local economy;
- the fight against food waste: facilities are required to implement measures to assess and reduce food waste.

The Group has therefore put in place a number of measures:

- in order to improve the satisfaction of customers and food quality, the Group increased the number of sustainability-labelled food products in its price list: ORGANIC, MSC, sustainable fishing, PDO[2], etc. Work began in 2023 to develop a monitoring indicator for chefs to track their consumption of labelled products;
- the establishment of short supply chains encouraging facilities to buy local and seasonal produce. This strategy also helps to support the local economy (particularly for products such as baked goods, fruit and vegetables, etc.). To support regional sourcing, an additional food buyer was recruited in 2023 to encourage local purchases in the following categories: fruit, vegetables and meat, in order to guarantee control of specific health aspects;
- an initiative to reduce food waste has been in place since 2021 (see section 3.5.5.1 of this Universal Registration Document).

In 2023, ORPEA improved its catering policy in France in order to take into account the legitimate desires of residents, patients and their relatives, as well as the kitchen teams, while balancing nutrition, taste and food safety.

(1) Law no. 2018-938 of 30 October 2018 for the balance of trade relations in the agricultural and food sector and for food that is healthy, sustainable and accessible to all.
(2) MSC: Marine Stewardship Council; PDO: Protected Designation of Origin.

3.2.4.3 Innovating and sharing best practices to enhance the well-being of residents and patients

As part of its innovation policy, ORPEA is committed to identifying new projects and solutions every year to improve the well-being of the people in its facilities. Sharing best practices is essential, both for care staff and above all for doctors, who can approve the implementation of the innovations identified (see section 3.4.3.2 of this Universal Registration Document).

ORPEA Excellence Awards

The ORPEA Excellence Awards are held each year to reward and promote the Group's medical and nursing projects in several categories:

- Clinical Ethics: original initiatives to implement ethical considerations in the most relevant way;
- Care Innovation: original and innovative programmes to improve the care provided to patients and residents;
- Research: scientific studies and projects leading to publication in a journal recognised by the scientific community;
- the "1,000 Smiles" award has been part of the ORPEA Excellence Awards since 2021. It rewards original initiatives implemented in the Group's facilities to involve and unite teams, residents and patients and to build relationships;
- in 2023 a new category was created: "Employee Experience": this new category is designed to reward teams that have implemented innovative projects dedicated to improving the employee experience, whether in terms of attracting, recruiting, integrating or retaining new talent.

The ninth edition of the ORPEA Excellence Awards took place in 2023 and 88 projects from 14 countries were presented. The importance that the Group's teams place on this event demonstrates their capacity for innovation and willingness to review their care practices to continue to offer residents and patients innovative care to improve their quality of life and well-being. As for the new Employee Experience category, it attracted the largest number of entries in its first year: 28 submissions, a result that highlights the balanced focus on residents and patients, on the one hand, and employees, on the other.

The award ceremony, which took place in November 2023, honoured the following winners:

"Care Innovation" category

The jury awarded an ORPEA Excellence Award to the project presented by the Madonna dei Boschi hospital in Italy. The team presented a cognitive-motor treatment consisting of an assessment and treatment system for patients with neurological damage incorporating cognitive-linguistic stimulation during walking.

"Research" category

The jury awarded an ORPEA Excellence Award to the project presented by the Lopez Ibor hospital in Spain which consisted of a study on understanding the interaction between gambling disorders and other mental health conditions with a focus on impulsivity as a vulnerability co-factor.

A Special Jury Prize was also awarded to the project presented by the Group's Medical department in Germany which consisted of a training algorithm that provides clear guidelines to staff and residents to improve the quality of care provided to patients suffering from sarcopenia.

"Clinical Ethics" category

The jury awarded an ORPEA Excellence Award to the project presented by the Orgemont hospital in France. The hospital has set up an inter-hospital committee bringing together five mental health hospitals and two post-acute and rehabilitation hospitals, to share experiences and carry out an annual ethical review.

"1,000 Smiles" category

The jury awarded an ORPEA Excellence Award to the project presented by Earlsbrook Residence in Ireland, which has rolled out a programme designed to improve the knowledge, skills and understanding of digital technology among elderly people.

"Employee Experience" category

The jury awarded two ORPEA Excellence Awards to projects presented by Campus Senecura in Austria (an online course on mental health with a focus on carers to promote mental well-being among staff) and Polyclinique Médicale de La Lèze, in France (a reverse curriculum vitae project where the facility presents its job application to its future staff).

3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being

As part of its Refoundation Plan, ORPEA is placing people at the heart of its strategy, by maintaining a balanced focus on its priorities. This commitment is the first pillar of the *With you and for you, changing ORPEA* Refoundation Plan.

The Group faces many human resources challenges that are exacerbated by professional tensions affecting the entire health sector, as well as by the reputation crisis that the Group must address. ORPEA therefore announced and committed to a major overhaul and restructuring of its human resources policy in 2022 in order to improve working conditions, value its employees and build their loyalty.

A programme to overhaul processes and tools has been under way since 2022 in order to meet the challenges of attractiveness, recruitment, integration and retention through the applicant and employee experience. Particularly focused on France for the first part of 2023, which needed to be transformed as a priority, the 2022 crisis led to the identification of priority projects for compliance but also to the need to acquire the required resources and make significant investments to address the Group's challenges in human resources.

This new approach must also make it possible, first and foremost, to stabilise and maintain necessary staffing levels in order to ensure the continuity and quality of care and services.

3.3.1 A focus on teams: a key pillar of the Refoundation Plan

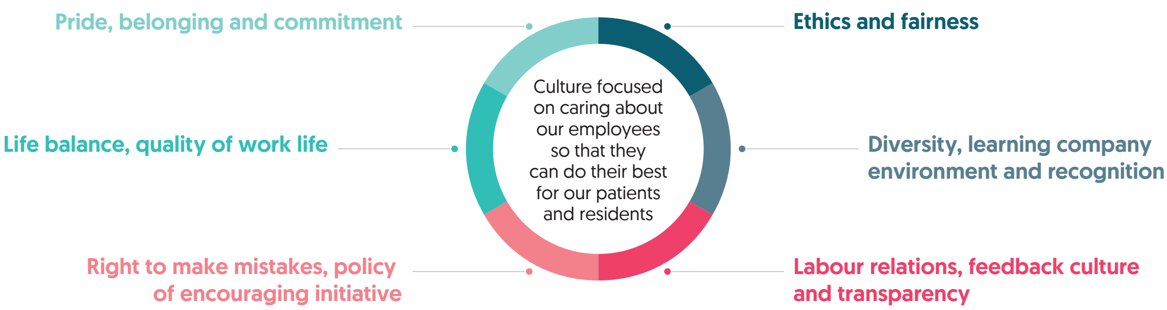
As the Group is refocusing a number of its investments, it is making employees a key priority, as announced on 15 November 2022 as part of its transformation and through the *With you and for you, changing ORPEA* Refoundation Plan. Human resources are the central pillar of this plan.

ORPEA is overhauling its organisation and human resources policies to strengthen, initiate and implement a set of processes that were previously lacking.

Health, safety, well-being: redeploying the key tenets of the human resources policy with the Refoundation Plan

ORPEA's refoundation requires instilling new management practices and a different culture to give employees the means to do their jobs right, by ensuring their health, safety and well-being, as well as their development, recognition and engagement.

This means designing new organisation and governance methods to foster collaboration at all levels and give facilities their independence back, while the country and regional units provide support services and the Group oversees policies, ethics and fairness through shared practices.



Operational implementation of the Refoundation Plan with an operational HR roadmap developed in collaboration with the countries

Since the end of 2022 and the announcement of the Refoundation Plan until the end of the first half of 2023, initial measures were focused on France, the main area affected by the findings of internal and external investigations conducted in the first half of 2022 following the crisis experienced by the Group.

The second part of 2023 saw the mobilisation of the countries in the transformation process, ensuring coherence in deployment across the Group. New projects and prospects have been identified to implement and make the plan operational at country level.

ORPEA is carrying out this overhaul in a spirit of transparency, with a greater emphasis on listening to its employees, who are directly involved in group projects, interviews or involved through enhanced labour relations, in order to devise and implement tools that meet their needs as much as possible.

Seven key priorities for rolling out the fundamentals of human resources and innovating

1
CULTURE
Promoting a new culture and new values within the Group to support its transformation.

2
HEALTH AND SAFETY
Promoting and strengthening a culture of health and safety.

3
ATTRACTIVENESS
Strengthening the Group's attractiveness in the healthcare sector.

4
LEARNING
Promoting an innovative development policy to become a learning organisation.

5
STAFF MANAGEMENT
Promoting an attractive and personalised career management policy to build loyalty and develop teams.

6
LABOUR RELATIONS
Encouraging amicable and constructive labour relations.

Since November 2023, new international HR governance and decision-making bodies have been put in place, with a new organisation and new oversight led by the HR department. The international HR committee meets several times a month and specific project committees have been set up for each of the key HR priorities.

A new organisational structure is currently being rolled out for the Corporate and France HR departments. A Group Learning department has also been set up. In France, 11 Regional departments were set up in 2023 to support teams in local facilities. Comprising a regional head of HR with two HR managers and recruitment officers for non-managerial staff, they follow a symmetrical labour relations structure with a Social and Economic Committee (see section 3.3.3 of this Universal Registration Document).

The refoundation of the Group through its values

As part of its Refoundation Plan, the Group organised a comprehensive consultation involving all its employees to identify the components of its new culture. Numerous interviews were conducted, working groups created, and a questionnaire was distributed to all employees. The questionnaire covered a wide range of topics relating to the Group's mission, sources of pride, difficulties, behaviour, social interest, etc. The aim was to involve all those involved in ORPEA's Refoundation Plan, and, by extension, the future of the Company. A lot of written feedback was shared via the questionnaires along with 90,000 contributions and ideas.

The process helped define the Group's four core values and reaffirmed **its unwavering commitment**.

These values are not new; **they have always guided the daily actions** of caregivers, supervisors and support staff. They are the direct result of contributions made during the consultation and the dedication of our teams. The aim of this exercise was **to formalise them**. The four values reflect the Group's ethics and give everyone involved a sense of responsibility.

A COMMITMENT TO HUMANITY

It is by caring for the most vulnerable that our humanity is revealed.

We are personally and collectively committed to helping vulnerable people. These individuals need our help in order to retain their spark, dignity and individuality. At ORPEA, we are all well aware of the responsibility that brings, and shoulder our responsibility ethically and empathetically. Every act of care, every gesture and every word lets the individual know we are there for them, and demonstrates our utmost respect for who they are.

TASTE FOR LIFE

Because caring for others cultivates a desire to live.

Caring for and looking after a vulnerable individual enables that person **to get back on with their life or helps them feel alive.** We take each patient, each resident and each family by the hand to walk that path together. We share our spark with everyone in our care. We nurture their appetite for life by maintaining a positive mindset and offering activities or projects that are tailored to their own personal interests.

THIRST TO LEARN

Because the more we learn, the better we care.

We strive **to improve our practices each day** and are receptive to pertinent input, be that from doctors, carers and nurses or, indeed, anyone else involved in looking after the patient and supporting their well-being. We also welcome input from patients, residents and their families. Our work spans multiple disciplines that are all constantly changing as new discoveries are made, be that in technology, culture, human and social sciences or as a result of new initiatives introduced in the field. In every workplace and wherever we operate, our quality of care and support is underpinned by the most cutting-edge knowledge and expertise.

SPIRIT OF MUTUAL AID

Because caring well starts with supporting one another.

In order to tackle the enormous challenge of caring for and looking after society's most vulnerable, public authorities, the voluntary sector, local players and businesses must all stand shoulder to shoulder. **We get actively involved across the board.** It's the way we work. Resources are pooled between sites. Team members offer each other support. We can confidently rely on one another.

3.3.2 Key figures: strengthening the workforce and its structure to ensure quality and continuity of care

Workforce structure and working hours

The Group wishes to promote and increase the use of permanent contracts and full-time employment in order to meet the challenges of stabilising the workforce, ensuring staff continuity and enhancing the Group's appeal in a sector where recruitment is a major issue.

Geographical area	Year	Workforce[1]	Permanent contracts	Fixed-term contracts	Full-time	Part-time
France-Benelux-United Kingdom-Ireland	**2023**	**39,530**	**32,761**	**6,769**	**28,146**	**11,384**
	2022	34,514	28,244	6,270	24,572	9,942
Central Europe	**2023**	**21,382**	**18,823**	**2,559**	**8,150**	**13,232**
	2022	21,497	16,639	4,858	8,335	13,162
Eastern Europe	**2023**	**9,678**	**8,416**	**1,262**	**4,907**	**4,771**
	2022	9,293	7,942	1,351	4,736	4,557
Iberian Peninsula and Latin America	**2023**	**7,364**	**6,475**	**889**	**6,455**	**909**
	2022	6,422	5,917	505	5,661	761
Other countries	**2023**	**NA[2]**	**NA[2]**	**NA[2]**	**NA[2]**	**NA[2]**
	2022	130	53	77	130	0
TOTAL GROUP	**2023**	**77,954**	**66,475**	**11,479**	**47,658**	**30,296**
	2022	71,856	58,795	13,061	43,434	28,422

(1) Individuals employed at 31 December 2023 with all types of contracts. Jobs related to the Homecare business are not included.
(2) NA: not available. China and the United Arab Emirates (three active facilities at the end of 2023) were not part of the 2023 reporting campaign.

The return of Belgium to the scope of 2023 human resources reporting explains the sharp increase in headcount between 2022 and 2023. The Group increased the share of employees with permanent contracts from 82% to 85% for all countries, with a specific effort in France (accounting for 35% of the workforce), where the share of employees with permanent contracts increased by 1 point. The use of full-time contracts also increased by 1 point to 61% of all contracts. The Group did not reduce its workforce (through an employment protection plan [PSE] or otherwise).

The aim is to favour the use of permanent contracts and to limit staff turnover, which is still very high, particularly given the pressure on the labour market in care professions, in order to ensure quality care and support.

Staffing ratio

GROUP-WIDE STAFFING RATIO

	2023			2022		
Geographical area	**Ratio of care staff[1]**	**Ratio of non-care staff**	**Staffing ratio Total[2]**	**Ratio of care staff[1]**	**Ratio of non-care staff**	**Staffing ratio Total[2]**
France-Benelux-United Kingdom-Ireland	**0.49**	**0.35**	**0.84**	**0.48**	**0.37**	**0.85**
France	0.47	0.41	0.88	0.43	0.39	0.83
Belgium	0.32	0.18	0.50	NA*	NA*	NA*
Netherlands	0.83	0.13	0.96	0.81	0.14	0.95
Ireland	0.72	0.30	1.02	0.70	0.33	1.03
United Kingdom	1.82	1.05	2.86	2.68	1.57	4.25
Central Europe	**0.47**	**0.21**	**0.68**	**0.43**	**0.21**	**0.63**
Germany	0.45	0.18	0.62	0.44	0.18	0.62
Italy	0.49	0.22	0.71	0.50	0.21	0.71
Switzerland	0.65	0.32	0.97	0.33	0.32	0.64
Eastern Europe	**0.36**	**0.17**	**0.52**	**0.36**	**0.16**	**0.52**
Poland	0.17	0.08	0.25	0.18	0.09	0.27
Austria	0.42	0.17	0.58	0.42	0.16	0.59
Czech Republic	0.35	0.18	0.53	0.32	0.17	0.49
Slovenia	0.24	0.27	0.50	0.26	0.29	0.55
Croatia	0.21	0.11	0.33	0.23	0.12	0.34
Latvia	NA*	NA*	NA*	0.17	0.16	0.33
Iberian Peninsula and Latin America	**0.51**	**0.23**	**0.74**	**0.50**	**0.22**	**0.72**
Spain	0.52	0.21	0.72	0.48	0.20	0.68
Portugal	0.56	0.24	0.80	0.53	0.25	0.78
Brazil	0.41	0.45	0.86	0.59	0.42	1.01
Other countries	**NA***	**NA***	**NA***	**0.49**	**0.39**	**0.88**
China	NA*	NA*	NA*	0.49	0.39	0.88
United Arab Emirates	NA*	NA*	NA*	NA*	NA*	NA*
GROUP	**0.47**	**0.28**	**0.75**	**0.45**	**0.28**	**0.73**

(1) The term care staff is based on the Group's job description references and includes the following categories: Doctor/Nursing/Therapy and Paramedical/Pharmacist (see methodological note in section 3.8 of this Universal Registration Document).

(2) FTEs include all facility staff (including administrative staff). However, headquarters staff are excluded (see methodological note in section 3.8 of this Universal Registration Document).

** NA: not available. China and the United Arab Emirates (three active facilities at the end of 2023) were not part of the 2023 reporting campaign. The Group no longer operates in Latvia. Historical data is not available for Belgium.*

Jobs related to the Homecare business are not included.

STAFFING RATIO – NURSING HOMES ONLY

	2023			2022		
Geographical area	Ratio of care staff	Ratio of non-care staff	Staffing ratio Total	Ratio of care staff	Ratio of non-care staff	Staffing ratio Total
France-Benelux-Ireland	**0.43**	**0.33**	**0.76**	**0.41**	**0.36**	**0.77**
France	0.38	0.41	0.79	0.33	0.39	0.72
Belgium	0.32	0.18	0.50	NA*	NA*	NA*
Netherlands	0.84	0.14	0.98	0.86	0.15	1.01
Ireland	0.72	0.30	1.02	0.70	0.33	1.03
Central Europe	**0.48**	**0.21**	**0.69**	**0.40**	**0.20**	**0.60**
Germany	0.46	0.18	0.65	0.42	0.17	0.60
Italy	0.44	0.20	0.64	0.44	0.20	0.64
Switzerland	0.63	0.30	0.93	0.30	0.30	0.60
Eastern Europe	**0.38**	**0.13**	**0.51**	**0.36**	**0.13**	**0.49**
Poland	0.14	0.08	0.22	0.15	0.08	0.24
Austria	0.47	0.10	0.57	0.44	0.10	0.53
Czech Republic	0.35	0.18	0.53	0.32	0.17	0.49
Slovenia	0.24	0.27	0.50	0.25	0.29	0.54
Croatia	0.21	0.11	0.33	0.23	0.12	0.34
Latvia	NA*	NA*	NA*	0.17	0.16	0.33
Iberian Peninsula and Latin America	**0.49**	**0.21**	**0.70**	**0.48**	**0.21**	**0.69**
Spain	0.50	0.20	0.70	0.48	0.19	0.67
Portugal	0.49	0.22	0.71	0.45	0.21	0.66
Brazil	0.41	0.36	0.77	0.60	0.34	0.94
Other countries	**NA***	**NA***	**NA***	**0.49**	**0.39**	**0.88**
China	NA*	NA*	NA*	0.49	0.39	0.88
GROUP	**0.44**	**0.25**	**0.70**	**0.41**	**0.25**	**0.66**

* *NA: not available. China (two active facilities at the end of 2023) was not part of the 2023 reporting campaign. The Group no longer operates in Latvia. Historical data is not available for Belgium.*

The staffing ratio in nursing homes is defined as the average number of FTEs employed by the facility in relation to the average number of residents[1]. The direct care ratio is defined by the French *Défenseur des droits* (Defender of Rights)[2] as a minimum ratio of care staff/staff directly involved in resident care[3]. The issue with this ratio is to determine whether there are enough professionals for a given resident, especially at key moments of the day (getting up, washing, eating, going to bed).

ORPEA nursing homes in France will have a staffing ratio of 0.79 FTEs per resident in 2023. In addition, 81% of nursing homes in France have a coordinating doctor[4].

The main levers for influencing the staffing and direct care ratios are recruiting on a large scale and reducing turnover by addressing the causes of departure with a view to improving staff retention.

Since 2022, the Group has taken note of the direct care ratio recommended by the *Défenseur des droits*, the French independent authority for rights protection (0.8 FTE per resident for the nursing home sector in Ireland), with the aim of improving the care provided to residents, the working conditions of professionals and job appeal. This is why, in each nursing home, the Group strives to adapt its teams to the needs of its residents in terms of care and daily support, in accordance with the commitments made to the health authorities and in all cases in line with projected and actual statements of revenue and expenditure.

(1) See the methodological note in section 3.8 of this Universal Registration Document.

(2) "The direct care ratio is obtained by dividing the number of full-time equivalent (FTE) staff by the number of residents". See note 44 of the 2021 report https://www.defenseurdesdroits.fr/sites/default/files/atoms/files/836210050_ddd_droitsehpad_access.pdf. In the same report, the Défenseur des droits recommends "following the recommendation of the Ageing Committee of the High Council for Family, Childhood and Ageing (HCFEA), which sets a target of 0.8 full-time staff (FTE) per resident".

(3) Press release – Résidents accueillis en EHPAD : les cinq points d'alerte de la Défenseure des droits – 16 January 2023.

(4) The role of coordinating doctors in nursing homes is defined by French legislation: Decree No. 2019-714 of 5 July 2019 reforming the profession of coordinating doctor in residential facilities for dependent elderly persons, https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000038730185; Decree No. 2022-731 of 27 April 2022 on the role of regional resource centres for the elderly and the minimum time spent by the coordinating doctor in residential facilities for dependent elderly persons, https://www.legifrance.gouv.fr/loda/id/JORFTEXT000045696583/2022-04-30/. The coordinating doctor in a nursing home is responsible for drawing up and monitoring the facility's care plan, as well as medically assessing residents and leading the care team.

The Group will endeavour to apply these recommendations while closely following the developments introduced by the public authorities further to *Défenseur des droits* recommendations. In this respect, during his hearing before the Social Affairs Committee[1] of the French National Assembly on 9 February 2023, Laurent Guillot, ORPEA's CEO, said he was "personally in favour" of introducing a minimum direct care ratio in nursing homes, "taking into account a transition period to address recruitment and training issues".

TURNOVER RATE

	Recruitment rate		Departure rate		Turnover rate	
Geographical area	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
France-Benelux-United Kingdom-Ireland	27.55%	31.33%	22.49%	26.34%	25.02%	28.83%
Central Europe	28.59%	33.65%	25.61%	29.32%	27.10%	31.49%
Eastern Europe	40.48%	34.78%	35.87%	28.15%	38.17%	31.46%
Iberian Peninsula and Latin America	55.84%	50.03%	39.27%	31.83%	47.56%	40.93%
Other countries	NA*	40.82%	NA*	6.12%	NA*	23.47%
TOTAL GROUP	**32.11%**	**33.95%**	**26.59%**	**27.86%**	**29.35%**	**30.91%**

* *NA: not available. China and the United Arab Emirates (three entities active at the end of 2023) were not part of the 2023 reporting campaign.*
Jobs related to the Homecare business are not included.

The Group has undertaken work to analyse the main factors behind staff turnover and the reasons for departure, including the systematic use of interviews with outgoing employees, before initiating action plans to reduce the risks of departure. ORPEA has set a target of a 5-point reduction in turnover by 2025.

The main reason for leaving is resignation (50% of departures in all host countries). The Iberian Peninsula and Eastern Europe have the highest departure rates, with 52% of resignations and 40% of dismissals in the Iberian Peninsula, and 39% of terminations by mutual agreement and 30% of resignations in Eastern Europe.

ABSENTEEISM RATE

	Absenteeism rate	
Geographical area	**2023**	**2022**
France-Benelux-United Kingdom-Ireland	10.67%	9.20%
Central Europe	6.80%	7.70%
Eastern Europe	7.21%	11.27%
Iberian Peninsula and Latin America	9.04%	12.13%
Other countries	NA*	2.53%
TOTAL GROUP	**9.02%**	**9.24%**

* *NA: not available. China and the United Arab Emirates (three entities active at the end of 2023) were not part of the 2023 reporting campaign.*
Jobs related to the Homecare business are not included.

Overall, the absenteeism rate is stabilising in 2023. The reintegration of Belgium's data in 2023 led to an increase in the absenteeism rate for the France-Benelux-UK-Ireland region. In Eastern Europe, the resurgence of the Covid-19 pandemic observed in 2022, which required special health protocols be followed in compliance with legislation, was no longer an issue in 2023.

REMUNERATION AND PAYROLL

	Payroll costs *(in millions of euros)*	
Geographical area	**2023**	**2022**
France-Benelux-United Kingdom-Ireland	2,041	1,553
Central Europe	831	694
Eastern Europe	287	294
Iberian Peninsula and Latin America	116	131
Other countries	NA*	1.9
TOTAL GROUP	**3,276**	**2,674**

* *NA: not available. China and the United Arab Emirates (three entities active at the end of 2023) were not part of the 2023 reporting campaign.*

(1) *https://www.assemblee-nationale.fr/dyn/16/comptes-rendus/cion-soc/l16cion-soc2223053_compte-rendu.pdf*

There are major expectations regarding remuneration as a means of developing and promoting professions across the healthcare sector.

From the end of 2022 and in 2023, one of the first actions performed by ORPEA's new management team was to resume mandatory annual negotiations with employee representatives in France. A new salary review process was developed and gradually implemented with a three-year plan. This includes, for example, the addition of 13th month pay for employees as well as benefits, with the introduction of meal vouchers in 2023 and a review of group health insurance cover.

The Group is strengthening the robustness of its processes and tools, and has changed the payroll software for its French employees. The expected results in terms of experience and reliability stabilised in the second quarter of 2023. The drive to strengthen digital tools will be complemented by a suite of applications designed to make the Group's data more reliable (HRIS modules, data interface) and provide a better employee experience (time and absence management, flexible schedules, digital safe, etc.).

To ensure effective implementation of the Group's new strategy, the conditions for the bonus of the Executive Management team, the Management team[1] in France and internationally as well as regional directors and facility directors in France were reviewed in 2023. Collective targets were introduced, amounting to 30% of the variable component. The new rules were implemented for the 2023 bonus paid in 2024, in line with the conditions applied to the CEO as disclosed in a press release on 16 June 2022. This comprises financial and non-financial objectives; the non-financial objectives have a greater weighting than the financial objectives, reflecting the Group's dedicated pursuit of the ambitious objectives set out in its Refoundation Plan, underpinning the care and quality of support provided to patients and residents and all the professionals working in the Group (see section 4.3.1.3 of this Universal Registration Document).

The Group's transformation has entailed an increase in headcount and more frequent rounds of salary increases and adjustments, and is therefore starting to generate higher payroll costs. Other spending categories, such as training, will require the Group to invest heavily. The resulting increase in engagement and retention will cut additional costs related to turnover, absenteeism and short-term contracts, and will contribute to better support and care for patients and residents from stable teams.

3.3.3 Renewing labour relations, involving employees

Creating the conditions for a collaborative culture makes it possible to leverage team spirit in our facilities and meet the Group's aim of involving employees in a continuous improvement process that factors in their expectations and needs. Based on the principle that caring for customers means caring for employees, the Group engages with employee representatives to promote multi-faceted dialogue across different organisations to ensure broad representation and drive progress. In addition to this collective process, the Group's collaborative culture also means offering employees opportunities to voice their opinions so that the transformation can be achieved together.

3.3.3.1 Rebuilding the basis of labour relations, a lever for progress

The Group is committed to developing freedom of association and collective bargaining as fundamental rights and a key lever for progress.

After years of minimal practice with small, centralised bodies, ORPEA's objective is to restore dynamic, transparent, constructive and many-sided dialogue with employees at local and international levels. Since 2022, the Group's Human Resources department has been overhauling labour relations and employee representative bodies.

Organising and strengthening labour relations worldwide

All Group employees covered by one or more agreements

All Group employees are covered by sector-based agreements in the various host countries and business lines, particularly regarding remuneration. In some countries, such as Germany, these sector-based or industry agreements are supplemented by specific company agreements, negotiated within each facility or group of facilities, particularly for the organisation of working time, the allocation of specific bonuses or additional paid days of leave under certain conditions.

At the global level, ORPEA and UNI Global Union[2] signed a global partnership agreement on labour relations, collective bargaining and trade union rights on 8 April 2022, covering the Group's 78,000 employees. Through this agreement, ORPEA also undertakes to avoid insecure employment schemes, pay a decent[3] wage and listen to employees on issues such as staffing ratios. The agreement holds the company accountable through strong, binding enforcement mechanisms. This is the first agreement of its kind in the care sector.

The principle of union representation is applied and upheld across the Group's representative bodies, at local, national and European levels. The various bodies bring together non-affiliated representatives and members of leading trade union organisations in the healthcare sector. In total, more than 30 trade union organisations are represented in the Group's various bodies.

(1) The Management Team comprises the members of the Group Executive Committee and their direct reports with the title of Director, the country CEOs and their direct reports with the title of Director/Head of (generally: Financial Director, Operating Director, Human Resources Director, Communications Director).

(2) UNI Global Union is an international trade union federation that brings together workers from over 150 different countries in the service economy to organise for decent jobs and better lives. It has a long-term commitment to empowering care workers and has been supporting worker organisation at ORPEA since 2015.

(3) The concept of a living wage here is different from that derived from the ESRS standards governed by the CSRD.

TRADE UNION ORGANISATIONS IN THE MAIN HOST COUNTRIES

Country	National trade union organisations
France	Representative trade union organisations: CLINEA: UNSA – CGT – CFTC; ORPEA: UNSA – CGT – Arc en Ciel
Brazil	SINSAÚDE SP – SEESP – SINFAR SP – SINDINUTRI SP
Austria	Vida – GPA
Italy	CGIL – CISL – UIL – UGL – ALSSAP – USB – NURSIND – NURSING UP
Germany	Ver.di
Spain	CCOO – UGT – CSIF
Poland	OPZZ "Konfederacja Pracy" – Związek Zawodowy Pracowników Orpea Polska Sp. z o.o
Belgium	CNE – CSC – ACV PULS – FGBT/ABBV – CGSLB/ACLVB
Czech Republic	UZO – Odborový svaz zdravotnictví a sociální péče České republiky
Switzerland	UNIA – VPOD – Syna
Ireland	SIPTU – INMO
Netherlands	FNV – CNV – Nu '91

At European level, the European Works Council (EWC) has 16 members, 15 of whom are affiliated with a union. In 2023, the Group kept the number of meetings held to five meetings during the year. In the interests of full transparency and co-construction, the EWC members were regularly informed about the Group's challenges in addressing the transformation. Members of the Group Executive Committee regularly give presentations on the progress of the Refoundation Plan and key projects. In addition to the short-term working sessions and these presentations, two working groups were launched in 2022 on staff shortages and psychosocial risks, which have yet to deliver their conclusions and are carrying out long-term work.

In France, the overhaul of labour relations with the creation of ten Social and Economic Committees and the first two mandatory annual negotiations in the Group's history

After years of minimal practice, the Human Resources department began a process of overhauling labour relations and employee representative bodies at local and national levels. Since 2022, the Group has embarked on an extensive process to overhaul its labour relations. An initial agreement was unanimously signed on 8 December 2022 on the overhaul of labour relations. On 12 December 2022 the first mandatory annual negotiation with a pay rise was signed for CLINEA.

In 2023, new professional elections within ORPEA were held on 28 March, resulting in the creation of ten new bodies with a total of 354 staff representatives working closely with employees and three local representative trade unions at national level:

- ten CSERs (Regional Social and Economic Committees) throughout France, including a committee for support services to take into account the wide variety of professions and site locations across the country;
- ten CSSCTs (Commissions on Health, Safety and Working Conditions) in each region to address issues of employee health, safety and working conditions;
- one CSEC (Central Social and Economic Committee) to discuss cross-cutting issues common to all facilities and composed of elected representatives in each region;
- one local representative and one deputy on all sites without elected representatives, to have at least one employee representative on each site.

At the end of 2023, a similar employee representation structure was put in place within CLINEA SAS.

On 16 June 2023, the first two mandatory annual negotiation agreements for ORPEA provide for unprecedented pay settlements: the introduction of a 13th month with progressive payment between 2023 and 2025, a general pay rise for non-managerial staff applicable over a full year, a budget for individual increases for managers, the introduction of meal vouchers, a new 2023-2024-2025 profit-sharing agreement and the introduction of subrogation concerning social security daily allowances.

These developments reflect the desire to establish ambitious and constructive labour relations at company level with transparency at their core.

3.3.3.2 Consulting and involving employees in the transformation

Since 2022, the Group has created opportunities for dialogue and consultation for employees in order to ascertain and take into account not only their expectations and needs, but also their ideas for improving their satisfaction while involving them in the transformation. In France, for example, all stakeholders are consulted in nursing homes, with the organisation of Conferences *(États généraux)* (see section 3.2.1.2). Alongside patients, residents, beneficiaries and families, employees are asked for an overview of all the problems and changes that needed to be made. This process was repeated in 2023.

From 2 January to 5 February 2023, the Group launched a new process of gathering opinions and consulting with people in all its host countries to define its new values and its mission statement *(raison d'être)* in a way that involved employees. Part of the questionnaire encouraged employees to express their feelings and expectations, which helped to maintain a level of attentiveness and an opportunity for employees to express themselves.

Mission statement and values: "With your ideas, let's build our future together" consultation initiative

As part of the *With you and for you, changing ORPEA* Refoundation Plan, the Group's Executive Management launched an overhaul of the Group's identity. The first project milestone was to carry out a major internal consultation entitled "With your ideas, let's build our future together", inviting all employees in all host countries to contribute from 2 to 5 February 2023. Employees were asked to answer 12 questions, half of which were open-ended. The questionnaire was accessible online, with the option of answering individually or in groups, in order to facilitate access and the drafting of responses. With a response rate of 6.5% and nearly 90,000 contributions, this questionnaire gave employees the opportunity to express their views on a wide range of issues, including the challenges they face in terms of human and material resources, their high expectations of the Group to reposition and put the value back into care, their feelings and reasons for satisfaction or dissatisfaction, pride or redefinition of their professions, and to validate the objectives of the Refoundation Plan, particularly in terms of Human Resources.

As a result of this process, a mission statement and a set of values were developed that the Group will gradually deploy in 2023 and 2024.

2023 CSR objective

Stable or improved level of employee satisfaction as measured by the employee engagement surveys deployed starting in 2021 and 2022.

An initial engagement survey was conducted in two stages and completed in January 2022. The first consultation initiative was rolled out in all the Group's host countries and conducted by an independent external organisation in January 2022 and revealed, with a response rate of 52%, an engagement rate of 65% among the teams and a strong desire to get involved within their facility. It also highlighted employees' significant expectations of the company. These expectations mainly concern providing teams with the necessary resources and satisfactory working conditions (remuneration, workload and sufficient staffing). The engagement rate appears to be consistent with the level of employee involvement, which was maintained throughout 2022, against a backdrop of crisis, and in 2023, which was shaped by demanding transformation projects.

2023 progress report: local commitment surveys at the discretion of the host countries

Having carried out a major consultation with a questionnaire in all host countries to involve employees in choosing its new identity, the Group is piloting a reasonable involvement of employees. Local initiatives are maintained and enhanced. Additional initiatives aimed at listening to employees and measuring their satisfaction and commitment were carried out throughout 2023 at the discretion of each country organisation, particularly in France, Italy, Ireland, the Netherlands and Austria. Austria wanted to introduce a system of monthly 'pulse' surveys with four to eight questions each month covering team spirit, job satisfaction, working conditions, satisfaction with management practices, loyalty and retention. From 21 November to 12 December 2023, the Netherlands carried out an engagement survey with a response rate of 56%, enabling a benchmark of companies in the Dutch healthcare sector and a response rate of 79%.

At the end of 2023, the project for a new employee survey was integrated into the HR priorities. The shape of the project will be defined starting in the first quarter of 2024, and the project will be rolled out to coincide with key Group communications, in particular relating to its values and its mission statement. The aim will be to ask teams about their commitment to their job and to the transformation, and to involve them in defining the employer promise. The above-mentioned roadmap target was therefore not applicable in 2023.

Transparent, participative internal communications

The implementation of the new governance system, the arrival of new leaders at the head of the Group and the roll-out of the Refoundation Plan require all employees to be involved in all changes and to ensure that these are fully understood and embraced. The new Executive Management and the Communications department have set up an Internal Communications department for this purpose. It quickly introduced new communication practices to disseminate key messages transparently and to provide opportunities for direct dialogue with the new Executive Management.

Information about the Group is now systematically disseminated internally first (to managers and employees in France and abroad) in the form of briefs, educational messages, video interviews, remote and live meetings with the new Executive Management and question and answer sessions open to all employees.

For the first time, information on Group management (finance, capital expenditure, debt, real estate, human resources policy, medical policy) was presented to all employees, in the interests of transparency. A newsletter for all the managers involved in *With you and for you, changing ORPEA* and an internal information application for all employees in France designed to report on Refoundation Plan progress are currently being developed for roll-out during 2024.

In 2023, nearly ten speeches were given by Executive Management and their content was subsequently shared in France and internationally, with facilities and headquarters. The Medical department and the Human Resources department also organised live talks internally and conferences at various levels to outline their strategic measures and open up discussion on societal issues.

Throughout 2023, and particularly in the last quarter, employees were involved in formulating the Group's mission statement and building its new identity, which will be unveiled in the first quarter of 2024 through a participative process.

Redefining managerial communities and leading them through transformation

Managerial correspondents are actively supported at all levels of the organisation as part of a regional, national and international drive to redefine and strengthen decision-making bodies, roles and responsibilities. The Management Team, comprising the CEOs and their direct reports as well as members of the Group Executive Committee and their direct reports, meets regularly to discuss the transformation.

Support functions are being strengthened at the national and regional level to provide sites with a combination of expertise and local deployment. The care and medical functions are being repositioned at all levels and are an integral part of operations management. Facilities are managed by a three-pronged managerial team consisting of the Facility Director, the coordinating doctor and the nurse in charge of care.

These communities and support functions are kept regularly informed via newsletters, webinars and seminars, and can use the ORPEA Live app, deployed for example in Belgium, Italy, Germany and France, to access information broadcast in real time.

3.3.4 Employee health and safety: a key component of working conditions

Strengthening a culture focused on caring for our staff, enabling them to provide the best care to patients and residents.

3.3.4.1 Promoting safety at work and preventing work-related risks

Ensuring the health and safety of employees and service providers prevents accidents and psychosocial risks. This focus area is particularly cross-cutting as it has repercussions on the well-being and health of the patients and residents for whom the employees are responsible. Individual well-being also depends on suitable facilities, meaning facilities that are comfortable, equipped appropriately and fitted with amenities such as break rooms, etc., and on good working conditions, so that staff are able to provide the care that our patients and residents deserve.

Challenges

ORPEA employees face a number of risks in their work: job-related physical strain, the risk of exhaustion due to understaffing, work-related emotional strain, being directly confronted with the suffering of patients and residents, problems with the pace of work. Taking these risks into account is key to ensuring positive treatment for employees.

In the care sector, in healthcare and nursing, musculoskeletal disorders (MSDs) are the primary consequence of work-related accidents and the leading cause of occupational diseases.

Against a backdrop of medium- and long-term demographic trends indicating an increase in the number of dependent elderly people and structural recruitment difficulties, it is all the more imperative for ORPEA to adopt a culture of occupational risk prevention and quality of work-life, and to further promote the health and safety of employees in their occupations.

ORPEA's occupational health and safety policy

The Group has developed an occupational risk prevention policy based on an official, structured approach to risk prevention and the operational implementation of corrective action. The methodological approach implemented by the Group follows the proven pattern of identifying at-risk work situations, analysing their causes, developing corrective actions and having operational or cross-functional management teams monitor them.

The Group is therefore mapping the risks associated with the profession and working environment so that preventive actions can be monitored better based on their level of priority. Since 2023, the Group has been able to analyse all work-related accidents using nationwide feedback, making it possible to implement action plans immediately.

A proactive policy of rolling out technical aids and mechanised handling solutions, as well as support provided to facilities to promote prevention initiatives via local correspondents and prevention coordinators, are also helping to reduce occupational risks.

Staff training

This policy is supported by specific training modules for the staff concerned, such as kitchen risk prevention for chefs and sous chefs. For nursing home staff, specific training in welcoming and accommodating the elderly is offered to managers, occupational therapists, psychomotor therapists and nurses.

In France, several caregivers from every facility are trained in the prevention of risks related to physical activity. The aim of this training is to learn about work-related health risks and to participate in managing them, to adopt appropriate gestures and techniques and ergonomic measures, particularly in situations involving the handling of persons with reduced mobility, and to identify improvements in workplace design.

Monitoring work-related accidents

The Group is improving its monitoring and now reports monthly, quarterly and annually on the following KPIs:

- the work-related accident frequency rate, which is one of the main ways to measure the effectiveness of action plans implemented for employee health and safety;
- the severity rate, which is also a key indicator for measuring the direct impact of an accident on an employee's physical or mental health.

2023 CSR objective

ORPEA is stepping up its commitment by targeting a 15% reduction in work-related accidents compared to 2020.

2023 progress report

In 2023, a 34.71% reduction in the frequency of work-related accidents was recorded, compared to 2020.

The reduction target, using 2020 as the reference year, which was reached and considerably exceeded well before the deadline, was revised with the aim of an additional ten-point reduction in 2023, which was also achieved. The Group has stepped up its reporting and published the severity rate for the first time in 2023 to provide a more granular picture of the accident record.

At 31 December 2023, the work-related accident frequency rate for the entire Group was 24.78, down from 38.64 in 2020, 32.96 in 2021 and 27.03 in 2022. This overall rate covers trends that differ between countries, with some, such as Austria, Germany, Italy and Slovenia, seeing a marked improvement of over 50%. These variations should be considered against the impact of Covid-19, which was addressed to differing degrees in national legislations and which had a major impact on caregivers: over-work, understaffing and exhaustion. A 24.78 frequency rate was calculated for the Group as a whole, whereas the Group frequency rate shown in the table below only includes countries that were included in the 2020 calculation.

WORK-RELATED ACCIDENT FREQUENCY RATE

Country	Work-related accident frequency rate in 2023	Work-related accident frequency rate for the reference year 2020	Change in frequency rate	Work-related accident frequency rate in 2022	Work-related accident frequency rate for the reference year 2020	Change in frequency rate
	2023			2022		
France-Benelux-United Kingdom-Ireland	**30.59[1]**	**37.88[1]**	**-19.24%**	**34.05[1]**	**37.88[1]**	**-10.12%**
France	34.34	42.54	-19.28%	39.00	42.54	-8.33%
Belgium	18.98	NA*	NA*	NA*	NA*	NA*
Ireland	26.94	11.01	+144.63%	1.48	11.01	-86.56%
Netherlands	1.59	0.70	+126.63%	4.02	0.70	+471.28%
United Kingdom	52.19	NA*	NA*	3.37	NA*	NA*
Central Europe	**18.69**	**36.56**	**-48.89%**	**18.62**	**36.56**	**-49.07%**
Germany	7.10	21.61	-67.13%	9.06	21.61	-58.08%
Italy	33.79	166.63	-79.72%	36.04	166.63	-78.37%
Switzerland	59.55	52.22	+14.03%	57.92	52.22	+10.91%
Eastern Europe	**8.49[1]**	**29.58[1]**	**-71.30%**	**8.85[1]**	**29.58[1]**	**-70.10%**
Austria	8.50	39.09	-78.26%	9.09	39.09	-76.74%
Poland	4.84	2.39	+102.94%	3.45	2.39	+44.63%
Czech Republic	10.49	6.29	+66.84%	10.32	6.29	+64.10%
Slovenia	11.97	38.48	-68.89%	13.95	38.48	-63.75%
Croatia	8.23	NA*	NA*	NA*	NA*	NA*
Iberian Peninsula and Latin America	**36.79[1]**	**61.26[1]**	**-39.95%**	**40.77[1]**	**61.26[1]**	**-33.44%**
Spain	39.03	65.72	-40.61%	40.15	65.72	-38.91%
Portugal	19.68	27.31	-27.94%	44.94	27.31	+64.57%
Brazil	11.45	NA*	NA*	4.08	NA*	NA*
Other countries	**NA***	**12.44**	**N/A**	**3.78**	**12.44**	**-69.64%**
China	NA*	12.44	N/A	3.78	12.44	-69.62%
GROUP	**25.23[1]**	**38.64[1]**	**-34.71%**	**27.03[1]**	**38.64[1]**	**-30.04%**

** NA: not available. China (two active facilities at the end of 2023) was excluded from the reporting campaign. The historical data for countries that were not part of the reporting scope in 2020 is still not available.*

Jobs related to the Homecare business are not included.

(1) Data for the geographical areas and for the Group are reported for the countries included in the 2020 scope. The frequency rate presented here is different from the rate calculated for all the countries in the Group reporting scope in 2023, i.e., 24.78.

WORK-RELATED ACCIDENT SEVERITY RATE[1]

Country	Work-related accident severity rate in 2023	Work-related accident severity rate in 2022	Change in severity rate between 2023 and 2022
France-Benelux-United Kingdom-Ireland	**2.34**	**3.04**	**-22.91%**
France	2.93	3.51	-16.27%
Belgium	0.91	NA*	NA*
Ireland	0.08	0.04	+95.18%
Netherlands	0.02	0.35	-94.71%
United Kingdom	0.30	0.43	-30.12%
Central Europe	**0.37**	**0.40**	**-8.09%**
Germany	0.07	0.20	-66.56%
Italy	0.48	0.86	-44.52%
Switzerland	1.57	0.63	+148.80%
Eastern Europe	**0.16**	**0.31**	**-49.51%**
Austria	0.17	0.29	-42.71%
Poland	0.13	0.09	+41.02%
Czech Republic	0.12	0.59	-80.13%
Slovenia	0.22	0.26	-15.29%
Croatia	0.12	NA*	NA*
Iberian Peninsula and Latin America	**1.31**	**1.95**	**-32.82%**
Spain	1.76	2.23	-21.13%
Portugal	0.44	1.33	-67.16%
Brazil	0.08	0.03	+183.12%
Other countries	**NA***	**0.08**	**NA***
China	NA*	0.08	NA*
GROUP	**1.45**	**1.81**	**-19.67%**

* *NA: not available. China (two active facilities at the end of 2023) was not included in the 2023 reporting campaign. For some countries, historical data was not available.*

(1) *In 2022, the severity rate had not been published. It is presented here for the first time.*

Identifying and preventing occupational risks (musculoskeletal disorders, falls, psychosocial risks)

To identify the risks that employees may face in their jobs, comprehensive risk mapping and analysis work is being carried out, particularly in France.

Workplace risk categories are assessed based on work units and characterised in terms of the hazards identified, the situations that can lead to them and the control measures in place. The major risks identified are musculoskeletal disorders, falls, and psychosocial risks, which are cross-cutting and common to all work environments.

In order to prevent and mitigate these risks, each country deploys different measures and actions based on several priorities:

- organisation of work, by respecting lunch times, regularly assessing workload, communicating weekly or shift work schedules several weeks in advance to facilitate work-life balance;
- implementation of emergency procedures: employees are regularly trained in all of these emergency procedures, and informed of the preventive action to be taken in all circumstances to limit the occurrence of a serious event. There is also an alert procedure;
- protection of teams through investments in specific equipment, such as medical devices to reduce physical workload and improve the comfort and safety of employees, patients and residents. In 2021 and 2022, the Group invested €316 thousand and €326 thousand respectively. Since 2023, the Group has been investing heavily in equipment, with spending in line with the budget at €2.46 million. This proactive policy will continue over the next few years, with investment planned for 2024 along existing lines: €5.75 million and €1.2 million over five years as part of the TMS Pro programme, reflecting a real commitment on the part of the Group. Employees are trained in the use of this equipment, which is adapted to their needs. A policy is also in place to provide support in the use of available equipment to make sure it is not under-used;
- staff training: this includes training offered in all Group host countries on the prevention of musculoskeletal disorders, infection risks, the use of equipment, the management of highly emotional work situations, etc.;
- building design: risk prevention is taken into account as soon as plans are drawn up for a new building, or whenever an existing building is about to undergo major refurbishment or an extension. This is a key priority for the Group and part of its strategy to improve working conditions. Adapting premises to meet the needs of people with disabilities, designing rooms equipped with rails to facilitate mobility and premises suited to logistical activities are factored into the specifications for the construction of facilities. The smooth flow of paths and movements of people is also the subject of specific study. To promote well-being at work, staff areas are designed for relaxation as well as socialising during meal breaks;

- setting up health and safety committees and analysing work-related accidents with an emphasis on methods used (as well as the Five Whys method introduced in 2023): this is done in accordance with local regulations and applied in particular in France, Italy, Spain and Germany. In Spain, for example, a Health, Safety and Environment (HSE) management system ensures that the HSE policy is implemented through regular controls and measurements in each facility. The HSE Committee, which comprises staff representatives, meets at least four times a year and its members receive at least 30 hours of specific training per year;
- involvement of management is crucial in the implementation of any initiative. This is why all managers are made aware of workplace health and safety issues as of the moment they arrive.

Preventing psychosocial risks and ensuring emotional health and safety

The psychosocial risks to which the Group's employees are exposed are identified within the framework for preventing occupational hazards and include everything related to stress as well as external and internal conflicts. The following risks are common to the work situations faced by employees:

- heavy workloads which can lead to burnout;
- intense emotional situations resulting from contact with patients, frail and vulnerable residents or those suffering from severe behavioural disorders;
- conflicting social relationships within the facility leading to in-house aggression (with another employee) or external aggression (with someone outside the company), or harassment;
- internal conflicts related to one's value (a feeling of undertaking unnecessary tasks or not doing enough);
- organisational changes (changing teams, moving to a new premises, acquisition, restructuring, change in management).

Managers and team leaders are trained on how to prevent these specific risks (in particular as part of their onboarding), how to deal with workplace events that may lead to them, and how to raise teams' awareness.

In France, the Group developed its primary, secondary and tertiary prevention systems throughout 2023. A new two-day training course dedicated to psychosocial risks and provided by an external reference body has been set up for facility managers. Specially adapted external and/or internal training and support may be offered for individual or collective situations that may trigger intense emotions (death, violent situations, etc.). Many of the Group's countries have emergency intervention units in several formats. In France, this system was reinforced by a framework agreement with an independent external body.

Taking action in all day-to-day activities to **ensure the safety, physical and psychological health and working conditions** of all employees.

Building a formalised and suitable **occupational health and safety management system**.

Setting an example at every level by knowing and applying the **seven essential habits of safety at work.**

Maintaining **high standards based on a common occupational health and safety culture,** sharing best practices and reporting dangerous situations.

Assessing and analysing all work situations through the identification of associated risks.

Promoting labour relations through exchanges and collaboration with employee representatives through the **Commissions on Health, Safety and Working Conditions and the Social and Economic Committees.**

Consolidating our health and safety indicators and capitalising on incident and accident analyses.

Relying on a **network of local players** and improving the occupational health and safety skills of management and teams.

The Psychological Support Unit in France

Since 20 December 2023, employees have had access to a toll-free number[1] 24 hours a day, 7 days a week, for immediate assistance in the event of psychological problems. Calls are made anonymously and confidentially to an external body of clinical psychologists. Depending on the difficulties being experienced, up to five remote or in-office consultations with a psychologist, paid for by the company, may be offered. With a network of over 900 psychologists at their disposal, employees can receive support close to their workplace or home.

(1) Toll-free number in France: 08 05 95 29 68.

Policy and organisation

As part of the *With you and for you, changing ORPEA* Refoundation Plan announced in November 2022, ORPEA has placed employees at the forefront of its transformation. For the implementation of this policy, a director in charge of occupational health and safety arrived in December 2022; reporting directly to the Group Human Resources department. Given the importance of employee health and safety within the company, the Occupational Health and Safety department also reports to the Group's CEO.

ORPEA's commitment to the health and safety of its employees

ORPEA is committed to ensuring that every Group employee works in a safe environment.

This safe environment includes premises, materials, equipment and working practices, which must ensure their safety and physical and psychological health.

ORPEA pays particular attention to strict compliance with legal obligations in terms of workplace health and safety for all its facilities and entities.

The Group's commitments apply worldwide and are non-negotiable.

ORPEA is committed to taking action in all daily activities to protect the health, safety and quality of working conditions of all its employees, as well as the health and safety of patients, residents and families.

ORPEA is equipping itself with all the necessary means to effectively analyse its occupational health and safety system and is driving a continuous improvement process. This involves sharing and working with employee representatives as part of a proactive labour relations policy, identifying and mapping all the risks inherent to its activities; analysing all incidents and accidents in order to determine the causes and implementing the preventive actions necessary for risk management.

Each employee is responsible for their health and safety and is an active stakeholder in this commitment. This implies responsible behaviour as regards their own health and safety, as well as that of the people with whom they work and interact; compliance with all procedures relating to workplace health and safety and the adoption of all the best practices approved by the Group. Employees must always use and carry the materials and equipment made available to ensure their own safety, and report any risks or dangerous situations they may identify.

To support ORPEA's director responsible for occupational health and safety, teams will be deployed in the regions and will work closely with facility managers to identify and manage risks. Three engineers specialised in risk management were recruited in 2023 at Group level.

A mapping exercise was launched at the end of 2022 to identify risk factors and countries' preparedness to address these risks. This basis will be used to develop simplified risk guidelines, making them more accessible to staff. Action plans are being drafted for each country, based in particular on the provision of relevant training and increased investment in technical aids (patient mobility aids such as floor hoists and grab bars, transfer aids such as track hoists), which help to reduce musculoskeletal disorders.

Lastly, the mapping work identified a strong cultural challenge to change practices within the company. In order to support this transformation, managers will be heavily involved in the roll-out of the new policy currently being developed. In particular, a review of the work-related accident procedure will help to strengthen the health and safety culture within the Group.

3.3.4.2 Quality of work life

Quality of life in the workplace, which complements the working conditions component of health and safety, is a key challenge for the Group and a major focus that underpins the process to rebuild the human resources policy. It is also a major lever for attracting and retaining staff, and also for their development and engagement in the quality of care provided to residents, patients and beneficiaries.

In addition to compliance with the regulations and legislation in force, ORPEA has made quality of life in the workplace and employee well-being a priority through its Refoundation Plan and its human resources component.

The Group has taken on board employees' expectations in terms of workload, which is directly linked to recruitment for open-ended and permanent contracts. The aim is to give employees the means to do their job well and in particular to ensure correct staffing in facilities, to set up an organisation and work tools that facilitate everyday tasks, to better plan work and care in order to balance the workload and take better care of patients, and to create the conditions for an environment that fosters well-being and learning.

By addressing fundamental issues such as recruitment, management practices, and investment in equipment and training as a priority to improve the physical working environment, the social climate, the collaborative culture and the workplace atmosphere, the Group intends to significantly improve quality of life at work.

Social policy initiatives in France: *toit garanti* (guranteed shelter) and childcare places

ORPEA launched a number of initiatives in 2023 prior to a more far-reaching social policy to be implemented in 2024. In December 2023, ORPEA set up the *toit garanti* programme to provide shelter for employees who are lacking accommodation or in dangerous family situations. From January 2024, support will be stepped up with a unit of external social workers available to employees on a dedicated line from Monday to Friday, 8.30 a.m. to 7.30 p.m., to help them manage their housing, budget and family problems.

An arrangement for the allocation of childcare places was also put in place with the signing of two national network partnerships.

It also undertakes to conduct appropriate risk prevention to protect healthcare and facility staff.

Corporate initiatives to promote well-being and sport

Given the company's reorganisation, especially in the Human Resources department, this new regulatory obligation did not give rise to official action at Group level in 2022.

Initiatives are carried out at certain facilities with financing for coaches, physical activity instructors and physiotherapists for occasional sessions at their own initiative.

To encourage sports activities and cohesion between facilities, Italy has, for example, set up an application for all employees to propose challenges between teams from different facilities: running, swimming, cycling, yoga, pilates, walking and step counting, sleep, meditation, etc. This health-focused approach is accessible to all.

These initiatives will serve as a basis when building up a more structured policy of initiatives to promote sport at Group level. Partnerships are being explored to provide digital activities and applications to improve employee physical and mental well-being, to develop their sense of belonging and to foster cohesion between teams.

Company initiatives supporting the commitment of employees as reservists in France

The Group is aware of the social consequences of its operations and is responding to the incentive that came into force in August 2023 aimed at promoting the link between the nation and the army and at drumming up support for service in the reserves in order to help increase the number of people engaged in the military as reservists and their availability. Specific commitments and initiatives are being studied.

3.3.5 Promoting care professions and offering an attractive employee experience at a learning organisation

Faced with structural pressures on care professions and a shortage of key positions (nurses, nursing assistants, doctors, paramedical specialists, facility directors), as well as the general challenge of attracting people to the sector, which has been exacerbated by the major crisis of confidence the Group has been through, employee recruitment and retention are major challenges.

With that in mind, ORPEA's objective is to promote the jobs it offers using the human, organisational and financial levers of its *With you and for you, changing ORPEA* Refoundation Plan and the related human resources development policy. From job posting to onboarding, the candidate experience is key. Next, from onboarding to retirement; and at every career stage in between, the employee experience offered by the Group should be that of a learning organisation, where team development is a priority, using a collaborative and inclusive approach in which every individual is recognised and valued.

3.3.5.1 Using proactive policies to attract and recruit tomorrow's talent

The Group's objectives for recruiting and attracting talent are twofold. First, the Group is working to make its offers more attractive in terms of compensation and working conditions, as part of its Refoundation Plan, with an initial set of initiatives already undertaken: recruitment targets for full-time permanent positions, salary increases, pay scales for all care staff, the gradual introduction of bonuses, and programmes to improve health and safety.

Second, ORPEA must help promote care professions and the sector as a whole, which is struggling to recruit from training programmes. Demand is growing for jobs that are already in short supply, in a sector that is growing rapidly due to population ageing and an increase in non-independent living.

Improving the candidate experience with new recruitment tools and practices

Managing officers now have the ability to post positions, recruit and hire directly, with the support of human resources teams. Recruitment processes have been redefined, clarified, simplified and decentralised. The same applies to recruitment teams. France's central recruitment team has grown from eight to 30 people, spread across the country, with the recruitment of one or two recruitment officers per region, in order to support local operational needs and handle the high volume of applications expected as part of the recruitment plan.

In September 2022, ORPEA introduced its "FAIR" project[1] in France, which sets out an action plan to accelerate recruitment and support managing directors conducting mass hiring campaigns for high-demand jobs.

Kits and documents are provided to managers and HR teams to ensure a professional approach. For example, when it comes to compensation, a document such as a social balance sheet can be used to present the components of compensation and benefits. The Group promotes hiring for permanent contracts, and management has been trained on when they should use fixed-term and temporary contracts, which are subject to strict controls by the newly created regional Human Resources departments.

Diversifying who we recruit

The Group is broadening its recruitment policy by allowing unqualified candidates to join development programmes that will eventually lead to careers as carers or facility directors. These measures, which are already in place in some countries, are being expanded and codified.

In Germany, for example, facility directors are recruited from specialised or generalist schools through an assessment centre and are placed in a specific training and immersion programme, with group training for more than a year and a diploma course provided externally.

In France, recruitment through work-study programmes or through career change/upskilling plan (Pro-A) and prior experience accreditation (VAE) measures offer opportunities to prepare for the future by broadening recruitment channels, opening up access to jobs in the care sector and professionalising care work. The results of the Group's 2023 efforts are promising: with a target of 1,000 work-study contracts in France and there are currently 35 active files in the Pro-A career change/upskilling plan while 413 candidates have applied for prior experience accreditation, an increase of 70% compared with 2022.

(1) *FAIR: a French acronym standing for "train, onboard, integrate, recruit".*

France's "Pro-A" and VAE (prior experience accreditation) career change plan

These plans are used to obtain diplomas, especially for care workers. Pro-A is a career change/upskilling plan enabling people employed on a permanent contract to access work-study qualifying training. The opportunity is available for employees who have not attained the level of qualification required for a particular professional certification (among those registered in the national directory of professional certifications) corresponding to a bachelor's degree. Since 2022, 35 employees have benefited from this plan.

The prior experience accreditation plan allows them to **obtain a diploma without having to undergo training** at a carer training institute (*Institut de Formation d'Aides-Soignant* – IFAS), by **validating the skills already acquired** that are relevant to the position. The Group supports its employees through the process, particularly from an administrative point of view and by monitoring their progress. With no minimum length of experience required (provided proof of an activity related to the content of the relevant certification can be given), the Group has been able to step up the use of this plan, by also activating reverse prior experience accreditation for new recruits with an experience accreditation project. By the end of 2023, a total of 413 employees were part of a prior experience accreditation programme.

Continuing to enhance the employer brand and expand our recruitment channels

One outcome of ORPEA's mission statement project, launched in November 2022, was the unveiling of the Group's four values in 2023 (see presentation at the start of section 3.3). Employer brand activities, which will contribute to talent attraction and support the initiatives of the Human Resources department, will be launched in 2024, following a process of developing the Group's values into key behaviours and conducting employee surveys, in line with the timetable for changing the Group's identity and revealing its mission statement, scheduled for 2024. The project will begin with the definition of ORPEA's Employer Promise.

While waiting to officially launch employer brand activities in 2024, the Group increased its campaigns and initiatives in all its host countries in 2023. Ireland has launched massive recruitment campaigns and increased its presence at job fairs. Austria has continued its "care as an opportunity" campaigns to promote retraining. Germany has overhauled its recruitment practices, with assessments at trade fairs as part of its relations with schools and universities.

In 2023, France led 13 successive multi-media campaigns for facility directors, geriatricians, psychiatrists, pharmacists, nurses, work-study care workers and seasonal replacements (for summer and winter holidays). In total, these campaigns resulted in more than 6,000 applications.

The Group has been increasing its use of social media and posting platforms, with impressive results. Group-wide ORPEA job offers posted on LinkedIn have seen a 12.6% conversion rate, and recruiters have been making increasing use of InMail, with an acceptance rate of 39.1% among target candidates, an increase of 7 points compared to 2022.

In July 2023, the Group took out an unlimited LinkedIn contract for the entire scope in order to be able to recruit more extensively and guarantee maximum reach and publications for HR and managers. The Group's ambition is to support managers and recruitment teams in guaranteeing the best possible candidate experience, and is equipping itself with the tools to achieve these objectives.

In France, the Group also tested a large-scale referral plan across all professions. A dedicated website and process have been set up to help recruit for all positions, with an incentive system and additional measures. Since its introduction in December 2022, the referral programme has generated more than 697 applications for nurse, care worker, doctor, facility director and support function positions, and has led to 309 new hires.

Recruitment volumes in proportion with efforts

The Group's recruitment drive consists of hiring people on permanent, full-time contracts on a large scale to ensure the best possible staff and direct care ratios, while stabilising our teams. The high turnover in the sector and the need to increase the workforce have led to massive recruitment. A total of 20,708 people were hired on permanent contracts across the Group in 2023. To support the transformation drive, 295 new staff members were hired in the French and Corporate support functions at the Group's headquarters.

Recruiting young talent and preparing for the future

In order to meet its recruitment needs and prepare for the future by attracting tomorrow's talent today, the Group is gradually developing initiatives to recruit and support students in their initial training, career development and retraining. The aim is to provide personalised access to training in healthcare professions by offering a range of options tailored to each individual's situation.

Accordingly, the Group is pursuing an ambitious policy to recruit interns and work-study trainees, in line with the trend initiated in France in 2022, which is set to be stepped up with the creation of an apprentice training centre to train apprentices in its businesses. ORPEA is also developing its support for employees applying for prior experience accreditation, through a programme deployed within its own carer training institute and by other carer training institutes.

Implementing an ambitious work-study training policy in France

The work-study programme is underpinned by a structured system from recruitment onwards, offering both a candidate and employee experience, with high-quality support for each student from a dedicated, trained tutor and the involvement of the entire team in skills development. 28% of work-study students as at 1 January 2023 were hired in 2023. They benefit from ORPEA in-house training in addition to their academic training. The career path is supported by our broad local presence, enabling us to offer positions throughout France. With a dedicated website and an extensive communications campaign on social media and in schools, the Group recruited 968 work-study students in 2023, 30% of them in care worker positions. The total number of work-study students rose by 30%.

Launch of the first graduate programme in the healthcare sector

To develop the combination of medical, management and operational skills needed in the care sector and prepare future leaders, in 2023, the Group launched the first intake of an attractive graduate programme focused on teamwork, with a common first year and a personalised year, and a total of five rotations over two years, one of which offers the possibility of working in a different environment (e.g., non-profit, NGO, start-up, international organisation). This first intake generated more than 400 applications and brought together 17 talented young people from the healthcare sector or with generalist backgrounds from prestigious universities.

3.3.5.2 Retaining and integrating talent: skills development, employability and careers in a learning organisation

The implementation of the Group's human resources policy will result in an increase in payroll and training costs, as well as in an improvement in employee engagement and retention rates, which helps reduce unnecessary costs generated under the old model (due to turnover, sick leave, fixed-term contracts) and leads to better support and care thanks to team stability. Progress tracking involves an overhaul of performance indicators and structuring of data, particularly in France.

Loyalty

In order to offer fair compensation in line with the market, a salary analysis is being continued for each of the Group's employment pools in France. This benchmarking exercise served to revise the salary policy and secure its long-term effectiveness in order to make compensation more attractive (salary, health insurance, social benefits) while also factoring in mandatory annual negotiations.

The Group also plans to build employee loyalty through successful team integration programmes designed to promote stability. These programmes will be prioritised for care workers, nurses and coordinating nurses. A tool to facilitate onboarding is being developed and rolled out in France, Italy and Poland.

Building employee loyalty also involves skills development, which is the focus of ORPEA's training policy.

Training

Becoming a learning organisation by offering opportunities for career advancement, developing employees' skills and promoting from within will help the Group meet the threefold challenge of ensuring staff employability, staff loyalty and business development.

There is a need for employees to undergo regular training to adapt to changing patient and resident needs and to new developments in diseases and care methods. In fast-changing professions, it is vital to keeping employees' skills up-to-date.

Policy, tools and results: carrying out a complete overhaul of training opportunities

The Group has strengthened its commitment to providing access to training, encouraging internal promotions and ensuring career development for all employees, supporting the organisation's transformation and improving the employee experience, in particular through managerial practices. Developing, acquiring and maintaining professional skills is key to meeting ORPEA's quality standards and also contribute to employee engagement and recognition.

The aim of continuous training is to develop mobility, personal career paths and bridges between professions. France had set a target for 2023 of having 1,000 employees on a path to promotion or prior experience accreditation (this target was previously 300). By the end of 2023, a total of 413 employees were part of a prior experience accreditation programme.

In 2023, the Group Learning department was restructured and the French Training department was completely reorganised to become the Training and Career Paths department, which consists of three units covering the entire training value chain: ORPEA Campus, Job Observatory and Training Operations.

In 2023, the range of training courses on offer will be defined and overhauled through the creation of job-specific training pathways. The training programmes hinge on priority core modules and development modules that enable employees to progress in their current position or move to another position. Our training offering is evolving in terms of content and learning methods in order to adapt to employee expectations and the needs of the organisation in terms of its strategic and operational challenges.

The training programmes distinguish between regulatory, priority and essential modules as part of the Group's awareness-raising policy, and are based on:

- care, ethics and positive treatment;
- relations with patients, residents, beneficiaries and relatives;
- preventing psychosocial risks among managers;
- managerial practices.

Launch of the IMPACT management programme in France in partnership with EDHEC Business School

Between June and July 2023, the Group rolled out a new module based on an interactive conference format and "getting to know each other better to communicate better" workshops for the 1,000 managers in France (three managers in facilities: coordinating nurse, director, coordinating doctor, regional and national managers and cross-functional staff) at management seminars.

In July 2023, ORPEA launched IMPACT, the Innovation in Management Programme for Actors of Care and Transformation in partnership with EDHEC Business School. The aim of the course is to train all managers who are confronted with situations that increasingly call for versatility, attentiveness and coaching skills, at a time of profound change. IMPACT is a nine-day in-person course, entirely financed by ORPEA, which demonstrates a real investment in managerial practices. A total of 1,000 managers will be trained throughout 2024, with a programme combining distance learning, in-person training, coaching and co-development.

IMPACT will conduct six classes by September 2025, bringing together a total of 1,000 managers, including facility directors, coordinating doctors, coordinating nurses and managers at head office, with a pilot session of 70 students voluntarily enrolled on the course from January 2024. At the end of the course, each trainee will complete a certification test (not part of the French National Directory of Professional Certifications), with a group presentation on a core project set out and approved at the start of the programme, before a panel made up of Group teams and EDHEC representatives.

The Group is working to make its offering more accessible and easier to understand at all levels, and is redesigning and deploying digital training management tools to enable more users to roll out a structured training plan, take stock of individual training needs for each employee and improved management, and monitor the skills development plan, particularly by following up on individual registrations.

Short, highly targeted training courses on specific subjects, particularly on the fundamentals of the profession (hygiene, care, etc.), are developed and distributed in a micro-learning capsule format by the Medical department and designed in collaboration with renowned external trainers in the specialities covered. These training courses are primarily aimed at care workers and staff in charge of accommodation at the facilities.

2023 Training at ORPEA by the numbers

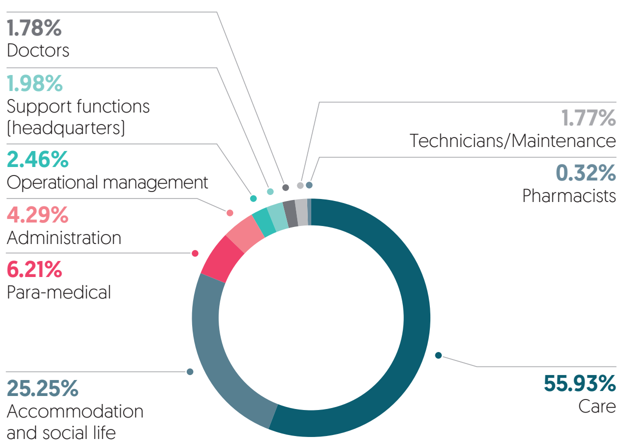
- 1,015,155 hours of training provided in 2023
- 45.86% of employees received training
- 20.46 hours per employee who received training
- In France, an investment budget of **€10 million** dedicated to skills development

	Number of employees trained in health/safety (excluding awareness-raising activities)		Number of employees trained in care/support (excluding awareness-raising activities)		Number of employees trained in management/personal development (excluding awareness-raising activities)	
Geographical area	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
France-Benelux-United Kingdom-Ireland	15,689	2,474	16,404	3,722	2,996	636
Central Europe	2,181	1,059	867	505	233	36
Eastern Europe	6,365	2,323	3,953	5,038	428	496
Iberian Peninsula and Latin America	2,997	1,599	2,525	2,148	297	345
Other countries	NA*	0	NA*	0	NA*	1
TOTAL GROUP	**27,232**	**7,455**	**23,749**	**11,413**	**3,954**	**1,514**

* NA: not available. China and the United Arab Emirates (three entities active at the end of 2023) were not part of the 2023 reporting campaign.
Jobs related to the Homecare business are not included.

Breakdown of employees who received training by job category in 2023

NUMBER OF HOURS OF TRAINING COMPLETED BY EMPLOYEES, BROKEN DOWN BY PROFESSIONAL CATEGORY



56% of training was in care and 25% was in accommodation and social life.

2023 CSR objective

10% of employees have obtained a diploma or certificate.

2023 progress report

15.49% employees on permanent contracts obtained a certificate or diploma.

Internal mobility

A mobility policy was finalised in December 2022. Under the policy, positions were opened up and advertised to anyone able to apply for them, an assessment system used, overseen by Human Resources departments, and preference given to internal candidates. A digital app called Talents! was set up in Mach 2023 to support hiring from within and the external referral programme.

More generally, thought is being given as to how to build real career paths, in line with the training offering and newly created job observatory.

Internal promotion

Giving employees the opportunity to develop professionally and progress in terms of levels of responsibility is part of the Group's loyalty policy, which recognises and values employees' skills, performance, potential and experience.

In the healthcare and nursing sector, and at ORPEA in particular, care assistants looking to become care workers are prime candidates for France's Pro-A upskilling plan. The human resources sector encourages people to apply to diploma-awarding certification programmes via France's upgraded Pro-A and prior experience accreditation plans, for example.

2023 CSR objective

50% of key managers (regional directors, facility directors and nurses/head nurses) are promoted internally.

2023 progress report

39.44% of key managers are promoted internally.

INTERNAL PROMOTIONS FOR THE POSITIONS OF REGIONAL DIRECTOR, DIRECTOR AND HEAD NURSE

	Permanent staff in these positions at 31 Dec. – via internal promotion	Permanent staff in these positions at 31 Dec. – Total	Internal promotion rate	Permanent staff in these positions at 31 Dec. – via internal promotion	Permanent staff in these positions at 31 Dec. – Total	Internal promotion rate
Country	**2023**			**2022**		
France-Benelux-United Kingdom-Ireland	**549**	**1,243**	**44.17%**	**537**	**1,120**	**47.95%**
France	472	917	51.47%	490	872	56.19%
Belgium	33	167	19.76%	NA*	NA*	NA*
Ireland	9	67	13.43%	32	159	20.13%
Netherlands	34	91	37.36%	15	88	17.05%
United Kingdom	1	1	100%	0	1	0.0%
Central Europe	**119**	**513**	**23.20%**	**142**	**645**	**22.02%**
Germany	82	391	20.97%	101	372	27.15%
Italy	15	43	34.88%	16	48	33.33%
Switzerland	22	79	27.85%	25	225	11.11%
Eastern Europe	**81**	**228**	**35.53%**	**72**	**230**	**31.30%**
Austria	54	154	35.06%	31	153	20.26%
Poland	11	21	52.38%	14	26	53.85%
Czech Republic	16	36	44.44%	14	36	38.89%
Slovenia	0	14	0.0%	13	13	100.00%
Croatia	0	3	0.0%	0	2	0.0%
Iberian Peninsula and Latin America	**93**	**151**	**61.59%**	**45**	**141**	**31.91%**
Spain	84	112	75.00%	32	103	31.07%
Portugal	7	21	33.33%	7	21	33.33%
Brazil	2	18	11.11%	6	17	35.29%
Other countries	**NA***	**NA***	**N/A**	**2**	**5**	**40.00%**
China	NA*	NA*	N/A	2	5	40.00%
GROUP	**842**	**2,135**	**39.44%**	**798**	**2,141**	**37.27%**

* *NA: not available. China (two active facilities at the end of 2023) was not included in the reporting campaign. Historical data is not available for Belgium.*

For all functions, the internal promotion rate increased between 2022 and 2023, particularly for facility directors and head nurses.

3.3.5.3 Promoting diversity and inclusion within the organisation

Challenge

Diversity and inclusion aims to prevent all forms of discrimination in the workplace, whether towards employees, patients, residents or beneficiaries. Everyone – without distinction of any kind (gender, background, sexual orientation, age, etc.) – should have the same opportunities for professional development and receive the same quality of treatment. More broadly, the Group places increasing importance on its societal mission, mainly by helping to change the way society views old age, frailty and disability.

Compliance with international human rights and labour standards

In its Code of Conduct – Ethics and CSR, the Group reaffirms its commitment to respect universal human rights and labour standards. In accordance with its international commitments as a signatory to the United Nations Global Compact, ORPEA is committed to respecting and promoting human rights in accordance with the Universal Declaration of Human Rights of 10 December 1948 and the United Nations Guiding Principles on Business and Human Rights of 16 June 2011.

Through its global presence, ORPEA is particularly attentive to the subjects covered by the Fundamental Conventions of the International Labour Organization (see section 3.1.4.1 of this Universal Registration Document: prohibition of undeclared work, child labour and forced labour, non-discrimination, respect for freedom of association and collective bargaining); to promoting diversity; to fighting all forms of discrimination; and to women's rights.

On 29 July 2022, the Group submitted its annual progress report to the Global Compact, summarising the improvements it has made to address its commitments (see section 3.1.4.1 of this Universal Registration Document).

Policy

All guidelines related to inclusion, diversity and non-discrimination are part of the Group's Code of Conduct – Ethics and CSR, which includes practical examples in order to help the Group's employees understand and adopt them.

These topics are also incorporated into training on the Code of Conduct, which was gradually rolled out to all staff in 2022 and 2023 (see section 3.4.1.3 of this Universal Registration Document for the training deployment indicator).

Women in management bodies

As part of the complete renewal of the Group's Executive Committee and the introduction of a new governance structure, three women joined the committee in 2023.

2023 CSR objective

For 50% of ORPEA's top management[1] to be female, in line with ORPEA's commitment to diversity.

2023 progress report

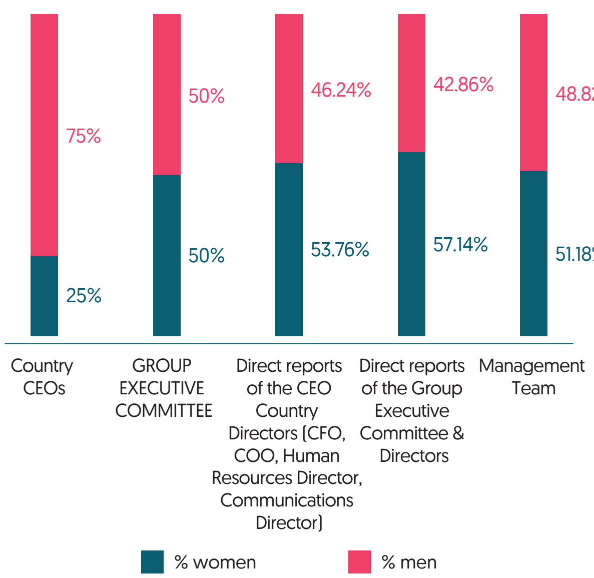
In 2023, the percentage of women in the Management Team, formerly referred to as top management, stood at 51.18%.

A comparison with 2022 figures for this indicator is not possible due to changes that have been introduced (a stricter definition of top management, which has evolved into the Management Team, and a new management structure that was not yet final in 2023).

Women on the Group Executive Committee

Four out of eight members are women, i.e., 50%.

WOMEN ON THE MANAGEMENT TEAM



French Occupational Equality Index

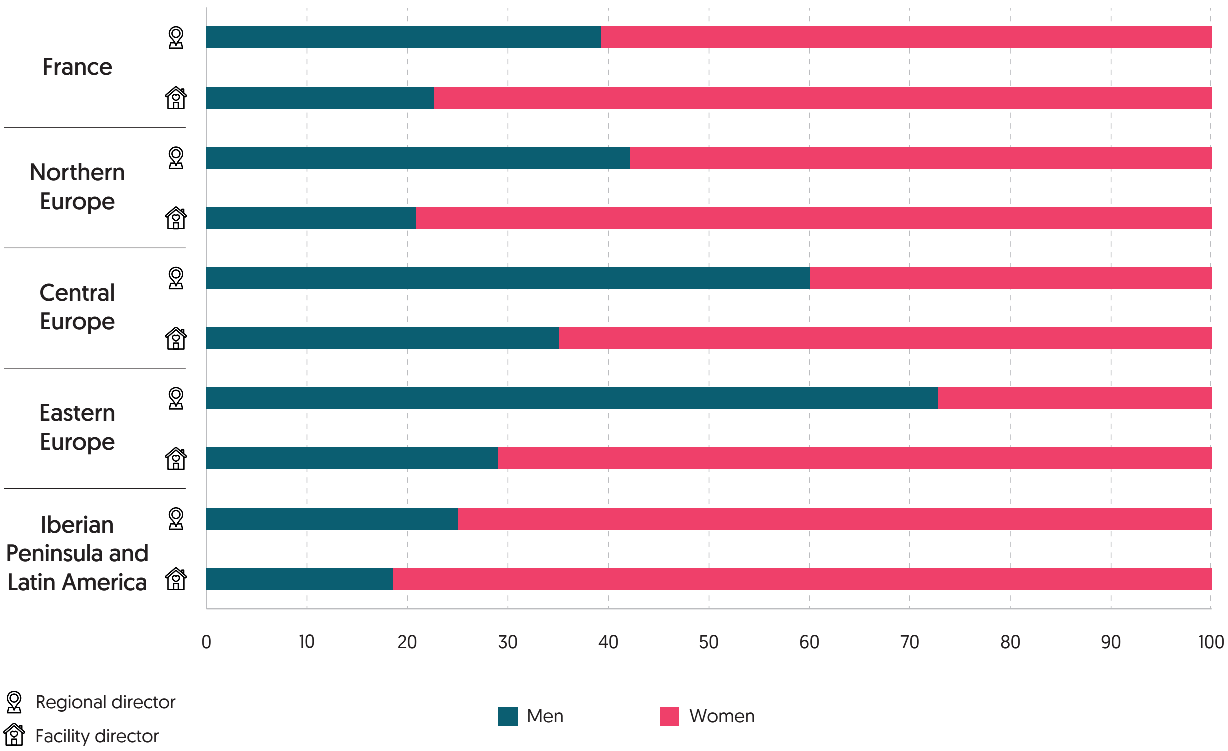
Gender equality is an unwavering point of focus for the organisation, especially in a sector in which women account for the majority of the workforce.

In France, an Occupational Equality Index was set out in Decree No. 2019-15 of 8 January 2019. In 2023, index results were unchanged from 2022 and demonstrate the success of the organisation's focus on gender equality:

- 93 out of 100 for the ORPEA Economic and Social Unit;
- 98 out of 100 for CLINEA SAS.

(1) *The Group's top management positions correspond to the Group Chief Executive Officer, the Group's department heads (Directors for Medical, Finance/Procurement/IT, Human Resources, Communication, Quality, CSR, Real Estate) and their direct reports, as well as other senior executives including COOs, CFOs and Human Resources Directors of the main host countries. As announced in the 2022 Universal Registration Document, the organisational structure of the Group's top management changed in 2023. The proportion of women is calculated for Executive Committee members, their direct reports with the title of director, the country CEOs and their direct reports with the title of Director or Head of. This group is now referred to as the Management Team. See the methodological note in section 3.8 of this Universal Registration Document.*

% OF MANAGEMENT POSITIONS HELD BY WOMEN IN 2023



Within the Group, women account for 47% of regional directors and 75% of facility directors.

Disability support

A disability working group has been set up in France. Plans to develop a more inclusive policy are being drawn on the diversity of existing models in the Group. The Group aims to help change the way people with disabilities and vulnerable situations are viewed.

Disability best practices in France

Helping to change the way people view disability

The disability working group organised events to mark European Disability Employment Week at ORPEA facilities across France. At headquarters, initiatives were presented to raise awareness of the different types of disabilities and diseases, as well as throughout the Group with the duo day programme, which involves the concept of the "live my life" exchange between people with disabilities and employees at all levels. A list of examples of actions that could be implemented is also made available to all facilities.

In order to improve future events, a satisfaction survey was sent out to employees.

Promoting the inclusion of disabled employees

For several years, the ORPEA Group has been committed to the inclusion of disabled workers in its teams, particularly in France. Led by its disability working group, the Group conducts awareness-raising, communication and support initiatives to promote access to lasting employment for all.

Since October 2022, a partnership has been set up with outside experts from Aktisea (an *entreprise adaptée*, which means at least 55% of its workforce has a recognised disability) to assist employees looking for confidential guidance on how to apply for recognised disability status.

As part of the partnership, Aktisea makes a specialised consultant available to ORPEA's teams in France to answer questions about the country's disabled worker scheme (RQTH) and provide one-on-one support to interested employees. The services provided by the disability consultant are 100% confidential.

A communications campaign was organised and posters were put up to inform employees about the initiative.

3.4 A responsible corporate citizen committed to its communities

ORPEA strives to extend its social, societal and environmental commitments to its relationships with its stakeholders. With its Code of Conduct – Ethics and CSR, the Group has reaffirmed its business ethics commitments towards its employees, patients, residents and beneficiaries, partners, investors, lenders and public authorities.

These commitments are a distillation of the framework within which the Group operates. ORPEA stands firmly committed to its values and ethics principles in terms of responsible procurement and the collection and management of personal information, enabling ORPEA to position itself as a responsible corporate citizen that is committed to the communities in which it operates.

3.4.1 Compliance with ethics and cybersecurity laws

ORPEA is a leading provider of long-term care for frail and vulnerable people. ORPEA complies with the laws and regulations applicable to its operations, ensuring that all Group employees act with transparency, fairness and integrity.

The events of 2022 and the reputational impact they had on the Group have shown just how critical this is. As a result, in 2022 ORPEA introduced measures to increase the transparency of country-level operations initiated by the Group's headquarters, which it reinforced in 2023.

3.4.1.1 Structure and responsibilities of the Group Compliance department

Business ethics matters are overseen by a team at headquarters, under the responsibility of a Compliance Director, who in turn reports to the Group's Internal Audit and Control, Risk and Compliance Director, who took up the post in March 2023.

The role of the Compliance department is:

- to ensure compliance with laws on anti-corruption and influence peddling, anti-money laundering and countering the financing of terrorism, as well as lobbying laws;
- to ensure ethical business practices, in particular by drafting official guidance documents, conducting awareness-raising and training activities, carrying out due diligence on third parties, particularly during acquisitions and disposals, supporting employees in resolving ethical dilemmas, and collaborating with internal control and internal audit to carry out controls;
- to coordinate and oversee the Group's compliance network;
- to ensure that the whistleblowing line is operational and that reports are addressed, by making sure that the system is accessible and compliant with the law, by checking that whistleblowing reports are effectively addressed in an ethical way that preserves anonymity, by carrying out investigations at the headquarters level and in support of teams located in the Group's geographical areas.

To do this, it relies on compliance officers spread across the Group's geographical areas and holds regular meetings with them.

These local compliance officers, who are responsible for oversight duties, ensure that the Group's procedures are rolled out and applied. Coordination between the Group teams and the teams in the geographical areas is achieved through communication and regular interactions to foster transparency on issues that occur at both the Group and local levels. Meetings are organised at regular intervals between the Group Compliance Director and the compliance officers in each geographical area.

3.4.1.2 Updated Code of Conduct – Ethics and CSR

In 2022, the Group published its new Code of Conduct – Ethics and CSR, replacing the code of conduct in force since 2018 and updated in 2020 (see section 3.1.1.2 of this Universal Registration Document). This document establishes a common ethics framework, covering both medical and business ethics, and is binding on employees. It answers questions that employees may have and serves as a resource for external stakeholders. The process of drafting the new Code was an opportunity to reaffirm the importance that Executive Management attaches to ethics in all aspects of ORPEA's operations. It clearly sets out the principles that employees are required to follow in their daily work.

It is based on principles derived from the following international or national conventions: the 1948 Universal Declaration of Human Rights; the UN Guiding Principles on Business and Human Rights; the UN Convention Against Corruption; duty of care laws; the French law of 9 December 2016, known as Sapin II; the fundamental conventions of the International Labour Organization (see section 3.1.4.1 of this Universal Registration Document); the OECD Guidelines for Multinational Enterprises; the WHO Principles; and the UN Global Compact, which ORPEA joined in 2020.

The Code has allowed the Group to refocus on its core business of accommodating and caring for patients and residents. It is structured around four main commitments, including the commitment to integrity in the conduct of business (principles 10 to 16), which covers the Group's anti-corruption commitments, respect for its business partners and its commitments as a listed company.

The Code of Conduct – Ethics and CSR is a real working tool for all Group employees and partners. In particular, it serves as a guide for employees in terms of the choices and decisions they make on a daily basis and their relationships with residents, families, public authorities, professionals and suppliers.

To make sure the Code is clear and accessible to all employees, it is written in an explanatory format. Plain language is used to explain each commitment and set out dos and don'ts. Case studies are used to clearly illustrate principles, based on situations that employees are likely to encounter in their interactions with patients, residents, suppliers, service providers, intermediaries or public officials that the Group regularly interacts with.

3.4.1.3 Compliance with obligations under France's Sapin II law

The Group has set up a compliance programme dedicated to its obligations under France's Sapin II law on transparency, anti-corruption and the modernisation of business practices. In order to meet its legal obligations, the Group has developed and is working to continuously improve its dedicated compliance programme.

Business ethics overseen directly by ORPEA Executive Management

The Refoundation Plan, presented in November 2022 under the name *With you and for you, changing ORPEA*, made clear that ethics and accountability permeated every aspect of the Group's operations and were a key focus for Executive Management.

A clear and unequivocal management commitment has been made: there will be zero tolerance for unethical conduct, with an emphasis on anti-corruption. Penalties for unethical practices are set out in the internal rules or equivalent document. The Chief Executive Officer reaffirmed this zero tolerance principle in the preface to the Group's Anti-Corruption Code of Conduct.

Anchoring the Executive Management's approach to business ethics, a Business Ethics Steering Committee was set up in February 2023, meeting seven times in the course of the last year. The membership of this Committee (Group Chief Executive Officer, Group Deputy Chief Executive Officer, Group Chief Financial Officer, Group Human Resources Director, Group Legal Affairs Director, Group Internal Audit and Control, Risk and Compliance Director and Group Compliance Director) reflects the Group's desire to involve Executive Management in all matters relating to business ethics.

The Group Business Ethics Committee is responsible for:

- promoting a culture of ethics within the Group;
- examining the measures taken to prevent and detect acts of corruption and/or breaches of professional ethics and, where appropriate, make recommendations;
- validating policies or procedures, or updates to them, relating to business ethics.

It is also kept informed of:

- monitoring alerts received under the Group's whistleblowing system;
- changes in key indicators (roll-out of policies and procedures, training, high-criticality conflicts of interest, etc.);
- the main legislative and regulatory developments relating to business ethics;
- the activities of the Group and Country Compliance Functions.

Mapping of corruption and influence peddling risks

In 2023, a decision was made to overhaul the map of corruption and influence peddling risks, to simplify and optimise the risk analysis and assessment methodology. The map is based on a universe of 24 risks and 39 scenarios. Its overhaul was carried out in ten countries. Individual maps were drawn up for each of these countries as well as a consolidated Group map. The associated action plans were presented to the CEOs concerned, who committed to ensuring that risk mitigation action plans were put in place.

Compliance policies and Anti-Corruption Code of Conduct

A Code of Conduct – Ethics and CSR was released in June 2022 (see section 3.4.1.2 of this Universal Registration Document).

An Anti-Corruption Code of Conduct was also introduced in 2022[1]. Written in a way that everyone can understand, it sets out dos and don'ts, presents the anti-bribery compliance programme and gives examples of warning signs. Concrete examples are also used to make the content easier to understand. It was translated into all the Group's languages in 2023 and distributed in all its host countries.

In France, since October 2023, the Code of Conduct – Ethics and CSR and the Anti-Corruption Code of Conduct are being incorporated into the internal rules of entities governed by French law.

These two codes are available to everyone in the Exemplary business ethics section of the Group's website.

The gifts and entertainment policy, revised and released in 2022, was updated and rolled out again in September 2023. The section relating to benefits offered by manufacturers and distributors of health products and services[2], which was a part of the gifts and invitations policy in 2022, became the subject of a designated policy in 2023 called the "policy on benefits for health professionals".

A sponsorship policy was drafted and released in 2023.

A campaign to identify potential conflicts of interest between employees was carried out during 2023 among an eligible population, and where necessary, corrective measures were taken. Moreover, as a way to streamline and facilitate better understanding of the issue, the conflicts of interest declaration form was updated in 2023 to become both a guide and a form for declaring conflicts of interest. With regard to lobbying, a register maintained by the High Authority for Transparency in Public Life (HATVP) in France was implemented in 2022. ORPEA's lobbying initiatives in 2022 have been declared and are available for consultation on the designated HATVP website. In addition, a Responsible Lobbying Charter was drawn up and distributed across the Group in 2023.

Employee training on the Code of Conduct – Ethics and CSR

The Code of Conduct – Ethics and CSR was communicated to all employees in June 2022. Training on the new Code of Conduct – Ethics and CSR began to be rolled out to all employees in September 2022 and continued in 2023.

2023 CSR objective

The revised Code of Conduct, now ORPEA's Code of Conduct – Ethics and CSR, will be entirely rolled out to all employees in 2023.

2023 progress report

By 31 December 2023, 57% of all Group employees had been trained in the Code of Conduct – Ethics and CSR.

(1) *https://www.emeis-group.com/wp-content/uploads/2024/04/Anticorruption_code_of_conduct_2024.pdf*
(2) *Decree No. 2020-730 of 15 June 2020 relating to benefits offered by manufacturers and distributors of health products and services.*

Initiatives started in 2022 to train all employees continued in 2023, which explains the increase in the number of trained employees.

PERCENTAGE OF EMPLOYEES TRAINED ON THE CODE OF CONDUCT – ETHICS AND CSR BY GEOGRAPHICAL AREA

Geographical area	2023 training rate	2022 training rate
France-Benelux-United Kingdom-Ireland	59%	44%
Central Europe	59%	9%
Eastern Europe	61%	0%
Iberian Peninsula and Latin America	37%	14%
Other countries	NA*	0%
GROUP	**57%**	**27%**

* NA: not available. China and the United Arab Emirates (three entities active at the end of 2023) were not part of the 2023 reporting campaign.

Anti-corruption and influence peddling training for employees

In 2022 and 2023, all members of the current Group Executive Committee had received anti-corruption training.

In June 2022, compliance officers received "Train the Trainers" training to properly equip themselves before providing face-to-face training to people exposed to corruption risks in their geographical areas.

An e-learning module on anti-corruption and influence peddling was designed during the final quarter of 2023. The aim is to distribute it widely in the first quarter of 2024, as it will be rolled out to approximately 20,000 employees (exposed and non-exposed functions) in all the countries where the Group operates. A compliance welcome package was put together in 2022 and is being rolled out at headquarters for new hires. It includes documents such as the Group's Code of Conduct – Ethics and CSR, a presentation of the whistleblowing system (see below) and mandatory e-learning sessions for all new employees. At headquarters, new hires must also attend two mandatory in-person training courses, with one dedicated to the Code of Conduct – Ethics and CSR and the other to anti-corruption and influence peddling.

Third party assessment

The Group's Internal Procedures and the Anti-Corruption Code of Conduct provide clear guidelines for facilities and for headquarters staff. The Code of Conduct – Ethics and CSR provides all Group employees with an understanding of the challenges involved.

The Group's Anti-Corruption Code also lists all types of at-risk third parties and details the corresponding best practices to put in place.

Third parties involved in acquisitions or disposals (sellers, buyers, intermediaries, developers) are required to complete a mandatory due diligence questionnaire. A compliance check is performed on legal entities and individuals who are beneficial owners using economic intelligence tools.

At the end of 2023, a cross-functional analysis was carried out to improve the way in which non-compliance risks and third-party assessment, outside the scope of acquisitions or disposals, is taken into account. A global policy on third-party assessment is being drafted and will be released in all countries in 2024.

Specifically with regard to supplier assessment, the Procurement department launched a project in 2023 to analyse the financial health and economic dependence of the 200 suppliers listed nationally for France.

Internal whistleblowing system

ORPEA has developed an internal whistleblowing tool[1] which allows employees, suppliers and other stakeholders to report breaches of the Code of Conduct – Ethics and CSR or illegal activity, including corruption and influence peddling.

Since April 2022, the Group has been promoting the tool and communicating more about the platform. An e-learning system was also rolled out in France on how to use the whistleblowing platform. Lastly, the existence of this whistleblowing platform is highlighted and explained during the various training courses provided.

NUMBER OF REPORTS

Types of alerts received	Number of reports (2023)	Number of reports (2022)
Bribery, influence peddling and conflicts of interest	13	6
Discrimination, harassment, occupational health and safety	177	14
Fraud, embezzlement and theft	6	0
Abuse, quality of care	21	3
Non-compliance with laws, regulations or the public interest	11	3
Environmental protection	1	0
Rights and protection of individuals	7	0
Anti-competitive practices	2	2
GROUP	**238**	**28**

(1) *The whistleblowing platform can be accessed at https://orpea.signalement.net/.*

The very sharp increase in the number of reports is explained by greater communication about the whistleblowing system through various training courses, including the Code of Conduct – Ethics and CSR, and via poster campaigns at headquarters and facilities. 74% of reports concern discrimination, harassment and health and safety at work.

The procedure for receiving and dealing with reports was updated in 2023. In France, integration of this system into internal rules has been ongoing since October 2023.

3.4.1.4 Data protection and cybersecurity

Personal data protection

The Group considers data security, protection and confidentiality to be a strategic priority due to the sensitive nature of the data processed. Accordingly, it has laid down and implemented strict security rules to safeguard data integrity, availability, traceability and confidentiality.

ORPEA S.A.'s Data Centre has been ISO 27001 certified since October 2016, and has held Health Data Hosting (HDS) certification since 2019. These certifications were both renewed in August 2022 for a period of three years.

The Information Systems Security department is responsible for securing the infrastructure, systems and applications necessary for the Group's business. Its role is to prevent breaches, viruses and attacks by administering a set of hardware and software dedicated to IT security and by regularly carrying out penetration testing, as well as awareness-raising campaigns and employee training on phishing, for example. In 2023, 23,000 employees were given cybersecurity training as part of 135 awareness campaigns and 57 phishing tests worldwide.

Specialised companies, external auditors and the Group Internal Audit department occasionally test the effectiveness and robustness of the access management rules and controls implemented. The Group also regularly implements and monitors concrete security and data privacy measures. These include programmes to raise employee awareness, an impact assessment procedure, upskilling of the Information Systems Security department staff, etc.

Since 2022, an internal Security Operations Centre (SOC) team and an internal Computer Emergency Response Team (CERT) have been in operation, strengthening the Group's cyber defence capability.

It further strengthened its data protection policy in May 2018 when the General Data Protection Regulation (GDPR) entered into force. A data protection officer (DPO) for ORPEA S.A. (an outsourced role since 2022) is responsible for managing GDPR obligations within the Group. This has strengthened the Group's personal data protection framework.

Cooperation between the DPO, the data protection department and the teams responsible for the security of information systems was also reinforced. Each project is now subject to a formalised and joint review before it is launched to ensure, notably, the protection of personal data from the design stage (privacy by design).

The DPO, with assistance from the data protection department, coordinates answers to requests relating to the exercise of rights as well as responses to security incidents and personal data violations, in particular, those which could be reported via the Group's whistleblowing platform.

The GDPR Steering Committee, which includes members of the Audit, Risk and Compliance department and Legal department, monitors the deployment of the Group's personal data roadmap and makes all necessary decisions. This bi-monthly Steering Committee has been in place since 2022.

In accordance with the principle of minimisation, the Group has paid special attention to the use of user profiles to restrict data access, especially to health and personal data. Accordingly, each user has access solely to the data required for their duties and assignments.

In addition, a specific tool developed by the external DPO hosts the records of processing activities for each of the Group's entities in France. This tool combines the three mandatory types of records: records of processing activities maintained by the controller and by the processor, and documentation of any data breaches. It also centralises the records of different entities.

The promotion of a culture of GDPR compliance is an ongoing focus within the Group and its subsidiaries.

Lastly, in the first half of 2021 the Group published on its website a "Data Protection Compliance Statement"[1] setting out ORPEA's commitments to complying with GDPR principles, or local regulations where the GDPR does not apply (countries outside Europe): legality, transparency, data minimisation and proportionality, accuracy, retention and deletion, data confidentiality and security, and accountability.

A commitment to respecting individual rights is also included, as are the procedures for notifying data breaches.

Information system security

Governance of information systems security is based on a security management system, with ISO 27001 certification for ORPEA S.A. since 2016 and Health Data Hosting (HDS) certification since 2019 for the Group's Data Centre. As mentioned above, the HDS certification and the ISO 27001 certification were both renewed in August 2022 for a period of three years. As part of this certification process, information system and cybersecurity risks were mapped in 2022 and will be updated during the next renewal process.

An IT Charter detailing the general conditions and rules for using the information systems is deployed throughout France. In France, all current employees are subject to this charter, which is also an appendix to the Internal Rules and given to every new employee. This IT Charter also applies to service providers with access to ORPEA's information systems.

(1) https://orpea-corp-events.com/rse/wp-content/uploads/2021/03/orpea_data_protection_compliance_statement_march2021_1.pdf

3.4.2 Implementing a responsible procurement policy

3.4.2.1 Challenges

The Group aims to develop and implement a responsible, ethical and inclusive procurement policy, enabling ORPEA to ensure the proper identification, monitoring and consideration of CSR risks in its value chain, in order to prevent and protect people, companies and the environment from impacts that could be caused directly or indirectly by the activities of third parties in their business relationships with the company.

In this context, the procurement policy responds to the Group's strategic challenges, which include providing our patients, residents and employees, both in our facilities and at the headquarters, with high-quality and competitive products and services. This Responsible Procurement Policy aims to standardise and secure processes, and ensure strict compliance with applicable standards in all countries.

3.4.2.2 Functions and organisation of the Procurement department

ORPEA's Group Procurement department is responsible for supporting the company (Executive Management, core activities, operations) in achieving its strategic objectives, in particular by identifying and coordinating relations with our external partners in order to harness best practices in terms of innovation, quality, CSR and competitiveness.

In 2023, the Procurement department has defined and implemented a Transformation Plan, based on a reinforced procurement structure.

The Group's Procurement department is now organised as follows:

- three Procurement units, bringing together teams of expert buyers for major categories of expenditure (medical, catering, real estate, IT, services). During 2023, these procurement teams focused on contract remediation with the Group's "historical" suppliers, as well as issuing competitive calls for tenders to suppliers in accordance with the defined ethical processes, for the Group's main categories of expenditure. This is to ensure that suppliers are competitive in terms of quality, price, innovation, etc., for the benefit of patients, residents and employees;
- a Procurement Transformation unit, responsible for defining, structuring and implementing processes and tools to secure and sustain procurement performance over the long term across the Group.

The Procurement Transformation Plan is based on three main pillars: Procurement Performance (a cost-reducing plan for the Group); Procurement Excellence (structuring and implementing processes, tools and data to ensure compliance with ethical practices in supplier relations, and guaranteeing facilities high-quality services and/or products at the right price and that are easy to implement); and lastly, Procurement Governance (with the Procurement department now organised into Procurement units, facilitating decentralised decision-making; international governance in interactions with procurement teams in the Group's major countries).

Certain types of expenditure are managed autonomously by facilities, representing around 15% of total expenditure in France, for example.

3.4.2.3 Main focuses of the responsible, ethical and inclusive procurement policy

The daily priority of the ORPEA teams is to offer patients and residents an impeccable quality of care, based on high operational standards. ORPEA also aims to extend its social, societal and environmental commitments to its relations with suppliers.

The Responsible Procurement Charter is one of the pillars of the Procurement Transformation Plan described above. It is communicated to and signed by the Group's major national suppliers (in France and the main countries where the Group operates). In France, the Responsible Procurement Charter was distributed by email and signed by all the national listed suppliers. The charter is also to be signed by any new supplier entering into a relationship with ORPEA, as part of calls for tender or contract negotiations.

The new Responsible Procurement Policy is based on the following priority actions:

- implementing the Responsible Procurement roadmap, rolling out the actions identified in the priority categories, in France and in the Group's main host countries. The themes covered in the actions identified are linked to the CSRD's environmental and social themes (climate, pollution, marine resources, circular economy, internal employees, value chain employees, local communities, residents and patients);
- getting national listed suppliers to sign the new Responsible Procurement Charter. The Responsible Procurement Charter sets out the reciprocal commitments of ORPEA and its partners and specifies the requirements relating to respect for individuals and working conditions, as well as the environmental and ethical requirements of the partnerships;
- obtaining valid EcoVadis assessments for all national listed suppliers;
- training the buyers in responsible procurement practices on a regular basis.

3.4.2.4 Responsible Procurement Charter

The daily priority of the ORPEA teams is to offer patients and residents an impeccable quality of care, based on high operational standards. ORPEA also aims to extend its social, societal and environmental commitments to its relationships with its suppliers. It considers them to be real partners with whom it is vital to build a trust-based relationship and to share common values, goals and objectives. The responsible procurement policy is now formalised through the Responsible Procurement Charter. It sets out the reciprocal commitments of ORPEA and its partners and specifies the requirements relating to respect for individuals and working conditions, as well as the environmental and ethical requirements of the partnerships. The ORPEA Responsible Procurement Charter, drawn up in 2021 and revised at the end of 2023, is in line with the Group's Code of Conduct – Ethics and CSR. Its purpose is to serve as a reference framework shared by all players, from ORPEA's purchasing teams to suppliers and their subcontractors. ORPEA believes that its development must be based on a framework of carefully defined and strictly applied rules with its suppliers and partners, taking into account the regulations in force, ecological and social challenges and its commitment to fair and balanced commercial relations.

ORPEA's objective was for 100% of global, national and regional suppliers managed by the Procurement department to sign the Responsible Procurement Charter by 2023, across all countries. In order to achieve this target, the Charter has been included in calls for tender since 2022, and added as an appendix to contracts with all suppliers in the global and multinational categories.

As part of the CSR roadmap, a data collection platform has been rolled out across all countries in 2022 to monitor the adoption rate for this charter in the different countries where the Group operates.

2023 CSR objective

100% of significant suppliers (global, multinational, national and regional) signed on to the Group's Responsible Procurement Charter.

2023 progress report[1]

As of 31 December 2023, 75% of listed suppliers (global, multinational, national and regional) had signed the Group's Responsible Procurement Charter.

RESPONSIBLE PROCUREMENT CHARTER

Geographical area	Adoption rate 2023	Adoption rate 2022
France-Benelux-United Kingdom-Ireland	64%	37%
Central Europe	87%	37%
Eastern Europe	81%	74%
Iberian Peninsula and Latin America	100%	73%
Other countries	NA*	100%
GROUP	**75%**	**49%**

* *NA: not available. China and the United Arab Emirates are excluded from the reporting scope of this indicator for 2023 (three active facilities at the end of 2023).*

China, Luxembourg, Mexico, Uruguay and the United Arab Emirates, the Swiss entity CLINEA, Brazil and the Netherlands are excluded from the reporting. The reporting scope is identical to that for 2022, with the exception of the exclusion of China for 2023.

The increase in the adoption rate for the Responsible Procurement Charter is the result of actions taken since its launch to ensure that it is signed.

3.4.2.5 Supplier referencing and assessment

As part of its transformation plan, the Procurement department has defined and begun deploying procurement protocols guaranteeing the ethical and transparent nature of supplier listing and evaluation. These protocols detail all the major processes in the procurement life cycle (supplier panel strategies by procurement family, tendering strategies, supplier selection, annual performance reviews of major suppliers), the distribution of roles and responsibilities between procurement and the business lines, approval thresholds and bodies, etc.).

In addition, the Procurement department is preparing to roll out an eSourcing module (Source-to-Contract platform) enabling calls for tender to be prepared and issued via a digital platform, which will help to combat corruption. The traceability of exchanges with suppliers via the platform guarantees transparency and fairness for all suppliers who are consulted during these calls for tender.

Supplier selection

Buyers carry out checks (for corruption, convictions, business ethics, etc.) when selecting any national supplier using LexisNexis. This is a mandatory step for all new contractual relationships. In the event of doubt, the supplier file is automatically passed on to the Compliance department, which carries out further analysis using the Dow Jones platform.

Supplier assessment

Since 2019, ORPEA has taken the CSR performance of its suppliers into consideration and since 2020, has further formalised this commitment by using EcoVadis, a third-party organisation, to assess the CSR performance of its partners.

(1) *The definition and scope of this indicator are explained in the methodological note (see section 3.8 of this Universal Registration Document).*

EcoVadis is a platform that assesses the social and environmental responsibility practices of suppliers. The EcoVadis assessment method is based on a grid of criteria covering different areas, such as human rights, environmental sustainability, business ethics and social responsibility. Assessments are carried out based on information provided by suppliers, external sources and, in some cases, on-site audits. The results are presented in the form of a score and come with a detailed report, allowing companies to identify areas for improvement and take steps to strengthen their commitment to social and environmental responsibility.

EcoVadis (or equivalent) ratings are carried out for global and national suppliers managed by the Procurement department, representing approximately 70% of total expenditure. The Group aims to update these assessments annually.

In addition to the EcoVadis assessment, significant calls for tender (depending on the amount of expenditure involved in the project) include CSR as a supplier selection criterion.

2023 CSR objective

An assessment of the supplier's CSR performance required in all calls for tender.

2023 progress report

In 2023, 82% of tenders for global and national suppliers were subject to supplier CSR performance assessments.

CALL FOR TENDERS

	Percentage of global and national supplier tenders that include a CSR assessment	
Geographical area	**2023**	**2022**
France-Benelux-United Kingdom-Ireland	86%	85%
Central Europe	92%	0%
Eastern Europe	0%	75%
Iberian Peninsula and Latin America	100%	0%
Other countries	NA*	0%
GROUP	**82%**	**51%**

* *NA: not available. China and the United Arab Emirates are excluded from the reporting scope of this indicator for 2023 (three active facilities at the end of 2023).*

China, Luxembourg, Mexico, Uruguay and the United Arab Emirates, the Swiss entity CLINEA, Brazil and the Netherlands are excluded from the reporting. Unlike the 2022 data, the 2023 data exclude data from China but include data from Poland. The increase in the rate of national global supplier tenders including a CSR assessment is mainly due to a greater number of calls for tender in Germany, all of which included a CSR assessment.

Initiating a responsible approach to supplier selection

In 2023, many of the major calls for tender issued by the Procurement department (in collaboration with the Group's business lines) included CSR criteria in their supplier assessments.

For example, the call for tenders carried out jointly with the Communications department to identify the service provider that would be responsible for removing ORPEA signage included CSR criteria in the supplier assessments (5% of the overall score), taking into account the supplier's EcoVadis score and the existence and content of the supplier's CSR policy.

In addition, the call for tenders to select the kitchen equipment supplier (Mercurial and Equipment Maintenance) carried out with the Catering department included the same CSR selection criteria.

Training buyers

100% of buyers in France have been trained in the EcoVadis tool and procedure. The procurement managers for the Group's major countries were also trained at the end of 2023.

3.4.3 Integration into a medical and regional ecosystem

Due to the nature of its business and its robust development, ORPEA is deeply engaged in its host communities. Its engagement is first and foremost economic and social, as it relates to the creation of local jobs; ORPEA also contributes to making cities more inclusive and supportive by actively forging connections with local community stakeholders of all kinds, such as local authorities, care providers, non-profits and citizens. Thus, by offering patients, residents and beneficiaries care that is closely connected to their personal support network, ORPEA has a positive impact on society.

ORPEA's facilities are part of a regional project initiated by local authorities seeking solutions to public health problems. As part of the ACT BEYOND pillar of its Improving Tomorrow programme, ORPEA is working with local stakeholders to develop a healthcare project that will help to address the economic, social and urban challenges of the area.

3.4.3.1 Actively contribute to the development of medical and care knowledge for patients, residents and staff

ORPEA is committed to improving the quality of care provided to frail and vulnerable people, in particular by actively contributing to scientific research, either as a clinical investigation site or directly as a promoter of scientific studies.

Research challenges for ORPEA

In 2023, ORPEA continued with ongoing research projects and is now directing focus on care and support for increasingly dependent people in the areas of mental health, rehabilitation and life planning at home and in nursing homes.

As a member of the Medical department, the Research department contributes to strategic and ethical discussions in support of medical activities. In 2023, priority was given to putting scientific knowledge into practice, validating predictive tools and improving care practices. The aim is to optimise care pathways and develop models to prevent loss of autonomy.

The research findings have been published in scientific journals and presented at international conferences. In 2023, the Group contributed to the publication of **25 scientific articles,** while actively participating in international scientific conferences and successfully responding to calls for proposals.

SCIENTIFIC ARTICLES IN WHICH THE GROUP HAS PARTICIPATED

Scientific articles	Category	Details
Scientific publications	Peer-reviewed journals	France: 11 the Netherlands: 3 Poland: 2 Spain: 1
	Non-peer-reviewed journals	Germany: 1
	Presentation at a conference with publication of the abstract	Spain: 1
Group contributions	Additional	3 funded studies leading to publications
	Investigating centre	Germany: 1 study leading to publication Spain: 2 studies leading to publication

SCIENTIFIC CONFERENCES AND SUCCESSFUL CALLS FOR PROJECTS

Scientific conferences and successful calls for proposals	Category	Details
Participation in international conferences	Organisation of scientific events	ORPEA symposium at the 43rd Annual Meeting of the French Geriatrics and *Gerontology* Society (JASFGG) "Santé et qualité de vie des résidents : innovations et nouveaux défis au sein des établissements" (Residents' health and quality of life: innovations and new challenges within facilities)
	Oral communication and posters	31st European Congress of Psychiatry 29th SOFPEL Congress
Successful call for proposals	European projects	Portugal: chAnGE Project (Erasmus+ initiative)

Preventing loss of autonomy

ORPEA is showcasing its research strategy, which is focused on preventing loss of autonomy and improving quality of life for the elderly.

In nursing homes

Abroad

In Poland, ORPEA is conducting two key studies to improve care for elderly people suffering from chronic illnesses and the challenges associated with independent living. The study, "Evaluation of the quality of life of older people with diabetes"[1], involved 294 seniors with type 2 diabetes and used tools such as WHOQOL-Bref to assess their quality of life, revealing the impact of factors such as acceptance of the disease and depression. Another study, "Assessment of functional capacity of the elderly"[2], assessed the functional capacity of 312 elderly patients using scales such as VAS and Barthel. This study highlighted the link between multimorbidity, pain and reduced autonomy, underlining the importance of making an overall assessment to personalise care and treatment.

France

In 2023, ORPEA submitted the secondary study "Assessing the Progression and Risk Factors of Depression in Nursing Homes: A Systematic Review", a collaborative project undertaken by healthcare professionals in La Rochelle (France). The aim was to examine the trajectory of depression once a person has moved to a nursing home and to identify risk factors. The results show that geriatric psychiatric disorders, functional incapacity, chronic disease and, potentially, gender tend to increase the prevalence of depression among people in nursing homes. The article is currently awaiting approval for publication.

The article "Dementia and comorbidities in primary care: a scoping review"[3], a review of the literature between 2017 and 2022, revealed a need for better tools for assessing the risk of dementia and for managing care, taking into account pre-existing health conditions.

In collaboration with the Borelli Centre at ENS Paris Saclay, ORPEA is involved in innovative research to prevent falls among the elderly, as illustrated by the article by Bargiotas *et al.*, "Preventing falls: the use of machine learning for the prediction of future falls in individuals without history of fall"[4]. The aim is to develop methods using machine learning and connected technologies to detect the risk of falls before they occur. This research follows on from the longitudinal Postadychute-AG study, which collected data on more than 30 patients in eight nursing homes, with the aim of enriching our understanding of predictive markers of falls.

In hospitals

Abroad

ORPEA Deutschland took part in an international study, the results of which were published in 2023 in *The New England Journal of Medicine*. The article, entitled "Esketamine Nasal Spray versus Quetiapine for Treatment-Resistant Depression"[5], explores the efficacy and safety of esketamine nasal spray versus extended-release quetiapine, in combination with a selective serotonin reuptake inhibitor or a serotonin-norepinephrine reuptake inhibitor, in patients with treatment-resistant depression.

As part of its efforts to prevent loss of autonomy, ORPEA Spain is conducting research into mental and physical health. The study "Is there such a thing as gambling dual disorder?"[6] by I. Basurte, from the López Ibor Mental Health Clinic (ORPEA Ibérica), focuses on the relationship between gambling disorder and other mental disorders such as ADHD and depression, highlighting the importance of early identification of mental health risk factors.

France

ORPEA is also rolling out its strategy of exploring the factors impacting the management of depression in its French hospitals. A prime example is its funding of dissertations by scholars such as Nathan Risch, who completed his doctorate at the Clinique de la Lironde, and whose work has led to several publications. The study "Depression and approach-avoidance decisions to emotional displays: The role of anhedonia"[7] sheds light on how depression and anhedonia affect socio-emotional decision-making, providing clues as to how the social interactions of depressed patients can be improved. Similarly, "Sensitivity to ostracism is blunted in suicide attempters only when they report suicidal ideation"[8], by the same team, provides a nuanced perspective on reactions to social ostracism in suicide attempters, challenging conventional wisdom about tolerance to physical pain and social stress. In parallel, the publication "Effect of verbal communication on chronic pain"[9] studies the impact of communication on chronic pain, suggesting that verbal interactions between carers and patients may play a crucial role in how pain is perceived. Lastly, the article "Subjects suffering from bipolar disorder taking lithium are less likely to report physical pain: a FACE-BD study"[10] reveals that people suffering from bipolar disorder and taking lithium report less physical pain. However, further research is needed to confirm these effects.

Finally, in the field of physical rehabilitation, the systematic review "Effect of mirror therapy in the treatment of phantom limb pain in amputees"[11] tackles a different aspect of pain and rehabilitation, analysing the effectiveness of mirror therapy and highlighting the importance of a methodical approach to this therapy using mirror neurons. In addition, the study by K. Belghith *et al.*, "Spatial distribution of stiffness between and within muscles in paretic and healthy individuals during prone and standing positions"[12], provides information on the variability of stiffness in the plantarflexor muscles of paretic patients, compared with healthy subjects.

(1) *Wróblewska Z, Chmielewski JP, Wojciechowska M, Florek-Łuszczki M, Wójcik T, Hlinková S, et al. "Evaluation of the quality of life of older people with diabetes".* Ann Agric Environ Med. *28 Sept. 2023; 30(3):505-12.*

(2) *Wróblewska Z, Chmielewski J, Florek-Łuszczki M, Nowak-Starz G, Wojciechowska M, Wróblewska I. "Assessment of functional capacity of the elderly".* Ann Agric Environ Med. *31 March 2023; 30(1):156-63.*

(3) *Bergman H, Borson S, Jessen F, Krolak-Salmon P, Pirani A, Rasmussen J, et al. "Dementia and comorbidities in primary care: a scoping review".* BMC Prim Care. *14 Dec. 2023, 24(1):277.*

(4) *Bargiotas I, Wang D, Mantilla J, Quijoux F, Moreau A, Vidal C, et al. "Preventing falls: the use of machine learning for the prediction of future falls in individuals without history of fall".* J Neurol. *Feb. 2023; 270(2):618-31.*

(5) *Reif A, Bitter I, Buyze J, Cebulla K, Frey R, Fu DJ, et al. "Esketamine Nasal Spray versus Quetiapine for Treatment-Resistant Depression".* N Engl J Med. *5 Oct. 2023; 389(14):1298-309.*

(6) *Szerman N, Basurte-Villamor I, Vega P, Mesías B, Martínez-Raga J, Ferre F, et al. "Is there such a thing as gambling dual disorder? Preliminary evidence and clinical profiles".* European Neuropsychopharmacology. *Jan. 2023; 66:78-91.*

(7) *Grèzes J, Risch N, Courtet P, Olié E, Mennella R. "Depression and approach-avoidance decisions to emotional displays: The role of anhedonia".* Behaviour Research and Therapy. *May 2023; 164:104306.*

(8) *Risch N, Dupuis-Maurin K, Dubois J, Courtet P, Olié E. "Sensitivity to ostracism is blunted in suicide attempters only when they report suicidal ideation".* Journal of Affective Disorders. *Sept. 2023; 337:169-74.*

(9) *Willard A, Risch N. "Effect of verbal communication on chronic pain: a systematic review".* Kinésithérapie, la Revue. *Jan. 2024; 24(265):44-52.*

(10) *Risch N, Dubois J, Etain B, Aouizerate B, Bellivier F, Belzeaux R, et al. "Subjects suffering from bipolar disorder taking lithium are less likely to report physical pain: a FACE-BD study".* Eur Psychiatr. *2024; 67(1):e8.*

(11) *Guémann M, Olié E, Raquin L, Courtet P, Risch N. "Effect of mirror therapy in the treatment of phantom limb pain in amputees: A systematic review of randomized placebo-controlled trials does not find any evidence of efficacy".* European Journal of Pain. *Jan. 2023; 27(1):3-13.*

(12) *Belghith K, Zidi M, Fedele JM, Bou Serhal R, Maktouf W. "Spatial distribution of stiffness between and within muscles in paretic and healthy individuals during prone and standing positions".* Journal of Biomechanics. *Dec. 2023; 161:111838.*

Improving practices

ORPEA's research has the potential to improve the care provided to vulnerable people, leading to the development of new treatments or healthcare programmes, personalised clinical practices and reduced care costs.

In nursing homes

Abroad

In the Netherlands, ORPEA actively supports healthcare research, including in oral health. A notable example is the article "Care-resistant behaviour during oral examination in Dutch nursing home residents with dementia"[1]. The study, carried out in 14 nursing homes in the Netherlands, included 367 residents. Such research is essential to understanding the factors that predict resistance to care, enabling healthcare professionals to better anticipate and manage patient behaviour. The oral health of the elderly can be affected by a variety of factors, leading to rapid deterioration, as highlighted by the results of the review "An Overview of Systemic Health Factors Related to Rapid Oral Health Deterioration among Older People"[2], underlining the need for an integrative approach involving all those involved in oral healthcare.

In Spain, the study "Guilt and well-being in institutionalized family caregivers of dependent older adult people"[3], carried out by ORPEA Logroño in collaboration with the faculties of psychology of the University of Salamanca, the University of Valencia and the University Isabel I, highlights the emotional challenges faced by family carers after a loved one is admitted to a nursing home. This research, involving 201 carers in Spain, examines how guilt and aspects such as anxiety, vitality, self-control and depression influence stress levels. The results clearly indicate that guilt and well-being are determining factors in this regard. It underlines the need to provide special attention and support to family carers during this delicate transition period.

France

In our constant quest to improve healthcare and research, we also use data from medical records. This approach means that the work of our carers is valued twofold. On the one hand, it offers the possibility of carrying out retrospective studies with high statistical power, by gathering a large amount of patient data. On the other hand, it contributes to the continuous improvement of clinical practices by providing valuable insights into care trends and health outcomes. This strategy underlines our commitment to making the most of existing resources to improve the quality and efficiency of the care we provide. This retrospective analysis was the subject of a conference at the 43rd Annual Meeting of the French Geriatrics and Gerontology Society, held in November 2023 in Puteaux. Using medical records from 329 nursing homes in France, the study compares mortality rates between different treatment groups for Alzheimer's disease during longitudinal follow-up between 2014 and 2019. The study showed that the use of cholinesterase or memantine inhibitors, or a combination of both, was associated with significantly lower all-cause mortality in a large population of nursing home residents. The positive effect of memantine on mortality in nursing home residents with dementia is a new finding, as no large-scale study had previously documented such an effect.

In hospitals

Abroad

In the Netherlands, ORPEA worked on the publication of "The Dutch version of the Oral Health Assessment Tool: Translation and inter-rater reliability among community nurses"[4]. This study validated the OHAT-NL as a reliable tool for assessing the oral health of elderly people in the community. This research is part of ORPEA's commitment to improving the quality of care and the accuracy of dental health assessments, which enhances our ability to provide high-quality, evidence-based care.

In Spain, at the 31st European Congress of Psychiatry in 2023, ORPEA Ibérica demonstrated its commitment to excellence in quality of care by presenting a scientific case-study carried out at the ORPEA Puerta de Hierro Specialized Mental Health Center for the Elderly. This study involved three elderly patients, initially treated with conventional antipsychotics, whose treatment was optimised by extended-release paliperidone. The change led to significant improvements at psychotic, affective and cognitive levels. The results, drawn from a case study, underline the Group's approach to evidence-based care.

France

ORPEA carried out a study at the Centre de Rééducation Fonctionnelle de Tréboul, called "Rehabilitation therapy using the HUBER platform in chronic non-specific low back pain"[5] by Vincent Le Moal *et al.*, examining the effectiveness of six weeks' rehabilitation using the HUBER platform for chronic low back pain. Published in the *European Journal of Physical and Rehabilitation Medicine*, the study compared the effects of a standard programme with those achieved using the HUBER platform, showing much greater improvements in strength, flexibility and reduced disability for the HUBER group. This work highlights the importance of technological innovation in improving the rehabilitative care ORPEA offers.

[1] *Willems MS, Hollaar VRY, Van Der Maarel-Wierink CD, Van Der Putten G, Satink T. "Care-resistant behaviour during oral examination in Dutch nursing home residents with dementia".* Gerodontology. *Sept. 2023; 40[3]:299-307.*

[2] *Van Der Putten GJ, De Baat C. "An Overview of Systemic Health Factors Related to Rapid Oral Health Deterioration among Older People".* JCM. *27 June 2023; 12[13]:4306.*

[3] *García-Tizón SJ, Ortiz MCP, Prados ABN, Pérez-Aradros CM, & Meléndez J C [2023] "Guilt and well-being in institutionalized family caregivers of dependent older adult people".* Revista española de geriatria y gerontologia, *58[2], 84-88.*

[4] *Van Noort HH, Harderwijk A, Everaars B, Akkermans R, Van Der Putten GJ, Waal GH de. "The Dutch version of the Oral Health Assessment Tool: Translation and inter-rater reliability among community nurses".* International Journal of Dental Hygiene. *2023.*

[5] *Le Moal V, Tantot M, Mévellec É, Nouy-Trollé I, Lemoine-Josse E, Besnier F, et al. "Rehabilitation therapy using the HUBER platform in chronic non-specific low back pain: a randomized controlled trial".* Eur J Phys Rehabil Med *[Internet]. Nov. 2023 [cited 8 Feb. 2024]; 59[5].*

Measuring our impact

Covid-19 pandemic

Recent years were marked by the Covid-19 pandemic, which had a profound impact on the care professions and the vulnerable people for whom ORPEA is responsible.

Abroad

In Spain, the study "Building-Scale Wastewater-Based Epidemiology for SARS-CoV-2 – Surveillance at Nursing Homes in A Coruña, Spain"[1], conducted by ORPEA Culleredo in collaboration with the University Hospital of A. Coruña used wastewater-based epidemiology to detect outbreaks of SARS-CoV-2 before the onset of clinical symptoms between December 2020 and March 2021, thus providing an effective early warning system. The results also demonstrated the effectiveness of Covid-19 vaccines, revealing a reduction in symptoms despite high viral shedding.

France

Also relating to Covid-19, a retrospective study looked at the impact of antipsychotic drugs on the symptoms of lung disease. The article "Antipsychotic use and 28-day Mortality in Patients Hospitalized with COVID-19"[2], of which Aude Delcuze from the Les Orchidées hospital is credited as the author, followed up on 59,021 adult patients hospitalised with Covid-19 between January 2020 and November 2021, to specifically examine the correlation between antipsychotic use on admission and all-cause mortality after 28 days.

Scientific partnerships and their development

ORPEA is actively developing academic and research partnerships across Europe, contributing to innovation and improved healthcare practices.

In 2023, we remained committed to the goal of forging a prestigious university partnership in each host country. This commitment has led us to extend our initiatives beyond Europe to establish successful collaborations with international research laboratories. Strengthening long-standing established partnerships has fostered more publications and scientific projects (18 publications in 2022 compared with 25 in 2023), paving the way for numerous scientific publications in 2024.

2023 CSR objective

To strengthen this policy, ORPEA aims to establish a partnership with a renowned university in all countries where the Group operates.

2023 progress report

At 31 December 2023, 45% of host countries had established a research partnership with a renowned university. In particular, 40% of countries had established a research partnership with a university that is among the country's top 10 universities in the Shanghai Ranking[3].

The fact that only 45% of our country organisations have entered into formal relationships with universities attests to the Group's ongoing reputational crisis, which has limited access to the public funding generally required for research. However, a number of partnerships have been established in the Iberian Peninsula. The percentage of country organisations that have set up a research partnership with a university featured among the country's top 10 in the Shanghai Ranking is lower (40%), mainly because the Paracelsus Privat Universität Salzburg was included in the top 10 in the 2022 ranking but not in the 2023 ranking.

(1) *Trigo-Tasende N, Vallejo JA, Rumbo-Feal S, Conde-Pérez K, Nasser-Ali M, Tarrío-Saavedra J, et al. "Building-Scale Wastewater-Based Epidemiology for SARS-CoV-2 Surveillance at Nursing Homes in A Coruña, Spain".* Environments. *1 Nov. 2023; 10(11):189.*

(2) *Sánchez-Rico M, Edán-Sánchez A, Olfson M, Alvarado JM, Airagnes G, Rezaei K, et al. "Antipsychotic use and 28-day Mortality in Patients Hospitalized with COVID-19: A multicenter observational retrospective study".* European Neuropsychopharmacology. *Oct. 2023; 75:93-104.*

(3) *The definition and scope of this indicator are explained in the methodological note (see section 3.8 of this Universal Registration Document).*

RESEARCH PARTNERSHIPS

Country	Partnership signed with a university (2023)	Partner (2023)	Partnership signed with a university (2022)	Partner (2022)
FRANCE-BENELUX-UNITED KINGDOM-IRELAND				
France	Yes	Université Paris Saclay* – CNRS – INSERM – SSA – Centre Borelli – Sorbonne Université* – Laboratoire d'informatique médicale et d'ingénierie des connaissances en e-santé (LIMICS)	Yes	Université Paris Saclay* – CNRS – INSERM – SSA – Centre Borelli
Belgium	No		No	
Netherlands	Yes	VU University Amsterdam*	Yes	Leyden Academy*
Ireland	Yes	University College Cork*	Yes	Trinity College Dublin* – University College Cork*
United Kingdom	Yes	University of London*	No	
Luxembourg	No		No	
CENTRAL EUROPE				
Germany	Yes	German Aerospace Center (University of Cologne)* – Albert-Ludwigs-Universität Freiburg* – Niederrhein University of Applied Sciences	Yes	German Aerospace Center (University of Cologne)* - Albert-Ludwigs-Universität Freiburg* – Niederrhein University of Applied Sciences - University of Heidelberg*
Italy	No		Yes	Università degli studi di Padova*
Switzerland	No		No	
EASTERN EUROPE				
Austria	Yes	Paracelsus Privat Universität Salzburg	Yes	Paracelsus Privat Universität Salzburg
Poland	Yes	Jagiellonian University (Collegium Medicum, Department of Infection Control and Mycology, Department of Microbiology)*	No	
Czech Republic	No		No	
Slovenia	No		No	
Croatia	No		No	
IBERIAN PENINSULA AND LATIN AMERICA				
Spain	Yes	12 universities, including 7 in the top 10 in Spain: 1. University of Barcelona* 2. University of Granada* 3. Complutense University of Madrid* 4. Autonomous University of Madrid* 5. University of Valencia* 6. University of the Basque Country* 7. University of Alicante*	Yes	Universidad Complutense de Madrid – Universidad Autónoma de Madrid
Portugal	Yes	1. Universidade de Lisboa – Faculdade de Motricidade Humana* 2. Universidade de Coimbra – Faculdade de Psicologia* 3. University College Cork (EU programme)* 4. Instituto Politécnico de Setubal Universidade Católica 5. Escola de Enfermagem Escola Superior de Enfermagem de Coimbra 6. Escola Superior de Enfermagem – Cruz Vermelha Portuguesa	Yes	Universidade de Coimbra Universidade de Lisboa
Brazil	No		No	
Uruguay	No		No	
Mexico	No		No	
OTHER COUNTRIES				
China	No		No	

* *One of the country's top 10 universities in the 2023 Shanghai Ranking.*

3.4.3.2 Supporting the innovation process to change practices

Innovation is a key element in ORPEA's development, enabling us to meet the expectations of today's patients, residents and employees and to anticipate those of tomorrow. For ORPEA, it helps improve care and support services provided to residents and patients and their families as well as the working conditions of employees.

