Press release

2021 FULL-YEAR RESULTS AND REVENUE FIGURES FOR Q1 2022

ORPEA REACHES AN AGREEMENT IN PRINCIPLE WITH ITS CORE BANKING POOL SECURING THE FINANCING OF THE GROUP AS PART OF CONCILIATION PROCEDURE

Puteaux, 13 May 2022 (7:30 AM CEST)

Philippe Charrier, CEO of ORPEA, said:

"I would like to express my sincere gratitude to all ORPEA teams who have shown unfailing professionalism and commitment over the last few months, at a time when our Group is facing a major crisis seriously affecting the Group's reputation, especially in respect of its business of caring for the elderly in France. I am equally grateful to the families who entrust us with their elderly relatives.
We fully assume our responsibilities towards them. Although there is no system of rationing nor of abuse, we take the allegations made against us with the utmost seriousness, as well as the proven failures, about which we will continue to be totally transparent. I am committed to ensuring that we learn all the lessons from this crisis in order to restore the trust that our stakeholders have always placed in us, wherever the group operates. Many corrective measures have already been taken.
Finally, I would like to thank our core banking pool for their renewed confidence with the signing of an agreement in principle to ensure the Group's financing. For both 2021 and the first quarter of 2022, and notwithstanding the aforementioned backdrop, revenues remain strong.
The appointment of Laurent Guillot as Chief Executive Officer as of 1 July will open a new page in the history of our Group, enabling it to take its rightful place in the evolution of the elderly and healthcare sector. He will be able to build solutions adapted to the challenges of tomorrow in a spirit of exemplarity and respect for our founding values.

CONSOLIDATED ACCOUNTS 2021

The ORPEA Group has today announced its consolidated results for the year ending 31 December 2021, with the financial communication having been approved by the Board of Directors on 12 May 2022. The 2021 financial statements are currently being audited.

The 2021 results are presented in accordance with IFRS standards, including IFRS 16, and comply with applicable regulations and recommendations in force.

Figures in €m *(IFRS) – audit procedure ongoing*	*2020*	***2021***	***Var.***
Revenue	*3 922,4*	***4 298,6***	***+9,6%***
EBITDAR (EBITDA before rent)	*963,0*	***1 070,2***	***+11,1%***
EBITDA	*926,5*	***1 040,7***	***+12,3%***
EBIT	*422,9*	***395,7***	***-6,4%***
Cost of net financial debt	*-256,7*	***-248,9***	***-3,0%***
Profit before tax	*210,3*	***105,8***	***-49,7%***
Group net profit	*160,0*	***65,2***	***-59,3%***

Revenue for 2021 was €4,299m, up 9.6% (including 5.5% of organic growth). This growth includes the contributions of the new facilities which opened in 2021, completed acquisitions (including FirstCare, Belmont and Brindley in Ireland and Sensato in Switzerland) and the recovery in business activity.

EBITDAR (EBITDA before rent) came in at €1,070m, representing a margin of 24.9% of 2021 revenues and an increase of 35bps.

EBITDA was €1.041m, representing a margin of 24.9% on 2021 revenues.

EBIT amounted to €396m, representing a margin of 9.2% of 2021 revenues.

Non-current items amounted to -€41.1 M€ compared to + €44m in 2020.

The **cost of net debt** (net of hedging costs) was €249m, compared with €257m in 2020.

Net profit attributable to the Group in 2021 was €65m, representing a margin of 1.5% of 2021 revenues, compared with €160m in 2020.

The net profit for 2021 includes €83m in provisions for liabilities and charges relating to the assessed risks for the years 2017-2021, following the administrative inspections to which ORPEA was subject to in France, as well as €48m in charges relating to asset impairments.

The aforementioned €83m provision includes €58.9m to cover the additional costs relating to care and dependency between 2017-2021. The company will seek the approval of the supervisory authorities to use these amounts for actions relating to the well-being of residents and healthcare professionals.

Financial debt as at end of reporting period

Figures in €m (IFRS) – audit procedure ongoing	2020	**2021**
Net financial debt	6 654	**7 885**
Gross financial debt	7 542	**8 837**
Of which is due in less than a year	1 056	**1 830**
Cash	889	**952**
Lease commitments IFRS16	2 987	**3 265**
Of which is due in less than a year	266	**297**

Net financial debt stood at €7,885m as of 31 December 2021, an increase of €1.232m over the year, predominantly due to the sustained property development and acquisition strategy implemented during this period.

Cash increased to €952m as of 31 December 2021, compared with €889m at end-2020. As at the end of March 2022, this figure amounted to €710m.

The proportion of **real estate debt** stood at 88% of net financial debt as of 31 December 2021.

The IFRS 16 adjusted **leverage ratios** used by the Group's financial partners are 3.6x for the real estate adjusted leverage (5.5x permitted) and 1.7x for the adjusted gearing (2.0x permitted).

As of 31 December 2021, the value of the Group's **real estate assets** amounted to €8,179m, an increase of €1,163m. This difference includes a €267m revaluation resulting from appraisals by Cushman & Wakefield, JLL and CBRE as independent experts. This valuation results in a **capitalisation rate** of 5.3%. At the end of 2021, ORPEA holds 46% of its **real estate properties** and has 983 **sites in operation**.

Revenue Figures Q1 2022

(€m)	Q1 2021	**Q1 2022**	***Published change***
France Benelux UK Ireland	636	**679**	*+6,8%*
Central Europe	260	**283**	*+8,8%*
Eastern Europe	91	**101**	*+11,7%*
Iberian Peninsula and Latin America	40	**55**	*+37,7%*
Other countries	0,7	**0,9**	*+35,7%*
Total revenue	1 027	**1 120**	***+9,0%***
Of which organic growth			**+5,0%**

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

ORPEA recorded solid overall growth momentum in the first quarter of 2022, with sales up 9.0%, including 5.0% organic growth.

In France, despite a difficult backdrop, the nursing homes business recorded a decline in occupancy rates during the first quarter.

The rest of the Group's business enjoyed good momentum with occupancy rates on an upward trend.

The Iberian Peninsula and Latin America region benefited from the inclusion of Brazil Senior Living Group within the scope of the consolidation on 1 January 2022.

OUTLOOK FOR 2022

Following the IGF/IGAS report, the independent evaluation conducted at the request of the Board of Directors is continuing its investigations. The Group has already implemented corrective actions and will continue to take necessary measures as and when the findings of the ongoing audits become available.

The Group remains confident about its revenue growth momentum in 2022, which should continue to benefit from numerous new site openings (with a target of more than 3,000 new beds over the period) and from favourable business trends in international markets and in clinics in France.

The Group's operating profitability will be affected by the unfavourable inflationary environment, specifically impacting energy costs and salaries in certain countries.

The Group will also have to face exceptional expenses related to the management of the aforementioned crisis and its consequences.

Given these exceptional circumstances, the Board of Directors will not be proposing the payment of a dividend for the financial year 2021 at the next General Meeting.

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

- conducting a study regarding the "transformation" of ORPEA into a "*société à mission"* (a company status created by the French "Pacte" law in 2019);
- The renewal of the Board of Directors with an initial proposal to appoint four new directors (including the future CEO) at the next General Meeting;
- A major transformation plan, to be deployed primarily in France, focusing on four main areas: the quality of care and well-being of residents, the strengthening of dialogue with stakeholders, an ambitious human resources policy and renewed managerial practices;
- Accordingly, the implementation of these structural changes will include the following actions:
    - The implementation of a forum for hearing grievances and an external mediation plan,
    - The implementation of an Ethics Committee in France,
    - Adaptation and simplification of quality process, including the systematic reporting of adverse events,
    - A reshaping of labour relations, including the overhaul of the Employee Representative Institutions in France, open discussions on health and safety at work for employees and the inclusion of HR experts within work teams,
    - Work on a retention and attractiveness plan, enhancement of career paths, in particular through the Validation of Acquired Experience programme (target 300/year) and apprenticeship (target 500/year), an analysis of salaries by employment area and systematic use of overtime in case of employee absenteeism,
    - Active promotion of both our whistleblowing policy for employees and the new ethical conduct and CSR codes,
    - An in-depth review on decentralisation and increased autonomy for the facility directors,
    - A significant strengthening of internal controls.

ORPEA REACHES AN AGREEMENT IN PRINCIPLE WITH ITS CORE BANKING POOL SECURING THE FINANCING OF THE GROUP AS PART OF CONCILIATION PROCEDURE

Faced with major financing challenges due to investments amounting to approximately €900m per year for the development of its real estate portfolio in 2022 and 2023, as well a significant amount of debt maturing in 2022 (including approximately €850m maturing in the second half of the year and €983m in 2023), ORPEA announces an agreement in principle with its core banking pool (BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, Groupe BPCE, La Banque Postale and Société Générale). This agreement with the group's core banking pool comes in response to both the current period of uncertainty for ORPEA as well as access to financial markets being closed off and the slowdown in the originally anticipated asset disposal programme.

This Agreement in Principle is therefore the first stage of the overhaul of the Group's financing strategy and enables new lines of financing to be secured.

The Agreement in Principle is part of an amicable conciliation procedure, opened by order of the President of the Nanterre Commercial Court on 20 April 2022.

The implementation of the Agreement in Principle will be conditional on the execution of a conciliation protocol and approval (*homologation*) requested from the Nanterre Commercial Court (expected to be mid-June 2022). This procedure will allow for the implementation of the Agreement in Principle under the authority of a conciliator, within a confidential and regulated framework. The Group's employees will be informed of the process through the various Social and Economic Committees.

The Agreement in Principle, unanimously approved by ORPEA's Board of Directors, includes the following key principles:

- **Provision of a new financing plan by the core banking pool via a secured syndicated facility of €1.733bn**

The key terms of this facility granted by the core banking pool to ORPEA include:

i. Medium-term financing, maturing in December 2025, in order to (a) provide new money to the Group in an amount of €600m and (b) finance repayments of existing debt in an amount of €233m; and

ii. €900m short-term financing, consisting of several tranches maturing in December 2023 for €700m and in June 2023 for €200m (with the option to extend these two maturities by 6 months).

The new financing plan includes a commitment to the lenders to maintain a minimum cash level of €300m, to be tested quarterly from June 2023.

The new financings will benefit from a pledge over the shares of the subsidiaries Clinea and CEECSH (representing 25% and 32% of the Group's revenue, respectively). Following certain reorganizations to be carried out within the Group, the pledges will be over shares in Clinea France and the Group's business in Germany, representing 25% and 16% of the consolidated revenue, respectively.

It is further noted that the average interest rate of all new lines granted under the Agreement in Principle in respect of the €1.733bn tranche will be Euribor + 3.9%, compared to the Group's current average cost of funding, estimated to be 2.2%.

- **Implementation of a strategic review of the Group's assets, under the aegis of the new CEO, in order to gradually reduce the Group's debt**

As part of the implementation of this financing plan, and in order to reduce the Group's debt, ORPEA intends to complete more than €3bn worth of disposals by the end of 2025, with at least €1bn of disposals by the end of 2023, predominantly in real estate in the form of sale & leasebacks.

It should be noted that the Group's real estate portfolio has a current estimated value of over €8bn.

Part of the proceeds from the disposals will be immediately allocated to the repayment of the short-term tranches of the facility.

- **Setting-up an optional syndicated facility up to a maximum amount of €1.5bn, open in priority to lenders participating in the short and medium term financing outlined above to refinance the unsecured bank facilities at a rate of Euribor + 5%.**

The Company will continue to inform the market of the ongoing negotiations through its corporate communication. A detailed press release will be published following the execution of the conciliation protocol and its approval by the Nanterre Commercial Court.

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Communication

The Agreement in Principle and the annual results are also described in the presentation material attached to this press release and available on the company's website.

https://www.orpea-corp.com/en/publications/financial-presentations

About ORPEA (www.orpea-corp.com)

Founded in 1989, ORPEA is one of the world leaders in Dependency care (nursing homes, assisted living, post-acute and rehabilitation hospitals, mental health hospitals, home care services)

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

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Glossary :

Organic growth	**The organic growth of the Group's revenue includes:** **1. The change in revenue (N vs N-1) of existing establishments due to changes in their occupancy rates and daily rates;** **2. The change in revenue (N vs N-1) of restructured establishments or establishments whose capacity was increased in N or N-1;** **3. The revenue achieved in N by establishments created in N or N-1, and the change in revenue of recently acquired establishments over a period equivalent in N to the consolidation period in N-1.**
EBITDAR	**EBITDA before rent, including provisions for "external expenses" and "personal expenses"**
EBITDA	**Current operating income before net depreciation and amortisation, including provisions for "external expenses" and "personal expenses"**
Net financial debt	**Long-term financial debt + short term financial debt - Cash and marketable securities**
Real estate-adjusted financial leverage	**(Net financial debt - real estate debt) / (EBITDA - (6% x real estate debt))**
Adjusted gearing	**Net financial debt / (Equity + deferred tax to infinity on intangible assets)**
Capitalisation rate	**The capitalisation rate of real estate or rate of return is the ratio between the rent and the value of the building**

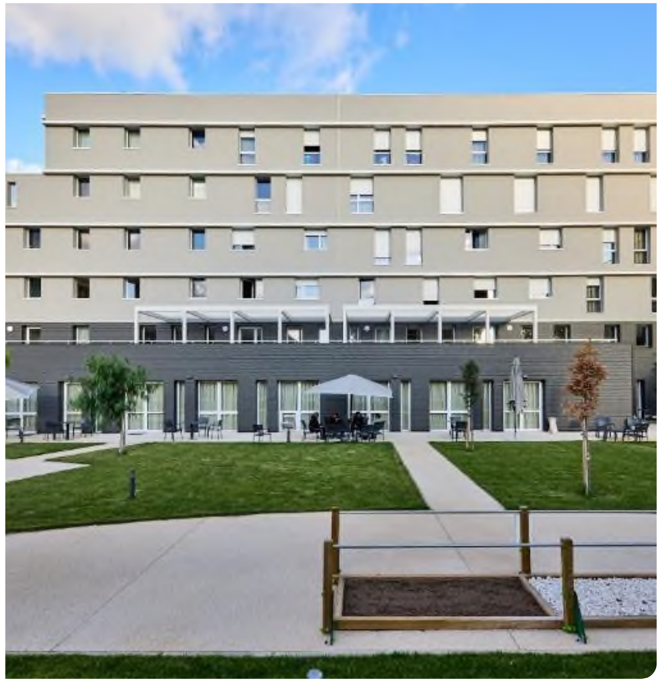
Consolidated income statement in €m (Audit in progress)	**2020**	**2021**		**2020 restated IFRS16**	**2021 restated IFRS16**
REVENUE	**3,922**	**4,299**		**3,922**	**4,299**
Purchases used and other external expenses	(712)	(816)		(718)	(822)
Staff costs	(2,210)	(2,429)		(2,210)	(2,429)
Taxes other than on income	(136)	(128)		(136)	(128)
Depreciation, amortisation and charges to provision	(504)	(645)		(233)	(345)
Rents	(36)	(29)		(354)	(382)
Other recurring operating income and expenses	99	144		99	144
Recurring operating profit	**423**	**396**		**369**	**337**
Other non-recurring operating income and expenses	44	(41)		43	(43)
OPERATING PROFIT	**467**	**355**		**413**	**293**
Net financial expense	(257)	(249)		(184)	(169)
PROFIT BEFORE TAX	**210**	**106**		**229**	**126**
Income tax expense	(53)	(38)	-	(57)	(42)
Share in profit (loss) of associates and JV	2	(1)	-	2	(1)
Profit (loss) attributable to non-controlling interest	(1)	2	-	(1)	2
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	**160**	**65**		**174**	**81**

in €m (Audit in progress)	31-Dec-20	31-Dec-21
Non-current assets	**14,556**	**16,287**
Goodwill	1,494	1,669
Net intangible assets	2,881	3,076
Net tangible assets and real estate under development	6,969	8,179
Right of use assets	2,817	3,073
Other non-current assets	394	291
Current assets	**971**	**1,353**
Cash and short-term investments	*889*	*952*
Assets held for sale	**550**	**388**
TOTAL ASSETS	**16,967**	**18,980**
Equity attributable to shareholders and indefinitely deferred taxes	**4,066**	**4,417**
Non-current liabilities	**10,268**	**11,026**
Non-current financial liabilities excluding bridging loans	6,037	7,007
Long-term bridging loans	450	0
Long-term lease commitments	2,720	2,968
Provisions for liabilities and charges	191	223
Deferred tax liabilities and other non-current liabilities	870	828
Current liabilities	**2,633**	**3,537**
Current financial liabilities excluding bridging loans	1,008	1,280
Short-term bridging loans	48	551
Short-term lease commitments	266	297
Provisions	24	22
Trade payables	310	335
Tax and payroll liabilities	311	344
Current income tax liabilities	35	54
Other payables, accruals and prepayments	631	655
TOTAL LIABILITIES	**16,967**	**18,980**

in €m (excluding IFRS 16)	2020	2021
Net cash from operating activities	**440**	**401**
Investments in construction projects	(427)	(988)
Acquisition of real estate	(324)	(279)
Disposals of real estate	232	284
Net real estate investments	**(519)**	**(983)**
Net investments in operating assets and equity investments	**(488)**	**(422)**
Net cash from financing activities	**617**	**1,068**
Change in cash over the period	50	63
Cash at the end of the period	**889**	**952**

