

Puteaux, France, 13 February 2023 (7:45 AM CET)

**2022 ACTIVITY: REVENUE OF €4,681 MILLION¹, UP +8.9%
ORGANIC GROWTH: +5.5% FOR THE YEAR INCLUDING +5.7% IN
THE FOURTH QUARTER
REMINDER OF THE CONSEQUENCES OF THE IMPLEMENTATION
OF THE FINANCIAL RESTRUCTURING CONTEMPLATED BY THE
COMPANY**

The ORPEA Group today announces its revenues (unaudited figures) for the year ended 31 December 2022 and provides an update on its financial debt and its ongoing financial restructuring.

Revenue growth remained solid in the fourth quarter with an increase of +7.7% of which +5.7% was organic. For the full year 2022, revenue growth was +8.9% of which +5.5% organic, leading to a revenue for the period of 4,681 million euros in line with that presented on 15 November as part of ORPEA's Refoundation Plan.

The Group would like to remind you that the implementation of the capital increases envisaged in the context of this financial restructuring will result in massive dilution for existing shareholders, which, based on the financial parameters communicated by the Company on February 1st, and the valuation of the Company's equity retained by the parties for the purposes of these transactions, would reflect issue prices significantly lower than the current market price of the ORPEA share and a theoretical unit value of the shares after transactions of less than €0.20.

➤ **Reminder of the consequences of the implementation of the financial restructuring announced on February 1st, 2023**

As indicated by the Company in its previous communications, the financial restructuring as presented in the context of the conciliation procedure opened 25 October 2022 and described in the press release of February 1st, 2023 will result in massive dilution for existing shareholders.

¹ Unaudited figure

● ● ●

The envisaged capital increases, based on the financial parameters communicated by the Company on February 1 and the valuation of the Company's equity retained by the parties for the purpose of these transactions, would reflect issue prices significantly lower than the current market price of the ORPEA share and a theoretical unit value of the shares after transactions of less than €0.20. Thus:

- i. the first capital increase of the Company², which would result in existing shareholders holding a maximum of approximately 1%³ of the Company's share capital (in the event that no existing shareholder subscribes to it), would result in the issuance of approximately 6.4 billion new shares for an issuance amount of approximately €3.8 billion, reflecting a theoretical issue price of the new shares of approximately €0.59 per share,
- ii. the second capital increase of the Company⁴, allowing the **Groupement**⁵ to hold approximately 50.2% of the Company's capital, would result in the issuance of approximately 6.5 billion new shares for an issuance amount of approximately €1.16 billion, reflecting a theoretical issue price of the new shares of approximately €0.18 per share,
- iii. the third capital increase of the Company⁶, to which the members of the Group undertake to subscribe on an irreducible basis for approximately 0.2 billion euros by exercising their preferential subscription rights, and backstopped for the balance by the members of SteerCo for the part not subscribed by the shareholders, as the case may be⁷, as a result of which existing shareholders would hold approximately 0.4% maximum³ of the Company's share capital (assuming that no existing shareholders subscribe to the capital increases), with the issue of approximately 2.9 billion of new shares, for an issue amount of approximately 0.4 billion euros, resulting in a theoretical issue price of the new shares of approximately EUR 0.13 per share

² 3.8 billion capital increase with preferential subscription rights for existing shareholders, backstopped by all of ORPEA SA's unsecured financial creditors who may subscribe by offsetting their existing claims.

³ Assuming that the shareholders, meeting as a class of affected parties, vote for the financial restructuring plan by a two-thirds majority.

⁴ Capital increase in cash without preferential subscription rights to allow the Groupement to subscribe to it for approximately €1.16 billion. Depending on the final terms of the Plan, a priority right for initial and/or new shareholders may be considered; if so, the parameters presented may need to be adjusted.

⁵ Defined as a group of French long-term investors led by the Caisse des Dépôts et Consignations, accompanied by CNP Assurances, and also including MAIF, accompanied by MACSF

⁶ Capital increase in cash with preferential subscription rights for existing shareholders for an amount of approximately EUR 0.4 billion.

⁷ In return for their commitment to backstop or subscribe to the third capital increase, the members of the SteerCo and the Groupement will receive remuneration via the issue of share warrants to the benefit of the members of the SteerCo and the Groupement only (the "BSA"). The warrants will entitle the members of the Group and SteerCo only to subscribe to a total of 1.45% of the Company's capital at an exercise price of EUR 0.01 per Company share.