Organisation and steering of innovation

Falling under the responsibility of the Deputy CEO, innovation contributes to the Group's transformation, which is why the focus of the roadmap shifted in 2023 to three priority areas, in line with the Transformation Plan:

- improving the user experience for our external users (our patients, residents, beneficiaries and families) and internal users (employees);
- improving efficiency and performance by creating care environments that provide a more fluid care pathway, optimising carers' time and thereby benefiting the relationship with residents and patients while maximising the quality of care;
- developing new offerings and pathways in response to current and future market challenges.

The Group calls on the expertise of its various countries to participate in the roadmap, allocating issues among teams depending on local centres of expertise, while ensuring coordination and consistency at Group level. The network of local innovation centres is currently being organised to become operational, with the first projects scheduled for completion in 2024. It has taken shape through an iterative process of interaction between the Group's countries, working together to effectively address the market issues and challenges we will face over the coming years.

At Group level, innovation project progress is supervised by an Executive Innovation Committee to ensure overall consistency. There is also close coordination and collaboration between innovation teams and the Medical department and its international bodies. A Cross-Departmental Innovation Committee is being set up to ensure that innovation is shared across all the Group's host countries.

A structured and agile innovation approach

Innovation is an exploratory process that aims to identify diverse solutions to the challenges our users face. An agile, iterative methodology and collaboration with our users enable us to test concepts that have the potential to offer high value-added. Working collaboratively with the business lines and host countries, the Group was able to report on the many initiatives and solution tests aimed at improving the pathways and experience of our residents, patients, beneficiaries and their families, as well as our employees.

In 2023, one of the priorities was to identify Group projects and local projects with strong potential, in order to accelerate their roll-out nationally and internationally. The standards and process for testing and evaluation, as well as for the roll-out related to the support functions, have been revised and are being consolidated.

Three Group initiatives have gone from proof of concept to international roll-out in 2023-2024:

- MyORPEA: an application for communicating with and involving family members in life and decisions at the facility as well as in personalising their loved ones' experience;
- ORPEA Live: an employee app designed to facilitate communication, training and procedures in a single hub;
- Workelo: an employee integration and mobility application built into ORPEA Live.

Leveraging the collective intelligence of ORPEA teams

The annual ORPEA Excellence Awards (see section 3.2.4.3 of this Universal Registration Document) aim to reward Group teams that have proposed innovative approaches to their care practices and support for residents. This year, the Awards will focus on initiatives that benefit employees. A new "Employee Experience" category was introduced in 2023 to reward innovative initiatives to improve quality of life in the workplace for employees and enhance the Group's attractiveness as an employer.

A digital platform has been deployed throughout the Group by the Innovation department since 2022 to facilitate the submission, evaluation and archiving of projects proposed by facilities for the ORPEA Excellence Awards. Since 2023, the platform has enabled employees to access candidate files from previous years, creating a digital catalogue that will continue to enrich a database of best practices. The Group is also using its ORPEA Live application to continue to promote award-winning projects and the international transfer of best practices.

Moreover, in order to continue to support and unleash innovation in the field, the Group has announced the creation of an Innovation Fund to finance and support new high-potential care pathway projects. The Empower Care & People Fund will receive its first applications in the first quarter of 2024.

Innovating by opening up to the outside world

The Group continues to strengthen its Open Innovation strategy which consists of innovating in an open and collaborative manner by calling on external expertise. It strives to create a framework that nurtures effective and mutually beneficial collaborations with start-ups and other innovative external partners.

To encourage collaboration within countries, ORPEA has defined a framework with recommendations for financial and non-financial partnerships with a variety of players (academic, industrial, accelerators, associations, etc.). These guidelines provide a springboard for multiplying the impact of the Innovation policy in all the geographical areas and countries where ORPEA is present.

In each geographical area, the innovation units regularly receive and centralise collaboration opportunities and requests from external partners, while the headquarters support team helps source international partners.

The Enovea Network sharing platform, which was set up in 2021, also facilitates the sharing of best practices and gives access to the start-up database, providing visibility throughout the Group. This platform, which is present in all of the Group's countries, is run by the Innovation correspondents. Through the platform, the Group can monitor innovative projects in each geographical area and facilitate the sharing and exchange of information between Innovation correspondents and external players. As of 31 December 2023, ORPEA is in active discussions with 113 start-ups and has a portfolio of 80 active projects from concept to roll-out phase across its priority areas of innovation.

2023 CSR objective

By 2023, 100% of countries will have implemented at least one programme driven by the Group Innovation department, aiming to enhance individual autonomy, promote social interaction or stimulate the five senses of residents and patients.

2023 progress report

In 2023, Belgium, Italy, Poland, Ireland, Spain, France and Germany all implemented at least one programme aiming to enhance autonomy, promote social interaction or stimulate the five senses of residents and patients.

The CSR indicator shows that seven countries have implemented one of the programmes supported by the Group Innovation department to improve the well-being of residents, patients, beneficiaries and employees.

An innovation strategy that is part of the *With you and for you, changing ORPEA* Refoundation Plan

The medical and nursing research and innovation project provides for the formal evaluation of innovative measures, organisational improvements and new pathways in terms of impact, feasibility and implementation. The structuring of the Group's new Medical department from the beginning of 2023 will promote closer links between research and innovation, in order to ensure more robust evaluations of medical and nursing innovations.

This approach offers real-world applications for all of the Group's hospital, nursing home and home care teams. It is consistent with the indications of the International Scientific Committee (see section 3.2.2.2 of this Universal Registration Document). Collaboration between the Group's Medical department and Innovation department helps strengthen the resident and patient experience in the innovation roadmap.

3.4.4 Local responsibility

The Group is naturally committed to a social and solidarity-based approach through the numerous initiatives of its facilities that support vulnerable local populations: support for local non-profits, involvement of its teams, residents, patients and their families in community outreach and health education initiatives. This makes it a key player in local town centres and society. The facilities themselves are open places that encourage meetings, exchanges, and local and territorial collaborations. For example, restaurants, cafés and hairdressing salons within the facilities – particularly in Austria, Switzerland and Germany – are designed as meeting points that encourage interaction with neighbourhood life. In these countries, the sports equipment at the facilities are also open to students from neighbouring schools and to elderly people living in the area. The Group is also gradually developing initiatives that promote intergenerational relationships between nursing home residents and children from nearby *crèches* or schools in all its countries.

The ORPEA Foundation is an essential link between the ORPEA Group and the Company

The Foundation addresses social issues through projects that are in line with the ORPEA Group's values: a commitment to humanity, a taste for life, a thirst to learn and a spirit of mutual aid.

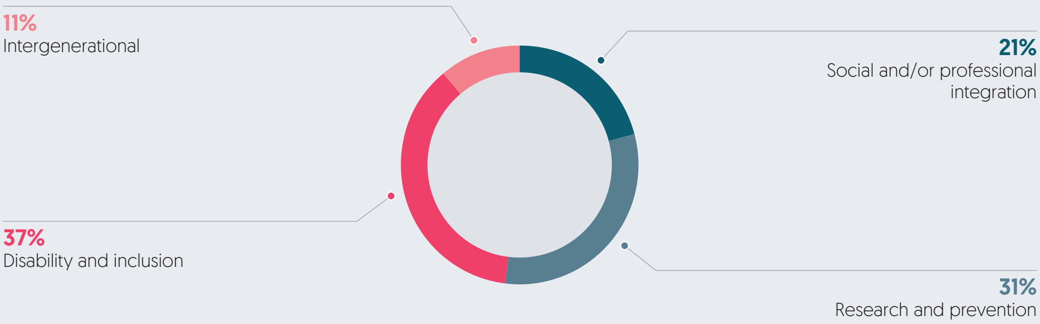
The ORPEA Foundation was built by and with employees and is the result of a collective effort. It is employees who defined the Foundation's mission with two strong focuses: **education and health.**

It enables employees who wish to go the extra mile to promote social ties and the handing down of knowledge between generations by supporting projects with a strong social impact.

Throughout the year, a number of outreach initiatives were carried out, including national challenges, clothing collections and boxes of solidarity for non-profits such as Secours Populaire, Psychodon, La Cravate Solidaire, La Ligue Contre le Cancer, Rêv'Elles, Chiens Guides du Cœur, La Maison des Marraines and Mon Émile, which work to relieve the loneliness felt by elderly people by providing them with company and listening to their needs, etc.

In 2023, the Foundation financed **15 projects** (eight in education, seven in health) for a total of **€350,904**, bringing together **504 employees** as part of **88 initiatives**. More than **2,015 beneficiaries** have been directly helped by the Foundation's actions.

Details of the amounts allocated in 2023 by the ORPEA Foundation



The Foundation's aim is to encourage and support the commitment of employees to take actions to advance major causes in the general interest.

Solidarity is expressed and built TOGETHER: by employees, residents, patients, families and partners.

3.4.4.1 Fighting social isolation and promoting inclusion

The Group's facilities contribute to the development of major social links in the areas in which they are located. They serve as spaces where people can meet and exchange ideas, thanks to the activities organised in each facility, and which were particularly put in place in 2023 in France with the creation of an Entertainment and Social Life unit. The facilities also serve as examples of gender diversity and inclusion thanks to the various local jobs they offer, which act as powerful elements of integration.

The Group's nursing homes are aware of the preventative role they can and must play on a local level. That is why they open their doors to the elderly and most vulnerable members of society wishing to benefit from their cool or warm comfortable spaces during heat waves or cold spells, or from their sports facilities, such as swimming pools, sports halls, etc. They can also serve as vaccination centres organised in conjunction with local doctors. In doing so, these facilities contribute to the vitality of local communities and intergenerational integration.

Prevention is also achieved by increasing social bonds. The Group's nursing homes work closely with town halls, parishes and local non-profits to organise meetings and interactive activities between their beneficiaries and the residents and teams of the facilities. As a result, nursing homes are becoming true "Homes for the elderly".

3.4.4.2 Supporting general interest and sponsorship projects

The Group's CSR roadmap includes two main areas of action:

- charity: charitable campaigns and other community outreach initiatives supporting local non-profits can be carried out either through donation drives or through fundraising by selling objects crafted by employees and residents;
- local involvement: building connections between the various stakeholders in the region or in the nearby area surrounding the facility. It can also include sharing the Group's medical expertise open to all (not only to employees).

Numerous outreach initiatives were launched in 2023 by the headquarters of the Group's subsidiaries in Europe or directly by the facilities. Here are a few examples illustrating some of the main causes we support:

Solidarity with immigrants in Spain

In 2023, ORPEA was one of 30 major Spanish companies to join Tent España, an inaugural coalition aimed at integrating refugees into the labour market. This initiative was promoted by the Tent Partnership for Refugees, one of the world's leading advocates of refugee integration.

Solidarity with flood victims in affected European countries, such as Austria and Slovenia

To help employees in Austria and Slovenia who were affected by the floods in August 2023, the SeneCura Group, our Austrian subsidiary, has launched a charitable campaign among its employees to raise funds for those who suffered the greatest losses. Thanks to these actions and individual donations, €5,100 was raised and given to seven colleagues in Austria and Slovenia. This initiative serves as an expression of mutual support between colleagues and fully illustrates one of the values defined by the Group's employees: a spirit of mutual aid.

Support for major national and global causes, e.g., in England

In November 2023, London's Nightingale Hospital supported "Movember", a global initiative that aims to raise awareness of men's health issues by encouraging men to grow a moustache. The hospital urged its male staff to grow moustaches in support of this significant campaign, and organised Movember Day on 30 November, giving staff the opportunity to get together and discuss men's health issues. To mark the occasion, the hospital gave all their male staff members over the age of 35 a free home urine test to detect the presence of blood, which is a recognised symptom of prostate cancer.

Supporting non-profits working with children

In 2023, a large number of facilities continued working to help children. In Belgium, for example, they supported the Pêcheur de lune association, which helps Belgian children who are in care. This non-profit organises outings to various theme parks, cultural events and gift distributions at Christmas time.

Cancer research initiatives

In France, teams have actively supported the Pink October campaign organised by the Ligue contre le cancer. On this occasion, facilities carried out various initiatives to support non-profits fighting cancer, such as Ruban Rose, or those helping people in hospital, such as Les Blouses Roses.

Local involvement

Having strong roots in a region is an essential part of helping combat the isolation of patients and residents and giving the facility an active role in the local community. 31% of facilities in France launched at least one local involvement initiative in 2023.

Geographical area	Percentage of facilities having carried out at least one local involvement initiative in 2023
France-Benelux-United Kingdom-Ireland	41%
Central Europe	17%
Eastern Europe	28%
Iberian Peninsula and Latin America	11%
Other countries	NA*
GROUP	**31%**

* *NA: not available. China and the United Arab Emirates are excluded from the reporting scope of this indicator for 2023 (three active facilities at the end of 2023).*

All the Group's facilities occasionally arrange meetings with the local population in the form of open days, conferences and café debates. These meetings are an opportunity for the local population to obtain information and advice via practical seminars and workshops, to meet health professionals, and to share experiences with other families. They are also a way to better inform the local media about public health issues and the challenges of ageing.

Eating well, sleeping well, preventing falls, understanding Alzheimer's disease and learning to live better with one's disease are some of the topics addressed during these events. During these discussions, teams of health professionals provide families or relatives with concrete tools to understand their situation. Many of the Group's facilities have also mobilised to help raise awareness among the local population on national and international days such as World Alzheimer's Day, Breast Cancer Day, Smoke Free Month and Mental Health Day. Other topics were also covered, such as preventing falls, emergency training, fighting malnutrition and hand hygiene.

All these initiatives illustrate the very close connection between the facilities and their local environment and are part of the Refoundation Plan proposed by Executive Management with the aim of providing even better care and support for patients, residents and their families in their life plans, as well as having a positive economic and social impact.

2023 CSR objective

All facilities conduct at least one charitable/community outreach initiative during the year.

2023 progress report

51% of facilities carried out at least one charitable/community outreach initiative during the year through a financial donation and/or a donation in kind.

ORPEA facilities involved in charitable and community outreach initiatives

CHARITABLE AND COMMUNITY OUTREACH WORK

Geographical area	Percentage of facilities having carried out at least one community outreach initiative in 2023	Percentage of facilities having carried out at least one community outreach initiative in 2022
France-Benelux-United Kingdom-Ireland	31%	37%
Central Europe	64%	45%
Eastern Europe	93%	47%
Iberian Peninsula and Latin America	93%	66%
Other countries	NA*	100%
GROUP	**51%**	**44%**

* *NA: not available. China, Uruguay, Mexico and the United Arab Emirates are excluded from the reporting scope of this indicator in 2023 (five active facilities at the end of 2023).*

The increase between 2022 and 2032 in the rate of facilities having implemented at least one outreach initiative during the year was achieved by mobilising management teams in this regard.

3.5 Better control over the environmental impact of ORPEA's activities

Environmental protection issues are directly linked to public health challenges. ORPEA's activities have an impact on natural resources and greenhouse gas emissions. Managing the impact of its activities on the climate and the natural environment is therefore a priority for the Group, and a central focus of its Refoundation Plan expressed through the Green Building Strategy.

3.5.1 ORPEA's environmental priorities: energy, carbon footprint, waste, biodiversity

Aware of the systemic environmental impacts of its activities, ORPEA is committed to a global environmental approach involving all operational and support departments. Implementation of the approach is monitored via measurable objectives and performance indicators.

There are many ways the Group can contribute to the green transition, particularly in real estate, as well as in catering and in the day-to-day running of its facilities.

The carbon footprint measured at Group level for Scopes 1, 2 and 3 confirms that energy consumption is the Group's second most important source of greenhouse gas emissions. As a result, ORPEA has taken assertive measures in this area, rolling out an ambitious Green Building Strategy, which was announced in February 2022. ORPEA's aim is to innovate by building facilities that blend perfectly into their environment, are energy-efficient and low-emissions during both the construction and operating phases, and contribute to the quality of life, autonomy and comfort of residents, patients and employees.

3.5.1.1 Comprehensive management by ORPEA's new Quality and CSR department

The new Quality and CSR department works closely with the operational and Support departments (see section 3.1.2 of this Universal Registration Document) to raise awareness of environmental issues and promote responsibility in this area. A digital non-financial reporting platform was rolled out in 2022 to support the implementation of the CSR strategy at an operational level.

Following the creation in September 2023 of the CSR and Quality department, which reports directly to the Chief Executive Officer and a member of the Group Executive Committee, an assessment of the environmental actions taken so far has been carried out and a systemic sustainable development strategy will be proposed to the Group's governance bodies. The environmental component of this strategy will include climate change mitigation and adaptation to the impacts of climate change, the circular economy and contributing to preserving biodiversity.

3.5.1.2 The Green Building Strategy, a formative policy attesting to the Group's environmental commitment

The Green Building Strategy involves the design, construction and operation of buildings with a focus on reducing their environmental impact and promoting sustainability.

The Green Building Strategy applies to both new and existing buildings and is based on four pillars, which adhere to the environmental standards and regulations in force:

- promoting energy efficiency and reducing greenhouse gas emissions to mitigate climate change;
- making biodiversity and biophilic design a central aspect of our facilities to respect and reconnect with nature;
- easing pressure on non-renewable natural resources and developing the circular economy;
- sharing the Green Building Strategy approach with all stakeholders and involving them in its implementation.

The strategy's various approaches include using sustainable building materials, optimising energy and water efficiency and using renewable energy sources.

The Green Building Strategy also prioritises the health and well-being of building occupants, for example by improving indoor air quality, increasing access to natural light and optimising thermal comfort. Occupants are encouraged to engage in sustainable practices and behaviours, particularly to ensure that the building is operated in a sustainable and environmentally friendly manner.

The building's entire life cycle is taken into account, from its development and operation to its eventual demolition or repurposing, in order to integrate the principles of the circular economy.

The Green Building Strategy applies to all buildings operated by ORPEA. However, certain aspects of the strategy, such as the recovery of construction waste and environmental certifications, only apply to the Group's new buildings and major renovation projects. For buildings in operation: energy monitoring is carried out via the Deepki digital platform. Energy audits and associated work plans are in place for all of the Group's properties in France, and are ongoing for the rest of the Group's properties. Campaigns to raise awareness about environmentally friendly habits are also implemented among property operations teams. In France, for new buildings and renovations, framework agreements for the purchase of paint and floor coverings include the A+ indoor air quality label. In 2021 and 2022, all properties in France were analysed for natural hazard risks. Finally, in 2022-2023, an internal label relating to biophilia and biodiversity has been defined specifically for sites in operation and will be rolled out from 2024 onwards.

Real estate at the centre of the Group's environmental strategy

Under the aegis of the Group Real Estate Executive Vice-President, who serves on the Executive Committee, the Group Real Estate department is responsible for defining and implementing the real estate strategy in line with ORPEA's Refoundation Plan. Organised into four divisions, this department is more specifically responsible for asset and property management, development and construction, as well as arbitration and special projects, with the objective of enhancing the Group's real estate potential in accordance with the sites' operation.

The department in charge of real estate development, i.e., from the search for land and property, building design and construction, right up to delivery to the Group's operations teams, factors environmental challenges into its work. The department is made up of two units:

- the Design and Engineering unit, which develops Group design standards for construction and renovation projects, integrating environmental standards; designs and rolls out the Green Building Strategy throughout the Group; assists the Construction departments of the different geographical areas in reviewing projects and ensuring that environmental procedures are applied; internally supports the Group's entire construction network by providing training on the ecological transition, assessing construction costs, sourcing innovation solutions and conducting architectural pre-feasibility studies; ensures technology monitoring and guides nursing homes on their path to the future. It is made up of a team of six people: a Technical Director, a Sustainable Real Estate and Innovation Manager, an Energy Manager, two architects and a quantity surveyor;
- the Construction Project Management unit, which ensures that construction and renovation projects in all geographical areas are aligned with the Group's standards, particularly its environmental standards. This unit consists of two assistant managers, each responsible for monitoring real estate development projects within a given geographical area, and a project controller.

The Group's sustainable real estate approach is supported by the local Construction and Maintenance departments and local developers in all the different geographical areas. These departments are supported in-house by property managers and externally by architects and specialist consulting firms, which help the Group put its environmental objectives into practice.

The Green Building Strategy applies to both new and existing buildings, whether they are owned or leased by ORPEA.

Operational roll-out of the Green Building Strategy

The operational roll-out of the Green Building Strategy is organised as follows.

Green Building specifications and methodological notes are used to apply the Green Building Strategy criteria to projects. A Green Building Strategy **steering process** has been implemented for new buildings and major renovations, by integrating monitoring into the standard construction project development roll-out. Roll-out of the strategy is managed via a **reporting process** that consolidates monitoring indicators.

In preparation for the roll-out of the Green Building Strategy, several initiatives have been taken concomitantly to **train and inform the employees** most directly concerned by its implementation:

- raising employee awareness of the challenges and context of the Green Building Strategy in the various business lines affected. Several webinar sessions were organised, attracting more than 200 attendees;
- a 5.5-day technical training course on sustainable construction was set up for construction project managers, delivered by external training organisation Bureau Veritas to more than 100 people;
- ORPEA's internal "Construction" newsletter covering real estate and construction news was launched, focusing on innovative Green Building Strategy projects and case studies.

3.5.1.3 Building certification

ORPEA is committed to obtaining environmental certification for all its future construction projects.

At the beginning of 2021, as part of the 2023 CSR roadmap, ORPEA committed to obtaining HQE[1] (or equivalent) certification for all future construction projects. At the end of 2022, with the CSR roadmap strengthened and intensified by the Green Building Strategy, the international BREEAM Very good and LEED Gold accreditations, which are recognised in the countries where the Group operates, were prioritised. As ORPEA expands its operations internationally, these certifications provide it with the recognition of international stakeholders (building buyers, banks, investors, financial and non-financial rating agencies, NGOs, etc.). Alternatively, if necessary, equivalent local certification (HQE, DGNB, GPR) is available.

These certifications offer a cross-cutting approach to sustainable real estate, covering a wide range of issues: energy, materials, the circular economy, health and well-being, biodiversity, pollution and sustainable mobility.

The Group's Green Building Strategy was approved in November 2021 and the environmental certification process was rapidly implemented. By 2021, nine out of 20 new building or major renovation projects approved by the Development Committee (i.e., 45%) sought environmental certification (BREEAM Very Good, LEED Gold or HQE Excellent). The momentum is set to continue in 2023, with 92% of projects under development and approved by the Development Committee since 2021 seeking to obtain environmental certification (i.e., 11 out of 12 approved projects). In 2023, all new construction and major renovation projects for buildings of more than 1,500 sq.m. undertaken from 2021 onwards, that were developed by ORPEA and delivered during the financial year were certified HQE or equivalent (LEED, BREEAM, DGNB, GPR).

2023 CSR objective[2]

ORPEA's target since 2023 is for all new construction and major renovation projects for buildings of more than 1,500 sq.m. developed by ORPEA and delivered during the financial year to include[3] HQE or equivalent certification (LEED, BREEAM, DGNB, GPR). This commitment applies to projects for which the first Development Committee meeting took place from 2021 onwards.

2023 progress report

Ten new building and major renovation projects delivered in 2023 will include environmental certification, i.e., all projects to which the certification commitment applies[4].

11 new building and major renovation projects under way in 2023 and validated in 2021 include environmental certification, i.e., 92% of the projects to which the certification commitment applies.

Examples of ORPEA projects that include certification:

HQE BÂTIMENT DURABLE

BREEAM

LEED

[1] High quality environmental standard.

[2] In 2021 and 2022, the commitment to environmental certification was as follows: All new building and major renovation projects developed by ORPEA and approved by the Development Committee during the financial year included an HQE or equivalent certification requirement. From 2023 onwards, this commitment has been revised to include projects that have been delivered. Now that the first certified projects have been delivered, this KPI can be reported. In addition, a surface area threshold of 1,500 sq.m. has been set.

[3] In this context, "include" means having obtained the post-delivery certificate, or failing that, having passed the "design" phase audit and awaiting the post-delivery certificate.

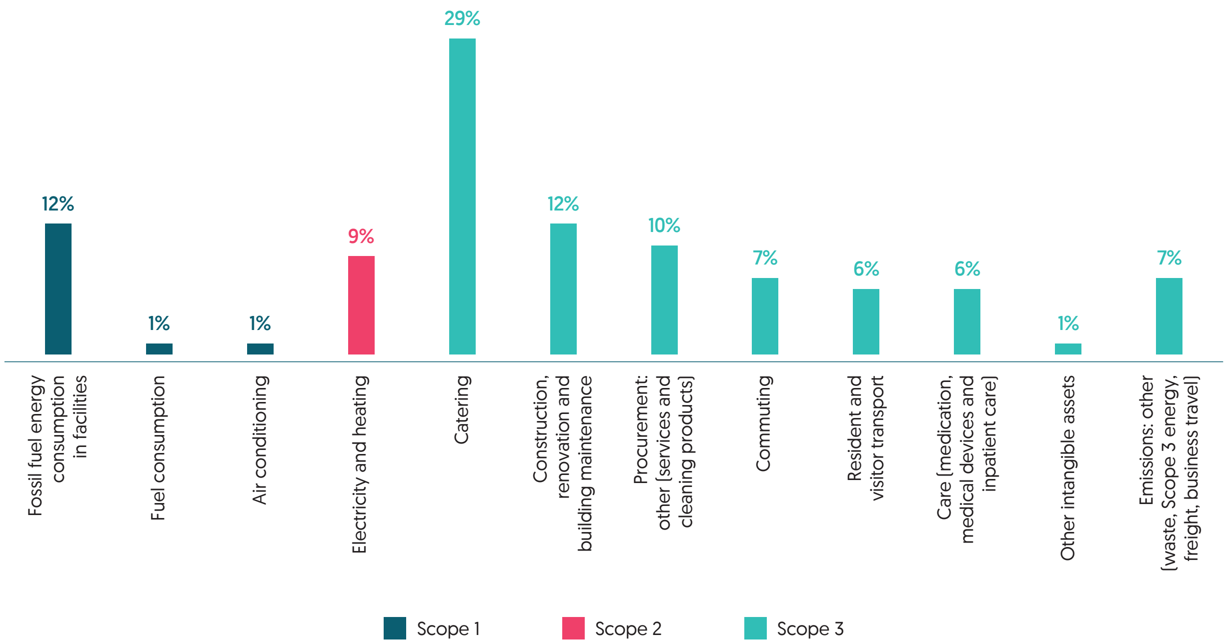
[4] The methodology for this indicator was reviewed during 2023. The projects taken into account are now those delivered during the reporting period.

3.5.2 Carbon and energy strategy

3.5.2.1 Measuring greenhouse gas emissions

GHG emissions by category (as a %)

BREAKDOWN OF GHG EMISSIONS IN TCO_2EQ FOR 2023



The Group's activity generates greenhouse gas (GHG) emissions linked to energy consumption, various purchases (food, medical equipment, etc.), visitor and employee travel, building work, etc. For the third year running, the Group has updated its global carbon footprint in order to identify the various emission sources and align its CSR strategy accordingly. While total CO_2eq. emissions rose by 23% between 2022 and 2023, this was due exclusively to a sharp 87% increase in GHG emissions related to procurement, mainly as a result of improved and more comprehensive data collection in 2023. This increase in the procurement category accounts for most of the changes in Scope 3 emissions[1], with Scopes 1 and 2 decreasing by 5% and 6% respectively compared with 2022, despite a 2.3% increase in surface area. These reductions in emissions linked to energy consumption are due to both the prevailing weather (a particularly mild winter in 2023 in France, for example) and to the impact of actions taken to reduce consumption at our sites.

The top three sources of the Group's emissions are catering, which accounts for 29% of emissions, fossil fuel consumption in our facilities, representing 12% of emissions, and fixed assets, for another 12% of total emissions. The share of energy in total emissions has decreased sharply as a direct consequence of the fall in energy consumption, which has been almost entirely absorbed by the increase in the catering category compared to 2022.

As since 2021, the Group's carbon footprint was measured according to the GHG Protocol. For fixed assets, the Bilan Carbone® methodology was applied. Unlike the GHG Protocol, the Bilan Carbone® factors in depreciation over the life of the assets, spreading the associated emissions over the depreciation period.

(1) Scope 3 includes all upstream and downstream emissions related to ORPEA's operations, while Scopes 1 and 2 include GHG emissions linked to energy consumption that is direct (fuel oil, gas) and indirect (electricity purchases, heating and cooling networks), air conditioning and fuel consumption of owned vehicles.

SCOPE 1, 2 AND 3[1] GHG EMISSIONS CALCULATED USING THE GHG PROTOCOL[2]

	Group		France-Benelux-UK-Ireland		Central Europe		Eastern Europe		Iberian Peninsula and Latin America		Other countries	
(in $tCO_2eq.$)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Scope 1	86,018	90,291	45,483	50,005	23,946	23,593	7,027	5,968	9,468	10,724	93	
Scope 2	57,926	61,354	12,537	14,715	22,123	23,959	14,612	14,142	7,079	8,539	1,574	
Scope 3	501,482	374,010	247,644	186,523	123,845	107,293	76,893	44,357	50,556	35,837	2,544	
TOTAL SCOPES 1, 2 AND 3	**645,425**	**525,655**	**305,664**	**251,243**	**169,914**	**154,845**	**98,533**	**64,467**	**67,103**	**55,099**	**4,211**	**N/A**

(1) Scope 3 emissions have been calculated since 2021. Therefore, the total of Scope 1, 2 and 3 GHG emissions is not comparable to previous years, and further information regarding Scopes 1 and 2 is presented separately.
In 2023, emissions factors related to energy were taken from the International Energy Agency database, which is the most up-to-date. The data for 2022 has been recalculated using these same factors, thus ensuring a better comparison of emissions.
(2) The GHG Protocol (Greenhouse Gas Protocol) sets out rules and standards for recording GHG emissions in order to establish an international standard and harmonise the calculation of carbon footprints. The scope of the 2022 carbon footprint excludes Great Britain from "France-Benelux-UK-Ireland", Croatia and Slovenia from "Eastern Europe", Brazil, Mexico and Uruguay from "Iberian Peninsula and Latin America" and China from "Other countries".

SCOPE 1 AND 2 GHG EMISSIONS RELATED TO ENERGY CALCULATED USING THE GHG PROTOCOL METHODOLOGY*

	Group			France-Benelux-UK-Ireland			Central Europe			Eastern Europe			Iberian Peninsula and Latin America			Other countries		
(in $tCO_2eq.$)	**2023**	**2022**	**2019**	**2023**	**2022**	**2019**	**2023**	**2022**	**2019**	**2023**	**2022**	**2019**	**2023**	**2022**	**2019**	**2023**	**2022**	**2019**
Scope 1	74,468	82,929	78,361	40,945	47,058	41,667	19,582	21,386	21,426	5,805	5,275	7,088	8,051	9,209	8,093	85		87
Scope 2	57,926	58,389	66,468	12,537	10,584	11,552	22,123	24,404	27,443	14,612	14,861	15,511	7,079	8,540	9,009	1,574		2,953
TOTAL	**132,394**	**141,318**	**144,829**	**53,482**	**57,642**	**53,219**	**41,705**	**45,790**	**48,869**	**20,417**	**20,136**	**22,599**	**15,130**	**17,749**	**17,102**	**1,659**	**N/A**	**3,040**

** In 2021, the Group changed the methodology used to calculate its carbon footprint compared to previous years. The decision to apply the GHG Protocol has changed the breakdown of emissions by Scope: a portion of the emissions classified in 2020 and 2019 as Scopes 1 and 2, which correspond to the upstream energy emissions as well as network losses, are now classified as Scope 3 (and are therefore no longer recorded in Scopes 1 and 2).*
In 2023, emissions factors related to energy were taken from the International Energy Agency database, which is the most up-to-date. The data for 2022 has been recalculated using these same factors, thus ensuring a better comparison of emissions.
The scope of the 2022 carbon footprint excludes Great Britain from "France-Benelux-UK-Ireland", Croatia and Slovenia from "Eastern Europe", Brazil, Mexico and Uruguay from "Iberian Peninsula and Latin America" and China from "Other countries".

Although the geographical scope considered increased between the 2022 and 2023 greenhouse gas assessments, overall Scope 1 and 2 emissions decreased by 5% and 6% respectively. This change is mainly due to the drop in emissions related to energy consumed by the facilities (down 6% between 2022 and 2023, including the energy covered by Scope 3). The reduction in energy-related emissions is the result of two factors: the improvement in the emissions factors of national electricity mixes (an emission intensity reduction ranging from 1% to 27% in the countries under consideration) and reduced energy consumption, which was down 3% overall in 2023 and down 5% on a similar basis between 2022 and 2023.

3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 and 2)

Monitoring and optimising energy consumption

The appointment of Energy Managers, which began in 2021, continued throughout 2022 and was consolidated in 2023. By the end of the year, there was at least one Energy Manager in each of ORPEA's geographical areas. In addition to the local Energy Managers, there is also a Group-level Energy Manager.

To roll out the energy pillar of the Green Building Strategy, the Energy Managers are tasked with:

- monitoring the energy management system, taking into account all the parameters that influence building energy performance;
- supervising the reporting of all energy and fluid consumption on the dedicated monitoring platform, improving the site metering plans and producing reports on the associated indicators;
- budgeting, planning and implementing energy performance improvement actions;
- coordinating energy audits;
- continuously monitoring available technology to keep abreast of innovations and market trends;
- identifying areas for improvement by consulting with experts and running workshops;
- raising awareness of best practices on facility performance among all relevant parties;
- supporting the CSR department in reporting energy data.

In 2023, this Energy Manager network enabled ORPEA to improve the monitoring of its energy consumption and the implementation of actions to reduce it:

In 2023, the **Deepki tool** for reporting energy data directly from energy suppliers' platforms was deployed across all European countries where the ORPEA Group operates. It was rolled out to all facilities operated by the Group, whether owned or leased.

Regarding energy audits of existing buildings, by the end of 2023 all 363 sites in France and 24 sites in Italy had been audited, as had eight of the 13 sites in Poland. For the other countries, the calls for tenders launched in 2022 to select service providers to conduct the audits were carried over in 2023. The areas concerned and the services initially requested were revised for these countries in line with budget requirements. These energy audits are under way, with priority given to the most energy-intensive sites, in Belgium, Austria, Spain, Germany, the Netherlands and Ireland.

In response to the energy crisis, and with the aim of reducing the energy consumption of buildings in operation, a short-term action plan with immediate effects was put in place at the end of 2022 in France, Belgium, Spain, Poland and Ireland. It focused in particular on optimising equipment settings, such as adjusting set temperatures to between 21°C and 23°C for heating, in accordance with the recommendations of the health authorities, optimising the temperature in the heating loop, and insulating hot water tanks. These optimised settings were maintained in 2023. For the buildings audited, plans for energy renovation work on the sites were drawn up for 2023, and then reviewed and adjusted to take account of reduced investment capacity following the Group's financial restructuring. They are scheduled to start in 2024. Initiatives to raise awareness of eco-friendly practices among all site and head office staff have also been rolled out in the form of targeted mini-videos, educational brochures, awareness meetings and other means (see section 3.1.2 of this Universal Registration Document).

	Energy consumption *(in kWh net)*			Change in energy consumption per sq.m.	
Geographical area	**2023**	**2022**	**2019 benchmark year**	**2023 vs. 2019**	**2023 vs. 2022**
France-Benelux-United Kingdom-Ireland	403,576,135	421,053,552	380,027,921	-10.23%	-8.45%
Central Europe	191,171,703	199,272,446	178,175,076	-21.52%	-3.94%
Eastern Europe	106,904,001	105,825,290	96,859,626	-12.00%	-2.66%
Iberian Peninsula and Latin America	83,031,029	89,434,161	76,018,528	-12.74%	-10.07%
Other countries	3,175,558	3,056,010	4,263,316	-25.51%	+3.91%
GROUP	**787,858,426**	**818,641,458**	**735,344,466**	**-14.1%**	**-5.9%**

For 2024, the priority is to continue consolidating and understanding consumption by pursuing the actions already under way:

The Group plans to introduce remote meter reading to strengthen its environmental management. This initiative will automate data collection, ensuring the seamless integration of environmental data into the EMS platform. This technological improvement is designed to increase the efficiency of consumption monitoring and facilitate more in-depth analysis for faster decisions in terms of sustainability.

Energy audits are set to be completed for all European facilities. This approach aims to assess and optimise our energy consumption, thereby identifying opportunities to improve and reduce the Group's carbon footprint. These audits will step up the Group's commitment to responsible energy management and contribute to achieving company-wide sustainability objectives.

Process for collecting and controlling energy and water consumption data

1. **Each Business Unit's Energy Manager is responsible for the quality of the consumption data they report.**

   Consumption data is collected based on energy and water bills.

   Since 2023, consumption data has been extracted from the Deepki platform in all countries in Europe, with any missing data retrieved from bills.
2. Once the first versions have been received, **the Corporate Energy Manager carries out macro checks** for each facility and each country. This includes verifying:
   - the number of buildings reported at the Business Unit level;
   - whether key data has been provided: surface area, number of beds;
   - whether water, electricity and heating consumption data has been provided for each building;
   - macro consistency check of consumption by ratio, by facility and by Business Unit:
     - water consumption/number of beds per facility (litre/bed/day),
     - electricity consumption/surface area per building (kWh/sq.m./year),
     - heating consumption/surface area (kWh/sq.m./year),
     - overall energy consumption by surface area: electricity + heating (kWh/sq.m./year);
   - verification of year-on-year % change;
   - verification of conversions between heating units (cu.m., tonnes, etc.) and their equivalent in kWh;
   - ensuring that variations in annual consumption are explained for each project.
3. In the event of "suspicious" or missing data, or depending on the results of the above checks, the Corporate Energy Manager submits a memo to the Business Unit Energy Manager/Facility Manager.
4. **The Business Units check the bills and consumption data and update the memo based on the Corporate Energy Manager's comments.**

2023 CSR objective

ORPEA is committed to reducing its energy consumption by 5% in kWh net/sq.m. by 2023 (2019 benchmark).

2025 and 2030 CSR objectives

ORPEA is committed to reducing its energy consumption by 16% by 2025 and 30% by 2030, in kWh net/sq.m./year (2019 benchmark year).

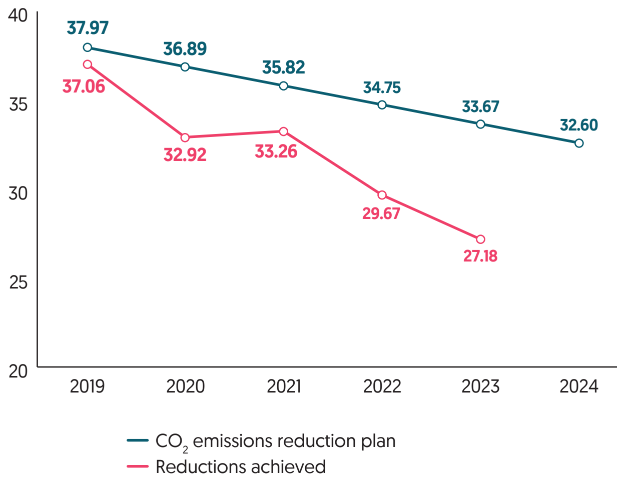
ORPEA is committed to reducing its greenhouse gas emissions by 17% by 2025 and by 32% by 2030, in kgCO_2eq./sq.m./year, for Scopes 1 and 2 (2019 benchmark year).

2023 progress report

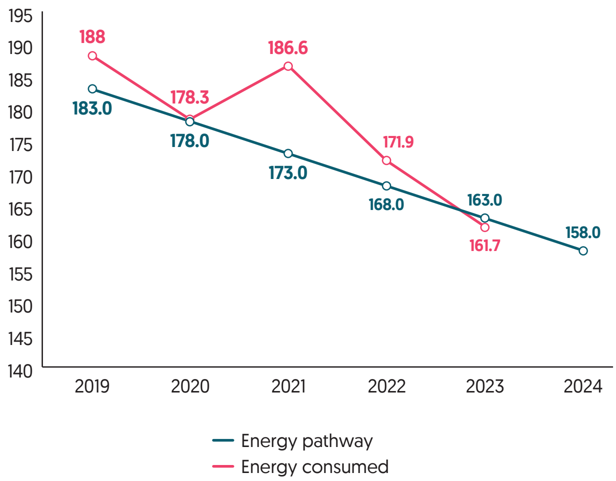
In 2023, the Group decreased its energy consumption in kWh net/sq.m. by 14.1% compared to its benchmark year (2019).

The Group's Scope 1 and 2 emissions relating to the energy consumption of its buildings stood at 132,394 tCO_2eq. in 2023, reflecting a 26.7% reduction in kgCO_2eq./sq.m./year compared to the benchmark year (2019) and an 8.4% fall from 2022.

ENERGY-RELATED SCOPE 1 AND 2 EMISSIONS IN KGCO_2EQ./SQ.M.



ENERGY CONSUMPTION IN KWH/SQ.M.



The actions launched in 2022, in particular the roll-out and close monitoring of the Green Building Strategy, are bearing fruit, as in 2023 both energy consumption and its CO_2 equivalent were well in line with the target reduction plans.

On-site green energy production

In addition to reducing its energy consumption, ORPEA has been increasing its focus over the past few years on using renewable, low-carbon energy from non-fossil sources (solar, wind, water, geothermal, heat pumps, biomass, etc.). Doing so involves on-site energy production and the purchase of green energy from the grid. In France, one site using geothermal energy was completed in 2022, followed by an additional site in 2023. In the Netherlands, a site using geothermal energy is currently under construction, while all the facilities under the "Dagelijks Leven" banner are equipped with heat pumps and almost three quarters have photovoltaic panels. In addition, both Belgium and Spain (Madrid area) have installed photovoltaic panels on 10% of their sites, with plans to increase this to 20% by 2024.

Green energy and HQE certification in Crosne

In March 2023, ORPEA opened an 89-bed HQE-certified nursing home in Crosne, France. This is the second ORPEA healthcare facility in Europe to be heated and cooled by geothermal energy using "star-shaped" drilling with inclined probes, the first being the Plancoët hospital opened by the ORPEA Group in 2022. This innovative technology uses underground thermal inertia to reduce the hospital's carbon emissions and energy consumption, while maintaining thermal comfort for patients and staff.

Geothermal energy reduces the building's overall energy consumption by up to 27% and carbon emissions from heating and cooling by up to 91% compared to more traditional heating and cooling solutions. The installation comprises probes drilled to a depth of 160 metres, a heat pump and a digital energy management solution that optimises the use of geothermal energy and the heat pump connected to the building.

In addition to geothermal energy, the building boasts various ecological systems, including:

- very good thermal insulation of the building envelope, verified by an air permeability test;
- a landscaping project with specific areas to encourage biodiversity: a green roof terrace, a meadow left to lie fallow rather than a mown lawn, logs and rocks to provide habitats for insects, etc.;
- on-site rainwater management and reuse of rainwater for gardening, with a 144 cu.m. floodplain and a 10 cu.m. reservoir;
- material recovery (reuse or recycling) of 70% of construction waste.

Green energy purchasing

As part of its tendering procedures, the Group systematically requests green energy options from the suppliers it consults.

In September 2023, a new gas supply contract for France was signed, including a 5% biomethane component, of French origin and derived from agricultural production.

3.5.2.3 Setting a pathway aligned with the Paris Agreement for Scopes 1 and 2 by 2050

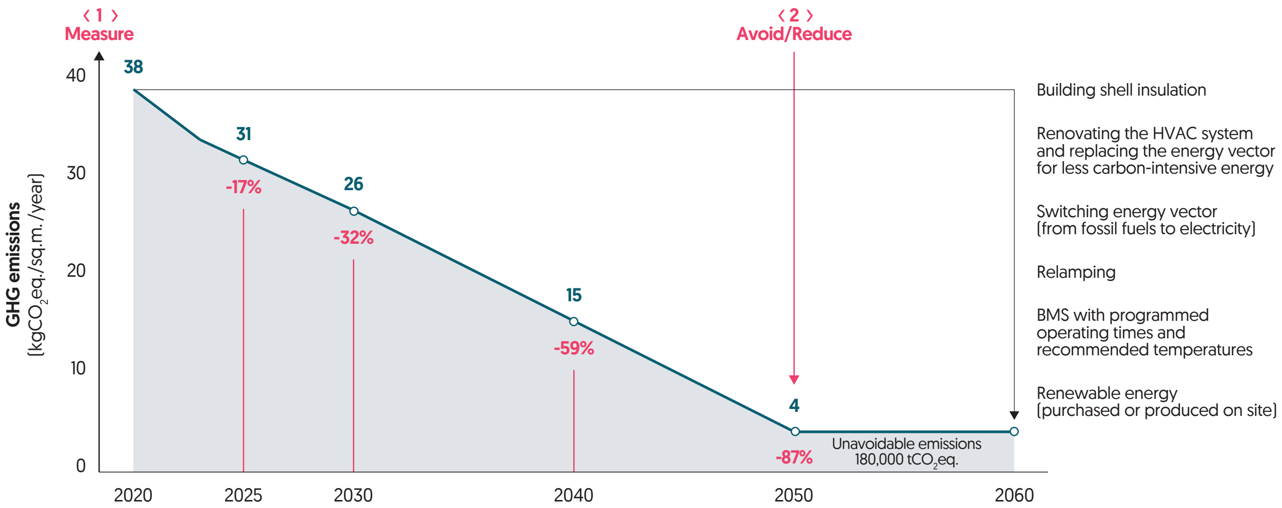
In 2021, ORPEA set out pathways for reducing its energy consumption and energy-related greenhouse gas emissions (Scopes 1 and 2) in intensity ($tCO_2eq/sq.m$) by 2050. These pathways were based on the assumption of substantial investment, in particular to enable sites to equip themselves with measurement and monitoring tools. The allocation of CapEx resources related to the Group's financial restructuring has led to the postponement of some of these investments. In 2024, ORPEA will update these pathways to bring them in line with the Paris Agreement.

CO_2 emissions reduction plan (Scopes 1 and 2)

The CO_2 emissions reduction plan was drafted using the Carbon Risk Real Estate Monitor (CRREM) tool funded by the European Union's Horizon 2020 programme. The plan complies with the Paris Agreement's 1.5°C climate pathway.

Based on this analysis, ORPEA set the following plan to reduce carbon emissions compared to 2019, the Group's benchmark year:

- 17% reduction in GHG emissions by 2025, i.e., a threshold of 31 $kgCO_2eq./sq.m./year$;
- 32% reduction in GHG emissions by 2030, i.e., a threshold of 25.8 $kgCO_2eq./sq.m./year$;
- 59% reduction in GHG emissions by 2040, i.e., a threshold of 15 $kgCO_2eq./sq.m./year$;
- 87% reduction in GHG emissions by 2050, i.e., a threshold of 4 $kgCO_2eq./sq.m./year$.

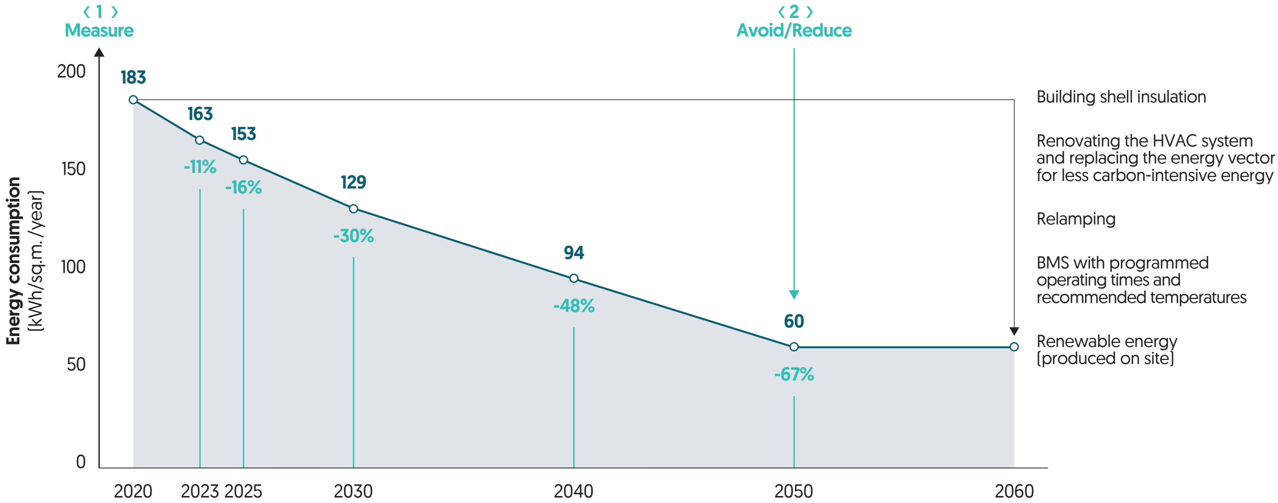


Energy pathway

The Group's energy pathway was defined by categorising the existing real estate portfolio according to various criteria (year of construction, type of assets, etc.) and then prioritising the actions to be implemented according to the impact on energy consumption.

As a result of this analysis, ORPEA has set the following plan to reduce its energy consumption compared with 2019:

- 16% reduction by 2025 (for a threshold value of 153 kWh net/sq.m./year);
- 30% reduction by 2030 (for a threshold value of 128 kWh net/sq.m./year);
- 48% reduction by 2040 (for a threshold value of 94 kWh net/sq.m./year);
- 67% reduction by 2050 (for a threshold value of 60 kWh net/sq.m./year).



As the energy regulations governing the construction sector progress, building energy performance is becoming a crucial factor, for both new buildings and major renovations. For existing buildings, energy audits are being carried out and works plans devised.

3.5.2.4 Reducing indirect Scope 3 CO_2 emissions

To further its efforts in the low-carbon transition, in addition to its own energy transition plan, ORPEA seeks to take action to reduce its indirect greenhouse gas emissions, particularly those resulting from purchases, business travel or waste production. In 2023, Scope 3 carbon emissions represented 62% of ORPEA's carbon footprint.

The policy implemented to date is incentive-based and its formal adoption as a quantified emissions commitment proposed to the Group's governance has been postponed to 2024, given the unusual context of the crisis in 2022.

In 2021, the Group had planned to commit to the Science-Based Targets initiative (SBTi) including for Scope 3. This work was postponed due to the 2022 crisis and its repercussions, while the Group focused on alignment with the CSRD.

Limiting emissions from commuting and transport

Commutes to and from work account for a significant 7% of the Group's GHG emissions. As part of its strategy to reduce Scope 3 emissions, the Group has compiled a list of best practices in "soft" mobility in each country, which will serve as a basis for adopting a Group mobility policy in 2024.

In order to encourage employees to adopt less carbon-intensive forms of mobility, countries are rolling out various incentives. A new car fleet policy concerning employee business travel was implemented in 2023 in France. It recommends limiting travel to what is strictly necessary. In Belgium, annual public transport passes are subsidised at 100%, above the legal minimum. In the Netherlands, 15% of the vehicle fleet has already switched to electric power, with recharging stations gradually being installed at the sites. In Ireland, ORPEA encourages employees to cycle to work as part of its "Bike to work" *scheme* and offers bike leasing or purchases, or a flat-rate reimbursement for cycle journeys. In Austria, 100% of facilities took part in Mobility Week.

Reducing emissions from building materials, construction sites and building location

Aware of the large volume of greenhouse gas emissions generated during construction work (production of materials, site machinery, demolition work, etc.) and as a result of location, the Group has taken a number of measures over the past few years, including prioritising central locations close to public transport; promoting off-site construction to reduce construction-related transport (prefabricated wooden façades, modular wooden buildings, prefabricated bathrooms); using structures made of wood or wood-concrete composite.

Limiting emissions from catering

Food is the Group's biggest source of greenhouse gas emissions, accounting for 29% of total emissions. While meals must continue to be special moments in the day, as a time for socialising, sharing and enjoying food, and contribute to maintaining good physical and mental health, they should also play a part in reducing our environmental footprint.

The Catering Charter includes nine commitments, including Commitment 9, aimed at reducing our environmental footprint by combating food waste and limiting our energy and water consumption. The results for 2023 are encouraging, particularly in terms of processing food waste and reducing energy consumption in the kitchens:

	Measuring waste and committing to waste reduction	Developing food waste processing initiatives	Renewing our kitchen appliances by integrating environmental criteria such as the choice of energy class and their end-of-life treatment	Ensuring that kitchen appliances and work tools are only used for as long as necessary to avoid unnecessary energy consumption
France-Benelux	50%	100%	67%	50%
Central Europe	75%	75%	100%	100%
Eastern Europe	60%	100%	80%	80%
Iberian Peninsula and Latin America	0%	67%	67%	67%
GROUP	**50%**	**89%**	**78%**	**72%**

To reduce food waste, Switzerland, for example, uses a system that recognises and records all the food that ends up in the bin. An algorithm then analyses the photos, providing the kitchen team with meaningful data on the types of food waste that are problematic. The analysis can be used to determine whether surplus food was purchased, whether the portions were too large or whether the choice of menu was not ideal, so that appropriate corrective action may be taken.

In addition, a partnership has been signed with TooGoodToGo so that unserved prepared meals can be offered at a reduced price to the general public, rather than being thrown away.

In Italy, the focus is on local, seasonal and plant-based menus. In accordance with the menus approved by the local health authorities, shared with the food hygiene service and in line with regional guidelines, the following actions were taken:

- introduction of plant-based proteins (e.g., pulses) to replace the classic second course (*secondo piatto*) of meat, fish or cured meat products, or offered in combination with grains as the first course (*primo piatto*) of the menu;
- in line with the structures' awareness programme, chefs have been informed of the need to set up occasional themed days that highlight local/national ingredients:
  - typical products linked to local traditions (e.g., *bagna cauda*, cod in cream sauce, *radicchio* dishes, polenta, traditional stuffed pasta, meat or fish dishes based on national recipes (e.g., Piedmont boiled meat, Livornese fish, Sicilian fish, etc.),
  - regional-themed menu with dishes highlighting the seasonal nature of products and typical characteristics from a different region (e.g., Lazio, Sicily or Naples),
  - on world, national and anniversary days, use of local products.

ORPEA in Italy has also launched a number of initiatives aimed at reducing the use of plastic in the kitchen:

- replacing disposable or non-recyclable plastics with compostable and recyclable materials (cutlery, glasses, plates, place mats, bottles, etc.);
- installation of drinking fountains for water served during meals and throughout the day (reduction in the use of bottled water).

3.5.2.5 Implementing a climate resilience strategy

ORPEA is keenly aware of the importance of factoring climate resilience into its real estate management. Buildings are particularly exposed to the effects of climate change and its impact on the comfort of residents, patients and employees. Strengthening the climate resilience of the Group's real estate assets is part of the commitments made in its Green Building Strategy.

Physical risks are taken into account when choosing locations for the Group's future buildings. This criterion is included in the project selection and presentation form submitted to the Group's Development Committee. Before a potential future site is approved, a climate risk study must first be carried out. If risks are identified, an action plan must be proposed.

In 2022, service providers were selected to carry out climate risk analyses and to develop adaptation plans for new buildings. In 2023, physical climate risk vulnerability analyses were conducted for 69 buildings recently completed (in 2022) or under development. From 2024 onwards, for sites in operation, an analysis of potential exposure to physical climatic risks will also be carried out.

Alignment with TCFD recommendations

In accordance with the recommendations of the TCFD (Task Force on Climate Related Financial Disclosures), ORPEA has begun to identify the climate change risks and opportunities that could have a direct impact on its daily work in the service of vulnerable people requiring care.

In order to follow the TCFD recommendations, the Group has gradually integrated climate change indicators and targets into its environmental strategy. For example, ORPEA analysed its alignment with the TCFD recommendations for the first time in 2021.

Governance	The CSR approach is fully integrated into the Group's governance bodies. Supported by the Ethics, Quality and CSR Committee, the Board of Directors monitors progress in relation to the Group's CSR approach and climate challenges. The Executive Committee sets out the strategy and subsequently monitors the action plans. Lastly, the countries monitor the implementation of the action plans on a monthly basis through their Operations Committees.
Strategy	The Group puts its impact on climate change at the centre of its environmental strategy through its Go Green programme. In 2021, ORPEA committed to a carbon pathway for Scopes 1 and 2 aligned with the Paris Agreement. In 2022, ORPEA also began physical climate risk vulnerability analyses for buildings under development, and the 69 most recent buildings were analysed in 2023.
Risk management	As part of its risk analysis, the Group considered resilience of its real estate portfolio to climate change as a risk factor: risk of failure to adapt to the consequences of climate change (see section 3.6.2 of this Universal Registration Document).
Indicators and objectives	In 2023, the Group updated its global carbon footprint for all of its greenhouse gas emissions across the three scopes. Additionally, the Group set medium- and long-term objectives to reduce its energy consumption and its Scope 1 and 2 greenhouse gas emissions. ORPEA has also been reporting its greenhouse gas emissions on the CDP (Carbon Disclosure Project) platform for several years.

3.5.3 European Taxonomy

3.5.3.1 Regulatory context

The Taxonomy is a system established to classify economic activities as environmentally sustainable. It applies ambitious and consistent technical screening criteria for activities belonging to the same sector.

The Taxonomy Regulation (EU Regulation 2020/853 of June 2020) is a key pillar of the European Commission's Sustainable Finance Action Plan launched in 2018, which aims to redirect capital flows to a more sustainable economy and identify activities that contribute to the goal of carbon neutrality. This regulation is based on several delegated acts:

- Delegated Act of 4 June 2021[1] establishing the technical environmental criteria for the two climate change objectives;
- Delegated Act of 6 July 2021[2] defining the information to be disclosed and the methodology for calculating the Taxonomy indicators.
- Delegated Act of 27 June 2023 establishing the technical environmental criteria for the four objectives relating to the sustainable use of water and marine resources, the circular economy, pollution prevention and control, and the protection of biodiversity.

As a Group subject to the obligation to publish non-financial information in accordance with Article 29a of Directive 2013/34/EU, ORPEA must disclose the proportion of its activity eligible for and aligned with the Taxonomy in relation to 2023 – revenue (turnover), capital expenditure (CapEx) and operating expenditure (OpEx) – for all six environmental objectives.

The environmental objectives defined in the EU Taxonomy regulation are:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

Several of the Taxonomy's objectives concern the ORPEA Group's operations: climate change mitigation, climate change adaptation and transition to a circular economy.

ORPEA carries out several activities defined in the Taxonomy, particularly through its real estate operations:

- 6.3 Urban and suburban transport, road passenger transport;
- 7.1 Construction of new buildings;
- 7.2 Renovation of existing buildings;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings;
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 Installation, maintenance and repair of renewable energy technologies;
- 7.7 Acquisition and ownership of buildings;
- 8.1 Data processing, hosting and related activities;
- 8.2 Data-driven solutions for GHG emissions reductions;
- 12.1 Residential care activities;
- 3.3 Demolition of buildings.

The regulator issued clarifications regarding activity 12.1 in an FAQ document published on 2 February 2022. CapEx and OpEx eligibility for activity 12.1 is contingent on the completion of a physical risk study for the Group's activities and the deployment of adaptation action plans. In addition, according to this FAQ, revenue from this activity is not eligible. ORPEA's disclosures are therefore solely focused on its real estate activities.

An activity is considered eligible if it is described in one of the Delegated Acts of the six environmental objectives, even if it does not meet the technical alignment criteria defined in these same Delegated Acts.

To be considered sustainable, an activity must (i) make a substantial contribution to one of the six above-mentioned environmental objectives, by meeting the applicable technical screening criteria, (ii) cause no significant harm to any of the other five objectives ("Do No Significant Harm" (DNSH) principle), and (iii) comply with minimum social and governance safeguards related to human rights, bribery/corruption, taxation and fair competition.

The Group's Key Performance Indicators (KPIs) are determined in accordance with Annex I to Article 8 of the Delegated Act of 6 July 2021.

(1) Delegated Act of 4 June 2021: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139.
(2) Delegated Act of 6 July 2021: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2178.

3.5.3.2 Changes in reporting since publication of the 2022 Universal Registration Document

The Group's taxonomy alignment reporting for 2023 focused on identifying new projects carried out during the year for which ORPEA remained the owner and/or operator (assets sold off-plan, etc.). In 2022, the scope also included CapEx relating to energy improvements to the real estate portfolio under ORPEA's management.

As a result, the revenue indicator is no longer taken into account in the alignment calculation, as these construction projects do not generate revenue within the meaning of the Taxonomy.

3.5.3.3 Definition of indicators and presentation of results

Eligibility

For the 2023 reporting period, the KPIs are revenue (referred to as turnover in the Taxonomy Delegated Acts), CapEx and OpEx.

	Total *(in thousands of euros)*	**Proportion of eligible activities** *(%)*	**Proportion of non-eligible activities** *(%)*
Turnover	5,197,759	2.2%	97.8%
CapEx	1,311,821	18.5%	81.5%

The proportion of economic activities associated with ORPEA's eligible activities out of its total revenue for the year ended 31 December 2023 amounted to 2.2%.

The proportion of eligible capital expenditure under the Taxonomy for 2023 was 18.5%. This proportion corresponds to activity 7.7 (Acquisition and ownership of buildings) only, as the calculation of the eligible proportion of the other activities (6.3, 7.2, 8.1, 8.2) was not carried out in 2023.

Eligible operating expenditure, as defined in the Taxonomy, amounted to €148,708 out of total consolidated operating expenses of €6,410,909, representing 2.3%. Total OpEx as defined by the Taxonomy (€148,708) has been estimated on the basis of operating expenses and may be refined in 2024.

In view of the above, the amounts to be taken into account in the denominator of the operating expenditure KPI represent less than 5% of the Group's total consolidated operating expenses for 2023. Consequently, as the proportion of OpEx as defined in the Taxonomy was considered non-material in relation to the Group's total operating expenses for the year, ORPEA has chosen to use the materiality exemption provided by the Regulation and not to present this indicator.

Alignment

Turnover

The revenue generated by ORPEA that can be considered as contributing to the climate change mitigation objective corresponds to the amount of lease payments received on assisted-living facilities and relates to activity 7.7 "Acquisition and ownership of buildings" for real estate assets that meet the technical screening and DNSH criteria.

CapEx

ORPEA's CapEx that can be classified as contributing to the climate change mitigation objective corresponds to CapEx related to (i) the development of new real estate projects for third parties (activity 7.1), renovation of existing buildings (activity 7.2) or the development of new real estate projects for the Group (activity 7.7); (ii) operational works on the Group's managed real estate portfolio (activities 7.3 to 7.6); and (iii) the routine operation of assets in the managed real estate portfolio (activity 7.7).

For 2023, the only CapEx recognised is expenditure relating to the development of new real estate projects for use by the Group (activity 7.7).

ORPEA did not carry out any major renovation projects in 2023 (activity 7.2) and did not build any new buildings on behalf of third parties (activity 7.1). Furthermore, operating work on the real estate portfolio under management has not been analysed because the Group does not have the ERP system or the structured accounting taxonomy to do so (activities 7.3 to 7.6).

This CapEx comprises acquisitions of intangible assets and property, plant and equipment.

Assessment of minimum safeguards

The Group engages in a continuous improvement process, particularly with regard to the implementation of the policies and procedures necessary to align its activities with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Since the announcement of the Refoundation Plan in November 2022, the Group has been steadfastly committed to improving the working conditions of its teams and aiming for excellence in the care and support of its residents, patients and beneficiaries. Although major progress has been made in terms of labour policy, strengthening the various measures required by France's Sapin II law and tax procedures, the Group must continue to reinforce them.

The policies and procedures in place did not enable compliance with all the minimum safeguards at 31 December 2023. Every effort is being made to ensure that the Group honours the commitments made in its Refoundation Plan and meets the minimum safeguards in the near future.

3.5.3.4 Voluntary KPI

Development of real estate projects

As part of the 2023 reporting process, ORPEA extended its assessment of the technical screening and DNSH alignment criteria to its European scope for the real estate project development activity for the Group itself (activity 7.7). This work involved assessing the alignment of projects with (i) the substantial contribution to the climate change mitigation criterion (technical screening), and (ii) the DNSH criterion.

Substantial contribution to climate change mitigation criterion

For ORPEA's real estate development projects, the NZEB-10% criterion was analysed on the basis of the local regulations transposing the NZEB directive[1] into the laws of the various European countries in force at the date the building permit was filed.

For example, its transposition into local legislation in France corresponds to two regulations depending on the date of the building permit concerned. For the type of projects developed by ORPEA (healthcare and nursing sector), the only regulation currently applicable is the RT 2012[2] with a performance of – 10% required to meet the substantial contribution criterion.

DNSH criterion

A physical risk analysis was conducted for real estate projects meeting the above-mentioned energy performance criterion.

In 2023, a service provider (a consortium made up of Axa Climate and Bureau Veritas) assisted ORPEA in carrying out climate resilience analyses of 64 Group buildings under development (design or construction) in 2023.

These site-by-site analyses include:

- an analysis of the building's vulnerability to physical climate risks (heat waves, floods, etc.): prospective modelling of the exposure to physical climate risks of the land where the building is located, in the medium and long term (2030, 2050), followed by analysis of the facility's sensitivity to the identified physical risks, taking into account the activities taking place within them, planned operational processes and the building's design;
- development of proposed adaptation plans to increase resilience to climate risks, combining both architectural design measures and operational processes.

Results for the development of real estate projects

As part of the 2023 taxonomy reporting process, ORPEA identified 55 projects, from 105 projects under development, that respect the technical screening and DNSH criteria, i.e., 52% of projects, corresponding to total CapEx of €176,589.5 thousand over the year.

Only CapEx directly associated with real estate projects that respect the technical screening and DNSH alignment criteria was consolidated. The percentage of CapEx meeting the technical and DNSH alignment criteria is 13.5%.

(1) NZEB: Nearly Zero-Energy Buildings, in accordance with Directive 2010/31/EU of 19 May 2010 on building energy performance.
(2) RT2012: 2012 thermal regulations defined in the Order of 28 December 2012 on the thermal characteristics and energy performance requirements of new buildings.

3.5.3.5 Appendices to the European Taxonomy

Turnover

Substantial contribution criteria		Year		Substantial contribution criteria						DNSH criteria									
Economic activities	Code(s)	Turnover	Proportion of turnover – year Y	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover – year Y-1	Category enabling activity	Category transitional activity
		Thousands of euros	*%*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1: Acquisition and ownership of buildings	CCM 7.7	0	0%	N	N	N/EL	N/EL	N	N/EL	N	N	N	N	N	N	N	0%		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%																
Of which enabling			0%															E	
Of which transitional			0%																T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Activity 1: Acquisition and ownership of buildings	CCM 7.7	116,238	2.2%	EL	EL	N/EL	N/EL	EL	N/EL								2%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)(A.2)		116,238	2.2%	2.20%													2%		
Total turnover of taxonomy-eligible activities (A.1 + A.2) (A)		**116,238**	**2.2%**														**2%**		

B. TAXONOMY NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy-non-eligible activities (B)	**5,081,521**	**97.8%**
TOTAL (A + B)	**5,197,759**	**100%**

CCM = climate change mitigation.
Y = Yes.
N = No.
N/EL = Not eligible.
EL = Eligible.
For the activities listed in A2, the information may be completed on a voluntary basis by non-financial undertakings.

CapEx

Substantial contribution criteria		Year		Substantial contribution criteria						DNSH criteria									
	Code(s)	CapEx	Proportion of CapEx – year Y	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) CapEx – year Y-1	Category enabling activity	Category transitional activity
Economic activities		*Thousands of euros*	*%*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1: Acquisition and ownership of buildings	CCM 7.7	0	0.0%	N	N	N/EL	N/EL	N	N/EL	N	N	N	N	N	N	N	0%		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0.0%																
Of which enabling			0.0%															E	
Of which transitional			0.0%																T
A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-aligned activities)																			
Activity 1: Acquisition and ownership of buildings	CCM 7.7	242,447	18.5%	EL	EL	N/EL	N/EL	EL	N/EL								20%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		242,447	18.5%	18.50 %													20%		
Total CapEx of taxonomy-eligible activities (A.1 + A.2) (A)		242,447	18.5%														20%		

B. TAXONOMY NON-ELIGIBLE ACTIVITIES

CapEx of taxonomy-non-eligible activities (B)	**1,069,374**	**81.5%**
TOTAL (A + B)	**1,311,821**	**100.0%**

CCM = climate change mitigation.
Y = Yes.
N = No.
N/EL = Not eligible.
EL = Eligible.
For the activities listed in A2, the information may be completed on a voluntary basis by non-financial undertakings.

OpEx

Substantial contribution criteria		Year		Substantial contribution criteria						DNSH criteria									
	Code(s)	**OpEx**	**Proportion of OpEx – year Y**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) OpEx – year Y-1**	**Category enabling activity**	**Category transitional activity**
Economic activities		*Thousands of euros*	*%*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Activity 1: Acquisition and ownership of buildings	CCM 7.7	0	0.0%	N	N	N/EL	N/EL	N	N/EL	N	N	N	N	N	N	N	0%		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%																
Of which enabling			0%															E	
Of which transitional			0%																T
A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-aligned activities)																			
Activity 1: Acquisition and ownership of buildings	CCM 7.7	0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%	0%													0%		
Total OpEx of taxonomy-eligible activities (A.1 + A.2) (A)		0	0%														0%		

B. TAXONOMY NON-ELIGIBLE ACTIVITIES

OpEx of taxonomy-non-eligible activities (B)	**148,708**	**100%**
TOTAL (A + B)	**148,708**	**100%**

CCM = climate change mitigation.

Y = Yes.

N = No.

N/EL = Not eligible.

EL = Eligible.

For the activities listed in A2, the information may be completed on a voluntary basis by non-financial undertakings.

3.5.4 Biodiversity: making nature central to patients' and residents' care plans

Biodiversity refers to all the different kinds of life found in one area – from species to natural habitats – and the interactions between them. Biophilia is defined as the innate human instinct to connect with nature and other living beings, and biophilic design has been found to support physical health and psychological well-being.

ORPEA pays particular attention to diversity and biophilic design in its activities, particularly taking into account the following issues:

- in the construction of its buildings, ORPEA has to factor in the issues of land development and the preservation of wildlife;
- in the operation of its facilities, the Group needs to, for example, adopt an ecological approach to the maintenance of its green spaces.

In addition, it has been scientifically proven that contact with nature can have an impact on the health and well-being of residents, patients and staff. Research has shown that the benefits of such contact include improved cognitive and motor stimulation, community and social bonding, as well as relaxation, which can contribute to better sleep and functional capacities, as well as to the natural reduction of behavioural problems and mood disorders in vulnerable patients and residents.

With this in mind, ORPEA has put in place numerous initiatives over the past few years to integrate nature and biodiversity into the design, construction and operation of its facilities.

In May 2023, ORPEA published its Biodiversity and Biophilia Charter, the first of its kind in the healthcare and nursing sectors, in order to make best practices systematic[1].

A closer look at ORPEA's Biodiversity and Biophilia Charter

The charter is made up of three main areas of commitment:

Commitment n°1: Enable the interaction of residents, patients and teams with nature to promote good health and well-being

a) Strengthening contact with nature by integrating it into building design

b) Reinforcing contact with nature through the animations proposed to the residents and patients

Commitment n°2: Preserve the diversity of natural ecosystems

a) Optimising water management

b) Limiting the impact of catering on biodiversity

c) Participating in the fight against sealing soils

d) Developing and managing green spaces with an ecological approach, favouring a rich flora and creating natural habitats for fauna

Commitment n°3: Involve internal and external stakeholders in the preservation of biodiversity

a) Contributing to raising awareness of biodiversity issues among our stakeholders, sharing our commitments and coconstructing solutions tailored to our facilities

b) Developing and deploying internal operational tools to implement our commitments in the field

c) Encouraging the preservation of biodiversity along our value chain

(1) *https://www.emeis-group.com/wp-content/uploads/2024/05/emeis_biodiversity_biophilia_charter_2024.pdf*

This strategic document is supported by tools for applying the approach in building projects and in facilities that are in service:

- an internal biodiversity and biophilia label, BiophilGood;
- two sets of specifications drawn up with ecologists: "new buildings" and "sites in operation";
- a "toolkit" containing more than 30 action sheets developed with ecologists, to support teams in implementing the label.

A closer look at the BiophilGood label

It is an internal reference framework developed with ecologists and various internal stakeholders (medical, CSR, Operations and Construction teams within the Group) and is available in two versions: "new buildings" and "sites in operation";

It is made up of specifications incorporating the most important criteria in terms of biodiversity and biophilia for the Group.

BiophilGood label – New buildings and major renovations

- rolled out in October 2023 to the construction teams in the various countries;
- 22 prerequisites and three additional actions to choose from a list of options.

Assessment method

- self-assessment and collection of evidence by the Construction project manager, using an Excel questionnaire;
- first audit by the Group Construction unit;
- second audit by the Group Biodiversity Committee, made up of the following internal stakeholders: Group Construction, CSR, Medical Units. In France, the Operations department will also be involved.

In 2023, the label, published in October, was applicable to just one project (Traiskirchen, Austria). The project was designed too early in the year to apply the criteria of the reference framework. However, gap analyses were carried out between the label criteria and ten projects launched in Austria, Spain, France, Ireland and Luxembourg before publication. It was confirmed that certain projects already met the requirements, in particular Crosne (France) and Middelburg (Netherlands).

BiophilGood Label – Sites in operation

- to be rolled out to the countries' operational teams in 2024;
- as for the label for sites under construction, the label has three levels: 1, 2 and 3 petals;
- the roll-out, timing and assessment methods will be defined by the Management Committee in 2024, before the label is rolled out.

3.5.4.1 Biodiversity in the design and construction of buildings and green spaces

Several facilities across the Group have already implemented a number of best practices, including:

- green roofs and permeable parking surfaces;
- a landscaping project that integrates wildlife shelters (nesting boxes, insect hotels, etc.) and prioritises local, indigenous and drought-tolerant plant species.

Some best practices in biodiversity/biophilia across the Group

In Ireland, Austria, Switzerland*, Italy*, Luxembourg and the Netherlands, all residences have a garden. These gardens often include sensory stimulation components, either in a pathway, a specific area, or in raised planters, depending on the space available. This presence of nature in care facilities helps to improve social, psychological and physiological health, by reducing pain and aggression and other pathological symptoms. These natural areas are often maintained without the use of chemicals to protect plants against pests.

Moreover, in Austria, 90% of facilities have raised platforms (accessible to wheelchairs), or normal vegetable garden platforms allowing residents to be in physical contact with nature by looking after plants, for those who are able to do so. Whenever possible, the fruit and vegetables grown are used in the kitchen, with the help of the residents.

In addition, the majority of facilities set up regular animal therapy activities, particularly through partnerships. In Ireland, Peata Pet Therapy arranges for a trained dog to visit the home. In addition, a mobile farm visits the facilities periodically, giving residents the opportunity to see and interact with a wider variety of animals. Both activities are very popular with residents. In Austria, animal clubs visit facilities every month, working with the residents to train animals (dogs, cats, mice, rabbits, horses, etc.). Residents enjoy group therapy or one-on-one sessions.

* *Two-thirds of Swiss and Italian facilities have a garden.*

3.5.4.2 Integrating biodiversity and biophilia into facility operations

ORPEA integrates biodiversity into the operation of many of its facilities, thanks to a number of initiatives:

- encouraging outdoor activities and contact with nature, including therapeutic gardening and animal therapy (contact with animals including llama therapy and equine-assisted therapy) in care pathways, to improve residents' and patients' mental well-being through non-drug treatments;
- developing ecological management of green spaces: for example, all facilities in France have banned the use of pesticides. At Group level, 15 facilities have introduced the eco-pasture process – an ecological form of maintaining green spaces by simply allowing sheep to graze.

In order to check that the Biodiversity action sheets were applicable to its facilities in service, a pilot project was conducted in four facilities in France, working with the local teams to assess practical feasibility.

3.5.5 Preserving resources and developing the circular economy

Through the construction and operation of its facilities, ORPEA generates waste (such as medical, catering, and construction waste) and consumes natural resources (water, food and mineral raw materials). The Group is taking action to adopt a circular economy approach and has introduced initiatives and made commitments to control the waste generated from its operations and construction sites as well as its water consumption.

3.5.5.1 Waste and the circular economy

Group policy and context

The management of waste in healthcare facilities and nursing homes represents a major challenge for the protection of both the environment and public health. Significant categories of waste for the healthcare and nursing sector include Potentially Infectious Medical Waste (PIMW), drug waste, chemical waste, food waste, electronic waste and construction waste. PIMW is of the greatest concern because it can contain pathogenic micro-organisms and chemical substances that could be harmful to health or the environment. The healthcare and nursing sector also consumes large amounts of natural resources, such as water and mineral raw materials.

ORPEA's objective is to enhance the management and reduce the environmental impact of the waste produced by all its facilities. However, achieving this objective is complex as the facilities' waste management is carried out by many waste collection players, which can be local or national and public or private. In order to reduce the Group's environmental footprint and preserve the health of the living environment, ORPEA has adopted the following methodology: measure, reduce, optimise (recycle, reuse, upcycle), and raise awareness.

With a view to helping the Group achieve its goals in this area, ORPEA has been working with a specialised company in France since 2019 to both (i) ensure that waste management services are fully under control, and (ii) optimise the facilities' waste management from an environmental, quality and financial standpoint.

In 2023, an analysis of the Group's waste production measured ordinary waste in 14 countries (Austria, Belgium, Croatia, the Czech Republic, France, Germany, Ireland, the Netherlands, Poland, Portugal, Slovenia, Spain, Switzerland and the United Kingdom), representing 95% of the Group's facilities. The coverage rate stood at 75% in 2022, meaning that the Group has made progress in this area. It reflects a drive for the improvement of data management within countries that must be furthered.

ORDINARY WASTE PRODUCTION (GROUP SCOPE)

	Ordinary waste production *(in tonnes)*		
Geographical area	**2023**	**2022**	**Change**
France-Benelux-United Kingdom-Ireland	27,462	27,829	-1%
Central Europe	6,067	9,150	-34%
Eastern Europe	4,200	2,268	+85%
Iberian Peninsula and Latin America	7,652	369	+1,974%
Other countries	NA*	155	NA*
GROUP	**45,381**	**39,771**	**+14%**

* *NA: not available. China and the United Arab Emirates are excluded from the reporting scope of this indicator for 2023 (three active facilities at the end of 2023).*

ORDINARY WASTE PRODUCTION (FRANCE)

(in kg)	**2023**	**2022**
France overall mass	22,004,671	21,578,955[1]

(1) The quantity of ordinary waste in France has been corrected for 2022 due to an error in the previous publication.

Potentially infectious medical waste (PIMW)

The mass of this type of waste is directly correlated to the Group's activities and to the amount of care provided to patients and residents who often suffer from multiple conditions and are increasingly dependent.

The challenge for ORPEA is to optimise waste management by ensuring, among other things, that PIMW is properly sorted in compliance with the applicable regulations and professional best practices.

For example, in France, training and awareness-raising programmes are provided to the staff concerned, either by the facility's management (using training materials at their disposal) or by the external service providers in charge of waste collection. Sorting practices for PIMW are also checked in the French facilities during six-monthly quality audits, with corrective action put in place if necessary.

In addition, all of the Group's facilities comply with the local regulations of each city, region and country where they are located. However, definitions as well as collection and disposal processes can vary significantly depending on the applicable national and even regional waste management policies. The facilities are provided with the necessary equipment to collect this waste. In the countries concerned, PIMW is removed and disposed of by an authorised company under a service agreement. These agreements and traceability records are kept available for the relevant authorities.

Thanks to the roll-out of the new CSR indicator collection platform in 2023, it has also been possible to measure the volumes of PIMW collected in France[1], as presented below:

PRODUCTION OF POTENTIALLY INFECTIOUS MEDICAL WASTE (PIMW): FRANCE

(in tonnes)	**2023**	**2022**
PIMW – France	267.845	384.148

The production of PIMW in France decreased in 2023, due in particular to the lifting of certain health restrictions in accordance with the regulatory and hospital hygiene provisions of *Société française d'hygiène hospitalière* (SF2H), as well as to training and awareness-raising initiatives about sorting practices. Following a call for tenders in 2023, the PIMW collection service provider was changed at the beginning of 2024. This change of service provider is a welcome development, as it means that all the facilities within the scope can benefit from the expertise of France's leading operator in the management of PIMW, with 25 years of experience in the field, which steps up our command of data and processes for this category of waste.

2023 achievements in France

Measurement, analysis and optimisation of waste production

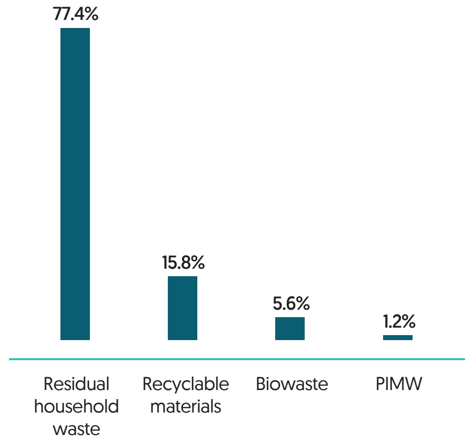
In France, a "waste diagnosis" was carried out for all facilities in 2019 and 2020, and was updated in 2021 and 2023. These diagnoses, coupled with the aggregation of waste production data, have made it possible to create a precise view of waste production as well as to target areas for improvement and organise the roll-out of action plans at the facilities. In France, private service providers and local authorities are subject to numerous procedures and regulatory obligations and required to provide certain services. This makes it difficult to identify the volumes of waste treated as well as the types of waste and disposal concerned, and therefore to implement a common set of optimisation levers. Facilities in France produced 22,004.671 tonnes of ordinary waste in 2023 (compared with 21,578.965 tonnes in 2022) and 268 tonnes of PIMW. This relative increase is due to the change of scope in France, in addition to improved accuracy of the data collected thanks to the traceability efforts made by collection service providers.

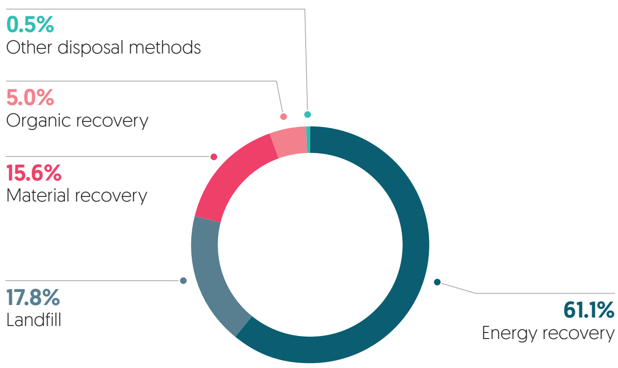
The quantities of waste collected in France in 2023 break down as follows by category: Waste is grouped into five main categories: residual household waste, biowaste (food waste and garden waste), potentially infectious medical waste (PIMW), hazardous waste, recyclable materials (all materials that do not fall into the four previous categories).

Waste disposal in France in 2023 (in kg)

The disposal of waste collected in France in 2023 breaks down as follows by type:

The waste reduction and optimisation roadmap for France makes it possible to assess the impact of actions taken on processing methods and the type of waste produced. As a result, we are seeing an increase in organic and material recovery and a decrease in treatment by landfill and energy recovery.





(1) *As there is no common rule for obtaining consistent and reliable consolidated data, the reporting scope relating to PIMW is restricted to France. Most countries are still in the process of making this data more reliable.*

Main projects in France in 2023

- Continued roll-out of new biowaste recovery systems: 37 additional facilities in France have set up a biowaste recovery system.
- Continued improvement of sorting at source: project launched to improve at-source sorting processes. Meetings were held with several suppliers of voluntary waste drop-off points. Localized lists of these drop-off points will be created for each waste production area to facilitate sorting by the operations teams.
- Launch of a "landfill reduction" study: a forward-looking study has been conducted to identify ways of reducing the use of landfill processing. The impact of current projects has been analysed and forecasts have been made. Four major levers for action have been identified: improving operational practices, optimising recovery (changing systems), changing contracts (changing service providers, for example) and changing service providers' treatment methods (discussions with service providers on current or future changes to treatment methods).
- Raising awareness among operations teams: significant work was carried out to aggregate waste recovery data for each facility in France for it to be fully integrated into a digital platform. As a result, each facility director now has access to the main measurement indicators: mass, volume, cost and recovery rate of waste. Making this data available every six months gives the directors an awareness of the impact of the waste produced at their facilities.
- Carrying out waste audits across the scope.
- Progressive compliance with France's anti-waste for a circular economy law (AGEC). Existing systems have been upgraded at more than 35 facilities within the scope (addition of sorting systems, budget adjustments, introduction of motorised solutions to improve waste flows within facilities, changes of service providers, etc.).
- Traceability of hazardous waste: the facilities closely monitor changes in regulations relating to the traceability of hazardous waste, particularly PIMW. The Group is working with the PIMW collection service providers to implement the French Ministry of Ecological Transition's TRACKDECHETS platform for its facilities, allowing Hazardous Waste Tracking Slips to be submitted electronically.

The above-mentioned projects helped the Group achieve the following results in France in 2023: a 6.44% increase in the recycling rate, a 34.08% increase in the recovery of organic waste and a 6.01% decrease in the landfill rate.

Recovery and reuse of food waste in France

In France, thanks to the deployment of biowaste recovery systems, together with sorting at source and training of operations teams, 1,247 tonnes of biowaste were recovered in 2023, i.e., 62% more than in 2022. This waste is then put through a composting or anaerobic digestion process in order to create compost or energy thanks to our specialised collection partners, two of which have official ESUS (*entreprise solidaire d'utilité sociale* – social utility enterprise) status.

Fighting food waste in France

Through its national pact against food waste (*Pacte national de lutte contre le gaspillage alimentaire*), France has committed to halving food waste by 2025 (vs. 2015). ORPEA's approach is fully in line with this process, as demonstrated in the ninth commitment of its Catering Charter and its national campaign to fight food waste in all of its facilities in France, launched in 2020 amid challenging public health conditions. This campaign has since been carried out each year, with over 80% of facilities taking part in 2023. Part of the campaign involved weighing waste, which gave facilities the opportunity to measure actual quantities of waste over a period of eight consecutive days, in accordance with ADEME recommendations. To that end, the facilities concerned were equipped with an internal application to enable them to enter their daily waste generation and to use the data to subsequently make improvements. A detailed analysis of the results by facility will help each director to identify and implement action plans to reduce food waste while maintaining the necessary nutritional requirements.

2024 forecasts for France

In 2024, the Group will continue its efforts to improve waste management in France, with a target waste breakdown for 2026 of 25% recyclable materials (fibrous, plastic and metal) and 15% biowaste. In addition, measures to improve sorting at source will be pursued with the introduction of voluntary drop-off points at more than 80% of facilities within the scope[1]. This action should have a significant impact on the material recovery rate.

Creating partnerships

Aware of the systemic approach required for waste disposal, the Group seeks to integrate partnerships with external organisations or associations into its strategy in order to encourage a more responsible approach throughout the process. For example, in France, the Group has entered into two partnerships with environmental organisations. The first is with Ecologic, an organisation that processes waste electrical and electronic equipment (WEEE) and electrical and electronic medical devices. To do this, it collects, decontaminates and recycles WEEE throughout France, ensuring that each stage is carried out correctly. The second is with Valdelia, the environmental organisation authorised to collect and recycle professional furniture.

(1) *This includes facilities which have collection contracts with local authorities.*

Progress on the waste management policy in Belgium

In 2022, the diagnoses carried out for all of the Group's facilities enabled it to obtain a far more precise and controlled record of waste than in 2021, particularly with regard to quantities of recyclable materials and disposal methods for all types of waste:

- the proportion of recyclable materials collected increased from 9.7% in 2021 to 15.8% in 2022 and 17.7% in 2023;
- in 2023 all of the disposal methods used for waste produced could be identified, whereas in 2021 the methods used to dispose of 33% of the waste produced were unidentified;
- in 2023, facilities' waste production amounted to 2,672 tonnes, an 11% decrease compared to 2022. This breaks down into 2,200 tonnes of household waste and 456 tonnes of recyclable material, or more than 99.6% of the total waste produced, giving an average of 420 kg of waste per bed, down 22% on 2022 due to both the increase in the occupancy rate and the reduction in waste production.

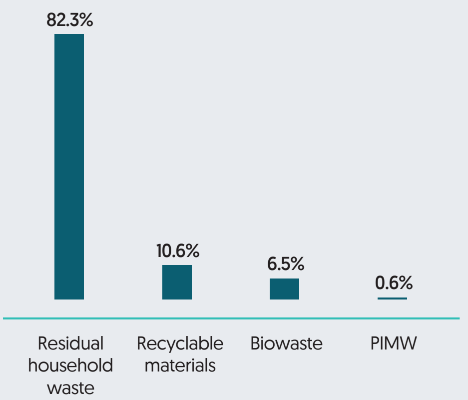
The main area identified for improvement is to increase the recycling rate and the recovery rate for organic waste in order to reduce the proportion that is incinerated. To achieve this objective, four main actions were implemented in 2023:

- rolling out biowaste collection on all sites (in 2022, only 35% of Belgian sites had introduced this);
- increasing the share of recyclable materials collected by stepping up site audits, including assessments of the containers needed for proper sorting (paper and cardboard; glass; plastic, metal and beverage cartons; biodegradable food waste);
- improving sorting at source by rolling out voluntary drop-off points and raising teams' awareness. ORPEA Belgium has created training and awareness tools specific to each profession, and provided training for all facility teams. In addition, each site has appointed a "waste manager", who is the point of contact for ensuring that sorting procedures are properly applied and for reminding people of best practices when necessary;
- incorporating sorting practices into six-monthly quality audits which will result in corrective actions if necessary.

Waste produced in Belgium and its disposal methods break down as follows in 2023:

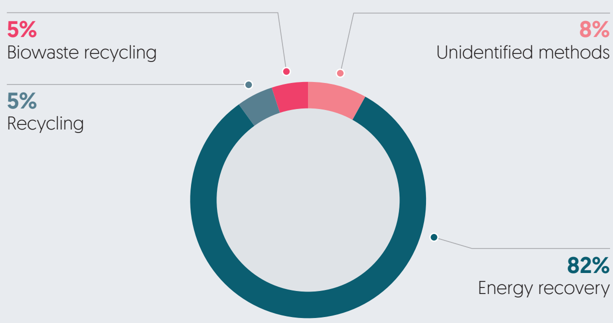
Waste produced in 2023 in Belgium

BREAKDOWN OF WASTE FLOWS IN BELGIUM – 2023



Waste disposal in 2023 in Belgium

SHARE OF WASTE TREATED



Actions and projects in Belgium in 2023

2023 was a particularly successful year for waste prevention and management.

All three regions have aligned in terms of waste sorting, with more than 17 different streams to be sorted and traced. This ranges from biowaste to expanded polystyrene, industrial plastic film, mattresses and wood.

In addition, at the 15 sites in the Brussels-Capital Region, a waste prevention and management plan is in place and available to the authorities. This plan, which is the responsibility of the waste manager, is updated every year. It includes:

- the annual change in total waste production at the site, by channel, over the last five years;
- an illustrated description of internal waste management by waste channel (type and volume of packaging or container, protocol for external packaging and wrapping of high-risk medical waste, the main drop-off points, frequency of collection, measures put in place to ensure public/environmental safety, etc.);
- a description of the waste pre-treatment processes used;
- the name of the service provider responsible for collection and transport, and the destination (recovery or disposal);
- a description of the measures taken in the event of collector failure or incident;
- current and five-year waste prevention/reduction targets;
- objectives in terms of waste management/recovery (recycling, recovery channels, more efficient processing, etc.);
- a description of the means of disseminating information (newsletter, intranet, shared platform, etc.) and the procedures put in place by the manager to ensure that the information received is properly understood and applied by staff;
- the register of compulsory training courses on the management of medical waste (PIMW) attended by staff;
- internal advice from the Health and Safety Committee and/or the trade union representative;
- site maps showing the location of entrances and exits for waste collectors/transporters and the main disposal sites.

It is now compulsory for facilities to keep their Waste Prevention and Management Plan in order to renew their environmental permit. This permit is an authorisation to operate an activity involving one or more sites that are likely to have an impact on the environment or the neighbourhood.

At the same time, in Belgium an initiative launched in 2022 to collect electronic devices in partnership with a non-profit continues, and a new partnership for donating furniture has been set up. Almost 150 computers, phones, projectors and other devices were collected, which created jobs for two weeks for two unemployed people, provided 75 disadvantaged people with refurbished devices, and avoided nearly 5 tCO_2eq. of emissions thanks to the reuse and recycling of the devices. This initiative will be repeated each year.

A specific approach to construction project waste

In 2022, ORPEA adopted a Low-Pollution Worksite Charter, which is included in all new works contracts. It includes a waste recovery target of 70% (through recycling or reuse) for all major renovation or new construction projects.

In 2023, no construction sites where this charter would be applicable were launched, as all work scheduled in 2023 began before the publication of the Low-Pollution Worksite Charter. However, some projects launched earlier have incorporated this criterion on a voluntary basis, including Bellerive, Crosne, Passy, Albi and Pontevedra.

3.5.5.2 Controlling water consumption

ORPEA's business includes activities that consume water such as laundry and catering operations. The healthcare and nursing sector is also subject to specific requirements regarding the bacteriological and chemical quality of water, such as water quality controls and measures to prevent legionella. The Group is implementing monitoring, reduction and reuse measures to better control its level of consumption.

Monitoring and controlling water consumption

As is the case with energy consumption, water consumption is monitored in all of the Group's geographical areas. All facilities have implemented data collection systems using the Group's Deepki platform, a tool which collects water consumption data from meter readings or supplier invoices. Water consumption is also checked and analysed in the event of anomalies in order to identify any leaks.

WATER CONSUMPTION

Country	Water consumption in 2023 (in cu.m.)	Water consumption in 2022 (in cu.m.)	Water consumption in 2019 (in cu.m.)	cu.m./bed in 2023	cu.m./bed in 2022	cu.m./bed in 2019	Rate of change in cu.m./bed 2023 vs. 2019	Rate of change in cu.m./bed 2023 vs. 2022
France-Benelux-UK-Ireland	2,783,898	2,733,958	2,182,330	67	69	60	+10.36%	-3.54%
Central Europe	1,213,439	1,147,923	1,137,171	62	58	62	-0.70%	+6.49%
Eastern Europe	669,049	602,987	593,763	55	55	64	-14.64%	-0.93%
Iberian Peninsula and Latin America	772,033	783,334	729,539	78	82	90	-13.21%	-5.08%
Other countries	36,813	52,398	50,206	239	340	335	-28.58%	-29.74%
GROUP	**5,475,232**	**5,320,600**	**4,693,009**	**65.4**	**66.5**	**65.2**	**+0.30%**	**-1.70%**

Reducing water consumption at source

Various measures to control water consumption are implemented in new buildings. These measures – which are adapted to the local context – include the installation of water-saving plumbing systems (such as dual flush toilets and aerators that can reduce a tap's water consumption by 30% to 50% without any loss of comfort or pressure), and of water-efficient kitchen appliances (e.g., dishwashers).

As part of the Group's Green Building Strategy, many projects in the design or construction stage in 2023 (see section 3.5.1.3 of this Universal Registration Document) are aiming for environmental certification, which means they will be subject to minimum requirements in terms of the building's overall water consumption. New construction and major renovation projects will incorporate water-saving plumbing systems (taps and toilets) into their design that meet the European Taxonomy criteria.

Reusing rainwater

Some 64 facilities in service are equipped with tanks for collecting rainwater that is subsequently used for watering plants.

As part of its Green Building Strategy, ORPEA installs these systems at all of its new buildings in order to reduce the consumption of drinking water.

3.5.5.3 Helping combat urban heat islands

Urban overheating is detrimental to the well-being of residents and patients. With climate change bringing an acceleration in heat waves, cooling strategies are becoming an imperative for health and well-being.

The Group has put in place a number of practical measures to combat urban heat islands (UHIs), in both the design and operational phases of its buildings, including:

- site greening – more than 115 facilities have a green roof;
- integration of plants as a key part of real estate projects, with green spaces at ground level or on balconies;
- using permeable outdoor parking spaces and pedestrian walkways;
- at sites with gardens: prioritising landscaping projects that feature a varied range of plants at different levels (trees, shrubs, herbaceous plants, etc.) and differentiated management of green spaces (with areas of fallow grassland), in order to preserve humidity and coolness more effectively than a garden consisting solely of a short-cut lawn.

Action is also being taken in new buildings and renovations to passively reduce building temperature through zero-energy methods such as bioclimatic design. This includes installing reinforced thermal insulation of the building envelope; light-coloured façades and roofs which reflect more light and therefore reduce the sun's impact on the building; and alternative cooling systems (such as the two projects in operation and one under construction integrating geothermal cooling, see section 3.5.2.2); as well as taking into consideration a building's exposure to sun and prevailing winds when designing its form and orientation.

3.6 Duty of Care Plan

ORPEA believes that constant vigilance must be exercised with regard to the impact of its activities on people and the environment as this is a key factor in the resilience of its business model. In addition, ORPEA endeavours to uphold human rights and comply with the labour, personal health and safety, and environmental legislation in all the geographical areas where it is present.

As part of the commitment to the Global Compact in 2020 and in compliance with the 27 March 2017 law on duty of care, ORPEA has put in place a Duty of Care Plan (see section 3.6.2 below), which aims to identify and prevent serious violations of human rights, fundamental freedoms, human health and safety, and the environment. The Procurement department ensures that global and national suppliers sign the Group's Responsible Procurement Charter, which includes requirements relating to respect for people and working conditions, the environment and ethics.

The Duty of Care Plan sets out the methodology used to draw up the duty of care risk map as well as the governance structure related to the duty of care, and then details all of the procedures implemented within the Group.

3.6.1 Risk mapping and governance structure

ORPEA has a risk management and prevention policy that is adapted to the risks inherent to its business. This policy is based on a structured approach to identifying, assessing, prioritising and then controlling the risks that could compromise the Group's objectives.

Risk mapping methodology

At the end of 2022, the Group conducted a new assessment of its main risks and updated its risk map accordingly (see Chapter 2 of this Universal Registration Document).

The risk identification process was carried out by the Group Risk Management department, which compiled a risk universe aligned with the Group's activities. The risk universe was drawn up based on market practices and with the assistance of the Operations departments, both in France and internationally. Each risk was then assessed using scoring scales defined at Group level, which took into account, among other things, the impact of the risk on the physical and mental integrity of patients, residents, beneficiaries, employees and other stakeholders, as well as the environmental, societal and governance impacts of the risk.

The risks identified in the risk mapping process were ranked in order of severity: low, moderate, significant and major. The ranking corresponds to a qualitative assessment, carried out in conjunction with the Operations departments, and for each risk is based on a combination of its probability of occurrence and its potential impact. The effect of the Group's internal control systems was then factored in to obtain the net risks (see Chapter 2 of this Universal Registration Document).

Governance

The Audit and Risk Committee monitors issues relating to the effectiveness of the systems used to manage significant risks, in conjunction with the Specialised Committee in charge of non-financial issues where appropriate, to ensure all financial and non-financial factors are taken into account.

The Ethics, Quality and CSR Committee receives a presentation of the Group's environmental, social and ethical risk map; it studies the risks that have been identified and is kept informed of their status and the features of the related management systems. The Ethics, Quality and CSR Committee coordinates its work with the Audit and Risk Committee on all matters relating to its areas that fall within its remit, including risk management and analysis.

In particular, it ensures that the Group complies with rules and conventions on respecting human rights and fundamental freedoms in its operations, and that all of its commercial partners and associates comply with the values set out in the Group's Responsible Procurement Charter and its Code of Conduct – Ethics and CSR.

The Duty of Care Plan is overseen by the Internal Audit department and the CSR and Quality department, in conjunction with all the business lines.

3.6.2 Procedures for assessing, monitoring and mitigating risks

The table below summarises ORPEA's Duty of Care Plan in the areas of human rights, the environment, and personal health and safety, both for its own activities and for those of its suppliers and subcontractors.

The table outlines all the measures that have been put in place, identifying the duty of care issue concerned; the associated risks; the procedures for assessing the risk and measures to mitigate or prevent the risk (for both the Group's own activities and those of its subcontractors and suppliers); the whistleblowing system in place; the performance monitoring system in place; and the related performance indicators.

References are provided to other sections of this Non-Financial Statement where more detailed descriptions can be found.

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors	Whistleblowing system	Performance monitoring system	Performance indicators
PERSONAL HEALTH AND SAFETY	Risk related to medical care and quality of care and the safety of patients and residents	Code of Conduct – Ethics and CSR/Principle: Ensuring health, safety and well-being in our facilities [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Group Medical Care Commission, Ethics Advisory Board, International Scientific Council [3.2.2.2] Quality Management System [3.2.1.3] Quality certification of facilities [3.2.1.3] Employee training and awareness-raising on quality [3.2.1.3] Internal checks, external checks and regulatory inspections [3.2.1.4] Crisis management and business continuity plans [3.2.1.5] Procedure for reporting and managing sentinel events [3.2.1.6] Catering Charter [3.2.4.2] Satisfaction surveys [3.2.1.1] Medical and nursing research: preventing loss of independence and improving practices [3.4.3.1] Best practices General Meetings (France) [3.2.1.2] Commitment Charters [3.2.1.6] Internal suicide observatory in France Food Plan (France) [3.2.4.2] Residents' councils and User Committees [3.2.1.2]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report categories: Rights and protection of individuals Abuse and quality of care (in France and at Group level) Complaints management system [3.2.1.2] System for reporting sentinel events [3.2.1.6] Best practices In France, an employee whistleblowing hotline, in addition to the Mediator reporting platform for residents, patients and families [3.2.1.2] Helpline for residents, patients and families in France [3.2.1.2]	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target to have 100% of employees trained by 2023 [3.4.1.3] Monitoring of facilities' training plans Follow-up to the six-monthly audits of facilities [3.2.1.4] Monitoring of sentinel events [3.2.1.6] Follow-up of complaints [3.2.1.2] Monitoring of the Catering Charter [3.2.4.2] Monitoring the deployment of mechanisms involving families in life within facilities [3.2.1.2] Follow-up of satisfaction surveys [3.2.1.1] Monitoring of sentinel events according to their criticality [3.2.1.6]	% of employees trained on the Code of Conduct – Ethics and CSR [3.4.1.3] % of facilities internally audited every six months [3.2.1.4] Sentinel event rates [3.2.1.6] Complaints rate [3.2.1.2] Number of calls to the helpline [3.2.1.2] % of facilities having implemented the voluntary priority commitments of the Catering Charter [3.2.4.2] % of countries that have set up a system of dialogue with residents'/patients' families [3.2.1.2] Satisfaction rate [3.2.1.1]

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors	Whistleblowing system	Performance monitoring system	Performance indicators
PERSONAL HEALTH AND SAFETY	Risk related to the unsuitability or inadequacy of the health and safety conditions of premises	Code of Conduct – Ethics and CSR/Principle: Ensuring health, safety and well-being in our facilities [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Procedure for reporting sentinel events [3.2.1.6] Building safety checks [3.2.1.5] Building specifications [3.3.4.1] and Design Guidelines for the design of buildings integrating risk prevention and adaptation for people with disabilities and facilitating operational efficiency [3.2.4.1] Technical training and awareness-raising on sustainable construction challenges [3.5.1.2] Building maintenance [3.2.1.5] Training in the prevention of safety risks in facilities [3.2.1.5] Corrective and preventive maintenance [3.2.1.5] Safety audits [3.2.1.5]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2] Responsible Procurement Charter, appended to all calls for tender and contracts with global and multinational suppliers [3.4.2.4] Building construction specifications [3.3.4.1] and Design Guidelines which give priority to comfort, occupant safety and operational efficiency [3.2.4.1] Safety audits [3.2.1.5]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report categories: Discrimination, harassment, occupational health and safety Non-compliance with laws, regulations or the public interest Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target to have 100% of employees trained by 2023 [3.4.1.3] Follow-up of the signature of the Responsible Procurement Charter [3.4.2.4] Monitoring of sentinel events [3.2.1.6] Monitoring of technical training on sustainable construction [3.5.1.2] Green Building Strategy reporting [3.5.1.2] Traceability of corrective maintenance operations [3.2.1.5]	% of employees trained on the Code of Conduct – Ethics and CSR [3.4.1.3] % of listed suppliers (global, multinational, national and regional) that have signed the Responsible Procurement Charter [3.4.2.4]
	Risk of harm to employee health, safety and security	Code of Conduct – Ethics and CSR/Principle: Ensuring health, safety and well-being in our facilities [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Building safety checks [3.2.1.5] European Works Council: working group on psychosocial risks [3.3.3.1] Building construction specifications [3.3.4.1] and Design Guidelines for the design of buildings incorporating staff break and catering areas [3.2.4.1] Investment in specific equipment [3.3.4.1] Policy for equipment use [3.3.4.1] Training on occupational risk prevention: musculoskeletal disorders, etc. [3.3.4.1] Health and safety committees in facilities [3.3.4.1]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2] Responsible Procurement Charter, appended to all calls for tender and contracts with global and multinational suppliers [3.4.2.4] List of "on-site health and safety" best practices displayed at each construction site "On-site health and safety" scorecard completed monthly by ORPEA to assess construction companies Low-Pollution Worksite Charter including a safety component [3.5.5.1]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report categories: Discrimination, harassment, occupational health and safety Non-compliance with laws, regulations or the public interest Sentinel event handling system [3.2.1.6] Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform Institutional Response Unit in France and Austria: employee mediator	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 [3.4.1.3] Monitoring of the signature of the Responsible Procurement Charter [3.4.2.4] Monitoring of work-related accidents [3.3.4.1] Employee engagement survey [3.3.3.2] Monitoring of sentinel events [3.2.1.6] Anonymous and confidential employee helpline in France (08 05 95 29 68) Emergency shelter and social support system (France) Institutional Response Unit (France) and outsourced interventions	% of employees trained on the Code of Conduct – Ethics and CSR [3.4.1.3] % of listed suppliers (global, multinational, national and regional) signing the Responsible Procurement Charter [3.4.2.4] Accident frequency rate [3.3.4.1] Employee engagement rate [3.3.3.2]

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors	Whistleblowing system	Performance monitoring system	Performance indicators
PERSONAL HEALTH AND SAFETY	Risk related to managing personal and medical data, cybersecurity and information systems	Code of Conduct – Ethics and CSR/Principle: Respecting the privacy of individuals and their personal data (3.1.1.2) Employee training on the Code of Conduct (3.4.1.3) HDS and ISO 27001 certification (3.4.1.4) Audits (3.4.1.4) SOC and CERT teams (3.4.1.4) Data Protection Officer (3.4.1.4) Data Protection Compliance Statement (3.4.1.4) Employee training and awareness-raising campaigns (3.4.1.4) Best practices IT Charter (France) (3.4.1.4) Privacy by Design	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers (3.1.1.2)	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report category: Rights and protection of individuals Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target to have 100% of employees trained by 2023 (3.4.1.3) Monitoring of cybersecurity awareness-raising campaigns Monitoring of alerts and reports Record of data processing activities Cybersecurity indicators and scorecard Regular Safety Committee meetings External audits (3.4.1.4)	Regular tier-3 controls carried out by internal audit with the support of cybersecurity specialists
HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	Risk related to a failure to respect the rights and dignity of vulnerable persons	Code of Conduct – Ethics and CSR/Principle: Respecting the rights and dignity of people (3.1.1.2) Employee training on the Code of Conduct (3.4.1.3) Preventive and corrective mistreatment protocol France (3.2.3.1) Ethics and positive treatment correspondents (3.2.3.1) Ethics Advisory Board (3.2.3.2)	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers (3.1.1.2)	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report categories: Rights and protection of individuals Abuse and quality of care (in France and at head office) Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform Mediation system: France, Austria, Italy, Belgium, Spain (3.2.1.2) Helpline for residents, patients and families in France (3.2.1.2)	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: 100% of employees trained by 2023 (3.4.1.3) Monitoring of the deployment of trained ethics and positive treatment correspondents (3.2.3.1)	% of the Group's facilities with an appointed and trained ethics/positive treatment correspondent (3.2.3.1)

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors	Whistleblowing system	Performance monitoring system	Performance indicators
HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	Labour-related tensions or conflicts and non-compliance with labour laws	Code of Conduct – Ethics and CSR/Principle: Promoting labour relations [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Global Partnership Agreement on Ethical Employment, Social Dialogue, Collective Bargaining and Trade Union Rights signed with UNI Global Union [3.3.3.1] European Works Council [3.3.3.1] Best practices Company agreement for the rebuilding of employee dialogue [France] [3.3.3.1] Contract and amendment templates	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2] Responsible Procurement Charter, appended to all calls for tender and contracts with global and multinational suppliers [3.4.2.4]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report category: Rights and protection of individuals Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 [3.4.1.3] Monitoring of the signature of the Responsible Procurement Charter [3.4.2.4] Monitoring of and provisioning for disputes	Number of reports received via the platform [3.4.1.3]
	Discrimination risk	Code of Conduct – Ethics and CSR/Principle: Promoting and respecting Equality, Diversity and Inclusion [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Best practices Disability best practices in France [3.3.5.3]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2] Responsible Procurement Charter, appended to all calls for tender and contracts with global and multinational suppliers [3.4.2.4]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report category: Discrimination, harassment, occupational health and safety Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 [3.4.1.3] Monitoring of the signature of the Responsible Procurement Charter [3.4.2.4] Monitoring of the internal promotion rate for women	Number of reports received via the platform [3.4.1.3] % of women promoted Disability: % of employees with disabilities

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors	Whistleblowing system	Performance monitoring system	Performance indicators
ENVIRONMENT	Risk related to failure to adapt to the consequences of climate change	Code of Conduct – Ethics and CSR/Principle: Limiting our environmental footprint [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Scorecard for projects integrating the Green Building Strategy and the EU Taxonomy Technical training and awareness-raising on sustainable construction [3.5.1.2] Environmental certification of buildings [3.5.1.3] Assessment of the ORPEA Group's carbon footprint by an external third-party in 2023 [3.5.2.1] Setting of a carbon pathway for Scope 1 and 2 emissions intensity in line with the Paris Agreements [3.5.2.3] Building design specifications incorporating ORPEA's Green Building Strategy and the EU Taxonomy, with a threshold for both energy and carbon performance [3.5.1.2] Physical climate risk analysis and adaptation plans for buildings under development [3.5.2.5] Climate risk study for new land acquisitions [3.5.2.5] Measures to combat urban heat islands [3.5.5.3] Bioclimatic construction for new buildings and major renovations [3.5.5.3] Crisis management and business continuity plans [3.2.1.5] Best practices Employee awareness-raising about eco-friendly behaviours [3.5.2.2]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2] Responsible Procurement Charter, appended to all calls for tender and contracts with global and multinational suppliers [3.4.2.4] EcoVadis or equivalent assessment of global and national suppliers, overseen by the Procurement department, including environmental sustainability compliance scorecards [3.4.2.5] Training of buyers in sustainable procurement practices and EcoVadis assessments [3.4.2.5] Building design specifications incorporating the Green Building Strategy and the EU Taxonomy, with a threshold for both energy and carbon performance [3.5.1.2] Environmental certification of buildings [3.5.1.3] Measures to combat urban heat islands [3.5.5.3]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report category: environmental protection Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 [3.4.1.3] Monitoring of the signature of the Responsible Procurement Charter [3.4.2.4] Monitoring of supplier assessments [3.4.2.5] Monitoring of the greenhouse gas emission intensity reduction pathway [3.5.2.3] Green Building Strategy reporting [3.5.1.2] Monitoring of technical training on sustainable construction Monitoring of the proportion of the real estate portfolio aligned with the EU Taxonomy [3.5.3] Monitoring of the proportion of construction projects under development aligned with the EU Taxonomy [3.5.3]	% reduction in carbon emissions intensity by 2025 and by 2030 for Scopes 1 and 2 [3.5.2.2]

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors	Whistleblowing system	Performance monitoring system	Performance indicators
ENVIRONMENT	Risk of environmental damage	Code of Conduct – Ethics and CSR/Principle: Limiting our environmental footprint [3.1.1.2] Employee training on the Code of Conduct [3.4.1.3] Energy audits, Energy Management System [3.5.2.2] Energy renovation plans [3.5.2.2] Design specifications to boost energy performance [3.5.1.2] Deployment of the Green Building Strategy in the design and construction specifications for new projects [3.5.1.2] Technical training and awareness-raising on sustainable construction [3.5.1.2] Environmental certification: energy, circular economy, biodiversity, pollution, etc. [3.5.1.3] Project scorecard integrating the Green Building Strategy and the EU Taxonomy/DNSH criteria Integration of biodiversity into design specifications Waste: optimised sorting and monitoring of production [3.5.5.1] Control of water consumption [3.5.5.2] Crisis management and business continuity plans [3.2.1.5] Best practices Employee awareness-raising about eco-friendly behaviours in France [3.5.2.2] Collection scheme for electronic waste (France, Belgium) [3.5.5.1] Biodiversity initiatives put in place by facilities [3.5.4]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.1.2] Responsible Procurement Charter, appended to all calls for tender and contracts with global and multinational suppliers [3.4.2.4] EcoVadis or equivalent assessment of global and national suppliers, overseen by the Procurement department, including environmental sustainability compliance scorecards [3.4.2.5] Training of buyers in sustainable procurement practices and EcoVadis assessments [3.4.2.5] Deployment of the Green Building Strategy in new project specifications [3.5.1.2] Environmental certification: energy, circular economy, biodiversity, pollution, etc. [3.5.1.3] Integration of biodiversity into design specifications Low-Pollution Worksite Charter [3.5.5.1]	ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports [3.4.1.3] Report category: environmental protection Best practices In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 [3.4.1.3] Monitoring of the signature of the Responsible Procurement Charter [3.4.2.4] Monitoring of supplier assessments [3.4.2.5] Monitoring of energy consumption [3.5.2.2] Monitoring of water consumption [3.5.5.2] Monitoring of waste production and collection [3.5.5.1] Green Building Strategy reporting [3.5.1.2] Best practices Initiatives to improve sorting at source (France, Belgium) [3.5.5.1]	% reduction in energy consumption per sq.m. by 2023 compared to 2019 [3.5.2.3] % reduction in energy consumption per sq.m. by 2025 compared to 2019 [3.5.2.3] % of sites in operation where Deepki has been rolled out [3.5.52] % of sites that have had an energy audit [3.5.2.2] % of new build or major renovation projects for buildings over 1,500 sq.m. developed by ORPEA, completed during the financial year, which include HQE or equivalent certification [3.5.1.3]

* *The whistleblowing platform is available in all Group countries except the United Arab Emirates and Croatia (under development in Croatia).*

3.7 GRI, SASB cross-reference tables

3.7.1 Global Reporting Initiative (GRI)

The Group has also included a cross-reference of the information in this Non-Financial Statement with the GRI standards. This is part of its commitment to provide transparent and relevant information on economic, environmental and social performance to the Group's stakeholders.

The standards presented below are applicable to all business sectors and represent the economic, social and environmental indicators for the Group's activity.

GRI

GRI reference	Topic	Relevant section of the URD
GENERAL INFORMATION		
1. The organisation and its reporting practices		
2-1	Organisational details	Introduction: Business model
		3.1.2 Aligning CSR governance with the Group's ongoing transformation
2-3	Reporting period, frequency and contact point	3.8 Methodological note
2-5	External insurance	3.9 Report of one of the Statutory Auditors appointed as an independent third party on the consolidated non-financial statement
2. Activities and workers		
2-7	Employees	3.3.2 Key figures: strengthening the workforce and its structure to ensure quality and continuity of care
		3.3.5.3 Promoting diversity and inclusion within the organisation
3. Governance		
2-9	Governance structure and composition	3.1.2 Aligning CSR governance with the Group's ongoing transformation
2-13	Delegation of responsibility for managing impacts	
2-15	Conflicts of interest	3.4.1.2 Updated Code of Conduct – Ethics and CSR
		3.4.1.3 Compliance with obligations under France's Sapin II law
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Introduction: Message from the Chairman
2-23	Policy commitments	3.1.1 Strategic challenges
		3.1.1.2 Code of Conduct – Ethics and CSR
		3.6 Duty of Care Plan
2-24	Embedding policy commitments	3.1.3 Improving Tomorrow 2020-2023 roadmap review
		3.6.2 Procedures for assessing, monitoring and mitigating risks
2-26	Mechanisms for seeking advice and raising concerns	3.4.1.3 Compliance with obligations under France's Sapin II law
		3.2.3.1 Challenges relating to medical and care ethics
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	3.1.5 Adopting a new CSR strategy
2-30	Collective bargaining	3.3.3 Renewing labour relations, involving employees

SPECIFIC STANDARDS

GRI reference	Standard	Topic	Relevant section of the URD
GRI 200: ECONOMIC TOPICS			
205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	3.4.1.3 Compliance with obligations under France's Sapin II law
GRI 300: ENVIRONMENT			
302: Energy	302-1	Energy consumption within the organisation	3.5.2.1 Measuring greenhouse gas emissions
	302-2	Energy consumption outside of the organisation	3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 and 2)
	302-3	Energy intensity	
	302-4	Reducing energy consumption	
303: Water and effluents	303-5	Water consumption	3.5.5.2 Controlling water consumption
305: Emissions	305-1	Direct (Scope 1) GHG emissions	3.5.2.1 Measuring greenhouse gas emissions
	305-2	Indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 and 2)
			3.5.2.3 Setting a pathway aligned with the Paris Agreement for Scopes 1 and 2 by 2050
			3.5.2.4 Reducing indirect Scope 3 CO_2 emissions
306: Waste	306-1	Waste generation and significant waste-related impacts	3.5.5.1 Waste and the circular economy
	306-3	Waste generated	
308: Supplier environmental assessment	308-1	New suppliers analysed using environmental criteria	3.4.2.5 Supplier referencing and assessment
GRI 400: SOCIAL TOPICS			
401: Employment	401-1	New employee hires and employee turnover	3.3.5.1 Using proactive policies to attract and recruit tomorrow's talent
			3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being
403: Occupational health and safety	403-5	Worker training on occupational health and safety	3.3.4.1 Promoting safety at work and preventing work-related risks
	403-9	Work-related injuries	
404: Training and education	404-1	Average hours of training per year per employee	3.3.5.2 Retaining and integrating talent: skills development, employability and careers in a learning organisation
405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	3.3.5.3 Promoting diversity and inclusion within the organisation
413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	3.4.3.1 Actively contribute to the development of medical and care knowledge for patients, residents and staff
			3.4.3.2 Supporting the innovation process to change practices
			3.4.4 Local responsibility
416: User health & safety	416-1	Assessment of the health and safety impacts of product and service categories	3.2.1.3 A quality management system based on international standards
417: Marketing and labelling	417-1	Requirements for product and service information and labelling	3.2.1.3 A quality management system based on international standards

3.7.2 Sustainability Accounting Standards Board (SASB)

The Group has also included cross-referencing of the information in this Non-Financial Statement with the SASB healthcare provision standards. This is part of its commitment to provide transparent and relevant information on economic, environmental and social performance to the Group's stakeholders.

SASB

Indicator	Code	Unit of measurement	Relevant section of the report
ENERGY MANAGEMENT			
Total energy consumed	HC-DY-130a.1	Gigajoules (GJ)	3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 and 2)
Percentage of renewable energy		%	
WASTE MANAGEMENT			
Total quantity of medical waste, percentage (a) incinerated, (b) recycled or treated, (c) landfilled	HC-DY-150a.1	Tonnes	3.5.5.1 Waste and the circular economy
PATIENT PRIVACY & ELECTRONIC HEALTH RECORDS			
Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information	HC-DY-320a.2	N/A	3.4.1.4 Data protection and cybersecurity
QUALITY OF CARE & PATIENT SATISFACTION			
Number of serious reportable events as defined by the National Quality Forum	HC-DY-250a.2	Number	3.2.1.6 Handling safety events
EMPLOYEE HEALTH & SAFETY			
Work-related accident frequency rate and rate of days of absence and days of work curtailed or transferred	HC-DY-320a.1	N/A	3.3.4.1 Promoting safety at work and preventing work-related risks
EMPLOYEE RECRUITMENT, DEVELOPMENT AND RETENTION			
Voluntary and involuntary turnover rate for: physicians, non-physician healthcare practitioners, and all other employees	HC-DY-330a.1	N/A	3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being
Description of talent recruitment and retention efforts for healthcare practitioners	HC-DY-330a.2	N/A	3.3.5 Promoting care professions and offering an attractive employee experience at a learning organisation
CLIMATE CHANGE IMPACTS ON HUMAN HEALTH & INFRASTRUCTURE			
Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases associated with climate change	HC-DY-450a.1	N/A	3.5.2.5 Implementing a climate resilience strategy

3.8 Methodological note

Reporting guidelines

To ensure the consistency and reliability of the indicators monitored in all of its entities, the Group has implemented a common social and environmental reporting framework specifying the methodologies to be used for reporting the different indicators for the entire Group, consisting of definition, calculation method and calculation unit. The Corporate Human Resources, Construction-Maintenance, Procurement, Research, Innovation, Quality and CSR departments ensure that the indicators are properly understood by their country correspondents.

The data reported in this Non-Financial Statement is for the calendar year 2023, from 1 January to 31 December, with the exception of waste data for France which is reported for the period from 1 November 2022 to 31 October 2023. Data is reported annually or every six months, depending on the indicator. Similarly, depending on the indicator, data is reported by country, by facility or directly by head office on a centralised basis.

For 2023, ORPEA complied with its non-financial reporting obligations pursuant to the framework set out in the Decree dated 9 August 2017, transposing the European NFRD (Non-Financial Reporting Directive) into French law.

In 2024, ORPEA's non-financial reporting will be aligned with the requirements of the CSRD published in the Official Journal of the European Union on 16 December 2022 and transposed into French law on 6 December 2023.

Scope of consolidation

As a matter of principle, social and environmental data are consolidated for all Group entities and facilities as soon as they are fully consolidated regardless of their areas of activity (nursing homes, etc.).

Unless otherwise specified, the data are consolidated by geographical area in line with the other information in the Universal Registration Document. The countries are broken down by geographical area as follows:

- France-Benelux-UK-Ireland: France, the Netherlands, Belgium, Luxembourg, Ireland and the United Kingdom;
- Central Europe: Germany, Italy and Switzerland;
- Eastern Europe: Austria, the Czech Republic, Poland, Slovenia, and Croatia;
- Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Mexico and Uruguay;
- Other countries: United Arab Emirates and China.

Quality indicators

Complaints

Complaints are considered critical when the issue they refer to seems credible, is serious or is likely to persist or develop. It therefore represents an ongoing risk to the safety of patients and the quality of care provided within the organisation, a legal risk, or an impact on the reputation of the facility or the Group. Critical complaints may include: (i) a complaint related to a sentinel event; (ii) complaints received from government or regional agencies responsible for healthcare quality.

ORPEA calculates the ratio of the number of critical complaints to the number of residents/patients during the year (in %) and the ratio of the number of critical complaints to the number of days invoiced.

In order to align all our indicators with those used in the sector, and to provide a more accurate representation of the impact of critical complaints on our operations, from 2024 onwards, the rate will be based exclusively on the number of days.

Complaints are recorded for all activities and all countries except the United Arab Emirates, Luxembourg and the Dagelijks Leven entity in the Netherlands.

Satisfaction

The Net Promoter Score (**NPS**) is the percentage of customers who rate their likelihood of recommending a company, product or service to a friend or colleague as 9 or 10 ("promoters") minus the percentage who rate their likelihood as 6 or less ("detractors") on a scale of 0 to 10. Respondents who give a score of 7 or 8 are called "passive" and are included in the calculation of the overall percentage. The result of the calculation is expressed without the percentage sign.

The **overall satisfaction rate** is calculated by adding the responses "very satisfied" and "satisfied", divided by the total number of responses, expressed as a percentage.

The **response rate** is calculated as the number of surveys received divided by the number of surveys sent.

Hospital satisfaction surveys concern countries with hospitals, excluding the United Arab Emirates, Brazil and the Netherlands. The survey does not cover hospitals' outpatient activity.

Satisfaction surveys for nursing homes cover all countries with nursing homes, with the exception of Dagelijks Leven in the Netherlands and the Danuvius facility in Germany.

Satisfaction surveys conducted for home care activities concern the Domidom and Adhap activities in France. Home care activities in the Netherlands, Austria and Switzerland are not included in the survey. The satisfaction rate for home care activities is calculated on the basis of general services. The rate is defined by the weighted average of "satisfactory" and "very satisfactory" responses in relation to the number of responses for Adhap and Domidom.

Ethics and positive treatment correspondents

$$\frac{\text{Number of facilities with an ethics and positive treatment correspondent}}{\text{Total number of facilities included in the scope}} \times 100$$

- All facilities that have been in the scope for more than one year are included in this indicator. Facilities in Luxembourg, the Dagelijks Leven entity in the Netherlands, the Clinea entity in Switzerland and the United Arab Emirates are excluded from the reporting scope.
- To qualify as an ethics and positive treatment correspondent, the person concerned must (i) be officially appointed with an engagement letter, (ii) have been given training, (iii) ensure the implementation of best practices, and (iv) develop a culture of positive treatment and ethical reflection within each facility.

Dialogue with families

$$\frac{\text{Number of countries that have deployed a solution to strengthen dialogue with families and/or user associations}}{\text{Total number of countries included in the scope}} \times 100$$

- All countries within the Group's financial scope are included in this indicator, with the exception of Luxembourg and the United Arab Emirates. Dagelijks Leven in the Netherlands is excluded.
- Solutions to strengthen dialogue are defined as:
  - digital communication tools (e.g., an app),
  - regular meetings (at least twice a year) with families, with an agenda and minutes,
  - agreements with associations representing users or families,
  - family and/or user representative focus groups on specific topics (e.g., nutrition or hygiene),
  - mediation available to families,
  - a telephone helpline for families.

Certification of facilities

$$\frac{\text{Number of facilities certified}}{\text{Total number of facilities included in the scope}} \times 100$$

- All facilities within the Group's financial reporting scope opened or acquired more than two years ago are included in the indicator, with the exception of facilities in Luxembourg, Dagelijks Leven in the Netherlands and the United Arab Emirates.
- Certifications must be issued by an external organisation and must be at least equivalent to ISO 9001 certification.

Sentinel events

Sentinel events include:

- Events affecting a patient or resident (not primarily related to the natural development of their underlying illness or condition) which result in any of the following:
  a) death,
  b) permanent injury,
  c) serious temporary harm.
- Any other event that the applicable law or regulations require to be added to the list of sentinel events, or that the country concerned considers should be added to said list.

ORPEA calculates the ratio of sentinel events to the number of residents/patients during the year (in %). From 2024, the rate will be calculated by dividing by the number of days.

The reporting scope for sentinel events covers all countries except Luxembourg, Dagelijks Leven in the Netherlands and the United Arab Emirates. Sentinel events in home care and services are included for Switzerland and the Netherlands and excluded for France.

Catering Charter

The priority commitments of the Catering Charter are as follows in relation to nutrition, food safety and the environmental footprint:

- voluntary commitment n°1: detecting and managing the risk of malnutrition as early and as effectively as possible;
- voluntary commitment n°2: guaranteeing food safety;
- voluntary commitment n°9: reducing our environmental footprint, by fighting food waste, and limiting our energy consumption and water use.

Data from China, Luxembourg, Mexico, Uruguay and the United Arab Emirates are excluded.

Average number of residents

The average number of patients/residents is the average over the year of the number of patients/residents present in the Group's financially consolidated facilities.

Employment indicators

Scope of consolidation

Each country provides raw data from their payroll software and the tracking tables that they complete as part of their own processes. In order to reduce calculation risks, the indicators are consolidated and calculated by the Corporate teams and double-checked using the CSR Platform tool.

The methods relating to certain social indicators may have limitations owing largely to the absence of internationally accepted definitions for such concepts as the various types of employment contracts or the practical means by which information is collected and entered. Accordingly, the methodologies used for certain indicators or related margins of uncertainty are specified, when possible.

Concerning training, although training is provided in all countries, for some countries the monitoring of the related data needs to be reinforced, both in terms of consolidation and reliability, in order for it to be effectively used.

HR indicators are consolidated for all countries except China, Luxembourg, Mexico, the United Arab Emirates and Uruguay.

Workforce

The workforce is calculated for all countries on the basis of the total workforce on the payroll at 31 December of the relevant year. A person with several contracts in X facilities will be counted X times. Home care services are excluded for France.

An exception is made for Poland, where "civil contracts" (*umowa cywilnoprawna*) are very common and are therefore included. Interns, apprentices and those on other professional training courses are included in the workforce when they are listed on the payroll.

Type of contract

Contracts for which no end date is defined in advance are considered to be permanent.

Fixed-term contracts are contracts for which an end date is defined when the employment contract is signed.

The local definition of a permanent contract is used where appropriate, including, for example, the concept of on-demand permanent contracts (Switzerland) but excluding the concept of undefined-term replacement contracts (Belgium).

Working hours

For all countries, employees whose contractual working hours are equivalent to the statutory working hours applicable are considered full-time (the number of contractual hours is counted). Statutory working hours differ from one country to another and sometimes from one geographical area or one function to another. Specific conditions for the Senevita entity and Swiss hospitals: "on-demand permanent contracts" are considered to be part-time.

Staffing ratio

The staffing ratio is calculated using the following formula:

$$\textit{Staffing ratio} = \frac{\textit{FTE}}{\textit{Average number of residents during the month}}$$

FTEs include all facility staff (including administrative staff). However, headquarters employees are excluded.

The category of care staff includes the following: Doctor/Care/Therapy and Paramedical/Pharmacist.

In the case of assisted-living facilities attached to nursing homes, the residents accommodated there are only taken into account in the ratio of "non-care" staff.

Increasing the number of women in top management

The Group's top management positions correspond to the Group Chief Executive Officer, the Group's department heads (Directors for Medical, Finance/Procurement/IT, Human Resources, Communication, Quality and CSR, Real Estate) and the people who report directly to them, as well as other senior executives including COOs, Medical Directors, CFOs and Human Resources Directors of the main countries. As announced in the 2022 Universal Registration Document, the organisation of Top Management changed in 2023 and the proportion of women calculated in 2023 relates to a different population than in 2022. The proportion of women is calculated for Executive Committee members, their direct reports with the title of director, the country CEOs and their direct reports with the title of Director or Head of. This population is now referred to as the Management Team.

Recruitment

Permanent contracts signed between 1 January and 31 December, including (with the exception of the Netherlands) permanent contracts signed following a fixed-term contract (also called "internal switches") are taken into account.

This method includes all new hires who sign a permanent contract during that period, even though they may already have left during that period for whatever reason, such as at the end of a probationary period, resignation, dismissal, etc.

Recruitment rate, departure rate and turnover rate

The formulas used are as follows:

$$\textit{Recruitment rate} = \frac{\textit{Number of new permanent contracts signed over the reporting period}}{\textit{Permanent staff at 1 January of the relevant year}}$$

$$\textit{Departure rate} = \frac{\textit{Number of permanent contracts terminated during the reporting period}}{\textit{Permanent staff at 1 January of the relevant year}}$$

$$\textit{Turnover rate} = \frac{\textit{Recruitment rate + Departure rate}}{2}$$

During the consolidation, a headcount-weighted average is calculated.

Absences and absenteeism rate

Absences counted (in hours or in days) solely reflect work-related illness and accidents (whether or not the employee continues to receive pay).

Specific conditions for the Senevita entity (Switzerland): Spitex does not report hours of absence due to the nature of the employees' contracts (on-demand permanent).

To calculate the absenteeism rate, the days of absence are converted into hours using the following method:

- number of calendar days of listed absence/7 (days per week) x 5 (weekdays) x local statutory number of daily work hours on a full-time basis (i.e., x 8 when the working week is 40 hours);
- number of work days of listed absence x local statutory number of daily work hours on a full-time basis (i.e., x 8 when the working week is 40 hours).

The formula used to calculate the absenteeism rate is as follows (except for Brazil, France, Germany and Switzerland):

$$\frac{\text{Number of hours of absence due to work-related illness or accident}}{\text{Number of hours worked}}$$

For Brazil, France, Germany and Switzerland, the formula used is as follows: Number of hours of absence due to work-related illness or accident/Number of hours paid.

In the case of consolidation by financial block or full consolidation, a headcount-weighted average is calculated.

Work-related accidents

Frequency rate

$$\frac{\text{Number of work-related accidents with at least one day's absence from work}}{\text{Number of hours worked}} \times 1{,}000{,}000$$

- A work-related accident is any accident that occurs at the workplace or on the way to or from work that results in at least one day of absence from work.
- As data on "hours worked" is not available for some countries, the formula was applied based on "hours paid".

Severity rate

$$\frac{\text{Number of days lost due to work-related accidents}}{\text{Number of hours worked}} \times 1{,}000$$

- The number of days lost is the number stated on the accident report (in calendar days).
- As data on "hours worked" is not available for some countries, the formula was applied based on "hours paid".

Remuneration

This figure reflects the total amount of gross fixed and bonus remuneration charged (i.e., including employee and employer social security contributions) and includes all types of benefits.

The exchange rates used against the euro are as follows:

Switzerland	0.972
Poland	4.540
Czech Republic	24.007
Brazil	5.339
United Kingdom	0.870

Training

The overall figure disclosed reflects the number of hours of training provided to employees during the relevant year, including mini-training sessions. Training sessions given that are held but not formalised (attendance record, counting) are not taken into account. When the data are provided in days, they are converted into hours using the same formula as for absenteeism.

In France, "open" training hours that will be provided after 31 December are also counted when they are part of a training course leading to a recognised qualification that began during the current year. With the exception of the above-mentioned "open" training courses, training hours are calculated on the basis of the actual hours provided. As a result, in some countries, including France, for courses lasting several years all of the training hours are recorded in a single year.

In France, home care services are excluded.

Increasing internal promotion

Internal promotion refers to a regional director, facility director or head nurse who has been promoted to that position after having held another post within the organisation with a lower level of responsibility. A lower level of responsibility means either that the employee was at a lower hierarchical level in the organisation (e.g., from nurse to head nurse) or that the employee's scope of responsibility increased (e.g., from director of a 50-bed facility to director of a 100-bed facility).

The internal promotion rate is calculated based on how many regional directors, facility directors and head nurses on permanent contracts and present on 31 December had previously held a post at a lower level of responsibility. Monitoring is carried out in relation to the Group's job description references.

% of employees with permanent contracts who obtained a diploma and/or certificate

$$\frac{\text{Number of employees on permanent contracts at 31/12/2023 who have benefited, thanks to the Company, from at least one training course leading to a certificate or diploma between 1 January and 31 December 2023}}{\text{Total number of employees in the scope on permanent contracts at 31/12/2023}} \times 100$$

A diploma is considered to be an official document issued by a body outside the company and which certifies skills recognised by national or regional authorities.

Being certified means that the employee has received "certified training" which means that the employee is proficient in certain specific professional skills. This training is delivered by an external organisation with an individual training certificate, or is set up and monitored internally.

In the case of "internal certification", several conditions must be met: (i) the trainer must have obtained official approval in line with local regulations and/or have been selected internally as having the capacity to provide training (because of their profession and/or diploma), (ii) the trainer must have received "trainer training", (iii) the training must include specific content/materials with a defined target audience and, (iv) the trainee must receive an individual certificate of training completion.

Only employees with permanent contracts are taken into account when calculating this indicator. Employees in Belgium are not included in the calculation of this indicator.

Indicators of a responsible corporate citizen committed to its communities

Code of Conduct – Ethics and CSR

$$\frac{\textit{Number of employees trained on the Code of Conduct – Ethics and CSR within the scope since the launch of the Code of Conduct – Ethics and CSR}}{\textit{Total number of employees in the scope}} \times 100$$

This indicator is calculated over the same scope as HR data. Reporting does not include data from China, the United Arab Emirates, Luxembourg, Mexico and Uruguay.

Number of reports

At the end of 2023, the Group's whistleblowing platform became available in all Group countries except the United Arab Emirates and Croatia (currently under development in Croatia).

Research partnerships

$$\frac{\textit{Number of host countries that have signed a research partnership with a renowned university}}{\textit{Total number of countries in the scope}} \times 100$$

- All countries within the Group's financial scope of consolidation for more than two years are included in this indicator (France, Belgium, the Netherlands, Ireland, the United Kingdom, Luxembourg, Germany, Italy, Switzerland, Austria, Poland, the Czech Republic, Slovenia, Croatia, Spain, Portugal, Brazil, Uruguay, Mexico and China).
- The renowned university must be among the country's top 10 universities as per the 2023 Shanghai Ranking; three types of partnerships can be signed with a university: training, innovation or research (e.g., to create a new diploma or a new profession; to create and reflect on a prototype; to publish scientific articles; to organise training symposiums or medical conferences; or to test an innovation in a laboratory or in the field in the Group's facilities).

Percentage of suppliers who have signed the Responsible Procurement Charter

$$\frac{\textit{Number of listed suppliers (global, multinational, national and regional) having signed the Group's Responsible Procurement Charter}}{\textit{Total number of listed suppliers (global, multinational, national and regional)}} \times 100$$

- Data from China, Luxembourg, Mexico, Uruguay, the United Arab Emirates, the Swiss entity Clinea, Brazil and the Netherlands are excluded.

CSR assessments during the call for tender process

$$\frac{\textit{Number of global and national calls for tender during the reporting period where the supplier's CSR performance was taken into account in the selection process}}{\textit{Total number of calls for tender during the period}} \times 100$$

- Data from China, Luxembourg, Mexico, Uruguay, the United Arab Emirates, the Swiss entity Clinea, Brazil and the Netherlands are excluded.

Well-being innovation programmes

$$\frac{\textit{Number of countries that have deployed at least one well-being programme from the Corporate Innovation roadmap}}{\textit{Total number of countries in the scope}} \times 100$$

- All countries that have been in the Group's financial scope for more than two years are included in this indicator (France, Belgium, the Netherlands, Ireland, the United Kingdom, Luxembourg, Germany, Italy, Switzerland, Austria, Poland, the Czech Republic, Slovenia, Croatia, Spain, Portugal, Brazil, Uruguay, Mexico and China).
- A programme is considered deployed if it is active in at least 20% of a given country's facilities; a well-being programme is defined as an innovation that contributes to achieving at least one of the following criteria: maintaining independence, promoting social interaction or stimulating the five senses.

Solidarity initiatives

$$\frac{\textit{Number of facilities that carried out at least one solidarity initiative during the reporting period}}{\textit{Total number of facilities}} \times 100$$

- All facilities in service at the end of 2023 are included in this indicator, with the exception of facilities in the United Arab Emirates, China, Luxembourg, Mexico and Uruguay.
- A solidarity initiative is defined as an action that is intended to provide assistance to mentally or physically disadvantaged people or to protect the environment. Solidarity initiatives are carried out on a not-for-profit basis and must in no way contribute to ORPEA's profit or influence. The initiative must involve a donation, which can take one of the following forms:
  - financial support (more than €100 paid to a non-profit organisation through a simple donation or through a fundraising activity such as a fun run or a charity sale),
  - an in-kind donation (donations of clothing, goods made by residents or staff, medical items, furniture or computer equipment, etc.),
  - the donation of time (hosting refugees, cleaning beaches, creating items for a specific humanitarian cause, or hosting elderly people for a Christmas dinner or during a heat wave, etc.).

Environmental indicators

Environmental indicators are either calculated on an annual basis (for example, CO_2 emissions) or reported monthly (for example, water consumption).

Energy and water consumption

Energy consumption is reported for the Group's active facilities. Sites opened or closed during the reporting year, outpatient hospitals and head offices, as well as sites for which data is non-existent or not very robust, are excluded from the reporting. This data is reported for 959 of the 1,062 sites. The consumption taken into account is electricity consumption and consumption related to heating (gas, oil, district heating, wood, electricity, heat pumps, pellets).

CO_2 emissions

CO_2 emissions are calculated using the GHG Protocol methodology, with the exception of fixed assets, for which emissions are calculated using the Bilan Carbone® methodology.

Data relating to the sites' energy consumption represents approximately 83% of the Group's Scope 1 and 2 emissions. Other emissions correspond to those generated by air conditioning (excluding energy) and by vehicles owned by the Group (business travel).

Scope 1 emissions include emissions related to energy consumption, refrigerant leakage and the fuel consumption of vehicles owned by ORPEA.

Scope 2 emissions take into account emissions related to electricity consumption and heating and cooling networks.

Scope 3 emissions correspond to emissions related to the purchase of products and services (including transport for the purchase of small items of medical equipment), fixed assets, waste treatment, business travel, commuting, travel by visitors and residents, and emissions related to energy consumption that have not yet been included in Scope 1 and 2 emissions.

When the input data is not available, the data is estimated.

The coefficients used for the calculations are taken from the IEA (for emissions related to electricity consumption outside France), ADEME and EcoInvent. Data for 2022 has been recalculated using the IEA factors, ensuring a better comparison of emissions.

For Scope 2 emissions related to electricity, the following emissions factors have been applied:

Country	In kg CO_2eq./kWh
Germany	0.381
Italy	0.331
Switzerland	0.035
Austria	0.111
Croatia	0.205
Czech Republic	0.450
United Kingdom	0.238
Luxembourg	0.105
Poland	0.662
Slovenia	0.231
Belgium	0.138
France	0.052
Ireland	0.291
Netherlands	0.268
Brazil	0.106
Mexico	0.475
Portugal	0.166
Spain	0.174
Uruguay	0.149
China	0.586

For heating, the following emissions factors have been applied:

- for fuel oil, a conversion factor of 0.346 kg CO_2eq./kWh PCS was applied for all countries;
- for natural gas, a conversion factor of 0.213 kg CO_2eq./kWh PCS was applied for all countries;
- for propane gas, a conversion factor of 0.292 kg CO_2eq./kWh PCS was applied for all countries;
- for wood, a conversion factor of 0.032 kg CO_2eq./kWh PCI was applied for all subsidiaries;
- for wood pellets, a conversion factor of 0.011 kg CO_2eq./kWh PCI was applied for all countries;
- for district heating, a conversion factor of 0.222 kg CO_2eq./kWh PCI was applied for all countries.

Waste management

In 2023, the Group's waste production analysis provided a measurement of ordinary waste in 14 countries (France, Belgium, Ireland, the Netherlands, Germany, Croatia, Poland, Portugal, the Czech Republic, the United Kingdom, Slovenia, Switzerland, Austria and Spain), representing 95% of the Group's scope. Volumes of potentially infectious medical waste (PIMW) collected could be reliably measured in 14 countries (France, Belgium, Italy, Portugal, Spain, Germany, Croatia, Poland, Slovenia, Austria, the Netherlands with the exception of Dagelijks Leven, the United Kingdom, Switzerland for Clinea and the Czech Republic) and waste disposal methods (ordinary and potentially infectious waste combined) could be reliably measured in eight countries (Belgium, France, the United Kingdom, Poland, the Czech Republic, Croatia, Slovenia and Portugal), representing 80% and 46% of the Group's scope respectively.

The quantities of waste reported for ordinary waste correspond to total residual household waste, recyclable materials and biowaste.

Data is calculated on the basis of invoices provided by the authorised service provider(s). This invoicing is subject to consistency checks by the administrative headquarters of the relevant geographical areas.

Details for France

The France scope in relation to waste and waste management included 397 ORPEA sites in 2023: 228 nursing homes and seven assisted-living facilities; 127 hospitals; 33 home care service agencies; and two other sites (headquarters and training institute). The data aggregation and reporting methodology used by the Group is intended to present the most recent and accurate data possible. The waste register for France runs from 1 November of the prior year to 31 October of the current year to ensure that the data is as accurate as possible. It is based on the following:

Data source

In compliance with the applicable regulations, quantities must be presented in mass (kg) or volume (litres). The following data sources were used, from the most to the least qualitative:

- current-year register: quantity indicated in the waste register and recorded directly in the client's waste register;
- estimate: calculation made when no quantity has been reported (see methodology for estimating quantities).

Accuracy of estimates – type of inputs used

- extrapolation: when data is partially reported by a service provider, an extrapolation is made on the data available from the facility (if >50%) or on the data available from other facilities;
- prior-year register: when a service provider has not reported any data in the current year;
- estimate based on the amount of waste recovery tax or duties: when no data has been reported by a service provider in the current or prior year;
- estimate based on surface area: when a service provider has not reported any data in the current or prior year and where there is no known amount of waste recovery tax or duties.

Treatment codes

The waste treatment codes used are those in Annexes I and II of Directive 2008/98/EC ranging from D1 to D15 for disposal operations and from R1 to R13 for recovery operations. Treatment codes can be adjusted if data is not available or of poor quality. The data is analysed using a methodology based on the waste management service provider's local knowledge. This has become more accurate over the years.

For example:

1. household waste:
   a) public: incineration with energy recovery (R1),
   b) private: landfill (D13);
2. recyclable waste: material recovery (R5);
3. biowaste: recovery of organic substances (R3);
4. PIMW: landfill (D9).

For clarity, these treatment codes have been aggregated into the following categories: material recovery, organic recovery, energy recovery and landfill.

The codes included in each category are as follows:

- Material recovery: R2, R4 to R13;
- Organic recovery: R3;
- Energy recovery: R1;
- Landfill: D1 to D15.

In France, PIMW tonnages are calculated on the basis of waste registers. A main service provider handles this waste for 337 facilities. For facilities using a different service provider (17 facilities, i.e., nearly 5% of the total number of facilities in France reporting waste), the same methodology was applied.

For the quantities collected (data provided in kg or litres), the following conversion rates are used:

- household waste: 77 kg/1,000 l (0.077);
- recycled waste: 42 kg/1,000 l (0.042);
- organic waste: 450 kg/1,000 l (0.45);
- infectious waste: 300 kg/1,000 l (0.3). Note that in line with ADEME recommendations, the 0.042 conversion rate for infectious waste applied in 2022 was updated in 2023 and a 0.30 conversion rate was applied in 2023.

Percentage of new-build or major renovation projects completed during the financial year incorporating HQE or equivalent certification

The projects taken into account are buildings of more than 1,500 sq.m. developed by ORPEA, completed during the financial year and incorporating HQE, LEED, BREEAM, DGNB or GPR certification. Only projects for which the first Development Committee meeting took place after 2021 are taken into account.

3.9 Report of one of the Statutory Auditors appointed as an independent third party on the consolidated non-financial statement

Year ended 31 December 2023

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders of ORPEA,

In our capacity as Statutory Auditor of your Company (hereafter the "entity"), appointed as an independent third party ("third party") and accredited by the French Accreditation Committee (COFRAC) under number 3-1886 (whose scope is available at www.cofrac.fr), we have carried out work to provide a reasoned opinion expressing a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement (hereinafter the "Information" and the "Statement"), prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2023, included in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

Conclusion

Based on our work, as described in the "Nature and scope of our work" section, and the information collected, no material misstatement has come to our attention that causes us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Comments

Without qualifying our conclusion and in accordance with Article A. 225-3 of the French Commercial Code, we have the following comments:

- The "Number of hours of training" indicator is subject to uncertainty inherent in the reporting method selected, particularly with regards to France, because, as stated in the methodological note to the Statement, the hours of training planned over several years are recorded in full in the first year of training. In addition, the indicator "% of employees who obtained a diploma and/or certificate" has been revised to "% of employees who received training leading to a certificate or diploma".
- As indicated in a footnote to the Declaration, given there is no common rule for obtaining consistent and reliable consolidated data, the reporting scope relating to PIMW (potentially infectious medical waste) is restricted to France.

Preparation of the Statement

In the absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of the Information, different but acceptable measurement techniques may be used, which may affect comparability between entities and over time.

The Information should therefore be read and understood with reference to the Guidelines, the significant elements of which are set out in the Statement and available upon request from the entity's head office.

Limitations inherent in the preparation of the Information

The Information may be subject to uncertainty due to the state of scientific or economic understanding and the quality of external data used. Some information may be sensitive to the methodological choices, assumptions or estimates made in preparing the Information presented in the Statement.

The entity's responsibility

It is the responsibility of Management:

- to select or establish appropriate criteria for the preparation of the information;
- to prepare a Statement in line with the legal and regulatory provisions, incorporating a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented to address those risks and the outcomes of those policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- to prepare the Statement by applying the entity's Guidelines as mentioned above;
- to implement the internal controls that it deems necessary to prepare information that does not contain any material misstatements, whether due to fraud or error.

The Statement was drawn up by the entity's CSR and Quality department.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes of the policies, including key performance indicators, and measures implemented in light of the principal risks (the "Information").

As it is our responsibility to form an independent conclusion on the Information as prepared by Management, we are not permitted to be involved in the preparation of this Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular regarding the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the French duty of care (*devoir de vigilance*) law and anti-corruption and tax evasion legislation;
- the fairness of the information provided pursuant to Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, our audit programme based on our own procedures and with the professional standards applicable in France to such engagements, in particular the technical opinion of the *Compagnie nationale des Commissaires aux comptes* "Intervention du Commissaire aux comptes – Intervention de l'OTI – Déclaration de performance extra-financière" serving as the audit programme, as well as with the ISAE 3000 standard (revised).

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and the code of ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Means and resources

Our work was carried out by a team of five people between January and April 2024 and took a total of 13 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted ten interviews with the persons responsible for preparing the Statement. The following departments were involved in the audit: CSR and Quality department, Human Resources department, Legal department, Construction and Property technical department, and the Audit, Risk and Compliance department.

Nature and scope of the work

We planned and carried out our work taking into account the risks of material misstatement of the Information.

We believe that the work we performed by exercising our professional judgement allows us to express a limited assurance conclusion.

- We reviewed all the companies included in the scope of consolidation and the presentation of the principal risks.
- We assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, impartiality and clarity, taking into consideration, where relevant, industry best practice.
- We verified that the Statement covers each information category provided for in Article L. 225-102-1 of the French Commercial Code with regard to social and environmental responsibility and respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation of the ground justifying the absence of information required under the second paragraph of Article L. 225-102-1 III of the French Commercial Code.
- We verified that the Statement includes the information required under II of Article R. 225-105 of the French Commercial Code, where such information is relevant to the principal risks.
- We verified that the Statement presents the business model and a description of the principal risks related to the business activities of all entities included in the scope of consolidation, including where appropriate and proportionate, the risk factors arising from their business relationships, products and services, as well as their policies, measures and the outcomes thereof, including key performance indicators with respect to the principal risks.

- Where applicable, we verified that the Statement includes a clear and reasoned explanation of the grounds for the absence of a policy concerning one or more of these risks in accordance with I of Article R. 225-105.
- We consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the principal risks as well as the consistency of the outcomes, including the key performance indicators selected, with respect to the principal risks and policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1]. For some Information, our work was carried out at the level of the consolidating entity; for other information, our work was carried out at the level of the consolidating entity and in a selection of entities.
- We verified that the Statement encompasses the whole consolidated scope, i.e., all the businesses included in the scope of consolidation pursuant to Article L. 233-16, with the restrictions stipulated in the Statement.
- We reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process to ensure the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[2] that we considered to be the most important, we implemented:
  - analytical procedures to verify that the data compiled was consolidated correctly and that any changes were coherent;
  - tests of details using sampling or other selection methods, which consisted in verifying the proper application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities[3] and covered between 11% and all of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement based on our knowledge of the entities included in the scope of consolidation.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with French professional standards; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 3 May 2024

One of the Statutory Auditors,

Deloitte & Associés

Damien Leurent
Partner

Erwan Harscoet
Partner

(1) Implementation of measures to overhaul labour relations; overhaul of the training courses; launch of measures to better involve residents, patients and their families in the life of the facilities; a protocol to prevent the risk of mistreatment in France; the Green Building Strategy.

(2) HR and health and safety information: Workforce at 31 December 2023 and breakdown by contract (permanent or fixed-term) and by full-time and part-time staff; Permanent contract recruitment; Number of hours of absence; Turnover rate; Number of work-related accidents with lost time; Number of days lost due to work-related accidents; Number of hours worked; Frequency rate; Total staffing ratio; Number of hours of training; Percentage of employees who obtained a diploma or certification.

Environmental information: Group electricity consumption; Group heating consumption; Group water consumption; Scopes 1 and 2 greenhouse gas emissions; Quantity of Potentially Infectious Medical Waste (PIMW).

Quality information: Overall satisfaction rate (nursing homes, hospitals, home care services); Critical complaints rate (previous definition); Sentinel events rate.

(3) For HR and quality information: ORPEA France and ORPEA Austria.
For environmental information: ORPEA Germany and ORPEA Austria.

Appendix: Cross-reference table for the Non-Financial Statement

The cross-reference table below highlights the information constituting the Non-Financial Statement pursuant to Articles L. 225-102-1, L. 225-102-2, R. 225-104 and R. 225-105 of the French Commercial Code and references the pages of this Universal Registration Document.

The Group refers to the European Commission's Guidelines on non-financial reporting (2017/C/215/01) and its Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 2019/01).

Heading		Chapter(s)	Page(s)
1	Business model	Introduction	22-23
2	Description of the main risks associated with the Company's or the Group's business, including, where relevant and proportionate, the risks created by business relationships, products or services	3	167-173
3	Information on the effects of the business on respect for human rights and the fight against corruption and tax evasion, and the way in which the Company or the Group takes into account the social and environmental consequences of its business (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks arising from the Company's or the Group's business)	3	71-187
4	Results of the policies applied by the Company or the Group, including key performance indicators	3	78-79
5	Employee information (employment, work organisation, health and safety, employee relations, training, equal treatment)	3	104-125
6	Environmental information (general environmental policy, pollution, circular economy, climate change)	3	143-166
7	Societal information (societal commitments to sustainable development, subcontracting and suppliers, fair practices)	3	126-142
8	Information on the fight against corruption and tax evasion	3	126-129
9	Information on human rights actions	3	124; 126-129; 167-173
10	Specific notices: • the Company's policy on preventing the risk of technological accidents; • the Company's ability to cover its civil liability for property and persons arising from operating such facilities; • means provided by the Company to manage the compensation of victims in the event of a technological accident for which it is liable.	N/A	N/A
11	Collective bargaining agreements concluded within the Company and their impact on the Company's economic performance and on employees' working conditions	3	104-125; 167-173
12	Report by the independent third party on the information presented in the non-financial statement	3	184-186

4

4 CORPORATE GOVERNANCE

"Dear Shareholders,

Pursuant to Article L. 225-37 of the French Commercial Code, the Board of Directors presents to the Annual General Meeting a corporate governance report alongside the management report.

This report contains the information provided for in Article L. 22-10-8 et seq. *of the French Commercial Code.*

The Company has also implemented AMF recommendation No. 2012-02 on corporate governance and the remuneration of company executives, pursuant to the AFEP-MEDEF Code."

This report was approved by the Board of Directors at its meeting on 16 April 2024.

For the purposes of this report, capitalised terms have the following meanings:

- The "**Investment Agreement**" refers to the investment agreement entered into on 5 December 2023 between the Company and the members of the Groupement for the purpose of reflecting and clarifying the governance rules and principles set out in the Accelerated Safeguard Plan;
- The "**Lock-Up Agreement**" refers to the agreement entered into on 14 February 2023 between the Company and (i) the Groupement and (ii) the SteerCo, formalising the commitment of the parties to support and carry out all the steps and actions required to implement ORPEA S.A.'s financial restructuring;
- The "**Equitisation Capital Increase**" refers to the capital increase, with pre-emption rights for existing shareholders, in an amount of approximately €3.9 billion, backstopped by the Company's unsecured creditors, in accordance with the Accelerated Safeguard Plan;
- The "**Groupement Capital Increase**" refers to the increase in the Company's share capital through the issue of shares to the members of the Groupement, in an amount of approximately €1,158.6 million, in accordance with the Accelerated Safeguard Plan;
- The "**Rights Issue**" refers to the increase in the Company's capital, with pre-emption rights for existing shareholders, with new shares taken up by the Groupement using pre-emption rights, for an amount of approximately €196 million, and with the balance, i.e., approximately €195 million, backstopped by the SteerCo, in accordance with the Accelerated Safeguard Plan;
- "**Restated Share Capital**" refers to, at any time, the Company's share capital, restated by deducting the number of new shares issued by the Company to the Group's managers and employees under long-term incentive plans (such as, for example, free share or stock option plans) set up as from the date of completion of the Groupement Capital Increase;
- "**Restated Voting Rights**" refers to, at any time, the Company's voting rights, restated by deducting the voting rights attached to the new shares issued by the Company to the Group's managers and employees under long-term incentive plans (such as, for example, free share or stock option plans) set up as from the date of completion of the Groupement Capital Increase;
- The "**CDC Group**" refers jointly to Caisse des Dépôts et Consignations and CNP Assurances;
- The "**Groupement**" refers jointly to Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF Épargne Retraite;
- "**MAIF**" refers to Mutuelle Assurance des Instituteurs France;
- The "**Agreement**" means the shareholders' agreement relating to the Company entered into between the members of the Groupement on 5 December 2023, constituting a concerted action;
- The "**Accelerated Safeguard Plan**" refers to the Company's Accelerated Safeguard Plan approved by the Nanterre Specialised Commercial Court on 24 July 2023;
- "**Member(s) Meeting Certain Independence Conditions**" refers to persons presenting certain independence conditions vis-à-vis members of the Groupement, i.e., they are not employees or an executive corporate officer of any of the members of the Groupement, nor of any of their affiliates;
- The "**SteerCo**" refers jointly to the five institutions that hold the Company's unsecured debt[1].

As part of the Group's financial restructuring and pursuant to the (i) Lock-Up Agreement and the (ii) Accelerated Safeguard Plan, the Annual General Meeting held on 22 December 2023 approved the overhaul of the Board of Directors and appointed Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF Épargne Retraite as directors, along with Méka Brunel, Sibylle Le Maire, Frédérique Mozziconacci and Philippe Grangeon.

Following the appointment of the members of the Groupement as directors, the Company was informed of the appointment of the following permanent representatives:

- Audrey Girard, for Caisse des Dépôts et Consignations;
- Stéphane Dedeyan, for CNP Assurances;
- Pascal Demurger, for MAIF;
- Stéphane Dessirier, for MACSF Épargne Retraite.

In addition, the new Board of Directors, which met immediately after the above-mentioned General Meeting, decided to (i) appoint Laurent David (designated by the SteerCo member holding the largest portion of the Company's unsecured debt at 31 January 2023, in accordance with the Lock-Up Agreement) and Pascale Pradat as non-voting advisors, (ii) create an Investment Committee, (iii) redefine the duties assigned to its four Committees and (iv) determine their new membership. The membership and operating procedures of the Board of Directors and its Committees as of the date of this Universal Registration Document are set out below; they were the same as at 31 December 2023.

ORPEA makes reference to the AFEP-MEDEF corporate governance code for listed companies, as revised in December 2022 (hereinafter the "**AFEP-MEDEF Code**").

The Board of Directors and its Committees are governed by internal rules of procedure (hereinafter the **"Internal Rules"**), which were updated most recently on 22 December 2023. These Internal Rules are available on the Company's website (www.emeis-group.com/en/) and are presented in Appendix 1 to this report.

ORPEA believes that its practices comply with the recommendations of the AFEP-MEDEF Code, except where the contrary is expressly stated in the table in Appendix 2 to this report in accordance with the "Comply or Explain" rule provided for in Article L. 22-10-10 of the French Commercial Code and recommendation 27.1 of the AFEP-MEDEF Code. The table presents the reasons why certain recommendations were not implemented.

(1) Anchorage Capital Group, L.L.C., Anchorage Opportunities Advisor, L.L.C., Boussard & Gavaudan Investment Management LLP, Carmignac Gestion, Carmignac Gestion Luxembourg, Eiffel Investment Group and Schelcher Prince Gestion.

BOARD OF DIRECTORS

GUILLAUME PEPY
Independent director
Chairman of the Board of Directors
Chair of the Appointments and Remuneration Committee
Term of office expires: 2026 AGM

LAURENT GUILLOT
Director
Chief Executive Officer
Term of office expires: 2026 AGM

MÉKA BRUNEL
Independent director
Chair of the Audit and Risk Committee
Member of the Appointments and Remuneration Committee
Term of office expires: 2027 AGM

CAISSE DES DÉPOTS ET CONSIGNATIONS
represented by AUDREY GIRARD
Director
Chair of the Investment Committee
Member of the Audit and Risk Committee
Member of the Appointments and Remuneration Committee
Term of office expires: 2026 AGM

CNP ASSURANCES
represented by STÉPHANE DEDEYAN
Director
Member of the Audit and Risk Committee
Member of the Investment Committee
Term of office expires: 2027 AGM

MIREILLE FAUGÈRE
Independent director
Chair of the Ethics, Quality and CSR Committee
Member of the Audit and Risk Committee
Term of office expires: 2024 AGM

PHILIPPE GRANGEON
Director
Member of the Ethics, Quality and CSR Committee
Member of the Appointments and Remuneration Committee
Member of the Investment Committee
Term of office expires: 2027 AGM

SIBYLLE LE MAIRE
Director
Member of the Ethics, Quality and CSR Committee
Term of office expires: 2027 AGM

13
directors

58.8
Average age

92.8%
Attendance rate[1]

< 1 year
Average seniority

27.2%
Board of Directors' independence

45.4%
Women on the Board of Directors

2
Non-voting advisors

MACSF ÉPARGNE RETRAITE
represented by STÉPHANE DESSIRIER
Director
Member of the Appointments and Remuneration Committee
Term of office expires: 2026 AGM

MAIF
represented by PASCAL DEMURGER
Director
Member of the Audit and Risk Committee
Term of office expires: 2027 AGM

FRÉDÉRIQUE MOZZICONACCI
Director
Member of the Ethics, Quality and CSR Committee
Term of office expires: 2026 AGM

SOPHIE KALAIDJIAN
Director representing employees
Member of the Appointments and Remuneration Committee
Term of office expires: 2024 AGM

MAY ANTOUN
Director representing employees
Member of the Ethics, Quality and CSR Committee
Term of office expires: 2026 AGM

LAURENT DAVID
Non-voting advisor
Member of the Audit and Risk Committee
Member of the Investment Committee
Term of office expires: 2027 AGM

PASCALE PRADAT
Non-voting advisor
Member of the Ethics, Quality and CSR Committee
Term of office expires: 2027 AGM

[1] This percentage was calculated including the directors representing employees and the non-voting advisors.

4.1 Membership and operating procedures of the Board of Directors

Article 14 of the Company's Articles of Association defines and sets out the conditions for the membership and operating procedures of the Board of Directors.

The following tables present the 2023 key indicators applicable to the Board of Directors and the directors' individual attendance rates at Board meetings in 2023.

2023 key indicators

Number of meetings of the Board of Directors	25
Attendance rate at meetings of the Board of Directors[1]	92.84%
Number of directors[2]	13
Number of non-voting advisors[3]	2
Proportion of independent directors[4]	27.27%
Proportion of women on the Board of Directors[5]	45.45%
Number of nationalities represented on the Board of Directors[6]	2
Average length of service of directors[7]	< 1
Average age of directors[7]	58.82

(1) *This percentage was calculated including the directors representing employees and non-voting advisors.*
(2) *This number was calculated based on the membership of the Board of Directors at 31 December 2023, including the directors representing employees.*
(3) *This number was calculated based on the membership of the Board of Directors at 31 December 2023.*
(4) *This percentage was calculated based on the membership of the Board of Directors at 31 December 2023, excluding directors representing employees, in accordance with recommendation 10.3 of the AFEP-MEDEF Code, and non-voting advisors.*
(5) *This percentage was calculated based on the membership of the Board of Directors at 31 December 2023, excluding directors representing employees, in accordance with the provisions of Article L. 225-27 of the French Commercial Code (Code de commerce), and non-voting advisors.*
(6) *This number was calculated based on the membership of the Board of Directors at 31 December 2023, excluding directors representing employees.*
(7) *The average age was calculated based on the membership of the Board of Directors at 31 December 2023, excluding directors representing employees and non-voting advisors.*

Directors' and non-voting advisors' individual attendance rates in 2023

Guillaume Pepy	100.00%
Laurent Guillot	100.00%
Méka Brunel[1]	100.00%
Caisse des Dépôts et Consignations, represented by Audrey Girard[1]	100.00%
CNP Assurances, represented by Stéphane Dedeyan[1]	100.00%
Mireille Faugère[2]	96.00%
Philippe Grangeon[1][3]	100.00%
Sibylle Le Maire[1][3]	100.00%
MACSF Épargne Retraite, represented by Stéphane Dessirier[1]	100.00%
MAIF, represented by Pascal Demurger[1]	100.00%
Frédérique Mozziconacci[1][4]	100.00%
Sophie Kalaidjian	100.00%
May Antoun[5]	100.00%
Pascale Pradat[6]	100.00%
Laurent David[6][7]	0.00%
Corine de Bilbao[8]	87.50%
Isabelle Calvez[8]	75.00%
Bernadette Danet-Chevallier[8]	100.00%
Laure Duhot[2][8]	91.67%
John Glen[8]	91.67%
David Hale[8]	87.50%
Olivier Lecomte[8]	100.00%
Peugeot Invest Assets, represented by Bertrand Finet[9]	100.00%
Pascale Richetta[8]	95.83%
Laurent Serris[9]	95.83%

(1) *Caisse des Dépôts et Consignations, CNP Assurances, MAIF, MACSF Épargne Retraite, Philippe Grangeon, Méka Brunel, Frédérique Mozziconacci and Sibylle Le Maire were appointed as directors by the Annual General Meeting on 22 December 2023.*
(2) *The appointments by co-option of Laure Duhot and Mireille Faugère as directors by the Board of Directors on 10 September 2022 and 28 September 2022, respectively, were ratified by the Annual General Meeting on 22 December 2023.*
(3) *Directors recommended for appointment by Caisse des Dépôts et Consignations.*
(4) *Director recommended for appointment by MAIF.*
(5) *May Antoun was appointed as a director representing employees by ORPEA's European Works Council at its plenary meeting on 13 December 2023, with effect from the close of the Annual General Meeting on 22 December 2023.*
(6) *Pascale Pradat and Laurent David were appointed as non-voting advisors by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023.*
(7) *In accordance with the Company's Accelerated Safeguard Plan, Laurent David was appointed as a non-voting advisor on the recommendation of Anchorage Capital, the SteerCo member holding the largest portion of the Company's of unsecured debt at 31 January 2023. Given Anchorage Capital's backstop undertaking to subscribe to the Rights Issue (as a member of the SteerCo), Laurent David did not take part in Board of Directors' meetings that were held up until the settlement-delivery of the Rights Issue, which took place on 15 February 2024, in order to avoid the risk of holding inside information.*
(8) *On 14 November 2023, Corine de Bilbao, Isabelle Calvez, Bernadette Danet-Chevallier, Pascale Richetta, John Glen, David Hale and Olivier Lecomte resigned as directors, effective at the close of the Annual General Meeting on 22 December 2023.*
(9) *The directorships of Peugeot Invest Assets (represented by Bertrand Finet) and Laure Duhot and the term of office as director representing employees of Laurent Serris expired at the close of the Annual General Meeting on 22 December 2023.*

4.1.1 Membership of the Board of Directors

4.1.1.1 Information regarding the identity of directors

The Company's Articles of Association stipulate that the Board of Directors should have at least three and no more than 18 members, subject to the exceptions provided for in law. Directors may be natural or legal persons. Upon their appointment, legal entities must designate a permanent representative who is then subject to the same conditions and requirements and carries the same responsibilities as if they were appointed a director in their own right, without prejudice to the joint and several liability of the legal entity that they represent.

The directors are appointed by the shareholders in an Ordinary General Meeting, on the recommendation of the Board of Directors, after consulting the opinion of the Appointments and Remuneration Committee. They may be removed from office at any time by a vote of the shareholders in an Annual General Meeting.

Pursuant to the AFEP-MEDEF Code, directors serve for a term of four years, after which they may be reappointed (except for the directors representing employees, who have a term of three years). Directors' appointments and reappointments are staggered to prevent all the terms of office from expiring at the same time and to ensure a smooth Board renewal process.

On 10 May 2023, the Company's newly elected Central Social and Economic Committee appointed a new representative who attends Board meetings in an advisory capacity[1].

At 31 December 2023, the Board of Directors had 13 members, including two directors representing employees and two non-voting advisors.

(1) *As a reminder, until ORPEA's professional elections held in March 2023, a representative of the Social and Economic Committee of the ORPEA Economic and Social Unit attended the meetings of the Board of Directors in an advisory capacity.*

The following table summarises the personal details and professional experience of the directors and non-voting advisors in office at the date of this report, together with information regarding their term of office in the Company.

		Personal details			Experience
Name	**Office**	**Age[1]**	**Gender**	**Nationality**	**Skills**
Guillaume Pepy	Director (and Chairman of the Board of Directors)	65	M	French	Services, HR, Digital, Governance
Laurent Guillot	Director (and Chief Executive Officer)	54	M	French	Healthcare and Nursing, Services, HR, Finance, Governance, International
Méka Brunel[5]	Director	67	F	French	Services, Finance, Quality and CSR, Real Estate, Governance, International
Caisse des Dépôts et Consignations, represented by Audrey Girard[5]	Director	48	F	French	Healthcare and Nursing, Regulatory and Legal, Governance, International Experience
CNP Assurances, represented by Stéphane Dedeyan[5]	Director	58	M	French	Healthcare and Nursing, Services, HR, Finance, Quality and CSR, Real Estate, Governance, International Experience
Mireille Faugère[6]	Director	67	F	French	Medical and Healthcare, Services, HR, Finance, Quality and CSR, Digital, Governance
Philippe Grangeon[5][7]	Director	66	M	French	Services, HR, Digital, Governance, International Experience
Sibylle Le Maire[5][7]	Director	49	F	French	Medical and Healthcare, Services, HR, Quality and CSR, Digital, International
MACSF Épargne Retraite, represented by Stéphane Dessirier[5]	Director	63	M	French	Services, HR, Regulatory and Legal, Finance, Real Estate, Governance
MAIF, represented by Pascal Demurger[5]	Director	59	M	French	Services, HR, Finance, Quality and CSR, Digital, Governance
Frédérique Mozziconacci[5][8]	Director	51	F	French	Medical and Healthcare, Services, HR, Quality and CSR, Digital
May Antoun[9]	Director representing employees	65	F	French	Medical and Healthcare, Services, HR, Regulatory and legal, Quality and CSR, Governance
Sophie Kalaidjian	Director representing employees	46	F	French	Medical and Healthcare, Services, HR, Regulatory and legal, Quality and CSR
Laurent David[10]	Non-voting advisor	36	M	French and British	Regulatory and Legal, Finance, Real Estate, International Experience
Pascale Pradat[10]	Non-voting advisor	64	F	French	Medical and Healthcare, HR, Quality and CSR

(1) Age of directors at 31 December 2023.
(2) Annual General Meeting (AGM) called to approve the financial statements for the previous year.
(3) Length of service of directors at 31 December 2023.
(4) At the date of this report.
(5) Caisse des Dépôts et Consignations, CNP Assurances, MAIF, MACSF Épargne Retraite, Philippe Grangeon, Méka Brunel, Frédérique Mozziconacci and Sibylle Le Maire were appointed as directors by the Annual General Meeting on 22 December 2023.
(6) The appointment by co-option of Mireille Faugère as a director with effect from 1 October 2022 by the Board of Directors on 28 September 2022 to replace Laure Baume, who resigned on 28 September 2022, was ratified by the Annual General Meeting on 22 December 2023.
(7) Directors recommended for appointment by Caisse des Dépôts et Consignations.
(8) Director recommended for appointment by MAIF.
(9) May Antoun was appointed as a director representing employees by ORPEA's European Works Council at its plenary meeting on 13 December 2023, with effect from the close of the Annual General Meeting on 22 December 2023.
(10) Pascale Pradat and Laurent David were appointed as non-voting advisors by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023.

	Position on the Board of Directors				Position on Board Committees[4]
Number of offices held in listed companies	Independence	Expiry of term of office[2]	Date of first appointment	Length of service on the Board of Directors[3]	
2	Yes	2026 AGM	28 July 2022	1	Appointments and Remuneration Committee (Chair)
2	No	2026 AGM	28 July 2022	1	-
1	Yes	2027 AGM	22 December 2023	0	Audit and Risk Committee (Chair) Appointments and Remuneration Committee (member)
0	No	2026 AGM	22 December 2023	0	Investment Committee (Chair) Audit and Risk Committee (member) Appointments and Remuneration Committee (member)
3	No	2027 AGM	22 December 2023	0	Audit and Risk Committee (member) Investment Committee (member)
1	Yes	2024 AGM	1 October 2022	1	Audit and Risk Committee (member) Ethics, Quality and CSR Committee (Chair)
1	No	2027 AGM	22 December 2023	0	Ethics, Quality and CSR Committee (member) Appointments and Remuneration Committee (member) Investment Committee (member)
1	No	2027 AGM	22 December 2023	0	Ethics, Quality and CSR Committee (member)
0	No	2026 AGM	22 December 2023	0	Appointments and Remuneration Committee (member)
0	No	2027 AGM	22 December 2023	0	Audit and Risk Committee (member)
1	No	2026 AGM	22 December 2023	0	Ethics, Quality and CSR Committee (member)
1	No	2026 AGM	13 December 2023	0	Ethics, Quality and CSR Committee (member)
1	No	2024 AGM	15 January 2015	8	Appointments and Remuneration Committee (member)
0	N/A	2027 AGM	22 December 2023	0	Audit and Risk Committee (participant) Investment Committee (participant)
0	N/A	2027 AGM	22 December 2023	0	Ethics, Quality and CSR Committee (participant)

The diverse backgrounds and complementary international, operational and industry skills and knowledge of the directors and the balanced representation of men and women on the Board of Directors enrich its discussions and contribute to its strategic vision. The experience and skills brought to the table by the non-voting advisors contribute to the quality of the deliberations and inform the decisions taken by the Board of Directors.

Short biographies of directors and non-voting advisors at the date of this report, including details of their careers, terms of office and positions they hold or have held outside the Company over the past five years, along with the number of shares they own, are presented in Appendix 3 of this report.

4.1.1.2 Independence of directors

The Company believes that having independent directors on its Board of Directors improves the quality and objectivity of discussions. It considers that a Board member is independent if they have no relationship of any kind with the Company, its Group or its management liable to compromise their independence of judgement.

Pursuant to the recommendations of the AFEP-MEDEF Code, the Board of Directors performs an annual review, following discussions held by the Appointments and Remuneration Committee, of whether each of its members qualifies as independent. It also reviews the status of new directors following their appointment. In this review, the Board applies the criteria for independence set out in recommendation 10 of the AFEP-MEDEF Code and presented in the table below.

At the date of overhaul of the Board of Directors proposed at the Annual General Meeting on 22 December 2023

During its meeting on 18 October 2023, the Board of Directors, following discussions held by the Appointments and Remuneration Committee, reviewed whether each of the new directors whose appointments would be submitted to a vote at the Annual General Meeting of 22 December 2023 qualified as independent.

With regard to the assessment of Méka Brunel's independence, the Board of Directors gave focused attention to the fact that she held a corporate office in a subsidiary of Caisse des Dépôts et Consignations, insofar as the AFEP-MEDEF Code states that, in controlled companies, the majority shareholder shall "take particular care to prevent conflicts of interest and to take account of all interests". It was noted in this respect that the provisions of the AFEP-MEDEF Code do not expressly refer to a corporate office held in a company consolidated by a significant shareholder who is a member of a controlling concert party such as Caisse des Dépôts et Consignations. In addition, Méka Brunel's term of office was short (June 2022 to June 2023), and her industry expertise and reputation speak for themselves. Consequently, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, considered that Méka Brunel met the independence criteria set out in the AFEP-MEDEF Code.

The Board of Directors also considered that the four legal entities that are members of the Groupement, whose appointment as directors was recommended to the Annual General Meeting of 22 December 2023, are not independent within the meaning of the AFEP-MEDEF Code, given their position as shareholders. The same applies to Sibylle Le Maire, Frédérique Mozziconacci and Philippe Grangeon, who were variously nominated by Caisse des Dépôts et Consignations and MAIF. the Board of Directors considers that they are not independent within the meaning of the AFEP-MEDEF Code due to their appointment on the recommendation of the members of the Groupement and, therefore, the need to consult with Caisse des Dépôts et Consignations or MAIF in the performance of their duties as directors in the Company's corporate interests.

When Guillaume Pepy and Mireille Faugère were appointed, on the recommendation of the Appointments and Remuneration Committee, the Board of Directors considered that they could be qualified as independent directors within the meaning of the AFEP-MEDEF Code.

The Board of Directors considered that Laurent Guillot, the Company's Chief Executive Officer since 1 July 2022, could not be qualified as independent in view of his role.

No director has any business relationship with the Company.

With regard to the membership of the Board of Directors, the AFEP-MEDEF Code recommends that one-third of directors in controlled companies (within the meaning of Article L. 233-3 of the French Commercial Code) be independent. Insofar as the current Board of Directors is made up of 11 directors (excluding directors representing employees), three of whom are independent, i.e., 27%, the Company does not comply with recommendation 10.3 of the AFEP-MEDEF Code.

The failure to comply with this recommendation results from the governance arrangements agreed when the Groupement acquired a majority stake in the Company, and approved by the Nanterre Specialised Commercial Court when it approved the Company's Accelerated Safeguard Plan.

The Company's post-financial restructuring governance arrangements were guided by the Groupement's wish to be able to appoint more than half of the directors (7 out of 13) to reflect its majority shareholding, while retaining the Chief Executive Officer on the Board and maintaining a reasonable size, in line with best practice.

It should be noted that the following measures are designed to mitigate the risk of the Groupement's control being exercised in an abusive manner. Firstly, the Board of Directors is chaired by an independent director, and has three independent directors out of a total of 11 directors (excluding directors representing employees). Secondly, the Board of Directors' Internal Rules include measures to prevent conflicts of interest.

At the date of drafting this report

The Board of Directors, based on the recommendation of the Appointments and Remuneration Committee, reviewed the status of directors with regard to the criteria for independence set out in recommendation 10 of the AFEP-MEDEF Code. The analysis of the overhauled Board of Directors submitted to a vote at the Annual General Meeting of 22 December 2023 was confirmed.

The table below provides an overview of the status of each director at the date of this report (excluding directors representing employees).

	Criterion 1: Employee or executive officer during the previous 5 years	Criterion 2: Appointments at related companies	Criterion 3: Material business relationships	Criterion 4: Family relationship	Criterion 5: Statutory Auditor	Criterion 6: Term of office of over 12 years	Criterion 7: Non-executive corporate officer	Criterion 8: Major shareholder	Definition assigned by the Board of Directors
Guillaume Pepy	√	√	√	√	√	√	√	√	Independent
Laurent Guillot	x	x	√	√	√	√	√	√	Non-independent
Méka Brunel[1]	√	√	√	√	√	√	√	√	Independent
Caisse des Dépôts et Consignations, represented by Audrey Girard[1]	√	√	√	√	√	√	√	x	Non-independent
CNP Assurances, represented by Stéphane Dedeyan[1]	√	√	√	√	√	√	√	x	Non-independent
Mireille Faugère[2]	√	√	√	√	√	√	√	√	Independent
Philippe Grangeon[1][3]	√	√	√	√	√	√	√	x	Non-independent
Sibylle Le Maire[1][3]	√	√	√	√	√	√	√	x	Non-independent
MACSF Épargne Retraite, represented by Stéphane Dessirier[1]	√	√	√	√	√	√	√	x	Non-independent
MAIF, represented by Pascal Demurger[1]	√	√	√	√	√	√	√	x	Non-independent
Frédérique Mozziconacci[1][4]	√	√	√	√	√	√	√	x	Non-independent

(1) Caisse des Dépôts et Consignations, CNP Assurances, MAIF, MACSF Épargne Retraite, Philippe Grangeon, Méka Brunel, Frédérique Mozziconacci and Sibylle Le Maire were appointed as directors by the Annual General Meeting on 22 December 2023.
(2) The appointment by co-option of Mireille Faugère as a director with effect from 1 October 2022 by the Board of Directors on 28 September 2022 to replace Laure Baume, who resigned on 28 September 2022, was ratified by the Annual General Meeting on 22 December 2023.
(3) Directors recommended for appointment by Caisse des Dépôts et Consignations.
(4) Director recommended for appointment by MAIF.

4.1.1.3 Employee representation

In accordance with Article L. 225-27-1 of the French Commercial Code and Article 15 of ORPEA's Articles of Association, two directors representing employees sit on ORPEA's Board of Directors, one of whom appointed by the Company's Central Social and Economic Committee and one by the European Works Council.

Sophie Kalaidjian has been a director representing employees since 15 January 2015. At its meeting on 30 March 2021, said Social and Economic Committee of the ORPEA Economic and Social Unit decided to reappoint her for a term of three years, i.e., until the close of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023. On 22 December 2023, Sophie Kalaidjian ceased to be a member of the Ethics, Quality and CSR Committee and became a member of the Appointments and Remuneration Committee.

Following the expiry at the close of the Annual General Meeting held on 22 December 2023 of Laurent Serris' term of office as a director representing employees, the European Works Council, at its plenary meeting on 13 December 2023, appointed May Antoun as a director representing employees, with effect from the close of the Annual General Meeting held on 22 December 2023, for a term of three years, i.e., until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025. She is a member of the Ethics, Quality and CSR Committee.

4.1.1.4 Diversity, equality and complementary nature of directors' skills and expertise

Pursuant to Article L. 22-10-10 of the French Commercial Code, this section outlines the diversity policy applicable to members of the Board of Directors (based on criteria such as age, gender, qualifications and professional experience), its objectives, the arrangements for its implementation and the results achieved during 2023.

The Company's Board of Directors strives to ensure that its membership mirrors the Group's profile as a benchmark player and expert in the full spectrum of long-term care, focusing particularly on its employees' working conditions, the quality of the services it provides (especially care services), and continuous improvement of the Group's practices.

All Company directors must share a fundamental set of skills and expertise, namely the ability to comprehend the Group's business lines and demonstrate an interest in its sector, the ability to listen, contribute to discussions, put forward and express their opinions, availability to attend meetings of the Board of Directors and its Committees and contribute to preparatory work.

The Board of Directors ensures that its members have experience and expertise in a range of areas, including healthcare and nursing, services, human resources, legal and compliance issues, finance, quality and CSR, real estate, digital technology and governance. The Board also selects directors with international experience in view of the Group's operating presence in some twenty countries.

At the date of this report, as outlined in greater detail below, all of these skills and areas of expertise were covered by the members of the Board of Directors in the proportions below:

Skills	Proportion of directors with expertise in the relevant area at 31 December 2023[1]
Healthcare and Nursing	55%
Services	91%
Human Resources	82%
Legal and compliance	18%
Finance	55%
Quality and CSR	55%
Real Estate	27%
Digital technology	55%
Governance	82%
International	55%

(1) The directors representing employees and non-voting advisors are not included in the calculations shown in this table.

Adding to the advantage of a varied range of complementary experience, the Board of Directors seeks to ensure that its membership is diverse in terms of age and gender. The average age of directors is 58.82[1] and none of the directors are over 70. In addition, 45.45%[2] of the Board's members are women.

The Company's governance rules and principles, including the membership of the Board of Directors, comply with the Investment Agreement, in accordance with Schedule 13 of the Company's Accelerated Safeguard Plan.

4.1.1.5 Reappointment of members of the Board of Directors

Selection of directors who are not employees

At its meeting held in the last quarter of each year, the Appointments and Remuneration Committee includes on its agenda a review of the membership of the Board of Directors and the Board Committees. Discussions take place based on a brief prepared by Executive Management, which contains an overview of the Board of Directors' diversity policy and its objectives, highlighting the terms of office expiring during the next four years. On this occasion, special attention is paid to the terms of office expiring at the end of the following Annual General Meeting, with a focus, on the one hand, on the aforementioned diversity policy, and, on the other hand, on the length of service, intentions, skills, experience, and contribution of the directors whose terms of office are expiring.

Under the Lock-Up Agreement and the Investment Agreement, which reflect the governance rules and principles set out in the Company's Accelerated Safeguard Plan, the parties have agreed that ORPEA's Board of Directors will be composed, unless any subsequent amendments are made and disclosed to the Board of Directors by the Groupement, the Chief Executive Officer of the Company, seven members, including three who meet certain independence conditions, appointed on the recommendation of the Groupement, three independent directors within the meaning of the AFEP-MEDEF Code, two directors representing employees, and one non-voting advisor on the recommendation of the SteerCo member holding the largest portion of unsecured debt at 31 January 2023. It was subsequently agreed to appoint as non-voting advisor a doctor with particular expertise in the Group's core activities.

Prior to the Groupement's acquisition of a stake in the capital on 19 December 2023, in the event that one (or more) director(s) needed to be replaced, a call for tenders was launched to select a recruitment firm in order to find new profiles, based on a brief – covering the desired profile and listing the common set of shared core skills and expertise that are expected – prepared by the Appointments and Remuneration Committee. The chosen firm then presented a selection of candidates to the Committee, who were interviewed by the Chair of the Committee, the Chairman of the Board and the Chief Executive Officer, and then by any Committee members who wished to interview the candidates. This procedure now applies to the selection of independent directors.

The Appointments and Remuneration Committee finalises the selection of director candidates by April at the latest for the following year, and presents its selection to the Board of Directors ahead of convening the Annual General Meeting to express an opinion on the renewal of the terms of office of directors in office and/or the appointment of new directors.

The Appointments and Remuneration Committee reports on its work to the Board of Directors throughout this process and on a regular basis, with respect to the renewal of the terms of office of existing directors and/or the selection of new directors.

(1) The average age was calculated based on the membership of the Board of Directors at 31 December 2023, excluding the directors representing employees and non-voting advisors.

(2) This percentage was calculated based on the membership of the Board of Directors at 31 December 2023 and, in accordance with Article L. 225-27 of the French Commercial Code, excluding the directors representing employees and the non-voting advisors.

Changes in the membership of the Board of Directors and of the Board Committees since 1 January 2023

The table below provides an overview of changes in the membership of the Board of Directors and Board Committees since 1 January 2023.

	Departures	Arrivals
Board of Directors	Corine de Bilbao[1] Isabelle Calvez[1] Bernadette Danet-Chevallier[1] Laure Duhot[2] John Glen[1] David Hale[1] Olivier Lecomte[1] Peugeot Invest Assets, represented by Bertrand Finet[2] Pascale Richetta[1] Laurent Serris[2]	Méka Brunel[3] Caisse des Dépôts et Consignations, represented by Audrey Girard[3] CNP Assurances, represented by Stéphane Dedeyan[3] Philippe Grangeon[3] Sibylle Le Maire[3] MACSF Épargne Retraite, represented by Stéphane Dessirier[3] MAIF, represented by Pascal Demurger[3] Frédérique Mozziconacci[3] May Antoun[4] Laurent David[5] Pascale Pradat[5]
Audit and Risk Committee[6]	Olivier Lecomte (Chair)[1] Corine de Bilbao[1] Isabelle Calvez[1] Laure Duhot[2] John Glen[1] David Hale[1] Peugeot Invest Assets, represented by Bertrand Finet[2]	Méka Brunel (Chair)[3] Caisse des Dépôts et Consignations, represented by Audrey Girard[3] CNP Assurances, represented by Stéphane Dedeyan[3] Mireille Faugère[4] Mutuelle Assurance des Instituteurs de France (MAIF), represented by Pascal Demurger[3] Laurent David[5] Laure Duhot[7]
Appointments and Remuneration Committee[6]	Peugeot Invest Assets, represented by Bertrand Finet (Chair)[2] Corine de Bilbao[1] Laure Duhot[2] Pascale Richetta[1] Laurent Serris[2]	Guillaume Pepy (Chairman) Méka Brunel[3] Caisse des Dépôts et Consignations, represented by Audrey Girard[3] Philippe Grangeon[3] MACSF Épargne Retraite, represented by Stéphane Dessirier[3] Sophie Kalaidjian
Ethics, Quality and CSR Committee[6]	David Hale[1] Pascale Richetta[1] Sophie Kalaidjian	Philippe Grangeon[3] Sibylle Le Maire[3] Frédérique Mozziconacci[3] May Antoun[4] Pascale Pradat[5]
Investment Committee[6]		Caisse des Dépôts et Consignations, represented by Audrey Girard (Chair)[3] CNP Assurances, represented by Stéphane Dedeyan[3] Philippe Grangeon[3] Laurent David[5]

(1) On 14 November 2023, Corine de Bilbao, Isabelle Calvez, Bernadette Danet-Chevallier, Pascale Richetta, John Glen, David Hale and Olivier Lecomte resigned as directors, with effect from the close of the Annual General Meeting of 22 December 2023. As a result, their terms of office as members of Board Committees ended on the same date.

(2) The terms of office as directors of Peugeot Invest Assets and Laure Duhot and as director representing employees of Laurent Serris expired at the close of the Annual General Meeting of 22 December 2023. As a result, their terms of office as members of Board Committees ended on the same date.

(3) Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan), MAIF (represented by Pascal Demurger), MACSF Épargne Retraite (represented by Stéphane Dessirier), Philippe Grangeon, Méka Brunel, Frédérique Mozziconacci and Sibylle Le Maire were appointed as directors by the Annual General Meeting on 22 December 2023.

(4) May Antoun was appointed as a director representing employees by ORPEA's European Works Council at its plenary meeting on 13 December 2023, with effect from the close of the Annual General Meeting on 22 December 2023.

(5) Pascale Pradat and Laurent David were appointed as non-voting advisors by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023.

(6) On 22 December 2023, the Board of Directors decided to (i) create an Investment Committee, (ii) redefine the duties assigned to its four Committees, and (iii) determine their new membership. From 22 December 2023:
- *the Audit and Risk Committee comprises the following five directors: Méka Brunel (Chair), Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan), MAIF (represented by Pascal Demurger) and Mireille Faugère. Laurent David, a non-voting advisor, also sits on this Committee;*
- *the Appointments and Remuneration Committee comprises the following six directors: Guillaume Pepy (Chairman), Caisse des Dépôts et Consignations (represented by Audrey Girard), MACSF Épargne Retraite (represented by Stéphane Dessirier), Philippe Grangeon, Méka Brunel and Sophie Kalaidjian (director representing employees);*
- *the Ethics, Quality and CSR Committee comprises the following five directors: Mireille Faugère (Chair), Philippe Grangeon, Sibylle Le Maire, Frédérique Mozziconacci and May Antoun (director representing employees). Pascale Pradat, a non-voting advisor, also sits on this Committee;*
- *the Investment Committee comprises the following three directors: Caisse des Dépôts et Consignations (represented by Audrey Girard) (Chair), CNP Assurances (represented by Stéphane Dedeyan) and Philippe Grangeon. Laurent David, a non-voting advisor, also sits on this Committee.*

(7) Laure Duhot was appointed as a member of the Audit and Risk Committee on 14 March 2023. As her term of office as a director expired at the close of the Annual General Meeting held on 22 December 2023, her term of office as Chair of this Committee expired on the same date.

Staggering of terms of office

The reappointment of the members of the Board of Directors and non-voting advisors is staggered as follows:

Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023	Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024	Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025	Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2026
Mireille Faugère		Guillaume Pepy	Méka Brunel
Sophie Kalaidjian (director representing employees)		Laurent Guillot	CNP Assurances
		Caisse des Dépôts et Consignations	Philippe Grangeon
		MACSF Épargne Retraite	Sibylle Le Maire
		Frédérique Mozziconacci	MAIF
		May Antoun (director representing employees)	Laurent David (non-voting advisor)
			Pascale Pradat (non-voting advisor)

Decision regarding the terms of office of directors expiring at the close of the next Annual General Meeting

Mireille Faugère's term of office will expire at the close of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023.

A proposal will be made at said Annual General Meeting to renew her term of office for a term of four years, i.e., until the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2027.

Decision regarding the term of office of the director representing employees, expiring at the close of the next Annual General Meeting

Sophie Kalaidjian's term of office as director representing employees will expire at the close of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023.

In accordance with the Company's Articles of Association, the appointment of her successor will be entrusted to the Company's Central Social and Economic Committee.

4.1.1.6 Ethics of corporate officers

The Board of Directors' Internal Rules are intended to supplement the rules laid down in law, regulations and the Articles of Association so as to clarify how the Board of Directors and its Committees should operate in the interests of the Company and its shareholders. They set out the rules regarding confidentiality and the disclosure of conflicts of interest, as well as those applicable to trading in the Company's shares and the associated declaration and notification requirements.

The Internal Rules are updated regularly, most recently on 22 December 2023. They can be downloaded from the Company's website (www.emeis-group.com/en/) and are presented in Appendix 1 to this report.

Management of inside information

Each corporate officer is required to respect the provisions of the Internal Rules of the Board of Directors relating to insider trading, which comply with the obligations under Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**MAR**") and the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) Position-Recommendation 2016-08 of 26 October 2016 on ongoing information and management of inside information. Accordingly, corporate officers are required to comply with the rules applicable to the management of inside information and trading in the Company's shares, particularly during closed periods.

Conflicts of interest and declarations concerning corporate officers and/or non-voting advisors

Absence of family relationships

To the best of the Company's knowledge, there are no family relationships between any corporate officers and/or non-voting advisors of the Company.

Absence of conflicts of interest

To the best of the Company's knowledge, there are no potential or proven conflicts of interest between the corporate officers and non-voting advisors' duties with regard to the ORPEA Group and their own private interests. The Chairman of the Board of Directors and the Chief Executive Officer do not undertake any other business activities or hold any other office outside the Group liable to give rise to a business relationship with the Group. There is no agreement or other arrangement between the directors and the Group.

It should be noted that Laurent David, non-voting advisor, is a salaried partner of Anchorage Capital Group which, through the funds and/or entities it manages or advises, is a significant unsecured creditor of ORPEA. On 14 February 2023, certain entities of the Anchorage group became signatories to the Lock-Up Agreement, under the terms of which these entities became shareholders of the Company.

There are no financial flows between the directors and the Group, with the exception of remuneration allocated to directors for their participation in meetings of the Board of Directors and, where applicable, the Board Committees. The organisation of the Board of Directors and its operating procedures, including the procedure for related-party agreements, are designed to prevent any such conflicts of interest.

In addition, under the Internal Rules, directors and non-voting advisors are obliged to disclose to the Board of Directors any conflict of interest, or even a potential conflict of interest, that may directly or indirectly affect them. In such circumstances, the director(s) and/or non-voting advisors in question must refrain from attending the relevant discussions and participating in the vote related thereto.

Absence of convictions and criminal liability

To the best of the Company's knowledge, in the past five years: (i) no corporate officer or non-voting advisor has been convicted of fraud, (ii) no corporate officer or non-voting advisor has been associated with procedures for bankruptcy, receivership, liquidation or placement of a company under administration, (iii) no official public incrimination and/or sanction has been pronounced against any of the corporate officers or non-voting advisors, and (iv) no corporate officer or non-voting advisor has been issued with any court order barring them from office as director, senior executive or supervisory board member or from involvement in the management or conduct of a listed company's affairs.

Absence of service agreements

No service agreement has been entered into between directors and/or non-voting advisors with the Company or any of its subsidiaries providing for the granting of benefits under such agreements.

4.1.2 Operating procedures and main work undertaken by the Board of Directors

4.1.2.1 Operating rules and main work undertaken by the Board of Directors

The operating procedures of the Board of Directors are governed by statutory and regulatory requirements, and by the Articles of Association and Internal Rules.

The Articles of Association form the constitutional basis for the Company, specifying its characteristics and operating procedures. They may only be amended with the approval of shareholders at an Ordinary or Extraordinary General Meeting, depending on the issue concerned, either directly or following a delegation of powers to the Board of Directors. The Articles of Association are updated regularly, most recently on 22 December 2023. They can be downloaded from the Company's website (www.emeis-group.com/en/).

The Internal Rules are intended to supplement the rules laid down in law, regulations and the Articles of Association so as to clarify how the Board and its Committees should operate in the interests of the Company and its shareholders. The Internal Rules are updated regularly, most recently on 22 December 2023. They can be downloaded from the Company's website (www.emeis-group.com/en/) and are presented in Appendix 1 to this report.

A digital platform is used to manage the work of the Board of Directors and the Board Committees. As well as safeguarding the security of exchanges of information, the platform enhances the performance and governance of the Board of Directors and the Board Committees. The papers presented at meetings of the Board of Directors and Board Committees and at strategic seminars are made available on the digital platform, together with published financial analyses and other documents that may be of use to directors in the performance of their duties.

The working language of the Board and the Board Committees is French. Given the international nature of the topics covered and the diversity of the participants, English is also sometimes used.

Arrangements for meetings of the Board of Directors

The Board of Directors meets whenever the interests of the Company so require. Meetings may be convened by any means (letter, fax, email and even verbally) by the Chairman of the Board of Directors.

When it has not held a meeting for over two months, at least one-third of the members of the Board of Directors may ask the Chairman to call a meeting to discuss a set agenda. The Chief Executive Officer or three directors acting together may also ask the Chairman to call a meeting of the Board of Directors to discuss a set agenda. The Chairman is bound by any requests made to him in this way.

Notices of meeting may be issued by the Secretary of the Board. Barring special circumstances, notice of a meeting is given in writing at least eight days in advance and is accompanied by the agenda and the minutes of the previous meeting. It states where the meeting is to be held, which may be the Company's registered office or any other location. The documents required to inform directors regarding the agenda and all issues referred to the Board of Directors for consideration shall be attached to the notice calling the meeting or shall be sent to them within a reasonable period, at least four business days prior to the date of the meeting.

In special circumstances, the Chairman may solicit the Board's opinion on a particular matter by convening a meeting with 24 hours' notice.

The Board of Directors can validly deliberate only if at least half of its members are present. A director may be represented by another director holding a written form of proxy. Each director may only represent one other director during a single Board meeting.

Directors may participate in meetings via videoconference or telecommunication methods that allow them to be identified and ensure their effective participation in the meeting, in accordance with the applicable regulations. However, directors may not attend meetings remotely when the Board of Directors is called to approve either the Company's individual and consolidated financial statements, the corporate governance report or the management reports.

In accordance with Article 16 of the Company's Articles of Association and Article 3.10 of the Board of Directors' Internal Rules, the Board may, on the initiative of its Chairman, take certain decisions by written consultation under the conditions provided for in the applicable regulations.

Decisions are taken by a majority vote of the directors present, deemed to be present or represented, except for the decision on whether to separate or combine the roles of the Chairman of the Board of Directors and the Chief Executive Officer, for which a two-thirds majority vote by directors is required. The Chairman of the Board of Directors has a casting vote.

The proceedings of meetings and the decisions made are recorded in minutes.

Veto rights of members of the Groupement

The Board of Directors may only adopt the following decisions after having obtained Caisse des Dépôts et Consignations' favourable vote as a director (legal entity) (expressed by the vote of its permanent representative) or of any other director appointed on the recommendation of Caisse des Dépôts et Consignations (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of Caisse des Dépôts et Consignations) in the event that Caisse des Dépôts et Consignations is not a director (legal entity), for as long as the CDC Group holds at least 15% of the Restated Share Capital and/or Restated Voting Rights:

- the transfer of the Company's registered office outside France;
- the sale of a substantial portion of the Group's operating activities in France, representing over 20% of the Group's revenue (based on the latest available audited consolidated financial statements).

The Board of Directors may also only adopt the following decisions after it has obtained a positive vote from (i) Caisse des Dépôts et Consignations as a director who is a legal entity (expressed by the vote of its permanent representative) or of any other director appointed on the recommendation of Caisse des Dépôts et Consignations (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of Caisse des Dépôts et Consignations) in the event that Caisse des Dépôts et Consignations is not a director who is a legal entity, for as long as the CDC Group holds at least 15% of the Restated Share Capital and/or of the Restated Voting Rights, and (ii) MAIF as a director who is a legal entity (expressed by the vote of its permanent representative) or of any other director appointed on the recommendation of MAIF in the event that MAIF is not a director who is a legal entity (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of MAIF), for as long as MAIF holds (directly or indirectly) at least 10% of the Restated Share Capital and/or of the Restated Voting Rights:

- the appointment and/or dismissal of the Company's Chief Executive Officer;
- any decision to shift current activities of the Company and/or its Subsidiaries into sectors other than providing care and support to vulnerable people;
- transaction involving the acquisition or sale of assets of the Company and its Subsidiaries, directly or indirectly, for an individual amount that exceeds €400 million or for a total annual amount that exceeds €600 million or which involves the Group setting up in or leaving a country;
- any decision to issue shares and/or securities giving access, directly and/or indirectly, immediately and/or in the future, to the Company's share capital and/or voting rights, other than (i) in cash and/or (ii) with pre-emption rights and/or (iii) in favour of the Group's executive corporate officers or employees under long-term incentive plans; and
- any amendment to the Company's Articles of Association having the aim or effect of removing the principle of allocation of a double voting right to all shares issued by the Company which can be shown to have been registered for two years in the same shareholder's name

(the "**Groupement Veto Right**" and, together with the CDC Individual Veto Right, the "**Veto Rights**").

Board seminars

The Board of Directors usually organises one or two strategic seminars each year, including at least one outside France. The Board seminars held abroad are an opportunity for the directors to visit the Group's facilities outside France.

A strategic seminar was held in November 2023 to welcome the director candidates and give them a forum to discuss the Group's businesses and activities with the members of the Board of Directors then in office.

Executive sessions

The Board of Directors meets at least once a year without the executive corporate officers in attendance, in accordance with recommendation 12.3 of the AFEP-MEDEF Code and Article 3-1 of the Company's Articles of Association. All directors take part in this session with the exception of (i) the directors representing employees and (ii) the executive and non-executive corporate officers, in the debates concerning them. The Central Social and Economic Committee representative does not take part in this session.

In 2023, the directors held executive sessions on three occasions without the executive corporate officers or any other employees present.

Duties and activities of the Board of Directors

The provisional schedule of Board meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on the above-mentioned schedule, the agenda for each meeting is made available online on the Board of Directors' digital platform in the four business days preceding the meeting, together, wherever possible, with documents that must be reviewed for effective decision-making by the directors. A matrix for the preparation of Board and Board Committee meetings is prepared by the Secretary of the Board in the year-earlier period and is updated on a regular basis. The agenda for the following meeting is announced at the end of the meeting.

The minutes of each meeting of the Board of Directors are expressly approved at the following meeting.

The Board of Directors met 25 times in 2023 (23 times in 2022). The attendance rate was 92.84% (versus 92.86% in 2022). Directors' individual attendance rates at the various Board of Directors' meetings are stated at the beginning of section 4.1 of this report.

On 22 October 2022, the Board of Directors resolved to create an Ad Hoc Committee to monitor changes in the Company's financial position, and to challenge and support Executive Management in its proposals to the Board and in its decisions (including monitoring the progress of the negotiations and the conciliation procedure) between Board meetings. This Ad Hoc Committee met on a weekly basis until February 2023 and met regularly but less systematically until October 2023. It reported on its work at each of the following Board meetings.

The table below provides a summary of the duties of the Board of Directors and the topics covered during its meetings held in 2023, it being noted that each Board meeting starts with a report by the Chief Executive Officer on recent news, developments, and the status of the Group's key performance indicators (in particular accident frequency and severity rates, serious adverse events, and occupancy rates).

Duties of the Board of Directors	Activities of the Board of Directors in 2023
Discussions and decisions concerning the Group's major strategic, business, employee-related and financial priorities and the monitoring of their implementation by Executive Management	• Regular review of the Group's business activities (in France and abroad), developments in progress, the Group's financial position and level of debt • Discussion regarding the Chief Executive Officer's activity reports • Review and approval of the 2023 budget • Review of third-quarter revenue, 2023 landing and 2024-2026 business plan
Implementation of the financial restructuring plan	• Regular updates on financial restructuring (in particular on the conciliation procedure and the accelerated safeguard procedure, then on the implementation of the Accelerated Safeguard Plan), including the following decisions: – review and authorisation regarding several external financing arrangements as part of the financial restructuring – review of the Company's draft Accelerated Safeguard Plan and approval of the Board of Directors' reports made available to the classes of affected parties – review and authorisation regarding the investment agreement between the Company and the Groupement – recording of the definitive completion of the first capital reduction – review and approval of the prospectuses relating to the capital transactions provided for in the Company's Accelerated Safeguard Plan, sub-delegation of powers to the Chief Executive Officer to carry out such transactions and approval of additional Board of Directors' reports

Duties of the Board of Directors	Activities of the Board of Directors in 2023
Decisions regarding investment opportunities, including acquisitions or disposals, that may have a material impact on the Group's results, balance sheet structure or risk profile	• Approval of plans to dispose of real estate portfolios in Austria, the Netherlands and Spain • Approval of plans to dispose of ORPEA's activities in Latvia • Approval of the unwinding of several partnerships in the nursing home sector in France and Belgium • Approval of commercial lease renegotiation plans in Belgium • Update on the real estate strategy
Approval of the annual and interim financial statements and preparations for the Annual General Meeting	• Request to extend the deadline for the 2023 Annual General Meeting • Review and approval of the individual and consolidated financial statements for the year ended 31 December 2022 and the condensed consolidated interim financial statements at 30 June 2023, and the related management reports • Review of related-party agreements entered into in 2022 and those entered into in prior years which remained in effect during 2023 • Review of agreements in force at 31 December 2022 that were entered into in the ordinary course of business and on arm's length terms • Preparation and approval of the Group's management report • Review of the draft resolutions submitted by non-profit ADAMO on the agenda for the meeting of the shareholder class • Review and approval of the answers to the written questions put at the meeting of the shareholder class • Notice of the Combined Annual General Meeting of 22 December 2023 • Acknowledgement of the absence of written questions at the Annual General Meeting of 22 December 2023 • Analysis of the results of the Annual General Meeting on 22 December 2023
Governance/proposal, upon the recommendation of the Appointments and Remuneration Committee, to the Annual General Meeting of candidates for the role of director	• Review, based on the work of the Appointments and Remuneration Committee, of matters relating to the appointment of new directors and non-voting advisors • Review, on the recommendation of the Appointments and Remuneration Committee, of the directors' individual status to determine whether they are independent • Acknowledgement of the implementation of the Company's new governance structure and the expiry of the terms of office of ten directors • Appointment of two non-voting advisors • Creation of the Investment Committee • Reshaping of the Board Committees' membership to enable new directors to become members
Determination of the remuneration policies for executives and corporate officers, on the recommendation of the Appointments and Remuneration Committee	• Proposal to amend the 2022 remuneration policy for Laurent Guillot, Chief Executive Officer (prospective "say on pay" amendment) • 2022 remuneration components for Laurent Guillot, Chief Executive Officer (including bonus) (retrospective "say on pay" *vote*) • Proposal of the 2023 remuneration policies for directors, the Chairman of the Board of Directors and the Chief Executive Officer (prospective "say on pay" vote) • Review of the achievement of the performance conditions applicable to the 1 February and 23 June 2020 free share plans • Update on the achievement of the Chief Executive Officer's objectives for 2023 and proposed objectives for calculating the Chief Executive Officer's bonus for 2024 • Review of the adjustments to the free share plans in connection with certain transactions involving the Company's share capital under the Company's Accelerated Safeguard Plan and sub-delegation to the Chief Executive Officer
Annual assessment of the Board of Directors	• Discussions regarding the membership, organisation and operating procedures of the Board of Directors and Board Committees and ways to improve in 2023
Corporate social responsibility	• Updates on values, corporate purpose and brand structure • Review of the annual 2022 and interim 2023 quality audits • Monitoring the "Values and Mission Statement" project
Group activities and business lines	• HR and Medical astonishment reports • Update on the Group's ethical, medical and healthcare approach • Update on the future of nursing homes • Presentation of the Group's activities in Germany, Belgium, Spain and Portugal
Other	• Review of commitments given in 2022 and 2023 and renewal of the general authorisation given to the Chief Executive Officer to grant guarantees, sureties and endorsements on behalf of the Company for 2023 • Decision to reduce the resources allocated to the Company's liquidity agreement • Approval of the termination of the agreement on investment arrangements with Peugeot Invest Assets • Preparing the handover to new governance • Restructuring of the Internal Rules of the Board of Directors

Pursuant to the Internal Rules, the Chief Executive Officer must seek the prior authorisation of the Board of Directors before carrying out certain transactions (see section 4.2.2 below).

Moreover, the directors are regularly informed of developments concerning the Group's markets, competitive environment and key priorities, including in the area of the Company's corporate social responsibility.

Procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code and on the recommendation of the Audit and Risk Committee, on 23 April 2020, the Board of Directors introduced a procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms. Under this procedure: (i) the agreements entered into by ORPEA S.A. are identified and sent to the Group Legal department, (ii) the Group Legal department reviews the conditions under which the agreements were established and prepares a summary table of agreements entered into in the ordinary course of business and on arm's length terms, (iii) the table is reviewed with the Group Finance department, (iv) the classification of agreements as entered into in the ordinary course of business and on arm's length terms is regularly reviewed, (v) the summary table is provided once a year to the Statutory Auditors as part of their statutory audit of the annual financial statements, and (vi) a presentation of the procedure's implementation is given to the Audit and Risk Committee, which reports thereon at the next Board of Directors meeting.

In the first half of 2023, the Audit and Risk Committee reviewed the agreements entered into since 1 January 2022 that were classified as regulated (and therefore subject to a specific approval process under French law), as well as the list of agreements classified as entered into in the ordinary course of business and on arm's length terms (and therefore not subject to the specific approval process). The Committee then reported on its review to the Board of Directors.

Role and powers of the Chairman

The Chairman of the Board of Directors represents the Board of Directors. He organises and manages its work, and reports on its work to the Annual General Meeting. He ensures that the Company's governing bodies are operating smoothly and checks, in particular, that the directors are able to fulfil their duties.

In addition to his statutory duties, the Chairman's remit is as follows:

- he is consulted by and meets with the Chief Executive Officer concerning certain events and projects of significance and/or strategic importance to the Group;
- he attends certain internal meetings with the Company's senior executives and teams, as well as certain meetings of the Board Committees;
- he seeks to maintain the balance and effectiveness of the Board.

On 28 July 2022, the Board of Directors appointed Guillaume Pepy as Chairman of the Board of Directors for a term equal to that of his directorship, i.e., until the close of the Annual General Meeting called to approve the financial statements for the year ending 2026.

Role and powers of non-voting advisors

In accordance with the Lock-Up Agreement and the Investment Agreement, the Company's Articles of Association were updated at the Annual General Meeting of 22 December 2023 to introduce a new article, Article 19, relating to the appointment of non-voting advisors to the Board of Directors.

The Board of Directors may appoint one or more non-voting advisors *(censeurs)*, who may be from among the shareholders or otherwise, for a term set by the Board which may not exceed four years. The Board may terminate the term of office of the non-voting advisors at any time.

The non-voting advisor(s) attend Board meetings in an advisory but non-voting capacity; they provide the directors with advice and opinions and may be consulted on all subjects on the Board agenda. Non-voting advisors may also participate in the Board Committees in an advisory capacity. They are bound by the same confidentiality obligations as directors.

Pascale Pradat (a doctor with particular expertise in the Group's businesses) and Laurent David (appointed by the member of the SteerCo with the largest holding of unsecured debt at 31 January 2023) were appointed as non-voting advisors by the Board of Directors at the close of the Annual General Meeting on 22 December 2023.

4.1.2.2 Directors' induction and training

An induction programme is organised for each new director. This includes a presentation of the Group, visits to facilities, meetings with certain members of Executive Management and training sessions.

A strategic seminar was organised in November 2023 to welcome the candidates, who became directors on 22 December 2023, and enable them to discuss the Group's activities and businesses with the members of the Board of Directors then in office.

Director candidates also took part in a number of specific meetings on strategy (medical and healthcare, HR, Quality and CSR, finance, IT and purchasing, real estate, etc.), medical ethics, business ethics and compliance, values and corporate purpose, and brand structure.

Directors who are members of the Audit and Risk Committee also receive the Internal Rules of the Audit and Risk Committee.

A procedure allowing directors to visit Group facilities at any time was introduced in 2022. Since 1 January 2023, some 30 visits have been made.

4.1.2.3 Assessment of the Board of Directors

Pursuant to the recommendations of the AFEP-MEDEF Code, the Internal Rules state that the Board should periodically conduct an assessment of its membership, organisation and effectiveness, and concurrently perform a similar assessment of its Committees. The Board of Directors reviews this topic every year, and a formal assessment supervised by the Chairman of the Board of Directors is conducted every three years.

The latest formal assessment of the membership and operating procedures of the Board of Directors and the Board Committees was conducted by Spencer Stuart in late 2021 and early 2022 after it presented its methods to the Appointments and Remuneration Committee. The assessment focused on the directors' assessment of (i) the progress made since the last assessment, (ii) the collective operating procedures of the Board of Directors, (iii) the directors' individual contribution, and (iv) the Board of Directors' organisational culture.

In early 2023, the Board of Directors decided, on the proposal of the Appointments and Remuneration Committee, and in accordance with the recommendations of the AFEP-MEDEF Code, to organise an assessment of the membership, organisation and operating procedures of the Board of Directors and the Board Committees based on a written questionnaire, taking into account the ongoing financial and governance restructuring agreed in the Lock-Up Agreement. Among the areas for improvement identified, the following recommendations were implemented:

- appoint a geriatrician to the Board of Directors: Pascale Pradat, a doctor with particular expertise in the Group's businesses, was appointed as a non-voting advisor by the Board of Directors on 22 December 2023;
- organise training, such as CSR training, upon appointment and during terms of office (e.g., as directors (representing employees); devote more time to discussions on the company's strategy and get input from specialists in the field of elderly care, sociologists, etc.; organise a strategy day around professions of the future and ORPEA's company purpose: training on the Board's role regarding CSR issues was organised in June 2023; a strategic integration seminar on the Group's activities and businesses was organised in the last quarter of 2023, attended by current directors and people whose candidacy as director was proposed at the Annual General Meeting of 22 December 2023; the "Values and Mission Statement" project was discussed on seven occasions in Ethics, Quality and CSR Committee or Board of Directors meetings;
- regularly review (i) the organisation of internal control and risk management, (ii) the organisational structure, and (iii) succession plans within the Group: internal control was discussed three times by the Audit and Risk Committee in 2023 and the organisational structure was presented twice to the Appointments and Remuneration Committee or to the Board of Directors in 2023;
- send files in advance of Board meetings: files are now sent one week before the Board meeting or Board Committee meeting;
- devote an annual meeting to a Board discussion of risk mapping and hedging mechanisms: the Group's risk mapping was discussed on three occasions by the Audit and Risk Committee.

In view of the change in governance in December 2023, there was no evaluation of the membership, organisation and operation of the Board of Directors and the Board Committees at the beginning of 2024. A formal evaluation of the Board of Directors is planned for late 2024/early 2025.

4.1.2.4 Financial authorisations

Delegations of powers currently valid and use thereof

The table below summarises the currently valid delegations of powers, granted by the Annual General Meetings of 28 July 2022 and 22 December 2023, and the use made thereof during 2023.

Type of authorisations/Maximum total nominal amount/Other information	Period of validity	Use of authorisations during 2023
ANNUAL GENERAL MEETING OF 28 JULY 2022		
22nd resolution – Share buyback programme: • up to a ceiling of 10% of the share capital; • maximum purchase price ≤ €100 per share.	18 months	None
23rd resolution – Reduction in the share capital through the cancellation of treasury shares: • maximum amount: 10% of the share capital.	18 months	None
24th resolution – Issue of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities, with pre-emption rights for shareholders[1]: • maximum nominal amount of capital increases: €40,000,000; • maximum nominal amount of debt securities: €750,000,000.	26 months	None
25th resolution – Issue, by means of public offerings other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities, without pre-emption rights for shareholders[1]: • maximum nominal amount of capital increases: €8,078,915; • maximum nominal amount of debt securities: €750,000,000.	26 months	None
26th resolution – Issue, by means of public offerings referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, of ordinary shares of the Company and/or negotiable securities carrying rights to the share capital and/or negotiable securities conferring entitlement to the award of debt securities, without pre-emption rights for shareholders[1]: • maximum nominal amount of capital increases: €8,078,915; • maximum nominal amount of debt securities: €750,000,000.	26 months	None
27th resolution – Increase in the number of securities to be issued in the event of a capital increase, with or without pre-emption rights for shareholders[1]: • up to a ceiling of 15% of the initial issue.	26 months	None
28th resolution – Setting the issue price under the terms approved by the Annual General Meeting, up to a ceiling of 10% of the Company's share capital, in the event of the issue of shares or negotiable securities carrying rights to the Company's share capital, without pre-emption rights[1].	26 months	None
29th resolution – Capital increase in consideration for contributions in kind made to the Company in the form of equity or other negotiable securities carrying rights to the share capital, without pre-emption rights for shareholders[1]: • up to a ceiling of 10% of the share capital.	26 months	None
30th resolution – Capital increase by capitalisation of reserves, profits or premiums or similar: • maximum nominal amount of capital increases: €30,000,000.	26 months	None

Type of authorisations/Maximum total nominal amount/Other information	Period of validity	Use of authorisations during 2023
31st resolution – Bonus allotment of existing or new shares to corporate officers and/or employees, without pre-emption rights for shareholders: • up to a ceiling of 1% of the share capital, with a sub-ceiling of 0.2% of the share capital for executive corporate officers; • service condition for all grantees; • performance conditions assessed over a period of three years for executive corporate officers; • three-year vesting period.	26 months	None
32nd resolution – Capital increase for members of a corporate savings plan, without pre-emption rights: • maximum nominal amount: €400,000.	26 months	None
33rd resolution – Issue of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities, without pre-emption rights for shareholders: • up to a ceiling of 0.15% of the share capital.	18 months	None
ANNUAL GENERAL MEETING OF 22 DECEMBER 2023		
23rd resolution – Share buyback programme: • maximum percentage of the share capital that may be bought back: 10% of the share capital; • maximum amount funds available for share buybacks: €194,081,550.	18 months	None[2]
24th resolution – Reduction in the share capital through the cancellation of treasury shares: • maximum amount: 10% of the share capital.	18 months	None
25th resolution – Reverse stock split of the Company's shares: • allocation of one new share with a par value of €10 for every 1,000 existing shares with a par value of €0.01 each.	12 months	None[3]
26th resolution – Share capital reduction as a result of losses, by way of reducing the par value of the Company's shares: • completion subsequent to the reverse share split referred to in the 25th resolution above; • reduction of the par value from €10 to €0.01.	12 months	None[4]
28th resolution – Issue and allocation of free share warrants, without pre-emption rights for shareholders, to members of the SteerCo or their respective affiliates, a category of persons meeting specified characteristics: • completion within 30 days of the capital reduction referred to in the 26th resolution above; • free allocation of 1,162,279 share warrants; • total nominal amount of the capital increase resulting from the exercise of the warrants: €11,622.79.	12 months	None
29th resolution – Award of existing or new shares to corporate officers and/or employees free of consideration, without pre-emption rights for shareholders: • up to a ceiling of 1% of the share capital, with a sub-ceiling of 0.2% of the share capital for executive corporate officers; • service condition for all grantees; • performance conditions assessed over a period of three years for executive corporate officers; • two-year vesting period.	26 months	None[5]
30th resolution – Issue of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities, without pre-emption rights for shareholders: • up to a ceiling of 0.15% of the share capital.	18 months	None
31st resolution – Capital increase for members of a corporate savings plan, without pre-emption rights: • maximum nominal amount: €400,000.	26 months	None

(1) Authorisations suspended during a public tender offer for the shares of the Company.
(2) Pursuant to the 23rd resolution, the Board of Directors, at its meeting on 19 March 2024, decided to implement the Company's share buyback programme.
(3) Pursuant to the 25th resolution, the Board of Directors, at its meeting on 16 January 2024, decided to implement the reverse share split of the Company's shares.
(4) Pursuant to the 26th resolution, the Board of Directors, at its meeting on 16 April 2024, decided to carry out a capital reduction as a result of losses, by reducing the par value of the shares.
(5) Pursuant to the 29th resolution, the Board of Directors, at its meeting on 16 April 2024, decided to allocate 757,237 shares to key managers subject to performance conditions.

The 27th resolution relating to the issue and allocation, free of charge, of share warrants, without pre-emption rights, to members of the Groupement was rejected by the Annual General Meeting of 22 December 2023.

The full text of the resolutions approved at the above-mentioned General Meetings can be found on the website of the French Bulletin of Mandatory Legal Announcements (*Bulletin des annonces légales obligatoires* – BALO) and on the Company's website (*www.emeis-group.com/en/*, ORPEA S.A. section – Shareholders & Investors/Shareholders/Annual General Meetings).

Renewal of financial authorisations

It is essential for the Board of Directors to have financial authorisations in place enabling it to raise the capital it needs in a rapid and flexible manner to further the Group's development through various types of issues in accordance with the regulations in force. At the 2024 Annual General Meeting, shareholders will therefore be asked to renew certain financial delegations by the Board of Directors, which will approve the draft resolutions and call the Meeting.

4.1.3 Operating procedures of and main work undertaken by the Board Committees

The Annual General Meeting of 22 December 2023 approved the overhaul of the Board of Directors proposed as part of the Company's financial restructuring, and in accordance with (i) the Lock-Up Agreement, (ii) the Company's Accelerated Safeguard Plan, and (iii) the Investment Agreement. At its first meeting, held immediately after the Annual General Meeting, the new Board of Directors decided to redefine the duties assigned to its Committees in order to redefine the purposes and roles of each Committee and overhaul their membership in order to accommodate for the new directors. At this meeting, the Board of Directors decided to set up the Investment Committee.

The Board of Directors has established four Committees, namely the Audit and Risk Committee, the Appointments and Remuneration Committee, the Ethics, Quality and CSR Committee, and the Investment Committee, to which it has entrusted specific duties with a view to preparing and enhancing its work.

These Board Committees act strictly within the remit assigned to them by the Board of Directors and pursuant to law. Their scope of work is specified in the Internal Rules. They prepare the Board's work and make proposals and recommendations, but have no decision-making powers. They carry out their activities under the responsibility of the Board of Directors, which has sole decision-making powers and remains accountable for the completion of its duties.

The members of the Board Committees, their duties and their work in 2023 are presented below.

4.1.3.1 Audit and Risk Committee

The following tables present the key indicators applicable to the Audit and Risk Committee and the directors' individual attendance rates at its meetings.

2023 key indicators	
Number of meetings of the Audit and Risk Committee	13
Attendance rate at meetings of the Audit and Risk Committee[1]	89.01%
Number of members of the Audit and Risk Committee[2][3]	5
Proportion of independent directors[2][4]	40.00%
Proportion of women on the Audit and Risk Committee[2][4]	60.00%
Average length of service of members of the Audit and Risk Committee[2][5]	< 1 year
Average age of members of the Audit and Risk Committee[2][5]	60

(1) There were no meetings of the Audit and Risk Committee between 22 December 2023, the date of the overhaul of the Board of Directors, and 31 December 2023. The attendance rate at Audit and Risk Committee meetings has been calculated on the basis of the previous membership.
(2) Méka Brunel, Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan) and MAIF (represented by Pascal Demurger) were appointed as directors by the Annual General Meeting of 22 December 2023 and were appointed as members of the Audit and Risk Committee by the Board of Directors meeting held at the close of the Annual General Meeting of 22 December 2023. Mireille Faugère was also appointed as a member of this Committee by the Board of Directors. Lastly, Laurent David was appointed as a non-voting advisor by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023. He has also been a member of this Committee since that date.
(3) This number has been calculated on the basis of the membership of the Audit and Risk Committee at 31 December 2023, without taking into account the non-voting advisor.
(4) This percentage has been calculated on the basis of the composition of the Audit and Risk Committee at 31 December 2023, without taking into account the non-voting advisor.
(5) These averages have been calculated based on the composition of the Audit and Risk Committee at 31 December 2023, without taking into account the non-voting advisor.

Directors' and non-voting advisors' individual attendance rates in 2023	
Méka Brunel[1]	N/A
Caisse des Dépôts et Consignations, represented by Audrey Girard[1]	N/A
CNP Assurances, represented by Stéphane Dedeyan[1]	N/A
Mireille Faugère[1]	N/A
MAIF, represented by Pascal Demurger[1]	N/A
Laurent David (non-voting advisor)[2]	N/A
Olivier Lecomte[3]	100.00%
Corine de Bilbao[3]	84.62%
Isabelle Calvez[3]	61.54%
Laure Duhot[3]	100.00%
John Glen[3]	100.00%
David Hale[3]	92.31%
Peugeot Invest Assets, represented by Bertrand Finet[3]	84.62%

(1) Méka Brunel, Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan) and MAIF (represented by Pascal Demurger) were appointed as directors by the Annual General Meeting of 22 December 2023 and were appointed as members of the Audit and Risk Committee on the same date. Mireille Faugère, whose appointment was ratified by the Annual General Meeting of 22 December 2023, was also appointed as a member of this Committee on the same date.
(2) Laurent David was appointed as a non-voting advisor by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023. He has also been a member of this Committee since that date.
(3) On 14 November 2023, Olivier Lecomte, John Glen, David Hale, Corine de Bilbao and Isabelle Calvez resigned as directors, with effect from the close of the Annual General Meeting of 22 December 2023. The terms of office of Peugeot Invest Assets (represented by Bertrand Finet) and Laure Duhot expired at the close of the Annual General Meeting of 22 December 2023. Their terms as members of the Audit and Risk Committee therefore ended on the same date.

The operating procedures, membership and duties of the Audit and Risk Committee are governed by its Internal Rules, which were updated most recently on 14 March 2023.

Members of the Audit and Risk Committee

The Audit and Risk Committee shall be composed of at least three members, who shall be non-executive directors of the Company. At least two directors must be appointed on the recommendation of the members of the Groupement. It shall be chaired by an independent director.

Until the close of the Annual General Meeting of 22 December 2023, the Audit and Risk Committee comprised the following six members: Olivier Lecomte (Chair of the Committee), Corine de Bilbao, Isabelle Calvez, Laure Duhot[1], John Glen, David Hale and Peugeot Invest Assets (represented by Bertrand Finet).

The directorships of Peugeot Invest Assets (represented by Bertrand Finet) and Laure Duhot expired at the close of the Annual General Meeting of 22 December 2023. Their terms as members of the Audit and Risk Committee therefore ended on the same date.

Corine de Bilbao, Isabelle Calvez, John Glen and David Hale resigned as directors on 14 November 2023, with effect from the close of the Annual General Meeting of 22 December 2023. Their terms as members of the Audit and Risk Committee therefore ended on the same date.

At the close of the Annual General Meeting of 22 December 2023, the Board of Directors decided to appoint Méka Brunel as Chair of the Audit and Risk Committee and Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan), MAIF (represented by Pascal Demurger) and Mireille Faugère as members of this Committee. Laurent David, appointed as a non-voting member of the Board of Directors at the above-mentioned meeting, also sits on this Committee.

Its membership remains unchanged at the date of this report.

Guillaume Pepy, Chairman of the Board of Directors, may participate in Audit and Risk Committee meetings in an advisory capacity depending on the subjects being discussed.

All members of the Audit and Risk Committee are directors selected on the basis of their specific financial, accounting or legal expertise, on account of their training or professional experience, as shown in the table presenting the main information about directors at the beginning of section 4.1.1 above and in their biographical details presented in Appendix 3 to this report.

As a result of the governance arrangements agreed when the Groupement acquired a majority stake in the Company, the composition of the Audit and Risk Committee does not comply with recommendation 17.1 of the AFEP-MEDEF Code, which stipulates that at least two-thirds of the members of the Audit Committee should be independent directors.

The term of office of Audit and Risk Committee members is the same as their term of office as a director.

Operating procedures of the Audit and Risk Committee

Meetings of the Audit and Risk Committee are convened by its Chair whenever he/she or the Board deems it appropriate, and at least four times a year.

The provisional schedule of Audit and Risk Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on this schedule, the agenda for meetings is drawn up by the Chair of the Committee, together with the Company's accounting and financial management, where appropriate, and in conjunction with the Board of Directors when the Board has called the meeting. It is posted on the Board's digital platform eight days before the meeting. The documents required to inform members of the Committee regarding the agenda and all issues referred to the Committee for consideration shall be attached to the notice calling the meeting or shall be sent to them within a reasonable period, of at least four business days prior to the meeting.

The Audit and Risk Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Board of Directors acts as Secretary of the Audit and Risk Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Audit and Risk Committee.

To carry out its duties effectively, the Audit and Risk Committee may, should it deem it necessary, ask the Statutory Auditors, the Chief Executive Officer and/or the Company's executive managers responsible for the preparation of the financial statements, internal control, internal audit, risk management and compliance to appear before it, alone or together with representatives of the Company.

To perform its duties, the Audit and Risk Committee may request external technical reviews.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the Committee meeting at that Board meeting.

Duties and activities of the Audit and Risk Committee

The Audit and Risk Committee met 13 times in 2023 (as in 2022). The Committee members' attendance rate was 89.01% (versus 89.33% in 2022). Directors' individual attendance rates at the various Audit and Risk Committee meetings are stated at the beginning of this section.

The Audit and Risk Committee deals with issues arising from the preparation and auditing of financial and accounting information. Its role is to make the requisite preparations for decisions by the Board of Directors on financial and accounting matters. It also oversees issues relating to the effectiveness of internal control, internal audit and significant risk management systems, where appropriate in conjunction with the specialised Committee responsible for non-financial issues. Lastly, it is responsible for monitoring the impact and implementation of investments and divestments on the company's financial and cash position, and on relations with its creditors.

The Audit and Risk Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions and brings any points to its attention that require it to make a decision.

(1) *Laure Duhot had been a member of the Audit and Risk Committee since 14 March 2023.*

The table below provides a summary of the duties of the Audit and Risk Committee and the topics covered during its meetings held in 2023.

Duties of the Audit and Risk Committee	Activities of the Audit and Risk Committee in 2023
Monitoring of the process through which financial information is prepared	• Information regarding the 2023 budget • Information regarding the overhaul of accounting and financial processes and the change in valuation method for property assets in the consolidated financial statements • Review of the individual and consolidated financial statements for the year ended 31 December 2022 and the condensed consolidated interim financial statements for the six months ended 30 June 2023 • Review of third-quarter revenue, 2023 landing and the 2024-2026 business plan
Monitoring of financing and property project[1]	• Valuation of ORPEA's real estate assets and consultations with experts • Regular updates on the unwinding of partnerships • Review of proposed disposals of real estate portfolios • Review of a new €600 million financing agreement with the G6 banks, an amendment to the June 2022 syndicated loan agreement and other amendments to existing financing agreements • Update on the real estate strategy • Monitoring of cash preservation measures
Review of risks (including social and environmental risks), levels of risk and risk prevention procedures, and material off-balance sheet commitments	• Review of the internal control environment and risk mapping, overview of the current risk situation, and risk outlook • Review of corruption risk mapping • Monitoring of ongoing legal disputes • Review of off-balance sheet commitments • Update on payroll
Verification of the effectiveness of internal control, internal audit and risk management systems, and of the statutory audit of the individual and consolidated financial statements by the Statutory Auditors and, where necessary, the acknowledgement of any observations made by the H2A (High Audit Authority) (formerly the H3C)	• Monitoring of progress on projects to achieve compliance with French law No. 2016-1691 of 9 December 2016 on transparency, combating corruption and the modernisation of business practices ("Sapin II law") and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR") • Review of the work performed by the Statutory Auditors concerning the individual and consolidated financial statements for the year ended 31 December 2022 and the consolidated interim financial statements for the six months ended 30 June 2023, and the effectiveness of ORPEA's internal control • Discussion of internal audit, compliance and risk, including expectations and objectives • Update on information systems and cybersecurity • Review of the section of the management report covering risk management • Receiving information regarding the results of the Statutory Auditors' work relating to the review of the real estate valuations, internal control and information systems
Review of regulated related-party agreements and procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms	• Review of related-party agreements entered into in 2022 and those entered into in prior years which remained in effect during 2023 • Review of agreements in force at 31 December 2022 that were entered into in the ordinary course of business and on arm's length terms

(1) The Audit and Risk Committee was in charge of monitoring the development and implementation of the Group's real estate strategy from 14 March 2023, until 22 December 2023, when this task was transferred to the Investment Committee.

In order to effectively carry out its duties, the Audit and Risk Committee was given presentations by, among others, the Information Systems Director, the Group Head of Internal Audit, the Group Risk and Compliance Director, the Group Executive Vice President Real Estate, the M&A Director and the Group Executive Vice President CSR and Quality at certain Committee meetings.

4.1.3.2 Appointments and Remuneration Committee

The following tables present the key indicators applicable to the Appointments and Remuneration Committee and the directors' individual attendance rates at its meetings.

2023 key indicators	
Number of meetings of the Appointments and Remuneration Committee	7
Attendance rate at meetings of the Appointments and Remuneration Committee(1)	97.14%
Number of members of the Appointments and Remuneration Committee(2)(3)	6
Proportion of independent directors(2)(4)	40.00%
Proportion of women on the Appointments and Remuneration Committee(2)(4)	33.33%
Average length of service of members of the Appointments and Remuneration Committee(2)(5)	< 1 year
Average age of members of the Appointments and Remuneration Committee(2)(5)	62

(1) No meetings of the Appointments and Remuneration Committee were held between 22 December 2023, the date of the overhaul of the Board of Directors, and 31 December 2023. The attendance rate at meetings of the Appointments and Remuneration Committee was calculated on the basis of the previous membership.

(2) Méka Brunel, Caisse des Dépôts et Consignations (represented by Audrey Girard), Philippe Grangeon and MACSF Épargne Retraite (represented by Stéphane Dessirier), were appointed as directors by the Annual General Meeting of 22 December 2023 and were appointed as members of the Appointments and Remuneration Committee by the Board of Directors which met at the close of the Annual General Meeting of 22 December 2023.

(3) In addition, Guillaume Pepy, Chairman of the Board of Directors, and Sophie Kalaidjian, director representing employees, were appointed respectively as Chairman and member of this Committee by the Board of Directors meeting at the close of the Annual General Meeting on 22 December 2023.

(4) This number was calculated based on the membership of the Appointments and Remuneration Committee at 31 December 2023 and including the director representing employees.

(5) This percentage was calculated based on the membership of the Appointments and Remuneration Committee at 31 December 2023 and excluding the director representing employees.

(6) These averages were calculated based on the membership of the Appointments and Remuneration Committee at 31 December 2023, excluding the director representing employees.

Directors' individual attendance rates in 2023	
Guillaume Pepy(1)	N/A
Méka Brunel(2)	N/A
Caisse des Dépôts et Consignations, represented by Audrey Girard(2)	N/A
Philippe Grangeon(2)	N/A
MACSF Épargne Retraite, represented by Stéphane Dessirier(2)	N/A
Sophie Kalaidjian, director representing employees(1)	N/A
Peugeot Invest Assets, represented by Bertrand Finet(3)	100.00%
Corine de Bilbao(3)	85.71%
Laure Duhot(3)	100.00%
Pascale Richetta(3)	100.00%
Laurent Serris (director representing employees)(3)	100.00%

(1) Guillaume Pepy and Sophie Kalaidjian were appointed respectively as Chairman and member of the Appointments and Remuneration Committee by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023.

(2) Méka Brunel, Caisse des Dépôts et Consignations (represented by Audrey Girard), Philippe Grangeon and MACSF Épargne Retraite (represented by Stéphane Dessirier), were appointed as directors by the Annual General Meeting of 22 December 2023 and were appointed as members of the Appointments and Remuneration Committee on the same date.

(3) On 14 November 2023, Corine de Bilbao and Pascale Richetta resigned as directors, with effect from the close of the Annual General Meeting of 22 December 2023. The terms of office as directors of Peugeot Invest Assets (represented by Bertrand Finet) and Laure Duhot and the term of office as director representing employees of Laurent Serris expired at the close of the Annual General Meeting of 22 December 2023. Their terms as members of the Appointments and Remuneration Committee therefore ended on the same date.

Members of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee shall be composed of at least three members, who shall be non-executive directors of the Company. At least two directors must be appointed on the recommendation of the members of the Groupement. The Committee is chaired by an independent director. One of the directors representing the employees shall be a member of this Committee.

Until the close of the Annual General Meeting of 22 December 2023, the Appointments and Remuneration Committee comprised the following five members: Peugeot Invest Assets (represented by Bertrand Finet) (Chair), Corine de Bilbao, Laure Duhot, Pascale Richetta and Laurent Serris.

The terms of office as directors of Peugeot Invest Assets (represented by Bertrand Finet) and Laure Duhot and the term of office as director representing employees of Laurent Serris expired at the close of the Annual General Meeting of 22 December 2023. As a result, their respective terms of office as Chair and member of the Appointments and Remuneration Committee ended on the same date.

Corine de Bilbao and Pascale Richetta resigned as directors on 14 November 2023, with effect from the close of the 2023 Annual General Meeting. Their terms as members of the Appointments and Remuneration Committee therefore ended on the same date.

The Board of Directors, which met at the close of the Annual General Meeting on 22 December 2023, decided to appoint Guillaume Pepy as Chair of the Appointments and Remuneration Committee and Caisse des Dépôts et Consignations (represented by Audrey Girard), Méka Brunel, Philippe Grangeon, MACSF Épargne Retraite (represented by Stéphane Dessirier) and Sophie Kalaidjian as members of this Committee.

Its membership was unchanged at the date of this report.

As a result of the governance arrangements agreed as part of the Groupement's acquisition of a controlling interest in the Company, the membership of the Appointments and Remuneration Committee does not comply with recommendations 18.1 and 19.1 of the AFEP-MEDEF Code, which stipulate that the majority of the members of the Appointments Committee and the Remuneration Committee must be independent directors.

The term of office of Appointments and Remuneration Committee members is the same as their term of office as a director.

Operating procedures of the Appointments and Remuneration Committee

Meetings of the Appointments and Remuneration Committee are convened by its Chair whenever they or the Board of Directors deems it appropriate.

The provisional schedule of Appointments and Remuneration Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on this schedule, the agenda for meetings is drawn up by the Chair of the Appointments and Remuneration Committee, in conjunction with the Board of Directors when the meeting is convened at the initiative of the Board. It is posted on the Board's digital platform eight days before the meeting. The documents required to inform members of the Committee regarding the agenda and all issues referred to the Committee for consideration shall be attached to the notice calling the meeting or shall be sent to them within a reasonable period, of at least four business days prior to the meeting.

The Appointments and Remuneration Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Board of Directors acts as Secretary of the Appointments and Remuneration Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Appointments and Remuneration Committee.

To carry out its duties effectively, the Appointments and Remuneration Committee involves the Chief Executive Officer in its preparation work related to the appointment of executive officers and the remuneration policy applicable to them. Moreover, the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer are defined together with the Ethics, Quality and CSR Committee.

To perform its duties, the Appointments and Remuneration Committee may request external technical reviews.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the Committee meeting at that Board meeting.

Duties and activities of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee met seven times in 2023 (versus nine times during the previous financial year). The Committee members' attendance rate was 97.14% (versus 100% in 2022). Directors' individual attendance rates at the various Appointments and Remuneration Committee meetings are stated at the beginning of this section.

The Appointments and Remuneration Committee oversees governance and remuneration issues, supervises the talent pool to ensure a succession plan for the Executive Committee and other key positions, and monitors the HR policy. Lastly, it is responsible for organising the selection process for independent directors to sit on the Board of Directors and for examining the insurance cover implemented by the Company regarding the civil liability of its corporate officers.

The Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions and brings any points to its attention that require it to make a decision.

The table below provides a summary of the duties of the Appointments and Remuneration Committee and the topics covered during its meetings held in 2023.

Duties of the Appointments and Remuneration Committee	Activities of the Appointments and Remuneration Committee in 2023
Assistance to the Board of Directors on the Company's governance structure and the status of executive corporate officers Opinion on the proposals by the Chairman of the Board of Directors concerning the appointment of the Chief Executive Officer	• The recruitment processes of persons called to join the Executive Committee and other key functions
Organisation of the periodic assessment of the structure, size and membership of the Board of Directors and submission of recommendations relating to any amendments/Proposals to the Board for the selection of directors	• Discussions and recommendations on the implementation of the areas for improvement identified during the formal evaluation carried out in late 2021/early 2022 • Reflection on the membership of the Board of Directors in line with the Group's development when discussing the terms of office due to expire at the close of the 2023 Annual General Meetings • Discussion in early 2023 regarding the membership, organisation and operating procedures of the Board of Directors and Board Committees and drafting of recommendations
Proposals to the Board of Directors concerning the establishment and membership of Board Committees	• Broadening of the Audit and Risk Committee's membership and scope of duties to include real estate • Review of the change in governance linked to the proposed acquisition of a controlling interest in the Group • Proposal to extend the duties of the Board Committees and to reshape their membership, in particular with a view to enabling the new directors to become members following the Groupement's acquisition of a stake in the Company • Proposal to set up an Investment Committee

Duties of the Appointments and Remuneration Committee	Activities of the Appointments and Remuneration Committee in 2023
Discussions regarding the independence of directors for the purpose of the Board of Directors' annual review thereof prior to publication of the annual report and when director candidates are selected	• Discussions and recommendations regarding the independence of directors in connection with the drafting of the 2023 corporate governance report • Discussions and recommendations on the independence of directors in connection with the overhaul of the Board of Directors proposed at the Annual General Meeting of 22 December 2023
Monitoring of proper application of the Corporate Governance Code to which the Company refers	• Preparation of the Board of Directors' corporate governance report
Drafting of proposals relating to the remuneration of corporate officers	• Recommendations regarding the amendment to the 2022 remuneration policy for the Chief Executive Officer, Laurent Guillot, to include the grant of an exceptional remuneration package • Recommendations regarding the 2023 remuneration policy for directors, the Chief Executive Officer, Laurent Guillot, the Chairman of the Board of Directors, Guillaume Pepy, and the non-voting advisors • Recommendations regarding the 2022 bonus of the Chief Executive Officer, Laurent Guillot, based on the objectives assigned to him for that year • Recommendations regarding the 2024 remuneration policy for the Chief Executive Officer, Laurent Guillot
Preparation of Board decisions regarding updates to its Internal Rules	• Proposed amendments to the Board of Directors' Internal Rules in connection with new responsibilities and a new allocation of duties for the Board Committees as well as changes to the membership of these Committees
Other	• Recommendations concerning the expiry of free share plans no. 10, 11 and 12 • Adjustment of existing share allocation plans as part of the financial restructuring and consideration of the introduction of a free share plan for 2023

The Appointments and Remuneration Committee is also responsible for ensuring that the succession plan for corporate officers and key executives (i.e., persons joining the Executive Committee and other key functions of the Company) is appropriate and up to date, in accordance with Article 4.2.1 of the Internal Rules.

In order to effectively carry out its duties, the Appointments and Remuneration Committee asked the Group Human Resources Development Director to attend one of its meetings during the year.

4.1.3.3 Ethics, Quality and CSR Committee

The following tables present the key indicators applicable to the Ethics, Quality and CSR Committee and the individual attendance rates for directors at its meetings.

2023 key indicators	
Number of meetings of the Ethics, Quality and CSR Committee	8
Attendance rate at meetings of the Ethics, Quality and CSR Committee[1]	100.00%
Number of members of the Ethics, Quality and CSR Committee[2][3]	5
Proportion of independent directors[2][4]	25.00%
Proportion of women on the Ethics, Quality and CSR Committee[2][4]	75.00%
Average length of service of members of the Ethics, Quality and CSR Committee[2][5]	< 1 year
Average age of members of the Ethics, Quality and CSR Committee[2][5]	58

(1) No meetings of the Ethics, Quality and CSR Committee were held between 22 December 2023, the date of the overhaul of the Board of Directors, and 31 December 2023. The attendance rate at meetings of the Ethics, Quality and CSR Committee was calculated on the basis of the previous membership.

(2) Philippe Grangeon, Sybille Le Maire and Frédérique Mozziconacci were appointed as directors by the Annual General Meeting held on 22 December 2023 and were appointed as members of the Ethics, Quality and CSR Committee on the same date. Additionally, May Antoun, director representing employees, was appointed as a member of this Committee by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023. Lastly, Pascale Pradat and was appointed as a non-voting advisor by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023. She has also been a member of this Committee since that date.

(3) This number was calculated based on the membership of the Ethics, Quality and CSR Committee at 31 December 2023, including the director representing employees and excluding the non-voting advisor.

(4) This percentage was calculated based on the membership of the Ethics, Quality and CSR Committee at 31 December 2023, excluding the director representing employees and non-voting advisor.

(5) These averages were calculated based on the membership of the Ethics, Quality and CSR Committee at 31 December 2023, excluding the director representing employees and the non-voting advisor.

Directors' and non-voting advisors' individual attendance rates in 2023

Mireille Faugère[1]	100.00%
Philippe Grangeon[2]	N/A
Sibylle Le Maire[2]	N/A
Frédérique Mozziconacci[2]	N/A
May Antoun (director representing employees)[3]	N/A
Pascale Pradat (non-voting advisor)[4]	N/A
David Hale[5]	100.00%
Pascale Richetta[5]	100.00%
Sophie Kalaidjian[6]	100.00%

(1) Mireille Faugère, whose appointment was ratified by the Annual General Meeting of 22 December 2023, remains Chair of this Committee.
(2) Philippe Grangeon, Sibylle Le Maire and Frédérique Mozziconacci were appointed as directors by the Annual General Meeting of 22 December 2023 and were appointed as members of the Ethics, Quality and CSR Committee by the Board of Directors meeting held immediately at the close of the Annual General Meeting of 22 December 2023.
(3) May Antoun was appointed as a director representing employees by ORPEA's European Works Council at its plenary meeting on 13 December 2023, with effect from the close of the Annual General Meeting on 22 December 2023, and was appointed as a member of the Ethics, Quality and CSR Committee by the Board of Directors meeting held immediately at the Annual General Meeting on 22 December 2023.
(4) Pascale Pradat was appointed as a non-voting advisor by the Board of Directors at its meeting held immediately after the Annual General Meeting on 22 December 2023. She has also been a member of this Committee since that date.
(5) On 14 November 2023, David Hale and Pascale Richetta resigned as directors, with effect from the close of the Annual General Meeting of 22 December 2023. Their terms of office as members of the Ethics, Quality and CSR Committee therefore ended on the same date.
(6) Sophie Kalaidjian resigned as a member of the Ethics, Quality and CSR Committee on 22 December 2023.

Members of the Ethics, Quality and CSR Committee

The Ethics, Quality and CSR Committee shall be composed of at least three members, who shall be non-executive directors of the Company. At least two directors must be appointed on the recommendation of the members of the Groupement.

Until the close of the Annual General Meeting of 22 December 2023, the Ethics, Quality and CSR Committee comprised the following four members: Mireille Faugère (Chair), David Hale, Pascale Richetta and Sophie Kalaidjian.

David Hale and Pascale Richetta resigned as directors on 14 November 2023, with effect from the close of the Annual General Meeting of 22 December 2023. Their terms of office as members of the Ethics, Quality and CSR Committee therefore ended on the same date.

Sophie Kalaidjian resigned as a member of the Ethics, Quality and CSR Committee on 22 December 2023.

At the close of the Annual General Meeting on 22 December 2023, the Board of Directors decided to appoint Sibylle Le Maire, Frédérique Mozziconacci, May Antoun and Philippe Grangeon as members of the Ethics, Quality and CSR Committee. Pascale Pradat, appointed as a non-voting advisor at the above-mentioned Board meeting, also sits on this Committee.

Mireille Faugère remains Chair of the Ethics, Quality and CSR Committee.

Its membership was unchanged at the date of this report.

Guillaume Pepy, Chairman of the Board of Directors, may participate in meetings of the Ethics, Quality and CSR Committee in an advisory capacity depending on the subjects discussed.

The term of office of Ethics, Quality and CSR Committee members is the same as their term of office as a director.

Operating procedures of the Ethics, Quality and CSR Committee

Meetings of the Ethics, Quality and CSR Committee are convened by its Chair whenever he/she or the Board of Directors deems it appropriate.

The provisional schedule of the Ethics, Quality and CSR Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on this schedule, the agenda for meetings is drawn up by the Chair of the Ethics, Quality and CSR Committee, in conjunction with the Board of Directors when the meeting is convened at the initiative of the Board. It is posted on the Board's digital platform eight days before the meeting. The documents required to inform members of the Committee regarding the agenda and all issues referred to the Committee for consideration shall be attached to the notice calling the meeting or shall be sent to them within a reasonable period, of at least four business days prior to the meeting.

The Ethics, Quality and CSR Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Board of Directors acts as Secretary of the Ethics, Quality and CSR Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Ethics, Quality and CSR Committee.

To carry out its duties effectively, the ethics, Quality and CSR Committee shall receive regular reports from management on the Group's ethics, quality and CSR strategy and its implementation.

As part of its duties, the Ethics, Quality and CSR Committee may request external technical reviews.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the meeting at that Board meeting.

Duties of the Ethics, Quality and CSR Committee

The Ethics, Quality and CSR Committee met eight times in 2023 (versus five times during the previous financial year). The attendance rate stood at 100% (as in 2022). Directors' individual attendance rates at the various Ethics, Quality and CSR Committee meetings are stated at the beginning of this section.

The main duties of the Ethics, Quality and CSR Committee are to examine the Group's strategy and commitments in terms of corporate social responsibility and innovation, as well as to monitor the measures implemented in those areas and assess their principal results. Lastly, it is responsible for monitoring residents' living conditions.

The Ethics, Quality and CSR Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions, and brings any matters to its attention requiring it to make a decision.

The table below provides a summary of the duties of the Ethics, Quality and CSR Committee and the topics covered during its meetings held in 2023.

Duties of the Ethics, Quality and CSR Committee	Activities of the Ethics, Quality and CSR Committee in 2023
Review of the Group's strategy and commitments, and monitoring of the measures implemented by the Group in respect of corporate social responsibility and innovation	• Regular updates on health and safety at work • Review of the Group's Sustainable Development and Quality strategy, CSR positioning, implementation of the 2023 CSR roadmap and detailed review of its key indicators • Regular updates on the reporting of serious adverse events, the accident frequency and severity rate, and general Quality indicators • Discussions regarding the dual materiality matrix • Astonishment report on CSR and proposals for 2024 • Regularly monitoring the "Values and Corporate Purpose" project • Update on the organisation of the Group Medical department • Medical and nursing quality approach • Update on the Group's Ethics approach • Update on the future of nursing homes • Update on mediation
Review of the main environmental and societal risks in coordination with the Audit and Risk Committee, and the impact of societal and environmental issues in terms of investment, economic performance, and reputation	• 2022 annual quality audit and 2023 semi-annual audit
Helping to define the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer, in coordination with the Appointments and Remuneration Committee	• Opinion on the level of achievement of the CSR objectives for the 2022 bonus of the Chief Executive Officer, Laurent Guillot • Definition of the non-financial performance conditions applicable to the 2023 annual bonus of the Chief Executive Officer, Laurent Guillot
Opinion given on the way in which the Company implements a non-discrimination and diversity policy, notably with regard to the balanced representation of men and women within management bodies	• Monitoring the implementation of diversity objectives within management bodies
Other	None

In order to effectively carry out its duties, the Ethics, Quality and CSR Committee asked the following directors to attend certain Committee meetings: the Group CSR Director, the Group Human Resources Director, the Group Medical Director, the Group Communications Director and the Group Ethics Director.

4.1.3.4 Investment Committee

The Board of Directors' meeting held at the close of the Annual General Meeting on 22 December 2023 decided to set up an Investment Committee, in accordance with the Lock-Up Agreement and the Investment Agreement.

Membership of the Investment Committee

The Investment Committee shall be composed of at least three members, who shall be directors of the Company. At least two directors must be appointed on the recommendation of the members of the Groupement. It is chaired by a director appointed on the recommendation of the members of the Groupement.

The Board of Directors' meeting held at the close of the Annual General Meeting of 22 December 2023, decided to appoint Caisse des Dépôts et Consignations (represented by Audrey Girard) as Chair of the Investment Committee and CNP Assurances (represented by Stéphane Dedeyan) and Philippe Grangeon as members of this Committee. Laurent David, non-voting advisor, also sits on this Committee.

Its membership remains unchanged at the date of this report.

Guillaume Pepy, Chairman of the Board of Directors, may participate in meetings of the Ethics, Quality and CSR Committee in an advisory capacity depending on the subjects discussed.

The term of office of Investment Committee members is the same as their term of office as a director.

Operating procedures of the Investment Committee

Meetings of the Investment Committee are convened by its Chair whenever they or the Board of Directors deems it appropriate.

The provisional schedule of Investment Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on this schedule, the agenda for meetings is drawn up by the Chair of the Investment Committee, in conjunction with the Board of Directors when the meeting is convened at the initiative of the Board. It is posted on the Board's digital platform eight days before the meeting. The documents required to inform members of the Committee regarding the agenda and all issues referred to the Committee for consideration shall be attached to the notice calling the meeting or shall be sent to them within a reasonable period, of at least four business days prior to the meeting.

The Investment Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Investment Committee acts as Secretary of the Audit and Risk Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Investment Committee.

In order to carry out its duties effectively, the Investment Committee receives a detailed presentation of the transactions falling within its remit.

As part of its duties, the Investment Committee may carry out any analysis, study or task on matters falling within its remit.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the meeting at that Board meeting.

Duties of the Investment Committee

The Investment Committee did not convene in 2023, having been created on 22 December 2023.

The main duty of the Investment Committee is to examine the Group's investment and divestment strategy, including real estate, and its implementation.

The Investment Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions and brings any points to its attention that require it to make a decision.

Without prejudice to the powers of the Board of Directors and of Executive Management, this Committee is notably responsible for:

- examining proposed acquisitions and disposals, including real estate transactions, and partnerships entered into in this context, subject to the prior authorisation of the Board of Directors under the restrictions on the powers of Executive Management;
- monitoring investments and divestments within the Group.

4.2 Executive Management

4.2.1 Executive Management structure

The Board of Directors has opted for a governance structure separating the roles of Chairman and Chief Executive Officer. Accordingly, Laurent Guillot was appointed Chief Executive Officer of the Company on 1 July 2022 and still held this position at the date of this report.

4.2.2 Restrictions on the powers of Executive Management

The Chief Executive Officer leads the Company and is entrusted with the broadest powers to act on its behalf in all circumstances. He shall exercise these powers within the scope of the corporate purpose and subject to the powers expressly attributed by law to Meetings of Shareholders and to the Board of Directors.

The Chief Executive Officer must seek the prior approval of the Board of Directors for the following decisions:

1. any amendment (including as a result of a merger, demerger, partial asset contributions or any other transaction having a similar effect) to the Company's Articles of Association and to the Articles of Association of its Main Subsidiaries (excluding, in the latter case, non-material amendments and non-material intra-Group restructuring measures that do not have, or are not likely to have, an adverse effect on the Company) or any substantial reorganisation of the Company or of a Main Subsidiary;
2. any decision relating to the adoption of a mission statement *(raison d'être)* or the transformation of the Company into a mission-led company *(société à mission)*;
3. the transfer of the Company's registered office outside France;
4. any issue, buyback and cancellation of shares and/or securities giving access, directly and/or indirectly, immediately and/or in future, to the share capital and/or to the voting rights of the Company or one of its Main Subsidiaries, with the exception of buybacks of Company shares carried out under a liquidity agreement entered into with an investment services provider pursuant to an authorisation of the Board of Directors;
5. any decision to initiate a procedure with a view to the admission of securities of the Company or one of its Subsidiaries to trading on a regulated or organised market, and any decision to delist or buy back shares in the Company;
6. the approval and amendment of the annual budget and business plan of the Company (including its Subsidiaries);
7. any amendment (i) that is material, in accounting principles and methods, valuation or impairment, or (ii) to the year-end reporting date used by the Company or one of its Main Subsidiaries;
8. the signature of a transactional agreement or commencement of proceedings by the Company or its Subsidiaries (excluding the commencement of proceedings requiring urgent or precautionary measures, in which case the Board of Directors must be informed as soon as possible), in respect of any dispute or arbitration proceedings involving the Company or its Subsidiaries for an amount that exceeds €5 million. The Board of Directors shall also be informed if the Company or its Subsidiaries sign a settlement agreement or commence proceedings in respect of any dispute or arbitration proceedings likely to have a reputational impact on the Group where the amount is less than €5 million;
9. any decision resulting in the dissolution, voluntary liquidation, receivership or compulsory liquidation of the Company or any of its Main Subsidiaries or the appointment of any court-appointed administrator (including in particular any ad hoc administrator and/or mediator) by the Company or any of its Main Subsidiaries;
10. any divestment/sale of any real estate asset (or portfolio of real estate assets), in a country where the Company and its Subsidiaries operate, for a unit amount per transaction that strictly exceeds €50 million. Where the amount is between €25 million and €50 million, the Board of Directors shall only be informed in writing prior to the transaction;
11. any divestment/sale of any non-real estate asset for a unit amount that exceeds €25 million. The Board of Directors shall also be informed of any divestment/sale of any non-real estate asset with a unit amount of between €10 million and €25 million;
12. any divestment/sale requiring a financial commitment by the Group (waiver of debt, prior recapitalisation, etc.) which is higher than the expected sale proceeds and that exceeds €2 million;
13. any divestment/sale of any asset for a unit amount that exceeds €25 million resulting in the Company or one of its Subsidiaries ceasing operations in a country. The Board of Directors shall also be informed of any divestment/sale of any asset resulting in the Company or its Subsidiaries ceasing operations in a country;

14. any disposal of a substantial part of the operating activities of the Company and its Subsidiaries in France, representing over 20% of the revenue of the Company and its Subsidiaries; the Board of Directors shall also be informed of the closure of any facility in France;
15. any acquisition or subscription (i) of equity securities, debt securities or negotiable securities carrying rights to the Company's share capital or (ii) assets by the Company or by one of its Subsidiaries, in a country where the Company and its Subsidiaries already operate and concerning an existing Group activity (already developed by the Company and its Subsidiaries) for a unit amount per transaction (including all liabilities and other off-balance sheet commitments assumed or transferred) that exceeds €25 million;
16. any acquisition or subscription (i) of equity securities, debt securities or negotiable securities carrying rights to the Company's share capital, or (ii) assets, by the Company or by one of its Subsidiaries, in a country where the Company and its Subsidiaries were not previously present or concerning a new activity (not yet developed by the Company and its Subsidiaries);
17. any membership of an economic interest group or any form of company or association that may cause the Company or a Main Subsidiary to incur joint and several or unlimited liability;
18. setting or amending the remuneration of the Company's corporate officers (whether or not they are executive corporate officers), and, where applicable, waiving a non-compete agreement entered into by one of the Company's executive corporate officers;
19. any financing, bond issue, loan or other debt taken on by the Company or any of its Subsidiaries, not specifically provided for in the budget that exceeds €150 million per year and any subsequent material amendment to the related documentation and any early repayment that exceeds €150 million. For amounts between €75 million and €150 million, the Board of Directors shall be informed in writing prior to the transaction;
20. any decision that may constitute an event of default in respect of any debt and any decision requiring the lenders' prior agreement under the terms of said debt where the obligation exceeds €75 million;
21. any decision to grant a surety, a security deposit, an endorsement, a pledge or, generally, a guarantee, by the Company or one of its Subsidiaries, in order to meet its debt obligations or honour sureties in favour of third parties, for an individual amount that exceeds €50 million or a total amount that exceeds €150 million per financial year;
22. the signature, material amendment, renewal or termination of any shareholders' agreement, partnership agreement or joint venture agreement with a third party, giving rise to a commitment by the Company or one of its Subsidiaries (including any potential commitment, such as, by way of illustration, a promise to purchase), for the term of the shareholders' agreement, or in the event of termination or expiry of that agreement or of the partnership agreement or the joint venture agreement, for a total amount that exceeds €25 million. The Board of Directors shall also be informed of such a decision in relation to transactions of between €10 million and €25 million;
23. any decision relating to the strategy of the Company and its Subsidiaries in terms of CSR, ethics and quality, or any material amendment to the pursued goals;
24. any decision to shift current activities of the Company and/or of its Subsidiaries into sectors other than providing care and support to vulnerable people;
25. any stock option, share purchase and/or performance share plan within the Company or its Subsidiaries or any measure enabling employees of the Company and its Subsidiaries to acquire directly or indirectly or to be allocated shares in the share capital of the Company or its Subsidiaries; and
26. the signature of any agreement not specifically included in the annual budget involving the provision of services to the Company or its Subsidiaries outside the ordinary course of business for an amount that exceeds €5 million (excluding tax) to the same beneficiary over a period of 12 months.

Further, the Chief Executive Officer undertakes to notify the directors and provide them with all relevant information (i) regarding matters relating to ethics, the living conditions of residents of the facilities managed by the Group and, generally, on all matters relating to CSR, and (ii) regarding any matter having material reputational or media impact on the Group.

For the purpose of the above:

- "**Control**" or "**Controlled**" has the meaning attributed to it in Article L. 233-3 I 1° of the French Commercial Code.
- "**Entity**" refers to any legal person, partnership, investment fund or other entity, whether or not it is a legal entity.
- "**Subsidiary**" refers to any Entity Controlled, directly or indirectly, by the Company.
- "**Main Subsidiary**" refers to any Subsidiary with annual revenue or total assets that exceed €250 million.
- "**Group**" refers to the Company and its Subsidiaries.

4.3 Remuneration and benefits awarded to corporate officers

2023 directors' remuneration and 2024 remuneration policy for directors and non-voting advisors

			2023 (retrospective "say on pay" vote)[1]	2024 (prospective "say on pay" vote)[1]
Annual aggregate amount of directors' remuneration[2]			**€650,000**	**€650,000**
Directors appointed by the Annual General Meeting	Board of Directors	Fixed remuneration	€15,000	• Chairman of the Board of Directors: €26,000 • Director (natural person): €16,000 • Director (legal entity): €10,000
		Variable remuneration	€25,000 €2,500 deducted in the event of an attendance rate of less than 85%	• Chairman of the Board of Directors: €11,000 • Director (natural person): €46,000 • Director (legal entity): €4,000 15% deducted in the event of an attendance rate of less than 85%
	Board Committees	Board Committee Chair (per meeting)	€6,000	€3,000
		Board Committee member (per meeting)	€3,000	€1,500
Directors representing employees	Attendance at meetings of the Board of Directors and Board Committees (per meeting)		€1,500	€1,500
Non-voting advisors	Attendance at meetings of the Board of Directors and Board Committees (per meeting)		None	• Non-voting advisor (natural person): €2,000 • Non-voting advisor designated by the SteerCo member holding the largest portion of the Company's unsecured debt at 31 January 2023: €1,333
Amounts awarded			**€650,000**	**This data will be reported in 2025.**
Other remuneration			**None**	**None**

(1) The directors' 2023 remuneration components and the 2024 remuneration policy for directors and non-voting advisors are subject to the approval of the 2024 Annual General Meeting.
(2) If the application of the allocation rules set out in this table would lead to the annual aggregate amount of €650,000 being exceeded, the amount received by each director for their participation in meetings of the Board of Directors and any Board Committees would be reduced accordingly so that the aggregate amount is not exceeded. This rule was applied in 2023.

2023 remuneration and 2024 remuneration policy for Guillaume Pepy

	2023 (retrospective "say on pay" vote)[1]	2024 (prospective "say on pay" vote)[1]
Fixed remuneration	€260,000[2]	€260,000
Annual bonus	None	None
Exceptional remuneration	None	None
Directors' remuneration	€25,809.26	Application of the 2024 remuneration policy for directors
Long-term remuneration	None	None
Sign-on or severance benefit	None	None
Benefits in kind	Membership of group personal protection and healthcare cost reimbursement plans and payment of part of the monthly rent for his office, based on the time spent on his role as Chairman of ORPEA's Board of Directors	Membership of group personal protection and healthcare cost reimbursement plans and payment of part of the monthly rent for his office, based on the time spent on his role as Chairman of ORPEA's Board of Directors

(1) Guillaume Pepy's 2023 remuneration components and 2024 remuneration policy are subject to the approval of the 2024 Annual General Meeting.
(2) It should be noted that an amount of €1,351.22 was paid in error to Guillaume Pepy in 2023 and was refunded to the Company in March 2024.

2023 remuneration and 2024 remuneration policy for Laurent Guillot

	2023 (retrospective "say on pay" vote)[1]	2024 (prospective "say on pay" vote)[1]
Fixed remuneration	€760,000[2]	€760,000
Annual bonus	€654,312.50	100% of annual fixed remuneration, which may be increased to up to 147.50% of said remuneration in the event of outperformance on all the quantified indicators
Exceptional remuneration	None	None
Directors' remuneration	None	None
Long-term remuneration	None	160% of annual fixed remuneration, in the form of free shares, with the number of shares calculated based on the share price on the award date
Sign-on or severance benefit	No payment	Severance benefit capped at 24 months' gross annual fixed remuneration and bonus, subject to performance conditions
Benefits in kind	Use of a company car and membership of group personal protection and healthcare cost reimbursement plans	Use of a company car and membership of group personal protection and healthcare cost reimbursement plans

(1) Laurent Guillot's 2023 remuneration components and 2024 remuneration policy are subject to the approval of the 2024 Annual General Meeting.
(2) It should be noted that an amount of €1,231.14 was paid in error to Laurent Guillot in 2023 and was refunded to the Company in March 2024.

Details of Laurent Guillot's 2024 annual bonus

NON-FINANCIAL OBJECTIVES 60%			FINANCIAL OBJECTIVES 40%
HR objectives 25%	**Objectives related to patients, residents and beneficiaries 25%**	**Social and environmental objectives 10%**	
• Progress in employee health and safety policies leading to a reduction in the work-related accident frequency rate • Level of participation in IMPACT training and deployment of the values appropriation process	• Development of innovative tools and pilot programmes • Level of satisfaction among patients, residents and beneficiaries	• Structuring the transition to become a mission-led company *(société à mission)*, adopting a mission statement *(raison d'être)* and rolling out the new brand • Improving the carbon pathway	• Revenue level • EBITDAR level • Debt level • Level of real estate disposals

Details of Laurent Guillot's long-term remuneration

NON-FINANCIAL PERFORMANCE CONDITIONS 40%	FINANCIAL PERFORMANCE CONDITIONS 60%
• Reduce the proportion of household waste treated as residual waste • Establish an ambitious policy for the promotion and non-discrimination of women, and reduce staff turnover • Create a composite index for quality of care and improve this index	• EBITDAR growth • Increase in share price • Revenue growth

4.3.1 2023 remuneration and benefits awarded to corporate officers (retrospective "say on pay" vote)

The remuneration and benefits awarded to corporate officers for 2023 were allocated in accordance with the remuneration policy applicable to them, as approved by the Annual General Meeting of 22 December 2023 pursuant to Article L. 22-10-8 of the French Commercial Code.

Remuneration attributable to the members of the Board of Directors for the year ended 31 December 2023 is paid out of the aggregate amount of directors' remuneration approved by the Annual General Meeting of 22 December 2023 based on the individual allocation methods approved by the same Meeting. The amount of each director's remuneration reflects their attendance record at meetings of the Board of Directors and Board Committees, and comprises an attendance-based variable component with a higher weighting than the fixed component.

Given the small number of Board of Directors meetings attended by non-voting advisors in 2023 (i.e., one meeting), the Board of Directors decided not to introduce a remuneration policy for them in respect of 2023.

The remuneration package of the Chairman of the Board of Directors consists solely of fixed remuneration and the remuneration he may receive in his capacity as a director.

The remuneration package of the Chief Executive Officer consists of a fixed salary, a bonus and a long-term incentive plan linked to the Company's share capital (in the form of free shares subject to performance conditions). Payment of the bonus for 2023 to the Chief Executive Officer is subject to the approval of the 2024 Annual General Meeting (retrospective "say on pay" vote). Laurent Guillot did not receive any free share awards for the year ended 31 December 2023.

4.3.1.1 2023 directors' remuneration and benefits in kind

Directors' remuneration

The Annual General Meeting of 22 December 2023 approved the aggregate amount of directors' remuneration set at €650,000 per annum.

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors decided to renew the methods for allocating individual directors' remuneration out of this aggregate amount (unchanged for the third year running, with the exception of the amount deducted in the event of absence from Board meetings of directors not representing employees). These methods are as follows:

- for attendance at Board meetings (for directors who do not represent employees), they will receive a lump-sum amount not exceeding €40,000, which consists of a fixed sum of €15,000 and a variable portion of €25,000 from which a sum of €2,500 will be deducted if the director's attendance rate is below 85%;
- for attendance at meetings of the Board Committees (for directors who do not represent employees), they will receive a fixed sum of €3,000 per meeting, or double this amount for the Committee Chairs;
- directors representing employees will receive a sum of €1,500 per meeting of the Board of Directors and, where applicable, the Board Committees.

The Board of Directors also decided that if the application of the aforementioned rules would lead to the annual aggregate amount of €650,000 being exceeded, the amount received by each director for their participation in meetings of the Board of Directors and any Board Committees would be reduced accordingly so that the aggregate amount is not exceeded. This rule was applied in 2023.

In addition, the Board of Directors decided that the Chief Executive Officer, Laurent Guillot, would not receive any remuneration for serving as a director.

Pursuant to these rules, a total gross amount of €650,000 was paid in respect of the aggregate annual remuneration allocated to directors for their attendance at meetings of the Board of Directors and Board Committees in 2023 (as for the previous year).

The amount of remuneration received by each of the directors for 2022 and 2023 is presented in Table 3 based on the AMF Template, set out in section 4.3.2.3 below.

Other remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors does not plan to reserve the right to award any other remuneration to directors.

4.3.1.2 Remuneration of Guillaume Pepy, Chairman of the Board of Directors, for 2023

Annual fixed remuneration

The gross annual fixed remuneration of the Chairman of the Board of Directors was set at €260,000 for 2023 (unchanged for the sixth consecutive year).

Guillaume Pepy therefore received gross fixed remuneration of €260,000 for 2023 in his capacity as Chairman of the Board of Directors, paid in twelve monthly instalments.

It should be noted that an amount of €1,351.22 was paid in error to Guillaume Pepy in 2023 and was refunded to the Company in March 2024.

Directors' remuneration

In accordance with the methods applicable for allocating the total annual remuneration granted to the directors mentioned above, Guillaume Pepy received €25,809.26 for his participation in Board meetings in 2023.

Annual bonus and other remuneration

Guillaume Pepy did not receive any annual bonus payment or any exceptional remuneration.

Guillaume Pepy received the following benefits in kind:

- part of the monthly rent for his office, based on time spent as Chairman of the Board of Directors, representing a benefit in kind worth €10,178; and
- membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he will be included for the purposes of those plans.

He did not receive any other remuneration (notably stock options or performance shares).

Remuneration during or awarded for 2023 to Guillaume Pepy, Chairman of the Board of Directors, subject to shareholders' retrospective "say on pay" vote at the 2024 Annual General Meeting

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Company will seek shareholder approval at the 2024 Annual General Meeting of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2023 to Guillaume Pepy, Chairman of the Board of Directors (he does not receive an annual bonus, exceptional remuneration or any other remuneration – notably stock options or performance shares).

The remuneration received by the Chairman of the Board of Directors, Guillaume Pepy, in respect of 2023, is consistent with his remuneration policy approved at the Annual General Meeting on 22 December 2023.

Components of remuneration	Amounts or accounting value	Comments
Annual fixed remuneration	€260,000	The gross annual fixed remuneration of the Chairman of the Board of Directors was set at €260,000 for 2023 (unchanged for the sixth consecutive year). Guillaume Pepy therefore received gross fixed remuneration of €260,000 for 2023 in his capacity as Chairman of the Board of Directors. It should be noted that an amount of €1,351.22 was paid in error to Guillaume Pepy in 2023 and was refunded to the Company in March 2024.
Annual bonus	N/A	Guillaume Pepy did not receive any annual bonus payment.
Exceptional remuneration	N/A	Guillaume Pepy did not receive any exceptional remuneration.
Directors' remuneration	€25,809.26	In accordance with the methods applicable for allocating the total annual remuneration granted to the directors mentioned above, Guillaume Pepy received €25,809.26 for his participation in Board meetings in 2023.
Long-term remuneration	N/A	Guillaume Pepy was not eligible for any long-term remuneration.
Sign-on or severance benefit	N/A	Guillaume Pepy was not eligible for any such benefits.
Benefits in kind	€10,178	Corresponding to the payment of part of the monthly rent for Guillaume Pepy's office, based on the time spent on his duties as Chairman of the Company's Board of Directors.

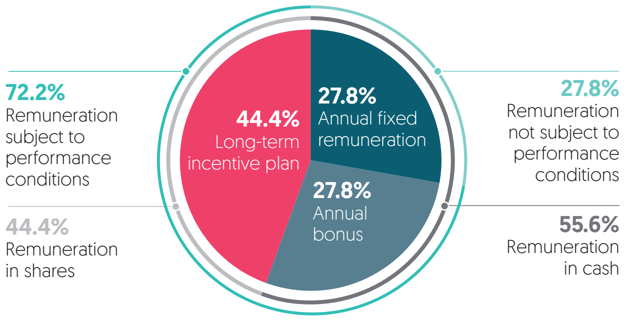
4.3.1.3 Remuneration of Laurent Guillot, Chief Executive Officer, for 2023

Based on a proposal submitted by the Appointments and Remuneration Committee, in 2023, the Board of Directors decided to maintain, for the second consecutive year, the structure of the remuneration of Laurent Guillot, Chief Executive Officer (excluding the exceptional remuneration granted for 2022 to recognise his exceptional commitment to securing a future for the ORPEA Group, in an exceptionally deteriorated financial situation and during the restructuring of the Group's debt on an unprecedented scale).

Under this remuneration policy, the Chief Executive Officer's remuneration package comprises the following components:

- annual fixed remuneration component accounting for 27.8%;
- an annual bonus accounting for 27.8% (based on a 100% achievement rate for the applicable objectives);
- a long-term incentive plan linked to the Company's share capital accounting for 44.44% (based on a 100% achievement rate for the applicable objectives). Laurent Guillot did not receive any free share awards for the year ended 31 December 2023.

Illustration of the balance between the various components of the Chief Executive Officer's annual remuneration



The annual bonus awarded for 2023 to the Chief Executive Officer may only be paid after their approval by shareholders at the 2024 Annual General Meeting, as provided for in Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code.

Annual fixed remuneration

The gross annual fixed remuneration of the Chief Executive Officer was set at €760,000 for 2023 (unchanged for the second consecutive year).

Laurent Guillot received gross fixed remuneration of €760,000 in respect of his duties as Chief Executive Officer for 2023, paid in twelve monthly instalments.

It should be noted that an amount of €1,231.14 was paid in error to Laurent Guillot in 2023 and was refunded to the Company in March 2024.

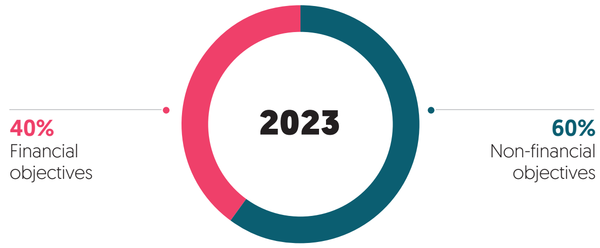
Annual bonus

For 2023, the Chief Executive Officer was eligible for an annual bonus set at 100% of his annual fixed remuneration with no guaranteed floor, which may be increased to up to 150% of said remuneration in the event of outperformance on all the quantified indicators.

The annual bonus comprises the following components:

- a component linked to the achievement of non-financial objectives, representing a target proportion of 60% of the total annual bonus; and
- a component linked to the achievement of financial objectives, representing a target proportion of 40% of the total annual bonus.

Objectives used to determine the Chief Executive Officer's annual bonus



The performance conditions underlying the Chief Executive Officer's 2023 annual bonus are based on quantifiable and qualitative performance criteria, with the quantifiable criteria carrying a greater weighting as recommended in the AFEP-MEDEF Code.

The non-financial objectives have a greater weighting than the financial objectives, reflecting the Group's dedicated pursuit of the ambitious objectives set out in its Refoundation Plan, underpinning the care and quality of support provided to patients and residents and all the professionals working in the Group.

Based on the achievement level of the performance criteria, Laurent Guillot's annual bonus for 2023 amounts to €654,312.50. This annual bonus may only be paid after approval by the 2024 Annual General Meeting.

The annual bonus is subject to a clawback provision. Accordingly, any annual bonus paid by the Company may be claimed back or reduced by the Company, on the recommendation of the Appointments and Remuneration Committee, (i) if, during one of the three financial years following the year in which the bonus was received, the Board of Directors finds that it was granted on the basis of inaccurate and manifestly or intentionally false information provided by or with the complicity of the Chief Executive Officer, or (ii) if a court, by way of a final unappealable decision, has held that the Chief Executive Officer has been seriously and intentionally negligent in the performance of his duties.

The tables below set out the methods used to calculate the Chief Executive Officer's annual bonus for the year ended 31 December 2023, together with the underlying objectives and their achievement levels.

	Objectives		
Objectives	**Weighting of the criterion** *(%)*	**Target bonus** *(in euros)*	**Bonus in the event of outperformance** *(in euros)*
NON-FINANCIAL OBJECTIVES (60% OF THE TOTAL BONUS)			
Objectives based on Priority 1 of the Refoundation Plan ("With our people")[1]			
Make progress on the occupational health and safety policy: • roll-out of essential points and implementation of a dedicated organisation; • reduction in frequency rate of 5% (target fully achieved), 7% (target 125% achieved) and 10% (target 150% achieved).	5%	€38,000.00	€19,000.00
Deploy new training and experience-sharing initiatives: • creation of a managers' academy; • adoption of expected managerial behaviours; • training provided to "filling in" staff; • training for 50% of permanent employees (excluding mini-training sessions).	5%	€38,000.00	€19,000.00
Ensure a calm, constructive and transparent labour relations climate and develop the Group's attractiveness as an employer: • no industrial action; • signature of majority labour agreements; • number of new permanent contracts; • turnover rate.	10%	€76,000.00	€38,000.00
Objectives based on Priority 2 of the Refoundation Plan ("With our patients, our residents and their families")[1]			
Introduce medical and healthcare guidelines that set the standard in each country: • implementation of tools for mortality review, patient tracing and identity monitoring; • 15% of facilities with tools in place.	5%	€38,000.00	€19,000.00
Set up medical and care giver committees and follow up on action plans: • application of 100% of "mandatory" recommendations.	5%	€38,000.00	€19,000.00
Systematically implement facility and cross-facility action plans following serious adverse events: • systematic monitoring of action plans at 1 month and 3 months for 80% of action plans.	10%	€76,000.00	€38,000.00
Objectives based on Priority 3 of the Refoundation Plan ("Positive social impact")[1]			
Successfully complete the action plans for the adoption of the mission-led company *(société à mission)* model: • roll-out and adoption of mission statement and values; • implementation of KPI oversight.	10%	€76,000.00	€38,000.00
Deploy the zero tolerance ethics policy: • follow-up on recommendations issued by the Ethics Advisory Board; • training on positive treatment provided to 50% of facility directors in France.	5%	€38,000.00	€19,000.00
Calculate and publish upstream Scope 3 data[2]: • 80% of facilities.	5%	€38,000.00	€19,000.00
Total non-financial objectives	**60%**	**€456,000.00**	**€228,000.00**
FINANCIAL OBJECTIVES (40% OF THE TOTAL BONUS)			
Level of revenue (at constant scope of consolidation and excluding non-recurring items): • level of revenue compared with the budget.	10%	€76,000.00	€38,000.00
Level of EBITDAR (at constant scope of consolidation and excluding non-recurring items): • level of EBITDAR compared with the budget.	20%	€152,000.00	€76,000.00
Real estate disposals (including those signed before 31 December 2023): • level of real estate disposals.	10%	€76,000.00	€38,000.00
Total financial objectives	**40%**	**€304,000.00**	**€152,000.00**
TOTAL OBJECTIVES	**100%**	**€760,000.00**	**€380,000.00**

(1) CSR objectives (objectives based on priorities 1, 2 and 3 of the Refoundation Plan).
(2) Scope 3 refers to indirect greenhouse gas emissions in an organisation's supply chain, i.e., those indirectly linked to its activity (purchases of goods, services, etc.).

Target bonus		Bonus in the event of outperformance		
Achievement in 2023	**Amount** *(in euros)*	**Achievement in 2023**	**Amount** *(in euros)*	**Factors taken into account for assessing achievement**
100%	€38,000.00	50%	€9,500.00	An occupational health and safety policy was rolled out via a dedicated organisation in 2023. The frequency rate had fallen by around 14.8% at 31 December 2023. The Board of Directors considered that this objective had been achieved at 125%.
85%	€32,300.00	-	-	The managers' academy was created and launched in January 2023. The objective relating to adoption of expected managerial behaviours has been achieved at 80%. Some 500 training courses for "filling in" employees were organised through validation of acquired experience (VAE) programmes, retraining, and Pro-A work/study initiatives in 2023. Lastly, 30% of permanent employees underwent training (excluding mini-training courses) in 2023. Training reviews are still in progress. As only part of the objective for training undergone by employees on permanent contracts was achieved, the Board of Directors considered that 85% of this target had been met.
100%	€76,000.00	50%	€19,000.00	No industrial action took place in 2023. In addition, 23 majority labour agreements were reached unanimously. The objective relating to the number of new permanent contracts was achieved at 100% and staff turnover had fallen by 10.7% by 31 December 2023. The Board of Directors considered that this objective had been achieved at 125%.
100%	€38,000.00	100%	€19,000.00	Mortality monitoring tools, the patient tracing method and the patient identity vigilance method (or local equivalents by country that are also based on cause analysis) have been rolled out in all the countries where the Group operates. In all, 62% of facilities had rolled out this type of tool by September 2023. The Board of Directors considered that this objective was achieved at 150%.
100%	€38,000.00	-	-	The first "mandatory" recommendations were defined by the meeting of the Group Medical Care Commission (GMC2) on 30 November 2023. They focused mainly on two to four good clinical practices (or invariants) to be communicated and applied in each country starting in December 2023. Extensive pre-validation work was carried out with each country prior to the GMC2 meeting. The Board of Directors considered that this objective had been achieved at 100%.
100%	€76,000.00	-	-	The monitoring of action plans had exceeded the 80% objective at 31 December 2023. The Board of Directors considered that this objective had been achieved at 100%.
100%	€76,000.00	-	-	The values have been rolled out and adopted. Work continued on the mission statement, but the Groupement's acquisition of a stake in the company's capital delayed the decision and announcement of the mission statement to the general public. As a result, it was not possible to carry out work on the indicators. Given this, the Board of Directors has decided to neutralise the impact of the mission statement and indicators when calculating the level of achievement of this objective. The Board of Directors therefore considered that this objective had been achieved at 100%.
100%	€38,000.00	-	-	An extensive ethics refoundation plan is being led by Professor Emmanuel Hirsh. Finalised in August 2023, the plan sets out numerous measures for France and other countries. In France, this ethics refoundation plan is built around a matrix of corresponds and regional and national "resource" committees to respond locally or centrally to any ethics issues raised by patients, residents, family and loved ones or health professionals. A national and international Ethics Advisory Board has been set up, French regional ambassadors have been trained and the plan to train and deploy ethics officers in facilities has been finalised. 100% of facilities had an ethics officer at 31 December 2023, reporting to the facility director. Regional webinars and meetings have helped raise awareness of ethics and positive treatment among local teams (management and carers). A video and specific sessions were provided to all three-pronged managerial teams (i.e., facility director, coordinating doctor and health executive or coordinating nurse) at the four seminars in France. At an international level, the ethics advisors in each country have been identified and invited to participate in the International Ethics Steering Committee. The Board of Directors considered that this objective had been achieved at 100%.
90%	€34,200.00	-	-	In 2023, the Group updated its global carbon footprint for all of its greenhouse gas emissions across the three scopes, including upstream Scope 3 data. The Board of Directors considered that this objective had been achieved at 90%.
	€446,500.00		**€47,500.00**	
61%	€46,312.50	_	_	Revenue came to €5,198 million. The Board of Directors considered that this objective had been achieved at 61%.
0%	€0.00	_	_	EBITDAR came to €696 million. The Board of Directors considered that this objective had not been achieved.
100%	€76,000.00	100%	€38,000.00	The total amount of real estate disposals signed at 31 December 2023 came to €313 million. The Board of Directors considered that this objective had been achieved at 150%.
	€122,312.50		**€38,000.00**	
	€568,812.50		**€85,500.00**	
i.e., **€654,312.50,** representing **86%** of the target annual bonus				

Long-term remuneration

Laurent Guillot did not receive any free share awards for 2023.

Severance benefit

As from 31 December 2023, in the event of a forced departure, irrespective of how his duties as Chief Executive Officer are terminated, Laurent Guillot will be entitled to a severance benefit capped at twice the gross annual remuneration (fixed remuneration and annual bonus) effectively paid to him during the twelve months preceding the date on which his duties as Chief Executive Officer are terminated. Any termination for serious misconduct or gross negligence will not constitute a forced departure.

No severance benefit will be due to the Chief Executive Officer if:

- he leaves ORPEA on his own initiative (i.e., not a forced departure) or if he changes roles within the Group;
- he is eligible for retirement;
- his term of office is ended because he has reached the age limit for serving as Chief Executive Officer.

The payment of the above amount would be subject to conditions based on Laurent Guillot's performance, assessed in terms of the Company's performance and placed on record by the Board of Directors. Laurent Guillot's entitlement to his severance benefit and the amount actually paid would therefore depend on the achievement level of the performance criteria set for the Chief Executive Officer's annual bonus, as follows:

- the Chief Executive Officer will be entitled to the maximum severance benefit if the average annual bonus he received in the two years preceding his year of departure was equal to or greater than 85% of the annual bonus target;
- if the average annual bonus received for the previous two years is between 70% (inclusive) and 85% of his annual bonus target, the severance benefit will be reduced proportionately, and no severance benefit will be paid if this average is below 70% of the target.

In the event that the departure takes place in 2023, in whichever way his duties are terminated, the maximum amount of the Chief Executive Officer's severance benefit will equal one year's total gross remuneration (fixed remuneration and annual bonus) if the departure date is before 30 June 2023, and eighteen months' total gross remuneration (fixed remuneration and annual bonus) if the departure date is between 1 July and 31 December 2023. The amount of the severance benefit would be calculated based on the achievement level of the performance criteria applicable to the Chief Executive Officer's annual bonus for 2022, as follows:

- achievement level less than 70%: no severance benefit will be paid,
- achievement level between 70% and 85%: severance benefit representing between 70% and 85% of the maximum amount, calculated on a straight-line basis by reference to the achievement level,
- achievement level of 85% or above: maximum amount of the severance benefit due.

No severance benefit was paid in the year ended 31 December 2023 to the Chief Executive Officer, Laurent Guillot.

Other benefits

Laurent Guillot received the following benefits in kind:

(i) use of a company car, representing a benefit in kind worth €468.04; and

(ii) membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he will be included for the purposes of those plans.

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract.

Directors' remuneration

In accordance with the methods applicable for allocating the aggregate annual remuneration granted to directors outlined above, the Chief Executive Officer, Laurent Guillot, did not receive any remuneration in respect of his duties as a director in 2023.

Other components of remuneration

Laurent Guillot did not receive any remuneration other than that described above. In particular, he did not receive any sign-on bonus or exceptional remuneration when he took up his position.

Remuneration paid during or awarded for 2023 to the Chief Executive Officer, Laurent Guillot, subject to shareholders' retrospective "say on pay" vote at the 2024 Annual General Meeting

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Company will seek shareholder approval at the 2024 Annual General Meeting of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2023 to Laurent Guillot, Chief Executive Officer (no exceptional remuneration).

Pursuant to Article L. 22-10-34 of the French Commercial Code, annual bonus payments to the Chief Executive Officer, Laurent Guillot, are subject to the approval of his remuneration package by the 2023 Annual General Meeting.

The remuneration received by the Chief Executive Officer, Laurent Guillot, for 2023 is consistent with his remuneration policy approved at the Annual General Meeting on 22 December 2023.

Components of remuneration	Amounts or accounting value	Comments
Annual fixed remuneration	€760,000	The gross annual fixed remuneration of the Chief Executive Officer was set at €760,000 for 2023 (unchanged for the second consecutive year). Laurent Guillot received gross fixed remuneration of €760,000 in respect of his duties as Chief Executive Officer for 2023, paid in twelve monthly instalments. It should be noted that an amount of €1,231.14 was paid in error to Laurent Guillot in 2023 and was refunded to the Company in March 2024.
Annual bonus[1]	€654,312.50	Based on a proposal submitted by the Appointments and Remuneration Committee and on the achievement level of the objectives underlying the payment of Laurent Guillot's gross annual bonus for 2023, the Board of Directors set his bonus at €654,312.50 (representing 86% of the target bonus). The achievement levels for the applicable objectives were as follows: • with regard to non-financial objectives: the objective of introducing medical and healthcare guidelines that set the standard in each country was fully achieved (target bonus), and the outperformance bonus was also fully achieved. The objectives relating to making progress on the occupational health and safety policy, ensuring a calm, constructive and transparent labour relations climate and developing the Group's attractiveness as an employer were fully achieved (target bonus), and the outperformance bonus was 50% achieved. The objectives relating to setting up medical and caregiver committees and following up on action plans, systematically implementing facility and cross-facility action plans following serious adverse events, successfully completing action plans for the adoption of the mission-led company model and deploying the zero tolerance ethics policy were fully achieved (target bonus), with no outperformance bonus. The target for calculating and publishing upstream Scope 3 data was 90% achieved (target bonus), with no outperformance bonus. Lastly, the target for deploying new training and experience-sharing initiatives was 85% achieved (target bonus), with no outperformance bonus; • with regard to financial objectives: the objective for real estate disposals was fully achieved (target bonus), and the outperformance bonus was also fully achieved. The objective for revenue level was 61% achieved (target bonus), with no outperformance bonus. The quantifiable objective regarding EBITDAR growth was not achieved, however. For further details, see "Annual bonus" above.
Exceptional remuneration	N/A	Laurent Guillot did not receive any exceptional remuneration.
Directors' remuneration	N/A	Laurent Guillot did not receive any remuneration for serving as a director.
Long-term remuneration	No award	Laurent Guillot did not receive any free share awards.
Sign-on or severance benefit	No payment	As from 31 December 2023, in the event of a forced departure, irrespective of how his duties as Chief Executive Officer are terminated, Laurent Guillot will be entitled to a severance benefit capped at twice the gross annual remuneration (fixed remuneration and annual bonus) effectively paid to him during the twelve months preceding the date on which his duties as Chief Executive Officer are terminated. Any termination for serious misconduct or gross negligence will not constitute a forced departure. No severance benefit will be due to the Chief Executive Officer if: • he leaves ORPEA on his own initiative (i.e., not a forced departure) or if he changes roles within the Group; • he is eligible for retirement; • his term of office is ended because he has reached the age limit for serving as Chief Executive Officer. The payment of the above amount would be subject to conditions based on Laurent Guillot's performance, assessed in terms of the Company's performance and placed on record by the Board of Directors. Laurent Guillot's entitlement to his severance benefit and the amount actually paid would therefore depend on the achievement level of the performance criteria set for the Chief Executive Officer's annual bonus, as follows: • the Chief Executive Officer will be entitled to the maximum severance benefit if the average annual bonus he received in the two years preceding his year of departure was equal to or greater than 85% of the annual bonus target; • if the average annual bonus for the previous two years is between 70% and 85% of his annual bonus target, the severance benefit will be reduced proportionately, and no severance benefit will be paid if this average is below 70% of the target. As an exception, if the forced departure had taken place in 2023, irrespective of how his duties were terminated, the maximum amount of the Chief Executive Officer's severance benefit would have equalled one year of total gross remuneration (fixed remuneration and annual bonus) if the departure date was before 30 June 2023, and eighteen months' total gross remuneration (fixed remuneration and annual bonus) if the departure date was before 31 December 2023. The amount of the severance benefit would be calculated based on the achievement level of the performance criteria applicable to the Chief Executive Officer's annual bonus for 2022, as follows: • achievement level less than 70%: no severance benefit will be paid, • achievement level between 70% and 85%: severance benefit representing between 70% and 85% of the maximum amount, calculated on a straight-line basis by reference to the achievement level, • achievement level of 85% or above: maximum amount of the severance benefit due. No severance benefit was paid in the year ended 31 December 2023 to the Chief Executive Officer, Laurent Guillot.
Benefits in kind	€468.04	The use of a company car, representing a benefit in kind worth €468.04 for 2023. It should be noted that a benefit in kind of €94.02 was recorded in error in 2022, instead of a benefit in kind of €235.05. The additional €141.03 representing the difference was recorded in April 2023. Membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he was included for the purposes of those plans.

(1) The payment of Laurent Guillot's 2023 annual bonus is subject to the shareholders' approval at the 2024 Annual General Meeting.

4.3.1.4 Annual change in the remuneration of executive officers compared with the average and median remuneration of employees and the Company's performance

In accordance with Article L. 22-10-9 of the French Commercial Code, the tables below present the annual change in the remuneration of executive officers compared with the average and median remuneration of employees and with the performance of the ORPEA Group.

In accordance with the AFEP-MEDEF guidelines published on 28 January 2020 and updated in February 2021, the total gross remuneration used to calculate the ratios includes the total gross remuneration paid and performance shares awarded during the year (with the value of performance shares corresponding to their IFRS measurement at the award date).

For 2018 to 2021, the population included in the calculation of the ratios comprises employees on permanent contracts of ORPEA and its French subsidiaries (excluding the Homecare business) that fall within the scope of consolidation, who were continuously present over a period of 24 months.

The calculation method has changed since 2022 and the population included in the calculation of the ratios now comprises employees on permanent contracts of ORPEA and its French subsidiaries present at 31 December of every year with seniority of at least 12 months.

This population represents a major scope within the meaning of the recommendations of the AFEP-MEDEF Code.

RATIOS BETWEEN THE ANNUAL REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER AND THE AVERAGE AND MEDIAN REMUNERATION OF EMPLOYEES AT 31 DECEMBER 2023

Ratios	2019	2020	2021	2022	2023
CHAIRMAN OF THE BOARD OF DIRECTORS(1)					
Ratio based on the average remuneration of employees	8	8	8	5	8
Ratio based on the median remuneration of employees	12	12	12	7	11
CHAIRMAN AND CHIEF EXECUTIVE OFFICER(2)					
Ratio based on the average remuneration of employees	N/A	N/A	N/A	17	N/A
Ratio based on the median remuneration of employees	N/A	N/A	N/A	25	N/A
CHIEF EXECUTIVE OFFICER(3)					
Ratio based on the average remuneration of employees	72	63	55	24	19
Ratio based on the median remuneration of employees	107	97	81	34	27

(1) The changes in the ratio between the annual remuneration of the Chairman of the Board of Directors and the median and average remuneration of employees are due to changes in governance that took place in 2022.
On 30 January 2022, following the decision to terminate Yves Le Masne's duties as Chief Executive Officer, the Board of Directors decided to combine the roles of Chairman of the Board of Directors and Chief Executive Officer and to appoint Philippe Charrier as Chairman and Chief Executive Officer of the Company on a temporary basis. On 1 July 2022, the Board of Directors decided to revert to a governance structure based on the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer when Laurent Guillot took up his position as Chief Executive Officer.
Accordingly, from 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the role of Chairman of the Board of Directors.
(2) A ratio for the role of Chairman and Chief Executive Officer was created in response to the temporary change in governance mentioned in note 1 above. Accordingly, from 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the separate roles of Chairman of the Board of Directors and Chief Executive Officer. Instead, a combined amount of remuneration was paid for the role of Chairman and Chief Executive Officer from 30 January to 30 June 2022.
(3) Changes in the ratio between the annual remuneration of the Chief Executive Officer and the median and average remuneration of employees are due to the following:
- *the changes in governance mentioned in note 1 above. From 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the role of Chief Executive Officer, instead a combined amount of remuneration was paid for the role of Chairman and Chief Executive Officer from 30 January to 30 June 2022;*
- *the fact that no annual bonus was paid for 2021 to the former Chief Executive Officer, Yves Le Masne, following the rejection by the Annual General Meeting of 28 July 2022 of the resolution relating to his 2021 remuneration package, as recommended by the Board of Directors; and*
- *the date of payment of the annual bonus for 2022 to Laurent Guillot. This annual bonus was approved by the Annual General Meeting of 22 December 2023 and paid in January 2024.*

CHANGE IN THE ANNUAL REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER AND THE AVERAGE AND MEDIAN REMUNERATION OF EMPLOYEES COMPARED WITH THE PERFORMANCE OF THE ORPEA GROUP

	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022
Change in Group revenue	9%	5%	9%	9%	11%
Change in Group EBITDA	8%	-2%	12%	-27%	-14%
Change in the remuneration of the Chairman of the Board of Directors	-20%	9%[1]	5%[1]	-36%[2]	57%[2]
Change in the remuneration of the Chairman and Chief Executive Officer[3]	N/A	N/A	N/A	N/A	N/A
Change in the remuneration of the Chief Executive Officer[4]	3%	-7%	-9%	-56%	-15%
Change in the average remuneration of employees	4%	7%	5%	3%	4%
Change in the median remuneration of employees	2%	3%	10%	3%	8%

(1) *On 4 May 2020, the Board of Directors decided, on an exceptional basis, to reduce by 25% (i) the gross fixed remuneration due to the Chairman of the Board of Directors for the second quarter of 2020, and (ii) the remuneration due to each director for their participation in meetings of the Board and, where applicable, of its Committees held during second-quarter 2020. The amounts corresponding to these reductions were paid to the ORPEA Foundation. In view of the improvement in the Covid-19 situation, such reductions were not applied for 2021. These movements explain the changes in the remuneration of the Chairman of the Board of Directors between 2019 and 2020 and 2020 and 2021, despite the fact that the remuneration policy for the Chairman of the Board of Directors has remained unchanged since 1 January 2018.*

(2) *The change in the annual remuneration of the Chairman of the Board of Directors between 2021 and 2022 was due to the changes in governance that took place in 2022. On 30 January 2022, following the decision to terminate Yves Le Masne's duties as Chief Executive Officer, the Board of Directors decided to combine the roles of Chairman of the Board of Directors and Chief Executive Officer and to appoint Philippe Charrier as Chairman and Chief Executive Officer of the Company on a transitional basis. On 1 July 2022, the Board of Directors decided to revert to a governance structure based on the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer when Laurent Guillot took up his position as Chief Executive Officer. Accordingly, from 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the role of Chairman of the Board of Directors.*

The change in the annual remuneration of the Chairman of the Board of Directors between 2022 and 2023 was due to the changes in governance that took place between 2022 and 2023. Since the roles of Chairman of the Board of Directors and Chief Executive Officer were combined between 30 January and 1 July 2022, no remuneration was paid in respect of the role of Chairman of the Board of Directors for five months in 2022. Conversely, no remuneration was paid in respect of the role of Chairman and Chief Executive Officer in 2023 following the separation, on 1 July 2022, of the roles of Chairman of the Board of Directors and Chief Executive Officer.

(3) *A ratio for the role of Chairman and Chief Executive Officer was created in response to the temporary change in governance mentioned in note 3 above. Because this position did not exist in 2021, it was not possible to calculate the change in the Chairman and Chief Executive Officer's remuneration between 2021 and 2022.*

(4) *The change in the Chief Executive Officer's annual remuneration between 2021 and 2022 is due to (i) the changes in governance mentioned in note 3 above, and (ii) the fact that the former Chief Executive Officer, Yves Le Masne, did not receive an annual bonus payment in respect of 2021 following the rejection by the Annual General Meeting of 28 July 2022 of the resolution relating to his 2021 remuneration package, as recommended by the Board of Directors.*

The changes in the Chief Executive Officer's annual remuneration between 2022 and 2023 are due to the fact that the resolution relating to Laurent Guillot's 2023 remuneration package was approved by the Annual General Meeting of 22 December 2023. Given the date of this Annual General Meeting, Laurent Guillot's bonus for 2022 was paid in January 2024.

4.3.2 Summary table of the remuneration and benefits in kind awarded to corporate officers for 2022

4.3.2.1 Table summarising the remuneration, options and shares awarded to each executive officer (Table 1 – AMF Template)

	2022	2023
YVES LE MASNE, CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022		
Remuneration awarded for the year (detailed in Table 2)	€62,357.97	-
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	-	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**€62,357.97**	**€-**
PHILIPPE CHARRIER, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022		
Remuneration awarded for the year (detailed in Table 2)	€697,285.99	-
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	-	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**€697,285.99**	**€-**
GUILLAUME PEPY, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 28 JULY 2022		
Remuneration awarded for the year (detailed in Table 2)	€122,917.45	€295,987.26
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	-	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**€122,917.45**	**€295,987.26**
LAURENT GUILLOT, CHIEF EXECUTIVE OFFICER FROM 1 JULY 2022		
Remuneration awarded for the year (detailed in Table 2)	€988,435.05	€1,414,780.54
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	€415,224.22	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**€1,403,659.27**	**€1,414,780.54**

4.3.2.2 Table summarising the remuneration of each executive officer (Table 2 – AMF Template)

	2022		2023	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
YVES LE MASNE, CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022				
Fixed remuneration	€60,613.00	€60,613.00	-	-
Annual bonus	-	-	-	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' remuneration[1]	€1,450.43	€40,000.00	-	€1,450.43
Benefits in kind (company car)	€294.54	€294.54	-	-
TOTAL	**€62,357.97**	**€100,907.54**	**-**	**€1,450.43**
PHILIPPE CHARRIER, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022				
Fixed remuneration	€360,952.36[2]	€360,952.36[2]	-	-
Annual bonus	-	-	-	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	€319,666.20[3]	€319,666.20[3]	-	-
Directors' remuneration[1]	€16,667.43	€40,000.00	-	€16,667.43
Benefits in kind	-	-	-	-
TOTAL	**€697,285.99**	**€720,618.56**	**-**	**€16,667.43**
GUILLAUME PEPY, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 28 JULY 2022				
Fixed remuneration	€110,396.94	€110,396.94	€260,000.00	€261,351.22[4]
Annual bonus	-	-	-	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' remuneration[1]	€12,520.51	-	€25,809.26	€12,520.51
Benefits in kind	-	-	€10,178.00	€10,178.00
TOTAL	**€122,917.45**	**€110,396.94**	**€295,987.26**	**€284,049.73**
LAURENT GUILLOT, CHIEF EXECUTIVE OFFICER FROM 1 JULY 2022				
Fixed remuneration	€380,000.00	€380,000.00	€760,000.00	€761,231.14[5]
Annual bonus[1]	€338,200[6]	-	€654,312.50	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	€270,000[7]	-	-	-
Directors' remuneration	-	-	-	-
Benefits in kind (company car)	€235.05[8]	€94.02[8]	€468.04	€609.07[9]
TOTAL	**€988,435.05**	**€380,094.02**	**€1,414,780.54**	**€761,840.21**

(1) The annual bonus and/or directors' remuneration are paid in the year after the year for which they are awarded.

(2) In his capacity as Chairman of the Board of Directors until 30 January 2022 and from 1 July to 28 July 2022, Philippe Charrier received fixed annual remuneration of €41,269.84 on a pro rata basis (corresponding to €260,000 per year). In his capacity as Chairman and Chief Executive Officer from 30 January to 30 June 2022, Philippe Charrier received fixed annual remuneration of €319,682.52 on a pro rata basis (corresponding to €760,000 per year).

(3) Following the approval by the 28 July 2022 Annual General Meeting of the 2022 remuneration policy applicable to the Chairman and Chief Executive Officer and the components of Philippe Charrier's 2022 remuneration, at its meeting on the same date, the Board of Directors decided, in recognition of his exceptional commitment, to pay exceptional remuneration to Philippe Charrier, who held the position of Chairman and Chief Executive Officer from 30 January to 30 June 2022, in the form of 13,755 existing ORPEA shares (valued at €319,666.20 at 30 June 2022, based on a stock market price of €23.24 per share), representing 100% of his annual fixed remuneration in his capacity as Chairman and Chief Executive Officer, calculated on a pro rata basis.

It should be noted that Philippe Charrier resigned as Chairman of the Board of Directors and a director at the close of the above-mentioned Annual General Meeting.

(4) It should be noted that an amount of €1,351.22 was paid in error to Guillaume Pepy in 2023 and was refunded to the Company in March 2024.

(5) It should be noted that an amount of €1,231.14 was paid in error to Laurent Guillot in 2023 and was refunded to the Company in March 2024.

(6) The resolution relating to the components of Laurent Guillot's remuneration for 2023 was approved by the Annual General Meeting of 22 December 2023. Given the date of this Annual General Meeting, Laurent Guillot's bonus for 2022 was paid in January 2024.

(7) The resolutions relating to the amendment of Laurent Guillot's 2022 remuneration policy and 2023 remuneration components were approved by the Annual General Meeting of 22 December 2023. Given the date of this Annual General Meeting, Laurent Guillot's bonus for 2022 was paid in January 2024.

(8) It should be noted that a benefit in kind of €94.02 was recorded in error in 2022, instead of a benefit in kind of €235.05. The additional €141.03 representing the difference was recorded in April 2023.

(9) This amount includes the €141.03 adjustment to the benefit in kind as described in note 8 above.

4.3.2.3 Table on directors' remuneration and other remuneration received by corporate officers (Table 3 – AMF Template)

Name (position)	Remuneration for 2022		Remuneration for 2023	
	Amounts awarded[2]	Amounts paid[1]	Amounts awarded[3][4]	Amounts paid[2]
GUILLAUME PEPY (CHAIRMAN OF THE BOARD OF DIRECTORS FROM 28 JULY 2022)				
Directors' remuneration	€12,520.51	-	€25,809.26	€12,520.51
Other remuneration	Remuneration for his duties as Chairman of the Board of Directors (see section 4.3.2.4 of the 2022 Universal Registration Document)	Remuneration for his duties as Chairman of the Board of Directors (see section 4.3.2.4 of the 2022 Universal Registration Document)	Remuneration for his duties as Chairman of the Board of Directors (see section 4.3.1.2 of this chapter)	Remuneration for his duties as Chairman of the Board of Directors (see section 4.3.1.2 of this chapter)
LAURENT GUILLOT (CHIEF EXECUTIVE OFFICER FROM 1 JULY 2022)				
Directors' remuneration	-	-	-	-
Other remuneration	Remuneration for his duties as Chief Executive Officer (see section 4.3.2.5 of the 2022 Universal Registration Document)	Remuneration for his duties as Chief Executive Officer (see section 4.3.2.5 of the 2022 Universal Registration Document)	Remuneration for his duties as Chief Executive Officer (see section 4.3.1.3 of this chapter)	Remuneration for his duties as Chief Executive Officer (see section 4.3.1.3 of this chapter)
MÉKA BRUNEL (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
CAISSE DES DÉPÔTS ET CONSIGNATIONS, REPRESENTED BY AUDREY GIRARD (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
CNP ASSURANCES, REPRESENTED BY STÉPHANE DEDEYAN (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
MIREILLE FAUGÈRE (DIRECTOR)[6]				
Directors' remuneration	€11,703.09	-	€56,780.37	€11,703.09
Other remuneration	-	-	-	-
PHILIPPE GRANGEON (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
SIBYLLE LE MAIRE (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
MACSF ÉPARGNE RETRAITE, REPRESENTED BY STÉPHANE DESSIRIER (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
MAIF, REPRESENTED BY PASCAL DEMURGER (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-
FRÉDÉRIQUE MOZZICONACCI (DIRECTOR)[5]				
Directors' remuneration	-	-	€707.10	-
Other remuneration	-	-	-	-

Name (position)	Remuneration for 2022 Amounts awarded[2]	Remuneration for 2022 Amounts paid[1]	Remuneration for 2023 Amounts awarded[3][4]	Remuneration for 2023 Amounts paid[2]
SOPHIE KALAIDJIAN (DIRECTOR REPRESENTING EMPLOYEES)[7]				
Directors' remuneration	€34,929.84	€18,000.00	€31,938.96	€34,929.84
Other remuneration	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)
MAY ANTOUN (DIRECTOR REPRESENTING EMPLOYEES)[8]				
Directors' remuneration	-	-	€967.85	-
Other remuneration	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)
CORINE DE BILBAO (DIRECTOR)[9]				
Directors' remuneration	€75,317.46	€73,000.00	€58,079.67	€75,317.46
Other remuneration	-	-	-	-
ISABELLE CALVEZ (DIRECTOR)[9]				
Directors' remuneration	€21,252.98	-	€39,045.34	€21,252.98
Other remuneration	-	-	-	-
BERNADETTE DANET-CHEVALLIER (DIRECTOR)[9]				
Directors' remuneration	€44,390.00	€52,000.00	€25,172.87	€44,390.00
Other remuneration	-	-	-	-
LAURE DUHOT (DIRECTOR)[9]				
Directors' remuneration	€11,194.69	-	€60,015.37	€11,194.69
Other remuneration	-	-	-	-
JOHN GLEN (DIRECTOR)[9]				
Directors' remuneration	€25,619.20	-	€50,336.89	€25,619.20
Other remuneration	-	-	-	-
DAVID HALE (DIRECTOR)[9]				
Directors' remuneration	€25,983.05	-	€63,886.75	€25,983.05
Other remuneration	-	-	-	-
OLIVIER LECOMTE (DIRECTOR)[9]				
Directors' remuneration	€70,587.38	€52,000.00	€75,500.92	€70,587.38
Other remuneration	Exceptional remuneration for his duties as Chair of the Ad Hoc Committee (see section 4.3.2.1 of the 2022 Universal Registration Document)	Exceptional remuneration for his duties as Chair of the Ad Hoc Committee (see section 4.3.2.1 of the 2022 Universal Registration Document)		
PEUGEOT INVEST ASSETS, REPRESENTED BY BERTRAND FINET (DIRECTOR)[9]				
Directors' remuneration	€88,052.30	€76,000.00	€73,565.23	€88,052.30
Other remuneration	-	-	-	-
PASCALE RICHETTA (DIRECTOR)[9]				
Directors' remuneration	€44,390.00	€52,000.00	€54,208.28	€44,390.00
Other remuneration	-	-		

Name (position)	Remuneration for 2022		Remuneration for 2023	
	Amounts awarded[2]	Amounts paid[1]	Amounts awarded[3][4]	Amounts paid[2]
LAURENT SERRIS (DIRECTOR REPRESENTING EMPLOYEES)[10]				
Directors' remuneration	€27,288.93	€10,500.00	€29,035.42	€27,288.93
Other remuneration	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)
PHILIPPE CHARRIER (DIRECTOR, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022)[11]				
Directors' remuneration	€16,667.43	€40,000.00	-	€16,667.43
Other remuneration	Remuneration for his duties as Chairman of the Board of Directors and as Chairman and Chief Executive Officer (see section 4.3.2.3 of the 2022 Universal Registration Document)	Remuneration for his duties as Chairman of the Board of Directors and as Chairman and Chief Executive Officer (see section 4.3.2.3 of the 2022 Universal Registration Document)	-	-
YVES LE MASNE (DIRECTOR AND CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022)[12]				
Directors' remuneration	€1,450.43	€40,000.00	-	€1,450.43
Other remuneration	Remuneration for his duties as Chief Executive Officer until 30 January 2022 (see section 4.3.2.2 of the 2022 Universal Registration Document)	Remuneration for his duties as Chief Executive Officer until 30 January 2022 (see section 4.3.2.2 of the 2022 Universal Registration Document)	-	-
MORITZ KRAUTKRÄMER (DIRECTOR)[13]				
Directors' remuneration	€19,947.09	€52,000.00	-	€19,947.09
Other remuneration	-	-	-	
JEAN-PATRICK FORTLACROIX (DIRECTOR)[11]				
Directors' remuneration	€47,231.04	€64,000.00	-	€47,231.04
Other remuneration	-	-	-	
JOY VERLÉ (DIRECTOR)[14]				
Directors' remuneration	€49,862.74	€64,000.00	-	€49,862.74
Other remuneration	-	-	-	
LAURE BAUME (DIRECTOR)[15]				
Directors' remuneration	€21,611.84	€40,000.00	-	€21,611.84
Other remuneration	-	-	-	
TOTAL	**€650,000.00**	**€633,500.00**	**€650,000.00**	**€650,000.00**

(1) Directors' remuneration for 2021 was paid in 2022.
(2) Directors' remuneration for 2022 was paid in 2023.
(3) Directors' remuneration for 2023 will be paid in 2024.
(4) At the 22 December 2023 Annual General Meeting, the Company's shareholders resolved that the annual aggregate amount of directors' remuneration should remain unchanged at €650,000. This aggregate amount was exceeded in 2023 due to the significant number of Board and Committee meetings held during the year. Consequently, in accordance with the 2023 remuneration policy for directors approved at the aforementioned Annual General Meeting, the amount received by each director for their participation in meetings of the Board of Directors and its Committees was reduced accordingly so that the aggregate amount was not exceeded.
(5) Directors since 22 December 2023.
(6) Director since 1 October 2022.
(7) Director representing employees from 15 January 2015.
(8) May Antoun was appointed as a director representing employees by ORPEA's European Works Council at its plenary meeting on 13 December 2023, with effect from the close of the Annual General Meeting on 22 December 2023.
(9) Directors until 22 December 2023.
(10) Director representing employees until 22 December 2023.
(11) Directors until 28 July 2022.
(12) Director until 10 February 2022.
(13) Director until 17 June 2022.
(14) Director until 30 August 2022.
(15) Director until 28 September 2022.

4.3.2.4 Stock options awarded during the year to each executive corporate officer by the Company and/or any Group company (Table 4 – AMF Template)

None.

4.3.2.5 Stock options exercised during the year by each executive corporate officer (Table 5 – AMF Template)

None.

4.3.2.6 Performance shares awarded free of consideration to each corporate officer (Table 6 – AMF Template)

None.

4.3.2.7 Shares awarded free of consideration which became available during the year for each executive corporate officer (Table 7 – AMF Template)

The performance shares awarded under Plan no. 12 became available in the year ended 31 December 2023 and all free shares granted under this plan to former senior executives of the Company have lapsed[1].

4.3.2.8 History of stock option grants (Table 8 – AMF Template)

None.

4.3.2.9 Stock options awarded to and exercised by the ten employees (non-corporate officers) receiving the highest number of options (Table 9 – AMF Template)

None.

(1) *In accordance with the remuneration policy approved by the Annual General Meeting of 23 June 2020, Jean-Claude Brdenk was awarded 12,971 free shares subject to performance conditions.*
On 2 November 2020, given the length of service of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting on 24 June 2021 to lift the service condition required under the free share plan of 23 June 2020, by applying a pro rata provision. Therefore, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete and non-solicitation commitments as well as a non-disparagement commitment, Jean-Claude Brdenk could be awarded 4,324 free shares (instead of the 12,971 shares cited in the previous paragraph – pro rata of one-third) subject to performance conditions. The 8,647 additional shares he was initially entitled to lapsed as a result of his departure. As the performance conditions set out in the plan were not met, no free shares vested under this plan for Jean-Claude Brdenk.
As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 23 June 2020 cannot be met. Therefore, the 15,403 free shares awarded to Yves Le Masne on that date have lapsed and did not vest.

4.3.2.10 Table summarising the history of performance share awards (Table 10 – AMF Template)

Information about performance shares	Plan no. 1	Plan no. 3	Plan no. 6	Plan no. 9	Plan no. 12	Plan no. 15	Plan no. 17
Date of Annual General Meeting	06/11/2015	23/06/2016	28/06/2018	28/06/2018	23/06/2020	23/06/2020	28/07/2022
Date of Board of Directors' meeting	10/02/2016	04/05/2017	28/06/2018	27/06/2019	23/06/2020	24/06/2021	28/07/2022
Maximum total number of performance shares that may be awarded	82,250	29,514	44,701	45,279	28,374	13,271	27,676
o/w number of performance shares that may be awarded to Yves Le Masne, Chief Executive Officer (until 30 January 2022)	*13,000*	*15,625*	*24,266*	*24,580*	*15,403*	*13,271*	*N/A*
o/w number of performance shares that may be awarded to Jean-Claude Brdenk, Chief Operating Officer (until 31 December 2020)	*13,000*	*13,889*	*20,435*	*20,699*	*12,971*	*N/A*	*N/A*
o/w number of performance shares that may be awarded to Laurent Guillot, Chief Executive Officer (since 1 July 2022)	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*25,861*
Vesting date of the shares	10/04/2017	04/05/2019	28/06/2021	27/06/2022	23/06/2023	24/06/2024	28/07/2025
End date of lock-up period	10/04/2019	04/05/2021	28/06/2021	27/06/2022	23/06/2023	24/06/2024	28/07/2025
Performance conditions	Revenue and EBITDA[1]	Total shareholder return (increase in share price + dividend)[2]	Total shareholder return (increase in share price + dividend)[3]	Total shareholder return (increase in share price + dividend)[4]	Total shareholder return (increase in share price + dividend), growth in earnings per share and employee satisfaction surveys[5]	Total shareholder return (increase in share price + dividend), growth in earnings per share and achievement of five objectives of the 2023 CSR roadmap[6]	Achievement of six CSR roadmap targets, growth in earnings per share, total shareholder return (increase in share price + dividend)[7]
Number of shares vested at the date of this report	82,250	29,514	N/A	N/A	N/A	N/A	N/A
Total number of shares cancelled or lapsed at the date of this report	N/A	N/A	44,701[9]	45,279[10]	28,374[11]	13,271[12]	27,662
Performance shares awarded but not yet vested at the date of this report	N/A	N/A	N/A	N/A	N/A	N/A	14[13]

(1) The performance conditions of Plan no. 1 are set out in the 2017 Registration Document (page 249).
(2) The performance conditions of Plan no. 3 are set out in the 2016 Registration Document (page 77).
(3) The performance conditions of Plan no. 6 are set out in the 2017 Registration Document (page 156).
(4) The performance conditions of Plan no. 9 are set out in the 2018 Registration Document (page 182).
(5) The performance conditions of Plan no. 12 are set out in the 2020 Universal Registration Document (page 198).
(6) The performance conditions of Plan no. 15 are set out in the 2021 Universal Registration Document (page 209).
(7) The performance conditions of Plan no. 17 are set out in the 2022 Universal Registration Document (page 229).
(8) As the applicable stock market performance condition was not met, on 24 June 2021 the Board of Directors placed on record that no shares had vested for either Jean-Claude Brdenk (Chief Operating Officer until 31 December 2020) or Yves Le Masne (Chief Executive Officer until 30 January 2022) under this plan.
(9) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 27 June 2019 under this plan was not met. Therefore, the 24,580 performance shares awarded to Yves Le Masne on that date have lapsed and will never vest. In accordance with the remuneration policy approved by the Annual General Meeting of 27 June 2019, Jean-Claude Brdenk was awarded 20,699 free shares subject to performance conditions. On 2 November 2020, given the seniority of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting of 24 June 2021 to lift the service condition required under this plan, by applying a pro rata provision. Therefore, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete and non-solicitation commitments, as well as a non-disparagement commitment, Jean-Claude Brdenk should have been awarded 13,799 free shares (instead of the 20,699 shares awarded initially – pro rata of two-thirds). However, as the stock market performance condition was not met, these 13,799 shares have lapsed and did not vest.
(10) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 23 June 2020 under this plan was not met. Therefore, the 15,403 performance shares awarded to Yves Le Masne on that date have lapsed and did not vest.
(11) In accordance with the remuneration policy approved by the Annual General Meeting of 23 June 2020, Jean-Claude Brdenk was awarded 12,971 free shares subject to performance conditions. On 2 November 2020, given the length of service of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting on 24 June 2021 to lift the service condition required under the free share plan of 23 June 2020, by applying a pro rata provision. Therefore, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete and non-solicitation commitments as well as a non-disparagement commitment, Jean-Claude Brdenk could be awarded 4,324 free shares (instead of the 12,971 shares cited in the previous paragraph – pro rata of one-third) subject to performance conditions. The 8,647 additional shares he was initially entitled to lapsed as a result of his departure. As the performance conditions set out in the plan were not met, no free shares vested under this plan for Jean-Claude Brdenk. As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 23 June 2020 cannot be met. Therefore, the 15,403 free shares awarded to Yves Le Masne on that date have lapsed and did not vest. In view of the above, all the free shares awarded under this plan have lapsed.
(12) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 24 June 2021 cannot be met. Therefore, the 13,271 performance shares awarded to Yves Le Masne on that date have lapsed and did not vest.
(13) With the implementation of the Company's Accelerated Safeguard Plan, Plan no. 17 was adjusted on several occasions to take into account the impact of transactions in the share capital, in accordance with the provisions of the regulations governing the free share plan in question (see section 7.1.7 of this Universal Registration Document).

4.3.2.11 Summary table of employment contracts of executive corporate officers, indemnities and/or benefits due or likely to be due as a result of the termination of or change in their duties and other (Table 11 – AMF Template)

	Employment contract		Supplementary pension scheme		Payments or benefits due or likely to be due as a result of termination of or change in duties		Payments under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Guillaume Pepy Chairman of the Board of Directors from 28 July 2022 Date appointed: 28 July 2022 Term expires: 2026 AGM		x		x		x		x
Laurent Guillot Chief Executive Officer from 1 July 2022 Date appointed: 1 July 2022 Term expires: 2026 AGM		x		x	x			x

4.3.3 Corporate officers' remuneration policies for 2024 subject to prospective shareholders' "say on pay" vote at the 2024 Annual General Meeting

In this report prepared in accordance with Article L. 22-10-8 of the French Commercial Code, the Board of Directors presents the remuneration policies of corporate officers for 2024.

Shareholders at the 2024 Annual General Meeting will be requested to approve said policies based on this report. For that purpose, three resolutions will be presented, respectively concerning the remuneration of:

- directors and non-voting advisors;
- the Chairman of the Board of Directors; and
- the Chief Executive Officer.

The Board of Directors is guided by the recommendations of the AFEP-MEDEF Code when determining the remuneration and benefits awarded to corporate officers.

In accordance with the recommendations of the AFEP-MEDEF Code and of the Appointments and Remuneration Committee, the Board of Directors ensures that the remuneration policies for corporate officers comply with the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality, and also reflect market practices.

4.3.3.1 Summary of the 2024 remuneration policies for corporate officers and non-voting advisors

The remuneration awarded to directors and non-voting advisors on the Board takes into account their attendance record at meetings of the Board of Directors and the Board Committees and therefore includes an attendance-based variable component. The amount of directors' remuneration reflects the level of their responsibility and the time required to perform their duties.

The Chairman of the Board of Directors receives only a fixed remuneration. However, the remuneration package of the Chief Executive Officer consists of a fixed salary, a bonus and a long-term incentive plan linked to the Company's share capital (in the form of free shares).

The remuneration system for the Chief Executive Officer can be described as follows:

It is balanced.	It strikes a balance between: • the short and long term, which guarantees that his interests are aligned with those of shareholders; • the implementation of Quality and CSR policies and economic and financial performance.
It is capped.	Each component has its own cap: • the fixed component is reviewed at relatively long intervals; • the short-term bonus component is capped as a percentage of the fixed component and each indicator within this component corresponds to a capped bonus. For 2024, the remuneration policy provides for an additional amount in the event of outperformance, which is also capped; • the long-term variable component is capped in terms of number of shares calculated based on a 20-day rolling average at the date on which the Board approves the award.
The majority of the remuneration is subject to stringent performance conditions.	Future performances are assessed through a comparison with past performances and are therefore based on reality.
It is in the Company's best interests.	Its amount is reasonable given the size and complexity of the Group. The performance criteria selected by the Board of Directors ensure that it is in the Chief Executive Officer's interest to take into account not only short-term objectives but also objectives set for the medium and long term.
It contributes to the Company's longevity and is in line with its strategy.	Every year, the Group provides care and accommodation to vulnerable people through its nursing homes, assisted-living facilities, post-acute and rehabilitation hospitals and mental health hospitals as well as providing homecare. In order for these activities to remain successful over the long term, they must be carried out in a way that places the Group's stakeholders at the heart of its corporate mission and with a clear focus on personalised care and assistance for all vulnerable people. The remuneration system reflects these requirements.
It factors in the remuneration and employment conditions of the Company's employees.	Like the Chief Executive Officer's remuneration, the remuneration structure of the Company's main executives comprises an annual fixed component, an annual bonus, and a long-term incentive plan linked to the Company's share capital.

In accordance with the recommendations of the AFEP-MEDEF Code, the fixed remuneration of executive corporate officers is reviewed at relatively long intervals of time and in keeping with market practices for similar positions.

4.3.3.2 Policy for holding ORPEA shares

The Board of Directors' Internal Rules state that each director must own at least one Company share. Shares held by the directors, or by any persons linked to them, must be recorded in registered form: either as pure registered shares with the Company's agent, or as managed registered shares with an intermediary.

The Chairman or the Board of Directors may waive this requirement in respect of a director who so requests when holding registered shares in the Company is not possible, in particular where the rules of the entity to which such director is attached (by virtue of an employment contract or in any other way) prohibit him/her from holding such shares. It should be noted, for the avoidance of doubt, that the fact that a director does not hold any shares in the Company shall not in any circumstances give rise to the sanctions provided for in Article L. 225-25 of the French Commercial Code relating to failure by a director to hold shares in the company of which they are a director when this breaches shareholding requirements set out in that company's articles of association.

In addition, in accordance with Article L. 225-197-1 of the French Commercial Code, the Board of Directors decided that the Chief Executive Officer, Laurent Guillot, will be required to hold, for the duration of his term of office, a number of shares that vest under the 2024 free share plan. This holding requirement corresponds to shares representing 30% of his annual fixed remuneration for the year in which the shares vest (i.e., in 2027), calculated on the basis of the listed price of the shares at the vesting date and rounded up to the nearest whole number of shares[1].

4.3.3.3 2024 remuneration policy for the directors and non-voting advisors

Directors' and non-voting advisors' remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors has decided to recommend to shareholders at the 2024 Annual General Meeting that the aggregate amount of remuneration allocated to directors and non-voting advisors should be kept at €650,000 (unchanged for the fourth consecutive year). Also based on a proposal by the Appointments and Remuneration Committee, the Board of Directors has decided to amend, as from 1 January 2024, the rules for allocating individual directors' remuneration out of the aggregate amount. The new rules are as follows:

- for attendance at meetings of the Board of Directors (not including directors representing employees and non-voting advisors):
  - for the Chairman of the Board of Directors: an annual lump sum not exceeding €37,000, which consists of a fixed portion of €26,000 and a variable portion of €11,000, with 15% of the variable portion deducted if the Chairman's attendance rate is below 85%,
  - for directors who are natural persons (not including directors representing employees): an annual lump sum not exceeding €62,000, which consists of a fixed portion of €16,000 and a variable portion of €46,000, with 15% of the variable portion deducted if the director's attendance rate is below 85%,
  - for corporate directors: an annual lump sum not exceeding €14,000, which consists of a fixed portion of €10,000 and a variable portion of €4,000, with 15% of the variable portion deducted if the director's attendance rate is below 85%;
- for attendance at meetings of the Board Committees (with the exception of directors representing employees and non-voting advisors), they will receive a fixed sum of €1,500 per meeting, or double this amount for the Committee chairs;
- directors representing employees will receive a sum of €1,500 per meeting of the Board of Directors and, where applicable, the Board Committees;
- non-voting advisors will receive a sum of €2,000 per meeting of the Board of Directors and, where applicable, the Board Committees. The non-voting advisor put forward by the SteerCo member with the largest holding of unsecured debt at 31 January 2023 will receive €1,333 per meeting of the Board of Directors and per meeting of any Board Committee of which the non-voting advisor is a member.

The Board of Directors also decided that if the application of the aforementioned rules would lead to the annual aggregate amount of €650,000 being exceeded, the amount received by each director for their participation in meetings of the Board of Directors and any Board Committees would be reduced accordingly so that the aggregate amount is not exceeded.

Lastly, the Board of Directors has decided that the Chief Executive Officer will not receive any remuneration for serving as a director.

Other remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors does not plan to reserve the right to award any other remuneration to directors and non-voting advisors.

4.3.3.4 2024 remuneration policy for the Chairman of the Board of Directors

Fixed remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, and in order to reflect Guillaume Pepy's experience and the duties entrusted to him (as presented in section 4.1.2.1 above), the Board of Directors has decided to keep the gross annual fixed remuneration of the Chairman of the Board of Directors at €260,000 for 2024, for the seventh consecutive year, paid in 12 monthly instalments.

Directors' remuneration

The Chairman of the Board of Directors receives directors' remuneration, which is calculated as set out above (see the section entitled "2024 remuneration policy for the directors and non-voting advisors").

(1) *For example, if the Chief Executive Officer receives annual fixed remuneration of €760,000 in 2027, and the ORPEA share price on 30 June 2027 is €25, for the duration of his term of office, he will be required to hold a number of shares with a value of €228,000, i.e., 9,120 shares.*

Other benefits

The Chairman of the Board of Directors is covered by the group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he is included for the purposes of those plans.

In addition, part of the monthly rent for his office is paid by the Company, based on the time spent on his role as Chairman of ORPEA's Board of Directors.

Annual bonus and other remuneration

The Chairman of the Board of Directors does not receive any annual or exceptional bonus payments. He does not receive any other remuneration (notably stock options or performance shares) or any benefits in kind other than those mentioned above.

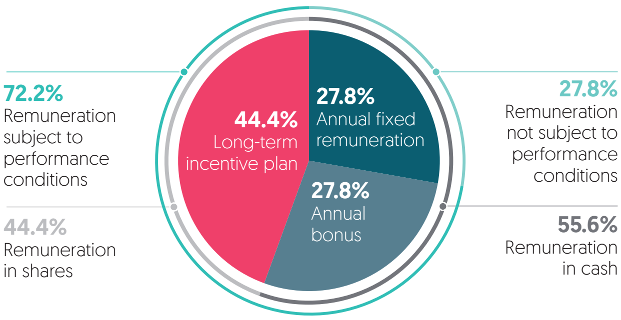
4.3.3.5 2024 remuneration policy for the Chief Executive Officer

Principles

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors decided to keep, for the third consecutive year, the structure of the remuneration of the Chief Executive Officer – Laurent Guillot – for the year ending 31 December 2024 as follows:

- annual fixed remuneration component accounting for 27.8%;
- an annual bonus accounting for 27.8% (based on a 100% achievement rate for the applicable objectives); and
- a long-term incentive plan linked to the Company's share capital accounting for 44.4% (based on a 100% achievement rate for the applicable objectives).

Balance between the various components of the Chief Executive Officer's 2024 annual remuneration



The Chief Executive Officer is also eligible for a severance benefit and receives other benefits in kind. However, he does not receive any director's remuneration.

Annual fixed remuneration

The Chief Executive Officer's gross annual fixed remuneration has been set at €760,000 for 2024 (unchanged for the third consecutive year), paid in 12 monthly instalments.

Annual bonus

The Chief Executive Officer will be eligible for a target annual bonus for 2024 set at 100% of his annual fixed remuneration with no guaranteed floor, which may be increased to up to 147.50% of said remuneration in the event of outperformance on all the quantified indicators.

The annual bonus comprises the following components:

- a component linked to the achievement of non-financial objectives, representing a target proportion of 60% of the total annual bonus; and
- a component linked to the achievement of financial objectives, representing a target proportion of 40% of the total annual bonus.

The performance conditions underlying the Chief Executive Officer's 2024 annual bonus are based on quantifiable and qualitative performance criteria, with the quantifiable criteria carrying a greater weighting as recommended in the AFEP-MEDEF Code.

The non-financial objectives have a greater weighting than the financial objectives, reflecting the Group's dedicated pursuit of the ambitious objectives set out in its Refoundation Plan, underpinning the care and quality of support provided to patients and residents and all the professionals working in the Group.

The table below sets out the performance objectives underlying the Chief Executive Officer's 2024 annual bonus, it being specified that they have been precisely defined and will be publicly disclosed when their achievement level is assessed[1].

	Target bonus		Bonus in the event of outperformance	
	Target *(as a %)*	**Target** *(In euros)*	**Target** *(as a %)*	**Target** *(In euros)*
NON-FINANCIAL OBJECTIVES (60% OF THE TOTAL BONUS)				
HR objectives (25% of the total bonus)				
Progress in employee health and safety policies leading to a reduction in the work-related accident frequency rate	12.50%	€95,000	6.25%	€47,500
Level of participation in IMPACT training and deployment of the values appropriation process	12.50%	€95,000	6.25%	€47,500
Total – HR objectives	**25.00%**	**€190,000**	**12.50%**	**€95,000**
Objectives related to patients, residents and beneficiaries (25% of the total bonus)				
Development of innovative tools and pilot programmes	12.50%	€95,000	6.25%	€47,500
Level of satisfaction among patients, residents and beneficiaries	12.50%	€95,000	6.25%	€47,500
Total – patients, residents and beneficiaries	**25.00%**	**€190,000**	**12.50%**	**€95,000**
Social and environmental objectives (10% of the total bonus)				
Structuring the transition to become a mission-led company *(société à mission)*, adopting a mission statement *(raison d'être)* and rolling out the new brand	5.00%	€38,000	-	-
Improving the carbon pathway	5.00%	€38,000	2.50%	€19,000
Total – social and environmental objectives	**10.00%**	**€76,000**	**2.50%**	**€19,000**
FINANCIAL OBJECTIVES (40% OF THE TOTAL BONUS)				
Revenue level	7.00%	€53,200	3.50%	€26,600
EBITDAR level	13.00%	€98,800	6.50%	€49,400
Debt level	10.00%	€76,000	5.00%	€38,000
Level of real estate disposals	10.00%	€76,000	5.00%	€38,000
Total financial objectives	**40.00%**	**€304,000**	**20.00%**	**€152,000**
TOTAL BONUS	**100.00%**	**€760,000**	**47.50%**	**€361,000**
			TOTAL	**€1,121,000**

The amount of the Chief Executive Officer's annual bonus for 2024 will be set by the Board of Directors, based on the effective achievement of the above performance conditions.

In accordance with Article L. 22-10-34 of the French Commercial Code, payment of this bonus will be subject to approval by the 2025 Annual General Meeting.

The annual bonus is subject to a clawback provision. Accordingly any annual bonus paid by the Company may be claimed back or reduced by the Company, on the recommendation of the Appointments and Remuneration Committee, (i) if, during one of the three financial years following the year in which the bonus was received, the Board of Directors finds that it was granted on the basis of inaccurate and manifestly or intentionally false information provided by or with the complicity of the Chief Executive Officer, or (ii) if a court, by way of a final unappealable decision, has held that the Chief Executive Officer has been seriously and intentionally negligent in the performance of his duties.

Long-term remuneration

As part of the long-term incentive plan set up for the Group's management and covering a period of three years, the Chief Executive Officer will be granted free shares subject to certain performance and service conditions, with the value of the shares awarded capped at 160% of his gross annual fixed remuneration, it being specified that the corresponding number of shares will be determined based on the rolling 20-day average share price on the date the Board of Directors approves the allocation, rounded down to the nearest whole number. The plan meets the conditions set out in recommendation 26.3.3 of the AFEP-MEDEF Code.

The features of this performance share plan are as follows:

- award date: a Board meeting held after the 2024 Annual General Meeting;
- vesting period: the period commencing on the date on which the Board meeting is held after the 2024 Annual General Meeting and at which the shares are awarded, and ending on the last day of the month three years later;
- vesting date: last day of the month three years after the award date;
- service condition, which may be waived at the Board of Directors' discretion provided that there are substantive grounds for such a decision and that provision is made, where applicable, to reduce the maximum number of shares that may vest on a pro rata basis;

(1) *To date, they have not been publicly disclosed for confidentiality reasons.*

- performance conditions, assessed over three years, it being specified that these conditions have been precisely defined but are not publicly disclosed for confidentiality reasons (they will be publicly disclosed when their achievement level is assessed):
  - non-financial performance conditions (40% of the vested shares):
    - reduce the proportion of household waste treated as residual waste,
    - establish an ambitious policy for the promotion and non-discrimination of women, and reduce staff turnover,
    - create a composite index for quality of care and improve this index,
  - financial performance conditions (60% of the vested shares):
    - EBITDAR growth,
    - increase in share price,
    - revenue growth;
- requirement to hold, for the duration of his term of office, a number of shares corresponding to 30% of his annual fixed remuneration for the year in which the shares vest, calculated based on the listed price of the shares at the vesting date and rounded up to the nearest whole number of shares[1];
- signature of a letter by the beneficiary undertaking not to hedge the risks relating to performance shares until the end of the lock-up period for the shares, as stipulated by the Board of Directors, in addition to the commitment stated in the plan rules.

The periods during which the shares may not be sold will be specified in the plan rules.

Severance benefit

In the event of a forced departure, irrespective of how his duties as Chief Executive Officer are terminated, Laurent Guillot will be entitled to a severance benefit capped at twice the gross annual remuneration (fixed remuneration and annual bonus) effectively paid to him during the twelve months preceding the date on which his duties as Chief Executive Officer are terminated. Any termination for serious misconduct or gross negligence will not constitute a forced departure.

No severance benefit will be due to the Chief Executive Officer if:

- he leaves ORPEA on his own initiative (i.e., not a forced departure) or if he changes roles within the Group;
- he is eligible for retirement;
- his term of office is ended because he has reached the age limit for serving as Chief Executive Officer.

The payment of the above amount will be subject to conditions based on Laurent Guillot's performance, assessed in terms of the Company's performance and placed on record by the Board of Directors. Laurent Guillot's entitlement to his severance benefit and the amount actually paid will therefore depend on the achievement level of the performance criteria set for the Chief Executive Officer's annual bonus, as follows:

- the Chief Executive Officer will be entitled to the maximum severance benefit if the average annual bonus he received in the two years preceding his year of departure was equal to or greater than 85% of the annual bonus target;
- if the average annual bonus received for the previous two years is between 70% and 85% of his annual bonus target, the severance benefit will be reduced proportionately; and
- no severance benefit will be paid if this average is below 70% of the target.

Directors' remuneration

Laurent Guillot does not receive any remuneration for serving as a director.

Other benefits

The Chief Executive Officer is eligible for the following benefits in kind: (i) the use of a company car, and (ii) membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he is included for the purposes of those plans.

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract.

He will not receive any other remuneration, notably exceptional remuneration, apart from that described above.

(1) For example, if the Chief Executive Officer receives annual fixed remuneration of €760,000 in 2027, and the ORPEA share price on 30 June 2027 is €25, for the duration of his term of office, he will be required to hold a number of shares with a value of €228,000, i.e., 9,120 shares.

4.4 Specific terms and conditions for shareholders to participate at General Meetings

Pursuant to Article L. 22-10-10-5 of the French Commercial Code, the specific terms and conditions for shareholders to participate in General Meetings are set out in Articles 23 to 27 of the Company's Articles of Association.

4.5 Agreements entered into between a corporate officer and a subsidiary

Pursuant to Articles L. 225-37-4 and L. 225-38 of the French Commercial Code, and Article 21 of the Company's Articles of Association, the agreements entered into, directly or through a third party, between one of the corporate officers or one of the shareholders holding more than 5% of the Company's voting rights, and a company in which the Company owns, directly or indirectly, more than half of the share capital, other than arm's length agreements concerning the ordinary course of business, are included in section 4.8 of this report and in the table below.

Agreement	Status	Date of authorisation by the Board of Directors	Purpose	Impact during 2023
Investment Agreement with CPPIB	Ended on 8 October 2023	11 December 2013	Setting forth the principal arrangements of CPPIB's investment	None
Supplementary clause to the Investment Agreement with CPPIB	Ended on 8 October 2023	11 December 2014	Right to obtain the Company's assistance in connection with any major disposals of shares	None
Agreement on investment arrangements with Peugeot Invest Assets	Ended on 13 November 2023	11 December 2014	Right to participate in any future capital increase Right to obtain the Company's assistance in connection with any major disposals of shares	None
Termination of the agreement on investment engagements with Peugeot Invest Assets	Terminated on 13 November 2023	10 November 2023	Termination, as part of the Company's financial restructuring, of the agreement entered into on 12 January 2015 between ORPEA S.A. and Peugeot Invest Assets (formerly FFP Invest) setting out the terms and conditions of Peugeot Invest Assets' investment in the Company's share capital	None

4.6 Factors liable to have an impact in the event of a public offer

Pursuant to Article L. 22-10-11 of the French Commercial Code, ORPEA makes the following disclosures concerning factors that could impact a public offer:

- the ownership structure is presented in Chapter 7 of this Universal Registration Document;
- direct and indirect shareholdings of which the Company is aware are presented in Chapter 6 of this Universal Registration Document;
- the Articles of Association do not stipulate any restrictions with regard to the exercise of voting rights, apart from the disqualification of voting rights where the statutory requirements on notifiable interests are not met;
- there are no restrictions in the Articles of Association on transfers of shares, to the Company's knowledge;
- there are no agreements between the shareholders, to the Company's knowledge, apart from the Investment Agreement and the Shareholders' Agreement, the main provisions of which are described in section 7.1.8 of this Universal Registration Document;
- there are no securities conferring special control rights, apart from shares with double voting rights;
- the applicable rules for appointing and removing directors are those set out by law;
- the Chief Executive Officer, Laurent Guillot, is eligible for compensation in the event that his duties as an executive corporate officer are terminated;
- the Existing Loan Agreement, as amended by the Addendum, includes an early repayment clause at the lender's option in the event of a change of control of the Company;
- the Board of Directors may implement the Company's share buyback programme during a takeover bid for its shares.

4.7 Appendices

Appendix 1: Internal Rules of the Board of Directors of ORPEA

Adopted by the Board of Directors on 27 November 2013

And last amended by the Board of Directors on 22 December 2023.

Preamble

The purpose of these Internal Rules (hereafter the "**Rules**") is to supplement the statutory and regulatory rules and the rules contained in the Articles of Association with a view to stating the *modus operandi* of the Board of Directors and potentially of its Board Committees, in the interests of ORPEA (hereinafter referred to as the "**Company**") and its Shareholders.

The Company's Board of Directors adheres to the principles for corporate governance as presented by the AFEP-MEDEF Code.

These Rules are applicable to all current or future directors. Acceptance of the office of director gives rise to an obligation to comply with these Rules.

These Rules are published by the Company for the information of its shareholders.

1 – Rights and obligations of the directors

1.1. – Each member of the Board must be familiar with:

- the Company's Articles of Association, the recommendations in the AFEP-MEDEF Code, and these Rules;
- the statutory and regulatory provisions governing French public limited companies with a Board of Directors, in particular: the rules limiting multiple directorships, those relating to agreements and transactions entered into between the director and the Company or in which the director has an interest, in accordance with the law;
- and the rules on holding, disclosing and using inside information, set out in more detail below.

1.2. – The directors are required to act, in all circumstances, in the interests of the Company and of all its Shareholders.

The directors have an obligation to inform the Board of any situation of conflict of interest or potential conflict of interest, in which they could be involved directly or indirectly.

They shall abstain from attending the corresponding debates and taking part in the votes on the corresponding deliberations.

1.3. – Each director shall devote the necessary time and attention to his/her duties.

He/she shall limit his/her number of directorships to ensure that he/she is available.

He/she shall inform the Secretary of the Board of Directors of any new directorship within a commercial company having shares admitted to trading on a regulated market. In the case of a director who is a legal entity, this obligation applies only to its permanent representative who is a natural person.

Each member of the Board agrees to be scrupulous in:

- attending, even by videoconference or telecommunication methods where applicable, all Board meetings, except in the event of a major impediment;
- attending all General Meetings of Shareholders so far as possible;
- attending meetings of the Board Committees of which he/she is a member.

1.4. – The directors agree not to express their views individually except in the course of the Board's internal deliberations on issues raised at Board meetings.

Outside the Company, only one collegiate view can be expressed, notably in the form of press releases intended to inform the markets.

In relation to non-public information acquired in the course of his/her duties, the director must consider him/herself to be bound by a strict duty of confidentiality which exceeds the simple duty of discretion prescribed by Article L. 225-37 paragraph 5 of the French Commercial Code.

Generally, all files from meetings of the Board of Directors, together with the information collected during or outside the meetings of the Board, are confidential without exception, irrespective of whether the information collected was presented as confidential by the Chairman.

The director shall take all necessary measures to preserve such confidentiality.

However, the permanent representative of a director who is a legal entity may disclose information gathered during or outside meetings of the Board of Directors to this legal entity and to its internal representatives (i.e., managers, corporate officers, employees, members of internal committees) and external advisors (provided that such external advisors have signed a confidentiality agreement in advance and/or are bound by a professional secrecy obligation). It should be noted, however, that this disclosure may only be made by such permanent representative for the purposes of the proper performance of his/her duties as director, in the interests of the Company, and must be limited, in terms of both content and number of recipients, to such disclosure as is strictly necessary for this purpose. The persons concerned must (i) be informed of the confidential nature of this information and, in the case of inside information, of the penalties for breaching the rules applicable to its possession, disclosure and/or use, and (ii) put in place the means necessary to preserve the confidentiality of the information thus transmitted. Under the same confidentiality provisions, a director who is a natural person proposed for appointment by a shareholder who is a legal entity may exchange information with the latter (including in relation to the information referred to above) in order to facilitate dialogue between shareholders and members of the Board of Directors.

1.5. – Each director must own at least one Company share. The Chairman or the Board of Directors may waive this requirement in respect of a director who so requests when holding registered shares in the Company is not possible, in particular where the rules of the entity to which such director is attached (by virtue of an employment contract or in any other way) prohibit him/her from holding such shares. It should be noted, for the avoidance of doubt, that the fact that a director does not hold any shares in the Company shall not in any circumstances give rise to the sanctions provided for in Article L. 225-25 of the French Commercial Code relating to failure by a director to hold shares in the company of which they are a director when this breaches shareholding requirements set out in that company's articles of association.

Shares held by the director, his/her spouse, his/her dependent child or by any other intermediary person, must be recorded in registered form: either as pure registered shares with the Company's agent, or as managed registered shares with an intermediary whose details shall be disclosed to the Secretary of the Board of Directors.

1.6. – Stock market ethics

Principles

Inside information shall only be used by directors in the course of performing their duties. Such information shall not in any circumstances be disclosed to any third party outside the scope of exercise of the office of the directors, and for purposes or for an activity other than those for which it is held.

All directors have a duty to refrain from carrying out, arranging to have carried out or allowing another party to carry out transactions on Company securities on the basis of this information for as long as this information is not made public.

Each director is personally responsible for ensuring that any inside information disclosed to him/her by the Company is not used or transmitted, and for carrying out any transaction on the Company's securities or arranging for such transaction to be carried out, if he/she is in possession of such information or during the "closed periods" (see below).

Additionally, the director shall refrain from carrying out speculative transactions on Company securities; he/she is therefore prohibited from carrying out any short selling or deferred transactions on any financial instruments relating to securities issued by the Company.

"Closed periods"

During the period preceding publication of any inside information of which they are aware, the members of the Board of Directors, in their capacity as holders of insider information, shall refrain from carrying out any transactions on the Company's securities.

Additionally, they are prohibited from carrying out any transactions on the securities during the following periods:

- a minimum of thirty calendar days prior to the date of the press release on the annual and interim results, including the date of said press release;
- a minimum of fifteen calendar days prior to the date of the quarterly press release, including the date of said press release.

Insider dealing

The director confirms that he/she has been informed of the provisions in force on holding inside information and on insider dealing, laid down in particular in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (provisions relating to inside information and to transactions and insider lists).

It should be noted in particular that, in accordance with the applicable regulations, the directors and the persons closely connected to them are required to declare to the French Financial Markets Authority (*Autorité des Marchés Financiers* – hereinafter referred to as "**AMF**") all purchases, sales, subscriptions or exchanges of Company shares, together with the transactions carried out on connected instruments, where the cumulative value of these transactions exceeds €20,000 for the calendar year under way.

The directors and the persons closely connected with them shall send their declaration to the AMF, electronically via an extranet known as ONDE accessible on the AMF website or to the following address: onde.amf-france.org., within a period of three business days after the date of the transaction.

Declarations are then posted online by the AMF on its website and are included in an annual summary statement in the Company's Universal Registration Document.

2 – Duties and powers of the Board of Directors

2.1. – The Board is a collegiate authority which collectively represents all Shareholders and has an obligation to act in the Company's best interests in all circumstances.

The Board of Directors shall determine the Company's business strategy and oversee its implementation, in accordance with the Company's corporate interest and taking into account the social and environmental challenges of its business.

It may decide to set up Committees responsible for considering any issues referred to them for examination by the Board itself or its Chairman.

The Board of Directors may appoint an advisor to assist it and provide clarification on decisions where necessary.

The directors of the Company:

- shall share their skills and professional experience;
- have a duty of care and shall exercise their complete freedom of judgement.

This freedom of judgement allows them to take part, entirely independently, in the decisions or work of the Board and, where applicable, of its Committees.

The terms of office are spread over time in order to avoid the renewal of too many directorships at the same time and to aid a harmonious renewal of directorships.

Further, the Board shall ensure that Executive Management implements a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in management bodies.

2.2. – The Board of Directors shall choose how to exercise the Company's Executive Management on the conditions set out by law and by the Articles of Association.

2.3. – The Board of Directors shall elect, from among its members, a Chairman who is a natural person.

The Chairman of the Board of Directors shall organise and manage its work and report thereon to the General Meeting. He/she shall ensure that the Company's governing bodies are operating smoothly and shall check, in particular, that the directors are able to fulfil their duties.

He/she may request disclosure of any document or information which may assist the Board of Directors in the course of preparing for its meetings.

The Chairman of the Board of Directors shall use his/her best endeavours to promote the Company's values and image in all circumstances. He/she shall make representations in his/her official capacity.

He/she shall have the material resources required to carry out his/her duties.

The Board shall also choose the person required to perform the office of Secretary, who need not be selected from among the Board members. The Secretary shall draw up the minutes of meetings of the Board and ensure that they are distributed. He/she is authorised to certify copies or extracts of such minutes as true copies.

The definition of independent member adopted for the Board is the definition given by the AFEP-MEDEF Code: a member is independent where he/she entertains no relations of any nature whatsoever with the Company, its group or management which could compromise the exercise of his/her freedom of judgement.

With this in mind, the criteria which may lead the Board to classify a member as independent are as follows:

- not being an employee or executive corporate officer of the Company, an employee or executive corporate officer or director of a company consolidated by the Company, of its parent company or of a company consolidated by that parent company, currently or during the last five years;
- not being an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently or during the last five years) holds a directorship;
- not being a customer, supplier, commercial banker, investment banker or consultant:
  - that is significant to the Company or its Group,
  - or for whom the Company or its Group represents a significant share of its activity;
- not having close family connections with a corporate officer;
- not having been the Statutory Auditor of the Company during the last five years;
- not having been a director of the Company for more than twelve years;
- not receiving variable remuneration or any remuneration linked to the performance of the Company or the Group.

Directors representing major shareholders of the Company may be considered independent provided that these shareholders do not take part in the control of the Company. The Board will systematically consider whether representatives of shareholders holding more than 10% of the share capital or voting rights should be considered as independent, taking into account the composition of the Company's share capital and the existence of a potential conflict of interests.

Provided it can justify its position, the Board may consider one of its members to be independent even though he/she does not meet all these criteria; conversely, it may also consider one of its members who meets all these criteria not to be independent.

Qualification as an independent director shall be discussed each year by the Appointments and Remuneration Committee and determined each year by the Board of Directors in the light of the criteria set out above. It shall also be discussed when a new director is appointed and when directors' terms of office are renewed. The conclusions of the Board's review shall be brought to the attention of shareholders in the corporate governance report and at the Annual General Meeting when directors are appointed.

2.4. – The Chief Executive Officer leads the Company and is entrusted with the broadest powers to act on its behalf in all circumstances. He/she shall exercise these powers within the scope of the corporate purpose and subject to the powers expressly attributed by law to Meetings of Shareholders and to the Board of Directors. He/she shall represent the Company vis-à-vis third parties.

However, the following decisions require the prior approval of the Board of Directors:

1. **any amendment** (including as a result of a merger, demerger, partial asset contributions or any other transaction having a similar effect) **to the Company's Articles of Association** and to the Articles of Association of its Main Subsidiaries (excluding, in the latter case, non-material amendments and non-material intra-Group restructuring measures that do not have, or are not likely to have, an adverse effect on the Company) or any substantial reorganisation of the Company or of a Main Subsidiary;
2. any decision relating to the adoption of a **mission statement *(raison d'être)* or the transformation of the Company into a mission-led company *(société à mission)***;
3. the transfer of the **Company's registered office outside France**;
4. **any issue, buyback and cancellation of shares** and/or of securities giving access, directly and/or indirectly, immediately and/or in future, to the share capital and/or to the voting rights of the Company or one of its Main Subsidiaries, with the exception of buybacks of Company shares carried out under a liquidity agreement entered into with an investment services provider pursuant to an authorisation of the Board of Directors;
5. any **decision to initiate a procedure with a view to the admission of securities** of the Company or one of its Subsidiaries to trading on **a regulated or organised market** and any decision to delist or buy back shares in the Company;
6. **the approval and amendment of the annual budget** and business plan of the Company (including its Subsidiaries);
7. any **amendment** (i) that is material, in **accounting principles and methods**, valuation or impairment, or (ii) to the year-end reporting date used by the Company or one of its Main Subsidiaries;
8. the signature of a transactional agreement or commencement of proceedings by the Company or its Subsidiaries (excluding the commencement of proceedings requiring urgent or precautionary measures, in which case the Board of Directors must be informed as soon as possible), in respect of **any dispute or arbitration proceedings** involving the Company or its Subsidiaries for an amount **that exceeds €5 million**. The Board of Directors shall also be informed if the Company or its Subsidiaries sign a settlement agreement or commence proceedings in respect of any dispute or arbitration proceedings likely to have a reputational impact on the Group where the amount is less than €5 million;
9. any decision resulting in the **dissolution, voluntary liquidation, receivership or compulsory liquidation** of the Company or any of its Main Subsidiaries or the appointment of any court-appointed administrator (including in particular any ad hoc administrator and/or mediator) by the Company or any of its Main Subsidiaries;
10. any divestment/sale of any **real estate asset** (or portfolio of real estate assets), **in a country where the Company and its Subsidiaries operate**, for a unit amount per transaction that strictly exceeds **€50 million**. Where the amount is between €25 million and €50 million, the Board of Directors shall only be informed in writing prior to the transaction;
11. any divestment/sale of any **non-real estate asset** for a unit amount that exceeds €25 million. The Board of Directors shall also be informed of any divestment/sale of any **non-real estate asset** with a unit amount of between €10 million and €25 million;
12. any divestment/sale requiring a financial commitment by the Group (waiver of debt, prior recapitalisation, etc.) which is higher than the expected sale proceeds and that exceeds €2 million;
13. any divestment/sale of any asset for a unit amount that exceeds €25 million resulting in the Company or one of its Subsidiaries ceasing operations in a country. The Board of Directors shall also be informed of any divestment/sale of any asset resulting in the Company or one of its Subsidiaries ceasing operations in a country;
14. **any disposal of a substantial part of the operating activities of the Company and its Subsidiaries** in France, representing over 20% of the revenue of the Company and its Subsidiaries; the Board of Directors shall also be informed of the closure of any facility in France;

15. any **acquisition or subscription (i) of equity securities, debt securities** or negotiable securities carrying rights to the Company's share capital, or (ii) assets **by the Company or by one of its Subsidiaries, in a country where the Company and its Subsidiaries already operate** and concerning an existing Group activity (already developed by the Company and its Subsidiaries) **for a unit amount per transaction** (including all liabilities and other off-balance sheet commitments assumed or transferred) that exceeds €25 million;
16. any **acquisition or subscription (i) of equity securities, debt securities** or negotiable securities carrying rights to the Company's share capital, or **(ii) assets, by the Company or by one of its Subsidiaries, in a country where the Company and its Subsidiaries were not previously present or concerning a new activity** (not yet developed by **the Company and its Subsidiaries**);
17. any **membership of an economic interest group** or any form of company or association **that may cause the Company or a Main Subsidiary to incur joint and several or unlimited liability**;
18. **setting or amending the remuneration of the Company's corporate officers** (whether or not they are executive corporate officers), and, where applicable, waiving a non-compete agreement entered into by one of the Company's executive corporate officers;
19. any **financing, bond issue, loan or other debt taken on** by the Company or any of its Subsidiaries, not specifically provided for in the budget that exceeds €150 million per year and any subsequent material amendment to the relevant documentation and any early repayment that exceeds €150 million. For amounts between €75 million and €150 million, the Board of Directors shall be informed in writing prior to the transaction;
20. any decision that may constitute an event of default in respect of any debt and any decision requiring the lenders' prior agreement under the terms of said debt where the obligation exceeds €75 million;
21. any decision to grant **a surety, a security deposit, an endorsement, a pledge** or, generally, a guarantee, by the Company or one of its Subsidiaries, in order to meet its debt obligations or honour sureties in favour of third parties, for an individual amount that exceeds €50 million or a total amount that exceeds €150 million per financial year;
22. the signature, material amendment, **renewal or termination of any shareholders' agreement**, partnership agreement or joint venture agreement with a third party, giving rise to a commitment by the Company or one of its Subsidiaries (including any potential commitment, such as, by way of illustration, a promise to purchase), for the term of the shareholders' agreement, or in the event of termination or expiry of that agreement or of the partnership agreement or the joint venture agreement, for a total amount that exceeds €25 million. The Board of Directors shall also be informed of such a decision in relation to transactions of between €10 million and €25 million;
23. **any decision relating to the strategy** of the Company and its Subsidiaries in terms of CSR, ethics and quality, or any material amendment to the pursued goals;
24. any decision to shift current activities of the Company and/or of its Subsidiaries into sectors other than providing care and support (to vulnerable people);
25. any stock option, share purchase and/or performance share plan within the Company or its Subsidiaries or any measure enabling employees of the Company and its Subsidiaries to acquire directly or indirectly or to be allocated shares in the share capital of the Company or its Subsidiaries; and
26. the signature of any agreement not specifically included in the annual budget involving the provision of services to the Company or its Subsidiaries outside the ordinary course of business for an amount that exceeds €5 million (excluding tax) to the same beneficiary over a period of twelve (12) months.

Further, the Chief Executive Officer undertakes to notify the directors and provide them with all relevant information (i) regarding matters relating to ethics, the living conditions of residents of the facilities managed by the Group and, generally, on all matters relating to CSR, and (ii) regarding any matter having material reputational or media impact on the Group.

For the purposes of Article 2.4 above:

- "**Control**" or "**Controlled**" has the meaning attributed to it in Article L. 233-3 I 1° of the French Commercial Code.
- "**Entity**" refers to any legal person, partnership, investment fund or other entity, whether or not it is a legal entity.
- "**Subsidiary**" refers to any Entity Controlled, directly or indirectly, by the Company.
- "**Main Subsidiary**" refers to any Subsidiary with annual revenue or total assets that exceed €250 million.
- "**Group**" refers to the Company and its Subsidiaries.

3 – The operation of the Board of Directors

3.1. – The Board of Directors shall meet as often as is required in the Company's interests, when a meeting is called by its Chairman.

When it has not held a meeting for over two months, at least one third of the members of the Board of Directors may ask the Chairman to call a meeting to discuss a set agenda.

The Chief Executive Officer or three directors acting together may also ask the Chairman to call a meeting of the Board of Directors to discuss a set agenda.

The Chairman is bound by any requests made to him in this way.

Notices of meeting may take any form (letter, fax, email) and may even be verbal if all directors are in agreement. They may be sent by the Secretary of the Board. Except in specific circumstances, when notices of meeting are given in writing, they shall be sent at least eight (8) days prior to each meeting, together with the agenda and the minutes of the last Board Meeting. The notices shall state the place of the meeting which may be the registered office or any other location, provided that this venue is in the Île-de-France region if the meeting requires the directors to attend in person.

Where circumstances so require, the Chairman may ask the Board for its position by calling a meeting exceptionally within twenty-four (24) hours.

The dates of Board Meetings for the following year shall be set no later than 31 December of the previous year, except in the case of extraordinary meetings.

The documents required to inform the directors regarding the agenda and all questions submitted to the Board for consideration shall be attached to the notice of meeting or sent to them within a reasonable period, of at least four (4) business days, prior to the date of the meeting (it being stipulated that this period may be reduced where a meeting is convened in exceptional circumstances as referred to above). If documents are sent to directors via an electronic platform, they must in this case be sent in a format which is printable by their recipients.

The Board shall arrange an "executive session" at least once a year with the directors who do not hold an executive or salaried position on the Board of Directors.

3.2. – In relation to the decisions to be taken, the Chairman shall ensure that each director has the information he/she considers essential to the smooth progress of the work of the Board and of the Committees. If such information is not made available to him/her, or if he/she believes that it has not been made available, any director shall request it. His/her requests shall be sent to the Chairman of the Board of Directors, who shall ensure that the directors are able to fulfil their duties. Any additional information provided by the Chairman of the Board in response to such requests shall also be sent to the other directors, at the same time.

The Chief Executive Officer shall, at each meeting, give an update on the significant transactions completed since the previous meeting and on the principal projects under way and which are likely to be completed prior to the next meeting. The Board shall carry out a review each year relating to the essential points in the management report, and regarding the deliberations put before the General Meeting of Shareholders. Further, the Board of Directors shall be informed at least once a quarter, by Executive Management, regarding the financial, cash flow and liquidity situation, the Company's commitments and its non-financial situation, it being stipulated that, for the 2024 calendar year, Executive Management shall provide all this information at least on a six-monthly basis (except for the information relating to cash flow and liquidity which shall be provided at least on a quarterly basis) and shall, in any event, use its reasonable best endeavours to provide it on a quarterly basis.

Between meetings, the directors shall receive all relevant information concerning the Company if required due to the importance or urgency of such information.

The Board of Directors may entrust to one or more of its members, or to third parties, exceptional tasks or mandates relating in particular to the examination of one or more specific issues.

3.3. – For all relevant purposes, it should be noted that the Accelerated Safeguard Plan provides that, unless the members of the Groupement subsequently advise the Company otherwise in writing, the Board of Directors shall be composed of thirteen (13) directors, including (i) the Chief Executive Officer of the Company, (ii) three (3) independent directors (as defined by the AFEP-MEDEF Code), (iii) two (2) directors representing employees and (iv) seven (7) directors, natural persons or legal entities, appointed on the recommendation of the members of the Groupement, including three (3) directors who are Members Meeting Certain Independence Conditions, in accordance with the initial breakdown shown below:

- Four (4) directors shall be appointed on the recommendation of the CDC Group, acting jointly, including two (2) directors who are Members Meeting Certain Independence Conditions; and
- Three (3) directors shall be appointed on the recommendation of MAIF, including one (1) director who is a Member Meeting Certain Independence Conditions and where applicable, one (1) director proposed by MACSF Épargne Retraite under the terms agreed between MAIF and MACSF Épargne Retraite.

3.4. – In order for the Board of Directors to validly deliberate, the number of members present must be equal to at least fifty percent of the total members.

Directors may be represented by another director holding a written form of proxy. Each director may only represent one other director during a single Board meeting.

The Chairman of the Board may invite any person external to the Board of Directors to participate in all or part of its meetings, without taking part in the deliberations.

Decisions are taken by a majority of the members present or represented.

3.5. – The Board of Directors may only adopt the following decisions after it has obtained a positive vote of the CDC as a director who is a legal entity (expressed by the vote of its permanent representative) or of any other director on the recommendation of CDC (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of CDC) in the event that the CDC is not a director who is a legal entity, for as long as the CDC Group holds at least 15% of the Restated Share Capital and/or Restated Voting Rights:

- Transfer of the Company's registered office outside France;
- The sale of a substantial portion of the Group's operating activities in France, representing over 20% of the Group's revenue (based on the latest available audited consolidated financial statements),

(the "**CDC Individual Veto Right**").

3.6. – The Board of Directors may only adopt the following decisions after it has obtained a positive vote (i) of the CDC as a director who is a legal entity (expressed by the vote of its permanent representative) or of any other director appointed on the recommendation of the CDC (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of the CDC) in the event that the CDC is not a director who is a legal entity, for as long as the CDC Group holds at least 15% of the Restated Share Capital and/or of the Restated Voting Rights, and (ii) MAIF as a director who is a legal entity (expressed by the vote of its permanent representative) or of any other director appointed on the recommendation of MAIF in the event that MAIF is not a director who is a legal entity (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of MAIF), for as long as MAIF holds (directly or indirectly) at least 10% of the Restated Share Capital and/or of the Restated Voting Rights:

- The appointment and/or dismissal of the Company's Chief Executive Officer;
- Any decision to redirect the current activities of the Company and/or of its Subsidiaries into sectors other than providing care and support to vulnerable people;
- Any transaction involving the acquisition or sale of assets of the Company and its Subsidiaries, directly or indirectly, for an individual amount that exceeds €400 million or for a total annual amount that exceeds €600 million or which involves the Group setting up in or leaving a country;
- Any decision to issue shares and/or securities giving access, directly and/or indirectly, immediately and/or in future, to the Company's share capital and/or voting rights, other than (i) in cash and/or (ii) with pre-emption rights and/or (iii) in favour of the Group's executive corporate officers or employees under long-term incentive plans; and
- Any amendment to the Company's Articles of Association having the aim or effect of removing the principle of allocation of a double voting right to all shares issued by the Company which can be shown to have been registered for two years in the same shareholder's name,

(the "**Groupement Veto Right**" and, together with the CDC Individual Veto Right, the "**Veto Rights**").

3.7. – Articles 3-5 and 3-6 of the Rules may not be amended (i) to make any change to the CDC Individual Veto Right, without the prior agreement of the CDC as a director who is a legal entity or of any other director appointed on the recommendation of the CDC (other than a Member Meeting Certain Independence Conditions appointed on the recommendation of the CDC) in the event that the CDC is not a director who is a legal entity or (ii) to make any change to the Groupement Veto Right, of the CDC and of MAIF as directors who are legal entities or of any other director appointed on the recommendation, respectively, of the CDC or MAIF (other than a Member Meeting Certain Independence Conditions) in the event that the CDC or MAIF, as the case may be, is not a director who is a legal entity.

For the purposes of the above articles:

- "**Groupement Capital Increase**" refers to the increase in the Company's share capital of approximately €1,158,600,000 to be subscribed by the members of the Groupement within the framework of the Accelerated Safeguard Plan.
- "**Restated Share Capital**" refers to, at any time, the Company's share capital, restated by deducting the number of new shares issued by the Company to the Group's managers and employees under long-term incentive plans (such as, for example, free share or stock option plans) set up as from the date of completion of the Groupement Capital Increase.
- "**Restated Voting Rights**" refers to, at any time, the Company's voting rights, restated by deducting the voting rights attached to the new shares issued by the Company to the Group's managers and employees under long-term incentive plans (such as, for example, free share or stock option plans) set up as from the date of completion of the Groupement Capital Increase.
- "**CDC Group**" refers jointly to CDC and CNP Assurances.
- "**Groupement**" refers jointly to CDC, CNP Assurances, MAIF and MACSF Épargne Retraite.
- "**Members Meeting Certain Independence Conditions**" refers to persons presenting certain conditions vis-à-vis of the members of the Groupement, i.e., they are not employees or an executive corporate officer of any of the members of the Groupement, nor of any of their affiliates.
- "**Accelerated Safeguard Plan**" refers to the Company's accelerated safeguard plan approved by the Nanterre Specialised Commercial Court by way of a judgement dated 24 July 2023.

3.8. – In accordance with the statutory and regulatory provisions and with the Articles of Association, directors who take part in Board meetings via videoconference or telecommunication methods shall be deemed to be present for the purpose of calculating quorum and majority.

Nevertheless, these methods of participation are not permitted when the Board is required to deliberate on the following matters:

- finalising the Company's financial statements and consolidated financial statements;
- drawing up the management report including the Group management report.

The technical features of the videoconference or telecommunication methods must allow for the discussions to be broadcast continuously. In the event that the broadcast is interrupted, the meeting should be suspended and resumed once the technical problem has been resolved.

3.9. – The minutes of the meeting must contain a summary of the discussions and indicate the decisions taken. The minutes are particularly important because, where required, they constitute a record of the steps taken by the Board in carrying out its duties. Without being needlessly detailed, they must succinctly set out the issues raised or the reservations expressed.

The draft minutes of Board Meetings shall be drawn up after each meeting and sent to all members of the Board, who are invited to submit their comments. Any comments shall be discussed at the next Board meeting. The final wording of the minutes of the previous meeting shall then be submitted to the next Board for approval.

3.10. – In accordance with Article 18 of the Articles of Association, the Board of Directors may, on the initiative of the Chairman of the Board of Directors, take certain decisions by written consultation under the conditions provided for by law. In such cases, the Chairman shall communicate to the directors, by any means, the items on the agenda and the text of the proposed draft decision, indicating the appropriate deadline for responding, depending on the purpose of the consultation, as well as any other document or information required for them to make a decision.

Each director may ask any questions necessary for his/her consideration or address any comment to the Chairman of the Board of Directors. Exchanges may take place between the directors by electronic mail within the time limit set for responding to the written consultation. Except in cases of proven urgency or where the majority of the directors agree, this period cannot be shorter than the period for convening a meeting of the Board of Directors. The directors shall communicate their vote to the Chairman of the Board of Directors, with a copy to the Secretary of the Board.

The Board of Directors may only validly deliberate by written consultation if at least half of the members of the Board of Directors have expressed their vote. Decisions are taken by a majority of the members casting a vote (without prejudice to the Veto Rights). In the event of a tie vote, the Chairman shall not have the casting vote and the resolution shall be deemed to have been rejected.

The Secretary of the Board shall inform the members of the Board of Directors of the result of the vote. Decisions taken by written consultation shall be recorded in minutes drawn up by the Chairman of the Board. They shall be retained under the same conditions as other decisions of the Board of Directors.

3.11. – The Board may appoint one or more non-voting advisors *(censeurs)*, who may be natural persons or legal entities, from among the shareholders or otherwise, for a term set by the Board which may not exceed four (4) years. The Board may terminate the term of office of the non-voting advisors at any time.

The non-voting advisor(s) shall attend meetings of the Board in an advisory, non-voting capacity; they can provide any opinions and recommendations to the directors and may be consulted on any items on the Board's agenda.

They may sit on any Committees set up by the Board, but only in an advisory, non-voting capacity.

The Board may grant remuneration to non-voting advisors, setting the amount and terms of payment.

They are bound by the same confidentiality obligations as the directors. Acceptance of the office of non-voting advisor gives rise to an obligation to comply with these Rules.

4 – Board Committees

When the Board of Directors sets up Board Committees, it shall determine their composition and powers.

The members of the Committees shall be chosen from among the members of the Board. They shall be appointed by the Board on the recommendation of the Appointments and Remuneration Committee. Their term of office shall coincide with their term of office as Director, the Board being entitled at any time to vary the composition of the Committees and consequently to terminate the term of office of a Committee member. Committee members are eligible for re-appointment each time their term of office is renewed.

The Committees have advisory powers only (with the exception of cases provided for by law where the Audit and Risks Committee is required to take a decision). They shall prepare the decisions of the Board of Directors by submitting opinions or recommendations to the Board. They shall carry out their activities under the responsibility of the Board of Directors, which has sole decision-making powers and remains collectively responsible for the performance of their duties.

Committee meetings shall be convened by any means (letter, fax, email) and even verbally if all members of the Committee in question agree. Except in specific circumstances, when notices are given in writing, they shall be sent at least eight (8) days prior to each meeting, together with the agenda. The notice shall state the place of the meeting which may be the registered office or any other location.

The documents required to inform the members of the concerned Committee of the agenda and all questions submitted to said Committee for consideration shall be attached to the notice of meeting or sent to them within a reasonable period, of at least four (4) business days, prior to the date of the meeting. If documents are sent to the members of said Committee via an electronic platform, they must in this case be sent in a format which is printable by their recipients.

In order to deliberate validly, at least half of the members of a Committee must be present or deemed to be present (by videoconference and telecommunication methods). The members of Committees shall be appointed in a personal capacity and may be represented by another member of the same Committee.

Committee meetings may be attended by videoconference and telecommunication methods under the conditions and according to the procedures specified for meetings of the Board of Directors.

Opinions and recommendations provided by a Committee to the Board of Directors shall be adopted by a majority of the members present or represented.

Written minutes of meetings of Committees shall be prepared by the Secretary. These minutes shall be sent to the members of the Committee in question for approval. The minutes shall state the number of members attending the meeting by videoconference or telecommunication methods.

The Board may assign to the Chair of each Committee, or to one or more of its members, any exceptional task or mandate to carry out specific research or forecasting work. In these circumstances, the member(s) thus appointed shall report on such work to the Committee in question, which shall deliberate and report thereon, to the Board of Directors.

The Board Committees may, in carrying out their duties, make contact with the key executives of the Company, after having notified the Chairman of the Board of Directors and on condition that they report thereon to the Board.

The Chair of each Committee may also invite experts, advisors or any persons offering expertise and whose attendance is likely to contribute to the Committee's work to attend all or part of its meetings.

Each Committee may also include one or more non-voting advisors in their work.

Where applicable, the non-voting advisor(s) shall receive the same information as the members of the Committee and shall attend meetings, in a non-voting capacity.

The Committees shall not in any circumstances replace the powers of Executive Management or of the Board of Directors.

4.1 – Audit and Risk Committee

4.1.1. – Duties

The Audit and Risk Committee deals with issues arising from the preparation and auditing of financial and accounting information. Its role is to make the requisite preparations for decisions by the Board of Directors on financial and accounting matters.

It also monitors issues relating to the efficiency of internal audit systems and management of material risks, where applicable, with the specialised committee in charge of non-financial topics to ensure all financial and non-financial aspects are taken into account.

The Audit and Risk Committee shall be involved in the preparation of all reports (including the annual management report) for the sections within its expertise and remit.

Without prejudice to the powers of the Board of Directors and of Executive Management, this Committee has three main duties:

a) Monitoring of the process of preparing financial information

The Audit and Risk Committee monitors the financial reporting process and, where appropriate, makes recommendations to ensure its integrity.

In particular, the Committee is responsible for:

- analysing the financial statements and related documents distributed by the Company, particularly at financial reporting dates, and, where necessary, examining certain elements in greater detail before they are presented to the Board of Directors (in particular cash flow, hedging policies, litigation, insurance, scope of consolidated companies, related-party transactions, etc.);
- reviewing forecast information and taking note of its uses and recipients in order to evaluate the reliability, quality and traceability of the forecasts and the underlying documentation as well as the coherence between the forecast information and the published outlook;
- ensuring the existence of a rigorous process for preparing the Group's financial and non-financial information, as well as the relevance and consistency of the indicators and accounting methods used in preparing said financial information, in particular for dealing with significant transactions, and the main assumptions used;
- taking note of any changes which they believe should be made to the financial statements due to be signed off or any other accounting documents, making all relevant observations on the valuation methods used in drawing them up;
- taking note of and analysing any irregularities and inaccuracies that the statutory auditors of the Company (hereinafter referred to as "Statutory Auditors") may have identified, as well as the conclusions to be drawn from the aforementioned observations and corrections in relation to the results for the period, compared with those for the previous period. In this respect, the Committee may be provided with the representation letters submitted to the Statutory Auditors for the Company and its subsidiaries;
- analysing the ORPEA Group's (hereinafter referred to as "**Group**") financial policy and its debt (including Subsidiaries) and liquidity position and, in particular, examining the adequacy of the financing resources available for the execution of the strategic plan;
- reviewing the scope of verification of the non-financial indicators to be certified, the coverage rate and the methodology of the audits carried out by the auditor, and being informed about the appointment process of the accredited independent third party organisation (ITO).

The Chairman of the Board of Directors or the Chief Executive Officer may refer to the Audit and Risk Committee any financial or accounting matter, particularly in determining the strategy and associated performance indicators, in the event of transactions affecting the Group's scope or activity and transactions which require prior authorisation of the Board of Directors.

The Committee is also regularly informed by Executive Management of feedback on the Group's perception by investors and analysts, and on the financial ratings and notes concerning it. It is consulted on any significant accounting or financial information communicated to the markets.

b) Monitoring the efficiency of internal control, internal audit and risk management systems

The Committee monitors the efficiency of the internal control and risk management systems as well as internal audit, in particular with regard to the procedures relating to the preparation and processing of accounting, financial and non-financial information, without prejudice to its independence.

In particular, the Committee is responsible for:

- ensuring the existence and operation of control organisations and procedures appropriate to the Group (in particular, a system for the prevention and detection of corruption and influence peddling) enabling the identification and management of the risks incurred, including those of a social and environmental nature, and the implementation of corrective action in the event that weaknesses or anomalies are identified. In particular, it shall ensure the quality of the operating procedures, resources and working methods of the internal teams in charge of finance, internal control and internal audit;
- examining in particular on the basis of the risk maps drawn up by the Company, exposure to risks, such as financial risks (including material off-balance sheet commitments and tax risks), operational risks and compliance risks, and the measures taken as a result and ensuring the existence and proper functioning of an internal whistleblowing system;
- taking note of the general programme of work implemented by the Statutory Auditors and the various tests they have carried out;
- taking note of external audit conclusions and of any internal control environment weaknesses identified by the Statutory Auditors;
- taking note, at least once a year, of the measures taken to ensure the integrity of the Group's information systems, particularly with regard to the best practices recommended by the French National Agency for Information Systems Security;
- taking note of major disputes at least once a year;
- annually examining the results of audits carried out within the scope of the procedure implemented to assess agreements relating to recurring transactions entered into in the ordinary course of business and ensure the relevance of the criteria used to qualify these agreements.

The Committee may be consulted on any issue relating to control procedures for unusual risks. In particular, it may assist the Board of Directors in the review of a related-party agreement.

At its convenience, the Committee may interview the head of internal audit. It is informed, without delay, of any change of the position's owner or any material change in the scope of responsibility.

c) Monitoring the statutory audit of the annual financial statements and, where applicable, the consolidated financial statements by the Statutory Auditors, as well as the independence of the Statutory Auditors

In particular, the Committee is responsible for:

- making a recommendation to the Board of Directors concerning the Statutory Auditors proposed for appointment or renewal to the General Meeting and monitoring the selection procedure organised by Executive Management, ensuring in particular that the applicable regulations are complied with (rules on the rotation of firms and signatories, tender process, etc.);
- monitoring the Statutory Auditors' performance of their engagements, conducting an annual review of the external audit performance and examining, in particular, the report drawn up by the Statutory Auditors for the Committee, taking into account, where appropriate, the findings and conclusions of the French High Council for Statutory Audits *(Haut Conseil du Commissariat aux Comptes)* following audits of the firms concerned, in application of the legal provisions;
- ensuring that the Statutory Auditors comply with the conditions of their independence as defined by the regulations, in particular, by verifying that the fees paid by the Company and its Group to the Statutory Auditors' firm and network in view of their revenue are not likely to compromise their independence, and analysing, in particular, the risks weighing on their independence and the safeguards put in place to mitigate these risks; these provisions also apply, where applicable, to the Statutory Auditors of the Company's Main Subsidiaries if different;
- approving, in compliance with the applicable regulations, the provision by the Statutory Auditors of non-audit services, according to the procedure set out in Appendix 1 of the Audit and Risk Committee's rules of procedure which is annually reviewed by the Committee.

d) Monitoring the impact and implementation of investment and divestment on the financial and cash flow situation of the business and on relationships with its creditors

These monitoring duties enable the Committee to issue recommendations, if necessary, in relation to the improvement of existing processes, and potentially, in relation to the implementation of new processes.

The Audit and Risk Committee shall be involved in the preparation of all reports (including the annual management report) for the sections within its expertise and remit.

4.1.2. – Organisation of work

The Audit and Risk Committee shall be composed of at least three members, who shall be non-executive directors of the Company.

It shall be chaired by an independent director.

The number of directors appointed on the recommendation of the Groupement members shall be at least two (2) directors, unless the Groupement members give a written indication to the contrary.

The members must have specific expertise in finance, accounting or statutory auditing.

The members of the Audit and Risks Committee shall be bound by a duty of confidentiality with regard to information relating to the services provided by the Statutory Auditors, under the conditions laid down by the regulations.

The Chair of the Audit and Risks Committee shall plan its work each year, based on his/her assessment of the materiality of various types of risk incurred, in agreement with Executive Management and the Board.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by the latter or the Board of Directors and at least four (4) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, together with the Company's accounting and financial management, where appropriate, and in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting, with the information relevant to their discussions.

The Secretary of the Board shall act as Secretary of the Committee.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

In order to fulfil its duties, the Committee may contact, in the exercise of its powers, the Company executives who are responsible, in particular, for drawing up financial statements, internal control and compliance, in the absence of Executive Management, after informing the Chairman of the Board of Directors.

The Committee may also, in agreement with Executive Management, seek information from any persons likely to be able to provide clarification in relation to the performance of its duties, notably executives responsible for economic or financial matters and those dealing with the processing of information, and may request external technical studies.

In order to carry out its duties, it shall establish a direct relationship with the Statutory Auditors and interview them regularly, including in the absence of Executive Management.

The Committee shall have the option of meeting in the absence of Executive Management and/or of the persons involved in drawing up the financial statements.

The Committee shall inform the Chairman of the Board promptly of any difficulty encountered.

4.1.3. – Activity report

The Audit and Risk Committee shall report regularly to the Board of Directors on the exercise of its duties and obtain its comments.

The Committee shall provide in its reports the opinions that it considers relevant and shall formulate any recommendation and proposal to improve the efficiency of the procedures and of the overall arrangements or adapt them to a new situation. In the event that some of the recommendations are not adopted unanimously, the reports will mention the points of view expressed in a non-nominal way.

It shall formulate any recommendations and proposals with a view to improving the efficiency of the various procedures and of the overall arrangements or adapting them to a new situation.

If, in the course of its work, the Committee identifies a material risk which it does not consider to be managed adequately, it shall notify the Chairman of the Board of Directors.

4.2 – Appointments and Remuneration Committee

4.2.1. – Duties

The main duties of the Appointments and Remuneration Committee, within the scope of the work of the Board of Directors, are:

- to make proposals to the Board on governance issues, in particular:
  - to inform the Board's decision on the procedures for exercising Executive Management and on the status of the corporate officers,
  - to issue an opinion on proposals relating to the appointment of the Chief Executive Officer and, where applicable, of one or more Deputy Chief Executive Officers,
  - to consider any proposal to appoint or renew the term of office of the Chairman and Chief Executive Officer, or of the Chairman or the Chief Executive Officer,
  - to regularly evaluate the structure, size and membership of the Board of Directors and to submit recommendations to the Board in relation to any changes,
  - to examine and recommend to the Board of Directors persons for appointment as directors, taking into account in particular the desired balance of the membership of the Board and its Committees in view of the composition and development of the Company's shareholding structure, the skills and expertise required to perform the Board's duties, and the balance between men and women on the Board,
  - to organise the process for the selection of independent directors of the Board,
  - to discuss directors' status as independent directors upon their appointment and to review on an annual basis the individual situation of each director with regard to the AFEP-MEDEF Code and these Rules,
  - to make proposals to the Board on the creation and membership of the Committees;
- to draw up a succession plan for the executive corporate officers applicable in particular in the event of an unforeseeable vacancy;
- to organise the annual assessment of the Board, if necessary with the help of an external firm, under the authority of the Chairman of the Board and reporting to the Board on the results of this assessment and any corrective measures required;
- to ensure the proper functioning of the governance bodies and in particular the transmission of information requested by the directors;
- to examine the insurance cover put in place by the Company in relation to third-party liability of the corporate officers;
- to draw up proposals and recommendations in relation to remuneration, notably regarding:
  - the remuneration policy and the components of remuneration and other benefits for the Chairman of the Board,
  - the remuneration policy and the components of remuneration and other benefits of the Chief Executive Officer and, where applicable, of the Deputy Chief Executive Officer(s) (including performance criteria which must include at least one CSR criterion),
  - the amount of the remuneration budget allocated to directors to be submitted to the General Meeting and how it is to be distributed, taking account of their attendance,
  - the award of stock-options and/or free performance shares to Group's managers and employees,
  - the general policy for involving the Group's employees in the share capital, particularly with regard to the implementation of employee shareholding plans, profit-sharing measures and any other collective incentive plans for employees.

The Appointments and Remuneration Committee shall be regularly informed:

- during the recruitment process for persons called to join the Executive Committee and other key roles;
- of the Group's remuneration policy (including performance criteria, which must include at least one applicable CSR criterion).

The Appointments and Remuneration Committee shall be involved in the preparation of all reports (including the corporate governance report and the Universal Registration Document) in respect of the sections falling within its expertise and remit.

4.2.2. – Organisation of work

The Appointments and Remuneration Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

It shall be chaired by an independent director.

The number of directors appointed on the recommendation of the Groupement members shall be at least two (2) directors, unless the Groupement members give a written indication to the contrary.

One of the directors representing employees shall be a member of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee can validly deliberate only if at least half of its members attend the meeting.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by latter or the Board, and at least four (4) times a year, particularly prior to the approval of the agenda for the Annual General Meeting, to consider the draft resolutions that will be submitted to it and which fall within its expertise.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting, with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed, except in relation to issues in which he/she is personally involved.

The Secretary of the Board shall act as Secretary of the Committee.

The Committee may also, in agreement with Executive Management, request external technical studies.

4.2.3. – Activity report

The Committee shall regularly report to the Board on its work and, at least at the next meeting of the Board, and shall make proposals to it.

4.3 – Ethics, Quality and CSR Committee

4.3.1. – Duties

As CSR, quality and ethics are at the heart of ORPEA's strategy, the main duties of the Ethics, Quality and CSR Committee, within the scope of the work of the Board of Directors, are as follows:

a) Ethics

The Committee is responsible for monitoring ethics-related issues. In particular, its duties include:

- discussing any issue relating to ethics or to any conflict of interest situations which are referred to it or of which it may become aware of;
- regularly monitoring updates to the ORPEA Group's Code of Conduct – Ethics and Corporate Social Responsibility and ensuring its distribution and enforcement, particularly with regard to the main values defined therein ("Professionalism, Compassion, Loyalty and Humility");
- keeping itself regularly informed and examining practices relating to employees' management (respect for the principles of equal opportunities and diversity, recognition of merit, sanctions, etc.);
- ensuring that commercial partnerships and alliances are in line with the values provided within the Group's Responsible Procurement Charter or its Code of Conduct – Ethics and Corporate Social Responsibility, as appropriate;
- ensuring that the Group complies with the rules and conventions relating to the respect of human rights and fundamental freedoms in the exercise of its activities.

At least once a year, the Committee shall interview the Head of Ethics and/or any person responsible for the Group's compliance with the rules falling within its remit, in the absence of Executive Management. It shall consult and inform the Audit and Risk Committee as necessary on its work on risk prevention within its remit, or involve the Audit and Risk Committee in such work.

b) Quality

The Committee is responsible for monitoring quality-related issues. In particular, its duties include:

- monitoring residents' living conditions;
- assisting the Board of Directors in monitoring the functioning of the Group's quality and operational risk management procedures, and its training, planning and monitoring tools (including annual satisfaction surveys);
- ensuring that the Quality department provides support to facilities in the implementation of their quality procedures, as well as monitoring and follow-up of the actions implemented;
- ensuring that facilities monitor quality indicators and transmit them to the Quality and Operations departments at the planned intervals, in order to facilitate monitoring of continuous improvement in the quality approach and to identify and prevent any potential risks;
- examining the annual and half-yearly quality reports.

c) CSR

The Committee is responsible for:

- examining the Group's strategy and commitments in terms of social, environmental and societal responsibility with regard to the challenges specific to its activity and objectives, and making proposals to the Board in this respect;
- examining the impact of social, environmental and societal issues on the Group's investments, economic performance and image;
- monitoring the actions implemented by the Group in terms of social, environmental and societal responsibility and evaluating the main results. In this respect, it monitors in particular issues related to the safety, quality of life and care of the people living in its facilities, the health, safety and well-being of employees, the Group's environmental footprint, societal challenges, the implementation of innovative solutions and the actions of the ORPEA Foundation;
- reviewing and assessing the reporting and control procedures for non-financial indicators to enable the Company to provide reliable non-financial information;
- helping to define the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer, in coordination with the Appointments and Remuneration Committee;
- giving its opinion on the manner in which the Company implements a policy of non-discrimination and diversity, in particular with regard to the balanced representation of women and men in the management bodies;
- monitoring the preparation of the non-financial statement and, in general, any information required by the CSR legislation in force;
- conducting an annual review of a summary of the non-financial ratings carried out on the Group.

Each year, the Ethics, Quality and CSR Committee shall receive a presentation of the Group's environmental, societal and ethics risk mapping. It shall study the risks identified therein and be kept informed of their development and the features of the related management systems.

The Ethics, Quality and CSR Committee shall coordinate its work with the Audit and Risk Committee on all matters within its remit, in particular internal control, compliance, risk management and analysis, non-financial information and the main disputes.

The Ethics, Quality and CSR Committee may also be consulted, jointly with the Audit and Risk Committee, on management procedures in the event of unusual risks, when the Board or Executive Management deems it useful.

The Ethics, Quality and CSR Committee shall be involved in the preparation of all reports (including the annual management report) for the sections falling within its expertise and remit.

4.3.2. – Organisation of work

The Ethics, Quality and CSR Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

The number of directors appointed on the recommendation of the Groupement members shall be at least three (3) directors, unless the Groupement members give a written indication to the contrary.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by the latter or the Board, and at least four (4) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

The Secretary of the Board shall act as Secretary of the Committee.

The Committee shall receive regular reports from management on the Group's Ethics, Quality and CSR strategy and its implementation. It may, if necessary, request external technical studies.

4.3.3. – Activity report

The Committee shall regularly report to the Board on its work, and in any event at the next meeting of the Board, and shall make proposals to it.

4.4 – Investment Committee

4.4.1. – Duties

The main duties of the Investment Committee are to examine the Group's investment and divestment strategy, including real estate, and its implementation.

Thus, it is responsible for, in particular:

- examining proposed acquisitions and sales, including in relation to real estate, as well as the partnerships formed in this regard, subject to the prior authorisation of the Board of Directors in accordance with the restrictions applied to the powers of Executive Management;
- monitoring investments and divestments within the Group.

In this regard, Executive Management shall provide the Committee with a detailed presentation of the transactions in question, particularly in the case of an acquisition, giving a description of the project, the economic and financial data, the accounting impact and, in the case of a sale, the sale price, any conditions and guarantees to be given and, where applicable and where this information is relevant, the returns on the investment.