2021 Full-Year results

13 May 2021



Agenda

Introduction by Philippe Charrier, Chairman & CEO

Actions undertaken by the Group

Changes to governance

Financial results

2021 Full-Year results

Q1 2022

Financing

Conclusion by Philippe Charrier

Introduction

Philippe CHARRIER
Chairman & CEO

Actions undertaken by the Group following investigations

Operational Management

Enhanced dialogue with residents, families and stakeholders

- Hotline and external mediation
- Roundtable talks around the elderly in French nursing homes, held between May 13 and June 18 June 2022
- Establishing an Ethics Committee for France

Review and simplification of quality control procedures

- Systematic **pre-signaling of material adverse events**
- **Simplification of procedures**

Human resources

Overhaul of Social Dialogue

- In April 2022, execution of a global partnership agreement with UNI Global Union
- Reorganization of staff representative bodies in France
- Health and safety training for employees
- Reinforcing teams with HR experts

Developing employer attractiveness and loyalty

- Enhancement of **career paths,** including through VAE* (objective: 300 graduations p.a) and apprenticeship (500 roles p.a)
- **Wage analysis** by employment area
- Systematic use of **overtime** in case of absenteeism

Management and business ethics

Ethics

- **Filing of a complaint against unnamed person, <u>unrelated to accommodation and care conditions for residents,</u>** but related to past capital partnerships or economic operations that could involve third parties or persons linked to the group
- Initiation of **disciplinary measures** that have already led to several redundancies
- Active promotion of our **whistleblowing system** for employees and of our **Code of conduct - Ethics and CSR**

Organization

- Move towards increased **decentralization** and heightened **autonomy** for facility directors
- Strengthening of **internal controls**

** VAE : validation of Acquired Experience*

Major change in corporate governance

Appointment of Mr. Laurent Guillot as Chief Executive Officer (effective July 1st, 2022)

A highly-experienced profile to tackle the challenge of the Group's transformation

- Extensive international experience
- Former Deputy CEO of Saint-Gobain, including 6 years as Group Chief Financial Officer and 5 years as CEO of the High-Performance Solutions division
- Independent Director and Chair of the Audit and Risk Committee of the Safran Group

Board of Directors

- Appointment of 4 new Directors (including Mr. Guillot), to be proposed at the next General Meeting as a first step

Charged with conducting a review of "transforming" ORPEA into a "Société à mission" (*)

(*) mission-driven company; legal status created by the French "Pacte" law in 2019

Strong fundamentals

COMMITTED EMPLOYEES

- Above average engagement rate in France (2022 Korn Ferry study)
- Continued hiring programs, outnumbering departures in France
- Numerous support messages received during the crisis

RESILIENT FACILITIES

- High-quality services, recent real estate and strategic locations in the heart of cities
- No facility closures despite an unprecedented number of inspections
- Very few resident departures related to the crisis, reflecting the strong trust in Orpea locally

RECOGNIZED KNOW-HOW

- >30 years of experience
- Wide variety of medical specialties
- A pioneer in the development of specialized units for Alzheimer's, highly dependent residents and non-drug therapy
- Partnerships with renowned universities

A COMPREHENSIVE CARE OFFERING

- Mid and long-term care for physical and mental conditions:
  - Nursing homes
  - Rehabilitation and mental health hospitals
  - Assisted Living
  - Homecare and Home Services
- Present in more than 20 countries

SOCIAL RESPONSIBILITY

- A company willing to provide solutions to societal challenges of old age and Dependency
- In line with demographic and epidemiological trends

2,250 beds created across 35 facilities opened in 2021

Financial results

Laurent LEMAIRE
Group CFO

Key figures 2021

REVENUE	**€4,299m** +9.6% / +5.5% org.
EBITDAR	**€1,070m (margin = 24.9%)**
NET PROFIT (GROUP SHARE)	**€65m**
GROSS FIN. DEBT AND CASH	Gross debt **€8.8bn** | +€1.3bn Cash **€0.95bn**
REAL ESTATE (EXCLUDING ASSETS HELD FOR SALE)	**€8.2bn** | + €1.2bn

Financial communication has been approved by the Board of Directors on 12 May 2022. The 2021 financial statements are currently being audited.

Evolution of revenue

Audit in progress

(€m)	Revenue 2021	Revenue 2022	Growth %	Organic Growth % *
France Benelux UK Ireland	2,363.9	2,643.2	11.8%	7.2%
Central Europe	1,010.6	1,086.0	7.5%	2.3%
Eastern Europe	365.6	395.2	8.1%	7.3%
Iberian Peninsula + Latam	179.1	171.1	-4.5%	-2.9%
Other countries	3.2	3.1	-5.3%	-2.4%
Total	**3,922.4**	**4,298.6**	**9.6%**	**5.5%**

- The fiscal year 2021 saw a solid performance with revenue growth of +9.6% (+5.5% organic) in the context of rising occupancy rates.

** 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 the change in revenue of recently acquired facilities by comparison with the previous equivalent period.*

EBITDAR growth

Audit in progress

(€m)	Ebitdar 2020	Ebitdar 2021	Var. %	Ebitdar 2020 %	Ebitdar 2021 %
France Benelux UK Ireland	632.4	694.4	9.8%	26.8%	26.3%
Central Europe	269.1	283.9	5.5%	26.6%	26.1%
Eastern Europe	52.5	60.9	15.9%	14.4%	15.4%
Iberian Peninsula + Latam	9.5	31.9	234.4%	5.3%	18.7%
Other countries	-0.6	-0.9	42.3%		
Total	**963.0**	**1,070.2**	**11.1%**	**24.6%**	**24.9%**

- EBITDAR up 11.1% and margin up 35 bps to 24.9%
- Dilutive impact from "Ségur de la Santé" on the margin of the France Benelux UK Ireland region of -100 bps and -60 bps on the Group

EBITDA growth

Audit in progress

(€m)	2020	2021	Var. %	2020 excluding IFRS16	2021 excluding IFRS16
Revenue	3,922.4	4,298.6	+9.6%	3,922.4	4,298.6
Staff costs	(2,210.3)	(2,428.9)	+9.9%	(2,210.3)	(2,428.9)
Staff Costs %	(56.4%)	(56.5%)	(15bps)	(56.4%)	(56.5%)
Other Costs	(749.1)	(799.5)	+6.7%	(755.2)	(806.0)
Other Costs %	(19.1%)	(18.6%)	+50bps	(19.3%)	(18.8%)
EBITDAR	963.0	1,070.2	+11.1%	956.9	1,063.6
EBITDAR %	24.6%	24.9%	+35bps	24.4%	24.7%
Rents	(36.5)	(29.5)	(19.2%)	(354.0)	(381.7)
EBITDA	926.5	1,040.7	+12.3%	602.9	688.5
EBITDA %	23.6%	24.2%	+59bps	15.4%	16.0%

- EBITDA up 12.3% and margin up 59bps to 24.2%
- The main driver of margin growth in 2021 resulted from a lower Covid impact

Accounting position as of 31/12/2021 vs IGF-IGAS

FOR THE 2017-2021 PERIOD

The Group has recorded an exceptional provision of **€83.2m**:

- Surpluses on care and dependency allowances: €58.9m
- Non-compliant charging of expenses on public subsidies for care and dependency: €5.9m
- Fees for services on purchasing of products financed by public funds: €18.4m

In line with the answers given to the IGF-IGAS (*), the company has not recorded any provision for:

- the assistant nurses "filling in" (acting as caregivers), considering this practice to be widespread in the sector in the context of a notorious lack of personnel
- the CVAE (**) and C3S (***): in fact comparable to a payroll tax

(*) IGF: *Inspection Générale des Finances*, French inspectorate general for finance – and IGAS: *Inspection Générale des Affaires Sociales*, French inspectorate general for social affairs
(**) CVAE: tax calculated based on the value added generated by the company
(***) C3S: the social contribution of solidarity of societies (C3S) participates in the financing of the old-age insurance

Specific accounting items in 2021

Audit in progress

Adjustements following IGF-Igas report * (A)	(€m)
2017-2021 surpluses	(58,9)
Services to suppliers 2017-2020	(18,4)
Non compliant charges 2017-2020	(5,9)
Total provisions for liabilities and charges	(83,2)

Impairments (B)	(€m)
Impact financial costs	(20,0)
Non-recurring items	(48,2)
Total impairments	(68,2)

Total A+B	**(151,4)**

* IGF: Inspection Générale des Finances, French inspectorate general for finance – and IGAS: Inspection Générale des Affaires Sociales, French inspectorate general for social affairs

Net Profit

Audit in progress

(€m)	2020	2021	Incl. 2021 specific items	2020 excluding IFRS16	2021 excluding IFRS16
EBITDA	926.5	1,040.7		602.9	682.0
EBITDA %	*23.6%*	*24.2%*		*15.4%*	*15.9%*
Amort. dep and provision	(503.6)	(645.0)	(83.2)	(233.4)	(344.7)
EBIT	422.9	395.7		369.5	337.3
Financial result	(256.7)	(248.9)	(20.0)	(184.0)	(168.7)
Non current	44.1	(41.1)	(48.2)	43.5	(42.5)
Net income before tax	210.3	105.8	(151.4)	228.9	126.0
Income tax	(52.6)	(37.5)		(56.9)	(42.1)
Minority interest	2.3	(3.0)		2.3	(3.0)
Net result - Group share	160.0	65.2		174.3	80.9
Net result %	*4.1%*	*1.5%*		*4.4%*	*1.9%*

- Impact of the specific accounting items in 2021 of **€151.4 million before tax**

Cash flow statement excluding IFRS 16

Audit in progress

In €m - excluding IFRS16	2020	2021
Net cash from operating activities	**440**	**401**
Investments in construction projects	-427	-988
Acquisition of real estate	-324	-279
Disposals of real estate	232	284
Net real estate investments	**-519**	**-983**
Net investments in operating assets and equity investments	**-488**	**-422**
Net cash from financing activities	**617**	**1,068**
Change in cash over the period	50	63
Cash at the end of the period	**889**	**952**

- Very strong acceleration of construction investments in 2021 (+ €561 M vs 2020)
- Net real estate investments almost doubled to €983m in 2020
- Investments in operating assets mainly include the acquisitions of Sensato (Switzerland) / FirstCare, Belmont and Brindley (Ireland)
- €952m of cash at the end of 2021

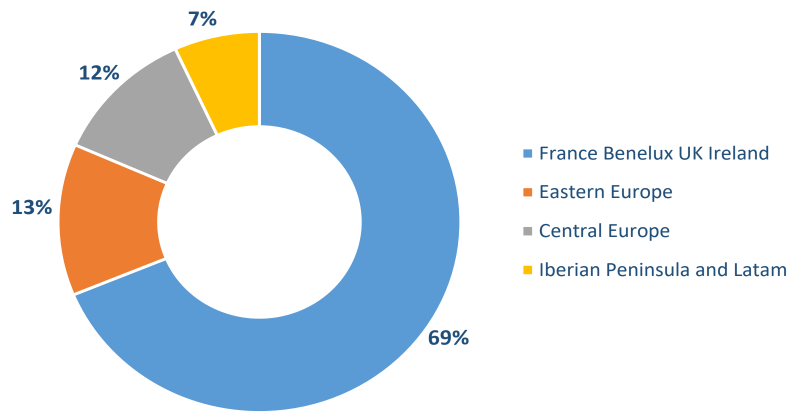
Real estate portfolio

Audit in progress

	2020	2021	*Var.*
Ownership rate	47%	46%	*-1 pt*
Total value (€m)	6,969	8,179	*1210*
Average Cap rate (appraisal by Cushman & Wakefield and JLL)	5.36%	5.27%	*-9 bps*

Including change in fair value of +€267m

GEOGRAPHICAL SPLIT OF REAL ESTATE PORTFOLIO (*) (IN VALUE)



(*) built assets, including assets held in co-ownership

REAL ESTATE OWNERSHIP RATE BY GEOGRAPHICAL AREA

	2021
Total Groupe	**46%**
France Benelux UK Ireland	49%
Central Europe	19%
Eastern Europe	70%
Iber. Peninsula+Latam	73%

Network expansion in 2021

	Nb of sites in operation	Nb of beds in operations
France Benelux UK Ireland	560	45,275
Central Europe	235	23,668
Eastern Europe	118	11,819
Iberian Peninsula+Latam	69	9,026
Other countries	1	154
Total	**983** *	**89,942**

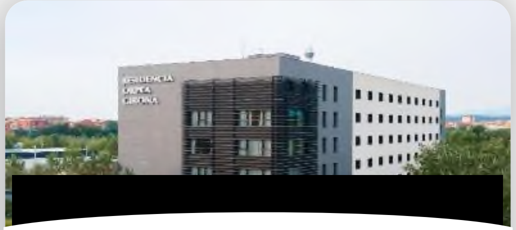
2021 DEVELOPMENT DRIVEN BY OPENINGS AND ACQUISITIONS

- **Opening of 35 new facilities** — **~ + 2,250 beds**
- **Acquisitions** — **~ + 2,900 beds**

EXAMPLES OF OPENINGS IN 2021

Berlin (Germany)

172 beds, nursing homes and assisted living flats



Girona (Spain)

132 beds, nursing homes and assisted living flats

Cluses (France)

128 beds, rehabilitation hospital

Castellon (Spain)

150 beds, nursing homes and assisted living flats

* As of 31.12.20, number of sites published (1,114) included sites under construction and not yet in operation. The figure mentioned above (983) only includes sites in operation.

Financial debt at 31.12.2021

Audit in progress

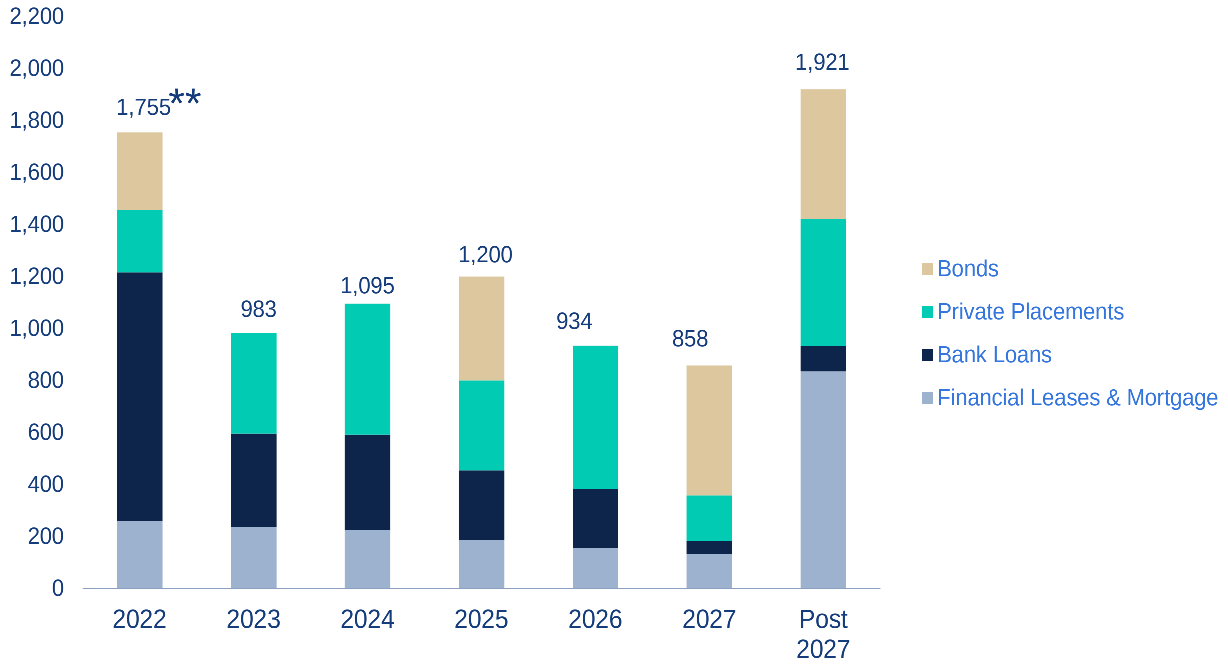
DEBT AND COVENANTS

Indicators	31.12.20 restated IFRS 16	31.12.21 restated IFRS 16
Gross financial debt (€m)	7,542	8,837
Cash	889	952
Net Financial debt (€m)	6,654	7,885
% Real estate debt	87%	88%
Restated financial leverage [1]	3.4	3.6
Restated gearing [2]	1.6	1.7

[1] Net Fin.debt– real estate debt / Ebitda – (6%*real estate debt)

[2] Net Financial Debt. / Equity + Quasi Equity

MATURITY PROFILE OF GROSS DEBT (€M) *



* Excluding factoring programs
** Including c.€850m maturing in H2

Q1 2022 revenues

(€m)	Revenue Q1 2021	Revenue Q1 2022	Growth %	Organic Growth % *
France Benelux UK Ireland	635.7	679.2	6.8%	3.4%
Central Europe	260.1	283.0	8.8%	5.6%
Eastern Europe	90.7	101.3	11.7%	9.9%
Iberian Peninsula + Latam	40.1	55.3	37.7%	14.8%
Other countries	0.7	0.9	35.7%	35.7%
Total	**1,027.3**	**1,119.7**	**9.0%**	**5.0%**

- Solid growth momentum across geographies in Q1 2022
- In France, the difficult environment led to a decrease in nursing homes occupancy rates during the quarter, compared to levels observed before the crisis
- Group occupancy rate in Q1 2022 remains higher than that observed in Q1 2021
- Inclusion of Brazil Senior Living in the scope of consolidation as of 1/1/2022

** Organic growth of Group revenue reflects the following factors: 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and 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 the change in revenue of recently acquired facilities by comparison with the previous equivalent period.*

2022 outlook

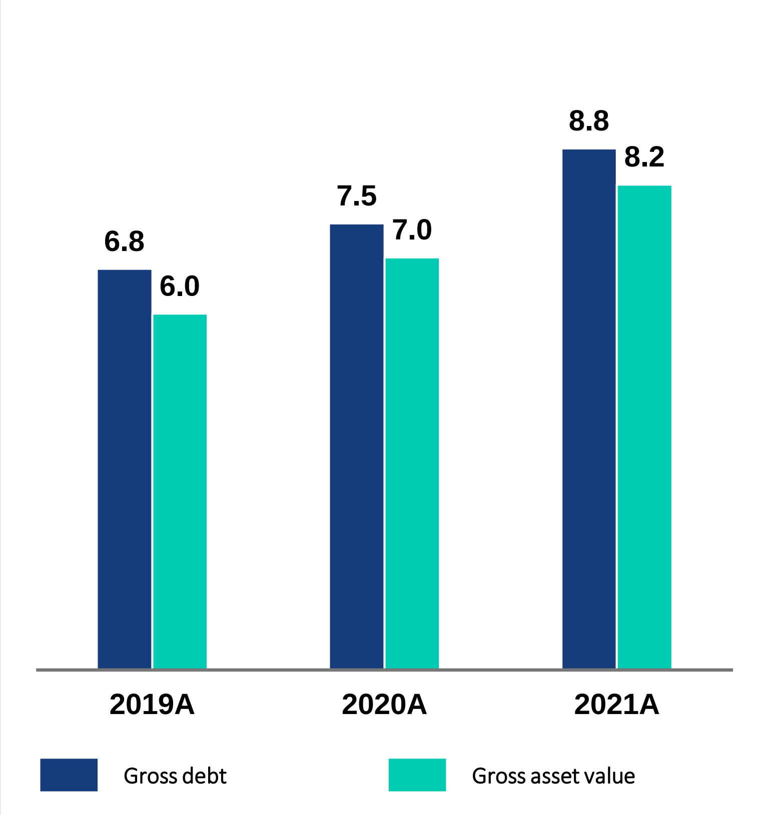
- Continued revenue growth momentum, benefiting from numerous new site openings (more than 3,000 new beds opened over the period) and favorable activity trends at an international level and in clinics in France

- The Group anticipates that its operating profitability will be affected by the unfavorable inflationary environment, particularly regarding energy costs as well as payroll increases in certain countries

- The Group will also have to face exceptional costs and expenses related to the crisis management

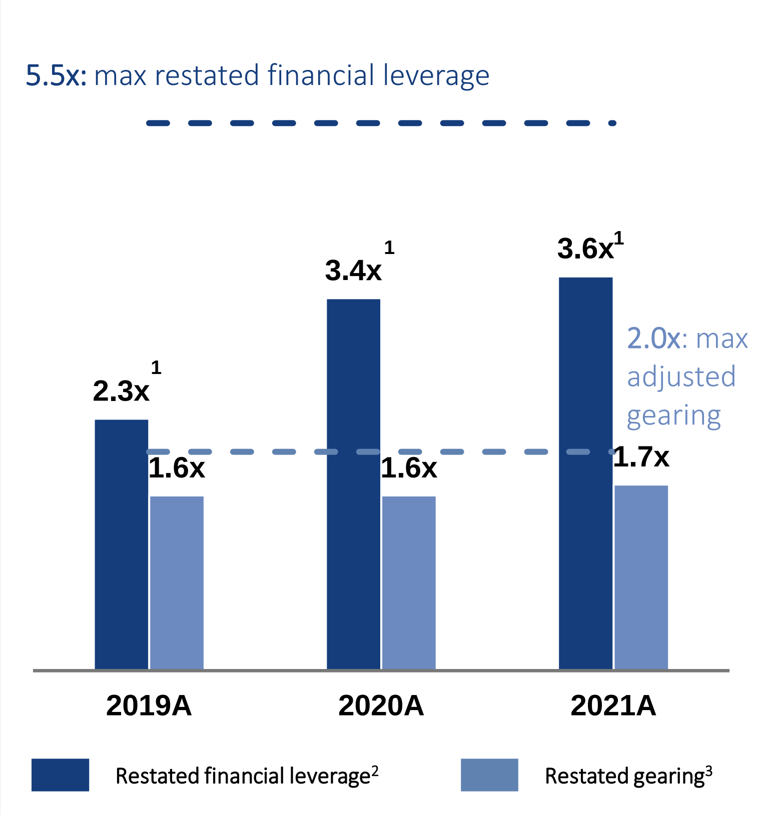
Current financing structure

GAV and gross debt evolution (€bn)



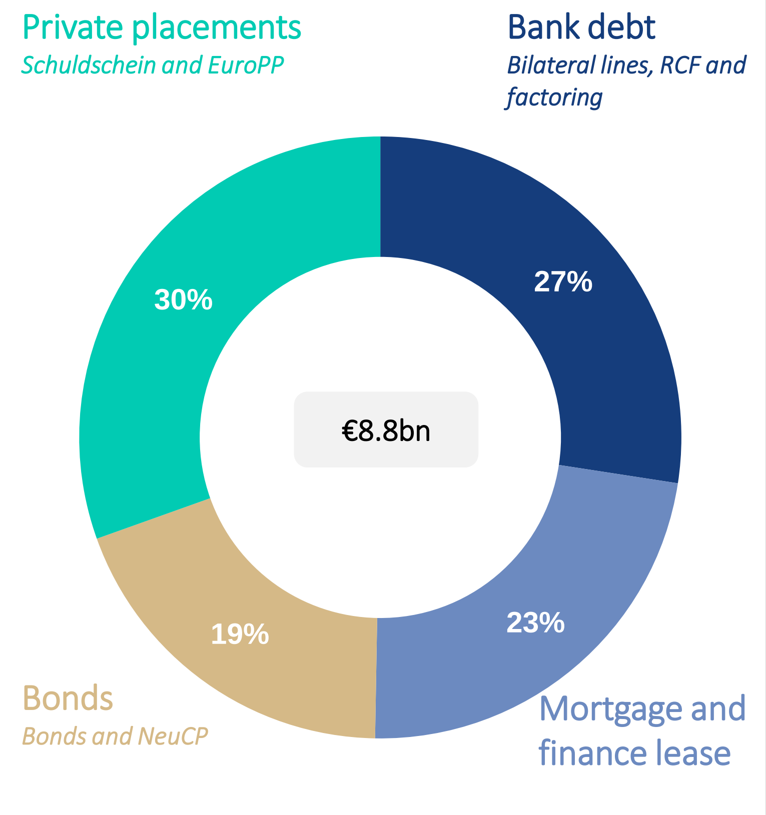
Development of a real estate portfolio financed by a significant increase in indebtedness

Covenants evolution (x)



Substantial increase in restated leverage over the past 3 years

Gross debt by type as of end 2021 (%)



Significant reliance on bilateral / amortizing credit facilities

Notes
(1) Pre IFRS 16
(2) (Net financial liabilities – Real estate debt)/(EBITDA – (6% x Real estate debt))
(3) Net financial debt / (Equity + quasi equity)

The need to reset the financing strategy was exacerbated by the 2022 context

1 In 2022, the Group needs to address two major challenges:

- Significant investments engaged for the development of its real estate portfolio (annual amount of c.€900m for 2022 and 2023)
- Significant debt repayments

2 Orpea faces a slowdown of the asset disposal program initially envisaged, alongside the closure of capital markets under these exceptional circumstances

3 Against this backdrop, the Group has taken several initiatives:

- Establishing a €1.7bn syndicated credit facility with core banking partners as part of a conciliation protocol
- Initiation of an asset disposal program of at least €3bn by the end of 2025, of which €1bn by the end of 2023
- At the next General Meeting, the Board of Directors will propose cancelling the dividend for the 2021 financial year

4 This will allow the incoming CEO to conduct a strategic review and propose a new financial policy for the group

Financing plan

Key financing plan items

€1,733m new money facilities

Medium term financing

- €600m Term Loan partially amortizing:
  - June 24: €100m, December 24: €100m, June 25: €100m
- €233m[1] Term Loan (bullet) to finance existing debt repayment schedule
- Maturity at Dec-2025

Short term financing

- €900m short-term financing, structured in several tranches
- Maturity range June-2023 to Dec-2023 with a 6-month extension option for Orpea subject to conditions

Refinancing facility (optional)

- Optional Term Loan tranche (up to €1,500m) open to all existing lenders, aimed at refinancing unsecured bank facilities
- Bullet with maturity on Dec-2026

Key highlights

1. New debt facilities underwritten by core banking pool (Crédit Agricole, BPCE Group, BNP Paribas, Crédit Mutuel Alliance Fédérale, La Banque Postale and Société Générale)
2. To allow its implementation, these facilities will be subject to a "conciliation homologation" by the commercial court of Nanterre
3. All new facilities are secured on select assets and subsidiaries[2]
4. "Conciliation homologation" expected by mid-June 2022 and drawings planned between June and September 2022, upon compliance with customary conditions
5. Blended interest rate of new facilities: Euribor + 3.9%[3]
6. Covenant: minimum cash level of €300m tested on a quarterly basis from June 2023

Notes
(1) Amount of €233m could be reduced depending on the final amount of the optional tranche
(2) These financings will benefit from pledges over the shares of the subsidiaries Clinéa and CEECSH (representing respectively 25% and 32% of the Group's revenues). Following certain reorganisations to be carried out within the Group, the pledge will be over shares in Clinéa France and the Group's activity in Germany representing respectively 25% and 16% of the Group's revenues
(3) Excluding the optional refinancing facility with a E + 5% margin

Conclusion

Philippe CHARRIER
Chairman & CEO

Summary

- A **resilient** business, based on **solid fundamentals**
- **Committed teams** in France and abroad
- A group aware of its **social responsibility** as a key player in the dependency care sector and determined to learn from the crisis
- Renewed **governance** with diversified skills and experience to support the transformation
- Structured **financing** put in place to stabilize the balance sheet
- 3,000 beds and 53 additional facilities by 2022

A Group determined to play a full and leading role

in finding solutions to the challenges of Old Age and Dependency