➤ **Revenue growth in Q4 and for the full year 2022**

In €m Unaudited figures	Quarterly				12 months to 31/12/2022			
	Q4 2021	Q4 2022	Change	<i>o/w organic</i> ¹	2021	2022	Change	<i>o/w organic</i> ¹
France Benelux UK Ireland	684	716	4.6%	4.1%	2,643	2,802	6.0%	4.3%
Central Europe	287	312	8.7%	5.6%	1,086	1,197	10.2%	5.5%
Eastern Europe	102	113	10.8%	10.8%	395	435	10.2%	8.6%
Iber. Peninsula and Latam	46	63	38.9%	18.6%	171	242	41.3%	16.8%
Other countries	1	1	51.6%	27.2%	3	4	32.6%	20.9%
Total revenue	1,119	1,205	7.7%	5.7%	4,299	4,681	8.9%	5.5%

¹ Organic growth of Group revenue reflects the following factors: 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and *per diem* rates; 2. 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; 3. Revenue generated in the current period by facilities created during the year or year-earlier period; and 4. the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

Composition of the geographical areas: Central Europe (Germany, Italy and Switzerland), Eastern Europe (Austria, Poland, the Czech Republic, Slovenia, Latvia, Croatia), Iberian Peninsula and Latam (Spain, Portugal, Brazil, Uruguay, Mexico, Colombia, Chile), Rest of the World (China).

Group revenue in **Q4 2022** amounted to €1,205 million (unaudited figure), up 7.7%, including 5.7% organic growth.

In **France Benelux UK Ireland**, revenue rose by 4.6% (of which 4.1% organic), mainly as a result of the contribution of the openings in the region (Netherlands) and an increase in the fixed price of care in Belgium. Revenue in France was virtually unchanged over the period (+0.2%, of which +0.1% organic) in an environment that remains challenging for nursing homes, with an occupancy rate of 85% significantly below its historical level.

Revenue in **Central Europe** rose by 8.7% (of which 5.6% organic), benefiting in particular from favorable pricing trends in Germany and development in Switzerland.

The Group's activities in **Eastern Europe** grew by 10.8% (exclusively organic), due to the increased level of activity of the facilities opened in various countries in the region.

Finally, revenue in the **Iberian Peninsula and Latam** region rose by 38.9%, of which 18.6% was organic. Growth in activity was particularly strong in **Spain**, thanks to an increase in occupancy rates, the number of beds and the average price. The rest of the **Iberian Peninsula and Latam** region benefited from the consolidation of Brazil Senior Living Group on January 1st, 2022.

For the **full year 2022**, consolidated revenue amounted to €4,681 million (unaudited figure), an increase of +8.9%, of which +5.5% was organic.

Revenue in **France** rose by +2.1% (of which +1.9% organic). It remains significantly penalized by the crisis affecting the Group's retirement homes.

The other geographic areas recorded high rates of growth, mainly organic, thanks to the recovery in activity following the gradual end of the health crisis, the ramp-up of newly opened facilities, and price increases during the second half of the year in certain countries (notably Germany and Belgium).

Summary of changes in occupancy rates (for the quarter and the full year)

Average occupancy rate Unaudited	Quarterly			12 months		
	Q4 2021	Q4 2022	Var.	2021	2022	Var.
France Benelux UK Ireland	85.5%	83.4%	-210bp	83.8%	83.6%	-20bp
Central Europe	78.9%	79.1%	+20bp	78.1%	79.1%	+100bp
Eastern Europe	81.0%	82.9%	+190bp	79.9%	81.9%	+200bp
Iber. Peninsula and Latam	77.2%	82.2%	+500bp	76.4%	78.0%	+160bp
Other Countries	ns	ns	Ns	ns	ns	ns
Group total	82.3%	82.1%	-20bp	81.0%	81.6%	+60bp

➤ **Cash and financial debt at 31 December 2022**

The Group's cash position at 31 December 2022 is estimated at €856 million (unaudited figure), which is higher than the €350 million euro forecast indicated in the Refoundation Plan Press Release dated November 15th, 2022. This favorable development is mainly due to:

- €200 million from the drawdown at the end of December 2022 on Tranche A4 of the syndicated loan signed in June 2022;
- €64 million from the suspension of the repayments of ORPEA SA's unsecured debt as of December 1, 2022 in the context of the conciliation procedure opened on October 25, 2022;
- and for the balance, deferrals of payments initially planned for 2022, composed in equal parts of capital expenditures and current expenditures.