These monitoring duties enable the Committee to issue recommendations, if necessary, in relation to the improvement of existing processes, and potentially, in relation to the implementation of new processes.

The Investment Committee is involved in the preparation of all reports (including real estate valuation reports) in respect of the sections falling within its expertise and remit. The Committee shall carry out all analyses, studies or tasks in respect of matters falling within its remit.

4.4.2. – Organisation of work

The Investment Committee shall be composed of at least three (3) members, who shall be directors of the Company.

The number of directors appointed on the recommendation of the Groupement members shall be at least two (2) directors, unless the Groupement members give a written indication to the contrary.

The Chair of the Investment Committee shall be one of the directors appointed on the recommendation of the Groupement.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by the latter or the Board, and at least four (4) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting, with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

The Secretary of the Board shall act as Secretary of the Committee.

4.4.3. – Activity report

The Committee shall regularly report to the Board on its work, and in any event at the next meeting of the Board, and shall make proposals to it.

5 – Directors' remuneration

The directors receive remuneration, the total amount of which is voted by the Ordinary General Meeting and the distribution of which is decided by the Board, in accordance with the directors' remuneration policy approved by the Ordinary General Meeting, on the recommendation of the Appointments and Remuneration Committee. This distribution shall take into consideration the duties exercised by the directors on the Board and on the Committees, and shall be based primarily on their actual attendance.

The Board of Directors may allocate exceptional remuneration for special duties or mandates assigned to directors.

6 – Annual assessment of the Board's operating procedures

The Board shall periodically carry out an assessment of its membership, organisation and operation and that of its Committees. An update shall be provided to the Board on this matter once a year, and a formal assessment shall be carried out, under the authority of the Chairman of the Board of Directors or, as the case may be, of the Chair of the Appointments and Remuneration Committee, every three (3) years.

The Board shall, where applicable, implement any steps to improve its operating procedures.

The Board shall inform the Shareholders in this regard in the Universal Registration Document.

Appendix 2: AFEP-MEDEF Code recommendations not applied

The below table stipulates the recommendations of the AFEP-MEDEF Code that the Company has opted not to apply and the reasons for this.

Topic	AFEP-MEDEF recommendation	Explanation
Board of Directors' independence	Recommendation 10.3: "[…] In controlled companies, independent directors should account for at least a third of Board members. […] "	The failure to comply with this recommendation results from the governance arrangements agreed when the Groupement acquired a majority stake in the Company, and approved by the Nanterre Specialised Commercial Court when it approved the Company's Accelerated Safeguard Plan. The Company's post-financial restructuring governance arrangements were guided by the Groupement's wish to be able to appoint more than half of the directors (7 out of 13) to reflect its majority shareholding, while retaining the Chief Executive Officer on the Board and maintaining a reasonable size, in line with best practice. It should be noted that the following measures are designed to mitigate the risk of the Groupement's control being exercised in an abusive manner. Firstly, the Board of Directors is chaired by an independent director, and comprises three independent directors out of a total of 11 directors (excluding directors representing employees). Secondly, the Board of Directors' internal rules of procedure include measures to prevent conflicts of interest.
Assessment of the Board of Directors	Recommendation 11.3: "The evaluation should be performed in the following manner: • Once a year, the Board should debate its operation […]"	In view of the change in governance in December 2023, there was no evaluation of the composition, organisation and operating procedure of the Board of Directors and the Board Committees at the beginning of 2024. A formal evaluation of the Board of Directors is planned for late 2024/early 2025.
Independence of the Audit and Risk Committee	Recommendation 17.1: "The proportion of independent directors on the audit committee should be at least equal to two-thirds […]"	The failure to comply with this recommendation results from the governance arrangements agreed when the Groupement acquired a majority stake in the Company, and approved by the Nanterre Specialised Commercial Court when it approved the Company's Accelerated Safeguard Plan.
Appointments and Remuneration Committee's independence	Recommendation 18.1: "It must not include any executive officer and must mostly consist of independent directors." Recommendation 19.1: "It must not include any executive officer and must mostly consist of independent directors."	The failure to comply with this recommendation results from the governance arrangements agreed when the Groupement acquired a majority stake in the Company, and approved by the Nanterre Specialised Commercial Court when it approved the Company's Accelerated Safeguard Plan.

Appendix 3: Profiles of directors

Article 1-5 of the Internal Rules stipulates that each director must own at least one Company share. As a result of the reverse share split (see section 5.6.1 of this Universal Registration Document), some directors no longer held any shares at 31 March 2024 and did not have the opportunity to comply with the aforementioned Internal Rules due to closed periods. It is also specified that certain directors may benefit from an exemption from said shareholding, in particular when the rules of the entity to which they are attached prohibit the holding of shares in a company of which they are a director or the legal representative of a director (legal entity).

GUILLAUME PEPY

Independent director and Chairman of the Board of Directors

Date of birth: 26 May 1958 – Nationality: French

Number of shares held:
None

Skills:
Services, HR, Digital, Governance

Recognised for his extensive leadership experience, Guillaume Pepy is currently President (an unpaid position) of Initiative France, the leading network of associations for financing and supporting new entrepreneurs. He is also a Senior Advisor to Salesforce and a director of Chemours Inc. in the United States, Chairman of the Supervisory Board of emlyon business school and has been Chairman of the ORPEA Board of Directors since July 2022.

Guillaume Pepy is a member of the Board of Trustees of the Shoah Memorial and of the governing board of Malandain Ballet Biarritz.

A graduate of the Institut d'Études Politiques de Paris and the École Nationale d'Administration, Guillaume Pepy began his career at the French *Conseil d'État* before working with the Ministries of Finance and of Labour, Employment and Social Affairs. In 1996, he was named Deputy Chief Executive Officer of the Sofres group.

In 1997, he was appointed Director of Main Lines at the Société Nationale des Chemins de Fer Français (SNCF), where he subsequently served as Chairman and Chief Executive Officer from 2008 to 2019.

Current terms of office:

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Member of the Board of Directors: Chemours (listed company)
- Chairman of the Supervisory Board: emlyon business school

Guillaume Pepy complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: Blablacar, Suez Group, Keolis, Lagardère
- Chair: LYDEC
- Chairman and Chief Executive Officer: Société Nationale des Chemins de Fer (SNCF)

LAURENT GUILLOT

Director and Chief Executive Officer

Date of birth: 5 September 1969 – Nationality: French

Number of shares held:
None

Skills:
Services, HR, Finance, Governance, International.

Laurent Guillot is a graduate of the École Polytechnique and the École des Ponts Paris Tech engineering school, and holds a post-graduate degree in macroeconomics from the University of Paris I.

After starting his career in government, notably serving as technical advisor to the Minister of Infrastructure, Transport and Housing, Laurent Guillot joined Compagnie Saint-Gobain in 2002. There he managed various businesses in France and internationally until 2009, when he became Group Chief Financial Officer and later Chief Operating Officer. From 2016, he served as head of the High Performance Materials business. Laurent Guillot is an independent director and Chair of the Audit and Risk Committee of the Safran group. After serving as advisor to the Chairman and Chief Executive Officer, he took up his position as ORPEA's Chief Executive Officer on 1 July 2022.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Director and Chief Executive Officer: ORPEA
- Director: ORPEA Belgium, C.O.P. - COMPRASORG, S.A.
- Chairman and Chief Executive Officer; Sancellemoz, Clinique Régina.
- Chairman of the Supervisory Board: SeneCura Kliniken- und Heimebetriebsgesellschaft m.b.H., ORPEA Polska sp z.o.o.
- Chairman of the Board of Directors: Med-Immo La Colline SA, ORPEA Belgium, Instituto de Investigaciones Neuropsiaquitricas Dr. Lopez Ibor, Residencia Ciutat Diagonal Esplugues, Ecoplar, ORPEA Ibérica, Ecoplar Serranillos, Residencial Senior 2000, Ecoplar Cantabria, Centro de Mayores Care Extremadura Dos 2002, Gesecoplar, Artevida Centros Residenciales, Ecoplar Granada, Centros Residenciales Estremera, ORPEA LATAM, Explotacion de Residencias de Real Sitio de San Fernando, Accomodore Assistencial (liquidated in December 2023), Acacias Logroño, Porto Salus Azeitão-Residências Assistidas, Sanyres Sur SLU, Centro Lescer, Union Sanyres, Residencia Reyes de Aragon.
- Chair: Association Maison de Retraite ee La Picardie, Atirual Inmobiliaria, Hospital Nossa Senhora da Arrábida, La Saharienne, Clinea, Fondation d'Entreprise ORPEA, Résidence l'Ambarroise, RSS 830 Cogolin, Maison de Santé de Merfy, Clinique LES Bruyères Brosville, Les Terrasses des Lilas, RSS 831 La Seyne, ORPEA Le Clos Saint Louis, ORPEA Affieux, Clinique de Châtillon, Immobilière Leau Bonneveine, ORPEA Résidence 5, Douce France Santé, RSS 150 Aurillac, Émeraude Participation, Société d'Exploitation Sanitaire Mer-Air-Soleil, RSS Seniors+, ADHAP Performances, RSS 771 ST FARGEAU, ORPEA Verdun St Mihiel, Clinique de l'Epinoy, Aidadomicile 51, RSS 020 St Quentin, FamiliSanté, La Pinède, Les Hauts de Crosne, RSS 780 Rambouillet, Hôtel de l'espérance, Les Rives de Cabessut, Clinique des Oyats – Centre de Post-Cure Psychiatrique du Littoral, NT Lorraine Champagne Services, RSS 076 Rouen, ORPEA St Fiacre, Maison de Retraite Le Clos Saint Gregoire, ORPEA Defrance, T.C.P. DEV, La Chavannerie, France Seniors, Clinique du Campus, A.S.B. – Aide et Services du Bassin, RSS 130 Istres, Les Jardins de Villeneuve, Château de Bon Attrait, ORPEA Ste Estève, Clinique du Château, Maja, Les Grandes Platières Passy, L'Oasis Palmeraie, Clinique du Littoral, AIDE A DOMICILE 21, RSS 510 Reims, ORPEA Immodom, Clinique du Dauphine, Maintien à Domicile, Niort 95, Résidence Ardennaise, Clinique Gallieni, HOLDING DOM, Clinique du Virval, Les Jardins de Jouvence, Alice Anatole & Cie, Clinique Du Valois, Rss 270 Vernon, ORPEA Vilgenis, ORPEA La Métare, Clinique Madeleine Remuzat, Aidologie, Archimède-le Village, La Saharienne, Groupe Sinoue, Institut d'addictologie du Littoral, Immo Nevers, ORPEA St Bonnet, HOLDING DOM, Rss 180 Bourges, Age Partenaires, Résidence Gambetta, Résidence Saint Luc, Grande Rue de Garches, Maison de Santé de Bellevue, ORPEA Résidence 1, Ap Brétigny, France Seniors Management, Hdj Psy84, Résidences Services, Rss 730 La Ravoire, Résidence des Buchers, Clinique Médicale de Champvert, Aix Trinité, Maison de Santé de Rochebrune, Maison de Santé Marigny, ORPEA Résidence 2, Clinique du Vieux Château d'Oc, SFI France, Clinique du Cabirol, Institut Hélio Marin de la Côte d'Azur, RSS 640 Pau, Honfleur Immo, Clinique des Boucles de la Moselle, ORPEA Assomption, ORPEA Résidence 3, Bon Air, Clinique de Soins de Suite de la Salette, Société de Champvert, Rss 770 Provins, Les Vald'oisiens, Launaguet, Les Hauts de Suresnes, Clinique des Boucles de la Seine, La Aur, ORPEA Résidence 4.
- Manager: BRIGE, Cometa 2018, Investimentos Imobiliários, Doce Viver, Pensar Futuro., Simple Sénior Club – Apoio Social, ORPEA Real Estate Luxembourg, AGMR – SAÚDE, Flavicórdia, Saúde e Serviços, Domidom Office, Les Matines, APAD 26, Société des Maisons de Repos et de Convalescence Bel Air, ORPEA Dev, APAD 42, SARL 95, APAD 59, SARL 96, Alapa, E T A P E Entreprise de travaux d'aide aux personnes, La Maison de Louise, ORPEA China Holding, SARL Seniors Comtois Services, La Maison de Lucile, Vivrea, LP Solutions, La Maison de Mathis, SARL 08 Signy l'Abbaye, Domidom Services, SARL Domidom Franchise, SCI des Résidences de l'Âge d'Or Numero 2, SCI ORPEA Gambetta, SCI ORPEA Croix Rousse, Des Parrans, Les Acanthes.
- Manager/Chair: Clinique du Grand-Salève, Clinéa Suisse, Clinique Privée La Métairie, Clinique Bois-Bougy.

- Non-associate manager: Augeo, Foncière Clinipsy 1, Livry Traiteur, Marc Aurele Immobilier, Ap Immo 1, Foncière Clinipsy 2, SARL Domea, Apad, SARL Services 77, Dfs Immobilier, Afps, Clinea International, Regina Renouveau, SARL l'Ombrière, Spi, Familisante Immobilier, Niort 95 Bis, Résidence Marquisat de Provence, SARL Ancienne Abbaye, SARL Services 64, Résidence Parc des Noues, Parassy, Niort 94 Bis, Sogimob, Amarmau, Le Village de Boissise Le Roi, Résidence du Parc, A P A D, Reine Bellevue, SARL Primavera, Niort 94, L'Allochon, Aidadomicile 52, Sogip, France Doyenne de Santé, SARL 97, SCI Saintes B.A., SCI ORPEA-Montchenot, SCI Caserne De Draguignan, SCI Sequoia, SCI La Salvate, Portes D'auxerre Wb, SCI Résidence ORPEA des Rives d'Or, SCI du Parc Saint Loup, Sté Civile Immobilière Résidence Les Treilles, SCI Le Barbaras, SCI du 115 Rue de la Santé, SCI Reze, François Rabelais, SCI Bel Air, SCI ORPEA Du Cliscouet, SCI Larry, Héliades Santé, SCI Les Favières, Société Civile La Selika, SCI L'Abbaye, SCI du Bois Guillaume Rouen, SCI Saint Victoret, SCI de la Drone, SCI Portes d'Auxerre, SCI Brest Le Lys Blanc, SCI Résidence ORPEA du Château, Laurent, SCI Ardennaise, Ibo, SCI J.Em. Ii, SCI ORPEA Les Tamaris, Les Oliviers, SCI Princess 2, SCI ORPEA de la Talaudière, Société Civile Immobilière de Peix, SCI du 12 Rue Fauvet, SCI Ansi, SCI du Château de La Chardonnière, SCI du 3 Passage Victor Marchand, SCI Yobema, SCI Les Magnolias, SCI Résidence ORPEA de St Priest, SCI Douarnenez ORPEA, SCI Mediter Foncier, Les Jardins de Castelviel, Société Civile Cardiopierre, SCI B.R.B.T., SCI des Anes, SCI ORPEA Fauriel, SCI Barbusse, SCI Résidence ORPEA de Balbigny, SCI Courbevoie de l'Arche, SCI SFI Bellejame, Cerdane, SCI du Jardin des Lys, ORPEA de l'Île, SCI du Port Thureau, SCI Résidence ORPEA de Saint Just Saint Rambert, Livry Vauban 2020, K.O.D.S., SCI Super Aix Paul Cézanne, SCI ORPEA de l'Abbaye, SCI Résidence ORPEA de Caux, SCI Méditerranée, SCI du Caroux, SCI Ried Santé, SCI Caserne de Draguignan, SCI Barbacanne, SCI Les Chesnaies, SCI Villa Morgan, SCI de la Rue de Londres, Matisse Santé, SCI de la Rue des Maraîchers, Officea Santé, SCI Résidence ORPEA de la Tour Pujols, SCI du Mont d'Aurelle, SCI Sainte Brigitte, SCI Slim, SCI Les Dornets, SCI Nancy Bellefontaine, SCI Les Orangers, SCI Château de Loos, SCI Le Bosguerard, SCI Route des Écluses, SCI des Capucins, SCI Résidence ORPEA des Rives de la Cerisaie, SCI Normandie Cottage Foncier, SCI du Château d'Angleterre, SCI Les Bords du Gave, SCI du Grand Parc, SCI Berlaimont, SCI Le Vallon, SCI Résidence ORPEA du Val de Seine, SCI La Lorraine, Brechet Cft et Compagnie, Les Jardins d'Escudie, Margaux Pony, Than.Co, SNC de la Maison Rose.
- Co-Manager: Portexploit Lda.
- Sole director: Immorpea, Investimentos Imobiliários, USCS – Unidade de Saúde da Costa do Sol, Citorpea, Niorpea, SGPS, ORPEA Portugal IMMO, Casa de Avioso, C.R.G. – Centro de Reabilitação da Giesta.
- Member of the Board of Directors: ORPEA Belgium, C.O.P. – COMPRASORG, ORPEA Austria Holding.
- Manager (category A): ORESC 26, ORESC 27.
- Director (category A): Central & Eastern Europe Care Services Holding, ORESC 25.

Offices and positions held in non-Group companies

- Director and Chair of the Audit and Risk Committee: Safran (listed company)

Laurent Guillot complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Manager (category A): German Care Services Enterprise
- Chairman of the Board of Directors: Saint-Gobain Tm K.K., ORPEA Italia, Sepr Italia S.P.A.
- Manager; ORE-A SARL, ORE-B SARL, ORE-D SARL, ORE-F SARL, ORE-I SARL, ORE-J SARL, ORE-O SARL, ORE-P SARL, ORE-R SARL, ORE-T SARL, ORE-U SARL, ORE-W SARL, ORE-X SARL, ORE-Y SARL, ORE-Z SARL, OREG 1 SARL, OREG 2 SARL, OREG 3 SARL, OREG 4 SARL, OREG 5 SARL, ORESC 1 SARL, ORESC 2 SARL, ORESC 3 SARL, ORESC 4 SARL, ORESC 5 SARL, ORESC 6 SARL, ORESC 7 SARL, ORESC 8 SARL, ORESC 9 SARL, ORESC 10 SARL, ORESC 11 SARL, ORESC 13 SARL, ORESC 14 SARL, ORESC 15 SARL, ORESC 16 SARL, ORESC 17 SARL, ORESC 18 SARL, ORESC 19 SARL, ORESC 20 SARL, ORESC 21 SARL, ORESC 22 SARL, ORESC 23 SARL, ORESC 24 SARL, ORPEA RE LEASE SARL, OREPA Real Estate Germany Holding SARL, Schomberg (Care Home) Properties SARL, Schomberg (Clinic) Properties SARL, SIS Brasil Exploit SARL.
- Non-associate manager: Niort 95
- Non-executive director, Chairman of the Risk Management Committee, member of the Remuneration and Nomination Committee, and member of the Corporate Social Responsibility Committee: Grindwell Norton Ltd (listed company)
- Alternate director: Saint-Gobain Archives
- President and director: Saint-Gobain Ceramics & Plastics, Inc.
- Chair: Saint-Gobain Technology Services France; Saint-Gobain International Digital IT Services; Saint-Gobain Cristaux & Détecteurs; Saint-Gobain Performance Plastics Europe; Saint-Gobain Centre De Recherche et d'Études Européen; Saint-Gobain Quartz S.A.S; Saint-Gobain Coating Solutions; Savoie Réfractaires; Saint-Gobain Matériaux Céramiques; Saint-Gobain Consulting Information and Organization; Saint-Gobain Performance Plastics France; Valoref; Société européenne des produits réfractaires – S.E.P.R.
- Director: EuroKera, Saint-Gobain DSI Groupe; Saint-Gobain Corporation; Saint-Gobain Performance Plastics Corporation; Saint-Gobain Abrasives, Inc; Saint-Gobain Solar Gard Australia Pty, Ltd; Saint-Gobain High Performance Solutions UK Limited (formerly Saint-Gobain High Performance Materials UK Limited); Saint-Gobain K.K.; Saint-Gobain Advanced Ceramics Co Ltd; Carborundum Ventures, Inc; Phoenix Coating Resources, Inc; Saint-Gobain Hycomp LLC; Fluocabron Components, Inc; Farecla Products Ltd; Saint-Gobain Performance Plastics Rencol Limited
- President, Chief Executive Officer and director: Zenpure Corporation; Zenpure Americas, Inc.
- Chief Executive Officer and director: Saint-Gobain Solar Gard, LLC
- Chairman of the Board of Directors:
- President and Chief Executive Officer: Phoenix Coating Resources, Inc; Z-tech, LLC
- Member of the Board of Directors: OREN 1 BV, OREN 2 BV, OREN 3 BV, OREN 4 BV, OREN 5 BV, OREN 6 BV, OREN 7 BV, OREN 9 BV, OREN 10 BV, OREN 12 BV, OREN 13 BV, OREN 14 BV, OREN 15 BV, OREN 18 BV, OREN 19 BV, OREN 21 BV, OREN 22 BV, OREN 23 BV, OREN 24 BV, OREN 25 BV, OREN 26 BV, OREN 27 BV, OREN 28 BV, OREN 40 BV, OPRA Netherlands BV, OREN Holding BV, Allerzorg Beheer BV, September Holding BV

MAHKAMEH (MÉKA) BRUNEL

Independent director

Date of birth: 9 May 1956 – Nationality: French

Number of shares held:
140 shares

Skills:
Services, Finance, Quality and CSR, Real Estate, Governance, International

Méka Brunel, holds an engineering degree from ESTP and obtained her Executive MBA (formerly known as CPA) from HEC Business School in 1993. She is also a Fellow of the Royal Institute of Chartered Surveyors. In 1980, she joined Fougerolles, where she worked for ten years. Almost half of that time was spent as Works Manager, learning the fundamentals of the business and the situation on the ground.

She has worked on several high-profile projects, such as the restructuring of the Cour Carrée in the Louvre following archaeological excavations, the extension of the Carnavalet Museum, and the refurbishment of the Château de Clairefontaine for the French Football Federation.

In 1990, Méka Brunel joined Compagnie Bancaire subsidiary Sinvim, a listed property development company, where she oversaw projects ranging from the purchase of land to the funding, construction and sale of assets.

In 1996, she joined listed property company Simco, where, from 1996 to 2003, she held three positions: first as Director of Construction, then Head of the Property department following Simco's acquisition of CIPM, and lastly Head of Asset Management following the purchase of Société des Immeubles de France.

In 2003, Gecina acquired Simco. Méka Brunel was appointed Executive Director of Development, which included the acquisition, sale and development of new projects and strategic marketing. She left Gecina in 2006 and joined Eurosic, a subsidiary of Banque Palatine, as Chair of the Executive Board, transforming it into a listed property company. She left the company to join Ivanhoé Cambridge as President, Europe. In this capacity, she managed an office and residential property portfolio worth USD 6 billion in Paris, Frankfurt, Madrid and London. She became a director of Gecina when ICE became the majority shareholder.

In 2017, she was appointed Chief Executive Officer of Gecina. She held this position for five years, modernising and leading major transformations at the company during that time by creating the YouFirst service brand, centralising the company's assets and making CSR a real accelerator of the group's modernisation.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Director: Hammerson

Méka Brunel complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: Gecina, CDC Habitat, Crédit Foncier
- Chief Executive Officer: Gecina

CAISSE DES DÉPÔTS ET CONSIGNATIONS, WITH AUDREY GIRARD AS ITS PERMANENT REPRESENTATIVE

Director

Number of shares held:
35,667,169 shares

Caisse des Dépôts form a public group that invests over the long term to serve the public interest and support regional economic development. Its corporate purpose *(raison d'être)* "As a unique alliance of public and private economic players, the Caisse des Dépôts Group works at the heart of France's regions to accelerate the ecological transformation and help provide a better life for all. "

It brings together four areas of expertise: social policies (retirement, vocational training, disability, ageing and health), asset management, management of strategic holdings and Banque des Territoires and two strategic partners (La Poste Groupe and BPI).

AUDREY GIRARD

Date of birth: 14 September 1975 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, Regulatory and Legal, Governance, International Experience

Audrey Girard began her career in 1998 as a corporate lawyer specialising in mergers and acquisitions and financing, a profession she practised for more than ten years with Ashurst LLP in Paris.

In 2009, she joined the Tax and Legal department of Caisse des Dépôts et Consignations (CDC), where she was responsible for M&A, financing and restructuring transactions and advised management teams on governance issues.

In 2015-2016, she became Chief Executive Officer of the fintech company Pytheas Capital Advisors, where she worked on an innovative entrepreneurial project offering alternative financing solutions and bringing together major industrial groups, suppliers (including SMEs) and institutional investors.

She was appointed Director of Development and Institutional Relations in CDC's Pensions and Solidarity department (2017-2018), where her role involved helping to develop strategy and managing projects to simplify the retirement landscape at a time of reform, increased use of data and digital technology, and population ageing.

At the beginning of 2019, she became Deputy Tax and Legal Director at CDC where she managed the teams in charge of investment, divestment, financing and restructuring transactions within the CDC group. She was involved in all projects across CDC's various business lines (Banque des Territoires, asset management, management of strategic holdings, social policies) and supervised GDPR compliance and regulatory projects. She also played an active role in the managerial transformation launched by CDC's Executive Committee, as well as in the transformation of the legal profession.

In November 2023, Audrey Girard joined the Management of Strategic Holdings division as Director of Strategic Investments, responsible for coordinating the priorities of the CDC Group and its subsidiaries, as well as defining CDC's shareholdings concerning strategic, financial and non-financial directions of subsidiaries and Group affiliates.

She is a director of several subsidiaries and strategic holdings of the CDC Group, including Transdev, Compagnie des Alpes, ORPEA, SCET and CDC Investissement Immobilier.

Audrey Girard has in-depth knowledge of issues relating to the healthcare sector and the operation of hospitals thanks to her over 15 years of voluntary work as director of the Fondation Hôpital Ambroise Paré – Hôpital Européen (the second largest private hospital in the north of Marseille).

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Permanent representative of Caisse des Dépôts et Consignations on the Board of Directors: ORPEA

Offices and positions held in non-Group companies

- Permanent representative of Caisse des Dépôts et Consignations on the Board of Directors: Transdev Group, Compagnie des Alpes, SCET.
- Director: Transdev group, CDC Investissement Immobilier, CDC Investissement Immobilier Interne.

Audrey Girard complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

None

CNP ASSURANCES, WITH STÉPHANE DEDEYAN AS ITS PERMANENT REPRESENTATIVE

Director

Number of shares held:
8,844,756 shares

CNP Assurances supports and protects people, whatever their life trajectories, by insuring them against life's hazards and helping them build savings to finance their projects. By leveraging its wide-ranging personal insurance expertise, CNP Assurances offers not only death/disability insurance, term creditor insurance, long-term care cover and health insurance, but also savings solutions, through its life insurance and supplementary pension offerings.

STÉPHANE DEDEYAN

Date of birth: 18 October 1965 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, Services, HR, Finance, Quality and CSR, Real Estate, Governance, International Experience

A graduate of HEC, Institut des Actuaires Français and the AVIRA programme at INSEAD, Stéphane Dedeyan began his career as a Consultant at Eurosept and then AT Kearney.

In 1996, he joined Athéna Assurances, where he was in charge of building the captive brokerage centre, CARENE, which was transferred to AGF/Allianz when Athéna was acquired.

He joined Generali in 1999 as an Occupational Risk Inspector at Generali Proximité, where he was successively appointed as Head of Businesses and Partnerships, Sales Director and then Deputy Chief Executive Officer.

In 2006, he became Chief Executive Officer of Generali Patrimoine and a member of the Executive Committee of Generali France. He gradually expanded his duties to savings in general, and to digital, marketing and distribution for all of Generali's business in France.

From January 2014 to December 2017, he was Deputy Chief Executive Officer of Generali France, in charge of all its insurance businesses.

In parallel, from 2011 to 2017, he chaired the Personal Insurance Committee of FFA (*Fédération française de l'assurance*).

Throughout 2018, he advised start-ups and investment funds on their growth strategy. In October 2018, he joined the VYV group, where he was appointed Chief Executive Officer in February 2019.

Stéphane Dedeyan was appointed as Chief Executive Officer of CNP Assurances on 16 April 2021. Also a member of La Banque Postale's Executive Committee since that date, he has been a member of its Executive Board since 27 October 2022, interim Chairman of the Executive Board since 2 August 2023, and Chairman of the Executive Board since 18 October 2023. Since that date, he has also been Executive Vice-President of La Poste Groupe, in charge of financial services and a member of the La Poste Groupe Executive Committee. He retired as Chief Executive Officer of CNP Assurances on 11 January 2024.

He has been Chairman of the Fonds Stratégique de Participations since 21 April 2022.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Permanent representative of CNP Assurances on the Board of Directors: ORPEA

Offices and positions held in non-Group companies

- Chief Executive Officer: CNP Assurances
- Chair: CNP Assurances Holding, Fonds Stratégique de Participations
- Chairman of the Board of Directors: Arial CNP Assurances
- Director: CNP Seguros Holding Brasil, Holding XS1, Suez (listed company)
- Member of the Supervisory Board of Suez Holding
- Director and Vice-Chairman of the Board of Directors: XS5 Administradora de Consórcios
- Chair: Lyfe, Montparvie IV, Montparvie V, Sogestop L, Sogestop K
- Chairman of the Executive Board: La Banque Postale
- Chairman of the Supervisory Board: Louvre Banque Privée (formerly BPE), LBP AM

Stéphane Dedeyan complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Chief Operating Officer/Chief Executive Officer: VYV Group
- Chief Executive Officer: MGEN International Benefits, VYV Invest, VYV Services, EGAS
- Chair: TBNO Invest

MIREILLE FAUGÈRE

Independent director

Date of birth: 12 August 1956 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, Services, HR, Finance, Quality and CSR, Digital, Governance

A graduate of HEC Paris business school, Mireille Faugère joined SNCF, the French national railway company, in 1979. During her career there, she headed up development of the Mediterranean TGV network and, on being appointed Director of Montparnasse station in 1991, she became the first woman at SNCF to attain this level of operational responsibility. In 2000, she launched the Voyages-sncf.com website and was named Managing Director of SNCF's high-speed rail operations. She became Chair of Voyages-sncf.com in 2003, where she developed international partnerships and equity investments in non-French high-speed rail companies.

Mireille Faugère then worked as Managing Director for the Public Hospitals of Paris from 2010 to 2013. Her work there included supporting and developing the university hospital's research initiatives as well as its national and international influence.

She was a senior advisor at the French audit office *(Cour des comptes)* from 2014 to 2022, where she successively chaired the Justice and Defence sections of the fourth chamber.

At the same time, Mireille Faugère was a director of Essilor International and EDF, where she chaired the Ethics Committee from 2009 to 2014. She was also appointed a director and Chair of the Audit Committee of Atout France, a French tourism special interest group, from 2014 to 2021.

Mireille Faugère is President of the judgement panel for the French National Court of Asylum (CNDA). She is also a member of the French State's shareholdings and transfers commission (CPT) and of the Ethics Committee of the Economic, Social and Environmental Council (ESEC).

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies:

- Director: ORPEA

Offices and positions held in non-Group companies: None

Mireille Faugère complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years:

- Director: Atout France

PHILIPPE GRANGEON

Director

Date of birth: 26 April 1957 – Nationality: French

Number of shares held:
None

Skills:
Services, HR, Digital, Governance, International Experience

Philippe Grangeon is a specialist in communication, marketing and change management.

Over the course of his career, he has contributed as a senior executive, both in France and internationally, to major changes in both the public and private sectors (postal and telecommunications reform, yellow pages, modernisation of the Ministry of the Economy, transition to the euro and Y2K, etc.).

He has also worked as an advisor to various ministers on a number of occasions, and has worked closely with the General Secretary of a major trade union group *(Confédération française démocratique du travail – CFDT)*.

From 2000 to 2003, he was Chairman and Chief Executive Officer of Médiapost, where he oversaw the merger with its main competitor.

In 2004, he joined the international Capgemini group and its Executive Committee, until his retirement at the end of 2017.

A leader of the En Marche ! political party, he served as special advisor to the President of the French Republic from February 2019 to September 2020.

Philippe Grangeon has held a number of directorships and positions as Chairman of the Board of Directors or Supervisory Board (Editions La Découverte-Syros, Médiapost, Delta Diffusion, Capgemini Maroc, Capgemini Université, Paris & Co, etc.).

He is currently Chairman of the Board of Directors of the Rodin Museum, and an independent director of Voyageurs du Monde, where he chairs the Compensation Committee.

Philippe Grangeon holds a degree in history from the University of Paris XIII.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Director: Voyageurs du Monde

Philippe Grangeon complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Chairman of the Board of Directors: Capgemini Morocco
- Chairman of the Supervisory Board: Capgemini Gouvieux (Campus)

SIBYLLE LE MAIRE

Director

Date of birth: 27 July 1974 – Nationality: French

Number of shares held:
10 shares

Skills:
Healthcare and Nursing, Services, HR, Quality and CSR, Digital, International

Sibylle Le Maire is Executive Director of the Bayard group, in charge of diversification, Chief Executive Officer of Bayard Media Développement and a member of the group's Executive Committee.

She began her career in publishing in 1997 with Marshall Editions in London. In 2002, she first joined the Bayard group, which is active in the news, publishing, internet and audiovisual media with a focus on current affairs, youth, seniors and religion. She set up the group's International Sales of Rights department, which she ran until 2009, before being appointed Deputy Director of the International and Business Development unit (2009 to 2012).

Sibylle Le Maire has been Chief Executive Officer of Bayard Media Développement since 2012.

From 2017 to 2021, she was Executive Director of the group's audience sites (notrefamille.com and notretemps.com) and the seniors market.

She is the driving force behind the creation of ViveS, a media ecosystem focusing on financial education for women. Sybille Le Maire also founded Club Landoy, a think tank dedicated to the demographic transition, which fosters the emergence of new approaches and innovative solutions to achieve real social progress. In March 2023, at the think tank's initiative, 51 companies signed the first inter-company agreement on the role of employees aged over 50 in the workplace.

She is a member of the Strategic Board of the Duval group.

She is also a member of the Board of Directors of Forces Femmes, a non-profit that helps unemployed women over the age of 45 return to work and set up their own businesses.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

None

Sibylle Le Maire complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

None

MUTUELLE ASSURANCE INSTITUTEUR FRANCE (MAIF), WITH PASCAL DEMURGER AS ITS PERMANENT REPRESENTATIVE

Director

Number of shares held:
23,581,599 shares

MAIF is a variable-contribution mutual insurance company governed by the French Insurance Code (*Code des assurances*). Operating in France mainly in the non-life segment, it is the parent company of the MAIF prudential group.

Founded in 1934 by and for its members, it has grown while remaining true to its founding values of solidarity, responsibility and respect for the individual. As a mutual organisation, it has no share capital and no shareholders to remunerate. Its members are insurers collectively and insureds individually.

In 2020, MAIF adopted the status of a mission-led company *(société à mission)*, thus inscribing and affirming its mission of serving the collective interest, based on genuine support for all of its stakeholders.

Its mission includes a commitment to the following social and environmental objectives:

- placing the interests of its member-policyholders at the heart of its activities;
- encouraging, through genuine support, the development of its internal stakeholders in a spirit of collective engagement;
- contributing to a more caring society through its activities;
- contributing to the ecological transition through its activities;
- promoting the development of business models committed to making a positive impact.

MAIF currently has around 3 million members.

PASCAL DEMURGER

Date of birth: 15 October 1964 – Nationality: French

Number of shares held:
1,999 shares

Skills:
Services, HR, Finance, Quality and CSR, Digital, Governance

A graduate of ENA (class of Victor Schoelcher), Pascal Demurger began his career as an advisor to the Aquitaine regional audit office before joining the Budget Department of the French Ministry of the Economy and Finance.

He left the Ministry to join MAIF in 2002, where he held a number of management positions before taking over as Chief Executive Officer in 2009. He has transformed the company in a number of ways: reorganising the network and the business lines, introducing a trust-based management approach, making customer satisfaction the central focus, and placing the company's impact at the centre of its business model.

Pascal Demurger was appointed Chairman of GEMA (Groupement des Entreprises Mutuelles d'Assurance) in 2014. He also helped establish the Fédération Française de l'Assurance, where he served as Vice-Chairman from its creation in 2016 until July 2019.

A committed leader, he believes that business must take responsibility for resolving the environmental and social challenges of our time. He shared this conviction in a book entitled *L'entreprise du XXIème siècle sera politique ou ne sera plus*, published in June 2019 by Editions de l'Aube. In it, he describes MAIF's original and sustainable business model: from its adoption of mission-led status in 2020, to a number of recent high-profile initiatives, such as reimbursing car premiums during the health crisis and creating an environmental dividend. He readily shares his experience with other companies, for example by chairing the Mission Committees of Doctolib and KPMG.

In January 2022, Pascal Demurger published a report in partnership with the Fondation Jean Jaurès, setting out 12 proposals for regulations that would encourage all companies to commit to the ecological and social transition. As an extension of these ideas, he became Co-Chairman of the Impact France movement in May 2023.

He is also Chairman of Sciences Po's Donations Committee and a member of various stakeholder committees.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Permanent representative of MAIF on the Board of Directors: ORPEA

Offices and positions held in non-Group companies

- Chief Executive Officer: MAIF
- Director: SMACL Assurances
- Permanent representative of ALTIMA Assurances on the Supervisory Board: IMA

Pascal Demurger complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: MAIF Vie
- Chair: ALTIMA

MACSF ÉPARGNE RETRAITE, WITH STÉPHANE DESSIRIER AS ITS PERMANENT REPRESENTATIVE

Director

Number of shares held:
11,791,535 shares

A life insurance company that is part of the MACSF group dedicated to healthcare professionals, insuring the private and professional lives of over one million policyholders. Since its creation, the group has been chaired and governed by directors who are healthcare professionals.

As the leading provider of insurance services and solutions in its market, MACSF upholds the mutualist values that contribute to its strength and set it apart. As a company with no shareholders and no capital to remunerate, the group belongs to its members.

The MACSF group's slogan "Together, let's take care of tomorrow" reflects its direct commitment to the world of healthcare.

STÉPHANE DESSIRIER

Date of birth: 31 August 1960 – Nationality: French

Number of shares held:
None

Skills:
Services, HR, Regulatory and Legal, Finance, Real Estate, Governance

Stéphane Dessirier has been Chief Executive Officer of MACSF SGAM and MACSF Assurances since 2014. He also chairs the Group Executive Committee. Since October 2017, he has also been Deputy Chief Executive Officer of MACSF Épargne Retraite SA.

He joined the MACSF group in July 2003 as Insurance Director.

A graduate of the École de Commerce Supérieure de Lille, Stéphane Dessirier began his career in the Finance department of the Auchan group, before joining the Metra Proudfoot group as a consultant and CEPME as a financial analyst.

In 1984, he joined GAN (Groupement des Assurances Nationales) and was successively appointed to head up the Regional Centres department and then Property & Casualty for individuals and professionals. In 2000, he was appointed Director of Property & Casualty and Individual Health Insurance, a member of the Executive Committee and then of the Management Board of Gan Assurance.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Permanent representative of MACSF Épargne Retraite on the Board of Directors: ORPEA

Offices and positions held in non-Group companies

- Chief Executive Officer: MACSF SGAM, MACSF Assurances
- Deputy CEO: MACSF Épargne Retraite
- Member of the Supervisory Board: MACSF Financement
- Chair: Medi Shares, Medi Convertibles
- Director: MACSF Ré, CCR Ré

Stéphane Dessirier complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Chair: Château Lascombes, GIE CIVIS, SAS DOMUS Vie Quotidienne
- Director: Mediservices Partenaires, Ofivalmo Partenaires, OFI AM

FRÉDÉRIQUE MOZZICONACCI

Director

Date of birth: 27 September 1972 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, Services, HR, Quality and CSR, Digital

A graduate of HEC, Frédérique Mozziconacci is an expert in the healthcare sector, where she has worked for over 25 years. She possesses a unique combination of experience with healthcare operators, healthcare consultancies, medtech manufacturers and start-ups.

She began her career with Sodexo as Head of Strategy in France, then held a number of operational positions, before moving on to become Head of its Health division in Brazil. On her return to France, she became Chief Operating Officer and then Chief Executive Officer of the Ouest Parisien private hospital in Trappes for eight years, where she oversaw sustained growth through the development of ambitious medical projects serving patients, employees and doctors. Frédérique Mozziconacci then shifted to working in industry at GE Healthcare as a Project Management Leader, advising public hospitals (CHU, CH) on medical and performance strategy projects.

She then joined Medtronic as Director of the Solutions division, where she set up and developed the first innovative partnerships between hospitals and industry in France. More recently, she has worked in the start-up environment, in particular as Director of Development for a digital services healthcare start-up.

Currently, she is Chief Executive Officer of a start-up she co-founded with a psychiatrist. The start-up develops and implements an organisational and digital system for mental health diagnosis and care.

Motivated by challenges and driven by strong values, she enjoys both strategy and operations.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies
- Director: ORPEA

Offices and positions held in non-Group companies
- Chief Executive Officer: Thia
- Chair: Care4Mind

Frédérique Mozziconacci complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years
None

SOPHIE KALAIDJIAN

Director representing employees

Date of birth: 8 December 1977 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, Services, HR, Regulatory and legal, Quality and CSR

As an elected representative of the Works Council of the ORPEA Economic and Social Unit (which became the Social and Economic Committee of the ORPEA Economic and Social Unit on 6 June 2019), Sophie Kalaidjian has attended meetings of the Board of Directors since January 2015 (and is entitled to vote).

A lawyer by training, Sophie Kalaidjian has been a Group employee for nearly 19 years. She is currently the Head of Legal Affairs at CLINEA, in which capacity she is involved in developing the Group's hospitals and monitoring their compliance with the applicable health legislation. The Board's discussions are enhanced by her complementary insights, underpinned by her knowledge of the Group.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies:
- Director representing employees: ORPEA

Offices and positions held in non-Group companies:
None

Sophie Kalaidjian complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years:
None

MAY ANTOUN

Director representing employees

Date of birth: 4 September 1958 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, Services, HR, Regulatory and Legal, Quality, CSR and Governance

May Antoun is a regional coordinating physician and palliative care expert within the ORPEA Group.

A geriatrician since 1990, she was Head of Department of a long-term care unit at UGECAM, where she practised for 20 years.

Currently Vice-President of the Société de Gérontologie de Bordeaux et du Sud-Ouest (SGBSO) and coordinator of the Cercle Aquitaine Alzheimer (CAA), she was a member of the Resource and Research Memory Centre (Centre Mémoire de Ressources et de Recherche) at Bordeaux University Hospital for ten years.

A graduate in Palliative Care and Food Hygiene, May Antoun has taught at the University of Bordeaux Segalen, at the Institut Régional du Travail Social Aquitaine (IRTS) and in nursing schools. She has overseen numerous geriatrics training courses.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies:

- Director representing employees: ORPEA

Offices and positions held in non-Group companies:

None

May Antoun complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years:

None

LAURENT DAVID

Non-voting advisor

Date of birth: 14 May 1987 – Nationality: French and British

Number of shares held:
None

Skills:
Regulatory and Legal, Finance, Real Estate, International Experience

Laurent David is a senior member of the investment team at Anchorage Capital group, where he focuses daily on European research efforts through the Anchorage platform. He joined Anchorage as a European analyst in March 2013 and is a member of the European CLO and CDO Investment Committee.

He previously worked at Morgan Stanley in London as a private equity analyst. Before joining Morgan Stanley, Laurent David interned at Morgan Stanley, Bank of America Merrill Lynch and BNP Paribas. He has 12 years' experience in the financial services sector and holds a Master's degree in management, with a major in finance, from ESCP Europe.

CURRENT TERMS OF OFFICE:

Offices and positions held in Group companies

- Non-voting advisor: ORPEA

Offices and positions held in non-Group companies

- Member of the Board of Directors and Director: AAH UK Holdings Limited, AAH UK Services LLP, AAH UK Services LLP, ACOF VIII GCF Europe Limited, Anchorage Capital Europe, LLP
- Manager: Bestyellow – Sociedada Imobiliária, Lda, Blue Fields – Sociedada Imobiliária, Lda, Bluefields – Sociedada Imobiliaria LDA, Carraun Telecom Holdings Limited, Colba Directorship, S.L., Great Missouri – Sociedada Imobiliária, Lda, Juticalpa – Sociedada Imobiliária, Lda, LBI ehf, Slater and Gordon UK Holdings Limited, Yellow Nuance – Sociedada Imobiliária, Lda.
- Non-voting advisor: Europcar Mobility Group S.A.

Offices that expired in the past five years

Member of the Board of Directors: PHS Group Investments Limited, PHS Holdco Limited, ANCPG – Investimentos Imobiliarios, S.A., ANCPG2 – Investimentos Imobiliarios, S.A., ANCPG3 – Investimentos Imobiliarios, S.A., ANCPG4 – Investimentos Imobiliarios, S.A., ANCPG5 – Investimentos Imobiliarios, S.A., ANCPG6 – Investimentos Imobiliarios, S.A., ANCPG7 – Investimentos Imobiliarios, S.A., Intralot Inc, Intralot US Holdings B.V., Intralot US Securities B.V.

PASCALE PRADAT

Non-voting advisor

Date of birth: 21 October 1959 – Nationality: French

Number of shares held:
None

Skills:
Healthcare and Nursing, HR, Quality and CSR

Pascale Pradat graduated with a Doctorate in Medicine in 1988. Following internship at hospitals in Paris, with dual training in physical and rehabilitation medicine (PRM) and neurology, she obtained diplomas in these two fields and specialised in PRM for neurological rehabilitation, with a focus on cognitive disability. She supplemented her academic training with clinical research on cognition and the impact of cognitive disorders on the daily lives of people and their loved ones.

During her career at the Pitié-Salpêtrière hospital (part of the Paris public hospital network: Assistance Publique des Hôpitaux de Paris – APHP) and at Sorbonne University, she became University Professor and Hospital Practitioner (Professeur des Universités – Praticien Hospitalier – PU-PH) and Department Head in 2009. At the time, she ran a 25-bed physical medicine and rehabilitation unit and an outpatient hospital. Specialised in the care of patients and families affected by neurological disability, Pascale Pradat has extensive experience in organising care and treatment in the healthcare and nursing sector.

Since her retirement, she has been Professor Emeritus at Sorbonne University, continues to work with non-profits related to her clinical speciality and is enrolled at the École du Louvre.

Offices and positions held in Group companies

- Non-voting advisor: ORPEA

Offices and positions held in non-Group companies

None

Offices that expired in the past five years

None

4.8 Statutory Auditors' report on related-party agreements

Annual General Meeting called to approve the financial statements for the year ended 31 December 2023

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders of ORPEA,

In our capacity as Statutory Auditors of ORPEA (hereinafter "the Company"), we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements subject to the approval of the Annual General Meeting

Agreements authorised and entered into during the year ended 31 December 2023

Pursuant to Article L. 225-40 of the French Commercial Code *(Code de commerce)*, we were informed of the following agreement, entered into during the year, which was previously authorised by the Board of Directors.

Termination of the agreement on investment arrangements with FFP Invest

Person concerned: Peugeot Invest Assets (formerly FFP Invest), a director of the Company represented by Bertrand Finet, until 22 December 2023.

Nature and purpose: At its meeting on 11 December 2014, the Board of Directors authorised an agreement setting out the arrangements of the investment by Peugeot Invest Assets (formerly FFP Invest) in the Company's share capital (the "Agreement"), which was signed on 12 January 2015.

As part of the Company's financial restructuring in progress at the time, Peugeot Invest Assets and the Company having decided to terminate the Agreement, the Board of Directors authorised the draft deed of termination at its meeting on 10 November 2023.

The deed of termination, entered into on 13 November 2023, with immediate effect, did not include any financial conditions or any payment of consideration by the Company.

Reasons given as to why this is beneficial for the Company: the Board of Directors considered that, as the purpose of the initial Agreement was to foster a long-term relationship with one of its reference shareholders, its terms and conditions would no longer serve any purpose and the rights it granted would no longer have any purpose in being maintained once the Groupement, comprising Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF, had acquired a stake in the Company.

Agreements previously approved by the Annual General Meeting

Agreements approved during previous financial years

a) That were implemented during the year

We were not informed of any agreement previously approved by the Annual General Meeting that was implemented during the year.

b) That was not implemented during the year

In addition, we were informed that the following agreement previously approved by the Annual General Meeting remained in force but was not implemented during the year.

Investment agreement with CPPIB

Persons concerned:

- John Glen, a director of the Company until 22 December 2023,
- Laure Duhot, a director of the Company until 22 December 2023,

whose appointment to the Board of Directors was proposed by CPPIB, which was a shareholder of the Company with more than 10% of the voting rights until 8 February 2023, before selling all its shares between 2 and 8 February 2023.

Nature and purpose: At its meeting on 11 December 2013, your Board of Directors authorised the Company to enter into an investment agreement (the "Investment Agreement") with CPPIB, setting forth the principal arrangements for CPPIB's investment in connection with its acquisition of a shareholding in the Company.

At its meeting on 11 December 2014, the Board of Directors had authorised an addendum to the Investment Agreement concerning notification of the Company's Board of Directors of any request for assistance from CPPIB in the event of any major disposals of its shares.

The Investment Agreement and its addendum, which had a term of ten years, expired on 8 October 2023, without having been implemented during 2023.

Paris-La Défense and Paris, 3 May 2024

The Statutory Auditors

Mazars		Deloitte & Associés	Saint-Honoré BK&A
Gaël Lamant	Anton Lissorgues	Damien Leurent	Xavier Groslin

5

5 COMMENTARY ON 2023

5.1 Significant events of the year

5.1.1 Financial restructuring

As a reminder, the acts of wrongdoing reported in 2022, particularly in the nursing homes operated by the Group in France, received immediate and widespread media coverage, both in the general public and in the financial community. This triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had unprecedented consequences on the Company throughout 2022, in terms of its day-to-day management, its financial sustainability and its governance, and led to a complete redefinition of ORPEA's strategic priorities.

A first amicable conciliation procedure was therefore opened on 20 April 2022 by order of the President of the Nanterre Specialised Commercial Court for ORPEA to sign a term sheet with its main banking partners, enabling the Company to meet significant debt obligations in 2022. After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022.

The economic situation, unforeseeable circumstances and the strategic review conducted by the new management team in the summer of 2022 brought to light new difficulties for the Group. ORPEA S.A. was therefore obliged to enter into discussions to restructure its debt, obtain new financial resources and adjust its covenants with a broader base of financial creditors. In order to provide for a stable and legally secure framework for these discussions, the Company applied for a second conciliation procedure, which was opened by the President of the Nanterre Specialised Commercial Court in an order issued on 25 October 2022.

Start of discussions on the financial restructuring (November 2022)

At the same time as announcing its Refoundation Plan on 15 November 2022, the Company informed the market of the terms and conditions of the financial restructuring it considered necessary to obtain in order to finance the Refoundation Plan and guarantee the Group's long-term viability. This financial restructuring plan hinged on three interconnected components:

- drastic debt reduction;
- new financial resources in the form of new debt and equity resources, coupled with an adjusted maturity schedule and the amendment of the terms and conditions of the June 2022 syndicated loan agreement;
- various amendments to other loan agreements.

Term Sheet on the financial restructuring plan (February 2023)

Overseen by the appointed conciliator, the Company announced on 1 February 2023 that it had signed a term sheet, effective 3 February 2023, on a financial restructuring plan (the "**Term Sheet**"), with (i) a group of long-term French investors comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF Épargne Retraite (together the "**Groupement**"), and (ii) five of the Company's credit institutions (the "**SteerCo**").

At the same time, the Term Sheet stakeholders reiterated their support for management and the Refoundation Plan presented by the Company in its press release dated 15 November 2022.

Lock-Up Agreement (February 2023)

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring, the principles, terms and conditions of which were specified in the Term Sheet.

The terms and conditions of the Lock-Up Agreement are standard and include an undertaking by the signatory creditors to support the Company's financial restructuring in accordance with the principles agreed in the Term Sheet, and to sign the required contractual documentation. These terms and conditions authorise the signatories and unsecured creditors adhering to the Lock-Up Agreement, until the completion date of the Company's restructuring, to transfer the debt of the Company they hold provided that the assignee is bound in the same terms by the Lock-Up Agreement.

Extension of the conciliation procedure (February 2023)

On 23 February 2023, the Company announced that the amicable conciliation procedure opened on 25 October 2022 by the President of the Nanterre Specialised Commercial Court, initially scheduled to end on 25 February 2023, had been extended for an additional period of one month at the request of the conciliator, i.e., until 25 March 2023.

Agreement Protocol on additional financing and an addendum to the Existing Loan Agreement with the main banking partners (March 2023)

On 17 March 2023, the Company entered into an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Banks**") in view of opening an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for additional financing and provides for an adjustment to the syndicated loan agreement signed with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"), as summarised below. The purpose of the agreement is to formalise the parties' undertakings, in order to allow the Company to implement its restructuring plan pursuant to the aforementioned accelerated safeguard procedure.

Main terms of the new money debt financing programme

As part of the financial and shareholding restructuring of ORPEA, the Banks have agreed to participate in a €600 million senior new money debt financing programme in three separate facilities:

(i) a €400 million revolving credit facility (the D1 Facility), broken down into two tranches of €200 million each (the D1A Tranche and the D1B Tranche);

(ii) a revolving credit facility of up to €100 million (the D2 Facility); and

(iii) a revolving credit facility of up to €100 million (the D3 Facility).

The above financing was granted to ORPEA S.A. (with the exception of the first €200 million D1A Tranche granted under the D1 Facility, which was granted to Niort 94 (RCS 440 360 006) and Niort 95 (RCS 811 249 978)).

The documentation related to this new financing agreement, dated 26 May 2023, was signed on 29 May 2023.

Changes to be made to the Existing Loan Agreement

As part of the financial restructuring and with a view to reorganising ORPEA's ownership structure, the Company and the Banks agreed to make certain changes to the Existing Loan Agreement through an addendum.

This addendum to the Existing Loan Agreement, dated 26 May 2023, was signed on 29 May 2023. It came into effect on 19 December 2023, following the effective completion of the second share capital increase provided for in the financial restructuring plan.

Opening of an accelerated safeguard procedure (March 2023)

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which was extended for a further two months by way of a judgement of the said Court on 22 May 2023. The term of the accelerated safeguard procedure was set at 24 July 2023.

The main purpose of this procedure was to enable the Company to implement its restructuring plan in accordance with the provisions of (i) the Lock-Up Agreement and (ii) the Agreement Protocol.

The Court appointed SELARL FHB, represented by Hélène Bourbouloux, as the administrator for the procedure and SELARL AJRS, represented by Thibaut Martinat, as co-administrator (the "**Judicial Administrators**").

Vote on the draft accelerated safeguard plan (April-June 2023)

On 5 April 2023, the Judicial Administrators notified the holders of claims and rights arising prior to the judgement date of the opening of the Company's accelerated safeguard procedure that they qualified as parties affected by the draft accelerated safeguard plan.

On 21 April 2023, they notified each affected party of the criteria used to constitute the classes of affected parties, the list of affected parties and the methods used to calculate the votes. On the same day, a number of affected parties lodged appeals regarding the methods used to classify the affected parties.

On 15 May 2023, the supervisory judge appointed by the Nanterre Specialised Commercial Court as part of the Company's accelerated safeguard procedure dismissed said appeals. However, two of the dismissals were challenged by several appeals at the Versailles Court of Appeal.

On 26 May 2023, the Judicial Administrators invited all classes of affected parties to vote on the Company's draft accelerated safeguard plan on 16 June 2023, in person or remotely as appropriate.

On the same day, the draft accelerated safeguard plan, prepared by ORPEA S.A. with the assistance of the Judicial Administrators, was made available on the Company's website. On 12 and 13 June 2023, ORPEA communicated the Judicial Administrators' decision to extend the remote voting period for the classes of affected parties to 27 June 2023 and to postpone the in-person meetings, initially scheduled for 16 June 2023, to 28 June 2023.

On 28 June 2023, meetings of the classes of shareholders and OCEANE bondholders were held in person to vote on the Company's draft accelerated safeguard plan. On the same day, the Judicial Administrators sent the results of the vote by the classes of affected parties on the draft accelerated safeguard plan, details of which are given in the press release dated 28 June 2023, to the Company. Of the ten classes of affected parties, six approved the draft accelerated safeguard plan by the required majority (more than two-thirds), three others, including the shareholders, voted more than 50% in favour of the draft accelerated safeguard plan, and the OCEANE class voted 49.2% in favour.

As the draft accelerated safeguard plan was not approved by the required majority of all classes of affected parties, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down.

First drawdown on the D1A Tranche for €200 million in new money debt (June 2023)

On 2 June 2023, the subsidiaries Niort 94 and Niort 95 made an initial drawdown of €200 million from the D1A Tranche under the new money debt facility granted by the Banks. The funds were used to finance and refinance Niort 94's general corporate purposes, including the repayment of intra-group debt owed to ORPEA S.A., which used the proceeds to finance the Group's general corporate purposes, debt servicing and capital expenditure.

Approval of the accelerated safeguard plan by way of a cross-class cram down (July 2023)

On 11 July 2023, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down. The Court approved said plan (the "**Accelerated Safeguard Plan**") by way of a cross-class cram down on 24 July 2023.

The Accelerated Safeguard Plan was to begin as soon as the last condition precedent to its implementation had been fulfilled, namely the clearing of the appeals lodged with the Paris Commercial Court against the exemption from the obligation for the Groupement to file a public offer for ORPEA's shares granted on 26 May (the "**Exemption**") by the French Financial Markets Authority.

New drawdowns of €200 million (D1B Tranche) and €100 million (D2 Facility) respectively under the new money debt financing (August-September 2023)

Following the first D1A Tranche drawdown of €200 million on 2 June 2023, two new drawdowns were made by ORPEA S.A. under the new money debt financing granted by the Banks to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, a drawdown on the D1B Tranche for €200 million; and
- on 29 September 2023, a drawdown on the D2 Facility for €100 million,

in order to finance the Group's general corporate purposes and debt servicing.

Dismissal of appeals lodged against the Exemption (November 2023)

On 9 November 2023, the Paris Court of Appeal dismissed the appeals lodged by certain minority shareholders and creditors of ORPEA against the Exemption. This decision enabled the Accelerated Safeguard Plan to be implemented.

ORPEA share capital reduction (November 2023)

On 10 November 2023, after noting the net loss of €3,477,068,607.84 for the year 2022, and in accordance with the terms of the Accelerated Safeguard Plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the Board of Directors decided to:

(i) reduce the share capital as a result of losses, in the amount of €80,220,375.24;

(ii) allocate said amount to a special reserve account, "Restricted special reserve from a capital reduction";

(iii) record the definitive completion of the share capital reduction, by reducing the par value of the shares comprising the share capital from €1.25 to €0.01.

Following this transaction, the Company's share capital stood at €646,938.51, breaking down into 64,693,851 shares with a par value of €0.01 each.

Completion of the first two share capital increases (November-December 2023)

On 4 December 2023, the Company issued new shares as part of the rights issue, with a backstop provided by the Company's unsecured creditors, who would subscribe by offsetting their existing receivables (the "**Equitisation Capital Increase**"). Under this first share capital increase implemented as part of the Accelerated Safeguard Plan, 64,629,157,149 new shares were issued at a unit price of €0.0601 (of which €0.01 par value per share and €0.0501 issue premium) for a total amount issued of €3,884,212,344.65, breaking down as follows:

- 1,199,337,462 new shares, i.e., 1.85% of the shares issued, subscribed for in cash by shareholders, with the corresponding issue proceeds of €72.1 million used to repay the Company's unsecured debt at nominal value in due proportion;
- 63,429,819,687 new shares, i.e., 98.15% of the new shares issued, subscribed by the Company's unsecured creditors, in accordance with their undertaking to provide a backstop by offsetting claims against their existing receivables.

On 19 December 2023, the Company issued new shares under the share capital increase reserved for members of the Groupement, with a priority right granted to shareholders on record at the end of the accounting day on 15 November 2023 (the "**Groupement Capital Increase**"). Under this second share capital increase implemented as part of the Accelerated Safeguard Plan, 65,173,064,696 new shares were issued at a unit price of €0.0178 (of which €0.01 par value per share and €0.0078 issue premium), for a total amount of €1,160,080,551.61.

Repayment of new money Additional Financing

The net proceeds from the issue of the new shares issued under the Groupement Capital Increase were used, for an amount of €500 million, to repay in full, on 28 December 2023, the amounts drawn down under the €600 million new money Additional Financing put in place under the Agreement Protocol, i.e., (a) the €100 million D2 Facility, which was subject to mandatory early repayment following completion of the Groupement Capital Increase, and (b) the D1A and D1B Tranches for a total of €400 million, which were subject to voluntary early repayment by the Company and its subsidiary Niort 94.

As revolving credit facilities, the D1A and D1B Tranches may be drawn down again by the Group until their final maturity date of 30 June 2026.

5.1.2 Other events

Consolidation of residences in Belgium

The ORPEA Group has announced plans to consolidate (i) three residences in Flanders, due to the dilapidated state of the buildings, and (ii) seven residences in Brussels, in accordance with a government order requiring the sector to reduce the number of vacant beds. The latter provides for the gradual withdrawal of approvals for vacant beds in nursing homes with an occupancy rate of less than 97.5% from 1 January 2024. The residents and staff of the seven residences concerned in Brussels have been transferred to other Group facilities.

Unwinding partnerships

On 14 March 2023, the ORPEA Group acquired:

- 51% of the share capital and voting rights of the Dutch company Thuismakers Holding B.V. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 2.1% of the share capital and voting rights of the Dutch company September Holding B.V. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 0.3% of the share capital and voting rights of the Dutch company Allerzorg Beheer B.V. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 51% of the share capital and voting rights of the Dutch company Compartijn Holding B.V. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;

On 29 March 2023, the ORPEA Group acquired:

- all of the share capital and voting rights of the French company RSS Seniors+. Further to this acquisition, the ORPEA Group wholly owns 14 companies with real estate or real estate projects for senior assisted-living facilities;
- 60% of the share capital and voting rights of the Belgian company Holding Senior Invest. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 19.26% of the share capital and voting rights of the French companies AP1, AP2, AP3 and AP4, which operate residential facilities for dependent elderly people. Further to this acquisition, the ORPEA Group holds 69.26% of these companies.

  Note that on 30 June 2023, the ORPEA Group sold all the subsidiaries held by the aforementioned companies, namely:

  - 100% of the share capital and voting rights of Maison de retraite Saint-Sauveur, AP Nevers, Promidel Santé, Geronte, BGP Alliance-Floirac and Les Jardins de Gournay; and
  - 99.41% of the share capital and voting rights of Résidence de l'Esplanade.

Acquisitions and disposals of assets

Germany

In August 2023, the ORPEA Group sold a real estate asset to ALC Weingarten. The ORPEA Group continues to operate this facility.

Austria

In June 2023, the ORPEA Group sold four newly built nursing homes and an assisted-living facility to a local investor. The ORPEA Group continues to operate all the corresponding facilities.

Spain

In June 2023, the ORPEA Group sold a newly built nursing home to Healthcare Activos. The ORPEA Group continues to operate this facility.

In December 2023, the ORPEA Group signed several agreements for the sale of real estate assets in Spain, both individually and as part of a portfolio, representing a total of six nursing homes, including one building under construction. To date, one real estate asset has been sold. The ORPEA Group will continue to operate four of the corresponding facilities.

Latvia

In July 2023, the ORPEA Group sold all of the share capital and voting rights of the Latvian company Senior Baltic, which operates and owns a nursing home in Latvia. The ORPEA Group is no longer present in this country.

Netherlands

Between late 2022 and early 2023, the ORPEA Group signed several agreements for the sale of real estate assets in the Netherlands, both individually and as part of a portfolio, representing a total of around 50 nursing homes, including around 20 facilities under construction. To date, around 40 of the buildings have been sold. The ORPEA Group will continue to operate all the corresponding facilities.

In July 2023, the ORPEA Group sold:

- a real estate portfolio of four newly built nursing homes or nursing homes under construction to a Dutch private equity fund;
- 100% of the share capital and voting rights of the Dutch real estate companies (i) Thuismakers Hardinxvelt-Giessendam B.V., (ii) Huize Ter Gouwe Vastgoed B.V., (iii) OREN 104 B.V. and (iv) Huize Doornrijck Vastgoed B.V.

The ORPEA Group continues to operate all the corresponding facilities.

In November 2023, the ORPEA Group acquired a site to develop three nursing homes with a total of 72 beds.

Overhaul of the membership of ORPEA S.A.'s Board of Directors and its Committees

Changes in the membership of the Board of Directors

During the Annual General Meeting held on 22 December 2023, the Company's shareholders approved the overhaul of the Board of Directors as part of its financial restructuring, in accordance with (i) the Lock-Up Agreement entered into on 14 February 2023 between the Company and Caisse des Dépôts et Consignations, CNP Assurances, Mutuelle Assurance des Instituteurs de France and MACSF Épargne Retraite, on the one hand, and five institutions holding a portion of the Company's unsecured debt, on the other hand, and (ii) the Company's accelerated safeguard plan approved by the Nanterre Specialised Commercial Court on 24 July 2023.

In addition, the new Board of Directors, which met immediately after the aforementioned Annual General Meeting, appointed two non-voting advisors.

Lastly, at its plenary meeting on 13 December 2023, ORPEA's European Works Council appointed a new director representing employees to replace Laurent Serris, whose term of office expired at the end of the aforementioned Annual General Meeting.

ORPEA's Board of Directors now comprises 13 members and two non-voting advisors, including:

- seven non-independent directors: Caisse des Dépôts et Consignations (represented by Audrey Girard), CNP Assurances (represented by Stéphane Dedeyan), MAIF (represented by Pascal Demurger), MACSF Épargne Retraite (represented by Stéphane Dessirier), Philippe Grangeon, Sibylle Le Maire and Frédérique Mozziconacci;
- three independent directors: Guillaume Pepy, Mireille Faugère and Méka Brunel;
- the Chief Executive Officer, Laurent Guillot;
- two directors representing employees: Sophie Kalaidjian and May Antoun;
- two non-voting advisors: Laurent David (nominated by the SteerCo member holding the largest portion of the Company's unsecured debt at 31 January 2023) and Pascale Pradat.

Changes in the membership and responsibilities of the Board Committees

At its first meeting, held immediately after the Annual General Meeting, the new Board of Directors decided to modify the duties assigned to its Committees in order to redefine the roles and responsibilities of each Committee, and also change their membership in order for the new directors to become members. At this meeting, the Board of Directors also decided to create the Investment Committee.

The development, membership and operations of the Board of Directors and its Committees are fully described in Chapter 4 of this Universal Registration Document.

5.2 Review of the consolidated financial statements for the year ended 31 December 2023

5.2.1 Consolidated income statement

(in millions of euros)	2023	2022
Revenue	**5,198**	**4,681**
Recurring operating profit/(loss)	**(16)**	**(49)**
Operating profit/(loss)	**(919)**	**(4,272)**
Net financial income/(expense)	**2,319**	**(319)**
Profit/(loss) before tax	**1,400**	**(4,591)**
Income tax	(45)	596
Share in profit of associates and joint ventures	5	(33)
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES	**1,361**	**(4,028)**
Attributable to non-controlling interests	6	(1)
Attributable to ORPEA's shareholders	1,355	(4,027)
Weighted average number of shares	10,374,708,403	64,607,979
Earnings/(loss) per share *(in euros)*	0.13	(62.33)
Diluted earnings/(loss) per share *(in euros)*	0.13	(62.33)

ORPEA Group's 2023 consolidated revenue

The ORPEA Group generated consolidated revenue of €5,198 million in 2023 (up 11% on 2022 including 9.5% organic growth). Revenue saw sustained growth in 2023, driven by an overall improvement in the occupancy rate and the opening of 31 new facilities.

(in millions of euros)	2023	2022	Change *(as a %)*
France-Benelux-UK-Ireland	3,036.9	2,802.4	8.4%
Central Europe	1,352.2	1,197.2	12.9%
Eastern Europe	515.4	435.4	18.4%
Iberian Peninsula and Latin America	285.7	241.8	18.2%
Other countries	7.4	4.1	NM
TOTAL REVENUE	**5,197.8**	**4,680.9**	**11.0%**

Geographic breakdown (including non-controlling interests):

- *France-Benelux-UK-Ireland: France, Belgium, the Netherlands, the United Kingdom, Luxembourg and Ireland.*
- *Central Europe: Germany, Italy and Switzerland.*
- *Eastern Europe: Austria, Poland, the Czech Republic, Croatia, Slovenia and Latvia.*
- *Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Uruguay and Mexico.*
- *Other countries: China and the United Arab Emirates.*

Revenue in the **France-Benelux-UK-Ireland area** advanced 8.4% over the year to €3,037 million, accounting for 58.4% of the Group's total revenue. Organic growth was mainly driven by the contribution of facilities that opened in this geographical area (Netherlands) during the period and an increase in the occupancy rate in Ireland. The area also benefited from the inclusion of Belgian facilities in the scope of consolidation.

Central Europe revenue rose by 12.9% to €1,352 million, or 26.0% of the Group's total revenue, reflecting particularly pronounced pricing effects.

Eastern Europe revenue grew by 18.4% to €515 million, driven by the steady increase in activity levels at new facilities opened in various countries in the area.

Revenue in the **Iberian Peninsula and Latin America** region rose by 18.2% to €286 million (or 5.5% of the Group's consolidated revenue), mainly due to organic growth. Business growth was particularly strong in Spain, the region's main contributor, on the back of an increase in occupancy rates, the number of beds and average prices.

Other countries solely includes operations in China (one facility located in Nanjing) and the United Arab Emirates, with €7.4 million in revenue.

Profitability and net profit

(IFRS) *(in millions of euros)*	31 Dec. 2023	% of revenue	31 Dec. 2022	% of revenue	2023/2022 change *(as a %)*
Revenue	5,197.8	100.0%	4,680.9	100.0%	+11.0%
EBITDAR(1)	696.3	13.4%	779.7	16.7%	-10.7%
EBITDA(2)	651.5	12.5%	756.0	16.2%	-13.8%
Recurring operating profit/(loss)	(16.0)	-0.3%	(49.1)	-1.0%	-67.5%
Operating profit/(loss)	(918.7)	-17.7%	(4,272.2)	N/A	N/A
Net financial expense	2,319.2	44.6%	(318.6)	-6.8%	N/A
Profit before tax	1,400.4	26.9%	(4,590.8)	N/A	N/A
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORPEA'S SHAREHOLDERS	**1,354.9**	**26.1%**	**(4,027.0)**	**N/A**	**N/A**

(1) EBITDAR = Recurring operating profit before depreciation, amortisation and charges to provisions and before rental expenses.
(2) EBITDA = EBITDAR excluding rental expenses related to contracts with a term of less than one year.

Reconciliation of operating profit/(loss)

(in millions of euros)	2023	2022
Operating profit/(loss)	**(919)**	**(4,272)**
Neutralisation of non-recurring operating income and expenses	903	4,223
Recurring operating profit/(loss)	**(16)**	**(49)**
Neutralisation of depreciation, amortisation and charges to provisions	667	805
EBITDA	**652**	**756**
Neutralisation of rental expenses	45	24
EBITDAR	**696**	**780**
Lease liabilities (IFRS 16)	(448)	(414)
Lease liabilities excl. IFRS 16	(45)	(24)
EBITDA PRE-IFRS 16	**204**	**342**

EBITDAR came to €696 million in 2023, for a margin of 13.4% compared with 16.7% in 2022. Operating profitability continued to be affected by the newly implemented care and support measures, persistently high inflation in 2023 that could not be passed on through pricing changes, and an occupancy rate in French nursing homes that remained below its normative level.

EBITDA fell 13.8% to €651.5 million, representing a margin of 12.5%. **EBITDA pre-IFRS 16** amounted to €204.0 million, representing a margin of 3.9%.

The **recurring operating loss** amounted to €16 million, compared with €49 million in 2022.

Non-recurring items represented a net expense of €903 million compared to a net expense of €4,223 million in 2022, mainly comprising:

- charges resulting from asset impairment tests in accordance with IAS 36 amounting to €830 million, including €438 million in respect of IFRS 16 right-of-use assets. For the impairment tests under IAS 36, in 2023, the Group adapted its method in order to move towards a post-IFRS 16 approach. It should be noted that impairment of right-of-use assets under IFRS 16 does not change the value of real estate assets held by the Company, but results in a reduction in the value of the corresponding right-of-use assets under IFRS 16, which are presented discretely in the balance sheet;
- non-recurring expenses related to the management of the crisis, for €74 million. This amount includes the financial restructuring costs not allocated to additional paid-in capital.

The **net financial expense** for the year was €2,319 million. This includes non-recurring income (with no cash or tax impact) of €2,850 million relating to the conversion of ORPEA S.A.'s unsecured debt for €3.8 billion, implemented as part of the financial restructuring.

The **attributable net profit** for the period was €1,354.9 million.

5.2.2 Consolidated balance sheet

Assets

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
ASSETS		
Goodwill	1,386.0	1,362.5
Intangible assets, net	1,513.0	1,592.2
Property, plant and equipment, net	4,369.0	4,374.7
Assets in progress	406.4	626.6
Right-of-use assets	3,084.0	3,500.0
Investments in associates and joint ventures	9.6	7.9
Non-current financial assets	129.9	181.0
Deferred tax assets	640.7	581.6
Non-current assets	**11,538.4**	**12,226.4**
Inventories	15.6	16.1
Trade receivables	518.1	455.4
Other receivables, accruals and prepayments	658.2	587.0
Cash and cash equivalents	645.0	856.4
Current assets	**1,836.9**	**1,914.8**
Assets held for sale	**532.7**	**353.2**
TOTAL ASSETS	**13,908.0**	**14,494.4**

Equity and liabilities

(in millions of euros)	31 Dec. 2023	31 Dec. 2022
EQUITY AND LIABILITIES		
Share capital	1,298.7	80.9
Consolidated reserves	(839)	2,313.6
Revaluation reserves	72.0	131.1
Attributable net profit/(loss)	1,354.9	(4,027.0)
Equity attributable to ORPEA's shareholders	**1,886.6**	**(1,501.5)**
Non-controlling interests	1.9	(0.7)
Total equity	**1,888.4**	**(1,502.2)**
Non-current financial liabilities	4,541.2	1,378.3
Long-term lease liabilities	3,314.4	3,424.3
Long-term provisions	307.0	296.2
Provisions for pensions and other employee benefit obligations	73.5	66.2
Deferred tax liabilities	662.5	814.0
Non-current liabilities	**8,898.5**	**5,978.9**
Current financial liabilities	746.0	8,236.5
Short-term lease liabilities	559.5	344.3
Short-term provisions	6.9	-
Trade payables	502.3	327.0
Tax and payroll liabilities	522.9	430.8
Current tax liability	56.6	37.8
Other payables, accruals and prepayments	650.7	585.3
Current liabilities	**3,044.9**	**9,961.6**
Liabilities held for sale	**76.2**	**56.2**
TOTAL EQUITY AND LIABILITIES	**13,908.0**	**14,494.4**

Operating intangible assets

At 31 December 2023, **goodwill** totalled €1,386 million compared to €1,362 million at end-2022. The amount recognised under "Business combinations" in 2023 mainly comprises the allocation of goodwill arising on the acquisition of the following:

- a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium, RSS in France, and Compartjin and Thuismakers in the Netherlands;
- a 69.26% interest in AP1, AP2, AP3 and AP4 of the Âge Partenaires group.

Real estate portfolio

At 31 December 2023, the balance sheet value of the **real estate assets** was €4.8 billion, with a total economic value of €6.3 billion. This amount includes €5.3 billion in assets valued by independent valuers (based on an asset yield of 5.6%), the balance being maintained at book value.

Rights of use

At 31 December 2023, **right-of-use assets** totalled €3.1 billion compared to €3.5 billion at end-2022. This decrease is mainly attributable to write-offs of €438 million as part of asset impairment tests (IAS 36). As the right-of-use assets relate to leased buildings, these write-offs had no impact on the value of the real estate portfolio held by the Company.

Capital structure and debt

At 31 December 2023, **consolidated equity** amounted to €1.9 billion, compared with a negative €1.5 billion at the end of 2022. This reconstitution of shareholders' equity results from the two capital increases carried out in 2023 and non-recurring income of €2,850 million recorded as part of the Company's financial restructuring.

At end-2023, the Group had cash and cash equivalents of €645 million, compared with €856 million at end-2022.

Net debt (excluding IFRS 16 lease liabilities) at 31 December 2023 amounted to €4.6 billion, compared to €8.8 billion at end-2022. This very sharp reduction in debt is attributable to the financial restructuring plan, which led to:

- the conversion into equity of €3.8 billion of ORPEA S.A.'s unsecured debt following the Equitisation Capital Increase, the settlement-delivery of which took place on 4 December 2023 and resulted in non-recurring income of €2,850 million;
- a cash contribution following the Groupement Capital Increase of €1.2 billion, the settlement-delivery of which took place on 19 December 2023.

Other assets and liabilities

Changes in other receivables and payables reflect construction projects, disposals of real estate assets and acquisitions in connection with the Group's expansion drive.

5.2.3 Cash flow statement

(in millions of euros)	2023	2022
Gross cash flow from operations	501	510
Net cash generated by operating activities	366	410
Net cash used in investing activities	(318)	(657)
Net cash generated by/(used in) financing activities	(259)	152
CHANGE IN CASH AND CASH EQUIVALENTS	**(211)**	**(96)**

Financing Table (pre-IFRS 16)

(in millions of euros)	2023	2022
EBITDA pre-IFRS 16	**204**	**342**
Maintenance and IT capital expenditure	(141)	(136)
Other recurring operating cash flows (including change in working capital)	(149)	(85)
Net recurring operating cash flow	**(87)**	**122**
Development capital expenditure	(315)	(638)
Non-current items	(145)	(151)
Asset portfolio management	138	39
Cost of debt	(338)	(215)
Net cash flow before financing	**(746)**	**(844)**
Equity injection (cash)	1,160	-
Changes in consolidated equity – Equitisation of debt	3,823	-
Impact of changes in scope on net debt	(53)	(72)
IFRS adjustments	(67)	68
Change in net debt	**4,116**	**(848)**
TOTAL NET DEBT	**4,642**	**8,758**

Reconciliation of cash flows

The Group uses "net recurring operating cash flow" as a management indicator to show cash generated by ordinary activities, net of recurring maintenance and IT capital expenditure. Net recurring operating cash flow is the sum of pre-IFRS 16 EBITDA, recurring non-cash items, change in working capital, income tax paid and maintenance and IT capital expenditure. It can be reconciled with the cash flow statement as follows:

(in millions of euros)	2023	2022
Net cash generated by operating activities	**366**	**410**
Neutralisation of the IFRS 16 impact on profit/loss	*(448)*	*(414)*
Net cash used in operating activities pre-IFRS 16	**(81)**	**(4)**
Change in working capital – Reclassification of cash flows used in investing activities	0	79
Reclassification of financial items	0	33
Reversal of non-current items	145	151
IFRS 16 additional debt repayment	(9)	(2)
Maintenance and IT capital expenditure	(141)	(136)
NET RECURRING OPERATING CASH FLOW	**(87)**	**122**

The Group uses "Net cash flow before financing" as a management indicator to show net cash after recurring and non-recurring items, all capital expenditure, interest expense on borrowings, and gains and losses on transactions concerning the asset portfolio. Net cash flow before financing is the sum of net recurring operating cash flow, development capital expenditure, non-recurring items, net income or expense related to the day-to-day management of the asset portfolio, and financial expenses. It can be reconciled with the cash flow statement as follows:

(in millions of euros)	2023	2022
NET RECURRING OPERATING CASH FLOW	**(87)**	**122**
Development capital expenditure	(315)	(638)
Non-current items	(145)	(151)
Asset portfolio management	138	39
Cost of debt	(338)	(215)
NET CASH FLOW BEFORE FINANCING	**(746)**	**(844)**

5.3 Review of the individual financial statements for the year ended 31 December 2023

5.3.1 ORPEA S.A.'s income statement

(in thousands of euros)	2023	2022
Revenue	1,118,843	1,045,899
Production transferred to inventories	5	(4,694)
Other operating income	41,960	82,333
Purchases and other external costs	(616,345)	(651,875)
Taxes other than on income	(66,435)	(62,384)
Personnel costs	(695,445)	(643,341)
Depreciation, amortisation and charges to provisions	(127,291)	(90,249)
Other operating expenses	(2,888)	(4,308)
Operating loss	**(347,596)**	**(328,618)**
Financial income	941,125	185,598
Financial expense	(725,712)	(2,989,990)
Net financial income/(expense)	**215,413**	**(2,804,392)**
Recurring profit/(loss) before tax	**(132,183)**	**(3,133,010)**
Net non-recurring expense	(359,492)	(364,135)
Employee profit-sharing	286	0
Income tax	32,564	20,077
NET LOSS	**(458,824)**	**(3,477,069)**

Revenue

Revenue totalled €1,119 million in 2023, up 7% compared with 2022 in a persistently difficult environment for ORPEA's nursing homes, with an average occupancy rate of 83.6%.

Operating loss

"Purchases and other external costs" decreased 5.8% from €651.8 million to €616.3 million, reflecting the fees paid to the various firms commissioned in 2022 to investigate the allegations concerning the Group's practices.

Personnel costs increased significantly, from €643.3 million to €695.4 million (up 8.1%), due to recruitment carried out as part of the Group's Refoundation Plan to improve staffing levels in facilities.

Operating loss was €348 million versus €329 million the previous year, reflecting a €19 million negative impact.

Net financial income

Net financial income amounted to €215.4 million compared with a net expense of €2,804 million in 2022. As a reminder, the 2022 net financial expense was heavily impacted by provisions for impairment made on investments in subsidiaries (€1.2 billion) and current accounts (€1.5 billion) recognised following the annual impairment test on financial assets.

Updating this annual test based on the economic prospects of the subsidiaries concerned resulted in a net reversal of €232 million in 2023.

Net non-recurring expense

Net non-recurring items showed a net expense of €359 million, compared with an expense of €364 million in 2022. The net amount consists mainly of impairment losses recognised against receivables from certain related parties, as well as provisions made on a portion of fixed assets, also determined on the basis of impairment tests carried out by management.

Net loss

With tax consolidation income of €32.6 million, the loss for 2023 amounted to €459 million, compared with a loss of €3,477 million in 2022. The significant loss recorded in 2022 was mainly attributable to the provisions for impairment made on intangible assets, property, plant and equipment and financial assets.

5.3.2 ORPEA S.A.'s balance sheet

Assets

(in thousands of euros)	31 Dec. 2023 Gross	31 Dec. 2023 Amortisation and charges to provisions	31 Dec. 2023 Net	31 Dec. 2022 Net
NON-CURRENT ASSETS				
Intangible assets	483,843	(364,341)	119,502	435,815
Property, plant and equipment	678,169	(506,118)	172,051	286,902
Financial assets	2,643,967	(1,037,581)	1,606,386	1,138,016
Total non-current assets	**3,805,979**	**(1,908,039)**	**1,897,940**	**1,860,733**
CURRENT ASSETS				
Inventories and work-in-progress	2,616	0	2,616	2,466
Advances and downpayments	4,340	0	4,340	4,482
Trade receivables	95,422	(13,468)	81,954	39,202
Other receivables	5,624,294	(1,547,437)	4,076,857	3,300,881
Marketable securities	100,831	0	100,831	250,351
Cash at bank and in hand	173,678	0	173,678	224,761
Prepaid expenses	7,690	0	7,690	6,857
Total current assets	**6,008,871**	**(1,560,905)**	**4,447,966**	**3,829,000**
Deferred debt issuance costs	19,574		19,574	44,739
Bond redemption premiums	0		0	7,068
Unrealised foreign currency losses	2,924		2,924	2,768
TOTAL ASSETS	**9,837,348**	**(3,468,944)**	**6,368,404**	**5,744,308**

Equity and liabilities

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
EQUITY		
Share capital	1,298,669	80,867
Share premiums and reserves	892,414	644,803
Attributable net loss	(458,824)	(3,477,069)
Tax-regulated provisions	13,335	11,229
Total equity	**1,745,594**	**(2,740,169)**
Provisions for liabilities and charges	231,138	153,734
LIABILITIES		
Borrowings and other debt	3,119,594	7,172,321
Advances and downpayments	303	133
Trade payables	199,661	86,437
Tax and payroll liabilities	190,273	192,795
Other payables	810,104	812,238
Amounts due to suppliers of non-current assets	8,832	9,224
Deferred income	29,390	36,627
Total liabilities	**4,358,158**	**8,309,775**
Unrealised foreign currency gains	33,515	20,969
TOTAL EQUITY AND LIABILITIES	**6,368,404**	**5,744,308**

ORPEA S.A.'s net non-current assets totalled €1,898 million at 31 December 2023, versus €1,861 million at 31 December 2022, representing an increase of €37 million (up 1.9%).

Other receivables totalled a net amount of €4,077 million, versus €3,301 million at 31 December 2022 (up 24%). This increase is mainly due to the increase in advances granted to French subsidiaries (€219 million) and foreign subsidiaries (€430 million).

On the liabilities side, the first two capital increases carried out in December (the Equitisation Capital Increase and the Groupement Capital Increase respectively) resulted in the reconstitution of shareholders' equity to €1,746 million, despite a loss of €459 million.

At the same time, gross debt fell from €7,172 million to €3,120 million, thanks to the conversion of almost €3.9 billion of unsecured debt into equity (as part of the Equitisation Capital Increase).

Total equity and liabilities amounted to €6,368.4 million at 31 December 2023, compared with €5,744.3 million at 31 December 2022.

5.3.3 Information on supplier and customer payment terms

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code (*Code de commerce*), the following table shows information about the payment terms applicable to ORPEA's suppliers and customers at 31 December 2022.

	Article D. 441-1-1: Past-due invoices received but not paid at the reporting date					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payments by period						
Number of invoices concerned	1,814					22,547
Total amount of invoices concerned incl. VAT	37,742,143.84	14,659,071.32	5,217,166.29	1,874,494.94	12,484,407.49	34,235,140.04
Percentage of total purchases in the year incl. VAT	4%	1%	1%	0%	1%	3%
Percentage of total revenue for the year incl. VAT						
(B) Invoices excluded from (A) corresponding to payables and receivables in dispute or not recognised						
Number of invoices excluded	Impossible to obtain this information (accrued invoices by total for each period and not by invoice)					
Total amount of invoices excluded incl. VAT	127,683,875.10					
(C) Reference payment terms used (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments	Contractual period: 30 days Statutory period: 30 days					

	Article D. 441-1-1: Past-due invoices issued but not paid at the reporting date					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payments by period						
Number of invoices concerned	91					66,231
Total amount of invoices concerned incl. VAT	40,421,502.03	6,509,454.86	4,047,612.86	1,104,922.85	33,410,429.43	45,072,420.00
Percentage of total purchases in the year incl. VAT						
Percentage of total revenue for the year incl. VAT	5%	1%	0%	0%	4%	5%
(B) Invoices excluded from (A) corresponding to payables and receivables in dispute or not recognised						
Number of invoices excluded	Impossible to obtain this information (invoices to be issued and doubtful accounts by total per period and not by invoice)					
Total amount of invoices excluded incl. VAT	9,927,750.38					
(C) Reference payment terms used (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments	Contractual period: 30 days					

Note:
- *The number of (A) invoices relating to suppliers is taken from our digitalisation software, which handles most of our payables.*
- *The number of (A) invoices relating to customers is taken from our billing software, which handles most of our receivables.*

5.4 Other financial and legal information

5.4.1 Dividend payments in the past three years

The table below shows the dividend per share paid in the past three years, as well as the applicable tax regime.

Period concerned (year of distribution)	Dividend paid per share	Eligible for the 40% tax allowance referred to in Article 158(3)(2) of the French General Tax Code	Not eligible for the 40% tax allowance referred to in Article 158(3)(2) of the French General Tax Code
2020 (2021)	€0.90	€0.90	None
2021 (2022)	€0.00	-	-
2022 (2023)	€0.00	-	-

Pursuant to Article 2224 of the French Civil Code (*Code civil*) and Article L. 1126-1 of the French Public Property Code (*Code générale de la propriété des personnes publiques*), dividends that are not claimed within five years of their payment date will lapse and become the property of the State.

5.4.2 Allocation of net profit/(loss)

The Board of Directors, having approved the financial statements, has decided to charge the loss for the year ended 31 December 2023, amounting to €458,824,381.16, to “Retained earnings”, which in turn amounts to €1,621,108,438.78.

5.4.3 Sumptuary expenses

Sumptuary expenses, as referred to in Article 39-4 of the French General Tax Code, amounted to €1,168,090 for the Company. These included excess depreciation of passenger vehicles not deductible for tax purposes.

5.4.4 Legal and arbitration proceedings

In the normal course of its French and international business, the Group is involved in litigation or disputes, mainly in the labour and tax fields. In addition, proceedings have been initiated against the Group in an attempt to challenge the implementation of its restructuring plan. Any provisions accrued in respect of such disputes are described in the notes to the consolidated and individual financial statements on pages 321 and 383 of this Universal Registration Document.

It should be noted that following the final report of the IGAS-IGF joint investigation, on 29 July 2022, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l’Autonomie* – CNSA) sent the Company a formal notice to return €55.8 million in unduly received funding. The Company recorded a provision for this amount in its individual and consolidated financial statements at 31 December 2022. Under the Company’s accelerated safeguard plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the repayment of this funding has been spread over three years.

On 2 May 2022 ORPEA announced that it had filed a complaint with the public prosecutor against unnamed persons for past events and operations – totally unrelated to the living and care conditions of residents – that could adversely affect ORPEA’s best interests and which were discovered following internal investigations that revealed a number of instances of fraud of which the Company or its subsidiaries may have been victims.

On 20 December 2022, ORPEA filed a complaint against the former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering.

Following this complaint, ORPEA has continued its investigations and filed additional complaints against other named persons.

On 30 June 2023, the Group became aware through the media of a press release from the Nanterre public prosecutor stating that, further to complaints lodged by ORPEA:

- a preliminary investigation had been opened by the Nanterre public prosecutor for breach of trust, fraud, misuse of corporate assets, organised money laundering and private corruption;
- as part of this investigation, the Group’s former Chief Executive Officer, former Chief Financial Officer and former Chief Operating Officer were taken into custody on 27 June 2023;
- the Nanterre public prosecutor’s office requested that a judicial investigation be opened;
- on 29 June 2023, the above-mentioned persons were brought before the investigating judges of the Nanterre judicial court’s economic and financial division and indicted (although the press release does not specify the charges against each of them);
- the Group’s former Chief Executive Officer and former Chief Financial Officer were remanded into custody following their indictment, while the Group’s former Chief Operating Officer was placed under judicial supervision.

On 26 January 2024, the Nanterre public prosecutor announced, through a news dispatch from Agence France Press, that in mid-January 2024, searches had been carried out simultaneously in Belgium, Italy, Portugal, Luxembourg, Switzerland and France in connection with this case, and that hearings had been held by the four investigating judges in charge of the case at the Nanterre judicial court. Responding to the dispatch, the Group stated that as far as it was aware, none of the events having unfolded in France and abroad in relation to the proceedings initiated by the complaints filed by ORPEA targeted the Group, but rather a small number of its former executives, employees and partners.

On 16 February 2024, the Nanterre public prosecutor announced that the Group's former Chief Executive Officer had been released under judicial supervision, while the former Chief Financial Officer remained in custody.

Since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences. The Group is not aware of the exact content or number of these complaints.

Based on publicly available information, it is apparent that the Nanterre public prosecutor was initially in charge of (i) the legal investigations based on the report provided by the authorities and (ii) some of the complaints filed. In this context, the Group's head office and several facilities were searched in June and November 2022. On 7 January 2024, an article in Le Parisien reported that on 22 November 2023, the Nanterre public prosecutor opened an investigation on charges of manslaughter, unintentional injury, failure to assist a person in danger and endangering others. This information would follow the receipt of a government warning at the end of March 2022, following the joint report by the General Inspectorate of Finance (*Inspection Générale des Finances* – IGF) and the General Inspectorate of Social Affairs (*Inspection Générale des Affaires Sociales* – IGAS) and 53 complaints from residents' families received since April 2022. The Nanterre public prosecutor confirmed to the AFP on 8 January 2024 that a judicial investigation had been opened into the above-mentioned charges.

To date, ORPEA is not a party to this judicial information, has not been summoned and does not have access to the file.

At present, the Group is not aware of any other exceptional event or litigation, including in the recent past, that could have a material adverse effect on its assets and liabilities, financial position, business activities or the results of its operations.

To the best of the Group's knowledge, there are no other governmental, legal or arbitration proceedings that may have, or have had in the recent past, a material adverse impact on the financial position or profitability of the Company and/or the Group.

5.5 Forecast and events subsequent to 1 January 2024

5.5.1 Events subsequent to 1 January 2024

Completion of the financial restructuring

Third capital increase and reverse share split

On 15 February 2024, the Company issued new shares as part of the capital increase with pre-emption rights for a gross amount, including issue premium, of €390,019,672.62, through the issue of 29,324,787,415 new shares at a unit price of €0.0133 per new share (the "**Rights Issue**"), the third capital increase implemented as part of its Accelerated Safeguard Plan.

New shares were subscribed for, both by exercising pre-emption rights and by subscribing for additional shares, for a total amount of approximately €282.5 million, including the new shares subscribed for using pre-emption rights by the members of the Groupement, for an amount of approximately €195.7 million, in accordance with their backstop undertaking under the Accelerated Safeguard Plan (the "**Groupement Subscription Commitments**"). As a result, the SteerCo members have subscribed to the Rights Issue for an amount of approximately €107.5 million, in accordance with their backstop undertakings under the Accelerated Safeguard Plan (the "**SteerCo Backstop Commitments**").

On 20 February 2024, the Company carried out a reverse share split, exchanging one thousand (1,000) existing shares with a par value of one euro cent (€0.01) for one (1) new share to be issued with a par value of ten euros (€10.00), which took effect on 22 March 2024. Following the reverse share split, the Company's share capital amounted to €1,591,917,030, divided into 159,191,703 ordinary shares with a par value of €10.00 each.

Issuance of warrants in return for subscription commitments

As consideration for the Groupement Subscription Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of the Groupement, subsequent to completion of the Rights Issue and the reverse share split, of 1,170,888 share warrants (the "**Groupement Warrants**"). The Groupement Warrants, on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, have a total value equal to 10% of the amount of the Groupement Subscription Commitments, i.e., approximately €19.6 million. Once issued, it being specified that each warrant confers the right to subscribe for one share (at an exercise price of €0.01 per share), these warrants would entitle their holders to subscribe for shares representing 0.725% of the Company's share capital, on a fully diluted basis. The issue of Groupement warrants was the subject of the 27th resolution submitted to the Annual General Meeting held on 22 December 2023. This resolution was rejected by the shareholders, with only 65.55% of votes in favour (members of the Groupement did not take part in the vote).

As consideration for the SteerCo Backstop Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of SteerCo, subsequent to completion of the Rights Issue and the reverse share split, of 1,162,279 share warrants (the "**SteerCo Warrants**" and, together with the Groupement Warrants, the "**Backstop Warrants**"). The SteerCo warrants, on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, have a total value equal to 10% of the amount of the SteerCo Backstop Commitments, i.e., approximately €19.4 million. Once issued, it being specified that each warrant confers the right to subscribe for one share (at an exercise price of €0.01 per share), these warrants would entitle their holders to subscribe for shares representing 0.720% of the Company's share capital, on a fully diluted basis. The issue of SteerCo Warrants was the subject of the 28th resolution submitted to the Company's Annual General Meeting of Shareholders, which was held on 22 December 2023. This resolution was adopted by the shareholders (SteerCo members and their affiliates did not take part in the vote).

If all of the Backstop Warrants have not been issued by 15 August 2024, the Accelerated Safeguard Plan (paragraph 3.5.5(b) of Part III) provides that the members of the Groupement and the members of the SteerCo will receive from the Company their equivalent in cash, as established on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, i.e., approximately €19.6 million for the Groupement members and approximately €19.4 million for the SteerCo members (a total amount of approximately €39 million).

At this stage, the Company reserves the right to submit resolutions to authorise the allocation of Backstop Warrants to members of the Groupement and the SteerCo for approval at the next Annual General Meeting to be held to approve the financial statements for the year ended 31 December 2023. In this event, and if all of these resolutions are approved by the Annual General Meeting, the Company will issue the Groupement Warrants to the Groupement members and the SteerCo Warrants to the SteerCo members in accordance with the above-mentioned terms and conditions. In the event it is not approved by the Annual General Meeting, the Groupement Warrants and the SteerCo Warrants will not be issued, and the Company, in accordance with the provisions of the Accelerated Safeguard Plan, will therefore pay the members of the Groupement and the members of SteerCo a total amount of approximately €39 million. These warrants have been analysed as backstop fees under the third capital increase and their impact will be recognised in 2024 with the third capital increase.

Share capital reduction

On 16 April 2024, after noting that "Retained earnings" amounted to €2,752,609,170.59 following the allocation of the net loss for the year ended 31 December 2022 decided by the Annual General Meeting of 22 December 2023, and in accordance with the terms of the Accelerated Safeguard Plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the Board of Directors decided to:

(i) reduce the share capital as a result of losses, in the amount of €1,590,325,112.97;

(ii) charge this amount to "Retained earnings";

(iii) record the definitive completion of the capital reduction, by reducing the par value of the shares comprising the share capital from €10 to €0.01.

Following this transaction, the Company's share capital stood at €1,591,917.03, breaking down into 159,191,703 shares with a par value of €0.01 each.

Other events

Acquisitions and disposals of assets

Belgium

In March 2024, the ORPEA Group sold all of the share capital and voting rights of the Belgian company Park Lane Immo NV/SA, which held the real estate of one of the residences closed as part of the plan to consolidate residences in Belgium, as mentioned above.

Luxembourg

In March 2024, the ORPEA Group acquired all of the share capital and voting rights of Luxembourg-based property company DAKI S.A.

Poland

In March 2024, the ORPEA Group signed an agreement for the sale of a property under construction.

Portugal

In February 2024, the ORPEA Group signed an agreement for the sale of a portfolio of three newly built nursing homes in Portugal. The ORPEA Group will continue to operate all the corresponding facilities.

In March 2024, the ORPEA Group sold a property asset.

Announcement of the Group's new corporate identity and mission statement (*raison d'être*)

On 20 March 2024, the Group announced a new chapter in its history: a new identity and a mission statement focused on providing personalised care and support for all vulnerable people. *emeis* embodies the ambition of a Group that is undergoing a transformation in order to more closely meet the major challenges facing today's society, namely mental and physical health and old age. It highlights our unwavering commitment to the future of our 76,000 healthcare professionals and experts, who are committed to serving patients, residents, beneficiaries, their loves ones and carers.

emeis means "we" in ancient Greek, and reflects the Group's aim of putting the community, employees, patients, residents, beneficiaries, loved ones, caregivers and players in the health and welfare sector at the heart of its corporate purpose.

emeis is also underpinned by the following mission statement (*raison d'être*): "Together, let's stand as a strength for the vulnerable among us". Defined through an overall process of consultation and contributions from in-house and external stakeholders, this mission statement embodies the Group's deep-seated conviction that it is only by working together and being united that we will be able to rise to the major challenges of today's society – healthcare and caring for the elderly.

Shareholders at the 2024 Annual General Meeting will be asked to approve the change in the Company's name and to enshrine the mission statement in the Company's Articles of Association.

5.5.2 2024 forecast

The Group has finalised the reforecast of its 2024 financial performance. The Company now anticipates 2024 EBITDAR of between €800 million and €835 million, corresponding to growth of between 15% and 20% versus 2023. The reforecasting exercise incorporates the most reasonable assumptions and estimates to date, including a Group average occupancy rate of 85.1% in first-quarter 2024, including 83.1% for nursing homes in France.

Most of the revisions to the 2024 target stem from operations in France, which are now expected to see a less favourable operational recovery than initially anticipated.

The Group has taken precautionary measures with regards to capital expenditure in order to offset the expected decrease in EBITDAR on the Group's cash trajectory. The Company also remains fully committed to its real estate disposal plan and is looking at every opportunity to accelerate the process.

This new forecast compares with the 2024 EBITDAR forecast of €891 million included in the documentation relating to the recent capital increases[1].

(1) First amendment to the 2022 Universal Registration Document, dated 10 November 2023 (section 5.5.2. "Forecast for 2024, 2025 and 2026").

The Group plans to begin internal work on updating its multi-year business plan in the coming months. At the end of this process, which is expected to be completed by the end of the fourth quarter of 2024, the Company will disclose, in accordance with applicable regulations, any changes in the trajectory set out in the business plan in the documentation relating to the recent capital increases, in particular concerning the Group's financial leverage[1] (as a reminder, the financial leverage included in the business plan underlying the capital increases was 5.5x by 2026).

5.6 Table of five-year financial highlights

	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019
SHARE CAPITAL AT YEAR-END					
Share capital *(in euros)*	1,298,669,157	80,867,313	80,800,094	80,789,156	80,769,796
Number of ordinary shares in issue	129,866,915,696	64,693,851	64,640,075	64,631,325	64,615,837
Maximum number of additional shares to be issued					
• through bond conversion	0	3,481,228	3,471,691	3,450,511	3,450,511
• through exercise of subscription rights	118,947	311,626	312,449	271,516	183,110
RESULTS OF OPERATIONS *(in euros)*					
Revenue	1,118,843,269	1,045,899,095	1,026,726,578	965,500,629	943,200,804
Operating profit/(loss)	(347,595,119)	(328,619,464)	(88,688,369)	31,016,949	76,381,958
Net financial income/(expense)	215,411,796	(2,804,391,308)	38,121,745	(2,114,342)	(1,824,040)
Recurring profit/(loss) before tax	(132,184,282)	(3,133,010,772)	(50,566,625)	28,902,607	74,557,918
Net non-recurring expense	(359,491,527)	(364,134,583)	(20,562,814)	(3,196,333)	(613,094)
Earnings before tax, depreciation, amortisation and charges to provisions	(1,500,558,990)	(370,045,535)	32,118,669	59,672,228	107,489,078
Income tax	32,850,470	20,076,747	19,503,106	4,782,337	(13,156,217)
Net profit/(loss)	(458,824,381)	(3,477,068,608)	(51,626,332)	30,488,611	60,788,607
Distributed earnings	0	0	0	58,168,192	0
EARNINGS/(LOSS) PER SHARE *(in euros)*					
Basic earnings/(loss) per share	0.00	(54)	(1)	0	1
Maximum diluted earnings/(loss) per share	0.00	(54)	(1)	0	1
Dividend paid per share	0	0	0	1	0
EMPLOYEES					
Average headcount	14,024	13,068	12,424	12,041	11,946
Total payroll costs *(in euros)*	519,517,190	471,172,342	413,794,502	378,838,047	349,428,394
Total employee benefits *(in euros)*	175,927,829	172,168,914	128,182,721	122,830,698	104,664,462

(1) Net debt excl. IFRS 16 lease liabilities/pre-IFRS 16 EBITDA.

6

6 2023 FINANCIAL STATEMENTS

6.1 Consolidated financial statements for the year ended 31 December 2023

Consolidated income statement

(in thousands of euros)	Notes	2023	2022
Revenue	**4.21**	**5,197,759**	**4,680,899**
Purchases used and other external costs		(1,072,643)	(939,257)
Personnel costs		(3,469,188)	(3,027,911)
Taxes other than on income		(48,615)	(63,069)
Depreciation, amortisation and charges to provisions		(667,499)	(805,122)
Other recurring operating income		194,002	144,144
Other recurring operating expense		(149,777)	(38,812)
Recurring operating profit/(loss)	**4.23**	**(15,960)**	**(49,127)**
Other non-recurring operating income	4.24	341,241	119,264
Other non-recurring operating expense	4.24	(1,244,011)	(4,342,299)
OPERATING PROFIT/(LOSS)		**(918,729)**	**(4,272,162)**
Cost of net debt		(579,378)	(341,034)
Other financial income and expense, net		2,898,537	22,410
Net financial income/(expense)	**4.25**	**2,319,159**	**(318,623)**
PROFIT/(LOSS) BEFORE TAX		**1,400,430**	**(4,590,785)**
Income tax	4.26	(44,599)	596,492
Share in profit/(loss) of associates and joint ventures	4.5	4,836	(33,285)
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		**1,360,667**	**(4,027,579)**
Attributable to non-controlling interests		5,768	(537)
Attributable to ORPEA's shareholders		1,354,899	(4,027,042)
Weighted average number of shares (in units)		*10,374,708,403*	*64,607,979*
Earnings/(loss) per share *(in euros)*		0.13	(62.33)
Diluted earnings/(loss) per share *(in euros)*		0.13	(62.33)

Consolidated statement of comprehensive income

(in thousands of euros)		2023	2022
Net profit/(loss) for the period	**a**	**1,360,667**	**(4,027,579)**
Change in currency translation adjustments		9,702	46,742
Cash flow hedges		(74,404)	259,225
Tax effect on items that may be reclassified to profit or loss		20,007	(66,945)
Total items that may be reclassified to profit or loss	**b**	**(44,695)**	**239,022**
Comprehensive income/(loss) net of items that may be reclassified to profit or loss	**a+b**	**1,315,972**	**(3,788,557)**
Actuarial gains		(6,382)	7,380
Tax effect on items that may not be reclassified to profit or loss		1,658	(2,019)
Total items that may not be reclassified to profit or loss	**c**	**(4,725)**	**5,361**
Comprehensive income/(loss) net of items that may not be reclassified to profit or loss	**a+b+c**	**1,311,247**	**(3,783,197)**
Other comprehensive income (net of tax)	**b+c**	**(49,420)**	**244,382**
COMPREHENSIVE INCOME/(LOSS)	**A+B+C**	**1,311,247**	**(3,783,197)**
Attributable to non-controlling interests		5,768	(537)
Attributable to ORPEA's shareholders		1,305,479	(3,782,660)

Consolidated balance sheet

(in thousands of euros)	Notes	31 Dec. 2023	31 Dec. 2022
ASSETS			
Goodwill	4.1.2	1,385,962	1,362,491
Intangible assets, net	4.1.3	1,512,974	1,592,231
Property, plant and equipment, net	4.3	4,369,018	4,374,692
Assets in progress	4.3	406,366	626,633
Right-of-use assets	4.4	3,084,005	3,499,987
Investments in associates and joint ventures	4.5	9,551	7,852
Non-current financial assets	4.6	129,904	180,997
Deferred tax assets		640,656	581,556
Non-current assets		**11,538,436**	**12,226,438**
Inventories	4.7	15,568	16,100
Trade receivables	4.8	518,103	455,368
Other receivables, accruals and prepayments	4.9	658,248	586,957
Cash and cash equivalents	4.14	644,954	856,417
Current assets		**1,836,872**	**1,914,842**
Assets held for sale	**4.10**	**532,692**	**353,154**
TOTAL ASSETS		**13,908,000**	**14,494,434**

(in thousands of euros)	Notes	31 Dec. 2023	31 Dec. 2022
EQUITY AND LIABILITIES			
Share capital		1,298,669	80,867
Consolidated reserves		(838,964)	2,313,578
Revaluation reserves		71,954	131,075
Attributable net profit/(loss)		1,354,899	(4,027,042)
Equity attributable to ORPEA's shareholders	**4.11**	**1,886,558**	**(1,501,521)**
Non-controlling interests		1,870	(715)
Total equity		**1,888,428**	**(1,502,236)**
Non-current financial liabilities	4.14	4,541,151	1,378,335
Long-term lease liabilities	4.4	3,314,377	3,424,153
Long-term provisions	4.12	307,039	296,195
Provisions for pensions and other employee benefit obligations	4.13	73,453	66,195
Deferred tax liabilities	4.26	662,511	813,993
Non-current liabilities		**8,898,531**	**5,978,871**
Current financial liabilities	4.14	745,962	8,236,460
Short-term lease liabilities	4.4	559,504	344,317
Short-term provisions	4.12	6,939	-
Trade payables	4.17	502,276	326,954
Tax and payroll liabilities[1]	4.18	522,872	430,761
Current tax liability[1]	4.26	56,598	37,774
Other payables, accruals and prepayments[1]	4.19	650,701	585,302
Current liabilities		**3,044,853**	**9,961,568**
Liabilities held for sale	**4.10**	**76,188**	**56,232**
TOTAL EQUITY AND LIABILITIES		**13,908,000**	**14,494,434**

(1) At 31 December 2022, the "Tax and payroll liabilities" line shows a net increase of €18,887 thousand compared with the €411,874 thousand reported for 2022, reflecting:
1. reclassification of €74,697 thousand in tax liabilities from "Current tax liability" to "Tax and payroll liabilities";
2. reclassification of €55,810 thousand in accrued expenses payable to the CNSA from "Tax liabilities" to "Other payables, accruals and prepayments" under the "Miscellaneous" line.

Consolidated statement of cash flows

(in thousands of euros)	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) of consolidated companies		1,360,667	(4,027,579)
Elimination of non-cash income and expense related to operating activities[1]		(2,139,333)	3,907,079
Depreciation and impairment of right-of-use assets (IFRS 16)		820,468	350,498
Financial expenses (excluding IFRS 16)	4.25	338,000	182,120
Financial expenses on lease liabilities (IFRS 16)	4.25	121,035	97,939
Cash flows from operations generated by consolidated companies		**500,837**	**510,057**
Change in operating working capital			
• Inventories	4.7	598	181
• Trade receivables	4.8	(54,083)	(7,109)
• Other receivables	4.9	(102,738)	28,959
• Tax and payroll liabilities	4.18	8,536	124,548
• Trade payables	4.17	5,010	37,215
• Other payables	4.19	7,983	(284,123)
Net cash generated by operating activities		**366,145**	**409,727**
CASH FLOW FROM INVESTING AND DEVELOPMENT ACTIVITIES[2]			
Operating capital expenditure	4.2	(141,044)	(136,311)
Property development capital expenditure	4.2	(315,348)	(638,005)
Disposals of real estate	1.1/4.2	146,430	145,501
Other acquisitions and changes		(8,204)	(28,674)
Net cash used in investing activities		**(318,166)**	**(657,489)**
CASH FLOW FROM FINANCING ACTIVITIES			
Changes in equity – cash portion	1.1	1,160,080	-
Proceeds from other borrowings	4.14	500,033	3,368,461
Repayments of other borrowings	4.14	(971,973)	(2,470,057)
Repayments under finance leases	4.14	(159,853)	(148,557)
Repayments of lease liabilities (IFRS 16)	4.4	(457,415)	(415,891)
Net financial income/expense and other changes	4.25	(330,315)	(182,146)
Net cash generated by financing activities		**(259,442)**	**151,809**
CHANGE IN CASH AND CASH EQUIVALENTS		**(211,463)**	**(95,952)**
Cash and cash equivalents at beginning of period		856,417	952,369
Cash and cash equivalents at end of period		**644,954**	**856,417**
Cash recognised in the balance sheet		**644,954**	**856,417**
Cash	4.14	539,532	597,426
Cash equivalents	4.14	105,422	258,991

(1) This item mainly comprises financial income related to the financial restructuring for a debit of €2.9 billion (see Note 1.1) and depreciation, amortisation and impairment for a credit of €1.03 billion.

(2) Reclassifications have been made between the various line items under this heading for 2022 in order to improve the clarity of the data provided and to ensure consistency with the data reported for 2023.

Statement of changes in consolidated equity

				Revaluation reserves						
(in thousands of euros except for the number of shares)	**Number of shares**	**Share capital**	**Share premiums**	**Cash flow hedges**	**IAS 19 actuarial gains and losses**	**Other reserves**	**Net profit/(loss)**	**Total attributable to ORPEA's shareholders**	**Non-controlling interests**	**Total equity**
At 31 December 2021 restated[1]	**64,640,075**	**80,800**	**950,575**	**(81,315)**	**14,750**	**1,293,589**	**65,185**	**2,323,584**	**11,780**	**2,335,364**
Post-employment benefit obligations	-	-	-	-	7,380	-	-	7,380	-	7,380
Financial instruments	-	-	-	259,225	-	-	-	259,225	-	259,225
Currency translation adjustments	-	-	-	-	-	46,742	-	46,742	-	46,742
Impact of the remeasurement of deferred taxes	-	-	-	(66,945)	(2,019)	-	-	(68,964)	-	(68,964)
Changes in fair value recognised directly in equity	**-**	**-**	**-**	**192,280**	**5,361**	**46,742**	**-**	**244,382**	**-**	**244,382**
Reclassifications	-	-	-	-	-	-	-	-	-	-
Allocation of net profit/(loss)	-	-	-	-	-	64,972	(65,185)	(213)	-	(213)
2022 net loss	-	-	-	-	-	-	(4,027,042)	(4,027,042)	(537)	(4,027,579)
Other	-	-	-	-	-	(42,232)	-	(42,232)	(11,959)	(54,191)
Free share plan	53,776	67	(67)	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
At 31 December 2022	**64,693,851**	**80,867**	**950,508**	**110,965**	**20,110**	**1,363,071**	**(4,027,042)**	**(1,501,521)**	**(715)**	**(1,502,236)**
Post-employment benefit obligations	-	-	-	-	(6,382)	-	-	(6,382)	-	(6,382)
Financial instruments	-	-	-	(74,404)	-	-	-	(74,404)	-	(74,404)
Currency translation adjustments	-	-	-	-	-	9,702	-	9,702	-	9,702
Impact of the remeasurement of deferred taxes	-	-	-	20,007	1,658	-	-	21,665	-	21,665
Changes in fair value recognised directly in equity	**-**	**-**	**-**	**(54,397)**	**(4,724)**	**9,702**	**-**	**(49,420)**	**-**	**(49,420)**
Capital reduction	-	(80,220)	80,220	-	-	-	-	-	-	-
Capital increases	129,802,221,845	1,298,022	794,361	-	-	-	-	2,092,383	-	2,092,383
Reclassifications	-	-	-	-	-	-	-	-	-	-
Allocation of net profit/(loss)	-	-	(724,459)	-	-	(3,302,582)	4,027,042	0	-	0
2023 net loss	-	-	-	-	-	-	1,354,899	1,354,899	5,768	1,360,667
Other[2]	-	-	-	-	-	(9,783)	-	(9,783)	(3,182)	(12,965)
Free share plan	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
AT 31 DECEMBER 2023	**129,866,915,696**	**1,298,669**	**1,100,629**	**56,568**	**15,386**	**(1,939,593)**	**1,354,899**	**1,886,558**	**1,870**	**1,888,428**

(1) The reported figures at 31 December 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

(2) Further to analysis and justification of the financial statements, entries relating to the net position at 31 December 2022 for a net negative amount of €9.8 million were identified, mainly corresponding to consolidation restatements linked to the elimination of securities and deferred tax.

Notes to the consolidated financial statements

Amounts are stated in thousands of euros unless otherwise indicated.

The 2023 consolidated financial statements for the ORPEA Group were approved for issue by the Board of Directors on 16 April 2024.

ORPEA S.A. is a French joint-stock company (*société anonyme*) whose registered office is located at 12, rue Jean-Jaurès, 92800 Puteaux, France. It is the parent company of a leading global group with expertise in providing support for all types of vulnerable people. The Group operates in 21 countries with five core activities: psychiatric hospitals, medical care and rehabilitation hospitals, nursing homes, home care services and assisted-living facilities.

1. Significant events of the period

1.1 Financial restructuring

As a reminder, the acts of wrongdoing reported in 2022, particularly in the nursing homes operated by the Group in France, received immediate and widespread media coverage, both in the general public and in the financial community. This triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had unprecedented consequences on the Company throughout 2022, in terms of its day-to-day management, its financial sustainability and its governance, and led to a complete redefinition of ORPEA's strategic priorities.

A first amicable conciliation procedure was therefore opened on 20 April 2022 by order of the President of the Nanterre Specialised Commercial Court for ORPEA to sign a term sheet with its main banking partners, enabling the Company to meet significant debt obligations in 2022. After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022.

The economic situation, unforeseeable circumstances and the strategic review conducted by the new management team in the summer of 2022 brought to light new difficulties for the Group. ORPEA S.A. was therefore obliged to enter into discussions to restructure its debt, obtain new financial resources and adjust its covenants with a broader base of financial creditors. In order to provide for a stable and legally secure framework for these discussions, the Company applied for a second conciliation procedure, which was opened by the President of the Nanterre Specialised Commercial Court in an order issued on 25 October 2022.

Start of discussions on the financial restructuring (November 2022)

At the same time as announcing its Transformation Plan on 15 November 2022, the Company informed the market of the terms and conditions of the financial restructuring it considered necessary to obtain in order to finance the Transformation Plan and guarantee the Group's long-term viability. This financial restructuring plan hinged on three interconnected components:

- drastic debt reduction;
- new financial resources in the form of new debt and equity resources, coupled with an adjusted maturity schedule and the amendment of the terms and conditions of the June 2022 syndicated loan agreement;
- various amendments to other loan agreements.

Term sheet on the financial restructuring plan (February 2023)

Overseen by the appointed conciliator, the Company announced on 1 February 2023 that it had signed a term sheet, effective 3 February 2023, on a financial restructuring plan (the "**Term Sheet**"), with (i) a group of long-term French investors comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF Épargne Retraite (together the "**Groupement**"), and (ii) five of the Company's credit institutions (the "**SteerCo**").

At the same time, the Term Sheet stakeholders reiterated their support for management and the Refoundation Plan presented by the Company in its press release dated 15 November 2022.

Lock-Up Agreement (February 2023)

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring, the principles, terms and conditions of which were specified in the Term Sheet.

The terms and conditions of the Lock-Up Agreement are standard and include an undertaking by the signatory creditors to support the Company's financial restructuring in accordance with the principles agreed in the Term Sheet, and to sign the required contractual documentation. These terms and conditions authorise the signatories and unsecured creditors adhering to the Lock-Up Agreement, until the completion date of the Company's restructuring, to transfer the debt of the Company they hold provided that the assignee is bound in the same terms by the Lock-Up Agreement.

Extension of the conciliation procedure (February 2023)

On 23 February 2023, the Company announced that the amicable conciliation procedure opened on 25 October 2022 by the President of the Nanterre Specialised Commercial Court, initially scheduled to end on 25 February 2023, was extended for an additional period of one month at the request of the conciliator, i.e., until 25 March 2023.

Agreement on additional financing and an addendum to the Existing Loan Agreement with the main banking partners (March 2023)

On 17 March 2023, the Company entered into an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Banks**") in view of opening an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for additional financing and provides for an adjustment to the syndicated loan agreement signed with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"), as summarised below. The purpose of the agreement is to formalise the parties' undertakings, in order to allow the Company to implement its restructuring plan pursuant to the aforementioned accelerated safeguard procedure.

Main terms of the new money debt financing structure

As part of the financial and shareholding restructuring of ORPEA, the Banks have agreed to participate in a €600 million senior new money debt financing programme in three separate facilities:

(i) a €400 million revolving credit facility (the "D1 Facility"), broken down into two tranches of €200 million each (the "D1A Tranche" and the "D1B Tranche");

(ii) a revolving credit facility of up to €100 million (the "D2 Facility"); and

(iii) a revolving credit facility of up to €100 million (the "D3 Facility").

The above financing was granted to ORPEA S.A. (with the exception of the first €200 million D1A Tranche granted under the D1 Facility, which was granted to Niort 94 (RCS 440 360 006) and Niort 95 (RCS 811 249 978)).

The documentation related to this new financing agreement, dated 26 May 2023, was signed on 29 May 2023.

Changes to be made to the Existing Loan Agreement

As part of the financial restructuring and with a view to reorganising ORPEA's ownership structure, the Company and the Banks agreed to make certain changes to the Existing Loan Agreement through an addendum.

This addendum to the Existing Loan Agreement, dated 26 May 2023, was signed on 29 May 2023. It came into effect on 19 December 2023, following the effective completion of the second capital increase provided for in the financial restructuring plan.

Opening of an accelerated safeguard procedure (March 2023)

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which was extended for a further two months by way of a judgement of the said Court on 22 May 2023. The term of the accelerated safeguard procedure was set at 24 July 2023.

The main purpose of this procedure was to enable the Company to implement its restructuring plan in accordance with the provisions of (i) the Lock-Up Agreement and (ii) the Agreement Protocol.

The Court appointed SELARL FHB, represented by Hélène Bourbouloux, as the administrator for the procedure and SELARL AJRS, represented by Thibaut Martinat, as co-administrator (the "**Judicial Administrators**").

Vote on the draft accelerated safeguard plan (April-June 2023)

On 5 April 2023, the Judicial Administrators notified the holders of claims and rights arising prior to the judgement date of the opening of the Company's accelerated safeguard procedure that they qualified as parties affected by the draft accelerated safeguard plan.

On 21 April 2023, they notified each affected party of the criteria used to constitute the classes of affected parties, the list of affected parties and the methods used to calculate the votes. On the same day, a number of affected parties lodged appeals regarding the methods used to classify the affected parties.

On 15 May 2023, the supervisory judge appointed by the Nanterre Specialised Commercial Court as part of the Company's accelerated safeguard procedure dismissed said appeals. However, two of the dismissals were challenged by several appeals at the Versailles Court of Appeal.

On 26 May 2023, the Judicial Administrators invited all classes of affected parties to vote on the Company's draft accelerated safeguard plan on 16 June 2023, in person or remotely, as appropriate.

On the same day, the draft accelerated safeguard plan, prepared by ORPEA S.A. with the assistance of the Judicial Administrators, was made available on the Company's website. On 12 and 13 June 2023, ORPEA was informed by the Judicial Administrators of their decision to extend the remote voting period for the classes of affected parties to 27 June 2023 and to postpone the in-person meetings, initially scheduled for 16 June 2023, to 28 June 2023.

On 28 June 2023, meetings of the classes of shareholders and OCEANE bondholders were held in person to vote on the Company's draft accelerated safeguard plan. On the same day, the Judicial Administrators sent the results of the vote by the classes of affected parties on the draft accelerated safeguard plan to the Company, details of which are given in the press release dated 28 June 2023. Of the ten classes of affected parties, six classes approved the draft accelerated safeguard plan by the required majority (more than two-thirds), three other classes, including the shareholders, voted more than 50% in favour of the draft accelerated safeguard plan and the OCEANE class voted 49.2% in favour.

Since the draft accelerated safeguard plan was not approved by the required majority of all classes of affected parties, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down.

First drawdown on the D1A Tranche of €200 million in new money debt (June 2023)

On 2 June 2023, the subsidiaries Niort 94 and Niort 95 made an initial drawdown of €200 million from the D1A Tranche under the new money debt facility granted by the Banks. The funds were used to finance and refinance Niort 94's general corporate purposes, including the repayment of intra-group debt owed to ORPEA S.A., which used the proceeds to finance the Group's general corporate purposes, debt servicing and capital expenditure.

Approval of the accelerated safeguard plan by way of a cross-class cram down (July 2023)

On 11 July 2023, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down. The Court approved said plan (the "**Accelerated Safeguard Plan**") by way of a cross-class cram down on 24 July 2023.

The Accelerated Safeguard Plan was to begin as soon as the last condition precedent to its implementation had been fulfilled, namely the clearing of the appeals lodged with the Paris Commercial Court against the exemption from the obligation for the Groupement to file a public offer for ORPEA's shares granted on 26 May (the "**Exemption**") by the French Financial Markets Authority.

New drawdowns of €200 million (D1B Tranche) and €100 million (D2 Facility) respectively under the new money debt financing (August-September 2023)

Following the first D1A Tranche drawdown of €200 million on 2 June 2023, two new drawdowns were made by ORPEA S.A. under the new money debt financing granted by the Banks to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, a drawdown on the D1B Tranche for €200 million; and
- on 29 September 2023, a drawdown on the D2 Facility for €100 million,

in order to finance the Group's general corporate purposes and debt servicing.

Dismissal of appeals lodged against the Exemption (November 2023)

On 9 November 2023, the Paris Court of Appeal dismissed the appeals lodged by certain minority shareholders and creditors of ORPEA against the Exemption. This decision enabled the Accelerated Safeguard Plan to be implemented.

Share capital reduction (November 2023)

On 10 November 2023, after noting the net loss of €3,477,068,607.84 for 2022, and in accordance with the terms of the Accelerated Safeguard Plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the Board of Directors decided to:

(i) reduce the share capital as a result of losses, in the amount of €80,220,375.24;

(ii) allocate said amount to a special reserve account, "Restricted special reserve from a capital reduction";

(iii) record the definitive completion of the capital reduction, by reducing the par value of the shares comprising the share capital from €1.25 to €0.01.

Following this transaction, the Company's share capital stood at €646,938.51, breaking down into 64,693,851 shares with a par value of €0.01 each.

Completion of the first two capital increases (November-December 2023)

On 4 December 2023, the Company issued new shares as part of the rights issue, with a backstop provided by the Company's unsecured creditors, who would subscribe by offsetting their existing receivables (the "Equitisation Capital Increase"). Under this first capital increase implemented as part of the Accelerated Safeguard Plan, 64,629,157,149 new shares were issued at a unit price of €0.0601 (of which €0.01 par value per share and €0.0501 issue premium) for a total amount issued of €3,884,212,344.65, breaking down as follows:

- 1,199,337,462 new shares, i.e., 1.86% of the shares issued, subscribed for in cash by shareholders, with the corresponding issue proceeds of €72.1 million used to repay the Company's unsecured debt at nominal value in due proportion;
- 63,429,819,687 new shares, i.e., 98.14% of the new shares issued, subscribed by the Company's unsecured creditors, in accordance with their undertaking to provide a backstop by offsetting claims against their existing receivables.

On 19 December 2023, the Company issued new shares under the capital increase reserved for members of the Groupement, with a priority right granted to shareholders on record at the end of the accounting day on 15 November 2023 (the "Groupement Capital Increase"). Under this second capital increase implemented as part of the Accelerated Safeguard Plan, 65,173,064,696 new shares were issued at a unit price of €0.0178 (of which €0.01 par value per share and €0.0078 issue premium), for a total amount of €1,160,080,551.61.

Repayment of Additional Financing (new money debt)

The net proceeds from the issue of the new shares issued under the Groupement Capital Increase were used, for an amount of €500 million, to repay in full, on 28 December 2023, the amounts drawn down under the €600 million new money Additional Financing put in place under the Agreement Protocol, i.e., (a) the €100 million D2 Facility, which was subject to mandatory early repayment following completion of the Groupement Capital Increase, and (b) the D1A and D1B Tranches for a total of €400 million, which were subject to voluntary early repayment by the Company and its subsidiary Niort 94.

As revolving credit facilities, the D1A and D1B Tranches may be drawn down again by the Group until their final maturity date of 30 June 2026, subject to compliance with the covenant (N94/N95 LTV) presented in Note 3.1.

Effects of these events on the Group's earnings for the year ended 31 December 2023

In respect of the financial restructuring carried out in 2023, and more specifically the conversion of unsecured debt into capital as part of the Equitisation Capital Increase, the Group has recognised, in accordance with the provisions of IFRS 9 (IFRIC 19 interpretation), a €2.8 billion positive impact on the Group's financial income (with no effect on cash and tax) for the year ended 31 December 2023, resulting mainly from the difference between:

- on the one hand, the book value of ORPEA S.A.'s unsecured debt repaid and/or settled (i.e., nearly €3.9 billion including accrued interest) on the settlement-delivery date of the Equitisation Capital Increase on 4 December 2023; and
- the fair value of the new shares issued as part of the Equitisation Capital Increase, i.e., approximately €964 million, based on a closing share price of €0.0152 on 4 December 2023, the settlement-delivery date of the Equitisation Capital Increase.

The Group has analysed the consequences of signing the addendum to the Existing Loan Agreements in accordance with the provisions of IFRS 9 on changes in debt. Given the extent of the amendment, and considering that the addendum forms an integral part of an overall debt restructuring programme (the addendum being interdependent with the conversion into capital of part of the debt incurred in the same month of December 2023), the Group has concluded that the addendum constitutes a material amendment within the meaning of IFRS 9. Existing debt was derecognised for an amount of €3,027 million after accelerated repayment of the issue costs. New debt has been recognised at its fair value. It will subsequently be valued at amortised cost.

The new debt has been recognised at fair value and will subsequently be measured at amortised cost. In this specific case, the interest rates on the reinstated debt were deemed to represent fair remuneration of the Group's new risk profile.

The key terms and conditions of the Loan Agreement (including the amendments implemented in December) are presented in Note 4.14.

The restructuring of the debt has had no effect on hedging relationships insofar as the amount of highly probable future cash flows expected from the contracts at Euribor-indexed rates is sufficient to maintain the hedges (see Note 4.16.1).

As part of the financial restructuring, the Group incurred approximately €125 million in costs.

All the costs incurred in connection with the restructuring were recognised in non-current income (see Note 4.24) in the amount of €23 million, with the exception of the costs directly associated with the issue of equity instruments, which were deducted from equity in the amount of €102 million.

1.2 Impairment of assets (IAS 36)

In accordance with IAS 36, the cash-generating units were tested for impairment at the end of the 2023 financial year, including goodwill, intangible assets with an indefinite useful life, property, plant and equipment and right-of-use assets.

At 31 December 2023, the value in use of each CGU or group of CGUs was estimated using a discounted cash flow model based in particular on:

- pre-tax cash flows derived from the business plan drawn up over a three-year period and comprising the flows from 2024 to 2026, as approved by the Board of Directors on 3 November 2023;
- discount rates determined using the Group's weighted average cost of capital and a country-by-country approach (see table below);
- the long-term growth rate, which corresponds to the forecast inflation rate for 2027 published by the International Monetary Fund (IMF) in November 2023 (see table below).

	Discount rate		Long-term growth rate	
Country	**2023**	**2022**	**2023**	**2022**
France	7.2%	6.7%	1.6%	1.6%
Belgium	7.3%	6.8%	2.0%	1.7%
Luxembourg	6.5%	6.0%	2.0%	2.0%
Ireland	7.7%	7.3%	2.0%	2.0%
Netherlands	6.8%	6.4%	2.0%	2.0%
Austria	8.4%	6.7%	2.0%	2.0%
Croatia	9.4%	8.9%	2.1%	1.9%
Latvia	8.0%	7.8%	2.3%	2.5%
Poland	9.0%	8.8%	2.5%	2.5%
Czech Republic	7.9%	7.6%	2.0%	2.0%
Slovenia	8.0%	7.8%	1.9%	2.4%
Germany	6.5%	6.1%	2.0%	2.0%
Italy	8.7%	8.6%	2.0%	2.0%
Switzerland	7.1%	6.1%	1.5%	1.0%
Spain	8.0%	7.6%	1.7%	1.7%
Portugal	8.2%	7.9%	2.0%	2.0%
Mexico	10.3%	10.1%	3.0%	3.0%
Brazil	11.5%	11.5%	3.0%	3.0%
Uruguay	11.8%	11.5%	4.7%	4.5%
China	8.3%	7.8%	2.2%	2.0%
United Kingdom	7.7%	7.2%	2.0%	2.0%
United Arab Emirates	8.2%	7.7%	2.0%	2.0%

The impairment tests carried out on CGUs and groups of CGUs at 31 December 2023 led to the recognition of the following impairment losses on the Group's goodwill, intangible assets, property, plant and equipment and right-of-use assets:

(in millions of euros)	**Notes**	**31 Dec. 2023**	**31 Dec. 2022**
Goodwill	4.1.2	(31)	(366)
Intangible assets	4.1.3	(161)	(1,436)
Real estate assets	4.3	(204)	(1,036)
Right-of-use assets	4.4	(438)	-
Other property, plant and equipment	4.3	4	(248)
TOTAL EXCLUDING DEFERRED TAX REVERSALS	**-**	**(830)**	**(3,085)**

Sensitivity:

Discount rate

- a 100 basis point increase in the discount rate would result in the recognition of an additional impairment loss of €450 million;
- A 100 basis point decrease in the discount rate would result in a total impairment reversal of €377 million.

Growth rate

- a 50 basis point increase in long-term growth rates would lead to a total impairment reversal of €208 million;
- a 50 basis point decrease in long-term growth rates would lead to the recognition of an additional impairment loss of €114 million.

1.3 Restructuring in Belgium

The ORPEA Group has announced a restructuring plan involving the closure of (i) three residences in Flanders, due to the dilapidated state of the buildings, and (ii) seven residences in Brussels, in accordance with a government order requiring the sector to reduce the number of vacant beds. The latter provides for the gradual withdrawal of approvals for vacant beds in nursing homes with an occupancy rate of less than 97.5% from 1 January 2024. The residents and staff of the seven residences concerned in Brussels have been transferred to other Group facilities.

1.4 Disposals of real estate portfolios

The main disposals of real estate portfolios in 2023 are detailed below:

Austria

On 30 June 2023, ORPEA entered into an agreement to sell a portfolio of four nursing homes recently built in Austria to a local investor, representing a total of 475 beds and assisted-living facilities with 21 apartments. These facilities, located in Dobl, Fohnsdorf, Kalwang and Kammern, will continue to be operated by SeneCura, a subsidiary of the ORPEA Group. The sale and leaseback was completed in July 2023.

Spain

On 5 June 2023, the ORPEA Group sold a newly built nursing home property to Healthcare Activos. The ORPEA Group still operates the facility.

In December 2023, the ORPEA Group signed several agreements for the disposal of real estate assets in Spain, either individually or as a portfolio, representing a total of six nursing homes, including one under construction. To date, one asset has been sold. The ORPEA Group is still operating or will continue to operate four of the corresponding facilities.

Netherlands

On 21 July 2023, ORPEA completed the sale to a Dutch private equity fund of four newly built or under construction nursing homes in the Netherlands operated through its Dutch subsidiaries September and Compartijn. The four facilities, located in the towns of Gouda, Doorn, Hardinxveld and Rozenburg, will operate 103 beds.

On 28 July 2022, the ORPEA Group signed an agreement with Syntrus Achmea Real Estate & Finance, acting on behalf of the Achmea Dutch Health Care Property Fund (ADHCPF), for the sale and leaseback of a real estate portfolio of 32 nursing homes in the Netherlands. Asset sales began on 15 September 2022 and the last sale took place on 29 June 2023.

During the summer, ORPEA also signed an agreement with Amvest Living & Care Fund for the sale of a portfolio of around 20 facilities under development in the Netherlands, which will eventually accommodate 480 residents. This new sale and leaseback agreement will bring the number of homes owned by Amvest and operated by its subsidiary Dagelijks Leven to 75.

Total proceeds from real estate disposals for the 2023 financial year amount to €146 million.

1.5 Disposal of subsidiaries

France

On 29 March 2023, the ORPEA Group acquired 19.26% of the share capital and voting rights of the French companies AP1, AP2, AP3 and AP4, which own companies operating residential facilities for dependent elderly people. Further to this acquisition, the ORPEA Group owns 69.26% of these companies.

On 30 June 2023, the ORPEA Group sold all the subsidiaries held by the above-mentioned companies, namely:

- 100% of the share capital and voting rights of Maison de retraite Saint-Sauveur, AP Nevers, Promidel Santé, Geronte, BGP Alliance-Floirac and Les Jardins de Gournay; and
- 99.41% of the capital and voting rights of Résidence de l'Esplanade.

Latvia

On 27 July 2023, the Group sold all of the share capital and voting rights of the Latvian company Senior Baltic, which operates and owns a nursing home in Latvia.

Total proceeds from disposals for the 2023 financial year amount to €34 million.

1.6 Main acquisitions

An agreement was signed in March 2023 as part of the process of unwinding partnerships. A chief outcome was the Group's acquisition of a controlling interest in the following entities:

- a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium;
- a 100% interest in Résidences Senior Services (RSS) in France;
- a 69.26% interest in AP1, AP2, AP3 and AP4 of the Âge Partenaires group.

Negotiations with partners are continuing throughout 2024 with a view to dissolving the relationships.

The Group also increased its interest in Compartjin and Thuismakers in the Netherlands to 100%.

The cash disbursed by the Group in respect of the 2023 financial year and in connection with all the acquisitions amounts to €42 million.

Based on provisional estimates of the fair value of assets acquired, the total investment at their acquisition date breaks down as follows:

	31 Dec. 2023					
(in millions of euros)	**Goodwill**	**Operating intangible assets**	**Properties**	**Purchase price**	**Revenue**	**Profit/(loss) for the period**
France-Benelux-UK-Ireland	52	0	48	43	62	(213)
Central Europe	-	-	-	-	-	-
Eastern Europe	-	-	-	-	-	-
Iberian Peninsula and Latin America	-	-	-	-	-	-
TOTAL	**52**	**0**	**48**	**43**	**62**	**(213)**

In 2022, total investments at the date of consolidation were:

	31 Dec. 2022					
(in millions of euros)	**Goodwill**	**Operating intangible assets**	**Properties**	**Purchase price**	**Revenue**	**Profit/(loss) for the period**
France-Benelux-UK-Ireland	10	3	8	2	5	-
Central Europe	-	-	-	-	-	-
Eastern Europe	-	-	-	-	-	-
Iberian Peninsula and Latin America	21	-	28	48	39	(19)
TOTAL	**31**	**4**	**36**	**50**	**44**	**(18)**

2. Subsequent events

2.1 Completion of the financial restructuring

Third capital increase and reverse share split

On 15 February 2024, the Company issued new shares as part of the capital increase with pre-emption rights for a gross amount, including issue premium, of €390,019,672.62, through the issue of 29,324,787,415 new shares at a unit price of €0.0133 per new share (the "Rights Issue"), the third capital increase implemented as part of its Accelerated Safeguard Plan.

New shares were subscribed for, both by exercising pre-emption rights and by subscribing for additional shares, for a total amount of approximately €282.5 million (including the new shares subscribed for using pre-emption rights by the members of the Groupement, for an amount of approximately €195.7 million, in accordance with their backstop undertaking under the Accelerated Safeguard Plan (the "Groupement Subscription Commitments")). As a result, the SteerCo members have subscribed to the Rights Issue for an amount of approximately €107.5 million, in accordance with their backstop undertakings under the Accelerated Safeguard Plan (the "SteerCo Backstop Commitments").

On 20 February 2024, the Company carried out a reverse share split, exchanging one thousand (1,000) existing shares with a par value of one euro cent (€0.01) for one (1) new share to be issued with a par value of ten euros (€10.00), which took effect on 22 March 2024. Following the reverse share split, the Company's share capital amounted to €1,591,917,030, divided into 159,191,703 ordinary shares with a par value of €10.00 each.

Issuance of warrants in return for subscription commitments

As consideration for the Groupement Subscription Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of the Groupement, subsequent to completion of the Rights Issue and the reverse share split, of 1,170,888 share warrants (the "Groupement Warrants"). The Groupement Warrants, on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, have a total value equal to 10% of the amount of the Groupement Subscription Commitments, i.e., approximately €19.6 million. Once issued, it being specified that each warrant confers the right to subscribe for one share (at an exercise price of €0.01 per share), these warrants would entitle their holders to subscribe for shares representing 0.725% of the Company's share capital, on a fully diluted basis. The issue of Groupement Warrants was the subject of the 27th resolution submitted to the Company's Annual General Meeting of Shareholders held on 22 December 2023. This resolution was rejected by shareholders, with only 65.55% of votes in favour (the members of the Groupement did not take part in the vote).

As consideration for the SteerCo Backstop Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of the SteerCo, subsequent to completion of the Rights Issue and the reverse share split, of 1,162,279 share warrants (the "SteerCo Warrants" and, together with the Groupement Warrants, the "Backstop Warrants"). The SteerCo Warrants, on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, have a total value equal to 10% of the amount of the SteerCo Backstop Commitments, i.e., approximately €19.4 million. Once issued, it being specified that each warrant confers the right to subscribe for one share (at an exercise price of €0.01 per share), these warrants would entitle their holders to subscribe for shares representing 0.720% of the Company's share capital, on a fully diluted basis. The issue of SteerCo Warrants was the subject of the 28th resolution submitted to the Company's Annual General Meeting of Shareholders, which was held on 22 December 2023. This resolution was adopted by the shareholders (SteerCo members and their affiliates did not take part in the vote).

If all of the Backstop Warrants have not been issued by 15 August 2024, the Accelerated Safeguard Plan (paragraph 3.5.5(b) of Part III) provides that the members of the Groupement and the members of the SteerCo will receive from the Company their equivalent in cash, as established on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, i.e., approximately €19.6 million for the Groupement members and approximately €19.4 million for the SteerCo members (a total amount of approximately €39 million).

At this stage, the Company reserves the right to submit resolutions to authorise the allocation of Backstop Warrants to members of the Groupement and the SteerCo for approval at the next Annual General Meeting to be held to approve the financial statements for the year ended 31 December 2023. In this event, and if all these resolutions are approved by the Annual General Meeting, the Company will issue the Groupement Warrants to the Groupement members and SteerCo Warrants to the SteerCo members in accordance with the above-mentioned terms and conditions. In the event of rejection by the Annual General Meeting, the Groupement Warrants and the SteerCo Warrants will not be issued, and, in accordance with the provisions of the Accelerated Safeguard Plan, the Company will therefore pay the members of the Groupement and the members of SteerCo a total amount of approximately €39 million. These warrants have been analysed as backstop fees under the third capital increase and their impact will be recognised in 2024 with the third capital increase.

2.2 Disposals of real estate portfolios

Portugal

On 6 February 2024, the ORPEA Group signed an agreement for the sale of a real estate portfolio of three recently built retirement homes in Portugal, representing a total of 328 beds, as part of a sale and leaseback transaction. These facilities, located in Lisbon, Cascais and Vila Nova de Gaia, will be operated by Portexploit and Pensar Futuro, subsidiaries of the ORPEA Group.

Poland

On 15 March 2024, the ORPEA Group signed an agreement for the sale of a real estate asset under construction.

2.3 Disposal of a facility

Belgium

- On 20 March 2024, the ORPEA Group sold all of the share capital and voting rights of the Belgian company Park Lane Immo NV/SA, which owned and operated one of the residences closed as part of the plan to consolidate residences in Belgium, as mentioned in Chapter 5, section 5.1.2 – Consolidation of residences in Belgium.

2.4 Unwinding of Daki partnerships

On 20 March 2024, the ORPEA Group acquired the entire share capital and voting rights of the Luxembourg real estate company Daki S.A. by means of a pledge (without payment in cash).

3. Significant accounting policies and basis of preparation

3.1 Liquidity and going concern risks

As part of its Accelerated Safeguard Plan, the Group restructured all of ORPEA S.A.'s gross debt (excluding lease liabilities under IFRS 16), which led to a reduction in debt at Group level of €4.3 billion (€5.3 billion at end-2023 compared with €9.6 billion at end-2022).

At 31 December 2023, the Group's net debt stood at €4.7 billion (excluding lease liabilities under IFRS 16) and its cash and cash equivalents stood at €645 million (compared with €856 million at end-2022).

Risk identification

Risks relating to the Additional Financing (new money debt)

Notwithstanding the repayment on 28 December 2023 of all the amounts drawn under the Additional Financing reflecting the proceeds from the issue of new shares under the Groupement Capital Increase on 19 December 2023, the revolving credit facility under the D1A (€200 million) and D1B (€200 million) Tranches may be drawn down again by the Group until its final maturity date of 30 June 2026; as a result, and for as long as this facility is likely to be drawn down or is actually drawn down in the future, the Company's commitments under the new money Additional Financing documentation (see Note 4.14) (and in particular compliance with a Niort 94/Niort 95 Ratio ("N94/95 Ratio") LTV[1] not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year) will continue to apply.

In the event of non-compliance with one or more of the aforementioned undertakings (including the N94/95 LTV Ratio), any amounts drawn down under the D1A and D1B Tranches and still due at the date of such non-compliance shall fall due immediately. The Banks would also have the option of cancelling these D1A and D1B Tranches, which could no longer be drawn down in the future. In the event that no amount is drawn under the D1A and D1B Tranches at the date of such default, the Banks shall have the option of cancelling these Tranches, which may no longer be drawn down in the future.

The N94/N95 LTV Ratio requirement was met at 31 December 2023. However, in the event of a drop in the value of the real estate assets currently owned by Niort 94 and Niort 95 and a lack of new real estate acquisitions, this ratio requirement may not be met at the relevant test dates.

Risks relating to the Existing Loan Agreement signed in June 2022, amended by the 17 March 2023 Agreement Protocol and the 26 May 2023 Addendum signed on 29 May 2023

Under the Existing Loan Agreement of 13 June 2022, as amended by the Agreement Protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash (plus undrawn Group credit facilities) of €300 million, tested quarterly as from the first full calendar quarter after completion of the second capital increase provided for under the restructuring plan (i.e., from 31 March 2024);
- carry out real estate disposals for €1.25 billion by the end of 2025, including €292 million already carried out at 31 December 2023. The conditions of use for the proceeds from disposals are set out in Note 4.14.

Failure by the Group to respect its undertakings under the above-mentioned financing arrangements could result in an event of default. In such a case, the lenders could enforce the security interests granted to them, which would affect assets that are substantial for the Group and could have significant consequences on its financial position, business and development.

In addition, the Group's undertaking to carry out real estate disposals within a limited time period could mean that it may have to sell the assets for less than their carrying amount, which could require the Group to recognise impairment losses against the assets concerned.

Other risks related to the Group's financing

The Group's existing debt at 31 December 2023 (see Note 4.14) includes certain commitments, such as asset-backed guarantees, which would restrict its capacity to take on additional debt if new difficulties were to arise.

A large portion of bilateral borrowings as well as *Schuldscheindarlehen* subscribed by the Group, are subject to the following contractually agreed covenants, "R1" and "R2" ratios. Further to waivers obtained by the Group from all the lenders concerned, these covenants did not apply at 31 December 2022 and no longer apply as from that date. The waivers nevertheless provide for the application of a new leverage covenant (net debt excluding IFRS adjustments/12-month EBITDA pre-IFRS 16), which will only apply from the financial statements for the six months ending 30 June 2025.

At 31 December 2023, debt formerly subject to the R1/R2 covenants and not due to be settled as part of the Equitisation Capital Increase totalled €325 million.

(1) The ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value, where "N94/95 Consolidated Debt" means, at the relevant test date: the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "LTV Subsidiaries"); and "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

Risk management

The Company considers that, in the event of a decline in the value of the real estate assets currently owned by Niort 94 and Niort 95, in an amount resulting in a failure to comply with the above-mentioned "Loan to Value" ratio, it would still be able to provide Niort 94 and Niort 95 with additional assets, free of collateral and of a value that would enable it to comply with the required ratios.

The Group's liquidity at 31 March 2024 stood at €1,158 million (i.e., Group cash flow of €758 million, plus the €400 million in undrawn amounts under the D1A and D1B Tranches). The Board of Directors applied the going concern principle when it reviewed the consolidated financial statements, after taking into account the information available to it about the future including, in particular, the cash flow forecasts for the next 12 months. These forecasts include the assumption of a drawdown under the D1A and D1B Tranches and compliance with the minimum threshold of €300 million.

Based on this information, and taking into account its assessment of the liquidity risk related to the items mentioned above, the consolidated financial statements for the year ended 31 December 2023 were prepared on a going concern basis.

3.2 Significant accounting policies

Basis of preparation of the consolidated financial statements

In accordance with EC Regulation No. 1606/2002 of 19 July 2002, the ORPEA Group ("the Group") has prepared its consolidated financial statements for the year ended 31 December 2023 in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) as adopted by the European Union and mandatory at the reporting date of these financial statements.

This framework, available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias_en.htm), consists of the international financial reporting standards (IAS and IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC).

In preparing the consolidated financial statements for the year ended 31 December 2023, the Group applied the same accounting principles and methods as in its consolidated financial statements for the year ended 31 December 2022.

Standards, amendments to standards and interpretations adopted by the European Union and mandatory for accounting periods beginning on or after 1 January 2023

The first-time application of the following standards and amendments as from 1 January 2023 had no material impact on the Group:

- Amendments to IFRS 17 – *Insurance Contracts* and amendments to IFRS 9 – *Financial Instruments*;
- Amendments to IAS 1 – *Disclosure of Accounting Policies*;
- Amendments to IAS 8 – *Definition of Accounting Estimates*;
- Amendments to IAS 12 – *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- Amendments to IAS 12 – *Income Taxes*: *International Tax Reform – Pillar Two Model Rules* (see Note 1.3).

A detailed analysis of these standards and amendments has not revealed any material impact on the consolidated financial statements.

Published standards, amendments to standards and interpretations that were not yet effective

The Group did not apply any new standards, amendments or interpretations that were not mandatory at 1 January 2023. The main such amendments are as follows (not yet adopted by the European Union (application date subject to EU adoption)):

- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-Current*;
- Amendments to IAS 21 – *Lack of Exchangeability*;
- Amendments to IAS 7 and IFRS 7 – *Factoring Arrangements – Supplier Debt Finance Arrangements*;
- Amendments to IFRS 16 – *Leases – Lease Liability in a Sale and Leaseback.*

3.3 International Tax Reform – Pillar Two

The international tax reform drawn up by the OECD relating to the global minimum tax, known as "Pillar Two", has been adopted in European standards (Directive 2022/2523 of 14 December 2022) and subsequently transposed into French law with effect from 1 January 2024 (Law 2023-13-22 of 29 December 2023).

The Group applies the temporary exemption from recognition of deferred tax resulting from the implementation of the Pillar Two reform provided under the amendments to IAS 12.

Based on the analyses carried out by the Group, taking into account the applicable regulations in the countries where it operates, the Pillar Two reform would not have a significant impact on the Group.

3.4 Pension reform in France

Following the enactment of Law no. 2023-270 of 14 April 2023 on the amended social security funding for 2023 in France, the pension reform has been taken into account in determining provisions for defined benefit schemes at 31 December 2023. The reform does not have a material financial impact on the Group's financial statements.

3.5 Significant estimates and judgements made by management for the preparation of the consolidated financial statements at 31 December 2023

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that have an impact on the amounts presented in these financial statements. Estimates may be revised if the circumstances on which they were based change or in the event new information comes to light. Actual results may differ from these estimates.

The consolidated financial statements have been prepared by reference to the current environment, particularly with respect to the estimates presented below:

- assumptions related to future cash flows assumptions, real estate valuers' valuations and the discount rates used for the impairment testing of goodwill, intangible assets and property, plant and equipment as well as right-of-use assets (IAS 36) on the basis of a business plan that has been revised and approved by the Group's Board of Directors on 13 November 2023 (see Note 4.2);
- measurement of financial assets (development-related receivables and partners' current accounts) in light of the discussions entered into with the Group's long-standing partners to unwind partnerships and settle those advances in exchange for the underlying real estate assets in the various countries concerned (see Note 4.9);
- valuation of share-based payments (IFRS 2) (see Note 4.11);
- measurement of provisions (IAS 37) (see Note 4.12);
- measurement of post-employment benefits (IAS 19) (see Note 4.13);
- estimates of lease terms and discount rates for future lease payments (IFRS 16) (see Note 4.4);
- valuation of certain financial instruments at fair value (IFRS 9) (see Note 4.16);
- determining the corporate income tax expense and assumptions about the recoverability of deferred taxes (IAS 12) (see Note 4.26).

Lastly, the analysis carried out as part of the restructuring and determining the fair value of the new debt and equity also required the use of estimates and judgement (see Note 1.1).

3.6 Basis of consolidation

Entities indirectly or directly controlled by the Group are fully consolidated. Control is assessed for each company in light of the following criteria provided for in IFRS 10 – *Consolidated Financial Statements*:

- power over the investee, which is based primarily on the ability to direct the relevant activities of that company;
- exposure, or rights, to variable returns from involvement with the investee;
- the ability to use power over the investee to affect the amount of those returns.

Joint arrangements classified as joint operations are consolidated line by line in relation to the Group's actual interest. Joint arrangements classified as joint ventures are accounted for using the equity method.

Entities over which the Group directly or indirectly exercises significant influence over financial and operating decisions but does not exercise control are accounted for using the equity method.

They are recognised at cost including any goodwill at the date of acquisition.

Their carrying amount reflects the Group's share in the entity's profits subsequent to the acquisition. If losses exceed the Group's net investment in the entity concerned, these are not recognised by the Group unless it has an obligation to recapitalise the entity or make payments on its behalf.

Acquisitions and disposals made during the year are included in the consolidated financial statements from the date on which control or significant influence is acquired to the date on which it ceases.

The consolidated financial statements have been drawn up on the basis of the financial statements of all consolidated entities at 31 December.

3.7 Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 — *Business Combinations*, published in January 2008 by the International Accounting Standards Board (IASB).

Acquisitions of businesses are generally contingent upon the award by the supervisory authorities of a licence to the Group as the new operator. Other conditions precedent may be provided for on a case-by-case basis.

In such cases, the acquisition goes ahead and the newly acquired entity is consolidated once the conditions precedent have been satisfied.

A business combination is accounted for using the acquisition method only as of the date on which control is acquired.

If a non-controlling interest in the entity was held prior to the acquisition of an additional interest giving rise to a change of control, it is remeasured at fair value and any difference is recognised in non-recurring operating profit.

Transaction costs, such as intermediaries' fees, legal, advisory, accounting, appraisal and other fees, and associated taxes and duties, are recognised in non-recurring operating expenses for the period.

Identifiable assets, liabilities and contingent liabilities of the acquired entity which meet the conditions for recognition set out in IFRS 3 are measured at fair value except for assets (or disposal groups) that qualify as non-current assets held for sale under IFRS 5, which are recognised and measured at fair value less costs to sell.

On first-time consolidation of an acquired entity, the Group has 12 months in which to determine the fair value of identifiable assets, liabilities and contingent liabilities acquired.

In the light of current regulations, licences to operate hospitals and nursing homes are recognised and measured as identifiable intangible assets at the date of acquisition.

Operating licences for certain non-French facilities do not meet the recognition requirements for identifiable intangible assets and are accordingly included in goodwill.

The Group also analyses any risks and obligations (employee-related, tax-related, property-related and other) that arise during the due diligence process for acquisitions.

The difference between the cost of an acquisition and the Group's interest in the fair value of identifiable assets and liabilities acquired on the acquisition date is recognised as goodwill. Goodwill, measured in the functional currency of the acquired entity, is recognised as an asset on the balance sheet. It is not amortised but is tested for impairment whenever there is an indication of a loss in value and at least annually at the end of the financial year. Any impairment losses are recognised in "Other non-recurring operating expense". Goodwill impairment losses cannot subsequently be reversed under any circumstances.

If the fair value of assets, liabilities and contingent liabilities acquired exceeds the cost of the acquisition, the negative goodwill is recognised immediately in profit or loss under "Other non-recurring operating income" (see Note 4.24).

Since the revised IFRS 3 was adopted, non-controlling interests in consolidated subsidiaries can be measured at fair value or based on the share of the non-controlling interest in the identifiable net assets of the acquired company. This option is available on a transaction-by-transaction basis.

Goodwill arising on entities accounted for by the equity method is included in "Investments in associates and joint ventures" (see Note 4.5).

Upon disposal of a subsidiary, jointly-controlled entity or facility, the corresponding goodwill is included when determining the gain or loss on disposal recorded under non-recurring operating profit.

3.8 Functional currency

The consolidated financial statements are prepared in euros.

Financial statements of subsidiaries with a different functional currency are translated into euros as follows:

- at the official rate at the reporting date for assets and liabilities;
- at the average rate for the period for income statement and cash flow statement items.

Any exchange differences resulting from the application of these exchange rates are recognised under "Foreign currency translation reserves", a component of "Consolidated reserves" in consolidated equity.

The functional currency of the Swiss, Polish, Czech, Chinese, British, Croatian, Mexican, Brazilian, Uruguayan and Chilean subsidiaries is not the euro.

4. Notes to the consolidated financial statements

4.1 Goodwill and intangible assets

4.1.1 Key accounting policies

Recognition of operating licences

The intangible assets recognised in the balance sheet mainly comprise operating licences, which may be recognised either as part of an acquisition (a business combination within the meaning of IFRS 3) or at cost if acquired directly.

In the case of business combinations (within the meaning of IFRS 3), recognition in the balance sheet depends in particular on applicable local regulations and whether or not there are any restrictions on the granting of new licences in the geographical area concerned. Where an operating licence is required to be recognised in the balance sheet, its fair value at the acquisition date is determined based on the type of operation and its location.

Operating licences recognised in the balance sheet mainly concern beds in nursing homes, post-acute hospitals and psychiatric hospitals in France, Belgium, Switzerland, Spain, Italy, Austria, Poland, the Czech Republic, Portugal, the Netherlands, Germany (hospitals only), Slovenia, Ireland and the United Kingdom.

These licences are considered to have an indefinite life, in line with the market position adopted by the sector. This position is based on the following observations and is reinforced by the Group's past experience:

- the probability of the licences being withdrawn or not renewed is low, given that the Group adheres strictly in the management of its facilities to the guidelines and standards set by the various supervisory authorities;
- the costs incurred in maintaining licences are not material.

Operating licenses with an indefinite useful life are not amortised but tested for impairment at each reporting date or whenever there is an indication that they might be impaired. The test consists of determining the recoverable amount of each licence at the end of the reporting period and recognising an impairment loss under "Other non-recurring operating expense" if this amount is less than the net carrying amount.

In the absence of any observable transaction relating to operating licences since the beginning of the 2023 financial year, the Group has exclusively used value in use to test these licences for impairment (IAS 36).

Other intangible assets

The amortisation period applied to other intangible assets ranges between one and ten years.

Amortisation of other intangible assets is recognised in profit or loss under "Depreciation, amortisation and charges to provisions". Impairment losses are recognised in "Other non-recurring operating expense" (see Note 4.24).

Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets

In accordance with IAS 36, the net carrying amount of intangible assets with an indefinite useful life (corresponding mainly to operating licences) and goodwill is tested at the end of each reporting period or more frequently if there is any indication of impairment. The net carrying amount of other assets is tested whenever there is an indication of impairment.

Indications of impairment that may trigger an impairment test comprise:

- external indicators: market value of the asset, major changes in the company's environment, market capitalisation below the net carrying amount of equity, etc.; and
- internal indicators: fall in occupancy rate, change in regulations, obsolescence of the asset, financial performance below forecasts, etc.

Intangible assets and property, plant and equipment are tested for impairment at the level of the cash-generating unit (CGU), which corresponds to a homogeneous group of assets whose ongoing use generates cash inflows independently of the cash inflows from other CGUs. Each CGU corresponds to a facility (i.e., a nursing home or hospital).

Goodwill is tested for impairment by country (corresponding to a group of CGUs), i.e., the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the recoverable amount of the CGU or group of CGUs, and of the various assets comprising it, with their net carrying amount. The recoverable amount is defined by IAS 36 as the higher of an asset's fair value less costs of disposal and its value in use (corresponding to the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

The following method is used to carry out impairment tests:

- the value in use of each CGU or group of CGUs is determined by discounting expected future cash flows;
- for tests performed at the CGU level (in the case of unamortised intangible assets allocated to the CGU or indications of impairment), where the value in use is less than the net carrying amount, an impairment loss is recognised using the following method:
  - if an impairment loss is recognised, it is allocated to all the intangible assets, property, plant and equipment and right-of-use assets making up the CGU (excluding working capital items and non-current financial assets) as follows:
    - firstly to real estate assets that were appraised at the end of 2023. The amount of impairment allocated to real estate assets is such that its carrying amount after impairment is at least equal to its fair value less costs to sell,
    - the residual impairment loss is subsequently allocated to the other intangible assets, property, plant and equipment and right-of-use assets making up the CGU, but only up to the fair value net of the cost to sell the individual assets;
- for tests performed at the country level (group of CGUs), when the value in use is less than the carrying amount, an impairment loss is recognised firstly on goodwill (and cannot be reversed), on real estate up to its appraisal value, and then, if required, on the value of the intangible assets, property, plant and equipment and right-of-use assets making up the group of CGUs (excluding working capital and non-current financial assets) in proportion to the carrying amount.

4.1.2 Goodwill

The main movements during the period were as follows:

(in thousands of euros)	**2023**	**2022**
Net goodwill at beginning of period	**1,362,491**	**1,668,553**
Reclassification of goodwill held for sale	(3,348)	-
Business combinations	52,079	30,969
Adjustments to previous goodwill, deconsolidations and other	(2)	3,981
Allowances	(31,042)	(365,909)
Currency translation adjustments	5,784	24,896
NET GOODWILL AT END OF PERIOD	**1,385,962**	**1,362,491**

The amount recognised under "Business combinations" in 2023 mainly comprises the allocation of goodwill arising on the acquisition of the following:

- a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium, and Compartjin and Thuismakers in the Netherlands;
- a 69.26% interest in AP1, AP2, AP3 and AP4 of the Âge Partenaires group.

At 31 December 2023, goodwill by operating segment breaks down as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
France-Benelux-UK-Ireland	666,099	627,016
Central Europe	614,325	608,460
Eastern Europe	31,923	32,073
Iberian Peninsula and Latin America	73,616	94,942
NET GOODWILL AT END OF PERIOD	**1,385,962**	**1,362,491**

The impairment tests carried out at 31 December 2023 led to the recognition of a total impairment loss on goodwill of €31 million, mainly in Spain (€18 million), Belgium (€9 million) and Uruguay (€3.5 million).

Goodwill impairment by operating segment breaks down as follows for 2023:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
France-Benelux-UK-Ireland	(9,408)	(68,466)
Central Europe	-	(91,550)
Eastern Europe	-	(30,615)
Iberian Peninsula and Latin America	(21,634)	(175,277)
TOTAL	**(31,042)**	**(365,909)**

4.1.3 Intangible assets

Gross intangible assets and accumulated amortisation and charges to provisions break down as follows:

	31 Dec. 2023			31 Dec. 2022		
(in thousands of euros)	Gross	Amortisation and charges to provisions	Net	Gross	Amortisation and charges to provisions	Net
Operating intangible assets	2,996,037	(1,631,400)	1,364,637	2,985,514	(1,457,954)	1,527,560
Advances and downpayments	2,042	(1,615)	427	5,203	(2,343)	2,859
Other intangible assets	382,953	(232,851)	150,102	282,327	(218,323)	64,004
Intangible assets held for sale	(2,589)	396	(2,192)	(2,192)	-	(2,192)
TOTAL	**3,378,443**	**(1,865,470)**	**1,512,974**	**3,270,851**	**(1,678,620)**	**1,592,231**

At 31 December 2023, "Operating intangible assets" mainly included operating licences considered to have an indefinite useful life. The allocation of these intangible assets by operating segment is shown in the table below:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
France-Benelux-UK-Ireland	1,004,818	1,263,534
Central Europe	156,443	112,807
Eastern Europe	157,072	94,228
Iberian Peninsula and Latin America	46,304	56,990
NET OPERATING LICENCES AT END OF PERIOD	**1,364,637**	**1,527,560**

The following table shows movements in intangible assets (net) by category:

(in thousands of euros)	Operating licences	Advances and downpayments	Other	Intangible assets held for sale	Total
At 31 December 2021	**2,964,486**	**5,691**	**106,229**	**-**	**3,076,405**
Increases	2,400	351	7,286	-	10,037
Decreases	(4,197)	(356)	(2,491)	-	(7,044)
Amortisation and charges to provisions	(1,435,557)	(2,834)	(48,660)	-	(1,487,051)
Reclassifications and other	(8,018)	7	1,865	(2,192)	(8,339)
Changes in scope	8,445	-	(224)	-	8,222
At 31 December 2022	**1,527,560**	**2,859**	**64,004**	**(2,192)**	**1,592,231**
Increases	47	414	11,466	-	11,927
Decreases	-	(4)	(4,876)	-	(4,880)
Amortisation and charges to provisions	(171,447)	(2,633)	(7,384)	-	(181,464)
Reclassifications and other	8,448	(210)	37,874	-	46,113
Changes in scope	30	0	49,017	-	49,047
AT 31 DECEMBER 2023	**1,364,637**	**427**	**150,102**	**(2,192)**	**1,512,974**

Changes in the scope of consolidation during the period mainly reflect the intangible assets recognised following the acquisition of Compartjin in the Netherlands.

The impairment tests carried out at 31 December 2023 led to the recognition of an additional impairment loss on non-amortisable operating licences for €171 million.

The table below shows the allocation of impairment losses to operating licences by country in 2023:

(in thousands of euros)	31 Dec. 2023
France	(205,185)
Netherlands	(53,182)
Belgium	0
Austria	55,476
Switzerland	42,233
Italy	73
Ireland	(9,785)
Spain	(5,869)
Germany	(5,716)
Portugal	(4,815)
Czech Republic	(1,714)
Croatia	1,107
Poland	3,785
Slovenia	4,124
United Kingdom	8,054
Other countries	(33)
TOTAL	**(171,447)**

4.2 Cash flow from real estate acquisitions and disposals

Cash flows from or used in the acquisition and disposal of intangible assets and property, plant and equipment are detailed as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Operating intangible assets and property, plant and equipment	(141,044)	(136,311)
of which Maintenance	*(105,454)*	*(94,977)*
of which IT	*(35,591)*	*(41,334)*
Property development capital expenditure	(315,348)	(638,005)
Disposals of real estate	146,432	145,501

Operating intangible assets and property, plant and equipment include capital expenditure on the maintenance of buildings in use and on the Group's IT systems.

4.3 Property, plant and equipment

Property, plant and equipment mainly comprises land, buildings, fixtures and fittings, and equipment.

The Group's operating properties are either acquired, built or redeveloped by the Group.

They are held directly or under finance leases.

As part of its asset management policy, the Group regularly sells operating properties it owns.

These sales are carried out in a block or in lots and are then leased back from the new owner. Disposals may include properties owned and operated by the Group for several years and also properties that have been recently acquired, redeveloped or built, or are under construction or redevelopment.

Properties that the Group intends to sell within 12 months are classified as "Assets held for sale".

Measurement of property, plant and equipment

Property, plant and equipment are measured at their cost of acquisition or production less accumulated depreciation and any accumulated impairment losses, in line with the standard treatment under IAS 16 – *Property, Plant and Equipment.*

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset, as required by IAS 23 – *Borrowing Costs.*

Change in accounting method applied to properties accounted for in accordance with IAS 16

As a reminder, at 31 December 2022, the Group changed the measurement method applied for properties used for its operations and accounted for in accordance with IAS 16.31 to 42. This decision corresponds to a change in accounting method with retroactive effect within the meaning of IAS 8.

ORPEA was the only Paris-based group in its sector to use the optional revaluation method available under IAS 16, which resulted in the annual revaluation of the carrying amounts of real estate assets, with the change in value recognised in equity.

The Group now applies the cost model, which means its accounting method is comparable with other players in the sector.

Depreciation of property, plant and equipment

The Group depreciates property, plant and equipment on a straight-line basis. Depreciation is calculated based on the expected useful life of each asset or each of its components having different useful lives in line with the following criteria:

- Buildings, fixtures and fittings: 12 to 60 years;
- Technical installations, equipment: 3 to 10 years;
- Other: 3 to 10 years.

Property, plant and equipment is tested for impairment whenever there is an indication of impairment. Any impairment losses are recognised in profit or loss under "Other non-recurring operating expense".

Proprietary property development projects carried out by the Group

Under its expansion policy and in order to meet its quality standards, the Group manages most of its own operating property development and redevelopment projects.

These properties are either retained by the Group or sold to external investors and leased back to the Group under sale-and-leaseback arrangements.

The cost of new or redeveloped properties includes the cost of purchasing the land, any buildings to be redeveloped and all development and redevelopment costs. These include direct production costs and borrowing costs directly attributable to the production of the asset in accordance with paragraph 11 of IAS 23 – *Borrowing Costs*.

The percentage of completion of projects is determined based on accrued costs after validation by the project manager, and corresponds to technical advancement in terms of the overall costs of the project.

Marketing expenses directly attributable to assets sold off-plan are recognised as assets under property, plant and equipment in progress and are charged back in proportion to the percentage of completion.

For real estate projects in the process of being sold, the calls for funds amount for off-plan sales is deducted from the assets side of the balance sheet.

Changes in property, plant and equipment and property under construction

Gross property, plant and equipment, including property under construction, accumulated depreciation and provisions break down as follows:

	31 Dec. 2023			31 Dec. 2022		
(in thousands of euros)	Gross	Amortisation and charges to provisions	Net	Gross	Amortisation and charges to provisions	Net
Properties	7,194,349	(2,966,278)	4,228,071	6,781,797	(2,644,773)	4,137,024
Technical installations	1,311,605	(1,028,720)	282,885	1,045,834	(776,858)	268,976
Assets in progress	1,042,161	(435,156)	607,005	1,063,857	(304,307)	759,550
Other property, plant and equipment	409,337	(313,243)	96,094	553,893	(458,104)	95,788
Property, plant and equipment held for sale	(696,301)	257,631	(438,670)	(368,833)	108,820	(260,013)
TOTAL	**9,261,151**	**(4,485,767)**	**4,775,384**	**9,076,547**	**(4,075,222)**	**5,001,325**

Depreciation is recognised in profit or loss under "Depreciation, amortisation and charges to provisions".

Impairment losses are recognised in the income statement under "Other non-recurring operating expense".

Property, plant and equipment held for sale (see Note 4.10) corresponds to properties earmarked for disposal within 12 months and amounted to €439 million at 31 December 2023, of which:

- €238 million for properties;
- €201 million on non-current assets under construction. The change in the net value of these assets breaks down as follows:

(in thousands of euros)	Properties	Technical installations	Assets in progress	Other property, plant and equipment	Property, plant and equipment held for sale	Total
At 31 Dec. 2021 restated[1]	**4,936,703**	**455,878**	**982,301**	**129,183**	**(347,191)**	**6,156,874**
Increases	179,652	52,097	484,175	54,282	-	770,204
Decreases	(125,343)	(6,526)	(103,519)	(346)	-	(235,735)
Depreciation and charges to provisions	(1,222,807)	(265,001)	(311,057)	(112,377)	-	(1,911,243)
Reclassifications and other	293,931	30,704	(357,503)	24,853	87,177	79,161
Changes in scope	74,889	1,825	65,154	194	-	142,062
At 31 Dec. 2022	**4,137,024**	**268,976**	**759,550**	**95,788**	**(260,013)**	**5,001,325**
Increases	128,660	51,847	301,958	36,819	-	519,283
Decreases	(86,557)	(617)	(69,304)	(1,916)	-	(158,394)
Depreciation and charges to provisions	(338,787)	(109,360)	(127,214)	(18,661)	-	(594,022)
Reclassifications and other	353,970	71,510	(368,049)	(23,383)	(178,657)	(144,609)
Changes in scope	33,760	529	110,066	7,447	-	151,801
AT 31 DECEMBER 2023	**4,228,071**	**282,885**	**607,005**	**96,094**	**(438,670)**	**4,775,384**

(1) The reported figures at 31 December 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

The main changes during 2023 were:

- additional impairment losses of €204 million (see Note 1.2);
- changes in the scope of consolidation, in particular related to HSI, RSS and Thuismakers;
- investments necessary for the continuing operation of the facilities;
- investments in new buildings or extensions;
- properties under construction, other items of property, plant and equipment acquired during the period through business combinations and those under construction.

Treatment of finance leases according to IFRS 16

In the past, the Group has frequently used and continues to use finance leases with its financial partners for the financing of properties acquired, for restructuring or for the construction of new properties.

The amounts at 31 December 2023 relating to these transactions were €1,301 million in property, plant and equipment and €655 million in financial liabilities (see Note 4.14).

Finance leases result in a legal assignment of properties but do not lead to the derecognition of the asset. This is because the Group retains control of the asset, since it is a financing transaction. As these financial arrangements are substantially asset purchases and not leases, real estate assets are considered as property, plant and equipment in accordance with IAS 16 and the corresponding liabilities are considered as financial liabilities within the meaning of IFRS 9.

4.4 Leases

4.4.1 Key accounting policies

Under IFRS 16 – *Leases*, the Group determines whether a contract is (or contains) a lease, i.e., whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group is a lessee under property leases relating mainly to facilities, vehicles and equipment required for patient care.

Leases must give rise to the recognition in the balance sheet of an asset (representing the right to use the underlying asset for the lease term) and a liability (in respect of the lease payment obligation).

Lease liabilities

At the commencement of the contract, the lease liability corresponds to the present value of future rental payments over the term of the contract. The items taken into account to measure the liability include:

- fixed payments;
- variable lease payments that depend on an index or a rate (using the index or rate at the commencement date);
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- termination or non-renewal penalties, if they are absolutely certain.

The lease liability is increased by the interest expense determined by applying the discount rate and reduced by the amount of payments made.

In addition, the liability may be re-estimated in the event of a review of the lease term or rental amount, the possibility of a purchase option being exercised, or the rates and indices on which rents are based.

Right-of-use assets

At the commencement date, the right-of-use asset is recognised at cost, including the initial amount of the lease liability, any advance payments made to the lessor and the initial direct costs incurred in concluding the contract. This asset also includes, where applicable, an estimate of costs to be incurred by the lessee in restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets relating to leases are depreciated over the period used to calculate the lease liability.

In the income statement, the depreciation charges are recognised in operating profit and interest expenses are included in net financial income/expense.

Lease terms

Lease terms are determined on a contract by contract basis.

The Group estimates the lease term by taking into account the renewal options at the commencement date, and on the basis of the Group's Strategic Plan.

Discount rate

The standard requires the discount rate for each contract to be determined by reference to the incremental borrowing rate of the contracting subsidiary.

In practice, given the Group's financial model, this rate is based on the incremental borrowing rate of the Group as a whole, the remaining lease term and the impact of geographical areas to reflect the risks specific to each country.

Simplification measure

The Group has elected to apply both exemptions provided for by the standard to:

- leases for which the underlying asset is of low value (the replacement value of the underlying asset is less than $5,000);
- short-term leases (less than 12 months from the commencement date of the contract).

Lease payments relating to these contracts are recognised in the income statement as recurring operating expenses.

4.4.2 Right-of-use assets

At 31 December 2023, changes in right-of-use assets break down as follows:

(in thousands of euros)	2023	2022
Beginning of period	**3,499,987**	**3,072,567**
Increases	475,550	785,547
Decreases	(149,248)	(105,161)
Depreciation	(415,609)	(350,809)
Impairment	(437,698)	-
Reclassifications and other	6,810	76,367
Changes in scope	104,213	21,477
END OF PERIOD	**3,084,005**	**3,499,987**

4.4.3 Lease liabilities

Changes in lease liabilities break down as follows:

(in thousands of euros)	2023	2022
Beginning of period	**3,768,470**	**3,265,196**
Discount	119,069	95,705
New contracts and increases	474,161	800,285
Repayments	(453,163)	(415,491)
Decreases due to amendments	(164,074)	(103,806)
Reclassifications and other	17,720	104,977
Changes in scope	111,699	21,604
END OF PERIOD	**3,873,881**	**3,768,470**

The breakdown of lease liabilities by maturity is as follows:

(in thousands of euros)	31 Dec. 2023	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	3,873,881	559,504	1,239,372	2,075,005
TOTAL	**3,873,881**	**559,504**	**1,239,372**	**2,075,005**

4.5 Investments in associates and joint ventures

At 31 December 2023, investments in associates and joint ventures break down as follows:

Associates and joint ventures *(in thousands of euros)*	**Application of the % holding**	**Based on 100% interest**	**IDS and real estate companies jointly owned with IDS**	**Real estate companies retained as a result of sale and leaseback transactions**	**Rodevita[1]**	**Senior Suites**	**Âge Partenaires**	**Other[2]**
Non-current assets	124,270	360,878	192,106	143,603	2,799	61	3,410	18,899
Current assets	29,315	65,722	12,144	5,732	41,348	5	2,612	3,881
TOTAL ASSETS	**153,584**	**426,600**	**204,250**	**149,335**	**44,147**	**66**	**6,022**	**22,780**
Equity	32,142	87,229	74,159	17,769	(220)	5	(262)	(4,222)
Non-current liabilities	76,148	171,793	123,073	47,969	7	58	-	686
Current liabilities	45,295	167,580	7,018	83,596	44,360	3	6,285	26,318
TOTAL EQUITY AND LIABILITIES	**153,585**	**426,601**	**204,250**	**149,334**	**44,147**	**66**	**6,023**	**22,781**
Percentage ownership	-	-	50%	between 10% and 49%	between 20% and 45%	between 49% and 50%	50%	between 49% and 75%
Revenue	817	6,167	-	4,594	-	-	-	1,573
INFORMATION ON THE CONSOLIDATED GROUP								
Carrying amount of investments	21,178	-	12,657	(7,148)	29	2,790	17	2,576
Equity-accounted profit/(loss) in previous financial years	20,615	-	24,422	10,019	(29)	(2,787)	-	(736)
Equity-accounted profit/(loss) based on a 100% interest	-	(5,836)	0	(13,390)	-	-	-	7,554
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income	-	(5,836)	0	(13,390)	-	-	-	7,554
Share of profit/(loss)	4,836	-	0	1,449	-	-	(17)	3,387
Assets held for sale (see Note 4.10)	(37,079)	-	(37,079)	-	-	-	-	-
Investments in associates and joint ventures	9,551	-	-	4,320	-	3	-	5,228
Current accounts (associates and related parties) (see Note 4.9)	-	59,751	-	1,455	-	31,518	-	26,778

(1) For equity-accounted companies in the Rodevita group, the data correspond to the parent company's statutory financial statements.
(2) Mainly: receivables from SCIs (non-trading property companies) for €21 million and Chinese companies for €3 million.

Based on the value of the individual investments, existing cash flows with these companies and the ORPEA Group's overall strategy in and outside France, management believes that these interests are not individually material.

At 31 December 2023, investments held for sale corresponded to shares in equity-accounted companies earmarked for disposal within 12 months and amounted to €37 million.

The Dutch companies previously accounted for by the equity method are now fully consolidated, and the receivables relating to these entities are no longer shown in the consolidated financial statements.

At 31 December 2022, investments in associates and joint ventures broke down as follows:

Associates and joint ventures *(in thousands of euros)*	**Application of the % holding**	**Based on 100% interest**	**HSI and non-consolidated Belgian companies**	**IDS and real estate companies jointly owned with IDS**	**Real estate companies retained as a result of sale and leaseback transactions**	**Brazil Senior Living**	**Rodevita[1]**	**Dutch companies**	**Senior assisted-living facilities**	**Senior Suites**	**Âge Partenaires**	**Other**
Non-current assets	254,626	569,784	94,203	192,106	109,073	-	2,799	13,059	126,358	65	19,821	12,299
Current assets	95,168	210,862	65,038	12,144	5,028	-	41,348	64,189	13,538	5	6,686	2,885
TOTAL ASSETS	**349,793**	**780,646**	**159,242**	**204,250**	**114,101**	**-**	**44,147**	**77,248**	**139,896**	**70**	**26,508**	**15,184**
Equity	(6,723)	(21,939)	(90,566)	74,159	4,601	-	(220)	9,997	(9,095)	5	(6,598)	(4,223)
Non-current liabilities	93,149	213,157	12,293	123,073	53,086	-	7	1,345	6,309	63	15,376	1,605
Current liabilities	263,367	589,428	237,514	7,018	56,414	-	44,360	65,906	142,682	2	17,730	17,803
TOTAL EQUITY AND LIABILITIES	**349,793**	**780,646**	**159,242**	**204,250**	**114,101**	**-**	**44,147**	**77,248**	**139,896**	**70**	**26,508**	**15,184**
Percentage ownership	-	-	40%	50%	between 10% and 49%	50%	45%	49%	49%	50%	50%	between 28% and 50%
Revenue	28,920	70,307	48,035	9,889	8,638	-	-	3,449	109	17	62	109
INFORMATION ON THE CONSOLIDATED GROUP												
Carrying amount of investments	60,047	-	26,594	10,131	3,755	10,273	(86)	1,819	3,476	2,792	353	938
Equity-accounted profit/(loss) in previous financial years	18,169	-	(1,192)	29,473	499	(10,273)	-	2,283	-	(2,792)	-	171
Equity-accounted profit/(loss) based on a 100% interest	-	(67,932)	(63,505)	(5,051)	9,520	-	(29)	(136)	(7,042)	5	(786)	(907)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(67,932)	(63,505)	(5,051)	9,520	0	(29)	(136)	(7,042)	5	(786)	(907)
Share of profit/(loss)	(33,285)	-	(25,402)	(2,525)	(1,030)	0	(13)	(67)	(3,451)	2	(393)	(407)
Assets held for sale (see Note 4.10)	(37,079)	-	-	(37,079)	-	-	-	-	-	-	-	-
Investments in associates and joint ventures	7,852	-	-	-	3,224	-	(99)	4,035	25	3	(40)	704
Current accounts (associates and related parties) (see Note 4.9)	-	101,646	-	-	2,169	-	-	69,517	-	29,851	-	109

(1) For equity-accounted companies in the Rodevita group, the data correspond to the parent company's 2021 statutory financial statements.

4.6 Non-current financial assets

The fair value of financial assets and liabilities recognised at amortised cost, particularly for loans and sureties granted by the Group, is equal to the carrying amount of these securities with the exception of bonds, if applicable.

In instances where the Group does not exercise control, joint control or significant influence over the operating or financial decisions of a company in which it has an equity interest, that equity interest is recognised in accordance with the principles applicable to financial assets measured at fair value.

This corresponds either to the stock market price (level 1) for shares listed on an active market, or, in the case of unlisted shares, the estimated fair value determined on the basis of financial criteria most appropriate for the particular situation of each share (level 3).

Derivative financial instruments are accounted for using hedge accounting. Fair value is determined using valuation techniques. These different methods use observable market data as far as possible and rarely use the Group's own estimates. If all the inputs required to calculate the fair value of the instrument are observable, the instrument is classified in level 2.

Definitions of levels 1, 2 and 3 are set out in Note 5.2.

Non-current financial assets break down as follows:

(in thousands of euros)	31 Dec. 2023 Net	31 Dec. 2022 Net
Non-consolidated investments	9,666	2,332
Loans	22,932	21,726
Deposits and guarantees	73,095	72,529
Derivative financial instruments (non-current)	24,211	84,410
TOTAL	**129,904**	**180,997**

Non-consolidated investments are investments in companies over which the Group does not exercise any significant influence and investments in mutual banks.

Loans mainly consist of construction loans arranged by French subsidiaries.

Security deposits and guarantees include all types of security deposits and guarantees that the Group may be called upon to provide in the normal course of its business.

Derivative financial instruments include fixed-for-floating interest rate swaps (mainly three-month Euribor) and interest rate options (caps).

4.7 Inventories

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Food	4,117	4,565
Cleaning products	274	292
Pharmaceuticals	8,733	8,366
Other	2,444	2,877
TOTAL	**15,568**	**16,100**

4.8 Trade receivables

Allowances are recognised against trade receivables to reflect the best estimate of expected credit losses over their life.

In accordance with IFRS 9, these allowances are recognised during the initial accounting of the corresponding assets. Initial or subsequent evaluations of these expected credit losses are made, either singly or collectively, based on various criteria, including the age of the receivables, past events and current and future economic conditions. Valuation adjustments to trade receivables in light of the expected credit losses over their life are reviewed at each reporting date.

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Trade receivables	518,103	455,368
TOTAL	**518,103**	**455,368**

The ageing balance of trade receivables at 31 December 2023 breaks down as follows:

(in thousands of euros)	31 Dec. 2023	Receivables not yet due	0 to 6 months past due	7 to 12 months past due	More than 1 year past due
Trade receivables	646,655	262,306	180,771	72,978	130,600
Allowances	(128,552)	(425)	(6,833)	(40,794)	(80,499)
TOTAL	**518,103**	**261,881**	**173,938**	**32,184**	**50,101**

The Group has not identified any major risk of default among its customers and as such has not recognised any material additional impairment losses for losses expected on its receivables pursuant to IFRS 9.

It should be noted that the default risk is limited, given that most nursing home services are billed in advance and that in-hospital services are paid for by health insurance funds and private insurance.

4.9 Other receivables, accruals and prepayments

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Development-related receivables	44,800	71,875
Receivables related to disposals of real estate	6,064	5,526
Tax receivables	214,642	118,640
Advances and downpayments made	8,271	14,331
Current accounts (associates and related parties)	59,751	101,646
Derivative financial instruments (current)	48,000	46,577
Miscellaneous receivables	99,430	137,360
Receivables from suppliers	120,841	48,629
Prepaid operating expenses	56,448	42,373
TOTAL	**658,248**	**586,957**

The above items are shown net of impairment.

Development-related receivables consist mainly of receivables from advances paid in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments. They mainly include the Group's exposure to Daki in connection with real estate projects for €30 million at 31 December 2023.

The sharp fall in current accounts (associates and related parties) is explained in particular by the fact that the Dutch companies previously accounted for by the equity method have been fully consolidated since 1 April 2023. Receivables relating to these entities for €69 million in 2022 are no longer shown in the consolidated financial statements.

Shareholder advances consist mainly of amounts paid to equity-accounted entities and are detailed in Note 4.5.

VAT receivables arise mainly from property construction projects forming part of the Group's growth strategy.

4.10 Assets and liabilities held for sale

In accordance with IFRS 5, assets or groups of assets (disposal groups) – particularly properties or facilities which the Group intends to sell within a period of 12 months – are classified under "Non-current assets held for sale".

Assets are classified as held for sale when the sale is highly probable and the non-current asset or disposal group held for sale meets the classification criteria (in particular, it is immediately available for sale).

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

At 31 December 2023, assets held for sale break down as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Goodwill	3,348	-
Intangible assets	2,192	2,192
Property, plant and equipment	238,031	127,096
Assets in progress	200,640	132,917
Financial assets	37,079	37,079
Other assets	51,403	53,870
TOTAL ASSETS HELD FOR SALE	**532,692**	**353,154**
Borrowings from credit institutions	49,936	55,076
Other liabilities	26,252	1,155
TOTAL LIABILITIES HELD FOR SALE	**76,188**	**56,232**

Assets held for sale in the "Property, plant and equipment" and "Assets in progress" categories mainly concern the following geographical areas:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
France-Benelux-UK-Ireland	278,741	122,505
Central Europe	4,100	1,971
Eastern Europe	19,924	95,374
Iberian Peninsula and Latin America	135,904	40,163
TOTAL	**438,670**	**260,013**

The "Financial assets" category relates to the France Benelux region, while the "Borrowings from credit institutions" category relates to:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
France-Benelux-UK-Ireland	49,936	13,459
Eastern Europe	-	41,617
TOTAL	**49,936**	**55,076**

4.11 Equity

4.11.1 Share capital

	31 Dec. 2023	31 Dec. 2022
Total number of shares	129,866,915,696	64,693,851
Number of shares issued	129,866,915,696	64,693,851
Par value *(in euros)*	0.01	1.25
Share capital *(in euros)*	1,298,669,157	80,867,314
Treasury shares	46,814	74,563

Since 31 December 2022, capital increases and the exercise of stock options have had the following impact on share capital and share premiums:

(in thousands of euros)	Total number of shares	Share capital	Share premiums
Share capital at 31 Dec. 2022	**64,693,851**	**80,867**	**950,508**
Capital reduction	-	(80,220)	80,220
Capital increases	129,802,221,845	1,298,022	794,361
Allocation of 2022 net loss	-	-	(724,459)
SHARE CAPITAL AT 31 DECEMBER 2023	**129,866,915,696**	**1,298,669**	**1,100,629**

Total number of shares

(in units)	Total number of shares
At 31 Dec. 2022	**64,693,851**
First capital increase	**64,629,157,149**
In cash	*1,199,337,462*
By conversion	*63,429,819,687*
Second capital increase	**65,173,064,696**
AT 31 DEC. 2023	**129,866,915,696**

The corporate actions identified in the table above are described in Note 2.1 "Financial restructuring – Completion of the first two capital increases (November-December 2023)".

4.11.2 Earnings per share

Basic earnings per share are calculated using the weighted average number of shares in issue during the financial year, less any treasury shares held and deducted from equity.

Diluted earnings per share take account of all potentially dilutive instruments, such as options, warrants and convertible bonds. Options and warrants are dilutive when their exercise price is lower than the market price.

Weighted average number of shares in issue

	31 Dec. 2023		31 Dec. 2022	
	Basic	**Diluted**	**Basic**	**Diluted**
Ordinary shares	10,374,766,778	10,374,766,778	64,675,773	64,675,773
Treasury shares	(58,375)	(58,375)	(67,794)	(67,794)
Other shares	-	118,947	-	311,626
Shares resulting from the conversion of OCEANE bonds	-	-	-	3,481,228
WEIGHTED AVERAGE NUMBER OF SHARES	**10,374,708,403**	**10,374,827,350**	**64,607,979**	**68,400,833**

Basic earnings/(loss) per share

	31 Dec. 2023		31 Dec. 2022	
(in euros)	**Basic**	**Diluted**	**Basic**	**Diluted**
Attributable net profit/(loss)	0.13	0.13	(62.33)	(62.33)

4.11.3 Share-based payments/Treasury shares

ORPEA S.A. shares held by the parent company are recognised at cost as treasury shares and deducted from equity until such time as they are sold.

Gains or losses on the sale of treasury shares are added to or deducted from consolidated reserves net of tax.

Stock options are granted to certain Group employees.

In accordance with IFRS 2 – *Share-based Payment*, plans set up after 7 November 2002 are measured at the award date and are recognised under personnel costs over the period during which rights vest with grantees. This expense, which represents the option's market value at the award date, is recognised as an increase in equity.

The fair value of options and rights is determined by actuaries using pricing models based on the characteristics of the plan and market data at the award date.

ORPEA's share buyback programme has a number of aims, including to allow the Company to maintain the liquidity of and stimulate trading in its shares, to optimise its capital management and to grant shares to employees including under free share plans.

At 31 December 2023, the Group held 46,814 treasury shares.

The Board of Directors approved the introduction of free share plans for corporate officers and certain employees of ORPEA and affiliated companies. These plans are as follows:

Information on free share awards	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Date of Annual General Meeting	28/6/2018	28/6/2018	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022
Date of Board of Directors' meeting	28/6/2018	28/6/2018	23/6/2020	N/A	N/A	24/6/2021	13/6/2022	28/7/2022
Decisions taken by the Chief Executive Officer	1/2/2020	1/2/2020	N/A	1/2/2021	1/2/2021	N/A	17/6/2022	N/A
Maximum total number of free shares that can be awarded	72,795	540	28,374	84,043	840	13,271	193,906	27,676
Vesting date of the shares	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
End date of lock-up period	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
Performance conditions	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR	Achievement of six CSR roadmap objectives, share price performance including dividend, earnings per share growth
Number of shares vested at 31 December 2023	27,869	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of lapsed shares	44,926	540	28,374	48,341	840	13,271	124,183	14,154
Free shares awarded but not vested at 31 December 2023	N/A	N/A	N/A	35,702	N/A	N/A	69,723	13,522

The fair value under IFRS 2 of the benefits provided to the grantees was measured by an independent actuary for each plan. This takes into account the market value of the shares, less a discount to reflect the fact that no dividend is paid until the end of the vesting period and that shares may not be sold for two years following the vesting date. The total expense is then calculated taking into account the probability that grantees will remain with the Group and the probable number of shares that they will be granted according to whether the performance criteria are satisfied.

The fair value of the plans (excluding social security contributions) under IFRS 2 amounted to €27 million at 31 December 2023. The amount expensed in 2023 was €5.3 million (excluding social security contributions).

4.11.4 Dividends

The proposed allocation of the net loss does not provide for a dividend payment in respect of the year ended 31 December 2023.

4.12 Provisions

The Group sets aside a provision where it has a present obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of this obligation can be estimated reliably.

Where this liability is not probable and the amount of the obligation cannot be measured sufficiently reliably, but an outflow may be required to settle the obligation, the Group recognises a contingent liability.

Provisions related to the operating cycle are classified as current regardless of their probable reversal date. They primarily concern employee-related risks and are estimated by the employee affairs department based on the Group's exposure and the status of any proceedings.

Provisions that are not directly related to the operating cycle and have a probable reversal date of over one year are classified as non-current. They mainly comprise provisions for litigation, taxes and related items, onerous contracts and restructuring.

Group companies frequently undergo tax audits. Most of the reassessments notified by the tax authorities have been challenged by these companies, and so no provisions have been set aside for these reassessments. Tax reassessments that are not challenged are recognised in the financial year in which they are received.

Provisions break down as follows:

(in thousands of euros)	31 Dec. 2022	Changes in scope and other	Reclassification[1]	Charges	Reversals – Utilised provisions	Reversals – Surplus provisions	31 Dec. 2023
Provisions for contingencies	242,914	(48,966)	10,719	118,446	(11,715)	(21,864)	289,528
Provisions for restructuring	53,281	310	(13,821)	928	(8,412)	(7,837)	24,450
TOTAL	**296,195**	**(48,656)**	**(3,102)**	**119,374**	**(20,127)**	**(29,701)**	**313,979**

(1) Provisions for changes in business for €14 million recognised under "Provisions for restructuring" in 2022 have been reclassified under "Provisions for risks" in 2023.

Provisions mainly consist of:

- provisions for liabilities relating to the IGAS-IGF report for €89 million;
- provisions for labour disputes for €66 million;
- provisions for changes in business for €30 million;
- provisions for tax risks for €22 million;
- provisions for restructuring for €24 million, consisting mainly of provisions recorded in connection with the consolidation of acquisitions;
- provisions for equity-accounted companies for €4 million. For equity-accounted companies that have incurred losses, the carrying amount of the investment is reduced to zero and any further losses have been provided for to the extent of the Group's obligation to fund the losses (IAS 28 §38 and §39).

Provision for liabilities booked following the IGAS-IGF report and the government's announcement of the referral of the case to the public prosecutor

The breakdown of provisions by type of risk is as follows:

(in thousands of euros)	31 Dec. 2022	Charges	Reversals – Utilised provisions	Reversals – Surplus provisions	31 Dec. 2023
2017-2020 surplus	20	-	-	-	20
2021 surplus	41	-	-	-	41
2022 surplus	25	-	-	-	25
Additional provisions	-	4	-	-	4
TOTAL SURPLUS PROVISIONS	**86**	**4**	**-**	**-**	**89**

This provision covers the risk arising on discrepancies between sums paid by the government for medical and personal care and the resources implemented by the Group between 2017 and 2022.

Provisions for tax risks

Provisions for tax risks amounting to €22 million correspond to the rights reminders and penalties notified to three Group companies in respect of 2019, 2020 and 2021 via three proposed tax adjustments dated 13 October 2023, 20 December 2023 and 22 December 2023. The rights reminders and penalties have been provisioned up to the amount of the receivables declared as liabilities in respect of the years concerned under ORPEA S.A.'s accelerated safeguard procedure. The reason for the adjustments has been corrected for 2023 in order to neutralise the risk in subsequent years.

4.13 Employee benefits

In France, the Group primarily applies the FHP (*Fédération de l'Hospitalisation Privée* – French private hospitals federation) collective bargaining agreement of 18 April 2002 for the private healthcare sector. This provides for payment of a lump-sum benefit upon retirement based on the employee's length of service, grade and salary at retirement date.

No other post-employment or long-term benefits are granted to employees in service.

Outside France, the Group applies the relevant local provisions in each country. It operates defined benefit pension plans only in Switzerland, Austria and for certain facilities in Germany and Italy.

The Group's post-employment benefit obligations are calculated on the basis of actuarial estimates and using the projected unit credit method. Actuarial assumptions include staff turnover, salary increases, inflation and life expectancy.

The actuarial obligation is provided for, less any plan assets measured at fair value.

Cumulative actuarial gains and losses arising from experience adjustments or the effects of changes in financial, economic or demographic assumptions (change of discount rate, annual salary increases, length of service, etc.) are recognised immediately in the Group's obligation with a corresponding amount in a separate component of equity ("Other reserves"), in accordance with IAS 19 (revised).

Current and any past service cost is recognised as an operating expense.

Interest cost and expected return on plan assets, calculated at the same rate, are recognised in net financial expense.

The impact on the Group's financial statements of applying the IFRIC's April 2021 agenda decision on attributing benefit to periods of service is not material.

The provision for post-employment benefit obligations breaks down as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
France	44,115	38,309
International	29,338	27,886
TOTAL	**73,453**	**66,195**

Movements in post-employment benefit obligations in France break down as follows:

	2023			2022		
(in thousands of euros)	Provision recognised	Income statement	Equity	Provision recognised	Income statement	Equity
Beginning of period	**(38,309)**	**-**	**-**	**(44,674)**	**-**	**-**
Current service costs	(3,132)	(3,132)	-	(4,266)	(4,266)	-
Interest cost (unwinding of the discount)	(1,324)	(1,324)	-	(413)	(413)	-
Actuarial gains and losses	(5,564)	-	(5,564)	5,766	-	5,766
Past service costs	100	100	-	2,624	2,624	-
Benefits paid	4,097	4,097	-	2,507	2,507	-
Changes in scope	0	-	-	146	-	-
Other	19	-	-	1	-	-
END OF PERIOD	**(44,115)**	**(259)**	**(5,564)**	**(38,309)**	**452**	**5,766**

Movements in post-employment benefit obligations outside France break down as follows:

(in thousands of euros)	31 Dec. 2023 Provision recognised	31 Dec. 2023 Income statement	31 Dec. 2023 Equity	31 Dec. 2022 Provision recognised	31 Dec. 2022 Income statement	31 Dec. 2022 Equity
Beginning of period	**(27,886)**	**-**	**-**	**(30,361)**	**-**	**-**
Current service costs	(9,505)	(9,505)	-	(2,822)	(2,822)	-
Actuarial gains and losses	(1,616)	-	(1,616)	1,614	-	1,614
Past service costs	343	343	-	479	479	-
Benefits paid	10,450	10,450	-	2,851	2,851	-
Changes in scope	(891)	-	-	(83)	-	-
Currency translation adjustments	(686)	-	-	(490)	-	-
Other	454	-	-	927	-	-
END OF PERIOD	**(29,338)**	**1,288**	**(1,616)**	**(27,886)**	**507**	**1,614**

The main actuarial assumptions are as follows:

	31 Dec. 2023 France	31 Dec. 2023 International	31 Dec. 2022 France	31 Dec. 2022 International
Discount rate	3.17%	between 1.50% and 3.70%	3.77%	between 0.50% and 3.80%
Annual rate of salary increases taking into account inflation	2.50%	between 2.05% and 3%	2.50%	between 0.25% and 2.05%
Expected return on plan assets	N/A	between 1% and 1.2%	N/A	between 1% and 1.2%
Retirement age	64	65	65	65
Social security contribution rate	average actual rate	-	average actual rate	-

4.14 Debt (excluding lease liabilities under IFRS 16)

Debt is recognised at nominal value net of any associated transaction costs, which are deferred over the life of the liability in net financial expense using the effective interest method.

The Group applies interest rate hedge accounting in accordance with IFRS 9. These hedging instruments qualify as hedges of future cash flows.

The effective portion of changes in the fair value of hedging instruments designated and qualifying as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedging reserve, up to the amount of the aggregate change in the fair value of the hedged item since the inception of the hedge. The gain or loss resulting from the ineffective portion is recognised immediately in financial income or expense.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to net profit in the periods during which the hedged item impacts net profit and are recorded under the same line item as the recognised hedged item.

Net debt comprises short- and long-term financial liabilities, excluding IFRS 16 lease liabilities, less the value of short-term investments that meet the definition of cash equivalents under IAS 7 and cash at that date.

It includes property bridging loans allocated specifically to finance operating properties recently acquired or under construction.

ORPEA's net debt breaks down as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Bond issues	31,500	2,129,500
Schuldschein debt	123,707	1,705,452
June 2022 and May 2023 bank financing	3,027,447	3,227,447
Other bank debt	462,838	682,599
Mortgage debt	1,020,494	1,191,300
Finance lease commitments	655,413	780,061
Other[1]	(34,287)	(101,564)
TOTAL GROSS DEBT	**5,287,113**	**9,614,795**
Cash	(539,532)	(597,426)
Cash equivalents	(105,421)	(258,991)
TOTAL NET DEBT	**4,642,159**	**8,758,378**

(1) At 31 December 2022, "Other" included accrued interest not yet due amounting to €37 million and IFRS adjustments, including:
- *€(41) million in respect of OCEANE bonds;*
- *€(32) million in "June 2022 bank financing" costs; and*
- *€(55) million relating to IFRS 5.*

At 31 December 2023, "Other" mainly included accrued interest not yet due amounting to €11 million and €(50) million relating to IFRS 5.

Total debt at 31 December 2023, excluding IFRS impacts, amounted to €5,321 million.

Movements in debt in the year ended 31 December 2023 were as follows:

(in thousands of euros)	31 Dec. 2022	Increase	Decrease	Capitalisation/ Equitisation	Changes in scope and other	31 Dec. 2023
Bond issues[1]	2,129,500	-	-	(2,098,000)	-	31,500
Schuldschein debt[1]	1,705,452	-	(12,245)	(1,569,500)	-	123,707
June 2022 and May 2023 bank financing[2]	3,227,447	500,000	(700,000)	-	-	3,027,447
Other bank debt[1]	682,599	3,786	(68,328)	(155,219)	-	462,838
Mortgage debt	1,191,300	7,806	(191,400)	-	12,788	1,020,494
Finance lease commitments	780,061	31,199	(164,772)	-	8,925	655,413
Other	(101,564)	133,555	(66,277)	-	-	(34,287)
TOTAL GROSS DEBT	**9,614,795**	**676,347**	**(1,203,022)**	**(3,822,719)**	**21,713**	**5,287,113**
Cash and cash equivalents	(856,417)	211,463	-	-	-	(644,954)
TOTAL NET DEBT	**8,758,378**	**887,810**	**(1,203,022)**	**(3,822,719)**	**21,713**	**4,642,159**

(1) The debt lines show the amounts of capital outstanding. The decreases mainly correspond to the capitalisation of ORPEA S.A.'s unsecured debt for €3.9 billion (see Note 1.1).

(2) The increase mainly corresponds to the loans granted by the G6 during the safeguard plan (see Note 2.1) and the decrease corresponds to the repayment of the €500 million granted in 2023 and the repayment of the A4 tranche for €200 million.

Additions to the scope of consolidation mainly correspond to HSI's debt and RSS's finance leases for real estate.

Debt net of cash breaks down by maturity as follows for 2023:

(in thousands of euros)	31 Dec. 2023	Less than 1 year	1 to 5 years	More than 5 years
Bond issues	31,500	-	31,500	-
Schuldschein debt	123,707	50,207	72,500	1,000
June 2022 and May 2023 bank financing	3,027,447	200,000	2,827,447	-
Other bank debt	462,839	292,124	142,343	28,372
Mortgage debt	1,020,494	98,456	326,761	595,277
Finance lease commitments	655,413	138,009	323,725	193,680
Other	(34,287)	(32,834)	(1,453)	-
TOTAL GROSS DEBT	**5,287,113**	**745,962**	**3,722,822**	**818,329**
Cash and cash equivalents	(644,954)	(644,954)	-	-
TOTAL NET DEBT	**4,642,159**	**101,008**	**3,722,822**	**818,329**

Repayment maturities may be adjusted in line with the conditions set out in the table in this note detailing the contractual provisions.

In addition, non-compliance with covenants led the Group to reclassify all of its debt as current. Further to the financial restructuring and debt renegotiation, debt with a maturity of more than one year was presented as non-current at 31 December 2023.

Debt net of cash breaks down by maturity as follows for 2022:

(in thousands of euros)	31 Dec. 2022	Less than 1 year(1)	1 to 5 years	More than 5 years
Bond issues	2,129,500	2,129,500	-	-
Schuldschein debt	1,705,452	1,705,452	-	-
June 2022 and May 2023 bank financing	3,227,447	3,227,447	-	-
Other bank debt	682,599	589,480	84,276	8,842
Mortgage debt	1,191,300	519,899	226,686	444,714
Finance lease commitments	780,061	164,594	412,230	203,237
Other	(101,564)	(99,912)	(1,632)	(20)
TOTAL GROSS DEBT	**9,614,795**	**8,236,460**	**721,562**	**656,773**
Cash and cash equivalents	(856,417)	(856,417)	-	-
TOTAL NET DEBT	**8,758,379**	**7,380,044**	**721,562**	**656,773**

(1) Debt classified as due in less than one year includes:
- *almost €1.9 billion of debt with a contractual maturity of more than one year and in default of R1/R2 covenants at 31 December 2022;*
- *almost €4.6 billion of debt with a contractual maturity of more than one year and in cross-default at 31 December 2022 (due to the existence of R1/R2 defaults on other debt);*
- *almost €1.8 billion of debt maturing in 2023.*

Debt maturing in one to five years breaks down as follows for 2023:

(in thousands of euros)	1 to 5 years	2025	2026	2027	2028
Bond issues	31,500	-	31,500	-	-
Schuldschein debt	72,500	-	57,500	5,000	10,000
June 2022 and May 2023 bank financing	2,827,447	300,000	200,000	2,327,447	-
Other bank debt	142,343	35,538	74,345	7,075	25,385
Mortgage debt	326,761	88,287	77,842	77,915	82,717
Finance lease commitments	323,725	118,092	89,463	66,846	49,324
Other	(1,453)	(279)	(901)	(173)	(100)
TOTAL GROSS DEBT	**3,722,822**	**541,638**	**529,748**	**2,484,111**	**167,325**

The weighted average interest rate for the Group's financial liabilities was 5.04% in 2023. Floating-rate debt represents 85% of total debt before interest rate hedging instruments and 47% of total debt after interest rate hedging instruments.

Group financing policy

The Group's development is achieved through operating and real estate investments.

Until 2022, these investments were partly financed by diversified external resources:

- bilateral bank loans repayable over five, six or seven years allocated to the acquisition of facilities in service, operating licences, stakes in operating companies, etc.;
- property bridging loans made up of financing lines dedicated to a specific project as well as general credit lines to pre-finance properties recently acquired or under redevelopment or construction while awaiting refinancing;
- finance leases and mortgage loans payable over 12 to 15 years, contracted to finance or refinance dedicated property transactions;
- public or private bonds as well as *Schuldscheindarlehen*, the revenue from which is generally allocated to property investments.

Bank covenants

A large portion of the Group's bilateral borrowings as well as its *Schuldscheindarlehen* debt were subject to contractually agreed covenants, referred to as the "R1" and "R2" covenants (see definitions in Note 4.14 to the 2022 consolidated financial statements, paragraph "Bank covenants" on page 326 of the 2022 Universal Registration Document). Further to waivers obtained by the Group from all the lenders concerned, these covenants did not apply at 31 December 2022 and no longer apply as from that date. These waivers provide for the introduction of two new covenants:

- the Niort 94/Niort 95 LTV ratio not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year will continue to apply (see Note 3.1);
- a new leverage covenant (net debt excluding IFRS adjustments/ 12-month EBITDA pre IFRS 16), which will only apply from the half-year financial statements at 30 June 2025.

At 31 December 2023, debt formerly subject to the R1/R2 covenants and not due to be settled as part of the Equitisation Capital Increase totalled €325 million.

June 2022 bank financing and addendum

On 12 May 2022, as part of an amicable conciliation procedure opened by order of the President of the Nanterre Commercial Court on 20 April 2022, the Company signed a term sheet with the Banks.

After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022 (the "Conciliation Protocol"), which put an end to the first conciliation procedure and gave rise to the signature of the Existing Loan Agreement with the Banks on 13 June 2022.

Pursuant to the Agreement Protocol, the Company and the Banks have agreed to make a number of amendments to the Existing Loan Agreement in the context of the Company's financial and shareholder restructuring (the "Addendum"). The Addendum, dated 26 May 2023, was signed on 29 May 2023. The Addendum came into force on the date on which various applicable conditions precedent were satisfied, including the receipt by the Company of the proceeds from the Groupement Capital Increase, i.e., 19 December 2023 (the "Effective Date"). Under the terms of the Addendum, the Banks have already granted a waiver for any defaults that may arise from any breach of the provisions of the Existing Loan Agreement that would not have occurred had the Effective Date already passed.

The table below compares the original terms of the Existing Loan Agreement dated 13 June 2022 with the terms as amended pursuant to the Addendum.

The table below sets out the key terms and conditions of the syndicated loan agreement described above.

	Existing Loan Agreement					Addendum (as of the Effective Date)				
	A Loan					A Loan				
	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Purpose	To finance or refinance the general corporate purposes of the Group and all fees, costs and expenses relating to the Loans			To refinance the payments due in respect of the core banking group's unsecured debt, excluding bond debt and *Schuldschein* for the second half of 2022 and to finance all the fees, costs and expenses relating to the Loans	To refinance unsecured debt (excluding bonds and *Schuldschein*) and finance all fees, costs and expenses relating to the Loans	Clauses not amended by the Addendum				
Principal amount	€700 million	€600 million	€200 million	€229 million	€1,500 million	Clauses not amended by the Addendum				
Amount drawn down at 30 June 2023	€700 million	€600 million	€200 million	€227.4 million	€1,500 million	Not applicable				
Number of authorised drawdowns	Maximum of two	Two (A2 Loan and A3 Loan)	One	Monthly depending on the repayments to be refinanced (with, if necessary, simultaneous drawdowns with the provision of the C1 Loan by the core banking group)	Depending on the commitment confirmations	Clauses not amended by the Addendum				
Margin	4.00% increased by 2.00% from 1 Jan. 2024	4.00%	3.50% increased by 1.00% from 1 July 2023	4.00%	5.00%	2.00% per annum				
Maturity date	31 Dec. 2023 or 30 June 2024[1]	31 Dec. 2025	30 June 2023 or 31 Dec. 2023[2]	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below: 31 Dec. 2027 (or, in the case of the First Net Disposal Proceeds (as defined below), 31 Oct. 2026)	31 Dec. 2027	31 Dec. 2023	31 Dec. 2027	31 Dec. 2027
Repayment profile	Single repayment at maturity	• €100 million repayable on 30 June 2024 • €100 million repayable on 31 Dec. 2024 • €100 million repayable on 30 June 2025 • Balance repayable on 31 Dec. 2025	Single repayment at maturity	Single repayment at maturity	Single repayment at maturity	• 31 Oct. 2024: €200 million • 31 Oct. 2025: €200 million This repayment will be increased by the total amount of net proceeds from disposals received by the Group after the Effective Date up to €100 million (the "First Net Disposal Proceeds"). • 31 Oct. 2026: €200 million	At maturity	31 Dec. 2023: €200 million	At maturity	At maturity
Undertakings relating to the disposal of operating and real estate assets	• Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds. • Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 Dec. 2023, increasing to (ii) €1.5 billion at 31 Dec. 2024, and to (iii) €2 billion at 31 Dec. 2025.					• Undertaking to dispose of €1.25 billion worth of real estate assets (gross asset value excluding duties) by 31 Dec. 2025.				

<table>
<tr><th></th><th colspan="5">Existing Loan Agreement</th><th colspan="5">Addendum (as of the Effective Date)</th></tr>
<tr><th></th><th colspan="3">A Loan</th><th></th><th></th><th colspan="3">A Loan</th><th></th><th></th></tr>
<tr><th></th><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th><th>B Loan</th><th>C1/C2 Loans</th><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th><th>B Loan</th><th>C1/C2 Loans</th></tr>
<tr><td>Minimum cash undertaking</td><td colspan="5">From 30 June 2023, maintain a minimum level of cash of €300 million (tested quarterly). This clause will not apply for the duration of ORPEA S.A.'s accelerated safeguard procedure.</td><td colspan="5">The commitment will be tested for the first time on the last day of the first full calendar quarter ending after the Effective Date, which is 31 March 2024, according to the provisional timetable. For the purposes of this undertaking, the "Group's Liquidity" will now correspond to the sum of (i) the Group's cash and cash equivalents, and (ii) all undrawn committed facilities immediately available under the Group's existing financing arrangements.</td></tr>
<tr><td>Early repayment undertakings</td><td colspan="5">• 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 previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans.
• Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans.
• Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of the Company's subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million).
• Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions) to repay the A2/A3 and B Loans.
• Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan.</td><td colspan="5">Annual cash sweep based on disposals
ORPEA will undertake to make mandatory early repayments on 30 June of each year (and for the first time on 30 June 2025) for the A1, A2/A3 and B Loans in an amount equal to:
• 75% of the net proceeds from the disposal of operating and real estate assets (as described opposite in relation to the Existing Loan Agreement) received by the members of the Group as from the Effective Date and up to 31 December of the prior financial year; less
• the total amount of the Repayments, voluntary early repayments and mandatory early repayments (plus any First Net Disposal Proceeds received by any member of the Group, even if not yet allocated for early repayment of the Loans) from the Effective Date to 31 December of the prior financial year,
it being specified that this amount will be reduced to the extent necessary to ensure that the Group's Liquidity (as defined below) as adjusted for this early repayment is at least equal to €300 million until 31 December of the current financial year. The above early repayment will be allocated in the chronological order of the scheduled repayments to the A1 Loan in 2025 and 2026 and for the balance, if any, to the scheduled repayments in 2027 of the A1, A2/A3 and B Loans (pari passu and on a pro rata basis).
Net proceeds from subscriptions to new capital market debt issues
In accordance with the Existing Loan Agreement, provided that this early repayment is allocated in the chronological order of the scheduled repayments to the A1 Loan in 2025 and 2026, and for the balance, if any, to the scheduled repayments in 2027 of the A1, A2/A3 and B Loans (pari passu and on the same basis).</td></tr>
<tr><td>Enforcement of security interests</td><td colspan="5">If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 Loan):
• Loan payment default
• Failure to comply with the minimum consolidated cash undertaking described below
• Insolvency proceedings
• Failure to comply with the undertakings relating to the disposal of operating and real estate assets described above or to protect the assets provided as collateral
• Cross-default above a cumulative threshold of €100 million
• Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements or a qualified opinion on the Group's status as a going concern
• If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold less than 66.7% of the outstanding amounts and undrawn commitments at that date under the Loans (excluding the C2 Loan)
• Loan payment default
• Insolvency proceedings The second-ranking pledges will only be realisable once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the C2 Loan undertakings)</td><td colspan="5">Clauses not amended by the Addendum</td></tr>
</table>

	Existing Loan Agreement					Addendum (as of the Effective Date)				
	A Loan					A Loan				
	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Events of default (subject to the usual materiality thresholds and cure periods, if any)	• Loan payment default • Failure to respect the Group's minimum consolidated cash position of at least €300 million on the last day of each quarter as from the first full quarter after completion of the Groupement capital increase • Cross-acceleration above a cumulative threshold of €40 million • Insolvency proceedings • Enforcement proceedings as from a cumulative threshold of €40 million • Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements • Any administrative, arbitration, governmental or regulatory disputes, claims or litigation reasonably likely to (i) have a material adverse effect or (ii) negatively impact the commitments relating to the disposal of operating assets and real estate assets					Clauses not amended by the Addendum				
Collateral, guarantee and equity injection undertakings	• A first-ranking pledge granted by ORESC 27, a newly-created company wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26, which is wholly owned by ORESC 27 and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95 • A pledge of receivables (*nantissement de créances*) to be granted by ORPEA over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities • A stand-alone guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) guaranteeing an amount equal to the sum of the principal and interest due under the D1, D2 and D3 Facilities • An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by ORPEA to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities • A Dailly assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities • A post money privilege in relation to borrowings made by ORPEA under the D1B Tranche, and the D2 and D3 Facilities					Clauses not amended by the Addendum/collateral, guarantee and equity injection undertakings to make identical equity contributions after the entry into force of the Addendum				

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.

Additional Financing

In accordance with the Agreement Protocol signed on 17 March 2023, the Banks have agreed to participate in additional financing of €600 million (the "Additional Financing") consisting of three separate facilities:

- a €400 million revolving credit facility (the "D1 Facility"), covering two tranches of €200 million each (the "D1A Tranche" and the "D1B Tranche") due on 30 June 2026;
- a revolving credit facility of up to €100 million (the "D2 Facility") that matured on 31 December 2023; and
- a revolving credit facility of up to €100 million (the "D3 Facility" and together with the D1 Facility and the D2 Facility, the "Facilities") that matured on 31 December 2023,

granted to Niort 94 (RCS 440 360 006) ("Niort 94" or "N94") and Niort 95 (RCS 811 249 978) ("Niort 95" or "N95") and to the Company (in respect of the D1B, D2 and D3 Facilities).

The financing agreement related to the New Money Debt, dated 26 May 2023, was signed electronically on 29 May 2023.

Following the first D1A Tranche drawdown of €200 million made by Niort 94 on 2 June 2023 and renewed on 2 December 2023, two new drawdowns were made under the new money debt financing granted by the Group's main banking partners to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, the €200 million D1B Tranche, and
- on 29 September 2023, the €100 million D2 Facility,

in order to finance the Group's general corporate purposes and debt servicing.

The net proceeds from the issue of the New Shares under the Groupement Capital Increase were used in an amount of €500 million to repay in full the amounts drawn down to date under the Additional Financing, i.e., (a) the €100 million D2 Facility, which was subject to mandatory early repayment following completion of the Groupement Capital Increase, and (b) the D1A and D1B Tranches for a total of €400 million, which were prepaid voluntarily by the Company on 28 December 2023.

The revolving credit facilities under the D1A and D1B Tranches may be drawn down again by the Group until their final maturity date of 30 June 2026, providing the Company with potential additional resources of €0.4 billion; as a result, and for as long as these facilities are likely to be drawn down or are actually drawn down in the future, the Company's commitments under the new money Additional Financing documentation (and in particular compliance with an N94/95 LTV Ratio not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year) will continue to apply.

In the event of non-compliance with one or more of these undertakings (including the N94/95 LTV Ratio), the Banks would have the option of accelerating the maturity date (in which case any amounts drawn under the D1A and D1B Tranches and still due at the date of default would become immediately due and payable) and/or cancelling their undertakings under the D1A and D1B Tranches (even if not drawn), which could no longer be drawn down in the future.

Lastly, it should be noted that the N94/95 LTV Ratio was duly verified at 31 December 2023, with N94/95 Consolidated Debt well below 55% of the N94/95 Gross Asset Value as estimated at that date, i.e., around 25%.

The main terms of the Facilities can be summarised as follows:

	D1 Facility (voluntarily repaid with the proceeds of the Groupement Capital Increase)	D2 Facility (repaid with the proceeds of the Groupement Capital Increase and can no longer be drawn down)	D3 Facility (can no longer be drawn down after completion of the Groupement Capital Increase)
Purpose	To finance or refinance (directly or indirectly) (x) the general corporate purposes of Niort 94/Niort 95 (including, without limitation, repayment of intra-group debt, debt servicing and capital expenditure) and (y) all fees, costs and expenses relating to the Facilities.		
Maximum principal amount *(in euros)*	€400 million, broken down as follows: • D1A Tranche: €200 million • D1B Tranche: €200 million	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of the Company's accelerated safeguard procedure and the first D2 Facility drawdown.	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of the Company's accelerated safeguard procedure and the first D3 Facility drawdown.
Annual margin	2.00% per annum		
Final maturity	D1A/D1B Tranches: 30 June 2026	The earlier of (i) 31 December 2023 and (ii) the fifth business day following the completion of all of the capital increases provided for in the judgement of the Nanterre Specialised Commercial Court approving the Company's Accelerated Safeguard Plan (the "Plan Approval") and the Company's receipt of the related amounts.	Same as for the D2 Facility.
Availability period	From the date of signature until one month prior to the maturity date of the D1 Facility.	(x) From the earlier of: (i) the date of signature and (ii) the date on which the D1 Facility is fully drawn down and (y) until one month prior to the maturity date of the D2 Facility.	(x) From the earlier of: (i) the date on which the D2 Facility is fully drawn down and (ii) 31 August 2023 and until (y) one month prior to the maturity date of the D3 Facility.
Collateral, guarantee and equity injection undertaking	• A first-ranking pledge to be granted by ORESC 27, a newly-created company wholly owned by ORPEA S.A., over all of the shares issued by the newly-created company ORESC 26, which is wholly owned by ORESC 27 and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95. • A pledge of receivables (*nantissement de créances*) to be granted by the Company over all of the receivables that it holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by the Company to these entities (excluding under any cash pooling agreement or those already ceded to secure the June 2022 Facilities). • A stand-alone guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) guaranteeing an amount equal to the sum of the principal and interest due under the Facilities. • An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by the Company to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities. • A Dailly assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by the Company to these entities. • A post money privilege in relation to borrowings made by the Company under the D1B Tranche, and the D2 and D3 Facilities.		

The financing documentation provides for customary events of default (subject to customary materiality thresholds and cure periods where applicable), including:

- any payment default related to the Facilities;
- failure to comply with the N94/95 LTV Ratio described below;
- cross-payment default and cross-acceleration above a cumulative threshold of €40 million;
- insolvency proceedings;
- enforcement proceedings as from a cumulative threshold of €40 million;
- issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements;
- any administrative, arbitration, governmental or regulatory disputes, claims or litigation that are reasonably likely to have a material adverse effect.

Main undertakings of ORPEA, ORESC 26, ORESC 27, N94 and N95

The Company and some of its subsidiaries have given the following main undertakings (excluding undertakings given during 2023 in respect of the D2 and D3 Facilities, which no longer existed at 31 December 2023):

Undertakings relating to all net proceeds received in respect of any debt incurred in connection with external financing

The Company, Niort 94 and Niort 95 have undertaken that half of all net proceeds received by Niort 94 and Niort 95 or any of their subsidiaries in respect of any debt incurred in connection with external financing will be allocated to the early definitive repayment or definitive reduction in the drawing capacity of the D1 Facility.

Undertaking to maintain an N94/95 LTV Ratio

The Company, Niort 94 and Niort 95 have undertaken that the N94/95 LTV ratio will not exceed 55% at 31 December 2023 and 50% at 31 December of each subsequent year, the "N94/95 LTV Ratio" being defined as follows:

- "N94/95 LTV Ratio" means the ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value.
- "N94/95 Consolidated Debt" means, at the relevant test date: the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "LTV Subsidiaries").
- "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

Bond issues

All the bonds issued by the Company were redeemed as part of the Equitisation Capital Increase, implemented as part of its financial restructuring, with the exception of the secured portion of a €31.5 million Euro PP bond bearing interest at 5.250% and maturing on 4 December 2026. The secured portion of the Euro PP 2026 bond, amounting to €31.5 million, was maintained on the same terms and conditions under the Accelerated Safeguard Plan.

Other borrowings and debt

Finance leases

The Group's finance leases for transferable property and real estate amounted to €655 million at 31 December 2023.

Mortgage debt

The ORPEA Group has taken out mortgage loans with an average term of 12 years. The balance totalled €1,020 million at 31 December 2023.

The loans are secured by real estate assets.

They will also be subject to the new covenant from 30 June 2025, as detailed above in the "Bank covenants" section of this note.

Schuldscheindarlehen debts

The *Schuldscheindarlehen* loans issued by some of the Group's subsidiaries amounted to €124 million at 31 December 2023.

Other bank debt

Excluding the June 2022 bank financing, other bank debt consisted mainly of bilateral unsecured debt totalling €463 million at 31 December 2023.

Short-term debt securities

At 31 December 2023, the amount issued under the commercial paper programme was reduced to zero.

Financing secured by future receivables

Where the opportunity arises, the Group may, and has, secured financing lines through the sale of receivables. At 31 December 2023, the Group had a €130 million financing line secured by future receivables with a variety of health insurance funds.

At 31 December 2023, €130 million of this financing was recognised as debt.

4.15 Cash and liquidity risk

4.15.1 Cash and cash equivalents

"Cash and cash equivalents" consist of cash in hand and at bank and short-term investments that are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Financial assets and liabilities may be offset subject to the conditions laid down in IAS 32.

Cash and cash equivalents comprise balances on bank accounts, cash in hand, term deposits of less than three months and debt securities traded on official markets that are subject to an insignificant risk of a fall in value, which are measured at fair value, with any changes recognised in profit or loss. At 31 December 2023, the number of debt securities traded on official markets was reduced to zero.

At 31 December 2023, the Group's cash and cash equivalents amounted to €645 million, of which €53 million in three-month term deposits, €106 million in short-term money market (SICAV) funds and €486 million in bank credit balances.

It should be noted that, under the June 2022 financing, amended by the Agreement Protocol of 17 March 2023, the Group's cash position must be at least €300 million (plus the Group's undrawn credit facilities), to be tested quarterly as from the first full calendar quarter after completion of the second capital increase provided for under the restructuring plan (i.e., from 31 March 2024) (see Note 1.1).

4.15.2 Liquidity risk

Details of liquidity risk are given in Note 3.1 "Liquidity and going concern risks".

4.16 Financial instruments

The Group uses various financial instruments to hedge its exposure to interest rate risk. The Group had no currency derivatives at 31 December 2023.

Interest rate derivatives are recognised under "Other receivables, accruals and prepayments" (see Note 4.9) and "Non-current financial assets" (see Note 4.6), depending on their maturity, and measured at fair value at the transaction date (see Note 4.16.1 "Interest rate risk management strategy").

Currency derivatives are recognised under "Other current assets and liabilities" and measured at fair value at the transaction date (see Note 4.16.2 "Currency risk").

At 31 December 2023, no currency derivatives had been recognised.

4.16.1 Interest rate risk

Interest rate risk management strategy

The Group's debt consists for 62.8% of debt carrying floating rates of interest, and is mostly floating rate domestic debt exposed to the risk of an increase in short-term rates in the eurozone.

The Group's strategy is to hedge a large proportion of its consolidated net debt against the risk of fluctuations in floating interest rates. To do so, it uses financial instruments to hedge its floating-rate financial liabilities. These include:

- interest rate swaps under which it receives mainly three-month Euribor and pays a fixed rate specific to each contract; and
- interest rate options (caps).

The Group applies hedge accounting under IFRS 9, and these transactions qualify as future cash flow hedging. Unrealised gains and losses arising from the re-measurement of these derivatives at market value are recognised in equity at the end of the reporting period, except for the time value at the inception of options, which is amortised in profit and loss over the effective lives of the instruments, in accordance with the "hedging cost" approach under IFRS 9.

The use of these hedges to curb interest rate risk exposes the Group to counterparty risk. Counterparty risk is the risk of having to replace a hedge at going market prices should a counterparty default. The Group's analysis did not identify any material impact arising from this risk.

The Group therefore considers only the intrinsic value of option contracts to be hedging instruments.

Interest rate derivatives

At 31 December 2023, the derivatives portfolio included fixed-for-floating interest rate swaps (mainly three-month Euribor) and interest rate options (caps). These derivatives have either a constant or decreasing nominal profile.

At 31 December 2023, the maturity profile of the interest rate derivatives was as follows:

	Maturity profile				
(in millions of euros)	2024	2025	2026	2027	2028
Average notional amount	2,334	1,780	326	68	66

(in thousands of euros)	31 Dec. 2023	2024	2025	2026	2027	2028	> 5 years
Current assets	48,000	48,000	-	-	-	-	-
Non-current assets	24,211	-	18,107	3,540	755	835	974
INTEREST RATE DERIVATIVES	**72,211**	**48,000**	**18,107**	**3,540**	**755**	**835**	**974**

At 31 December 2022, the maturity profile of the interest rate derivatives was as follows:

	Maturity profile				
(in millions of euros)	2023	2024	2025	2026	2027
Average notional amount	2,040	2,337	1,816	372	65

(in thousands of euros)	31 Dec. 2022	2023	2024	2025	2026	2027	> 5 years
Current assets	46,577	46,577	-	-	-	-	-
Non-current assets	84,410	-	47,538	27,927	5,607	1,237	2,100
INTEREST RATE DERIVATIVES	**130,987**	**46,577**	**47,538**	**27,927**	**5,607**	**1,237**	**2,100**

Accumulated changes in the fair value of these hedging derivatives, representing €72 million at 31 December 2023, were recognised under interest rate hedging reserves in equity.

The mark-to-market (MTM) change was a decrease of €67.6 million.

Analysis of sensitivity to fluctuations in interest rates

Analyses are performed based on the assumption of a 1% increase or 0.10% decrease in the three-month Euribor yield curves.

The fair value of derivatives is sensitive to changes in the yield curve and volatility trends. Volatility is assumed to remain unchanged for the purposes of this analysis.

Including the impact of hedges:

- a 1% (100 basis point) rise in the yield curve would increase the Group's financial expenses by €42.8 million (before tax and capitalisation of financial expenses);
- a 0.1% (10 basis points) decrease would decrease financial expenses by €4.2 million.

At 31 December 2023, net debt amounted to €4,642 million (excluding lease liabilities under IFRS 16), with approximately 15% arranged at fixed rates (before hedging) and 53% after hedging, with the remainder at floating rates.

Movements in the future cash flow hedging reserve

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Revaluation reserve at beginning of period	130,987	(100,524)
Impact on net profit	1,852	7,604
Change in equity	(74,404)	259,225
Other changes	13,776	(35,318)
REVALUATION RESERVE AT END OF THE PERIOD	**72,211**	**130,987**

4.16.2 Currency risk

The Group has little foreign currency debt and little cash denominated in foreign currencies. For accounting purposes, the Group is also exposed to currency risk on intra-group loans granted to some of its subsidiaries (Switzerland, Poland, Czech Republic, etc.). This risk remains very limited.

4.17 Trade payables

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Trade payables	502,276	326,954
TOTAL	**502,276**	**326,954**

The Group does not have any reverse factoring arrangements for its trade payables.

4.18 Tax and payroll liabilities

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Employee-related liabilities	212,274	237,833
Social security liabilities	201,253	138,378
Tax liabilities[1]	109,346	54,550
TOTAL	**522,872**	**430,761**

(1) At 31 December 2022, the "Tax liabilities" line shows a net increase of €18,887 thousand compared with the reported amount of €35,663 thousand, of which:
1. reclassification of €74,697 thousand in tax liabilities from "Current tax liability" to "Tax and payroll liabilities";
2. reclassification of €55,810 thousand in accrued expenses payable to the CNSA from "Tax liabilities" to "Other payables, accruals and prepayments" under the "Miscellaneous" line.

4.19 Other payables, accruals and prepayments

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Development-related liabilities[1]	100,911	63,330
Security deposits	80,183	76,299
Customer accounts in credit	141,977	134,799
Other prepaid income	71,184	39,429
Advances and downpayments received on orders in progress	6,508	20,843
Current accounts (associates and related parties)	6,449	53,865
Miscellaneous[2]	243,490	196,738
TOTAL	**650,701**	**585,302**

(1) In December 2022 and 2023: the impact of "Commitments to carry out work on buildings sold" has been reclassified under "Development-related liabilities".
(2) In December 2022, €55,810 thousand in accrued expenses payable to the CNSA was reclassified to "Other payables, accruals and prepayments" under the "Miscellaneous" line.

Development-related liabilities include:

- earn-outs related to the acquisitions of shares in Axion (€16 million) and SIS Brasil (€27 million);
- advances received in connection with real estate disposals in France (€44 million) and Luxembourg (€18 million).

Security deposits mainly comprise the sums paid by residents at the beginning of their stay.

Expenses payable to France's National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA)

On 29 July 2022, the National Solidarity Fund for Autonomy (*Caisse nationale de solidarité pour l'autonomie* – CNSA) notified ORPEA S.A. that, following the report on the administrative investigation carried out by the General Inspectorate of Social Affairs (*Inspection générale des affaires sociales* – IGAS) and the General Inspectorate of Finance (*Inspection générale des finances* – IGF) dated March 2022, it intended to request the repayment of €55.8 million of funding unduly received.

Risk arising on fees on services under supplier contracts in the medical and personal care sector: following its commitment to pay all amounts claimed, the Group has reversed the entire provision (€55.8 million) and reclassified it as an accrued expense.

The Group paid the first instalment of €13.9 million in December 2023 in accordance with the schedule agreed with the CNSA. The balance remaining to be paid at 31 December 2023 therefore represented €42 million.

4.20 Simplified income statement

(in thousands of euros)	2023 Excluding IFRS 16	2023 IFRS 16 impact	2023 Including IFRS 16	2022 Excluding IFRS 16	2022 IFRS 16 impact	2022 Including IFRS 16
Revenue	5,197,759	-	5,197,759	4,680,899	-	4,680,899
Other income	194,002	-	194,002	144,144	-	144,144
Purchases used and other external costs	(4,704,900)	9,481	(4,695,419)	(4,052,603)	7,260	(4,045,343)
EBITDAR[1]	**686,862**	**9,481**	**696,343**	**772,440**	**7,260**	**779,700**
External rental costs	(482,906)	438,103	(44,804)	(430,324)	406,619	(23,705)
EBITDA[2]	**203,955**	**447,584**	**651,539**	**342,116**	**413,878**	**755,995**
Recurring operating profit/(loss)	(123,814)	107,854	(15,960)	(111,625)	62,497	(49,127)
Net financial income/(expense)	2,440,152	(120,993)	2,319,159	(221,126)	(97,498)	(318,623)
Profit/(loss) before tax	1,882,297	(481,868)	1,400,430	(4,564,407)	(26,379)	(4,590,785)
Net profit/(loss) of consolidated companies	1,728,126	(367,460)	1,360,667	(4,007,714)	(19,865)	(4,027,579)
ATTRIBUTABLE NET PROFIT/(LOSS)	**1,721,979**	**(367,080)**	**1,354,899**	**(4,007,269)**	**(19,773)**	**(4,027,042)**

(1) EBITDAR = Recurring operating profit before depreciation, amortisation and charges to provisions and before rental expenses.
(2) EBITDA = EBITDAR excluding rental expenses related to contracts with a term of less than one year.

4.21 Revenue

Revenue mainly comprises payment for accommodation and care services provided to residents and patients. Revenue is recognised when the service is provided.

The only seasonal effect is the number of business days, which is higher in the second half of each year than in the first.

In 2023, revenue amounted to €5,198 million, up 11.0% compared with 2022, an increase of €517 million.

The Group's growth in 2023 was mainly organic. A number of acquisitions were also made during the year (see Note 1.6).

Organic growth

Organic revenue growth for 2023 was 9.5%.

Organic growth in revenue reflects the following factors:

- The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates;
- the year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period;
- revenue generated in the current period by facilities created during the current period or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

Summary of changes in average occupancy rates

	12 months		
	2023	**2022**	**Change**
France-Benelux-UK-Ireland	83.4%	83.6%	-0.2 pts
Central Europe	81.9%	79.1%	+2.7 pts
Eastern Europe	85.6%	81.9%	+3.8 pts
Iberian Peninsula and Latin America	83.6%	78.0%	+5.6 pts
Other countries	NM	NM	NM
TOTAL GROUP	**83.1%**	**81.6%**	**+1.5 PTS**

4.22 Segment information

Segment information is provided for the segments used by management to analyse its activity and monitor its development. The operating segments are presented by geographical area:

- France-Benelux-UK-Ireland: France, Belgium, Luxembourg, the Netherlands, the United Kingdom and Ireland;
- Central Europe: Germany, Italy and Switzerland;
- Eastern Europe: Austria, Poland, Czech Republic, Slovenia, Latvia and Croatia;
- Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Uruguay and Mexico;
- Other countries: China and the United Arab Emirates.

(in thousands of euros)	2023	2022
REVENUE		
France-Benelux-UK-Ireland	3,036,929	2,802,422
Central Europe	1,352,226	1,197,213
Eastern Europe	515,429	435,414
Iberian Peninsula and Latin America	285,727	241,788
Other countries	7,448	4,063
TOTAL	**5,197,759**	**4,680,899**
RECURRING OPERATING PROFIT BEFORE RENTS AND BEFORE DEPRECIATION, AMORTISATION AND CHARGES TO PROVISIONS		
France-Benelux-UK-Ireland	357,512	447,204
Central Europe	238,607	242,768
Eastern Europe	65,341	62,880
Iberian Peninsula and Latin America	38,657	24,444
Other countries	(3,774)	2,405
TOTAL	**696,343**	**779,700**
ASSETS		
France-Benelux-UK-Ireland	11,416,624	11,684,288
Excluding France Benelux	2,491,376	2,810,146
TOTAL	**13,908,000**	**14,494,434**
LIABILITIES EXCLUDING EQUITY		
France-Benelux-UK-Ireland	8,252,959	12,412,582
Excluding France Benelux	3,766,613	3,584,088
TOTAL	**12,019,572**	**15,996,670**

4.23 Recurring operating profit/(loss)

Recurring operating profit breaks down as follows:

(in thousands of euros)	2023	2022
Revenue	5,197,759	4,680,899
Purchases used and other external costs before rental expenses	(1,027,840)	(915,551)
Personnel costs	(3,469,188)	(3,027,911)
Taxes other than on income	(48,615)	(63,069)
Other recurring operating income	194,002	144,144
Other recurring operating expense	(149,777)	(38,812)
Recurring operating profit before rents and before depreciation, amortisation and charges to provisions	**696,343**	**779,700**
Rental expenses	(44,804)	(23,705)
Depreciation, amortisation and charges to provisions	(667,499)	(805,122)
RECURRING OPERATING PROFIT/(LOSS)	**(15,960)**	**(49,127)**

4.24 Other non-recurring operating income and expenses

Other non-recurring operating income and expense comprises:

- income and expenses related to business combinations, in particular as part of the process of unwinding partnerships;
- impairment of intangible assets (including goodwill), property, plant and equipment and right-of-use assets;
- other income and expenses relating to restructuring.

Other non-recurring operating income and expense for the year were as follows:

(in thousands of euros)	2023	2022
Capital gains/(losses) on disposals	106,278	(58,352)
Reversals of provisions	337,785	7,234
Charges to provisions	(442,508)	(622,395)
Asset impairment	(829,574)	(3,341,438)
Other income/(expenses)	(74,750)	(208,084)
OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	**(902,769)**	**(4,223,035)**

In the year ended 31 December 2023, other non-recurring operating income and expense consisted mainly of:

- asset impairment corresponds to the impairment losses recognised following impairment tests at the level of CGUs and groups of CGUs at 31 December 2023 in application of IAS 36, for €830 million (see Note 1.2);
- capital gains on disposals correspond to gains on the deconsolidation of the HSI, Compartijn, Résidences Senior Services and Âge Partenaires entities, and the proceeds from the disposal of the Âge Partenaires entities;
- reversals of provisions, mainly due to changes in the scope of consolidation during 2023;
- charges to provisions, chiefly comprising provisions for site closures and indemnities in Belgium;
- other expenses mainly comprise crisis management expenses.

4.25 Financial income and expense

(in thousands of euros)	2023	2022
Interest on bank debt and other financial liabilities	(439,776)	(228,416)
Interest on items held under finance leases	(28,535)	(14,940)
Financial expenses on lease liabilities (IFRS 16)	(121,035)	(97,939)
Interest income	9,968	261
Cost of net debt	**(579,378)**	**(341,034)**
Net income/(losses) on interest rate derivatives	43,648	15,192
Capitalised financial expenses(1)	7,643	7,219
Financial income arising on the capital increase	2,850,098	-
Other financial income and expense	(2,853)	-
Other financial income and expense, net	**2,898,537**	**22,410**
NET FINANCIAL INCOME/(EXPENSE)	**2,319,159**	**(318,623)**

(1) *Calculated at an average rate of 3.25% in 2022 on constructions in progress.*
Calculated at an average rate of 5.04% in 2023 on constructions in progress.

Finance costs on borrowings (excluding lease liabilities under IFRS 16) amounted to €468 million. The year-on-year rise reflects the higher interest rates and margins associated with the June 2022 refinancing, as well as the increase in gross debt before the restructuring at the end of the year.

The financial income arising on the capital increase relates to the conversion of unsecured debt into capital and is detailed in Note 1.1.

4.26 Income tax expense

(in thousands of euros)	2023	2022
Current income tax	(64,349)	(51,656)
Deferred taxes	19,749	648,148
TOTAL	**(44,599)**	**596,492**

Pursuant to IAS 12, the income tax expense includes the CVAE value-added levy of €7 million.

The CFE (*Cotisation Foncière des Entreprises*) levy is recognised as a recurring operating expense in "Taxes other than on income".

Deferred tax assets/(liabilities) break down by type of temporary difference as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Fair value of intangible assets	67,769	(287,952)
Fair value of property, plant and equipment	(189,907)	116,201
Capitalisation of finance leases	(186,617)	(175,189)
Temporary differences	39,040	93,432
Tax loss carryforwards	246,635	164,708
Deferral of capital gains tax on disposals	11,135	9,010
Employee benefits	9,531	15,782
CVAE value-added levy on businesses	(108)	(108)
Financial instruments and other	(19,333)	(170,091)
TOTAL	**(21,855)**	**(234,206)**

Deferred taxes arising on temporary differences between the tax base and accounting base of consolidated assets and liabilities are recognised using the liability method at the rates enacted or substantially enacted at the reporting date. The tax rates used are based on the expected timing of the reversal of the temporary differences, tax losses and other tax credits. The impact of a change in tax rate is recognised in profit or loss for the period, or in equity, depending on the item to which it relates.

Deferred tax assets arising on tax loss carryforwards are recognised if there is a reasonable probability that they will reverse in the foreseeable future, based on projections of future taxable profits on the businesses that gave rise to the original losses.

Deferred taxes are not discounted.

A provision is set aside for any taxes that may be due by the Group on dividend payments made by subsidiaries if the dividend payment has been formally agreed at the reporting date.

Deferred tax assets and liabilities are netted by tax entity when they are expected to reverse in the same period.

Current and/or deferred taxes are recognised in profit or loss for the period except when they arise on a transaction or event recognised directly in equity.

Deferred taxes calculated based on the IFRS measurement of intangible operating assets came to €68 million at 31 December 2023.

Deferred tax assets and liabilities and other non-current liabilities break down as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
IFRS 16	170,284	91,153
Tax loss carryforwards	246,635	164,708
Other deferred tax assets	223,737	325,695
TOTAL DEFERRED TAX ASSETS	**640,656**	**581,556**
Deferred tax liabilities	(662,511)	(815,762)
Other	-	1,769
TOTAL DEFERRED TAX LIABILITIES AND OTHER NON-CURRENT LIABILITIES	**(662,511)**	**(813,993)**

The difference between the statutory tax rate, i.e., 25.83% at 31 December 2023, and the effective tax rate in the income statement, breaks down as follows:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Profit/(loss) before tax	**1,400,430**	**(4,590,785)**
Statutory tax rate in France	**25.8%**	**25.8%**
Theoretical tax income (expense)	**(361,731)**	**1,185,800**
Impact of:	-	-
• permanent differences	(1,222,055)	(120,090)
• difference in tax rates	29,813	(81,158)
• non-recognition of tax losses	(345,137)	(251,693)
• other[1]	1,854,510	(136,367)
INCOME TAX EXPENSE	**(44,599)**	**596,492**
Effective tax rate	**3.2%**	**13.0%**

(1) Mainly related to the impairment of deferred tax assets following business plan analysis.

5. Additional information

5.1 Commitments and contingent liabilities

5.1.1 Off-balance sheet commitments

Commitments given

Pledges, mortgages, security deposits and other collateral account for most of the debt-related commitments given in relation to the Group's financing:

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Pledged shares	3,112,215	3,321,601
Sureties and bank guarantees	481,884	833,839
Real estate mortgages	1,068,329	833,604
Put options/purchase undertakings (shares/real estate assets)	53,892	225,170
Partnership guarantees	98,836	239,513
Lease guarantees	352,461	109,077
Other guarantees and commitments	61,066	71,963
Contractual commitments relating to property development	56,156	33,665
Other pledges	5,706	2,087
COMMITMENTS GIVEN	**5,290,544**	**5,670,520**

The main commitments given and received by the ORPEA Group under the conciliation protocol signed with its main banking partners in December 2022 are as follows:

- provision of Loans by banking partners:

  the Lenders, in particular, have undertaken to finance the Group's cash flow requirements by making available the A1, A2/A3, A4, B and C Loans in the form of a syndicated loan (together, the "**Loans**");
- ORPEA's main undertakings.

ORPEA has given the following main undertakings, described in Note 4.14:

- relating to the disposal of operating and real estate assets;
- relating to the allocation of certain net proceeds from disposals and subscriptions to repay the Loans;
- to grant collateral to secure Loan repayment obligations.

To ensure that the Loan amounts due are repaid *pari passu*, ORPEA has granted the following security interests from the first drawdown of one of the Loans:

- a Dailly assignment of intra-group loans financed by Loan drawdowns;
- first-ranking pledges over:
  - 100% of the shares of CEECSH (the "CEECSH Pledge"), and
  - 100% of the shares of ORESC 25 SARL ("ORESC") to which the Company will contribute no later than on the second drawdown date of the Loans (i.e., excluding the first drawdown of a maximum amount of €250 million under the A1 Loan), 100% of the shares of its subsidiary CLINEA (the "ORESC Pledge", and together with the CEECSH Pledge, the "Pledges"), the pledged assets representing 22.8% and 30.3% of the Group's revenue, respectively. Following certain reorganisations to be carried out within the Group, the pledges will be over shares in CLINEA France and the Group's business in Germany, representing 22.5% and 15.4% of consolidated revenue, respectively.

Commitments relating to the Group's operating activities

France

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	Immobilière de Santé	The following commitment has been given as regards the potential acquisition of a 100% interest in 50.01%-held Immobilière de Santé (France): • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised between 1 January 2024 and 31 December 2024 (inclusive).
France	AP6	The following commitment has been given concerning the potential acquisition of a 100% interest in 50%-held AP6 (France): • call option for SARL 97 (ORPEA) (i.e., promise to sell by the partners), which may be exercised between 1 January 2024 and 30 June 2024.
France	ORESC 7	The following commitments have been given concerning the potential acquisition of a 100% interest in 51%-held ORESC 7 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: • promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); • call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular in respect of a call for funds).
		The following commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORESC 7 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: • promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg) (i) which may be exercised at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds) or (ii) if no agreement is reached between the parties on whether to pursue their investment in the six months prior to the agreement's expiration date (provided that ORPEA Real Estate Luxembourg's put option does not result in German Real Estate Transfer Tax (RETT) becoming payable); • call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).
France	ORESC 8	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.9%-held ORESC 8 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: • promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); • call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised (i) at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular with regard to a call for funds) or (ii) if the shares and/or receivables held by OPPCI ICADE Healthcare Europe were to be subsequently held indirectly by a competitor of ORPEA (or any of its affiliated entities).
		The following respective commitments have been given for a potential acquisition of a 100% interest in 10.1%-held ORESC 8 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: • promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised (i) at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds) or (ii) if no agreement is reached between the parties on whether to pursue their investment in the six months prior to the agreement's expiration date (provided that ORPEA Real Estate Luxembourg's put option does not result in German Real Estate Transfer Tax (RETT) becoming payable); • call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	ORESC 12	The following commitments have been given concerning the potential acquisition of a 100% interest in 51%-held ORESC 12 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: • promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); • call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular in respect of a call for funds).
		The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORESC 12 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: • promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds); • call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).
France	SCI des Boucles de la Moselle	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI des Boucles de la Moselle (France) or (ii) the property lease or (iii) the property it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI d'Yvetot	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI d'Yvetot (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Clinique du Campus	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Clinique du Campus (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de Châtillon	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de Châtillon (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SAS du Champ de Gretz	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SAS du Champ de Gretz (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI du Virval	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI du Virval (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de l'Epinoy	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de L'Épinoy (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Les Oyats	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Les Oyats (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.

International

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/accounted for using the equity method	Put/call options
Chile	Rentas Senior Suites S.A.	The following respective commitments have been entered into concerning the potential acquisition of a 100% interest in 50%-held Rentas Senior Suites S.A. (Chile): • call option for ORPEA (i.e., promise to sell by the partner), which may be exercised between 1 May 2024 and 30 November 2024; • call option for the partner (i.e., promise to sell by ORPEA), which may be exercised between 1 December 2024 and 30 November 2025; • promise to buy granted by ORPEA (i.e., put option for the partner), which may be exercised until 30 November 2024.
Mexico	SIS Mexico S. de R.L. de C.V.	Concerning 49%-held SIS Exploit Mexico S. de R.L. (Mexico), the following respective commitments have been given concerning the potential acquisition of a 100% interest: • call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building (and at any time if the partner ceases to be manager); • promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building.
Colombia	ORPEA Colombia Exploit SAS	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORPEA Colombia Exploit SAS (Colombia): • call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building (and at any time if the partner ceases to be manager); • promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building.
Czech Republic	SeneCura S.R.O. (previously Senior Holding S.R.O.)	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 80%-held ORPEA SeneCura S.R.O. (Czech Republic): • call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2028 and 31 May 2028; • call option for the ORPEA Group (i.e., promise to sell by the partner) if there is a change of partner/Chief Executive Officer appointed by Urban Survival, until the contract end date; • put option for the partner (i.e., promise to buy by the ORPEA Group), which may be exercised between 1 June 2028 and 31 August 2028.
Luxembourg	Bad Schonborn Properties S.C.S.	Concerning 10.1%-held Bad Schonborn Properties S.C.S. (Luxembourg), the following respective commitments have been entered into: • call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 12 May 2026 and 12 August 2026; • put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised between 12 February 2027 and 12 May 2027.
Luxembourg	Salza Verwaltungs GmbH	The following respective commitments have been entered into concerning the potential acquisition of the 5.2% interest held in Salza Verwaltungs GmbH (Luxembourg): • call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 30 June 2021 and 15 November 2021; • call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 7 November 2037 and 7 February 2038; • put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised between 7 May 2038 and 7 July 2038.
Luxembourg	ORPEA Real Estate Luxembourg S.à.r.l	Call option in respect of Daki. Since 1 January 2023, ORPEA Real Estate Luxembourg S.à.r.l has had a call option concerning Red Bridge's interest in Daki, enabling it, if it were to exercise the option, to acquire 100% of Daki S.A. Alongside this call option, the Group also benefits from a share pledge on the Daki shares.
Germany	ORPEA Premium Holding GmbH	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 75%-held ORPEA Premium Holding GMBH (Germany): • put option for the partner (i.e., promise to buy by the ORPEA Group), which may be exercised between 1 January 2024 and 31 December 2025; • call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised at any time from 1 January 2026; • call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised before 1 January 2026 if (a) Mr Tavridis is convicted of a crime within the meaning of the German Criminal Code; (b) Mr Tavridis resigns as Chief Executive Officer without just cause (to avoid ambiguity, the death of Mr Tavridis constitutes a just cause within the meaning of the clause); (c) Axion declares that ORPEA Premium Holding GmbH has terminated the contract; (d) a change in control at Axion.

Country	Companies controlled/accounted for using the equity method	Put/call options
Russia	ORPEA Rus	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.09%-held ORPEA Rus (Russia): • promise to buy granted by the ORPEA Group (i.e., put option for minority shareholders), which may be exercised between 27 December 2025 and 27 December 2029 (and at any time in the cases listed in Article 3.1.2 of the Deed of Covenant (in particular if no project has been approved within 18 months of the initial investment)); • call option for the ORPEA Group (i.e., promise to sell by minority shareholders), which may be exercised between 27 December 2025 and 27 December 2028 (and at any time in the cases listed in Article 4.1.2 of the Deed of Covenant (in particular if no project has been approved within the 18 months following the initial investment)). If ORPEA S.A. fails to meet its obligations relating to the call option for the benefit of the ORPEA Group (e.g., non-payment), reverse call option (i.e., promise to sell by ORPEA) for the minority shareholders.
China	YangTing (Shanghai) Enterprise Management and Consultant Co., Ltd	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held YangTing (Shanghai) Enterprise Management and Consultant Co. Ltd (China): • put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised until the contract end date (25 December 2037).
China	Pacific ORPEA (Shanghai) Senior Care Management Co., Ltd	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 44%-held Pacific ORPEA (Shanghai) Senior Care Management Co. Ltd (China): • put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised until the contract end date (31 October 2038); • call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised until the contract end date (31 October 2038).

Commitments received

(in thousands of euros)	31 Dec. 2023	31 Dec. 2022
Pledged shares	40,590	40,590
Other commitments received	-	10,139
COMMITMENTS RECEIVED	**40,590**	**50,729**

5.1.2 Contingent liabilities

Overall, management believes that the provisions recognised in the balance sheet for disputes involving the Group of which it is aware should be sufficient to cover its exposure to risks.

It should be noted that following the final report of the IGAS-IGF joint investigation, on 29 July 2022, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) sent the Company a formal notice to return €55.8 million in unduly received funding. The Company recorded a provision for this amount in its statutory and consolidated financial statements at 31 December 2022. Under the Company's accelerated safeguard plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the repayment of this funding has been spread over three years. The Group paid the first instalment of €13.9 million in December 2023 in accordance with the schedule agreed with the CNSA.

In addition, since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences. The Group is not aware of the exact content or number of these complaints.

Based on publicly available information, it appears that the Nanterre Public Prosecutor is in charge of (i) the legal investigations based on the report provided by the authorities and (ii) some of the complaints filed. In this context, the Group's head office and several facilities were searched in June and November 2022. On 7 January 2024, an article in Le Parisien reported that on 22 November 2023, the Nanterre Public Prosecutor opened an investigation on charges of manslaughter, unintentional injury, failure to assist a person in danger and endangering others. This information would follow the receipt of a government warning at the end of March 2022, following the joint report by the General Inspectorate of Finance (*Inspection Générale des Finances* – IGF) and the General Inspectorate of Social Affairs (*Inspection Générale des Affaires Sociales* – IGAS) and 53 complaints from residents' families received since April 2022. The Nanterre Public Prosecutor confirmed to the AFP on 8 January 2024 that a judicial investigation had been opened into the above-mentioned charges.

To date, ORPEA is not a party to this judicial information, has not been summoned and does not have access to the file.

Other civil or criminal proceedings could result in civil or criminal liability for the Group, its executives and/or current or former employees. With the exception of the risks that are the subject of a provision described in Note 4.12 "Provisions", the Group considers at this stage that these proceedings are not likely to have a material adverse effect on its financial position or profitability. However, since the outcome of any proceedings is inherently unpredictable, proceedings in progress could represent contingent liabilities.

The Company has not currently identified any material adverse impact on its cash flow or real estate assets resulting from the reported fraudulent activities. Nevertheless, the proceedings that may be initiated in this respect, which are inherently unpredictable, could represent contingent liabilities.

5.2 Analysis of financial assets and liabilities in accordance with IFRS 7

Financial assets and liabilities recognised under IFRS 7 break down as follows:

		Carrying amount				Fair value[1]		
(in thousands of euros)	Balance	Hedge accounting	Amortised cost	Fair value through equity	Fair value through profit or loss	Level 1	Level 2	Level 3
AT 31 DECEMBER 2023								
FINANCIAL ASSETS	**1,960,758**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in associates and joint ventures	9,551	-	-	9,551	-	-	-	9,551
Derivative financial instruments – non-current assets	24,211	24,211	-	-	-	-	24,211	-
Other non-current financial assets	105,692	-	105,692	-	-	-	-	-
Non-current assets	**139,454**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables	518,103	-	518,103	-	-	-	-	-
Derivative financial instruments – current assets	48,000	48,000	-	-	-	-	48,000	-
Other receivables, accruals and prepayments	610,248	-	610,248	-	-	-	-	-
Cash and cash equivalents	644,954	-	-	-	644,954	591,859	53,095	-
Current assets	**1,821,304**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FINANCIAL LIABILITIES	**6,440,090**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current debt excluding bridging loans	4,541,151	-	4,541,151	-	-	-	-	3,027,447
Non-current liabilities	**4,541,151**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current debt excluding bridging loans	745,962	-	745,962	-	-	-	-	-
Trade payables	502,276	-	502,276	-	-	-	-	-
Other payables, accruals and prepayments	650,701	-	650,701	-	-	-	-	-
Current liabilities	**1,898,939**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
AT 31 DECEMBER 2022								
FINANCIAL ASSETS	**2,087,591**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in associates and joint ventures	7,852	-	-	7,852	-	-	-	7,852
Derivative financial instruments – non-current assets	84,410	84,410	-	-	-	-	84,410	-
Other non-current financial assets	180,997	-	180,997	-	-	-	-	-
Non-current assets	**273,259**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables	455,368	-	455,368	-	-	-	-	-
Derivative financial instruments – current assets	46,577	46,577	-	-	-	-	46,577	-
Other receivables, accruals and prepayments	455,970	-	455,970	-	-	-	-	-
Cash and cash equivalents	856,417	-	-	-	856,417	856,417	-	-
Current assets	**1,814,332**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FINANCIAL LIABILITIES	**10,527,052**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current debt excluding bridging loans	1,378,335	-	1,378,335	-	-	-	-	-
Non-current liabilities	**1,378,335**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current debt excluding bridging loans	8,236,460	-	8,236,460	-	-	-	-	-
Trade payables	326,954	-	326,954	-	-	-	-	-
Other payables, accruals and prepayments[2]	585,302	-	585,302	-	-	-	-	-
Current liabilities	**9,148,716**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(1) Level 1: financial assets and liabilities quoted on an active market, where fair value is the listed price.
Level 2: financial assets and liabilities not quoted on an active market, for which fair value is measured using directly observable market inputs.
Level 3: financial assets and liabilities not quoted on an active market, for which fair value is measured using inputs not based on observable market data.
(2) In December 2022, €55,810 thousand in accrued expenses payable to the CNSA was reclassified from "Tax and payroll liabilities" to "Other payables, accruals and prepayments".

5.3 Related-party transactions

Related-party transactions

In the ordinary course of its business, the ORPEA Group enters into various transactions with related parties as defined by IAS 24.

At 31 December 2023, the main net exposures with regard to related parties were as follows:

- property development partnerships;
- advances granted by the ORPEA Group to its associates and joint ventures and to other related parties amounted to €60 million at 31 December 2023 (see Note 4.5);
- advances granted by the ORPEA Group to other partners in respect of property development projects amounted to €45 million (see Note 4.9);

The ORPEA Group has initiated negotiations with its partners with a view to unwinding the partnerships and recovering the real estate assets against the receivables.

Advances received by the ORPEA Group from its associates and joint ventures and from related parties amounted to €6 million at 31 December 2023 (see Note 4.19).

In addition, following the interest acquired by Caisse des Dépôts, an analysis was carried out to identify transactions with its entities. The only transactions identified, carried out in the normal course of the Group's business, concerned the following entities: La Banque Postale and La Poste Groupe.

Benefits granted to corporate officers

The total amount of gross remuneration, fees (excluding all taxes) and benefits paid during 2023 to the ORPEA Group's corporate officers was €1,683 thousand, including €650 thousand allocated to directors.

No free shares were allocated in 2023.

5.4 Headcount

The ORPEA Group had 78,476 employees at 31 December 2023.

	31 Dec. 2023	31 Dec. 2022
France-Benelux-UK-Ireland	39,591	38,818
Central Europe	21,382	21,497
Eastern Europe	9,678	9,293
Iberian Peninsula and Latin America	7,623	6,422
Other countries	202	130
TOTAL GROUP HEADCOUNT	**78,476**	**76,160**

5.5 Statutory Auditors' fees

Fees paid to the Statutory Auditors for services provided to ORPEA in 2023 break down as follows:

		Deloitte & Associés		Saint-Honoré BK&A	Mazars	
(in thousands of euros)	Total 2023	2023 Statutory Auditors	2023 Network	2023 Statutory Auditors	2023 Statutory Auditors	2023 Network
Audit and interim review of the statutory and consolidated financial statements	**8,468**	**1,939**	**1,499**	**1,271**	**1,758**	**2,001**
ORPEA S.A.	**3,900**	1,600	-	700	1,600	-
Fully-consolidated subsidiaries	**4,568**	339	1,499	571	158	2,001
Non-audit services	**1,367**	**640**	**33**	**135**	**556**	**3**
ORPEA S.A.	**1,266**	575	-	135	556	-
Fully-consolidated subsidiaries	**101**	65	33	-	-	3

		Deloitte & Associés		Saint-Honoré BK&A	Mazars	
(in thousands of euros)	Total 2022	2022 Statutory Auditors	2022 Network	2022 Statutory Auditors	2022 Statutory Auditors	2022 Network
Audit and interim review of the statutory and consolidated financial statements	**7,226**	**1,857**	**1,350**	**927**	**1,741**	**1,351**
ORPEA S.A.	3,567	1,528	-	447	1,592	-
Fully-consolidated subsidiaries	3,659	329	1,350	480	149	1,351
Non-audit services	**366**	**148**	**93**	**54**	**71**	
ORPEA S.A.	273	148	-	54	71	-
Fully-consolidated subsidiaries	93	-	93	-	-	-

5.6 Scope of consolidation at 31 December 2023

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
ORPEA S.A.	100.00%	100.00%	Parent
Clinea SAS	100.00%	100.00%	Full
S.A. La Saharienne	100.00%	100.00%	Full
EURL Les Matines	100.00%	100.00%	Full
Bel Air	100.00%	100.00%	Full
SARL 95	100.00%	100.00%	Full
SARL 96	100.00%	100.00%	Full
Résidence Les Jardins de Louise	100.00%	100.00%	Full
Résidence Les Jardins de Lucile	100.00%	100.00%	Full
Résidence Les Jardins de Mathis	100.00%	100.00%	Full
Résidence Saint-Luc	100.00%	100.00%	Full
Clinique de Champvert	100.00%	100.00%	Full
La Teste de Buch – Résidence Saint-Marc	100.00%	100.00%	Full
Clinique du Cabirol	100.00%	100.00%	Full
Résidence Les Jardins d'Escudié	100.00%	100.00%	Full
Clinique de l'Émeraude	100.00%	100.00%	Full
SARL Domea	100.00%	100.00%	Full
Clinique Régina	100.00%	100.00%	Full
Clinique de l'Émeraude	100.00%	100.00%	Full
Clinique La Chavannerie	100.00%	100.00%	Full
Résidence Les Parrans	100.00%	100.00%	Full
FR000353	100.00%	100.00%	Full
Résidence Les Acanthes	100.00%	100.00%	Full
Résidence Le Clos Saint Grégoire	100.00%	100.00%	Full
Château de Bon Attrait	100.00%	100.00%	Full
Clinique Sancellemoz	97.00%	100.00%	Full
Résidence La Villa des Aînés	100.00%	100.00%	Full
Résidence Athéna	100.00%	100.00%	Full
Clinique Galliéni	100.00%	100.00%	Full
Séniors Études et Réalisations	100.00%	100.00%	Full
Résidence du Lac	100.00%	100.00%	Full
Clinique du Pays d'Oc (formerly Dr. Becq)	100.00%	100.00%	Full
Résidence Bon Air	100.00%	100.00%	Full
L'Ambarroise	100.00%	100.00%	Full
Institut Hélio Marin de la Côte d'Azur	100.00%	100.00%	Full
Clinique La Salette	100.00%	100.00%	Full
Clinique Les Bruyères Brosville	100.00%	100.00%	Full
CRF Mer Air Soleil	100.00%	100.00%	Full
Clinique La Pinède	100.00%	100.00%	Full
GCS Pharmacie du Valois	100.00%	100.00%	Full
Résidence Centre de Repos de la Montagne	100.00%	100.00%	Full
Résidence Le Clos Saint-Jacques	100.00%	100.00%	Full
SARL ORPEA	100.00%	100.00%	Full
Europsy	100.00%	100.00%	Full
Clinique du Château de Garches	100.00%	100.00%	Full
Clinique du Dauphiné	100.00%	100.00%	Full
Clinique Madeleine Remeuzat	100.00%	100.00%	Full
Maison de Santé Bellevue	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
Clinique Rochebrune	100.00%	100.00%	Full
Boucles de la Moselle	100.00%	100.00%	Full
Boucles de la Seine	100.00%	100.00%	Full
Clinique de Chatillon	100.00%	100.00%	Full
Clinique de l'Epinoy	100.00%	100.00%	Full
Clinique des Oyats	100.00%	100.00%	Full
Clinique du Campus	100.00%	100.00%	Full
Clinique du Littoral	100.00%	100.00%	Full
Clinique du Virval	100.00%	100.00%	Full
Institut d'Addictologie du Littoral	100.00%	100.00%	Full
HDJPSY84	100.00%	100.00%	Full
Âge Partenaires NC	70.00%	100.00%	Full
SFI France	100.00%	100.00%	Full
SAS Douce France Santé	100.00%	100.00%	Full
SOGIP SARL	100.00%	100.00%	Full
SARL Augeo – Livry-Gargan	100.00%	100.00%	Full
SARL Livery Traiteur	100.00%	100.00%	Full
SARL FamiliSanté	98.00%	100.00%	Full
ORPEA China Holding	100.00%	100.00%	Full
SARL Services 77	100.00%	100.00%	Full
SARL Résidence Parc de Royat	100.00%	100.00%	Full
SARL Résidence de l'Ambène	100.00%	100.00%	Full
SARL Résidence Saint-Martial	100.00%	100.00%	Full
SARL Résidence Marquisat de Provence	100.00%	100.00%	Full
SARL Résidence Parc des Noues	100.00%	100.00%	Full
SARL Résidence Les Pergolas de Sigoules	100.00%	100.00%	Full
SARL Services 64	100.00%	100.00%	Full
SARL Résidence Saint-Honorat	100.00%	100.00%	Full
AP Immo 2	98.00%	100.00%	Full
TCP Dev	100.00%	100.00%	Full
Âge Partenaires	100.00%	100.00%	Full
AP5	100.00%	100.00%	Full
Transac-Consulting	100.00%	100.00%	Full
SCI Officea Santé	100.00%	100.00%	Full
SCI Résidence Sud Saintonge	100.00%	100.00%	Full
SAS Nucourt	100.00%	100.00%	Full
SCI Résidence Les Rives d'Or	100.00%	100.00%	Full
AP Immo1	100.00%	100.00%	Full
SCI Princess 2	75.00%	100.00%	Full
SCI Résidence du Château	100.00%	100.00%	Full
SCI Résidence La Talaudière	100.00%	100.00%	Full
SCI Résidence Saint-Priest	100.00%	100.00%	Full
SCI Résidence de Balbigny	100.00%	100.00%	Full
SCI Résidence Saint-Just	100.00%	100.00%	Full
SCI Résidence Sainte-Clotilde	100.00%	100.00%	Full
SCI Résidence La Tour Pujols	100.00%	100.00%	Full
SCI Résidence La Cerisaie	100.00%	100.00%	Full
SCI Résidence Val de Seine	100.00%	100.00%	Full
ORPEA Le Clos Saint-Louis	100.00%	100.00%	Full
SCI Résidence du Clisclouet	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
Les Rives de Cabessut	100.00%	100.00%	Full
Grandes Platières Passy	100.00%	100.00%	Full
SCI Résidence Saint-Germain	100.00%	100.00%	Full
SCI Résidence Gambetta	100.00%	100.00%	Full
SCI Résidence Croix-Rousse	100.00%	100.00%	Full
SCI Les Chesnaies	100.00%	100.00%	Full
SCI Résidence Les Dornets	100.00%	100.00%	Full
SCI Clinique de l'Ill	100.00%	100.00%	Full
SCI Résidence Montchenot	100.00%	100.00%	Full
SCI Clinique Villa Montsouris	100.00%	100.00%	Full
SCI Clinique de l'Abbaye	100.00%	100.00%	Full
SCI Résidence Les Tamaris	100.00%	100.00%	Full
SCI Résidence Saint-Jacques	100.00%	100.00%	Full
SCI de Beaulieu	100.00%	100.00%	Full
SCI Résidence Fauriel	100.00%	100.00%	Full
SCI Résidence Les Charentes	100.00%	100.00%	Full
SCI Résidence de l'Ambène	100.00%	100.00%	Full
SCI Résidence Les Maraîchers	100.00%	100.00%	Full
SCI Résidence Saint-Pierre-du-Bos	100.00%	100.00%	Full
SCI Clinique Le Vallon	100.00%	100.00%	Full
SAS Les Terrasses des Lilas	100.00%	100.00%	Full
SCI Résidence Les Diamantines	100.00%	100.00%	Full
SCI Résidence Le Lys Blanc	100.00%	100.00%	Full
SARL Spi	100.00%	100.00%	Full
SCI Les Magnolias	100.00%	100.00%	Full
SCI de l'Arche Courbevoie	100.00%	100.00%	Full
SCI Domaine de Borderouge	100.00%	100.00%	Full
SCI Ried Santé	75.00%	75.00%	Equity-accounted
SCI Clinique Sainte-Brigitte	100.00%	100.00%	Full
SARL Niort 94	100.00%	100.00%	Full
Holding company	100.00%	100.00%	Full
AP1	69.00%	100.00%	Full
AP2	69.00%	100.00%	Full
AP3	69.00%	100.00%	Full
AP4	69.00%	100.00%	Full
AP6	50.00%	50.00%	Equity-accounted
AP7	50.00%	50.00%	Equity-accounted
Résidence Saint-Roch	50.00%	50.00%	Equity-accounted
Saint-Roch Immo	50.00%	50.00%	Equity-accounted
SCCV Oasis	100.00%	100.00%	Full
SCCV de La Rose des Sables	100.00%	100.00%	Full
SCI Résidence Les Mimosas	100.00%	100.00%	Full
SCI Clinique l'Artémise	100.00%	100.00%	Full
SCI IBO Bastide des Oliviers	100.00%	100.00%	Full
SCI 12 Rue du Fauvet	100.00%	100.00%	Full
SCI Douarnenez ORPEA	100.00%	100.00%	Full
SCI Marcoussis	100.00%	100.00%	Full
SCiKOD'S	100.00%	100.00%	Full
SCI Barbacane	100.00%	100.00%	Full
SCI Slim	100.00%	100.00%	Full
L'Allochon	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SCI Saintes BA	100.00%	100.00%	Full
SCI Barbaras	100.00%	100.00%	Full
SCI Selika	100.00%	100.00%	Full
SCI J.E.M. II	100.00%	100.00%	Full
SCI Château de la Chardonnière	100.00%	100.00%	Full
SCI des Ânes	100.00%	100.00%	Full
SCI Spaguy	100.00%	100.00%	Full
SAS ORPEA Saint-Bonnet	100.00%	100.00%	Full
SC Matisse Santé (formerly Calista Santé)	75.00%	75.00%	Equity-accounted
Reine Bellevue	100.00%	100.00%	Full
SAS Champvert	100.00%	100.00%	Full
SCI La Salvate	100.00%	100.00%	Full
SCI François Rabelais	100.00%	100.00%	Full
SCI de la Drone	100.00%	100.00%	Full
SARL L'Ombrière	100.00%	100.00%	Full
SAS Maja La Rose des Sables	100.00%	100.00%	Full
Association Languedocienne de Gériatrie	100.00%	100.00%	Full
Holding Sogimob	99.00%	100.00%	Full
SCI du Caroux	100.00%	100.00%	Full
SCI du Mont d'Aurelles Clinique	100.00%	100.00%	Full
Société Civile des Praticiens du Grand Pré	100.00%	100.00%	Full
SAS ORPEA Assomption	100.00%	100.00%	Full
SCI La Lorraine	100.00%	100.00%	Full
S.A. Immobilière Leau Bonneveine	100.00%	100.00%	Full
SCI Héliades Santé	100.00%	100.00%	Full
Margaux Pony	100.00%	100.00%	Full
Than. Co.	100.00%	100.00%	Full
Sté Civile Cardiopierre	100.00%	100.00%	Full
Les Jardins de Jouvence	100.00%	100.00%	Full
SCI Super Aix Paul Cézanne	100.00%	100.00%	Full
SARL Résidence du Parc	100.00%	100.00%	Full
Les Orangers	100.00%	100.00%	Full
SCI Crosnes 1	100.00%	100.00%	Full
SCI Séquoia	100.00%	100.00%	Full
SCI Marseille Émeraude	100.00%	100.00%	Full
SCI Saint-Victoret	75.00%	75.00%	Equity-accounted
SARL Régina Renouveau	100.00%	100.00%	Full
SCI Ansi	100.00%	100.00%	Full
SCI Océane Saint-Georges Didonne	100.00%	100.00%	Full
SCI Dreux	100.00%	100.00%	Full
SCI Louvroil Bocage	100.00%	100.00%	Full
SCI Chanapost Chavannerie	100.00%	100.00%	Full
SCI Lautréamont Loos	100.00%	100.00%	Full
SCI Berlaimont Robert Schumann	100.00%	100.00%	Full
SNC Bréchet	100.00%	100.00%	Full
SARL Marc Aurèle Immobilier	100.00%	100.00%	Full
SAS Les Hauts de Crosne	100.00%	100.00%	Full
SCI Les Oliviers	100.00%	100.00%	Full
SCI Portes d'Auxerre	100.00%	100.00%	Full
SARL Ancienne Abbaye	100.00%	100.00%	Full
SARL Parassy	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SCI Livry Vauban 2020	100.00%	100.00%	Full
SCI Méditerranée Clinque Saint-Joseph	75.00%	75.00%	Equity-accounted
Maison de Santé Marigny	100.00%	100.00%	Full
SCI Normandy Cottage Foncier	100.00%	100.00%	Full
SAS La Aur	100.00%	100.00%	Full
SCI du Parc Saint-Loup	100.00%	100.00%	Full
SCI Larry	100.00%	100.00%	Full
Résidence Ardennaise	100.00%	100.00%	Full
SCI Ardennaise Charleville-Mézières	100.00%	100.00%	Full
SCI de Peix	100.00%	100.00%	Full
SCI Les Jardins de Castelviel	100.00%	100.00%	Full
Clinique Soleil Cerdan	100.00%	100.00%	Full
Clinique Sensevia	100.00%	100.00%	Full
SAS Immo Nevers	100.00%	100.00%	Full
SCI Villa Morgan	100.00%	100.00%	Full
SCI Yobema	100.00%	100.00%	Full
Boissise Le Roi	100.00%	100.00%	Full
SCI Nancy Bellefontaine	100.00%	100.00%	Full
SCI Les Bords du Gave	100.00%	100.00%	Full
RSS 150 Aurillac	100.00%	100.00%	Full
RSS 830 Cogolin	100.00%	100.00%	Full
RSS 020 Saint-Quentin	100.00%	100.00%	Full
SCI Caserne de Draguignan	100.00%	100.00%	Full
SCI Senior+	100.00%	100.00%	Full
SCI Rezé	100.00%	100.00%	Full
RSS 076 Rouen	100.00%	100.00%	Full
RSS 130 Istres	100.00%	100.00%	Full
RSS 510 Reims	100.00%	100.00%	Full
RSS 270 Vernon	100.00%	100.00%	Full
RSS 180 Bourges	100.00%	100.00%	Full
RSS 730 La Ravoire	100.00%	100.00%	Full
RSS 640 Pau	100.00%	100.00%	Full
RSS 770 Provins	100.00%	100.00%	Full
RSS 831 La Seyne	100.00%	100.00%	Full
SCI du Bois-Guillaume	100.00%	100.00%	Full
RSS 771 Saint-Fargeau	100.00%	100.00%	Full
ORPEA Saint-Fiacre	100.00%	100.00%	Full
Les Jardins de Villeneuve	100.00%	100.00%	Full
SCI Barbusse Montigny en Gohelle	100.00%	100.00%	Full
SAS ORPEA Vilgenis	100.00%	100.00%	Full
SAS Résidence Gambetta	100.00%	100.00%	Full
SAS Résidence des Bûchères	100.00%	100.00%	Full
SCI des Capucins	100.00%	100.00%	Full
SAS Launaguet	100.00%	100.00%	Full
Foncière Clinipsy 1	100.00%	100.00%	Full
Foncière Clinipsy 2	100.00%	100.00%	Full
SAS ORPEA DeFrance	100.00%	100.00%	Full
ORPEA Saint-Estève	100.00%	100.00%	Full
SCI Laurent	100.00%	100.00%	Full
ORPEA Immodom	100.00%	100.00%	Full
ORPEA La Metare	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SAS Grande Rue De Garches	100.00%	100.00%	Full
Aix Trinité	100.00%	100.00%	Full
Honfleur Immo	100.00%	100.00%	Full
Les Hauts de Suresnes	100.00%	100.00%	Full
ORPEA Affieux	100.00%	100.00%	Full
SAS RSS 780 Rambouillet	100.00%	100.00%	Full
SAS ORPEA Verdun Saint-Mihiel	100.00%	100.00%	Full
DFS Immobilier	100.00%	100.00%	Full
Familisante Immobilier	98.00%	100.00%	Full
SCI Méditer Foncier	100.00%	100.00%	Full
Immobilière de Santé	50.00%	50.00%	Equity-accounted
ORPEA Résidence 1	100.00%	100.00%	Full
ORPEA Résidence 2	100.00%	100.00%	Full
ORPEA Résidence 3	100.00%	100.00%	Full
ORPEA Résidence 4	100.00%	100.00%	Full
ORPEA Résidence 5	100.00%	100.00%	Full
RSS Seniors+	100.00%	100.00%	Full
Holding Dom	100.00%	100.00%	Full
France Seniors	100.00%	100.00%	Full
Sinoue group	100.00%	100.00%	Full
SAS Assistance Retraite	49.00%	49.00%	Equity-accounted
France Seniors Management	100.00%	100.00%	Full
SAS Résidence Services	100.00%	100.00%	Full
Domidom Services	100.00%	100.00%	Full
Domidom Franchise	100.00%	100.00%	Full
Domidom Office	100.00%	100.00%	Full
SARL Primavera SAP (delisted company)	100.00%	100.00%	Full
Adhap Performances	100.00%	100.00%	Full
APAD	100.00%	100.00%	Full
APAD 26	100.00%	100.00%	Full
APAD 42	100.00%	100.00%	Full
APAD 59	100.00%	100.00%	Full
E.T.A.P.E. Entreprise de Travaux d'Aide aux Personnes	100.00%	100.00%	Full
SARL Seniors Comtois Services	100.00%	100.00%	Full
LP Solutions	100.00%	100.00%	Full
Aidadomicile 51	100.00%	100.00%	Full
Aidadomicile 52	100.00%	100.00%	Full
NT Lorraine Champagne Services	100.00%	100.00%	Full
A.S.B. Aide et Service du Bassin	100.00%	100.00%	Full
Alapa	100.00%	100.00%	Full
Maintien à Domicile	100.00%	100.00%	Full
Aidologie	100.00%	100.00%	Full
Aide à Domicile 21	100.00%	100.00%	Full
233 – Leudeville – Subsidiary	100.00%	100.00%	Full
310 – Sainte-Terre – Subsidiary	100.00%	100.00%	Full
408 – Boissise-Le-Roi – Subsidiary	100.00%	100.00%	Full
410 – Brétigny-Sur-Orge	100.00%	100.00%	Full
416 – Signy-l'Abbaye – Subsidiary	98.00%	100.00%	Full
475 – Saintry – Subsidiary	100.00%	100.00%	Full
477 – Villiers-Le-Bel – Subsidiary	100.00%	100.00%	Full
479 – Margency – Subsidiary	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SAS La Saharienne	100.00%	100.00%	Full
SARL La Bretagne	100.00%	100.00%	Full
SAS Résidence Saint-Luc	100.00%	100.00%	Full
SAS Bon Air	100.00%	100.00%	Full
SAS Les Grands Pins (delisted company)	100.00%	100.00%	Full
SARL Mex (delisted company)	100.00%	100.00%	Full
SNC Les Jardins d'Escudie	100.00%	100.00%	Full
SAS Bon Air (duplicate of 009328)	100.00%	100.00%	Full
SAS Holfing Mandre (delisted company)	100.00%	100.00%	Full
SAS L'Oasis Palmeraie	100.00%	100.00%	Full
SAS Résidence l'Ambarroise	100.00%	100.00%	Full
AUSTRIA			
SeneCare Personalservices GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Mühldorf GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Frantschach – St.Gertraud GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum St. Veit in der Südsteiermark GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Afritz GmbH	100.00%	100.00%	Full
SeneCura Pflegezentrum Kreuzbergl GmbH	100.00%	100.00%	Full
SeneCura Pflegezentrum Lurnfeld GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum St. Veit an der Glan GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort St. Josef GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Weißbriach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Weissenbach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad St.Leonhard GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Oberzeiring GmbH & Co. KG	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Salzerbad GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad Wimsbach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Agathenhof GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Hallein GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Raxblick GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Perchtoldsdorf GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad Mitterndorf GmbH	100.00%	100.00%	Full
NEWSTART Center für psychosomatische Erkrankungen – BetriebsGmbH	100.00%	100.00%	Full
SeneCura Kliniken- und Heimebetriebsgesellschaft m.b.H.	100.00%	100.00%	Full
SeneCura Services Dienstleistungsgesellschaft mbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Purkersdorf Heimbetriebsgesellschaft mit beschränkter Haf	100.00%	100.00%	Full
SeneCura Sozialzentrum Grafenwörth Heimebetriebsgesellschaftm.b.H.	100.00%	100.00%	Full
SeneCura Sozialzentrum Krems PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pressbaum PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Nikitsch PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Stegersbach PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Wildongemeinnützige PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Bad St. Leonhard GmbH	100.00%	100.00%	Full
SeneCura Waldhaus Pflegeanstalt – und HeimebetriebsgmbH	100.00%	100.00%	Full
SeneCura Region Salzburg gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Süd GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Haus Bludenz gemeinnützige GmbH	99.00%	100.00%	Full
SeneCura Sozialzentrum Haus Lauterachgemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Rust PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pölfing-Brunn PflegeheimbetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pöchlarn PflegeheimbetriebsgmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
Ambulante Dienste Salzburg gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Region Wiener Alpen GmbH	100.00%	100.00%	Full
Optima Medneurologisches Rehabilitationszentrum Kittsee GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Frauenkirchen Gesellschaft mit beschränkter Haftung	100.00%	100.00%	Full
SeneCura Sozialzentrum Wolfsberg Gesellschaft mit beschränkter Haftung	100.00%	100.00%	Full
SeneCura Sozialzentrum Vasoldsberg GmbH	100.00%	100.00%	Full
SeneCura BePartment Betriebs GmbH	100.00%	100.00%	Full
SeneCura Pflegeheim Graz-Lendgemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Schladming gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura West gemeinnützige Betriebs GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Wiesing GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Stainz GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum St. Margarethen/Raab GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Unterpremstätten GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitstherme Wildbad Betriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Gratkorn GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Traiskirchen GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum Kittsee GmbH	100.00%	100.00%	Full
OptimaMed ambulante Gesundheitsbetriebe GmbH	100.00%	100.00%	Full
OptimaMed Dialysezentrum Frauenkirchen GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Sitzenberg-Reidling BetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Kittsee GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Söchau – HausKamille GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Feldbach – Haus Melisse GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Trofaiach – HausVerbena GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Kammern – Haus Viola GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Knittelfeld GmbH	100.00%	100.00%	Full
SeneCura Residenz Oberdöblinggemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Residenz Grinzinggemeinnützige GmbH	100.00%	100.00%	Full
CFE Immobilienentwicklungs GmbH	100.00%	100.00%	Full
SeneCura Immobilien Entwicklungs- und Verwaltungs GmbH	100.00%	100.00%	Full
SeneCura Holding West GmbH	100.00%	100.00%	Full
OptimaMed Bad Mitterndorf Immobilien GmbH	100.00%	100.00%	Full
Orlando Immobilien Gesellschaft m.b.H. & Co. KG	100.00%	100.00%	Full
OptimaMed Bad Mitterndorf Immobilien GmbH	100.00%	100.00%	Full
OptimaMed Kärnten Immobilien GmbH	100.00%	100.00%	Full
Gesundheitsresort Montafon GmbH	100.00%	100.00%	Full
Orlando Immobilien Gesellschaft m.b.H.	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Oberzeiring GmbH	100.00%	100.00%	Full
OptimaMed Perchtoldsdorf Immobilien GmbH	100.00%	100.00%	Full
OptimaMed Judenburg Immobilien GmbH	100.00%	100.00%	Full
ORPEA Austria Holding GmbH	100.00%	100.00%	Full
SeneCura gemeinnützige BetriebsGmbH	100.00%	100.00%	Full
OptimaMed Aspach Beteiligungsverwaltungs GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Aspach GmbH	100.00%	100.00%	Full
SeneCura Gastro Services GmbH	100.00%	100.00%	Full
EMG Akademie für Gesundheit GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum Judenburg GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitatioszentrum Aspach GmbH & CoKG	100.00%	100.00%	Full
OptimaMed Gesundheitshotel Aspach GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
BELGIUM			
S.A. ORPEA Belgium	100.00%	100.00%	Full
RS Domaine Churchill	100.00%	100.00%	Full
RPA Lonchamp Libertas	100.00%	100.00%	Full
Résidence Zennehart	100.00%	100.00%	Full
Résidence Sagittaire	100.00%	100.00%	Full
Résidence du Cinquantenaire	100.00%	100.00%	Full
Résidence Les Amarantes	100.00%	100.00%	Full
Palacea S.A.	100.00%	100.00%	Full
Résidence Saint-François	100.00%	100.00%	Full
Les Jardins d'Ariane	100.00%	100.00%	Full
Panhuys Park	100.00%	100.00%	Full
Résidence Jean de Nivelles	100.00%	100.00%	Full
Résidence Lucie Lambert	100.00%	100.00%	Full
Gerontologisch Centrum De Haan VZW	100.00%	100.00%	Full
Château Chenois	100.00%	100.00%	Full
Résidence Diamant S.A.	100.00%	100.00%	Full
Résidence du Golf	100.00%	100.00%	Full
Justus Lipsius	100.00%	100.00%	Full
Résidence Linthout	100.00%	100.00%	Full
Résidence New Philip	100.00%	100.00%	Full
Résidence Parc Palace	100.00%	100.00%	Full
Résidence Palace	100.00%	100.00%	Full
Résidence Rinsdelle	100.00%	100.00%	Full
Résidence Vigneron	100.00%	100.00%	Full
Les Remparts	100.00%	100.00%	Full
Résidence De Manevinke	100.00%	100.00%	Full
Résidence Home de Famille	100.00%	100.00%	Full
Résidence Albe	100.00%	100.00%	Full
Résidence Séniorie Weltershoek	100.00%	100.00%	Full
Seaflower Service Palace	100.00%	100.00%	Full
Ter Harte VZW	100.00%	100.00%	Full
Sint-Carolus WZC	100.00%	100.00%	Full
Woonzorg Het DorpVZW	100.00%	100.00%	Full
T'Buurthuis	100.00%	100.00%	Full
RoobeekparkVZW	100.00%	100.00%	Full
Ter EykeVZW	100.00%	100.00%	Full
Hof Sint-Martinus VZW	100.00%	100.00%	Full
ORPEA Volunteers	100.00%	100.00%	Full
Prinsenhof	100.00%	100.00%	Full
Andante BV	100.00%	100.00%	Full
Residentie Klein BijgaardenVZW	100.00%	100.00%	Full
WivinaVZW	100.00%	100.00%	Full
KesterbergVZW	100.00%	100.00%	Full
Ter PoeleVZW	100.00%	100.00%	Full
QuioVZW	100.00%	100.00%	Full
De HoefVZW	100.00%	100.00%	Full
ORPEA at Home CV	100.00%	100.00%	Full
Ter ReigerieVZW	100.00%	100.00%	Full
Residentie Park Lane BV	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
Van Linthout	100.00%	100.00%	Full
Holding Médibelge	100.00%	100.00%	Full
Medidep Belgique S.A.	100.00%	100.00%	Full
Holdind Mikkana	100.00%	100.00%	Full
Orpimmo	100.00%	100.00%	Full
Park Lane Im S.A. (future building in Anvers)	100.00%	100.00%	Full
Natiënimmo	100.00%	100.00%	Full
SCI RS Le Domaine Churchill S.A.	100.00%	100.00%	Full
SCI Le Domaine Lonchamp S.A.	100.00%	100.00%	Full
Vintage Classics International	100.00%	100.00%	Full
Grand Chemin	100.00%	100.00%	Full
Résidence Carina – property	100.00%	100.00%	Full
Séniorie de l'Épinette	100.00%	100.00%	Full
ODE Holding	100.00%	100.00%	Full
Senior's Westland Immobilière	100.00%	100.00%	Full
Le Thines	100.00%	100.00%	Full
Chateau de la Lys	100.00%	100.00%	Full
Résidence Montaigne Maison De Repos	100.00%	100.00%	Full
Résidence d'Outremeuse	100.00%	100.00%	Full
Residentie Julien	100.00%	100.00%	Full
Immobilière du Château d'Or	100.00%	100.00%	Full
Villerservices	100.00%	100.00%	Full
Feninvest	100.00%	100.00%	Full
Holding Senior Invest S.A.	100.00%	100.00%	Full
Corasen Groep	100.00%	100.00%	Full
Immobiiën en Project Maatschappij – IPM	100.00%	100.00%	Full
t Bisschoppenhof NV	100.00%	100.00%	Full
Immobilière Zorgcentrum Europ	100.00%	100.00%	Full
Vastgoed Albe NV	100.00%	100.00%	Full
Retake	100.00%	100.00%	Full
Immobilière Edegem 3 Eiken	100.00%	100.00%	Full
Sodeim NV	100.00%	100.00%	Full
Leuven Brabanconne NV	100.00%	100.00%	Full
Helchteren Het Dorp	100.00%	100.00%	Full
Houthalen Lucia	100.00%	100.00%	Full
Residentie Klein BijgaardenBV	100.00%	100.00%	Full
Oostende Stenenbrug	100.00%	100.00%	Full
Brugpap	100.00%	100.00%	Full
Rinsdelle Développement S.A.	100.00%	100.00%	Full
Vordenstein BV	100.00%	100.00%	Full
Senes WZCBV	100.00%	100.00%	Full
HSI Management & Services CV	100.00%	100.00%	Full
Seaflower Service Palace	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
NETHERLANDS			
OREN Holding	100.00%	100.00%	Full
DLZ – Dagelijks Leven Zorg	100.00%	100.00%	Full
Van Hollant Stompetoren BV	100.00%	100.00%	Full
Woonzorgnet BV	100.00%	100.00%	Full
OREN 2 BV DL Lochem	100.00%	100.00%	Full
OREN 3 BV DL Breuningen	100.00%	100.00%	Full
DLV – Dagelijks Leven B.V.	100.00%	100.00%	Full
OREN 1 BV DL Apeldoorn (headquarters)	100.00%	100.00%	Full
OREN 4 BV DL Heerhugowaard	100.00%	100.00%	Full
OREN 5 BV DL Varsseveld	100.00%	100.00%	Full
OREN 6 BV DL Terneuzen	100.00%	100.00%	Full
OREN 7 BV DL Doesburg	100.00%	100.00%	Full
OREN 9 BV DL Wierden	100.00%	100.00%	Full
OREN 10 BV DL Kerkrade	100.00%	100.00%	Full
OREN 11 BV DL	100.00%	100.00%	Full
OREN 12 BV DL Gennep	100.00%	100.00%	Full
OREN 13 BV DL Schoonhoven	100.00%	100.00%	Full
OREN 14 BV DL Heerenveen	100.00%	100.00%	Full
OREN 21 BV DL Vlissingen 2	100.00%	100.00%	Full
OREN 22 BV DL Emmen 2	100.00%	100.00%	Full
OREN 23 BV DL Boxtel	100.00%	100.00%	Full
OREN 24 BV DL Groesbeek	100.00%	100.00%	Full
OREN 25 BV DL Joure	100.00%	100.00%	Full
OREN 26 BV DL Emmen 3	100.00%	100.00%	Full
OREN 27 BV DL Geldermalsen	100.00%	100.00%	Full
OREN 28 BV DL Drachten	100.00%	100.00%	Full
OREN 29 BV DL	100.00%	100.00%	Full
OREN 30 BV DL Gorinchem	100.00%	100.00%	Full
OREN 100 Blmdl	100.00%	100.00%	Full
OREN 15 BV DL Cuijk	100.00%	100.00%	Full
OREN 17 BV DL	100.00%	100.00%	Full
OREN 18 BV DL Emmeloord	100.00%	100.00%	Full
OREN 19 BV DL Oosterwolde	100.00%	100.00%	Full
OREN 31 BV DL Hoogeveen2	100.00%	100.00%	Full
OREN 32 BV DL	100.00%	100.00%	Full
OREN 33 BV DL	100.00%	100.00%	Full
OREN 37 BV DL	100.00%	100.00%	Full
OREN 38 BV DL	100.00%	100.00%	Full
OREN 39 BV DL	100.00%	100.00%	Full
OREN 40 BV DL Deurne2	100.00%	100.00%	Full
OREN 41 BV DL	100.00%	100.00%	Full
OREN 42 BV DL	100.00%	100.00%	Full
OREN 43 BV DL	100.00%	100.00%	Full
OREN 44 BV DL	100.00%	100.00%	Full
OREN 47 BV DL	100.00%	100.00%	Full
OREN 48 BV DL	100.00%	100.00%	Full
OREN 50 BV DL	100.00%	100.00%	Full
OREN 101 Breda	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
OREN 200 Moldenhof	100.00%	100.00%	Full
OREN 102 Hilversum	100.00%	100.00%	Full
OREN 103 Stoutenburg	100.00%	100.00%	Full
OREN 105 Heerenveen	100.00%	100.00%	Full
OREN 106 Breedenbroek	100.00%	100.00%	Full
OREN 107 Ede	100.00%	100.00%	Full
OREN 108 Stompetoren	100.00%	100.00%	Full
OREN 109 Apeldoorn	100.00%	100.00%	Full
OREN 110 Muiden	100.00%	100.00%	Full
OREN 111 Wassenaar	100.00%	100.00%	Full
OREN 112 Middelurg	100.00%	100.00%	Full
OREN 117 B.V. Amsterdam	100.00%	100.00%	Full
OREN 115 B.V. Sneek	100.00%	100.00%	Full
OREN 53 B.V.	100.00%	100.00%	Full
OREN 54 B.V.	100.00%	100.00%	Full
OREN 55 B.V.	100.00%	100.00%	Full
OREN 56 B.V.	100.00%	100.00%	Full
OREN 57 B.V.	100.00%	100.00%	Full
OREN 58 B.V.	100.00%	100.00%	Full
OREN 59 B.V.	100.00%	100.00%	Full
OREN 60 B.V.	100.00%	100.00%	Full
OREN 201 BV Soesterberg	100.00%	100.00%	Full
OREN 202 BV Den Dolder	100.00%	100.00%	Full
OREN 122 BV Best	100.00%	100.00%	Full
OREN 123 BV Emmerloord	100.00%	100.00%	Full
Oren 119 Hailoo (final)	100.00%	100.00%	Full
OREN 120 Arnhem-Schaarsbergen (not final)	100.00%	100.00%	Full
OREN 124 Boskoop	100.00%	100.00%	Full
OREN 125 B.V. Zeist	100.00%	100.00%	Full
OREN 52	100.00%	100.00%	Full
Thuismakers Holding B.V.	100.00%	100.00%	Full
Thuismakers B.V.	100.00%	100.00%	Full
Thuismakers Project Management B.V.	100.00%	100.00%	Full
Utrechtseweg Sortie 02-N B.V.	100.00%	100.00%	Full
DLH – Dagelijks Leven Holding	100.00%	100.00%	Full
ORPEA Netherlands B.V.	100.00%	100.00%	Full
OREN 51 B.V.	100.00%	100.00%	Full
OREN Holding B.V.	100.00%	100.00%	Full
September	100.00%	100.00%	Full
Allerzorg B.V.	100.00%	100.00%	Full
BLMDL	100.00%	100.00%	Full
Holding Sept	100.00%	100.00%	Full
Van Hollant	100.00%	100.00%	Full
PGZ groep B.V.	100.00%	100.00%	Full
Zorgverlening PGZ B.V.	100.00%	100.00%	Full
Compleet Mensenwerk	100.00%	100.00%	Full
CMW wonen	100.00%	100.00%	Full
CMW werkt	100.00%	100.00%	Full
Allerzorg Beheer B.V.	100.00%	100.00%	Full
ELSSC	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
Allerzorg Support B.V.	100.00%	100.00%	Full
Allerzorg Flexiekids B.V.	100.00%	100.00%	Full
Thuismakers Vastgoedmanagement B.V.	100.00%	100.00%	Full
Thuismakers Amersfoort B.V	100.00%	100.00%	Full
Thuismakers Boxtel B.V.	100.00%	100.00%	Full
Thuismakers Goor B.V.	100.00%	100.00%	Full
Thuismakers Leidsche Rijn B.V.	100.00%	100.00%	Full
Thuismakers Lochem B.V.	100.00%	100.00%	Full
Thuismakers Lochem B.V.	100.00%	100.00%	Full
Thuismakers Nijverdal B.V.	100.00%	100.00%	Full
Thuismakers Schiedam B.V.	100.00%	100.00%	Full
Thuismakers Tiel B.V.	100.00%	100.00%	Full
Thuismakers Zevenaar Juvenaat B.V.	100.00%	100.00%	Full
OREN 113 B.V.	100.00%	100.00%	Full
OREN 114 B.V.	100.00%	100.00%	Full
OREN 116 B.V.	100.00%	100.00%	Full
OREN 118 B.V.	100.00%	100.00%	Full
OREN 121 B.V.	100.00%	100.00%	Full
Compartijn Holding B.V.	100.00%	100.00%	Full
Compartijn Exploitatie B.V.	100.00%	100.00%	Full
ORPEA Holding Netherlands B.V.	100.00%	100.00%	Full
ORPEA Real Estate Holding Netherlands B.V.	100.00%	100.00%	Full
Van Hollant Vesper	100.00%	100.00%	Full
LUXEMBOURG			
OREG 5 – ex-923 / 8923	100.00%	100.00%	Full
OREG 4 – ex-924 / 8924	100.00%	100.00%	Full
OREG 3 – ex-8925	100.00%	100.00%	Full
OREG 2 – ex-926 / 8926	100.00%	100.00%	Full
OREG 1 – ex-927 / 8927	100.00%	100.00%	Full
ORESC 8 – ex-928 / 8928	10.00%	10.00%	Equity-accounted
ORESC 7 – ex-929 / 8929	49.00%	49.00%	Equity-accounted
ORESC 6 – ex-930 / 8930	100.00%	100.00%	Full
ORESC 5 – ex-931 / 8931	100.00%	100.00%	Full
ORESC 4 – ex-932 / 8932	100.00%	100.00%	Full
ORESC 3 – ex-933 / 8933	100.00%	100.00%	Full
ORESC 2 – ex-934 / 8934	100.00%	100.00%	Full
ORESC 1 – ex-935 / 8935	100.00%	100.00%	Full
OREGH – ex-941 / 8941	100.00%	100.00%	Full
ORESC 9 – ex-919 / 8919	100.00%	100.00%	Full
ORESC 10 – ex-8947	100.00%	100.00%	Full
ORESC 11 – ex-888 / 8888	100.00%	100.00%	Full
ORESC 12 – ex-920 / 8920	49.00%	49.00%	Equity-accounted
ORESC 13 – ex-8943	100.00%	100.00%	Full
ORESC 14	100.00%	100.00%	Full
ORESC 15 – ex-8948	100.00%	100.00%	Full
ORESC 16 – ex-8949	100.00%	100.00%	Full
ORESC 17 – ex-8950	100.00%	100.00%	Full
ORESC 18 – ex-8951	100.00%	100.00%	Full
ORESC 19 – ex-8952	100.00%	100.00%	Full
ORESC 20	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
ORESC 21	100.00%	100.00%	Full
ORESC 22	100.00%	100.00%	Full
ORESC 23	100.00%	100.00%	Full
ORESC 24	100.00%	100.00%	Full
Acrina Grundinvest 10	95.00%	100.00%	Full
Wohnpark ElchesheimIllingen Projektgesellschaft UG	100.00%	100.00%	Full
Bad Schonborn Properties	10.00%	10.00%	Equity-accounted
Gengenbach Properties	95.00%	100.00%	Full
Schomberg (Care Home) Properties	95.00%	100.00%	Full
Schomberg (Clinic) Properties Sàrl	95.00%	100.00%	Full
ORE-A SARL	100.00%	100.00%	Full
ORE-B SARL	100.00%	100.00%	Full
ORE-D SARL	100.00%	100.00%	Full
RB Rehabilitationsklinik Bensberg GmbH	100.00%	100.00%	Full
Arkadia Pflegegesellschaft NRWmbH	100.00%	100.00%	Full
ORE-F	100.00%	100.00%	Full
ORE-I	100.00%	100.00%	Full
ORE-J	100.00%	100.00%	Full
ORE-O	100.00%	100.00%	Full
ORE-P	100.00%	100.00%	Full
ORE-R	100.00%	100.00%	Full
Antan Recona GmbH & Co, 12 VV KG	100.00%	100.00%	Full
ORE-T S.à.r.l.	100.00%	100.00%	Full
ORE-U S.à.r.l.	100.00%	100.00%	Full
ORE-W S.à.r.l.	100.00%	100.00%	Full
ORPEA RE Lease S.àr.l.	100.00%	100.00%	Full
ORE-X S.à.r.l.	100.00%	100.00%	Full
ORE-Y S.à.r.l.	100.00%	100.00%	Full
ORE-Z S.à.r.l.	100.00%	100.00%	Full
COTPT8	30.00%	30.00%	Equity-accounted
ORESC 25	100.00%	100.00%	Full
ORESC 26	100.00%	100.00%	Full
ORESC 27	100.00%	100.00%	Full
OREL – ex-936/8936	100.00%	100.00%	Full
Ceecsh – ex-943/8943	100.00%	100.00%	Full
GCSE – ex-944/8944	100.00%	100.00%	Full
Brige	100.00%	100.00%	Full
Samosa	100.00%	100.00%	Full
ORPEA GP Lux	100.00%	100.00%	Full
OME Holding	100.00%	100.00%	Full
ORED GP GmbH	100.00%	100.00%	Full
SIS Portugal Exploit	100.00%	100.00%	Full
SIS Brasil Exploit	100.00%	100.00%	Full
Rodevita S.A.	45.00%	45.00%	Equity-accounted
ORPEA Luxembourg Exploitation	100.00%	100.00%	Full
ORPEA Luxembourg Services	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
IRELAND			
The Residences PL Limited	100.00%	100.00%	Full
The Residences KK Ltd	100.00%	100.00%	Full
The Residences PM Ltd	100.00%	100.00%	Full
Veritdale Limited	100.00%	100.00%	Full
Cubedale Limited	100.00%	100.00%	Full
Orbitview Limited	100.00%	100.00%	Full
TLC Spectrum Limited	100.00%	100.00%	Full
Brindley Manor Federation of NH Ltd	100.00%	100.00%	Full
Buccleuch Estates Ltd	100.00%	100.00%	Full
Ashley Lodge NH Ltd	100.00%	100.00%	Full
Kilminchy Lodge NH Ltd	100.00%	100.00%	Full
Maynooth Lodge NH Ltd	100.00%	100.00%	Full
Millbrae Lodge NH Ltd	100.00%	100.00%	Full
Brindley Healthcare Services Ltd	100.00%	100.00%	Full
Padamure Ltd	100.00%	100.00%	Full
Firstcare NH Ltd	100.00%	100.00%	Full
Belmont Care Ltd	100.00%	100.00%	Full
Firstcare Beneavin House Ltd	100.00%	100.00%	Full
Firstcare Beneavin Lodge Ltd	100.00%	100.00%	Full
Firstcare Beneavin Manor Ltd	100.00%	100.00%	Full
Firstcare Blainroe Lodge Ltd	100.00%	100.00%	Full
Firstcare Earlsbrook House Ltd	100.00%	100.00%	Full
Firstcare Mountpleasant Lodge Ltd	100.00%	100.00%	Full
Benton Ltd	100.00%	100.00%	Full
Mahaska Ltd	100.00%	100.00%	Full
Kilbrew Recuperation & Nursing Care Ltd	100.00%	100.00%	Full
Athlunkard Nursing Home Ltd	100.00%	100.00%	Full
Trygve Ltd	100.00%	100.00%	Full
Birger Ltd	100.00%	100.00%	Full
The Residences KK Ltd	100.00%	100.00%	Full
Frode Limited	100.00%	100.00%	Full
ORPEA Care Ireland Ltd	100.00%	100.00%	Full
Brindley Healthcare Ltd	100.00%	100.00%	Full
Zaltana Invest Ltd	100.00%	100.00%	Full
TLC Health Services Limited	100.00%	100.00%	Full
CZECH REPUBLIC			
SeneCura s.r.o.	80.00%	100.00%	Full
SeneCura Holding s.r.o.	100.00%	100.00%	Full
SeneCura SeniorCentrum Chrudim s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Klamovka s.r.o.	80.00%	100.00%	Full
DS Morava a.s	100.00%	100.00%	Full
SeneCura SeniorCentrum MOPT a.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum HSH a.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum Kolin s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Slivenec s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Pisek a.s.	100.00%	100.00%	Full
SeneCura SeniorCentrum Liberec s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Telc s.r.o.	80.00%	100.00%	Full
Seniorskyklub Pisek o.p.s.	80.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SeneCura SeniorCentrum Chotebor s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Jicín s.r.o.	80.00%	100.00%	Full
SC Chrudim a.s.	100.00%	100.00%	Full
SC Klamovka s.r.o.	100.00%	100.00%	Full
SC Sanov s.r.o.	100.00%	100.00%	Full
SeneCura Olomouc s.r.o.	100.00%	100.00%	Full
SC Modrice s.r.o.	100.00%	100.00%	Full
SC Plzen s.r.o.	100.00%	100.00%	Full
SC Terezin, a.s.	92.00%	100.00%	Full
SC Havirov, s.r.o.	100.00%	100.00%	Full
SC Hradec Kralove, s.r.o.	100.00%	100.00%	Full
SC Sterboholy, s.r.o.	100.00%	100.00%	Full
SeneCura Kolin s.r.o.	100.00%	100.00%	Full
SC Slivenec s.r.o.	100.00%	100.00%	Full
SC Pisek s.r.o.	100.00%	100.00%	Full
SC Liberec s.r.o.	100.00%	100.00%	Full
SeneCura SeniorCentrum Humpolec s.r.o.	80.00%	100.00%	Full
SR Telc s.r.o.	100.00%	100.00%	Full
SC Zadrnad Sazavou s.r.o.	80.00%	100.00%	Full
SC Chotebor s.r.o.	100.00%	100.00%	Full
SeneCura Jicin s.r.o.	100.00%	100.00%	Full
SC Jablonne s.r.o.	100.00%	100.00%	Full
SC Horazdovice s.r.o.	100.00%	100.00%	Full
SeneCura Rehabilitace Plzen s.r.o	100.00%	100.00%	Full
BRAZIL			
Casa de Repouso Alex Sabino Pereira Ltda	100.00%	100.00%	Full
Casa de Repouso Bem Viver Ltda	100.00%	100.00%	Full
CIAI – Centro Integrado de Atendimentoaoldoso LTDA – EPP	100.00%	100.00%	Full
Vivace Residencial Para Idosos Eireli	100.00%	100.00%	Full
Hrsv Residencial Para Idosos Eirelihrsv Residencial Para Idosos Eireli	100.00%	100.00%	Full
Primo Immo Brasil Empreendimentos e Participações Ltda	100.00%	100.00%	Full
SIS EHPAD	100.00%	100.00%	Full
Spe Norte Sul Campinas Empreendimentos Imobiliarios Ltda	100.00%	100.00%	Full
Orpimmo Pampulha Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo São Francisco Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Trompowski Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Tres Figueires Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orprimmo Jardim Goianas	100.00%	100.00%	Full
Orpimmo Camboinhas Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Brasília Norte Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Saint-Émilion Joinville Empreendimentos e Participações Ltda	100.00%	100.00%	Full
ORPEA Brasil Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Doce Exploit Empreendimentos e Participações Eireli	100.00%	100.00%	Full
SIS Clinicas e Residencias Geriatricas Ltda	100.00%	100.00%	Full
Hospital e Casa de Repouso Sainte Marie Ltda	100.00%	100.00%	Full
Brazil Senior Living S.A.	100.00%	100.00%	Full
Assistcare Servicos de Saude S.A.	100.00%	100.00%	Full
Orpexploit Brasil Residenciais E Clinicas Para Idosos Ltda	100.00%	100.00%	Full
BSL Home Care Holding S.A.	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
ITALY			
ORPEA Italia	100.00%	100.00%	Full
Clinea Italia Holding Srl	100.00%	100.00%	Full
Villa Cristina Siège	100.00%	100.00%	Full
Casamia Verdello	100.00%	100.00%	Full
Casamia Mestre	100.00%	100.00%	Full
Madonna dei Boschi	100.00%	100.00%	Full
Centro Minoretti Srl	20.00%	20.00%	Equity-accounted
Centro dell'Anzianao srl	100.00%	100.00%	Full
Solidarietas Srl	100.00%	100.00%	Full
Sarea	100.00%	100.00%	Full
Siège Clinea Italia	100.00%	100.00%	Full
Rodevita S.p.A.	45.00%	45.00%	Equity-accounted
Rodevita Bicocca S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita Brescia S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita Camponogara S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita Favaro S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita San Celso S.r.l.	45.00%	45.00%	Equity-accounted
Villa Martini S.r.l.	100.00%	100.00%	Full
Chiapetto RE Srl	20.00%	20.00%	Equity-accounted
Nord Est Group srl	100.00%	100.00%	Full
Casamia International SRL	100.00%	100.00%	Full
Ad Maioressrl	100.00%	100.00%	Full
LTC Invest spa	100.00%	100.00%	Full
Crest S.r.l.	100.00%	100.00%	Full
Sanremo Borea Immobiliare S.r.l.	100.00%	100.00%	Full
Torino Consolata Immobiliare S.r.l.	100.00%	100.00%	Full
Nova Monastir	100.00%	100.00%	Full
Orpitalia	100.00%	100.00%	Full
ORPEA RSA Consolata S.R.L.	100.00%	100.00%	Full
ORPEA RSA Julia Sanremo S.R.L.	100.00%	100.00%	Full
PORTUGAL			
Portexploit Unipessoal Lda	100.00%	100.00%	Full
Doceviver	100.00%	100.00%	Full
PORTO SALUSAZEITAO	100.00%	100.00%	Full
Pensar Futuro Ltda	100.00%	100.00%	Full
Simple Senior Club – Apoio Social Limitada	100.00%	100.00%	Full
Casa de Avioso – Residencia e Apoio Senior S.A.	100.00%	100.00%	Full
AGMR Saude	100.00%	100.00%	Full
Flavicórdia, Saúde e Serviços, Lda	100.00%	100.00%	Full
Residências e Serviços para a 3a Idade, Lda	100.00%	100.00%	Full
Immorpea S.A. Portugal	100.00%	100.00%	Full
CIT ORPEA S.A.	100.00%	100.00%	Full
ORPEA Portugal Immo S.A.	100.00%	100.00%	Full
U.S.C.S. S.A.	100.00%	100.00%	Full
Cometa 2018 Investimentos Imobiliarios, Lda	100.00%	100.00%	Full
Niorpea Portugal	100.00%	100.00%	Full
Kauforg-Port, Unipessoal, Lda	100.00%	100.00%	Full
C.O.P. – Comprasorg, S.A.	100.00%	100.00%	Full
Hospital Nossa Senhora da Arrabida	100.00%	100.00%	Full
C.R.G. – Centro de Reabilitação da Giesta, S.A.	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SPAIN			
ORPEA Ibérica SAU	100.00%	100.00%	Full
Residencial Senior 2000 SLU	100.00%	100.00%	Full
Artevida Centros Residenciales SAU	100.00%	100.00%	Full
Centros Residenciales Estremera SAU	100.00%	100.00%	Full
Explotacion de Residencias de Real Sitio de San Fernando SLU	100.00%	100.00%	Full
Centro de Mayores Care Extremadura dos 2002 SLU	100.00%	100.00%	Full
Sanyres Sur SLU	100.00%	100.00%	Full
Residencia Ciutat Diagonal Esplugues SLU	100.00%	100.00%	Full
Residencia Reyes de Aragon SLU	100.00%	100.00%	Full
Ecoplar SAU	100.00%	100.00%	Full
Gesecoplar SAU	100.00%	100.00%	Full
Ecoplar Serranillos SAU	100.00%	100.00%	Full
Ecoplar Cantabria SLU	100.00%	100.00%	Full
Ecoplar Granada SAU	100.00%	100.00%	Full
Acacias Logrono, S.L.	100.00%	100.00%	Full
Instituto de Investigaciones Neuropsiaquitricas Dr. Lopez Ibor S.A.	100.00%	100.00%	Full
Centro Lescer, S.L.	100.00%	100.00%	Full
Atirual Inmobiliaria S.L.U.	100.00%	100.00%	Full
Union Sanyres SLU	100.00%	100.00%	Full
ORPEA Latam	100.00%	100.00%	Full
Accomodore Assistencial S.L.U.	100.00%	100.00%	Full
SWITZERLAND			
ORPEA Suisse S.A.	100.00%	100.00%	Full
Clinéa Suisse	100.00%	100.00%	Full
Clinique de la Métairie	100.00%	100.00%	Full
Clinique Bois-Bougy	100.00%	100.00%	Full
Clinique du Grand-Salève	100.00%	100.00%	Full
Clinica Holistica Engadina	100.00%	100.00%	Full
Senevita AG	100.00%	100.00%	Full
Stiftung Résidence Beaulieu	100.00%	100.00%	Full
Senevita Bernerrose AG	100.00%	100.00%	Full
Senevita Limmatfeld	100.00%	100.00%	Full
Senevita Mülibach AG	100.00%	100.00%	Full
Senevita Tonisberg AG	100.00%	100.00%	Full
Casa Giesserei	100.00%	100.00%	Full
Sensato Holding	100.00%	100.00%	Full
Med-Immo La Colline S.A.	100.00%	100.00%	Full
Kauforg	100.00%	100.00%	Full
Helvetia Clinea SARL	100.00%	100.00%	Full
Gevea Santé S.A.	100.00%	100.00%	Full
Gévéa Immo S.A.	49.00%	49.00%	Equity-accounted

Legal entity	Percentage control	Percentage ownership	Consolidation method
MEXICO			
SIS Exploit Mexico S.A. de C.V.	49.00%	49.00%	Equity-accounted
Operadora	100.00%	100.00%	Full
Mexicorpea	100.00%	100.00%	Full
Orpimmo Tlalpan	100.00%	100.00%	Full
Orpimmo Valle Real	100.00%	100.00%	Full
Promotora	100.00%	100.00%	Full
Orpimmo Lomas	100.00%	100.00%	Full
Orpimmo Guadalajara Jardines	100.00%	100.00%	Full
Orpimmo Guadalajara Punto Sur	100.00%	100.00%	Full
Puebla Cascattas	100.00%	100.00%	Full
Orpimmo Centro Sur	100.00%	100.00%	Full
ORPEA Mexico S. de R.L. de C.V.	100.00%	100.00%	Full
Administracion	100.00%	100.00%	Full
SLOVENIA			
SeneCura Dom starejaihobcanov Radenci d.o.o.	100.00%	100.00%	Full
SeneCura Dom starejaihobcanov Vojnik d.o.o.	100.00%	100.00%	Full
SeneCura Dom starejaihobcanov Maribor d.o.o.	100.00%	100.00%	Full
SeneCura HS domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura Ra d.o.o.	100.00%	100.00%	Full
SeneCura K d.o.o.	100.00%	100.00%	Full
SeneCura M domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura ` domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura R domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura Central SI, domovistarejaihobcanov, d.o.o.	100.00%	100.00%	Full
OptimaMed Dializni center Vojnik d.o.o.	100.00%	100.00%	Full
CHILE			
ORPEA Chile SPA	100.00%	100.00%	Full
Rentas Senior Suites S.A.	50.00%	50.00%	Equity-accounted
Senior Gestion de Enfermeria las Encinas Ltda	49.00%	49.00%	Equity-accounted
Servicios Senior S.A.	50.00%	50.00%	Equity-accounted
Servicios Living La Dehesa S.A.	50.00%	50.00%	Equity-accounted
Seniors Gestion de Enfermeria Ltda	50.00%	50.00%	Equity-accounted
SG Sebastian Elcano Ltda	50.00%	50.00%	Equity-accounted
Inmobiliaria Seniors S.A.	49.00%	49.00%	Equity-accounted
CHINA			
China Ltd	100.00%	100.00%	Full
Retirement Services Co. Ltd	100.00%	100.00%	Full
ORPEA [Shanghai] Enterprise Management Consulting Co., Ltd	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
CROATIA			
Konsolidierung Kroatien	100.00%	100.00%	Full
SeneCura Dom za starijeinemocne Novaki Bistranski	100.00%	100.00%	Full
Dom SeneCura Treanjevka	100.00%	100.00%	Full
Dom Vita Nova Bjelovar	100.00%	100.00%	Full
SeneCura Novaki Bistranski d.o.o.	100.00%	100.00%	Full
Data S d.o.o. Bjelovar (Real Estate)	100.00%	100.00%	Full
SeneCura Ceecr d.o.o.	100.00%	100.00%	Full
Brojcanik j.d.o.o.	100.00%	100.00%	Full
Cisti dom j.d.o.o.	100.00%	100.00%	Full
Domar bistra j.d.o.o.	100.00%	100.00%	Full
POLAND			
ORPEA Polska	100.00%	100.00%	Full
MS Nieruchomosci sp.z.o.o.	100.00%	100.00%	Full
Ostoya Real Estate	100.00%	100.00%	Full
Czeremchowa	100.00%	100.00%	Full
KM sp.z.o.o	100.00%	100.00%	Full
URUGUAY			
Lagubel S.A.	100.00%	100.00%	Full
Famibel S.A.	100.00%	100.00%	Full
Blenasa International S.A.	100.00%	100.00%	Full
Caselio S.A.	100.00%	100.00%	Full
Orpimmo Uruguay S.A.	100.00%	100.00%	Full
Orpexploit Uruguay S.A.	100.00%	100.00%	Full
UNITED ARAB EMIRATES			
ORPEA Middle East Investments LLC	48.00%	100.00%	Full
DPRC Rehabilitation Center LLC	48.00%	100.00%	Full
UNITED KINGDOM			
Florence Nightingale Hospital	100.00%	100.00%	Full
Start2Stop Limited	100.00%	100.00%	Full
ORPEA UK Limited	100.00%	100.00%	Full
BAHRAIN			
Orpimmo Al Jasra W.L.L.	48.00%	100.00%	Full
ISRAEL			
Senior Services Platform Ltd	49.00%	49.00%	Equity-accounted
RUSSIA			
ORPEA Rus	89.00%	100.00%	Full

The following fully-consolidated German subsidiaries intend to use all exemptions possible under Articles 264 (3) and 264-b of the German Commercial Code (HGB) for the year ended 31 December 2023 with respect to the preparation of the notes to the financial statements and the management report in accordance with Subsection 1, audit requirements in accordance with Subsection 3 and the disclosure requirements of Subsection 4 of Section 2 of Book 3 of the HGB.

Legal entity	Percentage control	Percentage ownership	Consolidation method
GERMANY			
Seniorenresidenzen Bürgerpark GmbH	100.00%	100.00%	Full
Bavaria II GmbH Pflegeresidenz Alt-Tempelhof 10-12	100.00%	100.00%	Full
GAPSTEP Personalmanagement GmbH	100.00%	100.00%	Full
HKD GmbH Heim- und Klinikdienste	100.00%	100.00%	Full
Reiko Dienstleistung für Altenhilfeeinrichtung GmbH	100.00%	100.00%	Full
Theißtal Aue Alten- und Pflegeheim GmbH	100.00%	100.00%	Full
Residenz zwischen den Auen Gesellschaft für Altenpflege mbH	100.00%	100.00%	Full
Peter Janssen Seniorenresidenzen GmbH	100.00%	100.00%	Full
VitaCare Gesellschaft für den Betrieb von Pflegeeinrichtungen mbH	100.00%	100.00%	Full
HvBuche Seniorenresidenzen GmbH	100.00%	100.00%	Full
Comunita Seniorenresidenzen GmbH	100.00%	100.00%	Full
ZDS Zentrale Dienstleistungen für Sozialunternehmen	100.00%	100.00%	Full
MediCare im Grillepark GmbH	100.00%	100.00%	Full
Senioren- und Pflegeheim Gutshof Bostel GmbH & Co. KG	100.00%	100.00%	Full
MediCare Pflegeeinrichtung GmbH	100.00%	100.00%	Full
MediCare Seniorenresidenz Rehren Beteiligungs GmbH	100.00%	100.00%	Full
Fürsorgeim Alter Seniorenresidenzen GmbH	100.00%	100.00%	Full
Senioren Wohnpark Weser GmbH	100.00%	100.00%	Full
Senioren Wohnpark Stade GmbH	100.00%	100.00%	Full
HvBuche Seniorenresidenzen GmbH	100.00%	100.00%	Full
Vitalis Gesellschaft für soziale Einrichtungen mbH	100.00%	100.00%	Full
MediCare Verwaltungs GmbH	100.00%	100.00%	Full
MediCare Seniorenresidenz Rehren GmbH & Co. KG	100.00%	100.00%	Full
MediCare Service gesellschaft mbH	100.00%	100.00%	Full
Residenz Phoenixsee GmbH	100.00%	100.00%	Full
Fürsorgeim Alter Seniorenresidenz Weissensee GmbH	100.00%	100.00%	Full
Aumühlenresidenz Oberursel GmbH	100.00%	100.00%	Full
Arkadia Pflege Betriebsgesellschaft mbH	100.00%	100.00%	Full
Arkadia Objekt Bad Saarow GmbH	100.00%	100.00%	Full
Alisea Domizil GmbH	100.00%	100.00%	Full
ORPEA Silver Care Holding GmbH	100.00%	100.00%	Full
ORPEA MediCare Holding GmbH	100.00%	100.00%	Full
ORPEA Peter Janssen Holding GmbH	100.00%	100.00%	Full
ORPEA Comunita Holding GmbH	100.00%	100.00%	Full
ORPEA Deutschland GmbH	100.00%	100.00%	Full
ORPEA FiA Holding GmbH	100.00%	100.00%	Full
ORPEA Residenz Holding GmbH	100.00%	100.00%	Full
ORPEA Deutschland Immobilien Services GmbH	100.00%	100.00%	Full
ORPEA Vitalis Holding GmbH	100.00%	100.00%	Full
ORPEA Ambulante Pflege Holding GmbH	100.00%	100.00%	Full
German Care Services Enterprise S.à.r.l., German Branch	100.00%	100.00%	Full
Celenus-Kliniken GmbH	100.00%	100.00%	Full
Teufelsbad Fachklinik Blankenburg GmbH	100.00%	100.00%	Full
Algos Fachklinik Bad Klosterlausnitz GmbH	100.00%	100.00%	Full
REHA-Klinik Sigmund Weil GmbH	100.00%	100.00%	Full
Sport- und Rehabilitationszentrum Harz GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
Psychosomatische Fachklinik Gengenbach GmbH	100.00%	100.00%	Full
Fachklinik für psychische Erkrankungen Ortenau GmbH	100.00%	100.00%	Full
Psychosomatische Fachklinik Schömberg GmbH	100.00%	100.00%	Full
Gotthard-Schettler-Klinik GmbH	100.00%	100.00%	Full
Fachklinikum Sachsenhof GmbH	100.00%	100.00%	Full
Deutsche Klinik für Integrative Medizin und Naturheilverfahren GmbH	100.00%	100.00%	Full
Fachklinik Bromerhof GmbH	100.00%	100.00%	Full
Medexpert Gesellschaft für Klinikbetrieb mbH	100.00%	100.00%	Full
Rehakonzept Klinikbetriebsgesellschaft mbH	100.00%	100.00%	Full
Celenus Psychosomatische Fachklinik Freiburg GmbH	100.00%	100.00%	Full
Celenus Fachklinik Hilchenbach GmbH	100.00%	100.00%	Full
Klinik Bad Herrenalb GmbH	100.00%	100.00%	Full
Celenus Klinik an der Salza GmbH	100.00%	100.00%	Full
Celenus Salza Vita GmbH	100.00%	100.00%	Full
Celenus Parkklinik GmbH	100.00%	100.00%	Full
Kuwo GmbH	100.00%	100.00%	Full
Prävention und Fitness IO GmbH	83.00%	100.00%	Full
Salvea Süd GmbH	100.00%	100.00%	Full
Reha Bensberg GmbH	100.00%	100.00%	Full
Reha Düsseldorf Gesellschaft für indikations über greifende Rehabilitation mbH	100.00%	100.00%	Full
Reha Gelsenkirchen -RG- GmbH	100.00%	100.00%	Full
Reha Kleve GmbH	100.00%	100.00%	Full
Reha Krefeld -RK- GmbH	100.00%	100.00%	Full
Reha Rheinland-RR-GmbH	100.00%	100.00%	Full
Reha-Zentrum Hofheim/Taunus GmbH	100.00%	100.00%	Full
Rehazentrum Obere Nahe IO GmbH	100.00%	100.00%	Full
TheraNet Homberg GmbH	100.00%	100.00%	Full
TheraNet Huckingen GmbH	100.00%	100.00%	Full
TheraNet NRW GmbH	51.00%	100.00%	Full
TheraNet Recklinghausen GmbH	74.90%	100.00%	Full
TheraNet Westfalen GmbH	100.00%	100.00%	Full
inoges – IV – GmbH – Integrierte Versorgung	100.00%	100.00%	Full
Danuvius Klinik GmbH	100.00%	100.00%	Full
Rehabilitationszentrum Alt-Neuötting GmbH	100.00%	100.00%	Full
Therapiezentrum Winterberg GmbH	100.00%	100.00%	Full
medaktiv GmbH	100.00%	100.00%	Full
medaktiv reha GmbH	100.00%	100.00%	Full
Danuvius Ambulante Pflege GmbH	100.00%	100.00%	Full
MVZAidA GmbH	100.00%	100.00%	Full
Celenus SE	100.00%	100.00%	Full
Celenus-Service GmbH	100.00%	100.00%	Full
Celenus-Management GmbH	100.00%	100.00%	Full
Fachklinik Hilchenbach Service GmbH	100.00%	100.00%	Full
Celenus-Beteiligungs GmbH	100.00%	100.00%	Full
Sot Vermögensverwaltungs GmbH	100.00%	100.00%	Full
inoges Holding GmbH	100.00%	100.00%	Full
medaktiv Holding GmbH	100.00%	100.00%	Full
medaktiv Saarbrücken GmbH	100.00%	100.00%	Full
medaktiv Beteiligungsgesellschaft mbH	100.00%	100.00%	Full
Salvea Hüls GmbH	100.00%	100.00%	Full

6.2 Statutory Auditors’ report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2023

To the shareholders of ORPEA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of ORPEA for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the “Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements” section of this report.

Independence

We conducted our audit in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2023 to the date of our report, and, in particular, we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements of the period, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and approved in the conditions mentioned above, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of liquidity risk and application of the going concern principle

Notes 1.1, 2.1, 3.1, 4.14 and 4.15 to the consolidated financial statements

Risks identified

Note 3.1 "Liquidity risk and going concern" states that the Group's total net debt (excluding IFRS 16 lease liabilities) at 31 December 2023 amounted to €4.7 billion, including €645 million in cash and cash equivalents. The Group's debt is presented in Note 4.14 "Debt (excluding lease liabilities under IFRS 16)" to the consolidated financial statements.

Given:

- the Group's debt structure and repayment schedule;
- the Group's cash position at 31 December 2023 and its available liquidity;
- the assumptions made by management regarding the business forecast and the corresponding cash flow projections;
- changes to clauses of the financial ratio (bank covenants) attached to debt following waivers obtained by the Group from all the lenders concerned, in particular with the introduction of a new leverage covenant applicable from 30 June 2025 and a clause requiring the Group to maintain a minimum cash level (plus undrawn Group credit facilities) of €300 million, tested quarterly as from 31 March 2024;

- the additional financing agreement (new money debt) and associated financial ratio ("Loan to Value" (LTV) and Niort 94/Niort 95 LTV) signed on 26 May 2023; and
- the €390 million capital increase carried out on 15 February 2024,

Management believes that it has a sufficient level of cash to ensure the continuity of the Group's activities. As such, the Board of Directors approved the consolidated financial statements on 16 April 2024 on a going concern basis.

Given the conditions attached to the Group's debt, we considered the assessment of liquidity risk and the application of the going concern principle to be a key audit matter. Assessment of liquidity risk and application of the going concern principle requires management to exercise judgement and use estimates in preparing the cash flow forecasts used to determine the Group's liquidity requirements in order to meet its estimated debt repayments over the next twelve months.

Our response

As part of our work, we assessed the Group's liquidity requirements in relation to cash flows forecasts, current resources and existing credit facilities.

We reviewed the documents relating to (i) the amendments to bank borrowings and the related obligations (financial ratios under bank covenants) signed with the banks on 26 May 2023 and (ii) existing and available credit facilities, in particular under the additional financing (new money debt).

Our work also consisted of obtaining cash flow forecasts and reviewing (i) the procedures and (ii) the main assumptions used to prepare them.

We assessed their consistency with the forecast information in the latest business plans. These forecasts were drawn up under the oversight of management and approved by the Board of Directors.

On this basis, we assessed the proper application of the going concern principle as described in Note 3.1 to the consolidated financial statements.

Lastly, we verified the appropriateness of the information provided in the notes to the consolidated financial statements relating to:

- the information described in Notes 1.1 "Financial restructuring" and 2.1 "Completion of the financial restructuring" to the consolidated financial statements;
- the liquidity risk described in Note 3.1 "Liquidity risk and going concern" to the consolidated financial statements; and
- the description of debt and available credit facilities described in Note 4.14 "Debt (excluding lease liabilities under IFRS 16)" to the consolidated financial statements.

Impairment tests on intangible assets (goodwill and operating licences) and property, plant and equipment and right-of-use assets

Notes 1.2, 4.1, 4.3, 4.4.2 and 4.24 to the consolidated financial statements

Risks identified

In connection with its business development, the Group has carried out acquisitions, which have resulted in the recognition in the balance sheet of significant amounts of property, plant and equipment (including leases) as well as goodwill and intangible assets relating to operating licences. These licences are required under local regulations in the Group's various host countries and apply to beds in facilities that it operates. They are considered to have an indefinite useful life.

At 31 December 2023, the net carrying amount of these assets (after impairment) stood at €10,352 million (€10,829 million at 31 December 2022), i.e., 74% of total assets, including €1,386 million in goodwill, €1,513 million in intangible assets, €4,369 million in property, plant and equipment and €3,084 million in right-of-use assets.

In accordance with IAS 36, impairment tests were carried out on goodwill, intangible assets, property, plant and equipment and right-of-use assets resulting from leases (IFRS 16) at 31 December 2023. Intangible assets, property, plant and equipment and right-of-use assets are tested for impairment at the level of the cash-generating unit (CGU), which corresponds to a homogeneous group of assets whose ongoing use generates cash inflows independently of the cash inflows from other CGUs. Each CGU corresponds to a facility (i.e., a nursing home or hospital). Goodwill is then tested for impairment by country (corresponding to a group of CGUs), i.e., the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the recoverable amount of the CGU or group of CGUs, and of the various assets comprising it, with its net carrying amount. The recoverable amount is defined by IAS 36 as the higher of an asset's fair value less costs of disposal and its value in use (corresponding to the present value of the future cash flows expected to be derived from an asset or group of assets). For operating licences, since no observable transactions were carried out in 2023 which could be used to allocate them a market value, the Group solely applied their value in use for impairment testing purposes.

The following method is used to carry out impairment tests:

- The value in use of each CGU or group of CGUs is determined by discounting expected future cash flows. These flows are derived from the three-year business plan approved by the Board of Directors.
- For tests performed at the CGU level (in the case of unamortised intangible assets allocated to the CGU or an indication of impairment), where the value in use is less than the net carrying amount, an impairment loss is recognised using the following method:

  If an impairment loss has to be recognised, it is allocated to all the intangible assets, property, plant and equipment and right-of-use assets making up the CGU (excluding working capital items and non-current financial assets) as follows:

  – firstly, to real estate assets that were appraised at the end of 2023. The amount of impairment allocated to real estate assets is such that its carrying amount after impairment is at least equal to its fair value less costs to sell, as determined by the appraisers,
  – the residual impairment loss is subsequently allocated to the other intangible assets, property, plant and equipment and right-of-use assets making up the CGU, but only up to the fair value net of selling costs of the individual assets.
- For tests performed at the country level (group of CGUs), when the value in use is less than the net carrying amount, an impairment loss is recognised firstly on goodwill (this impairment being irreversible) and then, if required, on the value of the intangible assets, property, plant and equipment and right-of-use assets making up the group of CGUs (excluding working capital and non-current financial assets).

At 31 December 2023, as stated in Note 1.2 to the consolidated financial statements, these tests led to the recognition of impairment losses totalling €830 million before tax under non-recurring operating expenses, including €31 million on goodwill, €161 million on operating licences, €200 million on property, plant and equipment and €438 million on IFRS 16 right-of-use assets.

Given the materiality of these assets in the consolidated financial statements and the fact that determining their recoverable amount requires management to make significant estimates, we considered the impairment tests on intangible assets, property, plant and equipment and right-of-use assets to be a key audit matter.

Our response

In order to assess the methods used to perform these impairment tests on goodwill, intangible assets, property, plant and equipment and right-of-use assets, our work consisted in particular of:

- reconciling the components of the carrying amount of the CGUs determined for the purposes of impairment testing with the base of non-current assets;
- analysing the assumptions on which the estimates used by management for cash flow projections were based, particularly regarding the occupancy rate, direct care ratio and the EBITDAR margin;
- comparing the projected data used to calculate values in use with the business plans for each facility, prepared by management and used to draw up the 2024-2026 business plan approved by the Board of Directors on 3 November 2023;
- obtaining the Company's advisers' review of the impairment tests, as well as the valuation reports of real estate valuers, and ensuring, with the help of the valuation specialists on our audit team, that appropriate methodology and assumptions were used;
- assessing the growth rate and discount rate assumptions by country used by the Group in light of the rates recalculated by our specialists.

Lastly, we verified the appropriateness of the information provided in Notes 1.2 "Impairment of assets (IAS 36)" and 4.1 "Goodwill and intangible assets" to the consolidated financial statements, including the sensitivity analyses required by IAS 36.

Measurement of the recoverable amount of development-related receivables and current accounts with associates

Notes 1.6, 2.4, 4.5, 4.9, 4.24, 5.1.1 and 5.3 to the consolidated financial statements

Risks identified

As part of its business development in France and internationally, the Group has worked with partners to prospect and build facilities. Historically, the Group has financed the construction of the facilities, which are then operated by the Group, which generally pays rent to occupy the premises.

Development-related receivables consist mainly of receivables arising from advances paid to partners in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments. Current accounts consist mainly of amounts paid to associates, i.e., companies controlled by the partners but over which the Group exercises significant influence and which are therefore accounted for using the equity method.

The Group entered into negotiations with its partners in 2022 with a view to unwinding the partnerships and recovering its real estate assets in exchange for receivables. In this context, the analysis of financial receivables relating to partnerships, based on a detailed analysis of the situation of the Company's partnerships and the status of ongoing negotiations, led to the recognition of a €153 million impairment loss on development-related receivables and a €380 million impairment loss on current accounts with associates, representing a total amount of €534 million recorded in non-recurring operating expenses for 2022.

As stated in Note 1.6 to the consolidated financial statements, as part of the process of partially unwinding partnerships, an agreement was signed in March 2023 giving the Group a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium, a 100% interest in Résidences Senior Services (RSS) in France and a 69% interest in four entities in the Age Partenaires group in France. As a result, only impairment losses on receivables relating to other entities (with no impact on the scope of consolidation) have been maintained pending finalisation of ongoing negotiations with the partners concerned.

Given the significant estimates that management was required to make while determining the recoverable amount, we considered the measurement of the recoverable amount of development-related receivables and current accounts with associates to be a key audit matter.

Our response

We reviewed the procedures implemented by management to identify and list all risks relating to its exposure to partners, in particular on the basis of the investigation reports prepared by the consultants appointed by the Company.

In order to assess the reasonableness of the estimate of the impairment losses recognised in respect of risks identified by the Group, our work consisted of:

- discussion with the Company's management, in particular the Legal department, and its advisers, to understand the progress and nature of its discussions with its partners;
- analysing the available legal documentation, in particular the settlement agreement signed in March 2023 to unwind a number of partnerships.

We also verified the appropriateness of the information disclosed in the Notes to the consolidated financial statements, in particular Notes 4.5 "Investments in associates and joint ventures", 4.9 "Other receivables, accruals and prepayments", 5.1.1 "Off-balance sheet commitments" and 5.3 "Related-party transactions".

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations on the information related to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group provided in the management report includes the consolidated non-financial statement required under Article L.225-102-1 of the French Commercial Code (*Code de commerce*). However, in accordance with Article L.823-10 of the French Commercial Code (*Code de commerce*), we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for statutory and consolidated financial statements presented in accordance with the European Single Electronic Format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined in the above delegated regulation.

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

Due to the technical limitations inherent in the block tagging of the consolidated financial statements in accordance with the European Single Electronic Format, the content of certain tags in the Notes may not be rendered identically to the consolidated financial statements attached to this report.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the *Autorité des marchés financiers* (AMF) are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Deloitte et Associés was appointed as Statutory Auditor of ORPEA by the Annual General Meeting of 29 June 2006, Saint-Honoré BK&A by the Annual General Meeting of 27 June 2008 and Mazars by the Annual General Meeting of 28 July 2022.

At 31 December 2023, Deloitte & Associés was in its 18th year of uninterrupted engagement, Saint-Honoré BK&A in its 16th year and Mazars in its 2nd year.

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

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRS as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as internal audit where applicable, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or in the aggregate, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As specified in Article L.821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgement throughout the audit.

In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and obtain audit evidence that they regard as sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, forgery, voluntary omissions, false statements or the circumvention of internal controls;
- they obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- they evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- they assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be noted that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements of the period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*Code de commerce*) and in the code of ethics of the statutory audit profession in France. Where appropriate, we discuss any risks that may reasonably be thought to bear on our independence and the related safeguards with the Audit and Risk Committee.

Paris and Paris-La Défense, France, 3 May 2024

The Statutory Auditors

Mazars		Deloitte & Associés	Saint-Honoré BK&A
Gaël Lamant	Anton Lissorgues	Damien Leurent	Xavier Groslin

6.3 Statutory financial statements for the year ended 31 December 2023

Income statement

(in thousands of euros)	Notes	2023	2022
Revenue	**2.1**	**1,118,843**	**1,045,899**
Production transferred to inventories		5	(4,694)
Other operating income		41,960	82,333
Operating income	**2.2**	**1,160,808**	**1,123,538**
Purchases used and other external costs		(616,345)	(651,875)
Taxes other than on income		(66,435)	(62,384)
Personnel costs		(695,445)	(643,341)
Depreciation, amortisation and charges to provisions		(127,291)	(90,249)
Other expenses		(2,888)	(4,308)
Operating expenses	**2.4**	**(1,508,404)**	**(1,452,157)**
Operating income/(loss)		**(347,596)**	**(328,618)**
Financial income		941,125	185,598
Financial expense		(725,712)	(2,989,990)
Net financial income/(expense)	**2.5**	**215,413**	**(2,804,392)**
Profit/(loss) before tax		**(132,183)**	**(3,133,011)**
Net non-recurring expense	2.6	(359,492)	(364,135)
Employee profit-sharing		286	-
Income tax	2.7	32,564	20,077
NET LOSS		**(458,824)**	**(3,477,069)**

Balance sheet

(in thousands of euros)	Notes	31 Dec. 2023 Gross	31 Dec. 2023 Depreciation, amortisation and charges to provisions	31 Dec. 2023 Net	31 Dec. 2022 Net
ASSETS					
Intangible assets		483,843	(364,341)	119,502	435,815
Property, plant and equipment		678,169	(506,118)	172,051	286,902
Financial assets		2,643,967	(1,037,581)	1,606,386	1,138,016
Total non-current assets	**1.1**	**3,805,979**	**(1,908,039)**	**1,897,940**	**1,860,733**
Inventories	1.3	2,616	-	2,616	2,466
Advances and downpayments		4,340	-	4,340	4,482
Trade receivables	1.4	95,422	(13,468)	81,954	39,203
Other receivables	1.4	5,624,294	(1,547,437)	4,076,857	3,300,880
Marketable securities	1.5	100,831	-	100,831	250,351
Cash at bank and in hand		173,678	-	173,678	224,761
Prepaid expenses	1.10	7,690	-	7,690	6,857
Total current assets		**6,008,871**	**(1,560,905)**	**4,447,966**	**3,829,000**
Debt issuance costs	1.10	19,574	-	19,574	44,739
Loan repayment premiums	1.10	-	-	-	7,068
Unrealised foreign currency losses	1.10	2,924	-	2,924	2,768
TOTAL ASSETS		**9,837,348**	**(3,468,944)**	**6,368,404**	**5,744,308**

(in thousands of euros)	Notes	31 Dec. 2023	31 Dec. 2022
EQUITY		NET	NET
Share capital		1,298,669	80,867
Share premiums and reserves		3,645,023	644,803
Retained earnings		(2,752,609)	-
Net loss for the year		(458,824)	(3,477,069)
Tax-regulated provisions		13,335	11,229
Total equity	**1.6**	**1,745,594**	**(2,740,169)**
Provisions for liabilities and charges	1.7	231,138	153,734
Liabilities			
Borrowings and other debt		3,119,594	7,172,321
Advances received		303	133
Trade payables		199,661	86,437
Tax and payroll liabilities		190,273	192,795
Other payables		810,104	812,238
Amounts due to suppliers of non-current assets		8,832	9,224
Deferred income	1-10	29,390	36,627
Total liabilities	**1-8**	**4,358,158**	**8,309,774**
Unrealised foreign currency gains	1-10	33,515	20,969
TOTAL EQUITY AND LIABILITIES		**6,368,404**	**5,744,308**

Notes to the statutory financial statements

1. Significant accounting policies, major events of the period and subsequent events

1.1 Significant events of the period

1.1.1 Financial restructuring

As a reminder, the acts of wrongdoing reported in 2022 particularly in the nursing homes operated by the Group in France, received immediate and widespread media coverage, both in the general public and in the financial community. This triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had unprecedented consequences on the Company throughout 2022, in terms of its day-to-day management, its financial sustainability and its governance, and led to a complete redefinition of ORPEA's strategic priorities.

A first amicable conciliation procedure was therefore opened on 20 April 2022 by order of the President of the Nanterre Specialised Commercial Court for ORPEA to sign a term sheet with its main banking partners, enabling the Company to meet significant debt obligations in 2022. After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022.

The economic situation, unforeseeable circumstances and the strategic review conducted by the new management team in the summer of 2022 brought to light new difficulties for the Group. ORPEA S.A. was therefore obliged to enter into discussions to restructure its debt, obtain new financial resources and adjust its covenants with a broader base of financial creditors. In order to provide for a stable and legally secure framework for these discussions, the Company applied for a second conciliation procedure, which was opened by the President of the Nanterre Specialised Commercial Court in an order issued on 25 October 2022.

Start of discussions on the financial restructuring (November 2022)

At the same time as announcing its Transformation Plan on 15 November 2022, the Company informed the market of the terms and conditions of the financial restructuring it considered necessary to obtain in order to finance the Transformation Plan and guarantee the Group's long-term viability. This financial restructuring plan hinged on three interconnected components:

- drastic debt reduction;
- new financial resources in the form of new debt and equity resources, coupled with an adjusted maturity schedule and the amendment of the terms and conditions of the June 2022 syndicated loan agreement;
- various amendments to other loan agreements.

Term Sheet on the financial restructuring plan (February 2023)

Overseen by the appointed conciliator, the Company announced on 1 February 2023 that it had signed a term sheet, effective 3 February 2023, on a financial restructuring plan (the "**Term Sheet**"), with (i) a group of long-term French investors comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF Épargne Retraite (together the "**Groupement**"), and (ii) five of the Company's credit institutions (the "**SteerCo**").

At the same time, the Term Sheet stakeholders reiterated their support for management and the Refoundation Plan presented by the Company in its press release dated 15 November 2022.

Lock-Up Agreement (February 2023)

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring, the principles, terms and conditions of which were specified in the Term Sheet.

The terms and conditions of the Lock-Up Agreement are standard and include an undertaking by the signatory creditors to support the Company's financial restructuring in accordance with the principles agreed in the Term Sheet, and to sign the required contractual documentation. These terms and conditions authorise the signatories and unsecured creditors adhering to the Lock-Up Agreement, until the completion date of the Company's restructuring, to transfer the debt of the Company they hold provided that the assignee is bound in the same terms by the Lock-Up Agreement.

Extension of the conciliation procedure (February 2023)

On 23 February 2023, the Company announced that the amicable conciliation procedure opened on 25 October 2022 by the President of the Nanterre Specialised Commercial Court, initially scheduled to end on 25 February 2023, had been extended for an additional period of one month at the request of the conciliator, i.e., until 25 March 2023.

Agreement Protocol on additional financing and an addendum to the Existing Loan Agreement with the main banking partners (March 2023)

On 17 March 2023, the Company entered into an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Banks**") in view of opening an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for additional financing and provides for an adjustment to the syndicated loan agreement signed with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"), as summarised below. The purpose of the agreement is to formalise the parties' undertakings, in order to allow the Company to implement its restructuring plan pursuant to the aforementioned accelerated safeguard procedure.

Main terms of the new money debt financing structure

As part of the financial and shareholding restructuring of ORPEA, the Banks have agreed to participate in a €600 million senior new money debt financing programme in three separate facilities:

(i) a €400 million revolving credit facility (the "D1 Facility"), broken down into two tranches of €200 million each (the "D1A Tranche" and the "D1B Tranche");

(ii) a revolving credit facility of up to €100 million (the "D2 Facility"); and

(iii) a revolving credit facility of up to €100 million (the "D3 Facility").

The above financing was granted to ORPEA S.A. (with the exception of the first €200 million D1A Tranche granted under the D1 Facility, which was granted to Niort 94 (RCS 440 360 006) and Niort 95 (RCS 811 249 978)).

The documentation related to this new financing agreement, dated 26 May 2023, was signed on 29 May 2023.

The changes to be made to the Existing Loan Agreement

As part of the financial restructuring and with a view to reorganising ORPEA's ownership structure, the Company and the Banks agreed to make certain changes to the Existing Loan Agreement through an addendum.

This addendum to the Existing Loan Agreement, dated 26 May 2023, was signed on 29 May 2023. It came into effect on 19 December 2023, following the effective completion of the second capital increase provided for in the financial restructuring plan.

Opening of an accelerated safeguard procedure (March 2023)

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which was extended for a further two months by way of a judgement of the said Court on 22 May 2023. The term of the accelerated safeguard procedure was set at 24 July 2023.

The main purpose of this procedure was to enable the Company to implement its restructuring plan in accordance with the provisions of (i) the Lock-Up Agreement and (ii) the Agreement Protocol.

The Court appointed SELARL FHB, represented by Hélène Bourbouloux, as the administrator for the procedure and SELARL AJRS, represented by Thibaut Martinat, as co-administrator (the "**Judicial Administrators**").

Vote on the draft accelerated safeguard plan (April-June 2023)

On 5 April 2023, the Judicial Administrators notified the holders of claims and rights arising prior to the judgement date of the opening of the Company's accelerated safeguard procedure that they qualified as parties affected by the draft accelerated safeguard plan.

On 21 April 2023, they notified each affected party of the criteria used to constitute the classes of affected parties, the list of affected parties and the methods used to calculate the votes. On the same day, a number of affected parties lodged appeals regarding the methods used to classify the affected parties.

On 15 May 2023, the supervisory judge appointed by the Nanterre Specialised Commercial Court as part of the Company's accelerated safeguard procedure dismissed said appeals. However, two of the dismissals were challenged by several appeals at the Versailles Court of Appeal.

On 26 May 2023, the Judicial Administrators invited all classes of affected parties to vote on the Company's draft accelerated safeguard plan on 16 June 2023, in person or remotely as appropriate.

On the same day, the draft accelerated safeguard plan, prepared by ORPEA S.A. with the assistance of the Judicial Administrators, was made available on the Company's website. On 12 and 13 June 2023, ORPEA was informed by the Judicial Administrators of their decision to extend the remote voting period for the classes of affected parties to 27 June 2023 and to postpone the in-person meetings, initially scheduled for 16 June 2023, to 28 June 2023.

On 28 June 2023, meetings of the classes of shareholders and OCEANE bondholders were held in person to vote on the Company's draft accelerated safeguard plan. On the same day, the Judicial Administrators sent the results of the vote by the classes of affected parties on the draft accelerated safeguard plan, details of which are given in the press release dated 28 June 2023, to the Company. Of the ten classes of affected parties, six approved the draft accelerated safeguard plan by the required majority (more than two-thirds), three others, including the shareholders, voted more than 50% in favour of the draft accelerated safeguard plan, and the OCEANE class voted 49.2% in favour.

As the draft accelerated safeguard plan was not approved by the required majority of all classes of affected parties, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down.

First D1A Tranche drawdown of €200 million in new money debt (June 2023)

On 2 June 2023, the subsidiaries Niort 94 and Niort 95 made an initial drawdown of €200 million from the D1A Tranche under the new money debt facility granted by the Banks. The funds were used to finance and refinance Niort 94's general corporate purposes, including the repayment of intra-group debt owed to ORPEA S.A., which used the proceeds to finance the Group's general corporate purposes, debt servicing and capital expenditure.

Approval of the accelerated safeguard plan by way of a cross-class cram down (July 2023)

On 11 July 2023, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down. The Court approved said plan (the "**Accelerated Safeguard Plan**") by way of a cross-class cram down on 24 July 2023.

The Accelerated Safeguard Plan was to begin as soon as the last condition precedent to its implementation had been fulfilled, namely the clearing of the appeals lodged with the Paris Commercial Court against the exemption from the obligation for the Groupement to file a public offer for ORPEA's shares granted on 26 May (the "**Exemption**") by the French Financial Markets Authority.

New drawdowns of €200 million (D1B Tranche) and €100 million (D2 Facility) respectively under the new money debt financing (August-September 2023)

Following the first D1A Tranche drawdown of €200 million on 2 June 2023, two new drawdowns were made by ORPEA S.A. under the new money debt financing granted by the Banks to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, a drawdown on the D1B Tranche for €200 million, and
- on 29 September 2023, a drawdown on the D2 Facility for €100 million,

in order to finance the Group's general corporate purposes and debt servicing.

Dismissal of appeals lodged against the Exemption (November 2023)

On 9 November 2023, the Paris Court of Appeal dismissed the appeals lodged by certain minority shareholders and creditors of ORPEA against the Exemption. This decision enabled the Accelerated Safeguard Plan to be implemented.

Share capital reduction (November 2023)

On 10 November 2023, after noting the net loss of €3,477,068,607.84 for 2022, and in accordance with the terms of the Accelerated Safeguard Plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the Board of Directors decided to:

(i) reduce the share capital as a result of losses, in the amount of €80,220,375.24;

(ii) allocate said amount to a special reserve account, "Restricted special reserve from a capital reduction";

(iii) record the definitive completion of the capital reduction, by reducing the par value of the shares comprising the share capital from €1.25 to €0.01.

Following this transaction, the Company's share capital stood at €646,938.51, breaking down into 64,693,851 shares with a par value of €0.01 each.

Completion of the first two capital increases (November-December 2023)

On 4 December 2023, the Company issued new shares as part of the rights issue, with a backstop provided by the Company's unsecured creditors, who would subscribe by offsetting their existing receivables (the "Equitisation Capital Increase"). Under this first capital increase implemented as part of the Accelerated Safeguard Plan, 64,629,157,149 new shares were issued at a unit price of €0.0601 (of which €0.01 par value per share and €0.0501 issue premium) for a total amount issued of €3,884,212,344.65, breaking down as follows:

- 1,199,337,462 new shares, i.e., 1.86% of the shares issued, subscribed for in cash by shareholders, with the corresponding issue proceeds of €72.1 million used to repay the Company's unsecured debt at nominal value in due proportion;
- 63,429,819,687 new shares, i.e., 98.14% of the new shares issued, subscribed by the Company's unsecured creditors, in accordance with their undertaking to provide a backstop by offsetting claims against their existing receivables.

On 19 December 2023, the Company issued new shares under the capital increase reserved for members of the Groupement, with a priority right granted to shareholders on record at the end of the accounting day on 15 November 2023 (the "Groupement Capital Increase"). Under this second capital increase implemented as part of the Accelerated Safeguard Plan, 65,173,064,696 new shares were issued at a unit price of €0.0178 (of which €0.01 par value per share and €0.0078 issue premium), for a total amount of €1,160,080,551.61.

Repayment of Additional Financing (new money debt)

The net proceeds from the issue of the new shares issued under the Groupement Capital Increase were used, for an amount of €500 million, to repay in full, on 28 December 2023, the amounts drawn down under the €600 million new money Additional Financing put in place under the Agreement Protocol, i.e., (a) the €100 million D2 Facility, which was subject to mandatory early repayment following completion of the Groupement Capital Increase, and (b) the D1A and D1B Tranches for a total of €400 million, which were subject to voluntary early repayment by the Company and its subsidiary Niort 94.

As revolving credit facilities, the D1A and D1B Tranches may be drawn down again by the Group until their final maturity date of 30 June 2026, subject to compliance with the covenant (N94/N95 LTV) presented in Note 1.1.

Effects of these events on the Company's earnings for the year ended 31 December 2023

In respect of the financial restructuring carried out in 2023, and more specifically the conversion of unsecured debt into capital as part of the Equitisation Capital Increase, the Company recorded:

- a capital increase of €646,291,571.49 corresponding to the issue of 64,629,157,149 shares, together with a share premium of €3,237,920,773.16, representing a total of €3,884,212,344.65;
- a reduction in debt corresponding to the principal and interest due to unsecured creditors, for a total amount of €3,886,311,296.72;
- the difference between these two amounts, corresponding to the portion of the debt extinguished by this transaction without the issue of shares, was recorded as non-recurring income in the amount of €2,098,952.07.

As part of the financial restructuring, the Group incurred approximately €125 million in costs.

All costs (fees) incurred in connection with the restructuring were charged to the income statement in the amount of €23 million, with the exception of costs directly attributable to the issue of equity instruments, which were deducted from equity in the amount of €102 million.

1.1.2 Other events: internal restructuring

As part of the new money debt Additional Financing (described in Note 1.1.1), ORPEA set up collateral and guarantees for the G6 banks in the form of a first-ranking pledge to be granted by ORESC 27, a newly-created company wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26, which is wholly owned by ORESC 27 and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95.

1.1.3 Partnerships

An agreement was signed in March 2023 as part of the process of unwinding partnerships. A chief outcome was the Group's acquisition of a controlling interest in the following entities:

- a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium;
- a 100% interest in Résidences Senior Services (RSS) in France;
- a 69.26% interest in AP1, AP2, AP3 and AP4 of the Âge Partenaires group.

Negotiations with the partners are continuing in 2024 with a view to dissolving the relationships. Their unwinding could have an impact on ORPEA S.A.'s financial statements and more specifically on the impairment losses recognised in ORPEA S.A.'s financial statements in 2022 in relation to this matter.

1.2 Subsequent events

1.2.1 Completion of the financial restructuring

Third capital increase and reverse share split

On 15 February 2024, the Company issued new shares as part of the capital increase with pre-emption rights for a gross amount, including issue premium, of €390,019,672.62, through the issue of 29,324,787,415 new shares at a unit price of €0.0133 per new share (the "Rights Issue"), the third capital increase implemented as part of its Accelerated Safeguard Plan.

New shares were subscribed for, both by exercising pre-emption rights and by subscribing for additional shares, for a total amount of approximately €282.5 million including the new shares subscribed for using pre-emption rights by the members of the Groupement, for an amount of approximately €195.7 million, in accordance with their backstop undertaking under the Accelerated Safeguard Plan (the "Groupement Subscription Commitments"). As a result, the SteerCo members have subscribed to the Rights Issue for an amount of approximately €107.5 million, in accordance with their backstop undertakings under the Accelerated Safeguard Plan (the "SteerCo Backstop Commitments").

On 20 February 2024, the Company carried out a reverse share split, exchanging one thousand (1,000) existing shares with a par value of one euro cent (€0.01) for one (1) new share to be issued with a par value of ten euros (€10.00), which took effect on 22 March 2024. Following the reverse share split, the Company's share capital amounted to €1,591,917,030, divided into 159,191,703 ordinary shares with a par value of €10.00 each.

Issuance of warrants in return for subscription commitments

As consideration for the Groupement Subscription Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of the Groupement, subsequent to completion of the Rights Issue and the reverse share split, of 1,170,888 share warrants (the "Groupement Warrants"). The Groupement Warrants, on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, have a total value equal to 10% of the amount of the Groupement Subscription Commitments, i.e., approximately €19.6 million. Once issued, it being specified that each warrant confers the right to subscribe for one share (at an exercise price of €0.01 per share), these warrants would entitle their holders to subscribe for shares representing 0.725% of the Company's share capital, on a fully diluted basis. The issue of Groupement warrants was the subject of the 27th resolution submitted to the Company's Annual General Meeting of 22 December 2023. This resolution was rejected by the shareholders, with only 65.55% of votes in favour (the members of the Groupement did not take part in the vote).

As consideration for the SteerCo Backstop Commitments, the Accelerated Safeguard Plan provided for the allocation by the Company to the members of SteerCo, subsequent to completion of the Rights Issue and the reverse share split, of 1,162,279 share warrants (the "SteerCo Warrants" and, together with the Groupement Warrants, the "Backstop Warrants"). The SteerCo Warrants, on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, have a total value equal to 10% of the amount of the SteerCo Backstop Commitments, i.e., approximately €19.4 million. Once issued, it being specified that each warrant confers the right to subscribe for one share (at an exercise price of €0.01 per share), these warrants would entitle their holders to subscribe for shares representing 0.720% of the Company's share capital, on a fully diluted basis. The issue of SteerCo Warrants was the subject of the 28th resolution submitted to the Company's Annual General Meeting of 22 December 2023. This resolution was adopted by the shareholders (SteerCo members and their affiliates did not take part in the vote).

If all of the Backstop Warrants have not been issued by 15 August 2024, the Accelerated Safeguard Plan (paragraph 3.5.5(b) of Part III) provides that the members of the Groupement and the members of the SteerCo will receive from the Company their equivalent in cash, as established on the basis of a theoretical value of the Company's equity following the financial restructuring of approximately €2.7 billion, i.e., approximately €19.6 million for the Groupement members and approximately €19.4 million for the SteerCo members (a total amount of approximately €39 million).

At this stage, the Company reserves the right to submit for approval at the next Annual General Meeting, which will be convened to approve the financial statements for the year ended 31 December 2023, resolutions permitting the allocation of warrants to Groupement and SteerCo members. In this event, and if all these resolutions are approved by the Annual General Meeting, the Company will issue the Groupement Warrants to the Groupement members and the SteerCo Warrants to the SteerCo members in accordance with the above-mentioned terms and conditions. In the event of rejection by the Annual General Meeting, the Groupement Warrants and the SteerCo Warrants will not be issued, and, in accordance with the provisions of the Accelerated Safeguard Plan, the Company will therefore pay the members of the Groupement and the members of SteerCo a total amount of approximately €39 million. These warrants have been analysed as backstop fees under the third capital increase and their impact will be recognised in 2024 with the third capital increase.

1.3 Significant accounting policies

Basis of preparation

The Company applies the provisions of ANC regulation no. 2014-03 relating to French generally accepted accounting principles updated to reflect all subsequent amendments.

The financial statements have been prepared:

- on a going concern basis;
- using the accruals basis of accounting and consistent methods, in accordance with the basic principle of prudence and with the general rules for preparing and presenting financial statements.

The basic method used to measure items recorded in the financial statements is the historical cost method.

As an exception to the above, the operating licences and investments in subsidiaries held prior to 1998 were revalued in connection with the merger transactions recognised in that year.

Liquidity and going concern risks

As part of its Accelerated Safeguard Plan, the Group restructured all of ORPEA S.A.'s gross debt (excluding lease liabilities under IFRS 16), which led to a reduction in debt at Group level of €4.3 billion (€5.3 billion at end-2023 compared with €9.6 billion at end-2022).

At 31 December 2023, the Group's net debt therefore stood at €4.7 billion (excluding lease liabilities under IFRS 16), while ORPEA S.A.'s net debt stood at €2.8 billion, including €173.6 million in available cash and €100.8 million in marketable securities readily convertible into cash.

Risk identification

Risks relating to the Additional Financing (new money debt)

Notwithstanding the repayment on 28 December 2023 of all the amounts drawn under the Additional Financing reflecting the proceeds from the issue of new shares under the Groupement Capital Increase on 19 December 2023, the revolving credit facility under the D1A (€200 million) and D1B (€200 million) Tranches may be drawn down again by the Group until its final maturity date of 30 June 2026; as a result, and for as long as this facility is likely to be drawn down or is actually drawn down in the future, the Company's commitments under the new money Additional Financing documentation (see Note 4.14) (and in particular compliance with a Niort 94/Niort 95 LTV Ratio ("N94/95 Ratio")[1] not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year) will continue to apply.

In the event of non-compliance with one or more of the aforementioned undertakings (including the N94/95 LTV Ratio), any amounts drawn down under the D1A and D1B Tranches and still due at the date of such non-compliance shall fall due immediately. The Banks would also have the option of cancelling these D1A and D1B Tranches, which could no longer be drawn down in the future. In the event that no amount is drawn under the D1A and D1B Tranches at the date of such default, the Banks shall have the option of cancelling these Tranches, which may no longer be drawn down in the future.

The N94/N95 LTV Ratio requirement was met at 31 December 2023. However, in the event of a drop in the value of the real estate assets currently owned by Niort 94 and Niort 95 and a lack of new real estate acquisitions, this ratio requirement may not be met at the relevant test dates.

Risks relating to the Existing Loan Agreement signed in June 2022, amended by the 17 March 2023 Agreement Protocol and the 26 May 2023 Addendum signed on 29 May 2023

Under the Existing Loan Agreement of 13 June 2022, as amended by the Agreement Protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash (plus undrawn Group credit facilities) of €300 million, tested quarterly as from the first full calendar quarter after completion of the second capital increase provided for under the restructuring plan (i.e., from 31 March 2024);
- carry out real estate disposals for €1.25 billion by the end of 2025, including €292 million already carried out at 31 December 2023. The conditions of use for the proceeds from disposals are set out in Note 2.1.8.

Failure by the Group to respect its undertakings under the above-mentioned financing arrangements could result in an event of default. In such a case, the lenders could enforce the security interests granted to them, which would affect assets that are substantial for the Group and could have significant consequences on its financial position, business and development.

In addition, the Group's undertaking to carry out real estate disposals within a limited time period could mean that it may have to sell the assets for less than their carrying amount, which could require the Group to recognise impairment losses against the assets concerned.

Other risks related to the Group's financing

The Group's existing debt at 31 December 2023 (see Note 2.1.8) includes certain commitments, such as asset-backed guarantees, which would restrict its capacity to take on additional debt if new difficulties were to arise.

A large portion of bilateral borrowings as well as *Schuldscheindarlehen* subscribed by the Group, were subject to contractually agreed covenants, R1 and R2 ratios. Further to waivers obtained by the Group from all the lenders concerned, these covenants did not apply at 31 December 2022 and no longer apply as from that date. The waivers nevertheless provide for the application of a new leverage covenant (net debt excluding IFRS adjustments/12-month EBITDA pre-IFRS 16), which will only apply from the financial statements for the six months ending 30 June 2025.

At 31 December 2023, debt formerly subject to the R1/R2 covenants and not due to be settled as part of the Equitisation Capital Increase totalled €325 million of which €124 million borne by ORPEA S.A.

(1) The ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value, where "N94/95 Consolidated Debt" means, at the relevant test date: the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "LTV Subsidiaries"); and "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

Risk management

The Company considers that, in the event of a decline in the value of the real estate assets currently owned by Niort 94 and Niort 95, in an amount resulting in a failure to comply with the above-mentioned "Loan To Value" ratio, it would still be able to provide Niort 94 and Niort 95 with additional assets, free of collateral and of a value that would enable it to comply with the required ratios.

The Group's liquidity at 31 March 2024 stood at €1,158 million (i.e., Group cash flow of €758 million, plus the €400 million in undrawn amounts under the D1A and D1B Tranches). ORPEA S.A.'s liquidity at 31 March 2024 stood at €659 million, including the €200 million undrawn under the D1B Tranche. The Board of Directors applied the going concern principle when it reviewed the consolidated financial statements, after taking into account the information available to it about the future and, in particular, the cash flow forecasts for the next 12 months. These forecasts include the assumption of a drawdown under the D1A and D1B Tranches and compliance with the minimum threshold of €300 million for the Group.

Based on this information, and taking into account its assessment of the liquidity risk related to the items mentioned above, the financial statements for the year ended 31 December 2023 were prepared on a going concern basis.

1.3.1 Intangible assets

Intangible assets mainly comprise:

- licences to operate beds in nursing home facilities, shown under "Business goodwill".

  These licences are considered to have an indefinite useful life, in line with the market position adopted by the sector. This status is underpinned by the Group's observations and past experience that the probability of licences being withdrawn or not renewed is limited, since ORPEA operates its facilities in strict compliance with the terms and conditions and the standards set by the various healthcare authorities, and since the costs incurred in maintaining these licences are not material;
- technical losses, shown under "Other intangible assets".

  Technical losses and business goodwill arising on mergers reflect unrealised gains on assets, which may or may not be recognised in the absorbed company's financial statements, less any unrecognised liabilities in the absorbed company's financial statements. They are recognised as the difference between the carrying amount of the previously held investment and the absorbed subsidiary's net assets.

  Pursuant to Article 745-5 of ANC regulation no. 2015-06 amending ANC regulation no. 2014-03 relating to French generally accepted accounting principles, technical losses are allocated in proportion to reliably estimated unrealised gains, with any remaining portion allocated to business goodwill.

  These technical losses are then amortised or impaired using the same methods as are applicable to the underlying assets to which they are assigned.

  The "Other intangible assets" heading includes technical losses assigned to the licences to operate nursing home beds and any other unallocated technical losses.

Other intangible assets are amortised on a straight-line basis over a period of one to five years.

1.3.2 Property, plant and equipment

Property, plant and equipment, comprising land, buildings, fixtures and fittings, equipment and furnishings, is measured at cost (purchase price plus transaction costs), production cost or contribution value.

These assets are depreciated by the Company on a straight-line basis. Depreciation is calculated based on the expected useful life of each asset or each of its components having different useful lives in line with the following criteria:

- buildings, fixtures and fittings: 12 to 60 years;
- technical installations, equipment: 3 to 10 years;
- other: 3 to 10 years.

Other property, plant and equipment includes the technical merger losses assigned to property, plant and equipment, which are depreciated using the same rules and useful lives as the underlying assets.

1.3.3 Impairment testing

Groups of assets to which unamortised business goodwill, an operating licence and/or a technical loss have been assigned and property, plant and equipment are tested annually for impairment. These tests involve comparing the carrying amount with the higher of:

- value in use, which is determined by discounting expected future cash flows by each of the facilities in which these assets are operated. The discount rate used for this impairment testing is the ORPEA Group's weighted average cost of capital, which is representative of the sector's rate, and the terminal value is determined using a perpetuity growth rate reflecting the growth outlook for the Company in the light of likely trends in its sector of activity in France (7.2% and 1.6% respectively at 31 December 2023);
- property measured at fair value less costs to sell, where appropriate.

An impairment loss is recognised in respect of the difference if the carrying amount is higher than value in use or fair value less costs to sell.

The annual impairment test carried out on intangible assets, mainly including unamortised technical losses and business goodwill and property, plant and equipment, led to the recognition of additional impairment losses that brought total impairment at 31 December 2023 to around €558 million.

These tests were carried out by an independent firm on the basis of the business plans that were also used to test the assets included in the Group's consolidated financial statements at 31 December 2023.

1.3.4 Investments in subsidiaries, long-term investments, related receivables and current accounts

The values of investments in other companies and any related receivables are recognised under this item.

In accordance with decree no. 2005-1702 of 28 December 2005, the Company has elected to capitalise all transfer taxes, professional fees or commissions and other contract expenses related to the acquisition of long-term investments and securities held for sale as part of the cost of the acquisition.

Investments in subsidiaries are measured at cost or contribution value.

Other financial assets include the technical merger losses assigned to investments in subsidiaries.

An impairment loss is recognised in respect of the difference if the value in use of investments in subsidiaries and of the associated technical merger losses falls below the gross amount.

Value in use is determined according to the investee's equity value or an enterprise value calculated on the basis of:

- the present value of future cash flows expected to be generated by its continued operation, adjusted for net debt. The table below summarises the discount rates (WACC) and perpetual growth rates (LTGR) by country;

	Discount rate		Long-term growth rate	
Country	**2023**	**2022**	**2023**	**2022**
France	7.2%	6.7%	1.6%	1.6%
Belgium	7.3%	6.8%	2.0%	1.7%
Luxembourg	6.5%	6.0%	2.0%	2.0%
Ireland	7.7%	7.3%	2.0%	2.0%
Netherlands	6.8%	6.4%	2.0%	2.0%
Austria	8.4%	6.7%	2.0%	2.0%
Croatia	9.4%	8.9%	2.1%	1.9%
Latvia	8.0%	7.8%	2.3%	2.5%
Poland	9.0%	8.8%	2.5%	2.5%
Czech Republic	7.9%	7.6%	2.0%	2.0%
Slovenia	8.0%	7.8%	1.9%	2.4%
Germany	6.5%	6.1%	2.0%	2.0%
Italy	8.7%	8.6%	2.0%	2.0%
Switzerland	7.1%	6.1%	1.5%	1.0%
Spain	8.0%	7.6%	1.7%	1.7%
Portugal	8.2%	7.9%	2.0%	2.0%
Mexico	10.3%	10.1%	3.0%	3.0%
Brazil	11.5%	11.5%	3.0%	3.0%
Uruguay	11.8%	11.5%	4.7%	4.5%
China	8.3%	7.8%	2.2%	2.0%
United Kingdom	7.7%	7.2%	2.0%	2.0%
United Arab Emirates	8.2%	7.7%	2.0%	2.0%

- realisable value net of selling costs.

This enterprise value is then adjusted by the amount of net debt to determine the equity value.

Impairment losses are also recognised in respect of any related receivables based on the same measurement methods as well as any current accounts corresponding to advances granted to the subsidiaries.

In addition, a provision for negative net worth may also be set aside for certain investments in subsidiaries depending on the investee's net assets and the Company's commitments to the subsidiaries concerned at the end of the financial year.

1.3.5 Inventories and work in progress

This item includes various supplies, materials, small items of equipment and work in progress on property projects, which are all measured at historical cost.

Work in progress on property projects comprises land and construction costs incurred to support the expansion of the Company and of its subsidiaries.

Cost includes the purchase and/or production cost incurred in bringing the asset to its present condition and location. Production cost includes direct production costs and borrowing costs directly attributable to the production of the property asset.

Marketing costs directly attributable to the assets sold are recognised in property projects in progress during the construction period and expensed at the date of completion of the property.

Property development programmes are:

- either transferred to third parties as a block or in lots; or
- transferred to finance leasing organisations.

Revenue, construction costs and the corresponding margins are recognised in the income statement at the date of completion of the work.

Changes in work in progress are posted to "Production transferred to inventories" in the income statement.

Inventories are written down if their value in use falls below their carrying amount.

1.3.6 Trade and other receivables

Receivables and payables are recognised at nominal value. Receivables are written down if their estimated fair value falls below their nominal value.

An impairment loss is recognised on doubtful trade receivables when there is objective evidence that the Company may be unable to recover the full amount on the original terms and conditions due under the transaction. The age of a receivable and failure to pay within the usual payment period are indicators of impairment.

<table>
<tr><th rowspan="2">Category</th><th colspan="4">1 year</th><th colspan="4">2 years</th><th colspan="4">3 years</th><th colspan="4">4 years</th></tr>
<tr><th>0-3 months</th><th>3-6 months</th><th>6-9 months</th><th>9-12 months</th><th>12-15 months</th><th>15-18 months</th><th>18-21 months</th><th>21-24 months</th><th>24-27 months</th><th>27-30 months</th><th>30-33 months</th><th>33-36 months</th><th>36-39 months</th><th>39-42 months</th><th>42-45 months</th><th>45-48 months</th></tr>
<tr><td>Residents present</td><td colspan="2">0%</td><td colspan="2">50%</td><td colspan="12">100%</td></tr>
<tr><td>Residents deceased intestate</td><td colspan="2">0%</td><td colspan="2">50%</td><td colspan="12">100%</td></tr>
<tr><td>Residents deceased with a will</td><td colspan="4">0%</td><td colspan="2">50%</td><td colspan="10">100%</td></tr>
<tr><td>Social assistance</td><td colspan="10">0%</td><td colspan="2">50%</td><td colspan="4">100%</td></tr>
<tr><td>Disputed invoices for residents</td><td colspan="2">0%</td><td colspan="2">50%</td><td colspan="12">100%</td></tr>
</table>

1.3.7 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and risk-free, short-term investments such as term deposits.

Term accounts are carried at their subscription value.

Marketable securities are recognised at historical cost and an impairment loss is recorded if their realisable value falls below historical cost.

1.3.8 Provisions

The Company recognises a provision when it has an obligation to a third party, it is probable or certain that an outflow of resources embodying economic benefits will be required to settle the obligation, without any economic benefits with at least an equivalent value being received in return, and its amount can be estimated reliably.

Where this liability is not probable and the amount of the obligation cannot be measured reliably, but an outflow may be required to settle the obligation, the Company recognises a contingent liability.

Provisions for labour disputes are estimated by the employee affairs department based on the Company's exposure and the status of any proceedings.

Provisions for tax disputes are estimated by the finance department after a full review of any tax audits in progress.

Tax-regulated provisions relate to accelerated depreciation for acquisition-related expenses on investments in subsidiaries.

1.3.9 Borrowings

Borrowings and other debt are recognised at nominal value, while associated issuance costs initially recognised in operating income are capitalised, then spread over the same term as the underlying borrowings.

Borrowing costs are recognised over the term of the corresponding liability, except where they are directly attributable to the acquisition, construction or production of an asset, in which case they are included in the cost of the asset.

1.3.10 Financial instruments and derivatives

Interest rate derivatives

The Company's financial liabilities mainly comprise floating rate domestic debt, and it is therefore exposed to the risk of an increase in short-term rates in the eurozone.

As part of its risk management policy, the Company uses derivatives such as:

- interest rate swaps;
- interest rate options (caps) allowing it to limit the impact of an increase in Euribor above a certain cap.

The purpose of these transactions is to convert floating-rate debt into fixed-rate debt, or at least to cap the applicable interest rate, and to optimise the risk profile of the Company's debt based on expected trends in interest rates.

During 2023, the Company continued its interest rate risk management policy, which is to build up a portfolio of financial instruments that qualify for hedge accounting.

Financial income and expenses associated with interest rate derivatives are recognised in the same manner and period as the income and expenses generated by the hedged item.

1.3.11 Foreign currency transactions

Foreign currency assets and liabilities are translated at year-end exchange rates when they are not covered by a specific hedge. Any foreign currency gains and losses are recognised under the relevant balance sheet headings. Unrealised foreign currency losses are provided for, after the effects of any hedging.

1.3.12 Revenue

Revenue mainly derives from:

1. accommodation and care services provided to residents. Revenue is recognised when the service is provided.

   Per diem rates are payable as follows:

   – the accommodation component is paid for by the resident,

   – the long-term care allowance component is paid for by the resident and the local authority (the daily charge is set by the local authority depending on the level of care required and forecast expenses),

   – the medical care component is paid for by the regional health insurance fund (the daily charge is set according to the level of care required and forecast expenses);
2. sales to third parties of properties built or redeveloped by the Company. Corresponding changes in work in progress are posted to "Production transferred to inventories".

1.3.13 Income tax

ORPEA is the head of a tax consolidation group formed with subsidiaries that are at least 95%-owned.

ORPEA S.A., like every subsidiary in the tax group, is liable for the income tax calculated on its own earnings, and eligible for any group relief corresponding to the tax savings realised by the tax group as a whole.

1.4 Internal restructuring

There were no mergers or full transfers of assets and liabilities during the year except those mentioned in section 1.1.3.

2. Commentary on the statutory financial statements

N.B.: Amounts are stated in thousands of euros unless otherwise indicated.

2.1 Balance sheet

2.1.1 Non-current assets

Intangible assets

Movements in gross intangible assets were as follows:

Gross	31 Dec. 2022	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2023
Set-up costs	26	-	-	-	-	26
Concessions, patents	2,261	22	6	-	-	2,277
Business goodwill	146,557	-	-	-	-	146,557
Other intangible assets	313,756	10,805	427	-	-	324,135
Advances on intangible assets	275	10,575	-	-	-	10,850
TOTAL	**462,875**	**21,401**	**433**	**0**	**0**	**483,843**

Amortisation and impairment of gross intangible assets were as follows:

Amortisation and impairment	31 Dec. 2022	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2023
Set-up costs	15	-	-	-	-	15
Concessions, patents	1,505	95	2	-	-	1,598
Business goodwill	20,248	146,557	20,248	-	-	146,557
Other intangible assets	5,293	211,052	174	-	-	216,170
Advances on intangible assets	0	-	-	-	-	0
TOTAL	**27,060**	**357,705**	**20,425**	**0**	**0**	**364,340**

Property, plant and equipment

Movements in gross property, plant and equipment were as follows:

Gross	31 Dec. 2022	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2023
Land	14,252	2,864	-	-	-	17,116
Buildings	380,044	2,389	1,697	-	-	380,736
Plant and facilities	84,407	5,690	760	-	-	89,337
Vehicles	557	1	-	-	-	558
Property, plant and equipment in progress	70,642	23,107	-	-	-	93,749
Other property, plant and equipment	86,075	11,486	888	-	-	96,673
TOTAL	**635,977**	**45,537**	**3,345**	**0**	**0**	**678,169**

Depreciation and impairment of gross property, plant and equipment were as follows:

Depreciation and impairment	31 Dec. 2022	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2023
Land	1,061	6,330	-	-	-	7,391
Buildings	220,985	156,646	71,272	-	-	306,358
Plant and facilities	73,799	17,199	139	-	-	90,779
Vehicles	556	1	-	-	-	557
Property, plant and equipment in progress	-	45,772	-	-	-	45,772
Other property, plant and equipment	52,674	8,632	6,046	-	-	55,260
TOTAL	**349,075**	**234,501**	**77,458**	**0**	**0**	**506,117**

Financial assets

Movements in gross financial assets were as follows:

Gross	31 Dec. 2022	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2023
Investments in subsidiaries	2,234,149	717,338	691,794	-	-	2,259,693
Other investments	7	-	-	-	-	7
Receivables related to investments in subsidiaries	108,000	207,932	-	-	-	315,932
Loans	39,841	2,370	1,913	-	-	40,298
Other financial assets	31,201	2,712	5,876	-	-	28,038
TOTAL	**2,413,198**	**930,352**	**699,583**	**0**	**0**	**2,643,968**

The change in investments in subsidiaries is principally attributable to:

- an increase of €717 million and a decrease of €692 million, both mainly related to the financial restructuring, in particular the transfer of the shares in Niort 94 and Niort 95 to ORESC 26 and ORESC 27 in accordance with the guarantees provided to the Company's financial partners.

Movements in provisions for impairment of financial assets during the year were as follows:

Provisions for impairment	31 Dec. 2022	Additions	Reversals	Reclassifications	Mergers	31 Dec. 2023
Investments in subsidiaries	1,260,864	13,980	518,731	-	-	756,113
Other investments	0	-	-	-	-	0
Receivables related to investments in subsidiaries	0	266,850	-	-	-	266,850
Loans	12,678	-	-	-	-	12,678
Other financial assets	1,640	298	-	-	-	1,939
TOTAL	**1,275,182**	**281,128**	**518,731**	**0**	**0**	**1,037,580**

The annual impairment test on investments in subsidiaries and related receivables carried out by an independent firm resulted in the following impacts:

- a net impairment reversal of €505 million on investments in subsidiaries following the revision of the Group's business plan (see section 3.4 for details);
- a provision for impairment of €267 million on receivables related to these investments.

"Loans" and "Other financial assets" break down as follows:

Other financial assets	31 Dec. 2023	Less than 1 year	More than 1 year
Loans	40,298	-	40,298
Deposits and guarantees	17,895	-	17,895
Allocation of technical losses	8,250	-	8,250
Treasury shares	1,892	1,892	-
TOTAL	**68,335**	**1,892**	**66,443**

A total of 46,814 shares with a gross carrying amount of €1.9 million and a net carrying amount of €0.001 million were held in treasury at 31 December 2023.

2.1.2 List of subsidiaries and investments

The table of subsidiaries and investments is presented at the end of this document.

2.1.3 Inventories and work in progress

	31 Dec. 2023			31 Dec. 2022
Gross	**Gross**	**Provisions**	**Net**	**Net**
Equipment and supplies	2,616	-	2,616	2,466
TOTAL	**2,616**	**0**	**2,616**	**2,466**

2.1.4 Trade and other receivables

	31 Dec. 2023			31 Dec. 2022
	Gross	**Provisions**	**Net**	**Net**
Trade receivables	95,422	(13,468)	81,954	39,203
Tax and payroll receivables	54,601	0	54,601	42,270
Group and associates	5,360,833	(1,444,003)	3,916,830	3,100,166
Miscellaneous receivables	208,860	(103,435)	105,425	158,444
TOTAL	**5,719,716**	**(1,560,905)**	**4,158,811**	**3,340,083**

Development-related receivables consist mainly of receivables related to advances paid in connection with future acquisitions of operating companies and property developments.

All trade receivables are due in less than one year.

Movements in provisions for impairment of receivables were as follows:

	31 Dec. 2022	Charges	Reversals	31 Dec. 2023
Trade receivables	9,230	6,852	2,614	13,468
Group and associates	1,518,386	649,577	723,959	1,444,003
Other miscellaneous receivables	193,740	9,795	100,100	103,435
TOTAL	**1,721,355**	**666,224**	**826,673**	**1,560,905**

Impairment losses recognised against current accounts with subsidiaries are the result of the impairment tests carried out by management following the strategic review of the Company's subsidiaries and investments.

2.1.5 Negotiable instruments

	31 Dec. 2023	31 Dec. 2022
Marketable securities	100,831	250,334
Bonds	0	0
Accrued interest	0	17
TOTAL	**100,831**	**250,351**

No impairment was recognised in respect of these items as their fair value exceeded their carrying amount.

At 31 December 2023, marketable securities represented an unrealised gain of €752 thousand.

2.1.6 Composition of the share capital

Changes in share capital

The Company's share capital stood at €1,298,669,156.96 at 31 December 2023, breaking down into 129,866,915,696 shares each with a par value of €0.01.

Changes in equity during the year can be summarised as follows:

	Number of shares issued	Share capital	Share premiums and reserves	Net profit/(loss) for the year	Tax-regulated provisions	Dividend payments	Total equity
At 31 December 2022	**64,693,851**	**80,867**	**644,803**	**(3,477,069)**	**11,229**	**0**	**(2,740,169)**
Allocation of 2022 net loss	-	-	(3,477,069)	3,477,069	-	-	0
Capital reduction	-	(80,220)	80,220	-	-	-	0
Equitisation Capital Increase	64,629,157,149	646,292	3,237,921	-	-	-	3,884,213
Groupement Capital Increase	65,173,064,696	651,731	508,350	-	-	-	1,160,081
Capital increase costs charged to additional paid-in capital	-	-	(101,812)	-	-	-	(101,812)
Dividend payments	-	-	-	-	-	-	0
Tax-regulated provisions	-	-	-	-	2,106	-	2,106
Net loss for the year	-	-	-	(458,824)	-	-	(458,824)
AT 31 DECEMBER 2023	**129,866,915,696**	**1,298,669**	**892,414**	**(458,824)**	**13,335**	**0**	**1,745,594**

Free share plans

Information on free share awards	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Date of Annual General Meeting	28/6/2018	28/6/2018	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022
Date of Board of Directors' meeting	28/6/2018	28/6/2018	23/6/2020	N/A	N/A	24/6/2021	13/6/2020	28/7/2022
Decisions taken by the Chief Executive Officer	1/12/2020	1/12/2020	N/A	1/2/2021	1/2/2021	N/A	17/6/2022	N/A
Maximum total number of shares that can be awarded	72,795	540	28,374	84,043	840	13,271	193,906	27,676
Vesting date of the shares	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
End date of lock-up period	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
Performance conditions	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR
Number of shares vested at 31 December 2023	27,869	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of shares cancelled or lapsed	44,926	540	28,374	48,341	840	13,271	124,183	14,154
Free shares awarded but not vested at 31 December 2023	N/A	N/A	N/A	35,702	N/A	N/A	69,723	13,522

The shares awarded are usually newly issued shares.

The expense recognised in the financial statements corresponds to the employer's contribution to social security charges, which is provisioned on a straight-line basis over the applicable vesting periods.

The value of the shares used as the base for the relevant employer's contribution reflects the closing share price at 31 December 2023.

2.1.7 Provisions

	31 Dec. 2022	Additions	Reversals	Reclassifications	Mergers	31 Dec. 2023
Labour disputes	25,101	17,462	(6,411)	-	-	36,152
Other provisions for liabilities	128,633	89,549	(23,196)	-	-	194,985
PROVISIONS FOR LIABILITIES AND CHARGES	**153,734**	**107,011**	**(29,607)**	**-**	**-**	**231,137**

ORPEA S.A. and some of its subsidiaries in its tax consolidation group are undergoing tax audits. Most of the reassessments notified by the tax authorities have been challenged, and no provisions have been booked for these reassessments since the Company is making use of all administrative means of appeal available to it.

Tax reassessments that are not challenged or are final are recognised in the financial year in which they are received.

Provision for liabilities and charges booked following the IGAS-IGF report and the government's announcement of the referral of the case to the public prosecutor

This provision covers the risk arising on discrepancies between sums paid by the government for medical and personal care and the resources implemented by the Group between 2017 and 2022.

The provision recognised for the investigations into the Group and the change in this provision during 2022 and 2023 break down as follows:

(in millions of euros)		31 Dec. 2022	Additions	Reversals	31 Dec. 2023
2017-2020	Difference between funding received and resources used	19.8	-	-	19.8
	Sub-total for 2017-2020	**19.8**	**-**	**-**	**19.8**
2021	Difference between funding received and resources used	39.1	-	-	39.1
	Non-inclusion in statements of actual revenue and expenditure (ERRD) of fees received from suppliers eligible for personal care allowances	1.3	-	-	1.3
	Sub-total for 2021	**40.4**	**-**	**-**	**40.4**
2022	Difference between funding received and resources used	24.7	-	-	24.7
	Sub-total for 2022	**24.7**	**-**	**-**	**24.7**
Additional provisions for prior periods		**-**	**4.4**	**-**	**4.4**
TOTAL		**84.9**	**4.4**	**-**	**89.3**

Other provisions

The other main provisions relate to the following matters:

- Provisions for the negative net worth of subsidiaries were set aside in a net amount of €17 million in 2023, bringing the balance to €36 million at 31 December 2023;
- Following the Court of Cassation rulings of 19 September 2023 (no. 22-17.340 and 22-17.638) concerning paid leave earned by employees during periods of leave relating to illness or non-work-related accidents, the Company estimated the cost of compensation for such paid leave. For January 2020 to August 2023, paid leave earned during periods of non-work-related sick leave was estimated at €11.5 million.

2.1.8 Financial liabilities

	31 Dec. 2023	31 Dec. 2022
Borrowings and other debt	3,119,594	7,172,321
Trade payables	199,661	86,437
Tax and payroll liabilities	190,273	192,795
Group and associates	620,428	602,013
Miscellaneous liabilities	228,202	256,076
TOTAL	**4,358,158**	**8,309,641**

The maturity schedule of the Company's financial liabilities is as follows:

At 31 December 2023	Maturing in 1 year or less	Maturing in more than 1 year and less than 5 years	Maturing in more than 5 years	Total
Borrowings and other debt	217,473	2,886,452	15,670	3,119,594
Trade payables	199,661	-	-	199,661
Tax and payroll liabilities	190,273	-	-	190,273
Group and associates	620,428	-	-	620,428
Miscellaneous liabilities	228,202	-	-	228,202
TOTAL	**1,456,036**	**2,886,452**	**15,670**	**4,358,158**

At 31 December 2022	Maturing in 1 year or less	Maturing in more than 1 year and less than 5 years	Maturing in more than 5 years	Total
Borrowings and other debt[1]	7,172,321	-	-	7,172,321
Trade payables	86,437	-	-	86,437
Tax and payroll liabilities	192,795	-	-	192,795
Group and associates	602,013	-	-	602,013
Miscellaneous liabilities	256,076	-	-	256,076
TOTAL	**8,309,641**	**0**	**0**	**8,309,641**

(1) As a reminder, all debt had been classified as due in less than one year as a result of non-compliance with the applicable covenants at 31 December 2022.

New borrowings arranged during 2023 amounted to €313 million and borrowings of €514 million were repaid.

In addition, debt was reduced by €3.9 billion on the occasion of the first capital increase carried out on 4 December 2023 by capitalising the unsecured debt (see Note 1.1.1 "Financial restructuring").

The “Group and associates” item comprises advances to the Group’s subsidiaries.

“Miscellaneous liabilities” chiefly comprise security deposits provided by residents in the amount of €42 million.

Loan repayment premiums recognised as assets in the balance sheet are spread over the respective terms of the underlying borrowings.

Borrowings and other debt

Group financing policy

The Company’s development is generated by operating and real estate investments.

Until 2022, these investments were partly financed by diversified external resources:

- bilateral bank loans repayable over five, six or seven years allocated to the acquisition of facilities in service, operating licences, stakes in operating companies, etc.;
- property bridging loans made up of financing lines dedicated to a specific project as well as general credit lines to pre-finance properties recently acquired or under redevelopment or construction while awaiting refinancing;
- finance leases and mortgage loans payable over 12 to 15 years, contracted to finance or refinance dedicated property transactions;
- public or private bonds as well as *Schuldscheindarlehen*, the revenue from which is generally allocated to property investments.

Bank covenants

A large portion of the Group's bilateral borrowings as well as its *Schuldscheindarlehen* debt were subject to contractually agreed covenants, referred to as the "R1" and "R2" covenants (see definitions in Note 4.14 to the 2022 consolidated financial statements, paragraph "Bank covenants" on page 326 of the 2022 Universal Registration Document). Further to waivers obtained by the Group from all the lenders concerned, these covenants did not apply at 31 December 2022 and no longer apply as from that date. These waivers provide for the introduction of two new covenants:

- the Niort 94/Niort 95 LTV Ratio[1] not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year will continue to apply (see Note 3.1);
- a new leverage covenant (net debt excluding IFRS adjustments/ 12-month EBITDA pre IFRS 16), which will only apply from the half-year consolidated financial statements for the period ending 30 June 2025.

At 31 December 2023, debt formerly subject to the R1/R2 covenants and not due to be settled as part of the Equitisation Capital Increase totalled €325 million of which €124 million borne by ORPEA S.A.

June 2022 bank financing and addendum

On 12 May 2022, as part of an amicable conciliation procedure opened by order of the President of the Nanterre Commercial Court on 20 April 2022, the Company signed a term sheet with the Banks.

After consultation with the appropriate employee representative bodies and obtaining their opinion, this term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022 (the "Protocol"), which put an end to the first conciliation procedure and gave rise to the signature of the Existing Loan Agreement with the Banks on 13 June 2022.

Pursuant to the Agreement Protocol, the Company and the Banks have agreed to make a number of amendments to the Existing Loan Agreement in the context of the Company's financial and shareholder restructuring (the "Addendum"). The Addendum, dated 26 May 2023, was signed on 29 May 2023. The Addendum came into force on the date on which various applicable conditions precedent were satisfied, including the receipt by the Company of the proceeds from the Groupement Capital Increase, i.e., 19 December 2023 (the "Effective Date"). Under the terms of the Addendum, the Banks have already granted a waiver for any defaults that may arise from any breach of the provisions of the Existing Loan Agreement that would not have occurred had the Effective Date already passed.

The table below compares the original terms of the Existing Loan Agreement dated 13 June 2022 with the terms as amended pursuant to the Addendum.

The table below sets out the key terms and conditions of the syndicated loan agreement described above:

	Existing Loan Agreement					Addendum (as of the Effective Date)				
	A Loans					A Loans				
	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Purpose	To finance or refinance the general corporate purposes of the Group and all fees, costs and expenses relating to the Loans			To refinance the payments due in respect of the core banking group's unsecured debt, excluding bond debt and *Schuldschein* for the second half of 2022 and to finance all the fees, costs and expenses relating to the Loans	To refinance unsecured debt (excluding bonds and *Schuldschein*) and finance all fees, costs and expenses relating to the Loans	Clauses not amended by the Addendum				
Principal amount	€700 million	€600 million	€200 million	€229 million	€1,500 million	Clauses not amended by the Addendum				
Recurring operating profit at 30 June 2023	€700 million	€600 million	€200 million	€227.4 million	€1,500 million	Not applicable				
Number of authorised drawdowns	Maximum of two	Two (A2 Loan and A3 Loan)	One	Monthly depending on the repayments to be refinanced (with, if necessary, simultaneous drawdowns with the provision of the C1 Loan by the core banking group)	Depending on the commitment confirmations	Clauses not amended by the Addendum				

(1) *The ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value, where "N94/95 Consolidated Debt" means, at the relevant test date: the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "LTV Subsidiaries"); and "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.*

	Existing Loan Agreement					Addendum (as of the Effective Date)				
	A Loans					A Loans				
	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Margin	4.00% to increase by 2.00% from 1 Jan. 2024	4.00%	3.50% to increase by 1.00% from 1 July 2023	4.00%	5.00%	2.00% per year (3-month Euribor)				
Maturity date	31 Dec. 2023 or 30 June 2024[1]	31 Dec. 2025	30 June 2023 or 31 Dec. 2023[2]	31 Dec. 2025	31 Dec. 2026	31 Dec. 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below:			31 Dec. 2027	31 Dec. 2027
						31 Dec. 2027 (or, in the case of the First Net Disposal Proceeds (as defined below), 31 Oct. 2026)	31 Dec. 2027	31 Dec. 2023		
Repayment profile	Single repayment at maturity	• €100 million repayable on 30 June 2024	Single repayment at maturity	Single repayment at maturity	Single repayment at maturity	• 31 Oct. 2024: €200 million	At maturity	31 Dec. 2023: €200 million	At maturity	At maturity
		• €100 million repayable on 31 Dec. 2024				• 31 Oct. 2025: €200 million				
		• €100 million repayable on 30 June 2025				This repayment will be increased by the total amount of net proceeds from disposals received by the Group after the "Effective Date", up to €100 million (the "First Net Disposal Proceeds")				
		• balance repayable on 31 Dec. 2025				• 31 Oct. 2026: €200 million				
Undertakings relating to the disposal of operating and real estate assets	• Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds.					• Undertaking to dispose of €1.25 billion worth of real estate assets (gross asset value excluding duties) by 31 December 2025				
	• Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 December 2023, increasing to (ii) €1.5 billion at 31 December 2024, and to (iii) €2 billion at 31 December 2025									
Minimum cash undertaking	From 30 June 2023, maintain a minimum level of cash of €300 million (tested quarterly). This clause will not apply for the duration of ORPEA S.A.'s accelerated safeguard procedure.					The commitment will be tested for the first time on the last day of the first full calendar quarter ending after the Effective Date, which is 31 March 2024, according to the provisional timetable. For the purposes of this undertaking, the "Group's Liquidity" will now correspond to the sum of (i) the Group's cash and cash equivalents, and (ii) all undrawn committed facilities immediately available under the Group's existing financing arrangements				

<table>
<tr><th></th><th colspan="5">Existing Loan Agreement</th><th colspan="5">Addendum (as of the Effective Date)</th></tr>
<tr><th></th><th colspan="3">A Loans</th><th></th><th></th><th colspan="3">A Loans</th><th></th><th></th></tr>
<tr><th></th><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th><th>B Loan</th><th>C1/C2 Loans</th><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th><th>B Loan</th><th>C1/C2 Loans</th></tr>
<tr><td>Early repayment undertakings</td><td colspan="5">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 previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans.
Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans.
Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of the Company's subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million).
Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions) to repay the A2/A3 and B Loans.
Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan.</td><td colspan="5">Annual cash sweep based on disposals
ORPEA will undertake to make mandatory early repayments on 30 June of each year (and for the first time on 30 June 2025) for the A1, A2/A3 and B Loans in an amount equal to:
75% of the net proceeds from the disposal of operating and real estate assets (as described opposite in relation to the Existing Loan Agreement) received by the members of the Group since the Effective Date and up to 31 December of the prior financial year; less
the total amount of the Repayments, voluntary early repayments and mandatory early repayments (plus any First Net Disposal Proceeds received by any member of the Group, even if not yet allocated for early repayment of the Loans) from the Effective Date to 31 December of the prior financial year,
it being specified that this amount will be reduced to the extent necessary to ensure that the Group's Liquidity (as defined below) as adjusted for this early repayment is at least equal to €300 million until 31 December of the current financial year. The above early repayment will be allocated in the chronological order of the scheduled repayments to the A1 Loan in 2025 and 2026 and for the balance, if any, to the scheduled repayments in 2027 of the A1, A2/A3 and B Loans (pari passu and on a pro rata basis).
Net proceeds from subscriptions to new capital market debt issues
In accordance with the Existing Loan Agreement, provided that this early repayment is allocated in the chronological order of the scheduled repayments under the A1 Loan in 2025 and 2026, and for the balance, if any, to the scheduled repayments in 2027 under the A1, A2/A3 and B Loans (pari passu and on the same basis).</td></tr>
<tr><td>Enforcement of security interests</td><td colspan="5">If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 Loan):
loan payment default;
failure to comply with the minimum consolidated cash undertaking described below;
insolvency proceedings;
failure to comply with the undertakings relating to the disposal of operating and real estate assets described above or to protect the assets provided as collateral;
cross-default above a cumulative threshold of €100 million;
issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements or a qualified opinion on the Group's status as a going concern.
If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold less than 66.7% of the outstanding amounts and undrawn commitments at that date under the Loans (excluding the C2 Loan):
loan payment default;
insolvency proceedings; the second-ranking pledges will only be realisable once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the C2 Loan undertakings).</td><td colspan="5">Clauses not amended by the Addendum</td></tr>
<tr><td>Events of default (subject to the usual materiality thresholds and cure periods, if any)</td><td colspan="5">Loan payment default.
Failure to respect the Group's minimum consolidated cash position of at least €300 million on the last day of each quarter as from the first full quarter after completion of the Groupement capital increase.
Cross-acceleration above a cumulative threshold of €40 million.
Insolvency proceedings.
Enforcement proceedings as from a cumulative threshold of €40 million.
Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements.
Any administrative, arbitration, governmental or regulatory disputes, claims or litigation reasonably likely to (i) have a material adverse effect or (ii) negatively impact the commitments relating to the disposal of operating assets and real estate assets.</td><td colspan="5">Clauses not amended by the Addendum</td></tr>
</table>

	Existing Loan Agreement					Addendum (as of the Effective Date)				
	A Loans					A Loans				
	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Collateral, guarantee and equity injection undertakings	• A first-ranking pledge granted by ORESC 27, a newly-created company, wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26, which is wholly owned by ORESC 27 and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95. • A pledge of receivables (*nantissement de créances*) to be granted by ORPEA over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities. • An autonomous guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) guaranteeing an amount equal to the sum of the principal and interest due under the D1, D2 and D3 Facilities. • An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by ORPEA to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities. • A Dailly assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities. • A post money privilege in relation to borrowings made by ORPEA under the D1B, D2 and D3 Facilities.					Clauses not amended by the Addendum/collateral, guarantee and equity injection undertakings to make identical equity contributions after the entry into force of the Addendum				

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.

Additional Financing

In accordance with the Agreement Protocol signed on 17 March 2023, the Banks have agreed to participate in additional financing of €600 million (the "Additional Financing") consisting of three separate facilities:

- a €400 million revolving credit facility (the "D1 Facility", covering two tranches of €200 million each, the "D1A Tranche" and the "D1B Tranche") due 30 June 2026;
- a revolving credit facility of up to €100 million (the "D2 Facility") due 31 December 2023; and
- a revolving credit facility of up to €100 million (the "D3 Facility" and together with the D1 Facility and the D2 Facility, the "Facilities"), due 31 December 2023;

granted to Niort 94 (RCS 440 360 006) ("Niort 94" or "N94") and Niort 95 (RCS 811 249 978) ("Niort 95" or "N95") and to the Company (in respect of the D1B Tranche and the D2 and D3 Facilities).

The financing agreement related to the Additional Financing, dated 26 May 2023, was signed electronically on 29 May 2023.

Following the first D1A Tranche drawdown of €200 million on 2 June 2023 and renewed on 2 December 2023, two new drawdowns were made under the new money debt financing granted by the Group's main banking partners to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, the €200 million D1B Tranche, and
- on 29 September 2023, the €100 million D2 Facility,

in order to finance the Group's general corporate purposes and debt servicing.

The net proceeds from the issue of the New Shares under the Groupement Capital Increase were used, in an amount of €500 million to repay in full the amounts drawn down to date under the Additional Financing, i.e., (a) the €100 million D2 Facility, which was subject to mandatory early repayment following completion of the Groupement Capital Increase, and (b) the D1A and D1B Tranches for a total of €400 million, which were prepaid voluntarily by the Company on 28 December 2023.

The revolving credit facilities under the D1A and D1B Tranches may be drawn down again by the Group until their final maturity date of 30 June 2026, providing the Company with potential additional resources of €0.4 billion; as a result, and for as long as these facilities are likely to be drawn down or are actually drawn down in the future, the Company's commitments under the new money Additional Financing documentation (and in particular compliance with an N94/95 LTV Ratio not exceeding 55% at 31 December 2023 and 50% at 31 December of each subsequent year) will continue to apply.

In the event of non-compliance with one or more of these undertakings (including the N94/95 LTV Ratio), the Banks would have the option of accelerating the maturity date (in which case any amounts drawn under the D1A and D1B Tranches and still due at the date of default would become immediately due and payable) and/or cancelling their undertakings under the D1A and D1B Tranches (even if not drawn), which could no longer be drawn down in the future.

Lastly, it should be noted that the N94/95 LTV Ratio was duly verified at 31 December 2023, with N94/95 Consolidated Debt well below 55% of the N94/95 Gross Asset Value as estimated at that date, i.e., around 25%.

The main terms of the Facilities can be summarised as follows:

	D1 Facility (voluntarily repaid with the proceeds of the Groupement Capital Increase)	D2 Facility (repaid with the proceeds of the Groupement Capital Increase)	D3 Facility (can no longer be drawn down after completion of the Groupement Capital Increase)
Purpose	To finance or refinance (directly or indirectly) (x) the general corporate purposes of Niort 94/Niort 95 (including, without limitation, repayment of intra-group debt, debt servicing and capital expenditure) and (y) all fees, costs and expenses relating to the Facilities.		
Maximum principal amount *(in euros)*	€400 million, broken down as follows: • D1A Tranche: €200 million • D1B Tranche: €200 million	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of the Company's accelerated safeguard procedure and the first drawdown of the D2 Facility.	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of the Company's accelerated safeguard procedure. And the first drawdown of the D3 Facility.
Annual margin	2.00% per annum		
Final maturity	D1A/D1B Tranches: 30 June 2026	The earlier of (i) 31 December 2023 and (ii) the fifth business day following the completion of all of the capital increases provided for in the judgement of the Nanterre Specialised Commercial Court approving the Company's accelerated safeguard plan (the "Plan Approval") and the Company's receipt of the related amounts.	Same as for the D2 Facility
Availability period	From the date of signature until one month prior to the maturity date of the D1 Facility.	(x) From the earlier of: (i) the date of signature and (ii) the date on which the D1 Facility is fully drawn down and (y) until one month prior to the maturity date of the D2 Facility.	(x) From the earlier of: (i) the date on which the D2 Facility is fully drawn down and (ii) 31 August 2023 and until (y) one month prior to the maturity date of the D3 Facility.
Collateral, guarantee and equity injection undertaking	• A first-ranking pledge to be granted by ORESC 27, a newly-created company, wholly owned by ORPEA S.A., over all of the shares issued by the newly-created company ORESC 26, which is wholly owned by ORESC 27 and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95. • A pledge of receivables (*nantissement de créances*) to be granted by the Company over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities (excluding under any cash pooling agreement or those already ceded to secure the June 2022 Facilities). • An autonomous guarantee pursuant to Article 2321 of the French Civil Code guaranteeing an amount equal to the sum of the principal and interest due under the Facilities. • An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by the Company to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities. • A Dailly assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by the Company to these entities. • A post money privilege in relation to borrowings made by the Company under the D1B Tranche, and the D2 and D3 Facilities.		

The financing documentation provides for customary events of default (subject to customary materiality thresholds and cure periods where applicable), including:

- any payment default related to the Facilities;
- failure to comply with the N94/95 LTV Ratio described below;
- cross-payment default and cross-acceleration above a cumulative threshold of €40 million;
- insolvency proceedings;
- enforcement proceedings as from a cumulative threshold of €40 million;
- issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements;
- any administrative, arbitration, governmental or regulatory disputes, claims or litigation that are reasonably likely to have a material adverse effect.

Main undertakings of ORPEA, ORESC 26, ORESC 27, N94 and N95

The Company and some of its subsidiaries have given the following main undertakings (excluding undertakings given during 2023 in respect of the D2 and D3 Facilities, which no longer existed at 31 December 2023):

Undertakings relating to all net proceeds received in respect of any debt incurred in connection with external financing

The Company, Niort 94 and Niort 95 have undertaken that half of all net proceeds received by Niort 94 and Niort 95 or any of their subsidiaries in respect of any debt incurred in connection with external financing will be allocated to the early definitive repayment or definitive reduction in the drawing capacity of the D1 Facility.

Undertaking to maintain an N94/95 LTV Ratio

The Company, Niort 94 and Niort 95 have undertaken that the N94/95 LTV Ratio will not exceed 55% at 31 December 2023 and 50% at 31 December of each subsequent year, the "N94/95 LTV Ratio" being defined as follows:

- "N94/95 LTV Ratio" means the ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value.
- "N94/95 Consolidated Debt" means, at the relevant test date: the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "LTV Subsidiaries").
- "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

Bond issues

All the bonds issued by the Company were redeemed as part of the Equitisation Capital Increase, implemented as part of its financial restructuring, with the exception of the secured portion of a Euro PP bond bearing interest at 5.25% and maturing on 4 December 2026. The secured portion of the Euro PP 2026 bond, amounting to €31.5 million, was maintained on the same terms and conditions under the Accelerated Safeguard Plan.

Other borrowings and debt

Finance leases

The Group's finance leases for transferable property and real estate amounted to €655 million at 31 December 2023.

Mortgage debt

Prior to 2022, the ORPEA Group took out mortgage loans, generally with a 12-year maturity and an LTV ratio (ratio between the amount of the loan and the value of the assets) of 70% at inception. The balance of these loans totalled €1,021 million at 31 December 2023.

Schuldscheindarlehen debts

The *Schuldscheindarlehen* issued by the Company amounted to €124 million at 31 December 2023.

Other bank debt

Excluding the June 2022 bank financing, other bank debt consisted mainly of bilateral unsecured debt totalling €463 million at 31 December 2023.

Short-term debt securities

At 31 December 2023, the amount issued under the commercial paper programme was reduced to zero.

Financing secured by receivables

Where the opportunity arises, the Group may, and has, secured financing lines through the sale of receivables. At 31 December 2023, the Group had a €130 million financing line secured by future receivables with a variety of health insurance funds.

At 31 December 2023, €130 million of this financing was recognised as debt.

2.1.9 Financial instruments

At 31 December 2023, the following hedges were in place:

	Maturity profile				
	2024	2025	2026	2027	2028
Average notional amount *(in millions of euros)*	2,334	1,780	326	68	66

The derivatives portfolio is part of the Company's strategy to hedge against the risk of increases in interest rates on floating-rate debt. At 31 December 2023, the portfolio included:

- fixed-for-floating interest rate swaps;
- interest rate caps enabling the Company to cap the interest rate on its floating-rate debt at a contractually fixed rate.

2.1.10 Other liabilities

Accrued expenses

Accrued expenses can be analysed as follows:

Accrued expenses	31 Dec. 2023	31 Dec. 2022
Borrowings and other debt	11,981	39,583
Trade payables	127,685	56,243
Employees	49,830	48,518
Payroll liabilities	19,396	20,760
Tax liabilities	46,556	59,236
TOTAL	**255,448**	**224,339**

Accrued expenses relating to trade payables (invoices not received at the balance sheet date) increased by more than €67 million due to the costs related to the various assignments entrusted by the Company to its advisers concerning the financial restructuring.

Accrued expenses relating to tax liabilities amounted to €46 million at 31 December 2023, of which €42 million at 31 December 2023 relating to sums included in the formal notice issued by the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) on the basis of the findings of the IGAS-IGF investigation.

In December 2023, the Company paid the first instalment of €13.9 million, in accordance with the schedule agreed with the CNSA.

Accrued income

Accrued income can be analysed as follows:

Accrued income	31 Dec. 2023	31 Dec. 2022
Financial receivables	712	0
Trade receivables	9,928	14,067
Other receivables	9,051	17,087
TOTAL	**19,691**	**31,154**

Accrued income relating to trade receivables (invoices not issued at the balance sheet date) mainly concern head office expenses invoiced to the Company's various subsidiaries.

Prepaid expenses

Prepaid expenses can be analysed as follows:

Prepaid expenses	31 Dec. 2023	31 Dec. 2022
Operating	7,690	6,857
Financial	-	-
Non-recurring	-	-
TOTAL	**7,690**	**6,857**

Prepaid income

Prepaid income	31 Dec. 2023	31 Dec. 2022
Operating	18,635	18,004
Financial	10,755	18,622
Non-recurring	-	-
TOTAL	**29,390**	**36,626**

Prepaid income – which totalled €29.4 million at 31 December 2023 – includes amounts received during the year for which the generating event will occur in future years.

Prepaid financial income included in the table above corresponds to income arising from the early termination of a number of hedging contracts. This income is spread over the residual term of the hedged borrowings, in accordance with the symmetry principle provided for in hedge accounting.

Accruals

Accruals recognised on the assets and liabilities sides of the balance sheet at 31 December 2023 break down as follows:

Total	Assets	Liabilities
Unrealised foreign currency losses/gains	2,924	33,515
Debt issuance costs	19,574	-
TOTAL	**22,498**	**33,515**

Unrealised foreign currency losses and gains relate to the Company's receivables and payables with subsidiaries whose functional currency is not the euro.

For unrealised foreign currency losses, a provision is also recorded in the same amount under "Provisions for liabilities and charges".

2.1.11 Related-party disclosures

Entities	Other receivables	Other payables	Other financial income	Financial expenses
Wholly-owned Group subsidiaries	5,360,833	620,428	303,320	38,953
Other companies	88,263	-	1,318	-
TOTAL	**5,449,096**	**620,428**	**304,638**	**38,953**

2.2 Income statement

2.2.1 Revenue

	2023	2022
Operation of nursing homes	1,118,844	1,043,837
Disposals of properties	-	2,062
REVENUE	**1,118,844**	**1,045,899**

The Company's revenue totalled €1,119 million in 2023, compared with €1,046 million in 2022, representing an increase of 7% in a persistently difficult environment for ORPEA's nursing homes, with an average occupancy rate of 83.6%, well below its historical level.

2.2.2 Operating income

	2023	2022
Operation of nursing homes	1,118,844	1,043,837
Revenue from core business	**1,118,844**	**1,043,837**
Disposals of properties	-	2,062
Capitalised production of properties	-	-
Production transferred to inventories	5	(4,694)
Income from property activities	**5**	**(2,632)**
Other capitalised production	8,209	8,359
Operating subsidies	9,436	(204)
Reversals of provisions and expense transfers	24,245	74,089
Other income	71	89
Other operating income	**41,960**	**82,333**
TOTAL OPERATING INCOME	**1,160,808**	**1,123,538**

Over 96% of operating income corresponds to revenue generated by the Company's core business of providing accommodation for elderly and/or dependent people, which rose by 0.72% on the previous year.

Other operating income mainly comprises reversals of provisions and expense transfers, as detailed below.

2.2.3 Expense transfers

	2023	2022
Capitalised expenses	5,709	67
Borrowing costs	-	36,945
Costs related to the public health crisis	(28)	(162)
Personnel costs	1,971	1,239
Insurance payments	1,376	1,011
Provident fund payouts	7,049	6,531
Training refunds	1,487	508
Sickness payouts	127	189
Capitalised borrowing costs on property projects	-	711
Miscellaneous	1	4
TOTAL	**17,693**	**47,043**

Debt issuance costs are reclassified to assets through expense transfers and are spread over the term of the corresponding borrowings. The roughly €37 million decrease in overall expense transfers in 2023 was mainly due to the costs capitalised on the Company's refinancing in May 2022 at the end of the first conciliation period.

2.2.4 Operating expenses

Operating expenses	2023	2022
Purchases used and other external costs	616,345	651,875
Taxes other than on income	66,435	62,384
Personnel costs	695,445	643,341
Depreciation, amortisation and charges to provisions	127,291	90,249
Other expenses	2,888	4,308
TOTAL	**1,508,404**	**1,452,157**

Operating expenses totalled €1,508 million, representing a year-on-year increase of €56 million, which was mainly due to:

- a 5% decrease in "Purchases used and other external costs", from €651.9 million to €616.3 million, reflecting the fees paid to the various firms commissioned in 2022 to investigate the allegations concerning the Group's practices;
- an 8% increase in personnel costs, from €643.3 million to €695.4 million, due to recruitment carried out in the second half of 2022 and throughout 2023 to improve staffing levels at facilities; and
- "Depreciation, amortisation and charges to provisions", which rose from €90 million to over €127 million (up 41%), this year including the removal of transaction costs relating to the secured loans converted into capital on 4 December 2023 (see section 1.1.1 "Financial restructuring").

2.2.5 Financial income and expense

(in thousands of euros)	2023	2022
Interest on bank borrowings and other financial expenses	(320,715)	(158,345)
Net expense on financial instruments	(720)	(18,969)
Foreign currency losses	(304)	(15,985)
Charges to provisions for impairment of financial items	(339,923)	(2,773,760)
Merger losses	-	(3)
Provisions for impairment losses on treasury shares	-	(1,593)
Intra-group financial expenses	(38,953)	(19,881)
Amortisation of bond redemption premiums	(6,869)	(1,236)
Losses on receivables related to investments in subsidiaries	(18,197)	-
Other expenses	(34)	(218)
Financial expenses	**(725,712)**	**(2,989,989)**
Income from investments	0	35,824
Gains on intra-group current accounts	304,638	132,443
Capitalised borrowing costs	-	711
Net income from sales of short-term investments	5,119	272
Reversals of provisions for financial items	571,541	2,000
Net income from financial instruments	56,339	6,413
Foreign currency gains	640	5,347
Merger gains	-	-
Other income	2,848	2,588
Financial income	**941,125**	**185,598**
NET FINANCIAL INCOME/(EXPENSE)	**215,412**	**(2,804,391)**

Net financial income amounted to €215 million, compared with a net financial expense of €2.8 billion in 2022. This change is mainly due to the results of impairment tests on investments in subsidiaries and current accounts:

- a net reversal of €232 million versus a net addition of €2.8 billion at the previous year-end.

Interest on bank borrowings rose from €158.3 million to €321 million, due to the increase in variable rates, as well as the full-year effect of the loans taken out in June 2022 at the end of the first conciliation period.

2.2.6 Non-recurring income and expense

	2023	2022
Non-recurring expenses on management transactions	(15,790)	(62,002)
Disposals of real estate assets	(3,432)	(14,056)
Disposals of financial assets	(819,058)	(209,806)
Losses on purchases of treasury shares	-	(4,424)
Accelerated tax depreciation/amortisation	(2,106)	(1,558)
Exceptional additions to provisions	(1,215,329)	(291,775)
Other non-recurring expenses	(110)	(1,422)
Non-recurring expense	**(2,055,825)**	**(585,042)**
Non-recurring income from management transactions	661	630
Proceeds from disposals of real estate assets	2,511	9,801
Proceeds from disposals of shares	784,815	206,389
Gains on purchases of treasury shares	-	761
Exceptional provision reversals	904,986	3,314
Other non-recurring income	3,360	13
Non-recurring income	**1,696,334**	**220,908**
NET NON-RECURRING EXPENSE	**(359,491)**	**(364,134)**

Net non-recurring expense for 2023 mainly includes:

- non-recurring charges to and reversals of provisions for a net expense of €260 million in connection with the annual impairment test on property, plant and equipment and intangible assets;
- capital losses on disposals of securities totalling €34 million.

2.2.7 Income tax

As the head company of the ORPEA tax consolidation group, ORPEA S.A. calculates its consolidated subsidiaries' taxable income.

In 2023, the ORPEA tax consolidation group's aggregate tax loss was €32,564 thousand, including ORPEA S.A.'s tax loss of €386,093 thousand in its capacity as a member company.

As provided for under the group tax consolidation agreement, each subsidiary is responsible individually for paying its own income tax and contributions due on taxable income and capital gains, less any tax credits arising on tax loss carryforwards.

The €32,564 thousand income tax benefit shown in ORPEA S.A.'s financial statements breaks down as follows:

- group relief of €32,294 thousand, corresponding to ORPEA S.A.'s share of the tax savings realised at the level of the tax consolidation group;
- a family tax credit and sponsorship tax relief amounting to €485 thousand.

Timing differences between the tax treatment and accounting treatment of various transactions are likely to affect the future tax liability as follows:

- add-backs to be made in future financial years:
  - unrealised gains on business goodwill subject to a tax deferral as a result of mergers: €80,808 thousand,
  - unrealised gains on securities subject to a tax deferral as a result of mergers: €23,749 thousand;
- deductions to be made in future financial years:
  - social solidarity contribution: €1,720 thousand,
  - unrealised foreign exchange gains: €33,515 thousand,
  - unrealised gains on UCITS: €752 thousand.

3. Financial commitments and other disclosures

3.1 Off-balance sheet commitments

Commitments given

Pledges, mortgages, security deposits and other collateral account for most of the debt-related commitments given in relation to the Group's financing:

Commitments given	31 Dec. 2023	31 Dec. 2022
Pledged shares	3,027,447	3,227,447
Sureties and bank guarantees	448,113	803,637
Comfort letters	124,203	757,365
Guarantees granted to partners	98,836	239,513
Put options/purchase undertakings (shares/real estate assets)	244,258	225,170
Real estate mortgages	58,971	61,190
TOTAL	**4,001,828**	**5,314,322**

The main commitments given and received by the ORPEA Group under the conciliation protocol signed with its main banking partners in December 2022 are as follows:

- provision of Loans by banking partners:

  In particular, the Lenders have undertaken to finance the Group's cash requirements by making the A1, A2/A3, A4, B and C Loans available under a syndicated loan agreement (together, the "**Loans**");
- ORPEA's main undertakings.

ORPEA has given the following main undertakings, described in Note 2.1.8:

- relating to the disposal of operating and real estate assets;
- relating to the allocation of certain net proceeds from disposals and subscriptions to repay the Loans;
- to grant collateral to secure Loan repayment obligations.

To ensure that the Loan amounts due are repaid *pari passu*, ORPEA has granted the following security interests from the first drawdown of one of the Loans:

- a Dailly assignment of intra-group loans financed by Loan drawdowns;
- first-ranking pledges over:
  - 100% of the shares of CEECSH (the "CEECSH Pledge"), and
  - 100% of the shares of ORESC 25 S.à.r.l. ("ORESC") to which the Company will contribute no later than on the second drawdown date of the Loans (i.e., excluding the first drawdown of a maximum amount of €250 million under the A1 Loan), 100% of the shares of its subsidiary CLINEA (the "ORESC Pledge", and together with the CEECSH Pledge, the "Pledges"), (the pledged assets representing 22.8% and 30.3% of the Group's revenue, respectively). Following certain reorganisations to be carried out within the Group, the pledges will be over shares in CLINEA France and the Group's business in Germany, representing 22.5% and 15.4% of consolidated revenue, respectively.

Commitments relating to the Group's operating activities

France

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	IMMOBILIÈRE DE SANTÉ	The following commitment has been given as regards the potential acquisition of a 100% interest in 50.01%-held Immobilière de Santé (France): • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised between 1 January 2024 and 31 December 2024 (inclusive).
France	SCI des Boucles de la Moselle	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI des Boucles de la Moselle (France) or (ii) the property finance lease or (iii) the property it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI d'Yvetot	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI d'Yvetot (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Clinique du Campus	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Clinique du Campus (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de Châtillon	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de Châtillon (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SAS du Champ de Gretz	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SAS du Champ de Gretz (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI du Virval	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI du Virval (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de l'Épinoy	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de l'Épinoy (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Les Oyats	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Les Oyats (France) or (ii) the property finance lease or (iii) the building it owns: • promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; • call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.

International

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	Put/call options
Russia	ORPEA Rus	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.09%-held ORPEA Rus (Russia): • promise to buy granted by the ORPEA Group (i.e., put option for minority shareholders), which may be exercised between 27 December 2025 and 27 December 2029 (and at any time in the cases listed in Article 3.1.2 of the Deed of Covenant [in particular if no project has been approved within 18 months of the initial investment]); • call option for the ORPEA Group (i.e., promise to sell by minority shareholders), which may be exercised between 27 December 2025 and 27 December 2028 (and at any time in the cases listed in Article 4.1.2 of the Deed of Covenant [in particular if no project has been approved within 18 months of the initial investment]). If ORPEA S.A. fails to meet its obligations relating to the call option for the benefit of the ORPEA Group (e.g., non-payment), reverse call option (i.e., promise to sell by ORPEA) for the minority shareholders.

Leases

	Property finance leases	Equipment finance leases
Value at inception of lease	23,773	257,536
Lease payments during the financial year	1,132	61,011
Total lease payments in previous financial years	20,391	161,068
Theoretical depreciation for the financial year	259	11,634
Accumulated depreciation in previous financial years	6,229	127,061
Outstanding lease payments – due in 1 year or less	1,076	49,026
Outstanding lease payments – due in more than 1 year but less than 5 years	1,641	54,288
Outstanding lease payments – due in more than 5 years	0	0
Buyout value	4,860	0

Commitments to employees

The Company's obligations for lump-sum benefits payable upon retirement calculated using the projected unit credit method totalled €20,470 thousand at 31 December 2023, compared with €17,153 thousand at end-2022.

The main actuarial assumptions used at 31 December 2023 are as follows:

- salary increase rate: 2.5% including inflation;
- discount rate: 3.17%;
- retirement age: 65;
- social security contribution rate: 41.9%.

The amount paid by the Company in lump-sum retirement benefits amounted to €1,487 thousand in 2023.

There were no material commitments in respect of long-service awards.

Contingent liabilities

Overall, management believes that the provisions recognised in the balance sheet for disputes involving the Group of which it is aware should be sufficient to cover its exposure to risks.

It should be noted that following the final report of the IGAS-IGF joint investigation, on 29 July 2022, the CNSA sent the Company a formal notice to return €55.8 million in unduly received funding. The Company recorded a provision for this amount in its statutory and consolidated financial statements at 31 December 2022. Under the Company's accelerated safeguard plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the repayment of this funding has been spread over three years. The first instalment of €13.9 million was paid by the Company in December 2023, in accordance with the maturity schedule agreed with the CNSA.

In addition, since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences. The Company is not aware of the exact content or number of these complaints.

Based on publicly available information, it appears that the Nanterre Public Prosecutor is in charge of (i) the legal investigations based on the report provided by the authorities and (ii) some of the complaints filed. In this context, the Group's head office and several facilities were searched in June and November 2022. On 7 January 2024, an article in Le Parisien reported that on 22 November 2023, the Nanterre Public Prosecutor opened an investigation on charges of manslaughter, unintentional injury, failure to assist a person in danger and endangering others. This information would follow the receipt of a government warning at the end of March 2022, following the joint report by the General Inspectorate of Finance (*Inspection Générale des Finances* – IGF) and the General Inspectorate of Social Affairs (*Inspection Générale des Affaires Sociales* – IGAS) and 53 complaints from residents' families received since April 2022. The Nanterre Public Prosecutor confirmed to the AFP on 8 January 2024 that a judicial investigation had been opened into the abovementioned charges.

To date, ORPEA is not a party to this judicial information, has not been summoned and does not have access to the file.

Other civil or criminal proceedings could be initiated to incur the civil or criminal liability of the Company, its managers and/or current or former employees. With the exception of the risks that were not the subject of a provision described in Note 2.1.7 "Provisions", the Company considers at this stage that these proceedings are not likely to have a material adverse effect on its financial position or profitability. However, since the outcome of any proceedings is inherently unpredictable, proceedings in progress could represent contingent liabilities.

The Company has not currently identified any material adverse impact on its cash flow or real estate assets resulting from the reported fraudulent activities. Nevertheless, the proceedings that may be initiated in this respect, which are inherently unpredictable, could represent contingent liabilities.

In addition, the Company has been subject to an audit by the French Social Security Office (*Union de recouvrement des cotisations de sécurité sociale et d'allocations familiales* – URSSAF). The audit covers the 2020 and 2021 periods and was still ongoing at the balance sheet date.

3.2 Headcount

At 31 December 2023, ORPEA S.A.'s headcount on a full-time equivalent basis was as follows:

	2023	2022	2021
Managers (*cadres*)	1,269	1,344	1,278
Other employees	12,755	11,724	11,146
AVERAGE HEADCOUNT	**14,024**	**13,068**	**12,424**

3.3 Benefits granted to corporate officers

The total amount of gross remuneration, fees (excluding all taxes) and benefits paid during 2023 to the ORPEA Group's corporate officers was €1,683 thousand, including €650 thousand allocated to directors.

No free shares were allocated in 2023.

3.4 Table of subsidiaries and investments

Company	2023 revenue *(in thousands of euros)*	Share capital *(in thousands of euros)*	Percentage ownership	Shares held *(in thousands of euros)*	Profit or loss for the last financial year	Equity excluding 2023 net profit/(loss)	Carrying amount of investments at 31 Dec. 2023 (shares and related receivables)		
							Gross	Provisions	Net
CEECSH	0	100	100%	100	0	2,045	557,491		557,491
ORESC 27	0	0	100%	0	0	0	328,290		329,290
ORESC 25 (Clinea SAS)	0	100	100%	100	0	2,045	203,868		203,868
ORPEA Ibérica SAU	0	31,000	100%	31,000	0	145,699	197,339	(88,779)	108,560
ORPEA Latam	0	14,455	100%	14,455	0	128,243	127,502	(56,281)	71,221
SA ORPEA Belgium	0	100	99.9%	100	0	9,600	115,479	(115,479)	0
SRL ORPEA Italia	0	3,350	79%	2,660	0	42,829	60,087	(60,087)	0
Medi-Système (ORPEA Polska)	0	333	100%	333	0	68,686	106,916		106,916
SIS Portugal	0	100	100%	100	0	2,045	91,750	(91,750)	0
Atirual Inmobiliaria S.L.U.	0	30,000	100%	30,000	0	87,715	90,320	(23,673)	66,647
ORPEA Suisse SA	0	97	100%	97	0	49,832	63,994	(63,994)	0
SIS Brasil	0	100	100%	100	0	2,045	45,250	(42,250)	0
SARL Domidom	18,178	19,970	100%	19,970	(3,289)	6,587	27,544	(27,544)	0
SAS SFI France	0	4,000	51%	2,040	(75)	(133)	23,306	(23,306)	0
SARL 96	4,609	7,084	100%	7,084	2,444	12,295	20,976	(20,976)	0
Portexploit Unipesoal	0	1,618	100%	1,618	0	124	20,669	(20,669)	0
SAS Familisanté	3,004	4,851	100%	4,851	1,249	6,126	18,772	(7,566)	11,206
SARL Les Matines	3,093	18,500	100%	18,500	(11)	23,021	18,500		18,500
SRL Casa Mia Immobiliare (LTC Invest)	0	20,000	100%	20,000	0	23,158	17,589	(17,589)	0
China Co.	0	37,797	51%	19,276	0	25,454	18,593	(18,593)	0
Immobilière de Santé	0	0	50%	0	0	(2,525)	13,210		13,210
SA Domaine de Churchill	0	815	100%	815	0	9,166	12,136	(12,136)	0
SA China Holding	0	10,000	100%	10,000	(1,554)	7,491	10,000	(10,000)	0
SCI Âge d'Or	232	2,549	100%	2,549	724	13,811	6,235		6,235
SAS La Saharienne	2,300	1,365	100%	1,365	(994)	(3,179)	5,709		5,709
SNC Les Jardins d'Escudie	202	4,800	100%	4,800	(212)	(1,109)	5,524	(5,524)	0
SA Le Clos Saint-Grégoire	0	38	100%	38	(266)	1,691	4,677	(3,505)	1,172
SARL Maison de Mathis	0	4,425	100%	4,425	6	267	4,425	(4,156)	269
SARL Vivrea	75	4,050	100%	4,050	(57)	(917)	4,050	(4,050)	0
SARL Maison de Lucile	0	3,900	100%	3,900	19	234	3,893	(3,677)	216
SA RS Domaine de Churchill	0	100	100%	100	0	9,600	3,075	(3,075)	0
SAS Résidence Saint-Luc	240	37	100%	37	(318)	(6,955)	2,644	(2,644)	0
SARL Maison de Louise	0	2,625	100%	2,625	2	239	2,625	(2,324)	301
SCI Les Treilles	30	15	100%	15	179	2,649	2,364		2,364
Transac Consulting Corporation	0	0	100%	0	0	0	1,823	(1,823)	0
SCI Château d'Angleterre	106	2	100%	2	464	6,344	1,764		1,764
SNC Les Acanthes	0	8	100%	8	(53)	(501)	1,468	(1,468)	0
SA Domaine de Longchamp	0	65	100%	65	0	10,461	1,414	(1,414)	0
SNC des Parrans	0	8	100%	8	(69)	(988)	1,400	(1,400)	0
SCI du Château	0	2	100%	2	576	8,966	1,353		1,353
SCI Bosguerard	50	2	100%	2	170	1,976	1,274		1,274
SARL La Doyenne de Santé	489	8	100%	8	216	934	1,267	(1,267)	0
SCI Les Rives d'Or	35	2	100%	2	29	2,334	934		934
SCI Jem II	20	0	100%	0	7	425	884		884
SARL Bel Air	362	1,265	100%	1,265	394	5,146	841	(841)	0
SARL L'Ombrière	0	8	100%	8	(87)	(1,164)	822	(822)	0

Company	2023 revenue (in thousands of euros)	Share capital (in thousands of euros)	Percentage ownership	Shares held (in thousands of euros)	Profit or loss for the last financial year	Equity excluding 2023 net profit/(loss)	Carrying amount of investments at 31 Dec. 2023 (shares and related receivables)		
							Gross	Provisions	Net
SA Brige	0	100	100%	100	0	2,045	670	(670)	0
SA Longchamps Libertas	0	100	100%	100	0	9,600	555	(555)	0
SCI Super Aix	0	229	100%	229	(97)	1,515	4,067	(4,067)	0
Gevea Immo	0	0	100%	0	0	(29)	407	(407)	0
SCI Bel Air	115	2	100%	2	(236)	(3,955)	336	(336)	0
SCI Route des Écluses	205	303	100%	303	279	3,467	303		303
SARL Benian	0	0	100%	0	0	0	300		300
SCI Larry	0	150	100%	150	225	3,488	3,345		3,345
SCI Parc Saint-Loup	0	150	100%	150	(51)	(640)	149	(149)	0
SARL Domea	0	100	100%	100	(69)	104	100	(100)	0
SARL ORPEA Dev	0	100	100%	100	(1)	867	100		100
Niorpea	0	100	100%	100	0	(115,508)	100	(100)	0
SCI Les Maraîchers	1,400	2	100%	2	1,519	4,688	100		100
SCI Kod's	0	23	100%	23	287	575	68		68
SC Les Praticiens	0	88	100%	88	3	73	67		67
SCI Port Thureau	18	2	100%	2	(293)	1,023	64	(64)	0
SCI La Drone	500	1	100%	1	561	1,188	61		61
ORPEA Russia	0	354	100%	354	0	(642)	50	(50)	0
SCI La Cerisaie (Rives de Seine)	71	2	100%	2	164	2,813	47		47
SCI Ansi	45	23	100%	23	(156)	5,748	1,469	(1,469)	0
SARL La Bretagne	150	277	100%	277	5	(1,761)	41	(41)	0
SCI Beaulieu	0	3	100%	3	(14)	(217)	30	(30)	0
GCS	0	727	100%	727	0	(10,880)	23	(23)	0
SARL Primavera Saint-Marc	2,921	100	100%	100	(474)	(6,856)	18	(18)	0
OREL – ex-936/8936	0	100	100%	100	0	2,045	12	0	12
SARL Résidence Parc de Royat (AFPS)	0	10	100%	10	(219)	(877)	10	(10)	0
SARL Résidence Saint-Martial	0	126,856	100%	126,856	2,871	126,857	10	0	10
SARL Résidence Marquisat	4	10	100%	10	(71)	(49)	10	(10)	0
SARL Résidence Parc des Noues	0	10	100%	10	1	10	10	0	10
SARL Résidence du Lac	191	10	100%	10	(140)	(121)	10	(10)	0
SARL Résidence Saint-Honorat	0	1,036	100%	1,036	(95)	1,036	10	0	10
SARL Résidence L'Atrium	0	1,036	100%	1,036	0	1,036	10	(10)	0
SARL Les Jardins d'Aurillac	0	1,036	100%	1,036	0	1,036	10	(10)	0
SAS Valdoisiens	0	10	100%	10	(50)	(31)	10	(10)	0
ORPEA Le Clos Saint-Louis	0	10	100%	10	(50)	(36)	10	(10)	0
Rives Cabessut	0	10	100%	10	(769)	(3,113)	10	0	10
SAS GDES Platières	0	10	100%	10	(739)	(207)	10	0	10
Terrasses Lilas	2,002	10	100%	10	(996)	(605)	10	(10)	0
St Bonnet	0	10	100%	10	0	10	10	0	10
ORPEA Assomption	982	10	100%	10	(1,081)	(688)	10	0	10
Jardins de Jouvences	202	10	100%	10	(561)	(438)	10	0	10
Hauts de Crosne	0	10	100%	10	(2)	(17)	10	(10)	0
Saint-Fiacre	0	10	100%	10	0	9	10	(1)	9
Les Jardins de Villeneuve	0	10	100%	10	(1)	8	10	0	10
ORPEA Vilgenis	0	10	100%	10	(1,978)	(394)	10	(10)	0
SAS Résidence Gambetta	0	10	100%	10	(2)	(17)	10	(10)	0
Résid des Bûchers	0	10	100%	10	(2)	(17)	10	(10)	0

Company	2023 revenue *(in thousands of euros)*	Share capital *(in thousands of euros)*	Percentage ownership	Shares held *(in thousands of euros)*	Profit or loss for the last financial year	Equity excluding 2023 net profit/(loss)	Carrying amount of investments at 31 Dec. 2023 (shares and related receivables)		
							Gross	Provisions	Net
SAS Launaguet	0	10	100%	10	(523)	(489)	10	(10)	0
ORPEA de France	0	10	100%	10	(1,270)	(413)	10	0	10
Aix Trinité	0	10	100%	10	(2)	(21)	10	(10)	0
ORPEA Résidence 1	0	0	100%	0	0	0	10	(10)	0
ORPEA Résidence 2	0	0	100%	0	0	0	10	(10)	0
ORPEA Résidence 3	0	0	100%	0	0	0	10	(10)	0
ORPEA Résidence 4	0	0	100%	0	0	0	10	(10)	0
ORPEA Résidence 5	0	0	100%	0	0	0	10	(10)	0
Honfleur Immo	0	10	100%	10	(8)	(23)	10	(10)	0
Les Hautes de Suresnes	0	10	100%	10	(1)	9	10	(1)	9
Affieux	0	10	100%	10	(1)	9	10	(1)	9
Verdun Saint-Mihiel	0	10	100%	10	(1)	9	10	(1)	9
Holding Dom	0	10	100%	10	(310)	(238)	10	(10)	0
SARL 95	0	8	100%	8	(76)	(1,028)	8	(8)	0
SARL Amarmau	30	8	100%	8	(101)	(1,018)	8	(8)	0
SAS Immo Nevers	367	5	100%	5	(3,128)	1,472	5	(5)	0
SCI Lautréamont Loos	0	0	100%	0	23	369	3	0	3
SCI Les Ânes	1,461	2,000	100%	2,000	43	(1,524)	2	0	2
SCI Slim	0	1	100%	1	41	790	2	0	2
SCI Sainte-Brigitte	0	2	100%	2	(61)	(884)	2	(2)	0
SCI Gambetta	57	2	100%	2	(338)	(3,076)	2	(2)	0
SCI Croix-Rousse	2,562	2	100%	2	1,271	8,345	2	0	2
SCI Passage Victor-Marchand	7,704	2	100%	2	1,938	(5,930)	2	0	2
SCI de l'Abbaye	780	2	100%	2	785	2,328	2	0	2
SCI Cliscouet	1,370	2	100%	2	1,675	4,972	1	0	1
SCI Les Dornets	34	2	100%	2	82	1,507	1	0	1
SCI Les Tamaris	2,781	2	100%	2	548	3,698	1	0	1
SCI Mediter Foncier	0	1	100%	1	(4)	(61)	1	0	1
SCI Le Barbaras	190	183	100%	183	411	6,933	1	0	1
SCI La Lorraine	1,500	10	100%	10	(221)	(1,514)	0	0	0
SCI Barbacane	30	2	100%	2	82	1,249	0	0	0
SCI Saintes BA	1,892	2	100%	2	849	5,838	0	0	0
SCI Selika	90	11	100%	11	141	2,889	0	0	0
Foncière Clinipsy 1	0	10	100%	10	(102)	(53)	0	0	0
Foncière Clinipsy 2	0	10	100%	10	(44)	(46)	0	0	0
Sancellemoz	13,071	500	97%	487	(4,466)	(1,485)	0	0	0
TOTAL							**2,268,433**	**(755,493)**	**1,512,939**

6.4 Statutory Auditors' report on the statutory financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2023

To the shareholders of ORPEA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying statutory financial statements of ORPEA for the year ended 31 December 2023.

In our opinion, the statutory financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Independence

We conducted our audit in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2023 to the date of our report, and, in particular, we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of our assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were the most significant in our audit of the statutory financial statements of the period, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Assessment of liquidity risk and application of the going concern principle

Notes 1.1.1, 1.2.1, 1.3 and 2.1.8 to the statutory financial statements

Risks identified

Note 1.3. "Liquidity risk and going concern" states that your Company's net debt stood at €2.8 billion at 31 December 2023, including €173.6 million in available cash and €100.8 million in short-term marketable securities. The Company's financial liabilities are described in Note 2.1.8 "Liabilities" to the statutory financial statements.

Given:

- the Company's debt structure and repayment schedule,
- the Company's cash position at 31 December 2023 and its available liquidity,
- the assumptions made by management regarding the business forecast and the corresponding cash flow projections,
- changes to clauses of the financial ratio (banking covenants) attached to debt following waivers obtained by the Group from all the lenders concerned, in particular with the introduction of a new leverage covenant applicable from 30 June 2025 and a clause requiring a minimum cash level (plus undrawn Group credit facilities) of €300 million to be maintained at Group level and tested quarterly as from 31 March 2024,

- the additional financing agreement (new money debt) and the financial ratio ("Loan to Value" (LTV) and Niort 94/Niort 95 LTV) signed on 26 May 2023,
- the €390 million capital increase carried out on 15 February 2024,

the Company's management believes that it has a sufficient level of cash to ensure the continuity of the Group's activities.

As such, the Board of Directors approved the statutory financial statements on a going concern basis.

Given the conditions attached to the Company's debts, we considered the assessment of liquidity risk and the application of the going concern principle to be a key audit matter. Assessment of liquidity risk and application of the going concern principle also require management to exercise judgement and use estimates in preparing the cash flow forecasts used to determine the Group's liquidity requirements in order to meet its estimated debt repayments over the next twelve months.

Our response

As part of our work, we assessed the Company's liquidity requirements in relation to cash flow forecasts, current resources and existing credit facilities.

We reviewed the documents relating to (i) the amendments to bank borrowings and the related obligations (financial ratios under bank covenants) signed with the banks on 26 May 2023 and (ii) existing and available credit facilities, in particular under the additional financing (new money debt).

Our work also consisted of obtaining cash flow forecasts and reviewing (i) the procedures and (ii) the main assumptions used to prepare them.

We assessed their consistency with the forecast information in the latest business plans. These forecasts were drawn up under the oversight of management and approved by the Board of Directors.

On this basis, we assessed the proper application of the going concern principle as described in Note 3.1 to the statutory financial statements

Lastly, we verified the appropriateness of the information provided in the notes to the statutory financial statements relating to:

- the information described in Notes 1.1.1 "Financial restructuring" and 1.2.1 "Completion of the financial restructuring" to the statutory financial statements,
- the liquidity risk described in Note 1.3 "Liquidity risk and going concern" to the statutory financial statements, and
- the description of debt and available credit facilities described in Note 2.1.8 "Liabilities" to the statutory financial statements.

Impairment testing on investments in subsidiaries, related receivables, current accounts, intangible assets and property, plant and equipment

Notes 1.3.3, 1.3.4, 2.1.1 and 2.1.4 to the statutory financial statements

Risks identified

Investments in subsidiaries including the associated technical merger losses and related receivables are recognised in the balance sheet at 31 December 2023 in a net amount of €1,553 million. Current accounts with subsidiaries totalled €3,917 million, net of provisions for impairment. Intangible assets and property, plant and equipment had a net balance sheet value of €120 million and €172 million respectively.

As stated in Notes 1.3.3 "Impairment testing" and 1.3.4 "Investments in subsidiaries, long-term investments, related receivables and current accounts" to the statutory financial statements, the Company records a provision for impairment when the value in use of intangible assets, property, plant and equipment, investments in subsidiaries and related merger losses is less than their net carrying amounts.

Value in use is determined according to the investee's equity value or an enterprise value calculated on the basis of:

- either the present value of future cash flows expected to be generated by its continued operation (which is then adjusted by the amount of net debt to determine the equity value); or
- property measured at realisable value net of selling costs, where appropriate.

Impairment losses are also recognised where required in respect of any related receivables and current accounts with subsidiaries based on the same measurement methods.

If deemed necessary, a provision may be set aside for certain investments in subsidiaries depending on the investee's net assets and the Company's commitments to the subsidiaries concerned at the end of the financial year.

As stated in Notes 1.3.3 "Impairment testing", 2.1.1 "Total non-current assets", and 2.1.4 "Trade and other receivables" to the statutory financial statements, the measurement carried out at 31 December 2023 led to the recognition of provision for impairment of €558 million on intangible assets, including unamortised technical losses, business goodwill and property, plant and equipment, and a net impairment reversal of €505 million on investments in subsidiaries, a net impairment reversal of €74 million on current accounts and a provision for impairment of €267 million on related receivables for this financial year.

We considered the measurement of intangible assets, property, plant and equipment, investments in subsidiaries, related receivables and current accounts to be a key audit matter, given the significance of these assets in the Company's statutory financial statements, and in view of the judgement and estimates required by management in order to prepare the discounted expected future cash flows used to determine their value in use.

Our response

In order to assess the methods used to implement these impairment tests, our work consisted in particular of:

- assessing the principles and methods used to determine the carrying amounts and values in use of investments in subsidiaries, related receivables, current accounts, intangible assets and property, plant and equipment;
- analysing the assumptions on which the estimates used by management for cash flow projections were based;
- comparing the projected data used to calculate values in use with the business plans for each facility, prepared by the Group's management and used to draw up the 2024-2026 business plan approved by the Board of Directors on 3 November 2023;
- obtaining the Company's advisers' review of the impairment tests, as well as the valuation reports of real estate valuers, and ensuring, with the help of the valuation specialists on our audit team, that appropriate methodology and assumptions were used;
- assessing the growth rate and discount rate assumptions by country used by the Company in light of the rates recalculated by our specialists.

Lastly, we verified the appropriateness of the information provided in Notes 1.3.3 "Impairment testing", 1.3.4 "Investments in subsidiaries, long-term investments, related receivables and current accounts", 2.1.1 "Total non-current assets" and 2.1.4 "Trade and other receivables" to the statutory financial statements.

Measurement of the recoverable amount of development-related receivables and related current accounts

Notes 1.1.3, 2.1.4 and 3.1 to the statutory financial statements

Risks identified

As part of its business development in France and internationally, the Company has worked with partners to prospect and build facilities. Historically, the Company has financed the construction of the facilities, which are then operated by the Company and its subsidiaries, which generally pay rent to occupy the premises.

Development-related receivables consist mainly of receivables arising from advances paid to partners in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments. Current accounts consist mainly of amounts paid to associates, i.e., companies controlled by the partners but in which the Company holds an interest.

In 2022, the Company entered into negotiations with its partners with a view to unwinding the partnerships and recovering its real estate assets in exchange for receivables. In this context, the analysis of financial receivables relating to partnerships, based on a detailed analysis of the partnerships' positions and the status of ongoing negotiations, led to the recognition of a €39 million impairment loss on development-related receivables and a €111 million impairment loss on current accounts with associates, representing a total amount of €150 million recorded in net non-recurring expenses for 2022.

As stated in Note 1.1.2 to the statutory financial statements, as part of the process of partially unwinding partnerships, an agreement was signed in March 2023 giving the Group a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium, a 100% interest in Résidences Senior Services (RSS) in France and a 69% interest in four entities in the Age Partenaires group in France. As a result, only impairment losses on receivables relating to other entities (with no impact on the scope of consolidation) have been maintained pending finalisation of ongoing negotiations with the partners concerned.

Given the significant estimates that management was required to make, we considered the measurement of the recoverable amount of development-related receivables and current accounts with associates to be a key audit matter.

Our response

We reviewed the procedures implemented by management to identify and list all risks relating to its exposure to partners, in particular on the basis of the investigation reports prepared by the consultants appointed by the Company.

In order to assess the reasonableness of the estimate of the impairment losses recognised in respect of risks identified by the Company, our work consisted of:

- discussion with the Company's management, in particular the Legal department, and its advisers, to understand the progress and nature of its discussions with its partners.
- analysing the available legal documentation, in particular the settlement agreement signed in March 2023 to unwind a number of partnerships.

We also verified the appropriateness of the information disclosed in the Notes to the statutory financial statements, in particular Notes 2.1.4 "Trade and other receivables" and 3.1 "Off-balance sheet commitments".

Specific verifications

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

Information provided in the management report and in other documents concerning the Company's financial position and the statutory financial statements addressed to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the Company's financial position and the statutory financial statements addressed to the shareholders.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We confirm that the information required pursuant to Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (*Code de commerce*) is contained in the report of the Board of Directors on corporate governance.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by or awarded to the corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from companies that are controlled by it and are included in the consolidation scope. Based on this work, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or public exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have verified that this information agrees with the source documents communicated to us. Based on these procedures, we have no observations to make on this information. Based on our audit, we have no matters to report concerning these disclosures.

Other information

In accordance with French law, we verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or the holders of voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the statutory financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for statutory and consolidated financial statements presented in accordance with the single European electronic reporting format, we have verified that the presentation of the statutory financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

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

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the Autorité des marchés financiers (AMF) correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

Deloitte et Associés was appointed as Statutory Auditor of ORPEA by the Annual General Meeting of 29 June 2006, Saint-Honoré BK&A by the Annual General Meeting of 27 June 2008 and Mazars by the Annual General Meeting of 28 July 2022.

At 31 December 2023, Deloitte & Associés was in its 18th year of uninterrupted engagement, Saint-Honoré BK&A in its 16th year and Mazars in its 2nd year.

Responsibilities of management and persons involved in corporate governance in relation to the statutory financial statements

Management is responsible for preparing statutory financial statements that present a true and fair view, in accordance with French GAAP (Generally Accepted Accounting Principles), and for setting up the internal controls it deems necessary for preparing statutory financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the statutory financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as internal audit where applicable, relating to accounting and financial reporting procedures.

The statutory financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the statutory financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the statutory financial statements. Our objective is to obtain reasonable assurance about whether the statutory financial statements as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or in the aggregate, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As specified in Article L.821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgement throughout the audit.

In addition:

- they identify and assess the risks that the statutory financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and obtain audit evidence that they regard as sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, forgery, voluntary omissions, false statements or the circumvention of internal controls;
- they obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- they evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- they assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be noted that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- they assess the overall presentation of the statutory financial statements and assess whether the statutory financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements of the period and which are therefore key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*Code de commerce*) and in the code of ethics of the statutory audit profession in France. Where appropriate, we discuss any risks that may reasonably be thought to bear on our independence, and the related safeguards, with the Audit and Risk Committee.

Paris and Paris-La Défense, France, 3 May 2024

The Statutory Auditors

Mazars		**Deloitte & Associés**	**Saint-Honoré BK&A**
Gaël Lamant	Anton Lissorgues	Damien Leurent	Xavier Groslin

7

7

SHARE CAPITAL AND OWNERSHIP STRUCTURE

7.1 Share capital

7.1.1 Changes in share capital over the past three years

The table below shows changes in the share capital, voting rights and their ownership between 31 December 2021 and the date of this Universal Registration Document.

Transaction date	Type of transaction	Amount of share capital before the transaction	Number of shares issued	Transaction amount	Amount of share capital after the transaction
13 Dec. 2021	Free shares awarded to certain key managers of the Company	€80,789,156.25	8,750	€10,937.50	€80,800,093.75
2 May 2022	Free shares awarded to certain key managers of the Company	€80,800,093.75	53,317	€66,646.25	€80,866,740.00
1 Sept. 2022	Free shares awarded to certain key managers of the Company	€80,866,740.00	459	€573.75	€80,867,313.75
10 Nov. 2023	Capital reduction, by reducing the par value of shares	€80,867,313.75	0	€80,220,375.24	€646,938.51
4 Dec. 2023	Capital increase, with pre-emption rights for shareholders (Equitisation Capital Increase)	€646,938.51	64,629,157,149	€3,884,212,344.65	€646,938,510.00
19 Dec. 2023	Capital increase without pre-emption rights reserved for members of the Groupement (Groupement Capital Increase)	€646,938,510	65,173,064,696	€651,730,646.96	€1,298,669,156.96
15 Feb. 2024	Capital increase with pre-emption rights for shareholders (Rights Issue)	€1,298,669,156.96	29,324,787,415	€293,247,874.15	€1,591,917,031.11
21 March 2024	Reverse share split[1]	€1,591,917,031.11	159,191,703	€0	€1,591,917,031.11

(1) The reverse share split resulted in the allocation of one new ordinary share to be issued with a par value of €10 against 1,000 existing ordinary shares with a par value of €0.01 each. The reverse share split is a purely technical exchange transaction with no direct impact on the total value of the Company's shares and share capital.

7.1.2 Ownership of the share capital and voting rights

At 31 December 2023, the Company's share capital stood at €1,298,669,156.96; it consisted of 129,866,915,696 shares with a nominal value of €0.01 each, fully paid up and belonging to the same class. The total gross number of voting rights was 129,870,475,372 and the number of exercisable voting rights was 129,870,428,558.

On 15 February 2024, the Company's share capital was increased by €293,247,874.15, from €1,298,669,156.96 to €1,591,917,031.11, following final completion of the Rights Issue (see section 5.5.1 of this Universal Registration Document).

On 21 March 2024, the Company carried out a reverse share split resulting in (i) the allocation of one new ordinary share to be issued with a par value of €10.00 per share against 1,000 existing ordinary shares with a par value of €0.01 per share and (ii) the division by 1,000 of the number of shares making up the Company's share capital on the date of the reverse share split. At that date, the Company's share capital therefore stood at €1,591,917,030. It consisted of 159,191,703 shares with a par value of €10 each, fully paid up and belonging to the same class.

At 31 March 2024, the Company's share capital had not changed versus 21 March 2024. The total gross number of voting rights was 159,191,929 and the number of exercisable voting rights was 159,173,260.

Shares may be held in either registered or bearer form, at the shareholder's discretion.

The difference between the number of shares and the number of voting rights is due to the fact that some shares have double voting rights and treasury shares have no voting rights.

Pursuant to Article 223-11 of the AMF General Regulation *(Règlement général)*, voting rights are presented according to their "theoretical" calculation, based on the total number of shares to which a voting right is attached, including shares stripped of voting rights (treasury shares). The theoretical voting rights are used to calculate the shareholding disclosure thresholds.

Ownership of the share capital and voting rights over the past three years

The table below shows changes in the share capital, voting rights and their ownership between 31 December 2021 and 31 December 2023.

	31/12/2021[1]				31/12/2022[2]				31/12/2023[3]					
Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights
Caisse des Dépôts et Consignations[4]	-	-	-	-	-	-	-	-	29,096,901,032	22.41%	29,096,901,032	22.58%	29,096,901,032	22.40%
Mutuelle Assurance des Instituteurs de France [4]	-	-	-	-	-	-	-	-	19,237,620,517	14.81%	19,237,620,517	14.93%	19,237,620,517	14.81%
MACSF Épargne Retraite[4]	-	-	-	-	-	-	-	-	9,618,810,258	7.41%	9,618,810,258	7.46%	9,618,810,258	7.41%
CNP Assurances[4]	-	-	-	-	-	-	-	-	7,215,458,891	5.56%	7,215,458,891	5.60%	7,215,458,891	5.56%
Concert'O, Nextstone Capital and Mat Immo Beaune (acting in concert)[5]	-	-	-	-	-	-	-	-	7,702,414,196	5.93%	7,702,414,196	5.98%	7,702,414,196	5.93%
CPPIB[6]	9,374,186	14.50%	18,748,372	24.15%	9,374,188	14.49%	18,748,374	24.13%	-	-	-	-	-	-
Peugeot Invest Assets[7]	3,261,353	5.05%	6,522,706	8.40%	3,261,353	5.04%	6,522,706	8.40%	-	-	-	-	-	-
Treasury shares	52,553	0.08%	52,553	0.07%	74,563	0.12%	74,563	0.10%	46,814	N/S	46,814	N/S	-	-
Free float	51,951,983	80.37%	52,316,485	67.38%	51,983,747	80.35%	52,331,934	67.37%	56,995,663,988[8]	43.89%	55,999,223,664	43.45%	56,999,223,664	43.89%
TOTAL	**64,640,075**	**100.00%**	**77,640,116**	**100.00%**	**64,693,851**	**100.00%**	**77,677,577**	**100.00%**	**129,866,915,696**	**100.00%**	**128,870,475,372**	**100.00%**	**129,870,428,558**	**100.00%**

(1) *In 2021, the Company's share capital was increased by €10,937.50 through the issue of 8,750 new shares following the vesting of free shares awarded to certain key managers of the Company.*

(2) *In 2022, the Company's share capital was increased by €67,220 through the issue of 53,776 new shares following the vesting of free shares awarded to certain key managers of the Company.*

(3) *In 2023, the Company's share capital was reduced by €80,220,375.24 by reducing the par value of the shares, then increased by €4,535,942,991.61 through the issue of 129,802,221,845 new shares, following two successive capital increases.*

(4) *On 19 December 2023, Caisse des Dépôts et Consignations, Mutuelle Assurance des Instituteurs de France, CNP Assurances and MACSF Épargne Retraite acquired a stake in the Company following their participation in the Groupement Capital Increase (see section 5.1.1 of this Universal Registration Document) implemented as part of the Company's Accelerated Safeguard Plan.*

(5) *On 19 December 2023, Concert'O, Nextstone Capital and Mat Immo Beaune disclosed that, as a result of the Groupement Capital Increase, they had lowered their interest to below the disclosure thresholds of 10% of the Company's share capital and voting rights and held 7,702,414,196 ORPEA shares, representing 5.93% of the Company's share capital and voting rights (see section 5.1.1 of this Universal Registration Document).*

(6) *It should be noted that on 27 October 2022, Nextstone Capital and Mat Immo Beaune, acting in concert, disclosed that on 26 October 2022 they had raised their interest to above the disclosure threshold of 5% of the Company's share capital and held 3,570,621 ORPEA shares, representing 5.52% of the share capital and 4.60% of the voting rights at the date of the disclosure. Pursuant to Article L. 233-9-1 of the French Commercial Code (Code de commerce) and Article 223-11 of the AMF General Regulation, 1,504,376 ORPEA shares were taken into account for the purposes of calculating the aforementioned interest, which represented 2.32% of the share capital out of the disclosed 5.52% and 1.94% of the disclosed voting rights.*

(7) *Between 2 and 8 February 2023, the Canadian Pension Plan Investment Board (CPPIB) lowered its interest to below the legal disclosure thresholds of (i) 20% and 15% of the voting rights and (ii) 10% and 5% of the share capital and voting rights, following the sale of all its ORPEA shares.*

(8) *Following the implementation of the Company's Accelerated Safeguard Plan, Peugeot Invest Assets is no longer a reference shareholder.*

At 31 March 2024, the Company's share capital and voting rights were broken down as follows:

Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights
Caisse des Dépôts et Consignations	35,667,169	22.41%	35,667,169	22.41%	35,667,169	22.41%
Mutuelle Assurance des Instituteurs de France	23,581,599	14.81%	23,581,599	14.81%	23,581,599	14.81%
MACSF Épargne Retraite	11,790,799	7.41%	11,790,799	7.41%	11,790,799	7.41%
CNP Assurances	8,844,756	5.56%	8,844,756	5.56%	8,844,756	5.56%
Treasury shares	18,669	0.01%	18,669	0.01%	-	-
Public[1]	79,288,711	49.80%	79,288,711	49.80%	79,288,711	49.81%
TOTAL	**159,191,703**	**100.00%**	**159,191,703**	**100.00%**	**159,173,034**	**100.00%**

(1) *On 19 December 2023, Concert'O, Nextstone Capital and Mat Immo Beaune disclosed that, as a result of the Groupement Capital Increase, they had lowered their interest to below the disclosure thresholds of 10% of the Company's share capital and voting rights and held 7,702,414,196 ORPEA shares, representing 5.93% of the Company's share capital and voting rights (see section 5.1.1 of this Universal Registration Document). It should be noted that on 27 October 2022, Nextstone Capital and Mat Immo Beaune, acting in concert, disclosed that on 26 October 2022 they had raised their interest to above the disclosure threshold of 5% of the Company's share capital and held 3,570,621 ORPEA shares, representing 5.52% of the share capital and 4.60% of the voting rights at the date of the disclosure. Pursuant to Article L. 233-9-1 of the French Commercial Code* (Code de commerce) *and Article 223-11 of the AMF General Regulation, 1,504,376 ORPEA shares were taken into account for the purposes of calculating the aforementioned interest, which represented 2.32% of the share capital out of the disclosed 5.52% and 1.94% of the disclosed voting rights.*

At the date of this Universal Registration Document, no shareholders other than those listed above disclosed that they held, directly or indirectly, alone or in concert, more than 5% of the Company's share capital or voting rights.

It should be noted that on 2 November 2022, ORPEA acknowledged the main clauses of the agreement constituting the concerted action of Nextstone Capital and Mat Immo Beaune with regard to the Company (see AMF Declaration no. 222C2440 of 2 November 2022).

On 5 December 2023, ORPEA entered into an investment agreement with Caisse des Dépôts et Consignations, CNP Assurances, Mutuelle Assurance des Instituteurs de France (MAIF) and MACSF Épargne Retraite (the "**Groupement**") for the purpose of reflecting the governance rules and principles set out in the Company's Accelerated Safeguard Plan, the main provisions of which are described in section 7.1.8 below.

ORPEA also took note of the main clauses of the Shareholders' Agreement signed on 5 December 2023 between the members of the Groupement, constituting a concerted action (see AMF Declaration no. 223C2042 of 13 December 2023), the main provisions of which are described in section 7.1.8 below.

To the best of the Company's knowledge, there were no other shareholder agreements or agreements relating to the share capital of the Company in place at the date of this Universal Registration Document.

To the best of the Company's knowledge, there have been no other significant changes in ownership of the share capital and voting rights since 31 March 2024.

7.1.3 Legal disclosure thresholds

Since 1 January 2023, the following thresholds have been crossed and disclosed to the French Financial Markets Authority (*Autorité des marchés financiers* – AMF):

AMF reference	Name of the shareholder	Transaction date	Threshold crossing (above/below)
223C0175	The Goldman Sachs Group Inc.	23 January 2023	Above the threshold of 5% of the share capital and voting rights
223C0279	Canada Pension Plan Investment Board	2 February 2023	Below the threshold of 20% of the voting rights
		3 February 2023	Below the threshold of 15% of the voting rights and 10% of the share capital
		6 February 2023	Below the threshold of 10% of the voting rights
		7 February 2023	Below the threshold of 5% of the share capital
223C0289	The Goldman Sachs Group Inc.	7 February 2023	Below the threshold of 5% of the share capital and voting rights
223C0310	Canada Pension Plan Investment Board	8 February 2023	Below the threshold of 5% of the voting rights
223C0474	The Goldman Sachs Group Inc.	16 March 2023	Above the threshold of 5% of the share capital and voting rights
223C0534	The Goldman Sachs Group Inc.	30 March 2023	Below the threshold of 5% of the share capital and voting rights
223C0550	The Goldman Sachs Group Inc.	3 April 2023	Above the threshold of 5% of the share capital and voting rights
223C0560	The Goldman Sachs Group Inc.	4 April 2023	Below the threshold of 5% of the share capital and voting rights
223C0583	The Minority Shareholders Association (A.D.A.M.O.)	11 April 2023	Above the threshold of 5% of the share capital and voting rights
223C1999	Peugeot Invest Assets	4 December 2023	Below the threshold of 5% of the share capital and voting rights
223C2024	Concert'O, Nextstone Capital and Mat Immo Beaune (acting in concert)	4 December 2023	Above the thresholds of 5% and 10% of the share capital and voting rights
223C2101	Caisse des Dépôts et Consignations, CNP Assurances, Mutuelle Assurance des Instituteurs de France (MAIF) and MACSF Épargne Retraite (acting in concert)[1]	19 December 2023	Above the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 1/3 and 50% of the share capital and voting rights
223C2115	Concert'O, Nextstone Capital and Mat Immo Beaune (acting in concert)	19 December 2023	Below the threshold of 10% of the share capital and voting rights

(1) *On 25 May 2023, the AMF granted the Groupement an exemption from the obligation to file a public offer on the basis of Articles 234-8, 234-9-2° and 234-10 of the AMF's General Regulation. This waiver decision is available on the AMF website.*

7.1.4 Disclosure thresholds pursuant to the Articles of Association

Since 1 January 2023, the following thresholds have been crossed and disclosed:

Name of the shareholder	Transaction date	Threshold crossing (above/below)
LMR Investment Group	4 December 2023	Above the threshold of 1% of the share capital and voting rights
BPCE Assurances	4 January 2024	Above the threshold of 1% of the share capital and voting rights
BPCE Assurances	9 April 2024	Below the threshold of 1% of the share capital and voting rights
Santa Lucía S.A. Compañía de Seguros y Reaseguros	22 April 2024	Above the threshold of 1% of the share capital and voting rights

7.1.5 Summary of corporate officers' transactions in ORPEA securities since 1 January 2023

To the best of the Company's knowledge, only the following corporate officers had carried out transactions in ORPEA securities since 1 January 2023.

SUMMARY OF CORPORATE OFFICERS' TRANSACTIONS IN ORPEA SHARES SINCE 1 JANUARY 2023

Name of the executive and/or the person provided for in Article L. 621-18-2 of the French Monetary and Financial Code *(Code monétaire et financier)*	Acquisitions		Disposals	
	Number of shares	Average price per share	Number of shares	Average price per share
David Hale[1]	10	$2.90	-	-
John Glen[1]	5	€2.35	-	-
Caisse des Dépôts et Consignations[2]	6,570,267,970	€0.0133	-	-
CNP Assurances[2]	1,629,304,579	€0.0133	-	-
Mutuelle Assurance des Instituteurs de France (MAIF)[2]	4,343,978,821	€0.0133	-	-
MACSF Épargne Retraite[2]	2,172,124,892	€0.0133	-	-
Méka Brunel	140,000	€0.0149	-	-
Sibylle Le Maire	10,000	€0.01	-	-

(1) On 14 November 2023, David Hale and John Glen resigned as directors, with effect from the close of the Annual General Meeting on 22 December 2023.
(2) As part of the Company's Accelerated Safeguard Plan, Caisse des Dépôts et Consignations, CNP Assurances, Mutuelle Assurance des Instituteurs de France (MAIF) and MACSF Épargne Retraite were appointed as directors by the Annual General Meeting on 22 December 2023. The above transactions result from the Groupement's participation in the Rights Issue (see section 5.5.1 of this Universal Registration Document).

7.1.6 Share buyback programme and liquidity agreement

Share buyback programme

The Annual General Meeting of 22 December 2023 renewed the authorisation for the Board of Directors to trade in ORPEA shares. The following table sets out the arrangements and objectives for the Company's new programme to buy back its own shares.

Shares concerned	Ordinary shares
Maximum percentage of the share capital that may be bought back pursuant to the Annual General Meeting's authorisation	10% of the total number of shares forming the share capital of the Company at any time
Maximum buyback price	€30 per share
Maximum amount of funds available for share buybacks	€194,081,550
Objectives of the programme	• To award, directly or indirectly, some or all of the bought back shares to employees and/or corporate officers of the Company and/or the Group under the terms and conditions set out by law, including under profit-sharing plans, stock option plans, free share plans or employee share ownership plans; • To deliver shares upon the exercise of rights attached to securities carrying entitlement by way of conversion, exercise, redemption, exchange, or any other means to the award of Company shares in accordance with stock market regulations; • To cancel the shares by reducing the capital under the conditions provided for in the French Commercial Code; • To keep some or all of the bought back shares for subsequent remittance in exchange for or as consideration in connection with any growth-related transactions or any other transaction authorised pursuant to the regulations in force; • To implement any market practices that are permitted by law or by the AMF; • To make a market in or ensure the liquidity of the shares through an independent investment services provider acting under a liquidity agreement that complies with the Code of Conduct approved by the AMF.
Share buyback terms and conditions	These shares may be purchased, sold, transferred or exchanged and paid for by any means on the regulated markets or multilateral trading systems, including under a liquidity agreement entered into by the Company with an investment service provider, subject to compliance with the regulations in force, including over-the-counter and block trades, the use of derivative financial instruments, the implementation of option strategies (purchase and sale of call and put options, and any combinations thereof in accordance with the applicable regulations) at the times that the Board of Directors or, where appropriate, the person to whom the Board of Directors delegates its powers, sees fit. There are no restrictions limiting the portion of the share buyback programme that may take place through block trades.
Duration of the programme	18 months from the Annual General Meeting of 22 December 2023, i.e., until 21 June 2025

The Company has not used any derivatives in connection with this share buyback programme or the previous one, and does not have any open positions.

On 19 March 2024, the Company's Board of Directors approved the buyback by the Company of its own shares in order to distribute ORPEA shares to its employees under the free share plan which is due to expire shortly.

Liquidity agreement

On 30 November 2022, the Company entered into a liquidity agreement with Natixis-ODDO BHF to implement the share buyback programme. The agreement complies with the regulations in force, in particular AMF Decision 2021-01 of 22 June 2021. It also complies with the AMAFI Code of Conduct. The main purpose of this agreement is for Natixis-ODDO BHF to promote the liquidity of the ORPEA share on the Euronext Paris regulated market.

The assets and funds held in the liquidity account at 31 December 2023 for the purposes of the Natixis-ODDO BHF liquidity agreement were as follows:

- 46,814 ORPEA shares;
- €415,560.44.

It should be noted that ORPEA suspended trading under the market liquidity agreement signed with Natixis-ODDO BHF at the close of trading on 1 December 2022, for the duration of the Group's financial restructuring.

On 26 March 2024, the Company signed a second amendment to the liquidity and market watch agreement entered into on 30 November 2022 with Natixis-ODDO BHF, in order to increase the resources allocated to the liquidity agreement by €1,000,000.

Further to this contribution, the liquidity account held:

- 46 ORPEA shares;
- €1,415,570.95.

Following the completion of the Group's financial restructuring, ORPEA S.A. announced on 27 March 2024 that it would resume trading under the market liquidity agreement signed with Natixis-ODDO BHF as from 28 March 2024.

7.1.7 Financial instruments carrying rights to the share capital

At the date of this Universal Registration Document, the total number of ordinary shares that could be created on the exercise in full or on the vesting, as applicable, of all the negotiable securities carrying rights to the share capital and financial instruments issued by the Company to date stood at 757,775 shares, corresponding to a maximum dilution of around 0.476% based on the share capital at the date of this Universal Registration Document and of around 0.473% based on fully diluted share capital.

The table below summarises all the existing dilutive instruments and corresponding potential dilution at the date of this Universal Registration Document.

Dilutive instruments	The maximum number of shares that can be issued[1]	Maximum potential dilution *(as a % of the share capital[2])*
Convertible bonds and/or bonds with warrants for new or existing shares	-	0.000%
Stock purchase or subscription options	-	0.000%
Free share awards	757,775	0.476%
TOTAL	**757,775**	**0.476%**

(1) If only new shares were issued rather than a combination of new and existing shares.
(2) On the basis of share capital made up of 159,191,703 shares.

Convertible bonds and/or bonds with warrants for new or existing shares

As part of a private placement with institutional investors, on 17 May 2019, the Company issued 3,412,969 convertible bonds and/or bonds with warrants for new or existing Company shares (OCEANEs) for a total amount of €499,999,958.50. The nominal per-unit value of the OCEANEs was set at €146.50 on the basis of a 47.5% premium at issue compared to the Company's reference share price. The OCEANEs are traded on Euronext Access (the free market of Euronext in Paris) using the ISIN code FR0013418795.

All of the OCEANE bonds were redeemed as part of the Equitisation Capital Increase. As a result, there were no OCEANE bonds outstanding at 31 December 2023.

Stock options, free share awards and employee share ownership

Over the past four years, the Board of Directors has approved the introduction of several free share plans for the executive corporate officers as well as for some members of the Executive Management team.

Free share awards are contingent on meeting demanding performance conditions and aim to reward a high level of performance, retain the loyalty of key managers and align the interests of Executive Management with those of shareholders.

As part of the implementation of the Company's Accelerated Safeguard Plan, the free share plans in force, i.e., plans no. 13, 16 and 17 (see table below), were adjusted on several occasions to take into account the impact of corporate actions, in accordance with the provisions of the regulations governing said free share plans.

Following the final completion of the Equitisation Capital Increase (see section 5.1.1 of this Universal Registration Document), the number of shares allocated to each beneficiary under the free share plans was adjusted by a factor of 1.051897 (the number of shares thus obtained being rounded up to the next whole number).

Following the definitive completion of the Groupement Capital Increase (see section 5.1.1 of this Universal Registration Document), the number of shares allocated to each beneficiary under the free share plans was adjusted as follows:

- all the performance conditions and the service condition are deemed to have been satisfied on the settlement-delivery date of the Groupement Capital Increase;
- the number of shares that vest is determined on a pro rata basis depending on the number of days of the vesting period that have elapsed up to the settlement-delivery date of the Groupement Capital Increase, i.e.,
  - for Plan no. 13: application of a factor of 0.886172 (the number of shares thus obtained being rounded up to the next whole number),
  - for Plan no. 16: application of a factor of 0.501825 (the number of shares thus obtained being rounded up to the next whole number),
  - for Plan no. 17: application of a factor of 0.464416 (the number of shares thus obtained being rounded up to the next whole number).

Following the definitive completion of the Rights Issue (see section 5.5.1 of this Universal Registration Document), the number of shares allocated to each beneficiary under the free share plans was adjusted by applying a factor of 1.007211538 (the number of shares thus obtained being rounded up to the next whole number).

Lastly, following the definitive completion of the reverse share split (see section 5.5.1 of this Universal Registration Document), the number of shares allocated to each beneficiary under the free share plans was adjusted by applying a factor of 0.001 (the number of shares thus obtained being rounded up to the next whole number).

The table below shows the main features of these plans at the date of this Universal Registration Document.

Information on free share awards[1]	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17	Plan no. 18
Date of Annual General Meeting	28/6/2018	28/6/2018	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022	22/12/2023
Date of Board of Directors' meeting	28/6/2018	28/6/2018	23/6/2020	N/A	N/A	24/06/2021	13/6/2022	28/7/2022	16/4/2024
Decisions by the Chief Executive Officer	1/2/2020	1/2/2020	N/A	1/2/2021	1/2/2021	N/A	17/6/2022	N/A	N/A
Maximum total number of free shares that may be awarded	70,315	540	28,374	84,043	840	13,271	193,906	27,676	757,237
Vesting date of the shares	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025	30/6/2026
End date of lock-up period	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025	1/7/2026
Performance conditions	Change in revenue and net operating profit[2]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys[3]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys[4]	Change in revenue and net operating profit[5]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five objectives of the 2023 CSR roadmap[6]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five objectives of the 2023 CSR roadmap[7]	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR[8]	Achievement of six CSR roadmap targets, total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share[9]	Successful transformation into a mission-led company *(société à mission)*, decrease in the frequency rate of work-related accidents, gender parity in the Group's Executive Committees, risk analysis of exposure to the consequences of climate change and reduction in Scopes 1 and 2 greenhouse gas emissions and revenue growth[10]
Number of shares acquired at the date of this Universal Registration Document	27,869	N/A	N/A	233	N/A	N/A	N/A	N/A	N/A
Total number of shares cancelled or lapsed	42,446	540	28,374[10]	83,810	840	13,271[11]	193,615	27,662	N/A
Free shares not yet vested at the date of this Universal Registration Document	N/A	N/A	N/A	N/A	N/A	N/A	291	14	757,237

(1) Information relating to Plans no. 1, 5 and 6 can be found in the 2017 Universal Registration Document (pages 249 and 156); information relating to Plans no. 2, 8 and 9 can be found in the 2018 Universal Registration Document (pages 271 and 182); information on Plans no. 3 and 7 can be found in the 2019 Universal Registration Document (page 271); information relating to Plan no. 4 can be found in the 2020 Universal Registration Document (page 309).

(2) The performance conditions of Plan no. 10 are detailed in the 2020 Universal Registration Document (page 309).

(3) The performance conditions of Plan no. 11 are detailed in the 2020 Universal Registration Document (page 198).

(4) The performance conditions of Plan no. 12 are detailed in the 2020 Universal Registration Document (page 198).

(5) Annual growth in revenue and net operating profit over the period from 1 October 2020 to 30 September 2023 of the scope for which the grantee is responsible (two-thirds of the shares) and of the scope of which the grantee is part (one-third of the shares).

(6) The performance conditions of Plan no. 14 are detailed in the 2021 Universal Registration Document (page 209).

(7) The performance conditions of Plan no. 15 are detailed in the 2021 Universal Registration Document (page 209).

(8) The performance conditions of Plan no. 16 are detailed in the 2022 Universal Registration Document (page 423).

(9) The performance conditions of Plan no. 17 are detailed in the 2022 Universal Registration Document (page 229).

(10) In accordance with the remuneration policy approved by the Annual General Meeting of 23 June 2020, Jean-Claude Brdenk was awarded 12,971 free shares subject to performance conditions.

On 2 November 2020, given the length of service of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting of 24 June 2021 to lift the service condition required under the free share plan of 23 June 2020, by applying a pro rata provision. Thus, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete, non-solicitation and non-disparagement commitments, Jean-Claude Brdenk could be awarded 4,324 free shares (instead of the 12,971 shares cited in the previous paragraph – one-third on a pro rata basis) subject to performance conditions. However, the 8,647 additional shares he was initially entitled to lapsed as a result of his departure. As the performance conditions set out in the plan were not met, no free shares vested under this plan for Jean-Claude Brdenk.

As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 23 June 2020 cannot be met. Therefore, the 15,403 free shares awarded to Yves Le Masne on that date have lapsed and never vested.

In view of the above, all the free shares awarded under this plan have lapsed.

(11) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 24 June 2021 cannot be met. Therefore, the 13,271 free shares awarded to Yves Le Masne on that date have lapsed and never vested.

There are no stock option plans or Group savings plans (or similar plans) that would allow ORPEA to know the exact number of shares held by employees.

7.1.8 Agreements between shareholders

7.1.8.1 Investment Agreement

On 5 December 2023, the Company and the members of the Groupement entered into an investment agreement (the "**Investment Agreement**") for the purpose of reflecting and clarifying the governance rules and principles set out in the Accelerated Safeguard Plan. For the purposes of the Investment Agreement, the members of the Groupement have reiterated that they intend to act in concert (within the meaning of French stock market regulations) in relation to the Company.

With regard to governance, the Investment Agreement contains provisions that are largely identical to those of the Shareholders' Agreement (which are summarised in section 7.1.8.2 below).

The main provisions of the Investment Agreement are as follows:

(i) Corporate governance

a) *Composition of the Board of Directors*: unless any subsequent amendment(s) are made and disclosed to the Board of Directors by the Groupement after the approval of the Accelerated Safeguard Plan, the Investment Agreement provides that the Board of Directors shall initially be composed of 13 directors comprising (i) the Chief Executive Officer of the Company, (ii) three independent directors, (iii) two directors representing employees and (iv) seven directors nominated by the Groupement (four nominated by Caisse des Dépôts et Consignations and three nominated by MAIF and, under the terms agreed between MAIF and MACSF, by MACSF), including three members meeting certain independence conditions[1].

b) *Composition of the Board Committees*: the Investment Agreement stipulates that the Board of Directors will comprise the following four committees at the date of the Board's reorganisation: (i) the Audit and Risks Committee, comprising at least two directors appointed on the recommendation of the members of the Groupement, (ii) the Appointments and Remuneration Committee, comprising at least two directors appointed on the recommendation of the members of the Groupement, (iii) the Ethics, Quality and CSR Committee, comprising at least three directors appointed on the recommendation of the members of the Groupement and (iv) the Investments Committee (newly formed), comprising at least two directors appointed on the recommendation of the members of the Groupement, one of whom will act as Chair of the said Committee.

c) *Veto rights*: the Investment Agreement stipulates that the Board of Directors' Internal Rules shall include:

(i) a veto right in favour of Caisse des Dépôts et Consignations, if it holds at least 15% of the Company's share capital or voting rights (not including shares issued by the Company to Group executive corporate officers and employees under plans that were implemented when the Investment Agreement came into force), in connection with any decision relating to (a) the transfer of the Company's registered office outside France, or (b) the disposal of a portion of the Group's operating activities in France representing more than 20% of the Group's revenue; and

(ii) an individual veto right in favour of either one of Caisse des Dépôts et Consignations whenever it holds at least 15% of the Company's share capital or voting rights (calculated as indicated above), and MAIF, provided that it holds at least 10% of the Company's share capital or voting rights (calculated as indicated above) in connection with any decision relating to (a) the appointment and/or dismissal of the Company's Chief Executive Officer, (b) the reorientation of the activities of the Company and its subsidiaries into sectors other than providing care and support to vulnerable people, (c) the acquisition or disposal of assets of the Company and its subsidiaries for an individual amount that exceeds €400,000,000 or for a global annual amount that exceeds €600,000,000 or which involves the Group setting up in or leaving a country, (d) the issue of shares and/or securities giving access, directly and/or indirectly, immediately and/or in the future, to the Company's share capital and/or voting rights other than (x) in cash and/or (y), with pre-emption rights and/or (z) in favour of the Group's executive corporate officers or employees under long-term incentive plans, or (e) amending the Company's Articles of Association to abolish the double voting rights granted to those shareholders whose shares have been registered in the same name for two years.

d) *Decisions reserved for the Board of Directors*: the Investment Agreement stipulates that the Board of Directors' Internal Rules state that the Chief Executive Officer may not take any of the following decisions without the prior authorisation of the Board of Directors:

- any amendment (including as a result of a merger, demerger, partial asset contribution or any other transaction having a similar effect) to the Company's Articles of Association and to the Articles of Association of its Main Subsidiaries (excluding, in the case of the latter, non-material amendments and non-material intra-Group restructuring measures that do not have, or are not likely to have, an adverse effect on the Company) or any substantial reorganisation of the Company or of a Main Subsidiary;
- any decision relating to the adoption of a mission statement *(raison d'être)* or the transformation of the Company into a mission-led company (*société à mission*);
- the transfer of the Company's registered office outside France;
- any issue, buyback and cancellation of shares and/or securities giving access, directly and/or indirectly, immediately and/or in the future, to the share capital and/or to the voting rights of the Company or one of its Main Subsidiaries, with the exception of buybacks of Company shares carried out under a liquidity agreement entered into with an investment services provider pursuant to an authorisation of the Board of Directors;
- any decision to initiate a procedure with a view to the admission of securities of the Company or by one of its subsidiaries to trading on a regulated or organised market and any decision to delist or buy back shares in the Company;
- the approval and amendment of the annual budget and business plan of the Company (including its subsidiaries);
- any amendment (i) that is material, in accounting principles and methods, valuation or impairment, or (ii) to the year-end reporting date used by the Company or one of its Main Subsidiaries;
- the signature of a transactional agreement or commencement of proceedings by the Company or its subsidiaries (excluding the commencement of proceedings requiring urgent or precautionary measures, in which case the Board of Directors must be informed as soon as possible), in respect of any dispute or arbitration proceedings involving the Company or its subsidiaries

(1) *Directors meeting certain independence conditions are not independent within the meaning of the AFEP-MEDEF Code: they meet certain independence conditions, i.e., they are not employees or executive corporate officers of any of the members of the Groupement nor of any of their affiliates.*

for an amount that exceeds €5 million. The Board of Directors shall also be informed if the Company or its subsidiaries sign a settlement agreement or commence proceedings in respect of any dispute or arbitration proceedings likely to have a reputational impact on the Group where the amount is less than €5 million;

- any decision resulting in the dissolution, voluntary liquidation, receivership or compulsory liquidation of the Company or any of its Main Subsidiaries or the appointment of any court-appointed administrator (including in particular any ad hoc administrator and/or mediator) by the Company or any of its Main Subsidiaries;
- any divestment/sale of any real estate asset (or portfolio of real estate assets), in a country where the Company and its subsidiaries operate, for a unit amount per transaction that strictly exceeds €50 million. Where the amount is between €25 million and €50 million, the Board of Directors shall only be informed in writing prior to the transaction;
- any divestment/sale of any non-real estate asset for a unit amount that exceeds €25 million. The Board of Directors shall also be informed of any divestment/sale of any non-real estate asset with a unit amount of between €10 million and €25 million;
- any divestment/sale requiring a financial commitment by the Group (waiver of debt, prior recapitalisation, etc.) which is higher than the expected sale proceeds and that exceeds €2 million;
- any divestment/sale of any asset for a unit amount that exceeds €25 million resulting in the Company or one of its subsidiaries ceasing operations in a country. The Board of Directors shall also be informed of any divestment/sale of any asset resulting in the Company or one of its subsidiaries ceasing operations in a country;
- any disposal of a substantial part of the operating activities of the Company and its subsidiaries in France, representing over 20% of the revenue of the Company and its subsidiaries; the Board of Directors shall also be informed of the closure of any facility in France;
- any acquisition or subscription (i) of equity securities, debt securities or negotiable securities carrying rights to the Company's share capital or (ii) assets by the Company or by one of its subsidiaries, in a country where the Company and its subsidiaries already operate and concerning an existing Group activity (already developed by the Company and its subsidiaries) for a unit amount per transaction (including all liabilities and other off-balance sheet commitments assumed or transferred) that exceeds €25 million;
- any acquisition or subscription (i) of equity securities, debt securities or negotiable securities carrying rights to the Company's share capital, or (ii) assets, by the Company or by one of its subsidiaries, in a country where the Company and its subsidiaries were not previously present or concerning a new activity (not yet developed by the Company and its subsidiaries);
- any membership in an economic interest group or any form of company or association that may cause the Company or a Main Subsidiary to incur joint and several or unlimited liability;
- setting or amending the remuneration of the Company's corporate officers (whether or not they are executive corporate officers), and, where applicable, waiving a non-compete entered into by one of the Company's executive corporate officers;
- any financing, bond issue, loan or other financial debt taken on by the Company or any of its subsidiaries, not specifically provided for in the budget that exceeds €150 million per year and any subsequent material amendment to the relevant documentation and any early repayment that exceeds €150 million. For amounts between €75 million and €150 million, the Board of Directors shall be informed in writing prior to the transaction;
- any decision that could constitute an event of default in respect of any debt and any decision requiring the lenders' prior agreement under the terms of said debt where the obligation exceeds €75 million;
- any decision to grant a surety, a security deposit, an endorsement, a pledge or, generally, a guarantee, by the Company or one of its subsidiaries, in order to meet its debt obligations or honour sureties in favour of third parties, for an individual amount that exceeds €50 million or a total amount that exceeds €150 million per financial year;
- the signature, material amendment, renewal or termination of any shareholders' agreement, partnership agreement or joint venture agreement with a third party, giving rise to a commitment by the Company or one of its subsidiaries (including any potential commitment, such as, by way of illustration, a promise to purchase), for the term of the shareholders' agreement, or in the event of termination or expiry of that agreement or of the partnership agreement or the joint venture agreement, for a total amount that exceeds €25 million. The Board of Directors shall also be informed of such a decision in relation to transactions of between €10 million and €25 million;
- any decision relating to the strategy of the Company and its subsidiaries in terms of CSR, ethics and quality, or any material amendment to the pursued goals;
- any decision to shift current activities of the Company and/or of its subsidiaries into sectors other than providing care and support (to vulnerable people);
- any stock option, share purchase and/or performance share plan within the Company or its subsidiaries or any measure enabling employees of the Company and its subsidiaries to acquire directly or indirectly or to be allocated shares in the share capital of the Company or its subsidiaries; and
- the signature of any agreement not specifically included in the annual budget involving the provision of services to the Company or its subsidiaries outside the ordinary course of business for an amount that exceeds €5 million (excluding tax) to the same beneficiary over a period of twelve (12) months.

"**Main Subsidiary**" refers to any subsidiary with annual revenue or total assets that exceed €250 million.

(ii) Pre-emption rights of Groupement members in the event of issues of securities

The Company undertakes to adopt all necessary steps to enable each of the members of the Groupement to benefit, in the event of an issue of equity securities or securities carrying rights to the share capital, from the possibility of subscribing to a share of the said securities in proportion to its holding in the Company's share capital at the same price per security as the issue and/or subscription price proposed in connection with the issue, either (i) as part of the issue, or (ii) by any other means agreed between the parties, in such a way that the percentage of the Company's share capital held by each member of the Groupement remains unchanged.

(iii) Cooperation of the Company in the event of a sale of shares or a private placement

In the event that one or more of the members of the Groupement wishes (i) to sell shares in the Company representing in total more than 8% of the Company's share capital to a third party, or (ii) to implement a procedure for selling shares in the Company representing more than 4% of the share capital by means of a public offer under the conditions set out in Article L. 411-2, 1° of the French Monetary and Financial Code *[Code monétaire et financier]*, they may notify the Company of their intention to do so; moreover, they must inform the Company before the transaction is carried out. The Company undertakes to adopt all necessary steps to assist the member(s) of the Groupement wishing to sell.

(iv) Code of conduct and CSR strategy

The parties to the Investment Agreement have confirmed that they share the objective that the Company should continue to improve the Group's ethical practices and adopt any necessary measures to this effect. One or more meetings of the Board of Directors shall be held in order to decide (i) on the adoption of the Company's mission statement *[raison d'être]* between now and the Annual General Meeting of the Company's shareholders called in 2024 to approve the accounts for the financial year ended 31 December 2023, and (ii) on the adoption of the status of a mission-led company (*société à mission*) between now and the Annual General Meeting of the Company's shareholders called in 2025 to approve the accounts for the financial year ending 31 December 2024.

(v) Term of the Investment Agreement

The Investment Agreement will be concluded for a term of ten years, tacitly and automatically renewed for successive additional periods of 2.5 years each, unless terminated by the parties six months before the end of each term, and will survive the sale by one or more members of the Groupement of all their shares in the Company.

7.1.8.2 Shareholders' Agreement between the members of the Groupement

On 5 December 2023, the members of the Groupement entered into a shareholders' agreement relating to the Company (the "**Agreement**"), constituting a concerted action.

The purpose of the Agreement is to organise the relations between the members of the Groupement as shareholders of the Company following completion of the Groupement Capital Increase in the context of the financial restructuring of the Company and to set out a certain number of principles relating to the governance of the Company and the transfer of the shares (or other equity securities) issued by it.

The concerted action clauses in the Agreement include those relating to certain categories of decisions of the Company's Board of Directors, for which CDC and MAIF have veto rights, and a principle of prior consultation at the Company's Annual General Meetings. The Agreement also contains clauses providing for pre-emption terms for the sale or acquisition of shares in the Company representing at least 0.5% of the Company's share capital or voting rights.

The Agreement came into force on the date of the settlement-delivery of the Groupement Capital Increase, i.e., 19 December 2023 (the "**Effective Date**"), for a term of ten (10) years, tacitly and automatically renewed for two additional consecutive periods of five (5) years, unless one of the parties gives notice of termination at least six (6) months before the end of the current term (in which case the Agreement will be renewed for the other parties), without prejudice to the provisions of the Agreement that are to extend beyond the term by virtue of an express stipulation.

(i) Corporate governance

The Agreement contains provisions relating to the governance of the Company that are identical to the provisions of the Investment Agreement described in paragraphs I)a), I)b) and I)c) above with regard to the composition of the Board of Directors, the composition of the Board of Directors' committees and the veto rights granted, under certain conditions and for certain decisions, to certain members of the Groupement.

The Agreement also provides (a provision not included in the Investment Agreement) that the members of the Groupement undertake to consult each other before each Annual General Meeting or Board of Directors' meeting with a view to adopting, as far as possible, a common position on the draft resolutions and decisions on the agenda. In the specific case of decisions subject to veto rights, if the members of the Groupement are unable to reach unanimous agreement, an escalation procedure will be implemented whereby the issue will be presented to executive members of the Groupement following which, in the absence of agreement, each director will cast their vote freely. In such cases, the decision may not be adopted by the Board of Directors in the event of a veto expressed by at least one director appointed by the member(s) of the Groupement benefiting from the veto rights in question (other than a director meeting certain independence conditions appointed on the recommendation of the member of the Groupement concerned) (either in application of the Board of Directors' Internal Rules or due to the vote of the directors appointed on the recommendation of the members of the Groupement in accordance with the veto thus expressed).

(ii) Liquidity of the members of the Groupement

The Agreement establishes the following principles (not provided for in the Investment Agreement), restricting the transfer of shares issued by the Company:

- Non-transferability of the Company's shares
  - Each member of the Groupement undertakes not to transfer any shares in the Company to third parties for an initial period of three years from the Effective Date (the "**Initial Restricted Period**"), with the exception of the usual cases of free transfers (e.g., transfers to affiliates, transactions resulting in the transfer of all the assets and liabilities of one of the members of the Groupement to any new entity).
  - At the end of the Initial Restricted Period, each member of the Groupement undertakes not to transfer to third parties shares in the Company representing, on a fully diluted basis, more than 10% of its shareholding in the Company on the Effective Date, for an additional period of two years (the "**Additional Restricted Period**"), except in the usual cases of unrestricted transfers, and provided that such transfers do not result in the concerted action between the members of the Groupement falling below the threshold of 50% of the Company's voting rights.
  - Furthermore, any transfer of shares in the Company held by MACSF to MAIF (or to one of its affiliates) will qualify as a free transfer, it being specified that this stipulation constitutes a purely personal right to the benefit of both MACSF (as transferrer) and MAIF (as transferee).

- Right of first refusal
  - As from the end of the Initial Restricted Period, any proposed sale of shares in the Company by one of the members of the Groupement involving a number of shares such that, following such sale, the members of the Groupement would together hold less than 45% of the Company's share capital or less than 50% of the Company's voting rights, shall be subject to prior consultation lasting at least 20 business days, and will then be subject to a right of first refusal for the benefit of all the other members of the Groupement.
  - In the event of a proposed sale of shares in the Company by MACSF, and in the absence of an agreement between MACSF and MAIF for the said transfer to constitute a free transfer, MAIF will have a pre-emption and first-ranking right to buy back all or part of the shares in the Company held by MACSF whose sale is envisaged.
  - As from the end of the Initial Restricted Period, any proposed sale of shares in the Company by one of the members of the Groupement that does not fall within the scope of the right of first refusal referred to above will be subject to a prior consultation procedure lasting at least 20 business days. If no agreement is reached within this period of 20 business days, the selling member of the Groupement will be free to sell the shares concerned.
- Other clauses relating to liquidity
  - Orderly sale clause: As from the end of the Initial Restricted Period, any member of the Groupement wishing to sell its shares in the Company undertakes to sell them in an orderly manner (each member of the Groupement may not sell (i) on any one trading day a number of shares exceeding 20% of the daily volume of shares traded on the market during the 20 trading days preceding the planned sale date, and (ii) over a rolling 12-month period a number of shares exceeding 1.5% of the Company's share capital). Off-market sales of blocks of shares will not be affected by this maximum daily volume limit.
  - Standstill: Until expiry of the Initial Restricted Period, each member of the Groupement undertakes not to increase its level of shareholding in the Company's capital (with the exception of double voting rights and excluding cases of passive revaluation following a reduction in the Company's capital by reducing the number of shares) and, during the term of the Agreement (and beyond the Initial Restricted Period), not to acquire shares or voting rights in the Company to an extent that would require the members of the Groupement to jointly file, in concert, a public offer for all the shares in the Company not held by the Groupement.

7.2 Communication with investors

7.2.1 Interactions between the Company and its investors

ORPEA's Investor Relations department coordinates regular financial communication with the market, as well as relations with institutional investors and financial analysts.

From the opening of the second conciliation procedure on 25 October 2022 and throughout 2023, contact from institutional investors declined sharply, as they adopted a wait-and-see approach until the financial restructuring was completed. At the same time, the number of financial analysts providing active coverage fell sharply, as they gradually aligned their price targets with the issue prices of the capital increases planned as part of the financial restructuring.

In 2023, the Company held three online conferences for its unsecured creditors in the context of the conciliation procedure, as well as two online conferences open to analysts and investors on the occasion of its 2022 annual results (12 May 2023) and 2023 half-year results (11 October 2023). It has not participated in any roadshows or investor conferences.

7.2.2 Investor contacts

Investor Relations contact: relations-investisseurs@emeis.com

Toll-free number for shareholders (in France): 0 805 480 480

7.3 Share data

Share price performance and volumes[1] over three years

(1) Including Euronext and the alternative platforms (Chi-X, Turquoise and Bats).

Indices

- Compartment A of Euronext Paris
- Included in the CAC Mid 60 and SBF 120 indices
- Eligible for the deferred settlement service (DSS)

ISIN code

- ISIN code for ORPEA shares: FR001400NLM4

Historical annual performance data

	2021	2022	2023
Closing price at 31 Dec.	€88.10	€6.17	€0.017
12-month closing high	€117.55	€89.66	€8.37
12-month closing low	€81.22	€5.79	€0.0112
Number of shares at 31 Dec.	64,631,325	64,693,851	129,866,915,696
Market capitalisation at 31 Dec.	€5,694 million	€399 million	€2,065 million
Year-on-year share price performance	-18.1%	-93%	-99%
Average daily trading volume* *(in number of shares)*	281,047	1,878,964	55,379,163
Average daily trading volume*	€28 million	€44 million	€6.5 million
Revenue *(in billions of euros)**	€7.2	€11.2	€1.7

* *Volumes including Euronext and the alternative platforms (Chi-X, Turquoise and Bats).*

The implementation of the Accelerated Safeguard Plan approved by the Nanterre Specialised Commercial Court on 24 July 2023 led to the creation of a very large number of new shares following the implementation of the Equitisation and Groupement Capital Increases (with settlement-delivery dates of 4 and 19 December 2023, respectively).

8

8 ADDITIONAL INFORMATION

8.1 Legal information about the Company

Company name	ORPEA
Legal form	Public limited company (*société anonyme*) with a Board of Directors
Registered office	12, rue Jean Jaurès, 92813 Puteaux Cedex
Date of incorporation	22 May 1995
Registration date	22 June 1995
Company's term	99 years from the date of registration on the Trade and Companies Register, except in the event of early dissolution or extension
Registration number	Registered with the Nanterre Trade and Companies Registry under no. 401 251 566
LEI number	969500LHIH3NT7PK1V89
Telephone number	+33 (0) 1 47 75 78 07
Website	www.emeis-group.com/en/
Applicable legislation	French law

8.2 Key provisions of the Company's Articles of Association

The following section presents the operating procedures and the rights attached to the shares of the Company, governed by the French Commercial Code (*Code de commerce*) and its implementing decrees, and by its Articles of Association.

The Company's Articles of Association have been updated with the resolutions of the Annual General Meeting of 22 December 2023 and the decisions of the Company's Chief Executive Officer dated 15 February 2024 and 21 March 2024 and of the Board of Directors dated 16 April 2024, amending Articles 2 (Purpose), 6 (Share capital), 8 (Reduction of the share capital), 11 (Ownership of share capital and threshold crossings), 12 (Transmission of shares), 13 (Method for exercising Executive Management), 14 (Board of Directors), 15 (Directors representing employees), 16 (Decisions of the Board), 17 (Powers of the Board), 18 (Chairman of the Board of Directors), 19 (Non-voting advisors), 20 (Executive Management), 21 (Related-party agreements), 23 (Remit of the General Meetings), 25 (Composition and deliberations of General Meetings), 26 (Minutes of the deliberations of General Meetings), 29 (Profits and losses), 30 (Shareholders' funds of less than fifty percent of the share capital), 31 (Extension – Dissolution – Liquidation), and 32 (Disputes – Chosen service address).

The Articles of Association are available on request from the Company's registered office and/or can be consulted on the Company's website (www.emeis-group.com/en/the-group/gouvernance).

8.2.1 Corporate purpose

Article 2 – Purpose

The Company's purpose is:

- the direct or indirect creation, realisation, acquisition, management and operation of all care facilities, medical/social facilities, residential facilities of all types for the elderly, residential facilities of all types for persons with disabilities with no age limits, as well as the provision of home care services and home help services;
- technical, commercial, administrative and financial assistance to all companies whose activity relates directly or indirectly to the activities listed above;
- the acquisition, subscription, holding, management, sale or contribution of shares or other securities in all companies existing now or in future and the management of all equity investments;
- the creation of any surety, endorsement or guarantee to the benefit of any group company in the course of the ordinary activities of all the companies of the group;
- on an ancillary basis, the purchase, marketing, exchange and sale after division and/or construction work where applicable, of any property owned by the Company;
- and generally all commercial, industrial or financial operations, relating to transferable securities or real estate, associated directly or indirectly with its activities or to any ancillary or related activities, or likely to further their development.

8.2.2 Registered office

Article 4 – Registered office

The registered office is set up at 12, rue Jean-Jaurès, 92813 Puteaux Cedex.

The Board of Directors may decide to transfer the registered office anywhere in French territory subject to approval of the decision by the next Ordinary General Meeting. In case a transfer is resolved upon by the Board of Directors, the latter is authorised to amend these Articles of Association accordingly, provided that the next Extraordinary General Meeting ratifies the corresponding amendments.

8.2.3 Rights and obligations attached to shares

Article 6 – Share capital

The share capital is set at the sum of one million, five hundred ninety-one thousand, nine hundred and seventeen euros and three cents (€1,591,917.03).

It is divided into one hundred fifty-nine million, one hundred ninety-one thousand, seven hundred and three (159,191,703) shares of one euro cent (€0.01) each, all of the same class, fully paid up.

Nevertheless, a double voting right is allocated to all fully paid up shares which can be shown to have been registered for at least two years in the same shareholder's name, in accordance with and within the limitations of Articles L. 225-123, L. 225-124 and L. 22-10-46 of the French Commercial Code.

In the event that the share capital is increased by capitalisation of reserves, profits or issue premiums, the double voting right shall be attributed, from the time of issue, to new shares allocated free of charge to a shareholder on the basis of old shares in respect of which he/she already benefits from this right.

Article 10 – Form of shares

1. Shares are registered or bearer, as chosen by the shareholder, except in certain circumstances where statutory or regulatory provisions require them to be registered.
2. Irrespective of their form, shares are registered in accounts held in accordance with the conditions and formalities prescribed by law.

The ownership of shares is established by registration in the account:

- with the authorised intermediary of their choice for bearer securities;
- with the Company and, if they wish, with the authorised intermediary of their choice for registered securities.

Article 11 – Ownership of share capital and threshold crossings

Each shareholder must meet the statutory information requirements, in the event that, acting alone or collectively, he/she comes to own or ceases to own a fraction of the share capital or of the voting rights defined by the French Commercial Code.

If they have not been lawfully declared, under the conditions provided in the preceding paragraph, shares exceeding the fraction subject to declaration shall have no voting right, for any Meeting taking place up to expiry of a period of two years following the date when the notification is rectified.

Under the same conditions, the voting rights attached to these shares and which have not been lawfully declared, cannot be exercised or delegated by the defaulting shareholder.

In addition to the legal obligations to declare legal threshold crossings to the AMF and to the Company, any natural or legal person who comes to own directly or indirectly, alone or in concert, within the meaning of Articles L. 233-9 and L. 233-10 of the French Commercial Code, a number of shares representing at least 1% of the Company's share capital or voting rights, or any multiple thereof (up to 50% of the Company's share capital or voting rights), is required to inform the Company, by registered letter with acknowledgement of receipt indicating the number of shares and voting rights held, within five trading days of the day on which each of these thresholds is reached.

The method used to calculate the shareholding and the content of the declaration must comply with the legal and regulatory provisions applicable to declarations of legal threshold crossings, specifying, in particular, the information that must be provided to the AMF in accordance with its General Regulation.

The same obligation applies when the number of shares or voting rights held directly or indirectly falls below each of the aforementioned thresholds.

In the event of non-compliance with the above stipulations, the shares exceeding the threshold giving rise to the declaration shall be deprived of voting rights if such deprivation is requested by one or more shareholders holding, together or separately, at least 5% of the Company's share capital and/or voting rights, under the conditions set out in paragraph 6 of Article L. 233-7 of the French Commercial Code. In the event of an adjustment, the corresponding voting rights may not be exercised until the expiry of the period provided for by the law or regulations in force.

Article 12 – Transmission of shares

The shares are freely negotiable.

Any transmission or transfer of shares, in either registered or bearer form, shall be made by transfer from one account to another under the conditions provided for by the laws and regulations in force.

Article 29 – Profits and losses

From the net profit for each financial year, less previous losses where applicable, an initial deduction of at least one twentieth shall be made to set up the statutory reserve; this deduction shall cease to be mandatory when that reserve reaches a sum equal to one tenth of the share capital; it shall be resumed when, for any reason, the statutory reserve has fallen below this proportion.

The surplus plus retained earnings where applicable shall constitute the distributable profit.

This profit shall be available to the General Meeting which shall decide in its discretion how to appropriate it. Accordingly, it may appropriate it, fully or in part, to the constitution of any general or special reserves, carry it forward or distribute it amongst shareholders in the form of dividends. Additionally, the General Meeting may decide to distribute sums deducted from reserves which it has available, either to fund or supplement a dividend, or by way of exceptional distribution; in this case, the decision shall expressly state the reserve items from which the deductions are to be made.

Nevertheless, no distribution can be made in the event that equity is, or would become as a result of the distribution, less than the amount of the capital plus any reserves whose distribution is not permitted by law or the Articles of Association.

The General Meeting has the option of offering shareholders a choice between a payment in cash and/or in Company shares, of all or part of the advances on dividends or of the dividends, under the statutory and regulatory conditions.

Following approval of the financial statements by the General Meeting, any losses are registered in a special account to be offset against the profit for subsequent years until they are used up.

8.3 Person responsible for the Universal Registration Document

8.3.1 Person responsible for the Universal Registration Document

Laurent Guillot, Chief Executive Officer.

8.3.2 Statement by the person responsible for the Universal Registration Document

I hereby declare that, to the best of my knowledge, all of the information contained in this Universal Registration Document is in accordance with the facts and contains no omissions likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all consolidated companies, and that the management report on pages 271 *et seq.* presents a true and fair view of the business trends, results and financial position of the Company and all consolidated companies and that it describes the main risks and uncertainties to which they are exposed.

Puteaux, 6 May 2024

8.4 Statutory Auditors

8.4.1 Principal Statutory Auditors

Saint-Honoré BK&A

Represented by Xavier Groslin

140, rue du Faubourg-Saint-Honoré, 75008 Paris, France

Saint-Honoré BK&A was first appointed at the Annual General Meeting of 27 June 2008 for a six-year term and, for a second six-year term, by the Annual General Meeting of 25 June 2014.

Its appointment was renewed at the Annual General Meeting of 23 June 2020 for a six-year term ending at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025.

Deloitte & Associés

Represented by Damien Leurent

Tour Majunga, 6 place de la Pyramide 92908 Paris – La Défense Cedex, France

Deloitte & Associés was first appointed for a four-year term at the Annual General Meeting of 29 June 2006, replacing Vade Mecum, which stood down for personal reasons. It was appointed a second time at the Annual General Meeting of 23 June 2016 for a six-year term.

Its appointment was renewed at the Annual General Meeting of 28 July 2022 for a six-year term ending at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2027.

Mazars

Represented by Gaël Lamant and Anton Lissorgues

Tour Exaltis, 61, rue Henri Regnault – 92400 Courbevoie, France

Mazars was first appointed at the Annual General Meeting of 28 July 2022 for a six-year term ending at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2027.

8.4.2 Alternate Statutory Auditors

In accordance with the provisions of Article L. 823-1, paragraph 2, of the French Commercial Code, the Company does not have an Alternate Statutory Auditor.

8.4.3 Sustainability Auditors (in charge of certifying the sustainability information)

Following the entry into force of Directive (EU) 2022/2464 of 14 December 2022, Delegated Regulation (EU) 2023/2772 of 31 July 2023, Order No. 2023-1142 of 6 December 2023 on the publication and audit of sustainability information and on the environmental, social and corporate governance obligations and Implementing Decree No. 2023-1394 of 30 December 2023, a proposal will be made at the 2024 Annual General Meeting to appoint Mazars S.A. and Deloitte & Associés as sustainability auditors for a period of three years, i.e., until the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2026.

8.5 Publicly available documents

This Universal Registration Document is published on the Company's website (https://www.emeis-group.com/en/orpea-s-a/documentation/universal-registration-document/) and the AMF's website (www.amf-france.org). Upon request, copies of this Universal Registration Document are available from the Company at no charge.

During the period of validity of this Universal Registration Document, the Company's Articles of Association, its individual and consolidated financial statements, and its press releases on financial and regulatory matters are available on the Company's website.

The legal and financial documents relating to ORPEA that must be made available to shareholders in accordance with the regulations in force may be viewed either on the Company's website or at the Company's registered office.

8.6 Cross-reference tables

8.6.1 Cross-reference table for the Universal Registration Document

The following cross-reference table highlights the key information required by Annexes 1 and 2 of the Commission Delegated European Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) no. 809/2004, and references the pages of this Universal Registration Document.

Heading		Chapter(s)	Page(s)
1	**Persons responsible, third-party information, experts' reports and competent authority approval**		
1.1	Identity of persons responsible for the information contained in this Universal Registration Document	8	438
1.2	Declaration by those responsible for the accuracy and completeness of the information contained in this Universal Registration Document	8	438
1.3	Where a statement or report attributed to a person as an expert is included, details for that person and statement by the issuer	N/A	N/A
1.4	Where information is sourced from a third party, statement by the issuer	N/A	N/A
1.5	Statement on competent authority approval	0	1
2	**Statutory Auditors**		
2.1	Names and addresses of the Statutory Auditors	8	438 to 439
2.2	Details if Statutory Auditors have resigned or been appointed	8	438 to 439
3	**Risk factors**	**2**	**47 *et seq.***
4	**Information about the issuer**		
4.1	Legal and commercial name	8	436
4.2	Place of registration, registration number and legal entity identifier	8	436
4.3	Date of incorporation and length of life	8	436
4.4	Domicile and legal form of the issuer, applicable legislation, country of incorporation, address, telephone number of its registered office and website	8	436

Heading		Chapter(s)	Page(s)
5	**Business overview**		
5.1	Principal activities	1	31 to 34
5.1.1	Operations and principal activities for each financial year of the period covered by the historical financial information	5	276 to 284
5.1.2	Description of future activities and status of their development	N/A	N/A
5.2	Principal markets	1	37 to 40
5.3	Important events in the development of the issuer's business activities	5	272 to 276; 286 to 287
5.4	Strategy and objectives	5	287
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	N/A	N/A
5.6	Competitive position	1	38
5.7	Investments	5	275
5.7.1	Material investments for each financial year of the period covered by the historical financial information	5	275
5.7.2	Material investments in progress or for which firm commitments have been made and the method of financing	6	316
5.7.3	Joint ventures and undertakings in which the issuer holds a significant proportion of share capital	6	316
5.7.4	Environmental issues that may affect the issuer's utilisation of tangible fixed assets	3	143 *et seq.*
6	**Organisational structure**		
6.1	Brief description of the Group and issuer's position within the Group	1	37 and 38
6.2	List of significant subsidiaries	6	348 *et seq.*
7	**Operating and financial review**		
7.1	Financial condition	5	276 *et seq.*
7.1.1	Development and performance of activities for each year covered by the historical financial information, to the extent necessary including both financial and, where appropriate, non-financial key performance indicators	5	276 *et seq.*
7.1.2	Likely future development and activities in the field of research and development	N/A	N/A
7.2	Operating results	5	276 *et seq.*
7.2.1	Significant factors materially affecting income from operations, and indication of the impact	2	54 *et seq.*
7.2.2	Narrative discussion of the reasons for material changes in net sales or revenues in the historical financial information	N/A	N/A
8	**Capital resources**		
8.1	Information concerning the issuer's capital resources	6; 7	295; 420 *et seq.*
8.2	Issuer's cash flows	5; 6	280 to 281; 294
8.3	Information on borrowing requirements and funding structure	5; 6	279 to 281; 325 *et seq.*
8.4	Information regarding any restrictions on the use of capital resources with a material effect on the issuer's operations	N/A	N/A
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	6	341 *et seq.*
9	**Regulatory environment**	**1**	**39 to 40**
10	**Trend information**		
10.1	Most significant trends that have affected the Group since 1 January 2024	5	286 *et seq.*
10.2	Key commitments or events likely to have a material effect on the Group's prospects (2024 forecast)	5	287 to 288
11	**Profit forecasts or estimates**		
11.1	Where the issuer has published a profit forecast or estimate (which is still outstanding and valid), include it and, as applicable, indicate whether it has changed or is no longer valid	N/A	N/A
11.2	Where an issuer chooses to include a new profit forecast or estimate or a profit forecast or estimate pursuant to item 11.1, state the principal assumptions upon which the forecast or estimate is based	N/A	N/A
11.3	Statement of comparability with historical financial information and consistency with accounting policies	N/A	N/A

Heading		Chapter(s)	Page(s)
12	**Administrative, management and supervisory bodies, and Executive Management**		
12.1	Members of the Board of Directors and Executive Management	4	191; 194 to 195
12.2	Administrative, management body, supervisory body and Executive Management conflicts of interest	4	200 to 201
13	**Remuneration and benefits**		
13.1	Amount of remuneration paid and benefits in kind granted	4	217 *et seq.*
13.2	Total amounts set aside or accrued to provide for pension, retirement or similar benefits	6	324
14	**Board practices**		
14.1	Date of expiry of the current terms of office and period served	4	191
14.2	Service contracts providing for benefits	N/A	N/A
14.3	Information on Board Committees	4.	207 *et seq.*
14.4	Statement of compliance with the corporate governance regime applicable in France	4	190
14.5	Potential material impacts on corporate governance	N/A	N/A
15	**Employees**		
15.1	Number of employees at the end of the period for each financial year covered by the historical financial information	5	288
15.2	Shareholdings and stock options of executive corporate officers	4	234
15.3	Arrangements for involving employees in the capital	N/A	N/A
16	**Major shareholders**		
16.1	Shareholders holding over 5% of the share capital	7	420 *et seq.*
16.2	Existence of different voting rights	8	437 and 438
16.3	Whether the issuer is owned or controlled	8	437 and 438
16.4	Any arrangements which may result in a change in control	8	437 and 438
17	**Related-party transactions**	**4**	**267 and 268**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information	6	292 *et seq.*
18.1.1	Audited historical financial information covering the latest three financial years and the audit reports	6	370 *et seq.*; 411 *et seq.*
18.1.2	Change of accounting reference date	N/A	N/A
18.1.3	Accounting standards	6	306
18.1.4	Change of accounting framework	6	306
18.1.5	Balance sheet, income statement, statement of changes in equity, cash flow statement, accounting policies and explanatory notes	6	376 *et seq.*
18.1.6	Consolidated financial statements	6	292 to 295
18.1.7	Age of most recent financial information		276 to 295
18.2	Interim and other financial information	N/A	N/A
18.3	Auditing of historical annual financial information	6	370 *et seq.*; 411 *et seq.*
18.3.1	Historical financial information audit report	6	370 *et seq.*; 411 *et seq.*
18.3.2	Other information in the Universal Registration Document audited by the Statutory Auditors	3; 4	184 *et seq.*; 267 *et seq.*
18.3.3	Source of financial information not extracted from the audited financial statements	N/A	N/A
18.4	Pro forma financial information	N/A	N/A
18.5	Dividend policy	5	285
18.5.1	Dividend distribution policy and any restrictions thereon	5	285
18.5.2	Amount of the dividend per share	5	285
18.6	Legal and arbitration proceedings	5	285
18.7	Significant change in the issuer's financial position	1	41 *et seq.*

Heading		Chapter(s)	Page(s)
19	**Additional information**		
19.1	Share capital	7	420
19.1.1	Amount of issued capital, and for each class of share capital: the total authorised share capital, the number of shares issued but not fully paid, the par value, and a reconciliation of the number of shares outstanding at the beginning and end of the year	7	420
19.1.2	Number and characteristics of shares not representing capital	7	420
19.1.3	Number, book value and face value of shares	7	420
19.1.4	Amount and characteristics of convertible securities	N/A	N/A
19.1.5	Vesting conditions and obligations aimed at increasing the capital	N/A	N/A
19.1.6	Information on any capital of any member of the Group which is under option	7	426
19.1.7	A history of share capital for the period covered by the historical financial information	6; 7	320; 420
19.2	Memorandum and Articles of Association	8	436
19.2.1	Description of the issuer's objects and purposes	8	436
19.2.2	Rights and privileges attached to each share class	8	437
19.2.3	Provisions to delay, defer or prevent a change in control	4	240
20	**Material contracts**	**N/A**	**N/A**
21	**Documents available**	**8**	**439**

8.6.2 Cross-reference table for the annual financial report

The cross-reference below table highlights the information required pursuant to Article 222-3 of the AMF General Regulation relating to the annual financial report, also referred to in Article L. 451-1-2, I of the Monetary and Financial Code.

Heading		Chapter(s)	Page(s)
1	**Statement by the person responsible for the Universal Registration Document**	8	438
2	**Consolidated financial statements**	6	292 *et seq.*
4	**Individual financial statements**	6	376 *et seq.*
5	**Statutory Auditors' report on the consolidated financial statements**	6	370 *et seq.*
6	**Statutory Auditors' report on the individual financial statements**	6	411 *et seq.*
7	**Management report**	1; 2; 3; 4; 5; 7 and 8	See the cross-reference table for the management report below

8.6.3 Cross-reference table for the management report

The cross-reference table below highlights the information constituting the management report drafted in accordance with Article L. 232-1 of the French Commercial Code and references the pages of this Universal Registration Document.

Heading		Chapter(s)	Page(s)
1	**Group situation and operations**		
1.1	The Company's situation over the past financial year and an objective and comprehensive analysis of the business trends, results and financial position of the Company and the Group, especially of its debt level, relative to the volume and complexity of its business activities	5	272; 276
1.2	Key financial performance indicators	5	276 *et seq.*
1.3	Key non-financial performance indicators relating to the specific activities of the Company and the Group, including information on environmental and employment issues	3	73; 104 *et seq.*; 143 *et seq.*
1.4	Significant events between the end of the financial year and the drafting of the management report	5	286 to 287
1.5	Main shareholders and holders of voting rights at General Meetings and changes during the financial year	7	421 *et seq.*

Heading		Chapter(s)	Page(s)
1.6	Current subsidiaries	N/A	N/A
1.7	Significant shareholdings in companies with their registered offices in France	N/A	N/A
1.8	Disposals of cross-shareholdings	N/A	N/A
1.9	Forecasted changes in the Company's and the Group's situation and future prospects	5	287
1.10	Research and development activities	N/A	N/A
1.11	Table showing the Company's five-year financial highlights	5	288
1.12	Information on supplier and customer payment terms	5	284 *et seq.*
1.13	Amount of inter-company loans granted and statement by the Statutory Auditor	N/A	N/A
2	**Internal control and risk management**		
2.1	Description of the Company's main risks and uncertainties	2	48 *et seq.*
2.2	Information on the financial risks associated with the effects of climate change and a presentation of the measures the Company is taking to reduce these risks by implementing a low-carbon strategy in all parts of its business	2	57
2.3	Main characteristics of the internal control and risk management procedures implemented by the Company and the Group in relation to the preparation and processing of accounting and financial information	2	63 *et seq.*
2.4	Information on the objectives and policy for hedging each major category of transactions and exposure to price, credit, liquidity and cash flow risks, including the use of financial instruments	2	54 *et seq.*
2.5	Anti-corruption procedures	3	127 *et seq.*
2.6	Duty of care plan and report on its implementation	3	167 *et seq.*
3	**Report on corporate governance**		
	Remuneration information		
3.1	Remuneration policy for corporate officers	4	235 *et seq.*
3.2	Remuneration and benefits in kind paid during the financial year or granted in respect of the financial year to each corporate officer	4	217 *et seq.*
3.3	Relative percentage of fixed and variable remuneration	4	221 *et seq.*
3.4	Use of the option to request that variable remuneration be returned	4	222
3.5	Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to components of remuneration, indemnities or benefits due or likely to be due as a result of the taking up, termination or change of their functions or subsequent to the exercise thereof	4	217 to 218
3.6	Remuneration paid or awarded by a company included in the scope of consolidation under Article L. 233-16 of the French Commercial Code	N/A	N/A
3.7	Ratios between the remuneration of each executive corporate officer and the average and median remuneration of the Company's employees	4	226
3.8	Annual changes in remuneration, Company performance, average remuneration of Company employees and the aforementioned ratios over the past five financial years	4	227
3.9	Explanation of how total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the Company and how the performance criteria have been applied	4	219 to 225
3.10	Manner in which votes at the last Ordinary Annual General Meeting were accounted for pursuant to Article L. 22-10-34, I of the French Commercial Code	N/A	N/A
3.11	Deviations from the procedure for implementing the remuneration policy and any exceptions	N/A	N/A
3.12	Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of payment of directors' remuneration in the event of non-compliance with the Board of Directors' gender balance principle)	N/A	N/A
3.13	Corporate officer option awards and lock-up periods	N/A	N/A
3.14	Executive corporate officer free share awards and corresponding lock-up periods	N/A	N/A

Heading		Chapter(s)	Page(s)
	Governance information		
3.15	List of all offices and positions held in any company by each of the directors during the financial year	4	253 to 266
3.16	Agreements between a director or a significant shareholder and a subsidiary	4	240
3.17	Summary table of current delegations of powers granted by the Annual General Meeting for capital increases	4	205 to 206
3.18	Method of exercising Executive Management	4	215 to 216
3.19	Composition, conditions of preparation and organisation of the work of the Board of Directors	4	193; 204 to 205
3.20	Application of the principle of gender balance on the Board of Directors	4	198
3.21	Any limitations that the Board of Directors places on the powers of the Chief Executive Officer	4	215 to 216
3.22	Reference to a corporate governance code and application of the "comply or explain" rule	4	190
3.23	Specific instructions for shareholders to participate at Annual General Meetings	4	240
3.24	Procedure for the evaluation of current agreements – implementation	4	204
3.25	Information likely to have an impact in the event of a takeover bid or exchange offer	4	240
4	**Shareholding and share capital**		
4.1	Structure, changes in the Company's share capital and threshold crossings	7	420 to 423
4.2	Acquisition and disposal by the Company of treasury shares	7	425
4.3	Employee profit-sharing statement as at the last day of the financial year (percentage of capital)	7	427
4.4	Possible adjustments for securities giving access to share capital in the event of share buybacks or financial transactions	7	425
4.5	Information on transactions by executives and related persons in Company shares	7	424
4.6	Amount of dividends that have been distributed for the previous three financial years	5	285
5	**Non-financial statement**		
6	**Other information**		
6.1	Additional tax information	6	336
6.2	Injunctions or financial penalties for anti-competitive practices	3	128

Design and production

Contact: fr_content_and_design@pwc.com

Photo credits: ©Potignon Alain, Artemenko_Daria,
Monkey Business Images, Credit: Westend61 GmbH/Alamy Stock Photo,
Yuri Arcurs peopleimages.com, DigitalVideos, Freepik, Adobe Stock

12, rue Jean Jaurès
92813 Puteaux Cedex

Email: relations-investisseurs@emeis.com

www.emeis-group.com/en