At the end of January 2023, the cash balance amounted to €694 million (unaudited figure), the sharp decrease of c. €160 million compared to 31 December 2022 being mainly explained by the disbursement of payments deferred at the end of 2022.

Gross financial debt is estimated at €9.7 billion (unaudited) at the end of December 2022.



➤ **Liquidity position**

Given the cash position as of 31 December 2022 including the drawdown of the €200 million Tranche A4 and the suspension as of December 1st, 2022 of the repayments under ORPEA SA's unsecured debt implemented in the context of the ongoing conciliation procedure, the Company now considers that the risk of a liquidity shortfall is postponed until the end of the second quarter of 2023.

➤ **Update on the financial restructuring process announced on February 1, 2023: continuation of the discussions with a view to concluding the Lock-Up Agreement**

The Group reminds that it has engaged in a financial restructuring, the primary objectives of which are to achieve a sustainable financial structure and to provide the resources necessary to implement the Refoundation Plan presented on 15 November 2022.

An Agreement in Principle was announced on 1 February 2023 between the Company and, on the one hand, a group of long-term French investors led by Caisse des Dépôts et Consignations, accompanied by CNP Assurances, and including MAIF, accompanied by MACSF (the "Groupement"), and on the other hand, the five main institutions (the "SteerCo") coordinating a group of unsecured financial creditors of ORPEA SA.

Discussions are continuing in order to formalize this Agreement in Principle and should lead to a rapid conclusion of the Lock-up Agreement.



About ORPEA

ORPEA is a leading global player, expert in the care of all types of frailty. The Group operates in 22 countries and covers three core businesses: care for the elderly (nursing homes, assisted living, home care), post-acute and rehabilitation care and mental health care (specialized clinics). It has more than 72,000 employees and welcomes more than 255,000 patients and residents each year.

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

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

Investor Relations

ORPEA

Jean-Baptiste Roussille

Head of Investor Relations

j-b.roussille@orpea.net

Benoit Lesieur

Investor Relations Director

b.lesieur@orpea.net

Toll free nb. shareholders: +33 (0) 805
480 480

Investor Relations

NewCap

Dusan Oresansky

Tel.: +33 (0)1 44 71 94 94

ORPEA@newcap.eu

Media Relations

ORPEA

Isabelle Herrier-Naufle

Media Relations Director

Tel.: +33 (0)7 70 29 53 74

i.herrier-naufle@orpea.net

Image 7

Charlotte Le Barbier

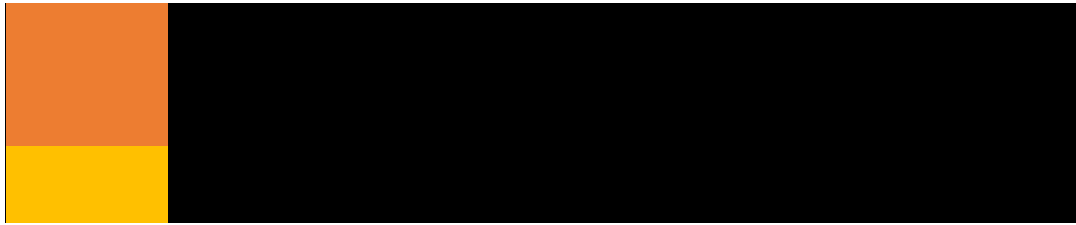
Tel.: +33 (0)6 78 37 27 60

clebarbier@image7.fr

Laurence Heilbronn

Tel.: +33 (0)6 89 87 61 37

lheilbronn@image7.fr



Warning - Forward-looking information

This press release contains forward-looking information that involve risks and uncertainties, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as future market conditions. Any forward-looking statements made in this press release are statements about the Company's expectations about a future situation and should be evaluated as such. Further events or actual results may differ from those described in this press release due to a number of risks and uncertainties that are described in the 2021 Company's Universal Registration Document available on the Company's website and on the Autorité des Marchés Financiers website(www.amf-france.org), and in the Half-Year 2022 financial report which is available on the Company's website.

The estimated financial information relating to the financial year ended 31 December 2022 (in particular the liquidity position and debt at 31 December 2022) included in this press release have not been audited by the auditors of the Company.

This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction