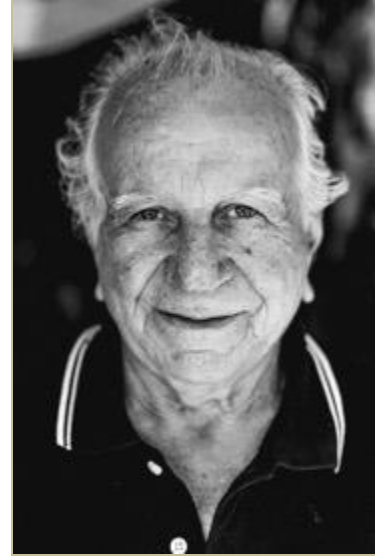


WITH YOU AND FOR YOU CHANGING ORPEA



15th november 2022



WITH YOU
AND FOR YOU
CHANGING
ORPEA

Guillaume Pepy

Chairman of the Board of Directors



WITH YOU
AND FOR YOU
CHANGING
ORPEA

Laurent Guillot

Group CEO
& Acting CEO, France



**WITH YOU
AND FOR YOU
CHANGING
ORPEA**

**A refoundation process
to restore our
stakeholders' trust and
involve them in
rebuilding ORPEA**

**Our method:
WITH YOU**

We're involving you in our transformation and intensifying our regular, constructive dialogue

**Our ambition:
FOR YOU**

We aim to become even more useful to all our stakeholders, thanks to new commitments and practices

The findings of the new Executive Committee



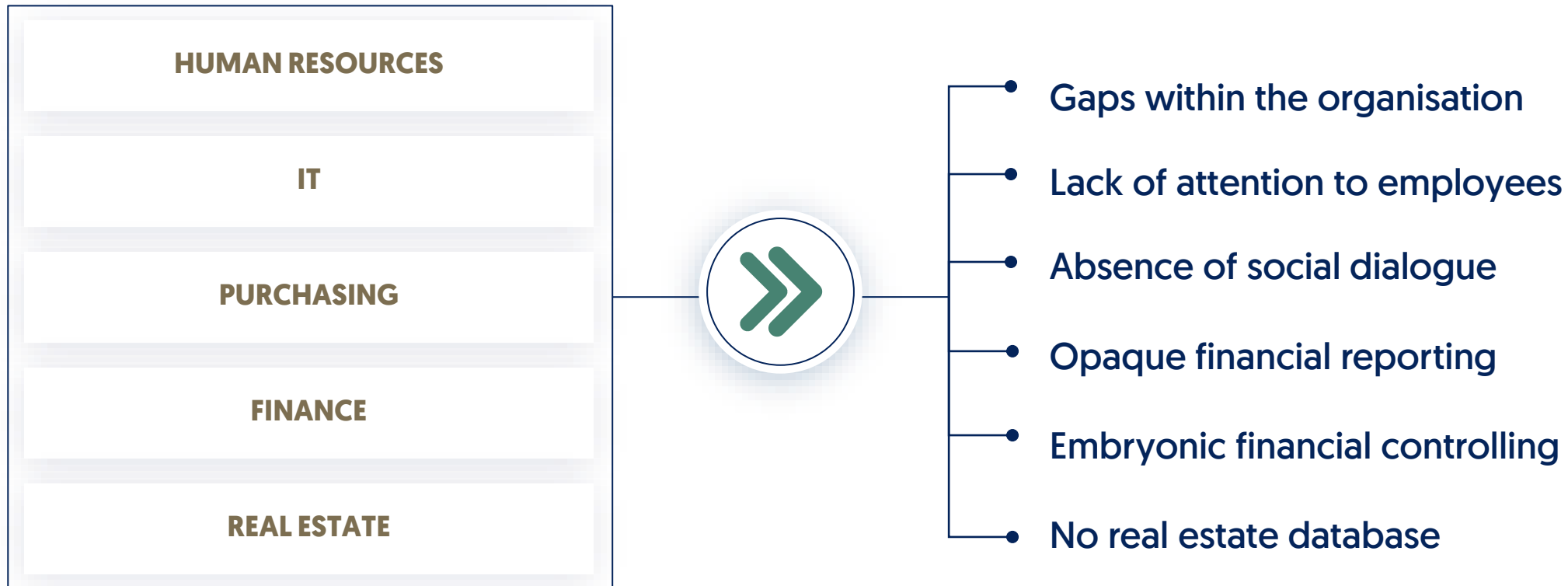
has seen:

Financial malpractices
by former directors

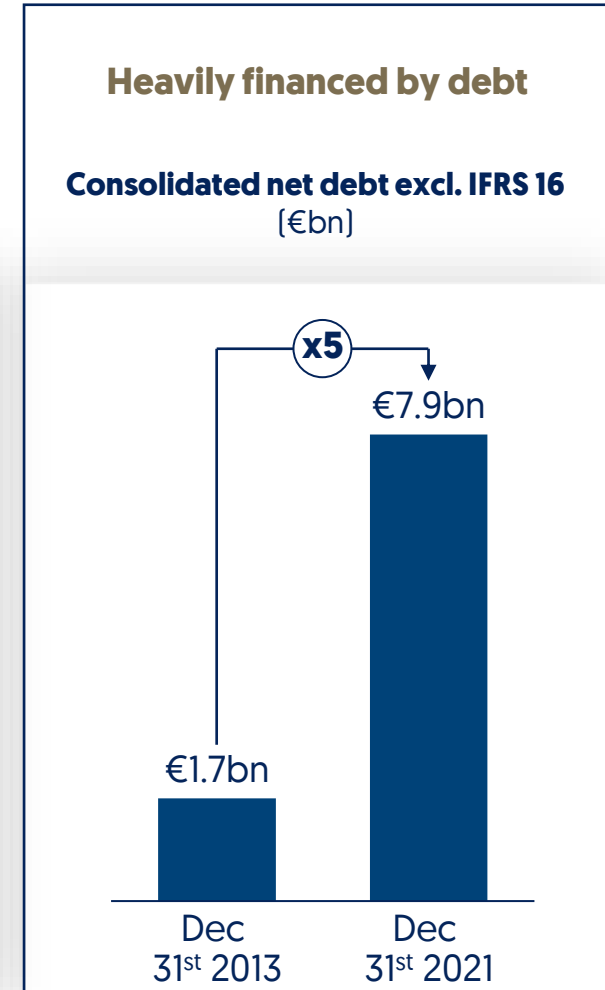
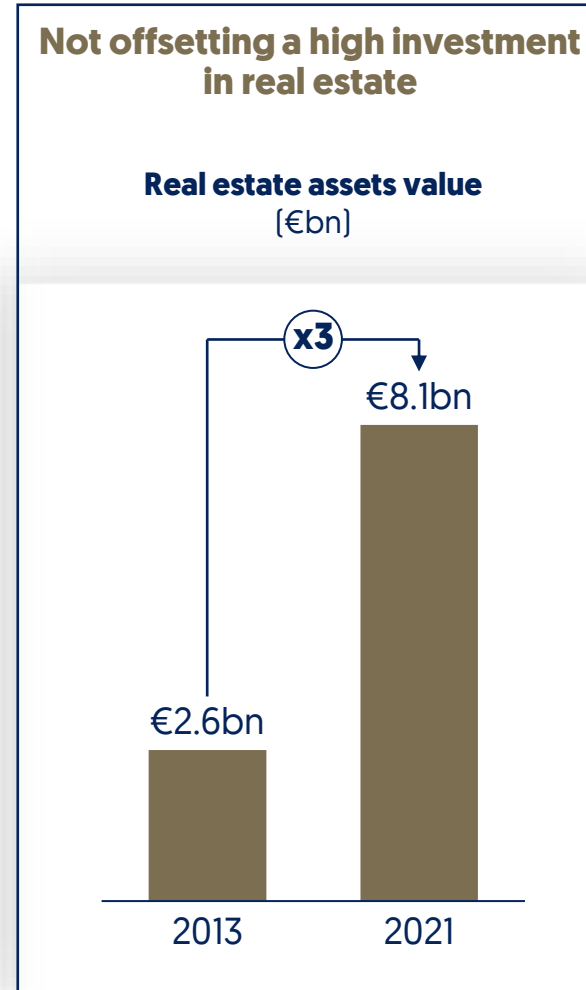
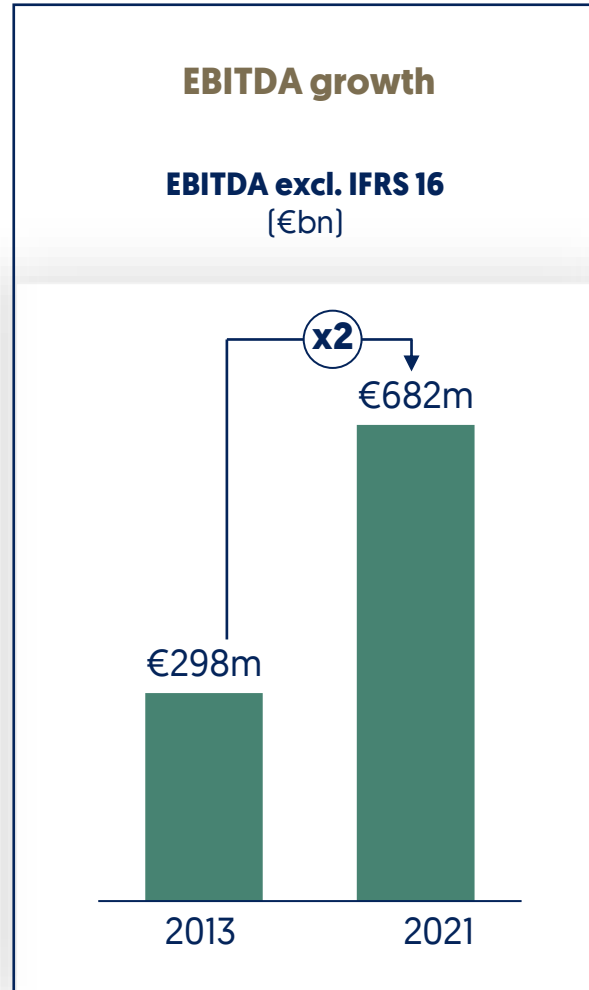
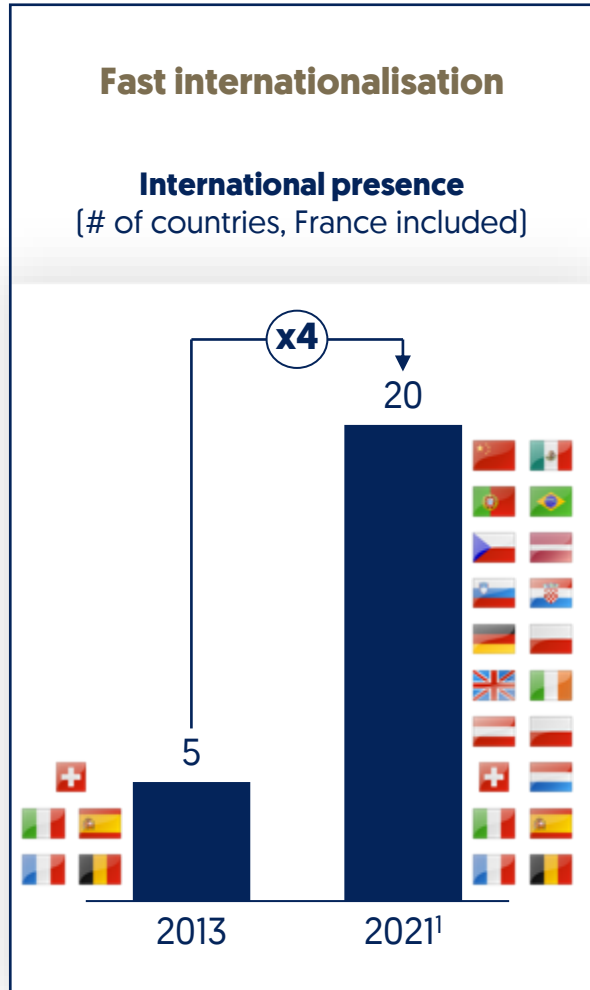
Dysfunctional
management
practices

Excessive,
uncontrolled
international real
estate development

STRONG EXPERTISE AND HIGH-QUALITY CLINICAL PROTOCOLS, BUT SERIOUS FLAWS IN:



Poorly oriented growth, with excessive international and real estate investment, at the cost of too high level of debt



Note: 1) CF financial communication, this amount does not include depreciation disclosed on 26 October 2022, the amount of which is estimated to date at €0.8 – 1bn; 2) This amount was €8.3bn on 30 June 2022

Our priority: look to the future and rebuild

WITH A NEW EXECUTIVE COMMITTEE...



Laurent Guillot
Group CEO
& CEO, France



Fanny Barbier
Group EVP,
Human Resources



**Prof. Pierre
Krolak-Salmon**
Group EVP,
Medical



Dr. Erik Hamann
CEO, Germany



Anton Kellner
CEO, Central &
Eastern Europe



Thibault Sartini
CEO,
New Countries



Laurent Lemaire
Group EVP,
Finance,
Purchasing and IT



Frédérique Raoult
Group EVP,
Communication



Géry Robert-Ambroix
Group EVP, Real
Estate



Geert Uytterschaut
CEO,
Northern Europe



Yen Wang
CEO,
Latin America



Asuncion Zaragoza
CEO,
Spain & Portugal



**...AND WITH
A DEEPLY RENEWED
BOARD
OF DIRECTORS**

Since July, we have worked to address three goals

1
REMEDY

2
ORGANISE

3
RALLY

1 REMEDY: putting the company back on track

**Zero tolerance
for non-ethical practices**

30+ people removed

**A sincere and
transparent
investigation
procedure in case of
allegations against a
facility**

Immediate audits in Austria
and at the Petit Pien clinic
in France

**Review
of the whistleblowing
policy**

Direct alert of the
relevant authorities

Feedback on each
reported case

**Accelerated
recruitment to give staff
the means to do their
jobs well**

Facility managers allowed
to recruit

**Review of the Group
and France support
functions: finance,
purchasing, IT, real
estate...**

In-depth audits
(IT, purchasing)

Definition of
action plans

2 ORGANISE our practices to bring them up to the highest industry standards

Definition of a true HR and social dialogue policy

Normal labour relations set in France to jointly build an ambitious Human Resources policy

Best practices exchange between countries

Creation in France of a Steering Committee on Ethics & Quality Care

Independent and autonomous in its governance and operation

Structuration & reorganisation of the support functions

Monthly account closing, real estate database, 14 priority IT projects, redesign of internal control

Catering plan redesign (France)

Enhanced training
New KPIs focused on safety and pleasure

3 RALLY towards new plans and new practices – to restart our innovation leadership

Initiation of stakeholder engagement to turn them into partners of our refoundation

“États Généraux” in France
(nursing homes)

Launch of the Purpose project

Launch of discussions on the
“mission-driven company ” status

Implementation of ORPEA’s refoundation with our employees

Deployment of internal communication to encourage a direct dialogue with employees

Active contribution to the transformation plan

Initiation of discussions on the care and services of tomorrow

Analyse of the takeaways from the “États Généraux” and the seminars

New services & models sharing between countries

Review of Group's innovation strategy

Leverage of synergies between professions

Initiation of a discussion on de-compartmentalising the activities of nursing homes, clinics and care at home

WITH YOU AND FOR YOU CHANGING ORPEA

1st July

New management
team

- › **New governance** established
- › **Collaborative approach**: visits of facilities, engagement of our staff, patients, residents and their families, and other stakeholders
- › **Immediate action** taken in France : remedy, organise, rally
- › Development of ORPEA's **refoundation plan**

15th November

Refoundation Plan:
vision & targets

- › **Break strategic objectives into operational targets** [initiatives, managers in charge, targets]
- › **Transpose & roll-out the strategy with the countries and the stakeholders**
- › **Restore operational profitability, rethink real estate ownership and return to a durable financial situation**

Our employees' commitment

≈**72,000 employees** (end 2021), very committed to their social mission

Highly qualified healthcare professionals:
60% of caregivers

Our care expertise

Expertise in clinical guidelines combined with investment into specialities (Alzheimer's, child mental health, anxiety, eating disorders...)

Close relationships with patients, their families and local authorities
(healthcare, authorities)

Culture of innovation
(ambulatory, small scale nursing homes, etc.)

Our extended local network

A key private player, among the top 3 in all key markets

1,000+ facilities and ≈88,000 beds across various geographies and activities

Ideally located high-end facilities

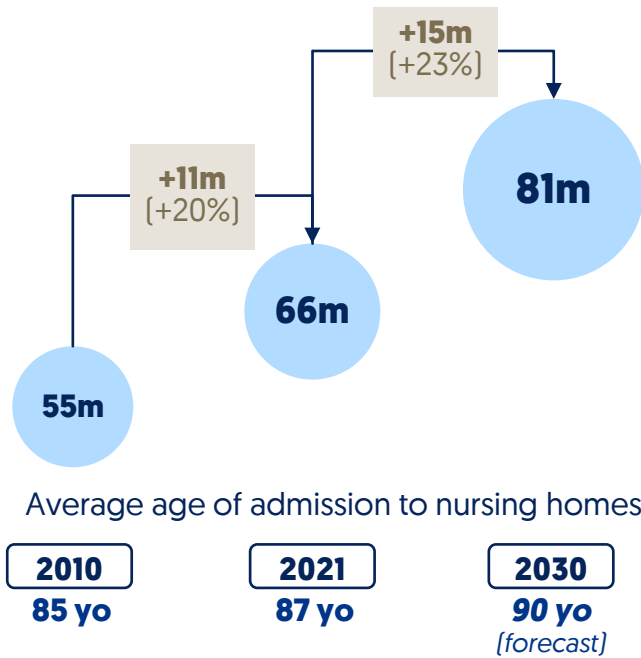
Strong brands recognised across Europe



Increasing demand, a major challenge in our societies

Nursing homes

European population over age 75
(millions, EU)



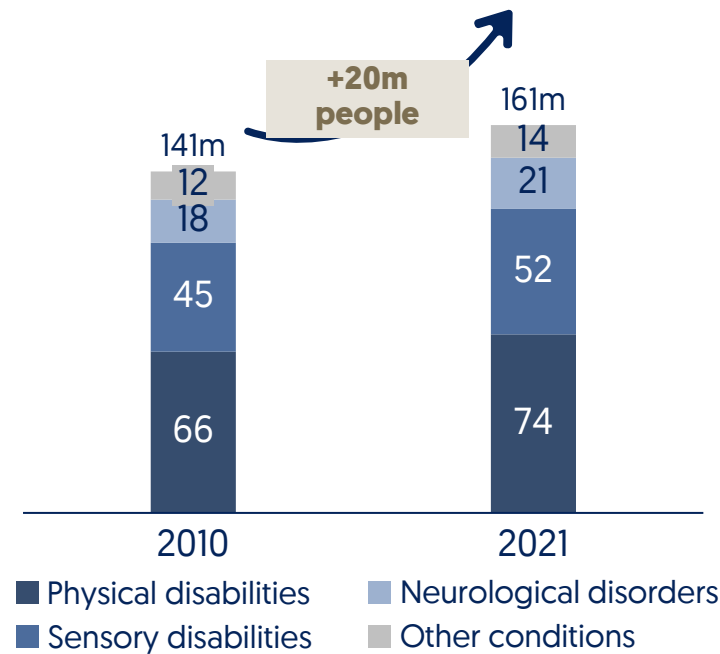
Average age of admission to nursing homes



Source: UN

Rehabilitation clinics

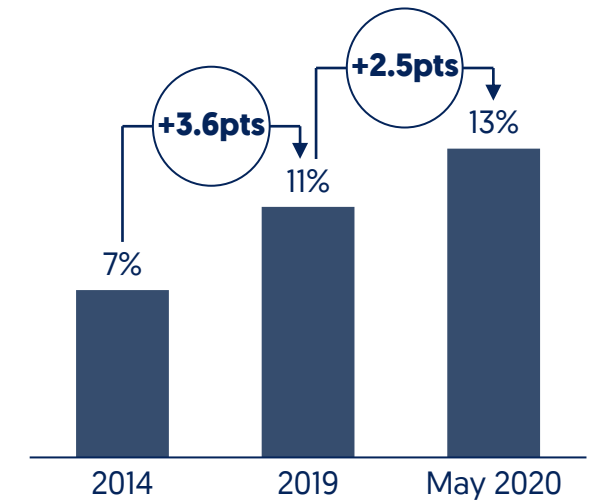
Prevalence among people aged 75+
(millions, EU)



Source: WHO

Mental health clinics

Prevalence of depressive syndromes
(%, 2014-2020, France)



Source: DREES



**We want to become
our sector's leading
player again**



**We therefore
need to CHANGE**

**to give our employees
the means and conditions
needed to accomplish the
mission they are all committed
to:**



**caring for our patients
& residents**



**To this end, we need to
build the bases of
renewed trust**

with all our stakeholders:

**families,
authorities
and financial markets**



WITH YOU AND FOR YOU CHANGING ORPEA

Changing our method

Ethics, collaborative approach involving all stakeholders, symmetry of attention between staff and patients/residents, transparent & efficient operational model

Changing our organisation

Independence of the facilities, new role for support functions, an EVP Medical sitting on the Executive Committee, real estate at the service of operations

Changing our approach to care, support and HR

“Care by ORPEA” based on personalisation, more attention to both care and the caregivers, focus on catering and on excellence in medical practices & care

Changing our financial situation

Restore operational profitability, redesign real estate ownership, return to a durable financial situation

A company fully devoted to the health, care, and life plan of the most vulnerable



WITH YOU
AND FOR YOU
CHANGING
ORPEA

Fanny Barbier

Group Executive Vice President,
Human Resources



A company fully devoted to the health, care, and life plan of the most vulnerable



CHANGING ORPEA

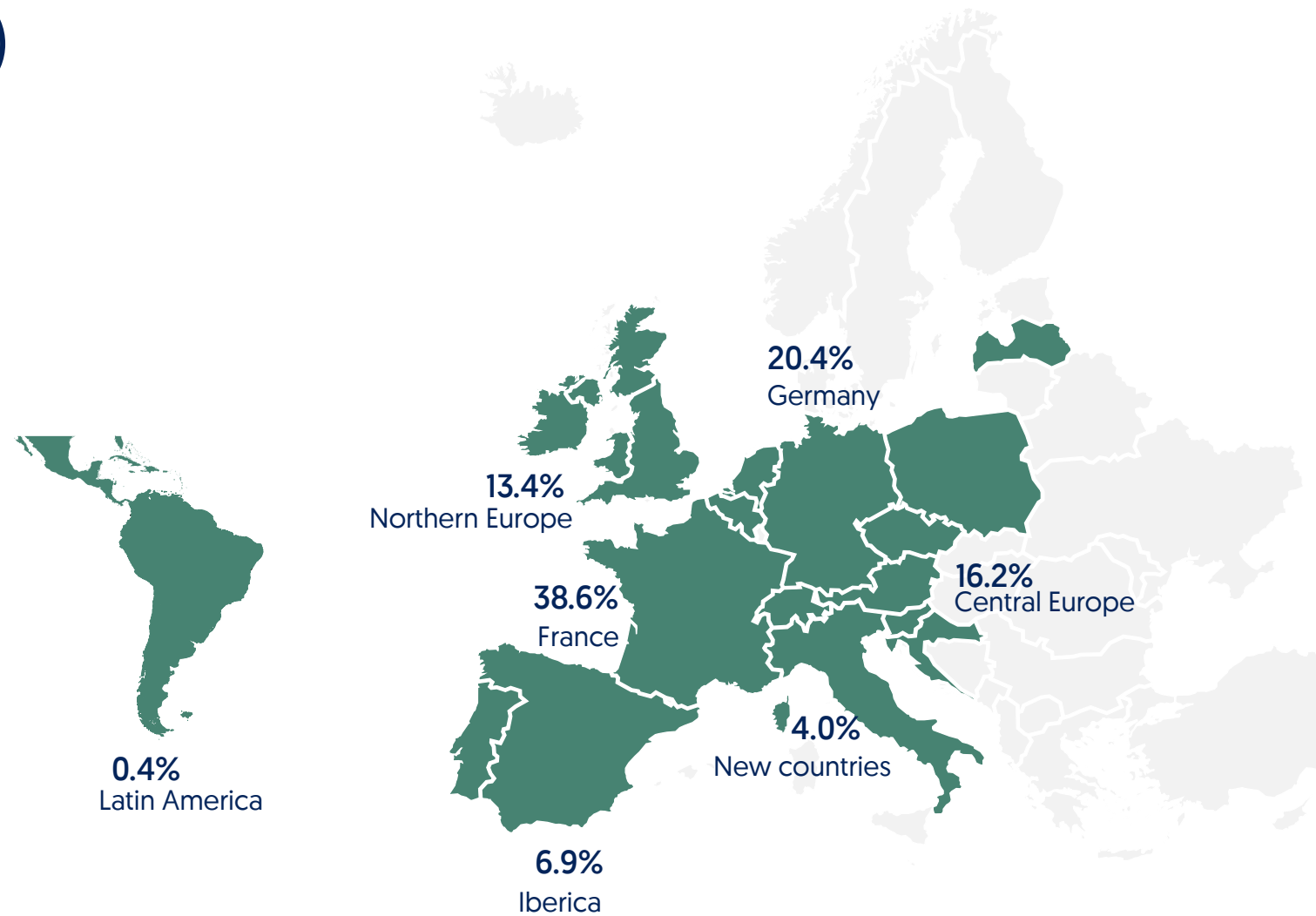
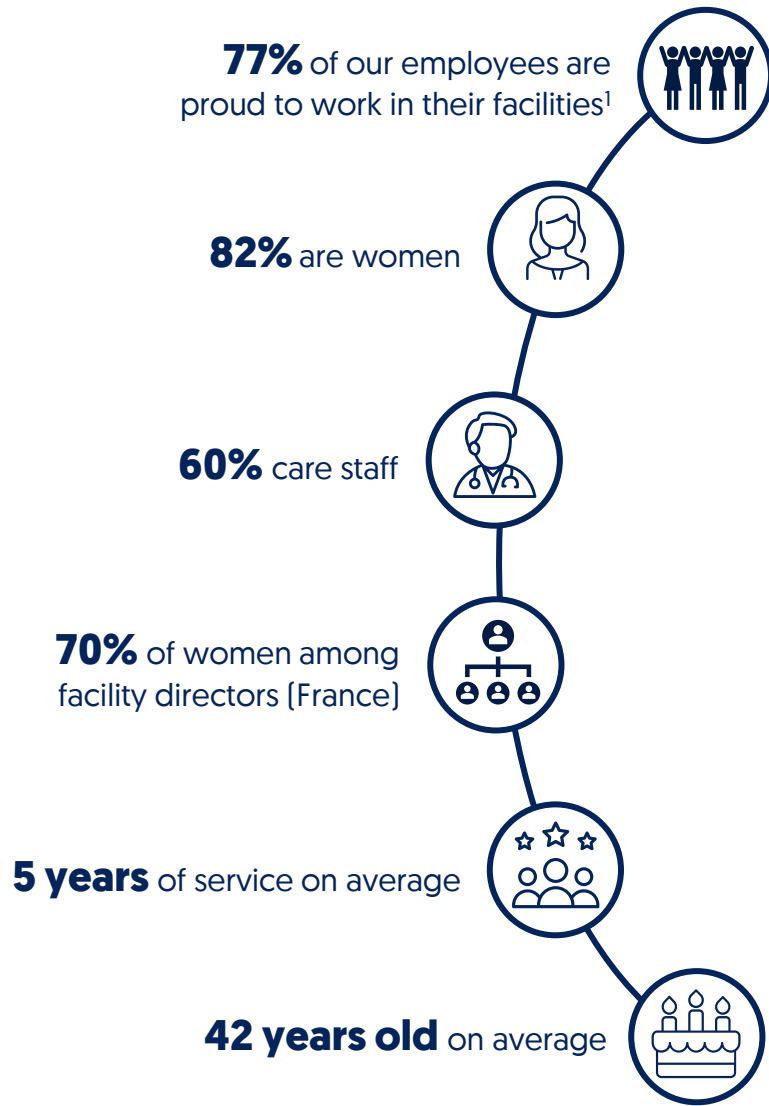
With our **PEOPLE**, to give them the means to do their jobs well and safely

With our **PATIENTS**, our **RESIDENTS** and their **FAMILIES**, to care for them even better and support their life plan

With society, to have a **POSITIVE ECONOMIC & SOCIAL IMPACT**

With our stakeholders, to rebuild a **TRANSPARENT, HIGH-PERFORMANCE MODEL**

ORPEA's strategic asset are its 72,000 employees dedicated to care and health



Note : 1) internal survey

And yet ORPEA has not, until now, taken enough care of its employees

**Low appeal affecting
all professions
across the sector**



**Internal dysfunctional
organisation and
management**



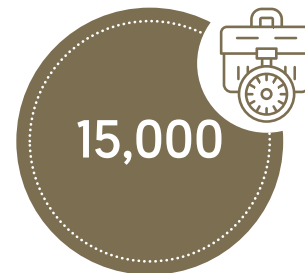
Which are reflected in our operational kpis



Turnover rate



Absenteeism rate



Positions occupied in
part by temporary staff



Accident
frequency rate¹



without any signed
collective negotiation

Care for employees has not been on par with care for patients/residents

Notes : 1) Scope France only, number of occupational accidents with sick leave multiplied by 1 million, divided by the total number of hours worked

Our ambition: a company culture that makes people its key concern and priority

Focusing on health, safety and wellbeing

COMMITMENT, PRIDE
and SENSE OF BELONGING

ETHICS and FAIRNESS

WORK/LIFE BALANCE
& WORKING CONDITIONS

DIVERSITY,
LEARNING &
REWARDING company

OPENNESS when facing
MISTAKES, RECOGNITION
of INITIATIVE

QUALITY LABOUR
RELATIONS, FEEDBACK
CULTURE, TRANSPARENCY

A company culture
focused on care for
our employees,
so they can best
care for our
patients and
residents

From intention to action: five levers to care for our employees



A company rebuilt
on its fundamentals,
with group-wide policies to...



guarantee employees'
health, safety
and wellbeing



effectively attract
motivated recruits



engage, develop
and recognise



build an agile organisation
and foster a new management
and HR culture



establish stronger
HR teams to support
its people

A company that guarantees employees' health, safety and wellbeing

A global approach

- Ambitious common standards based on a CULTURE OF FAIRNESS
- Wellbeing strategy, working conditions, social climate, work environment
- Active prevention policy
- Adapted equipment

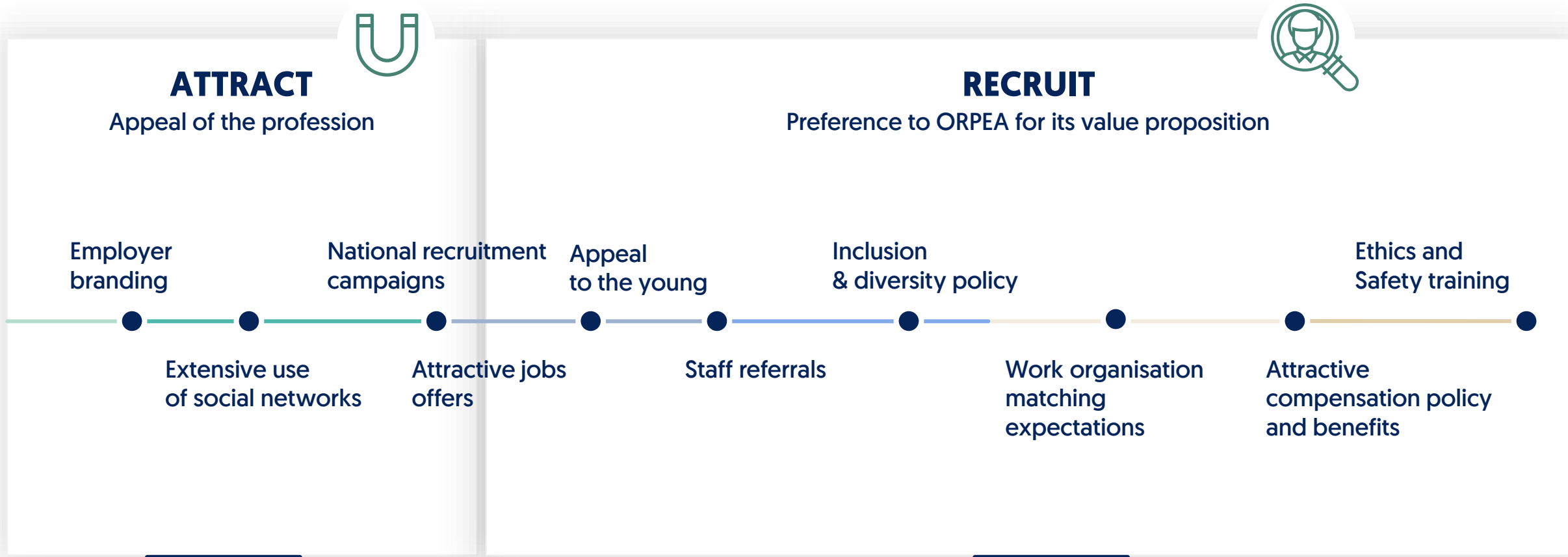
A dedicated organisation

- **Director of Health & Safety appointed by end 2022**
- Regional managers to implement the policy
- Across-the-board deployment in the facilities

A dynamic of continuous improvement

- Managers' training
- Monthly KPI monitoring
- Adapted work schedules
- Employee feedback team
- Local initiatives shared and promoted to improve mental wellbeing

A company that effectively attracts motivated recruits

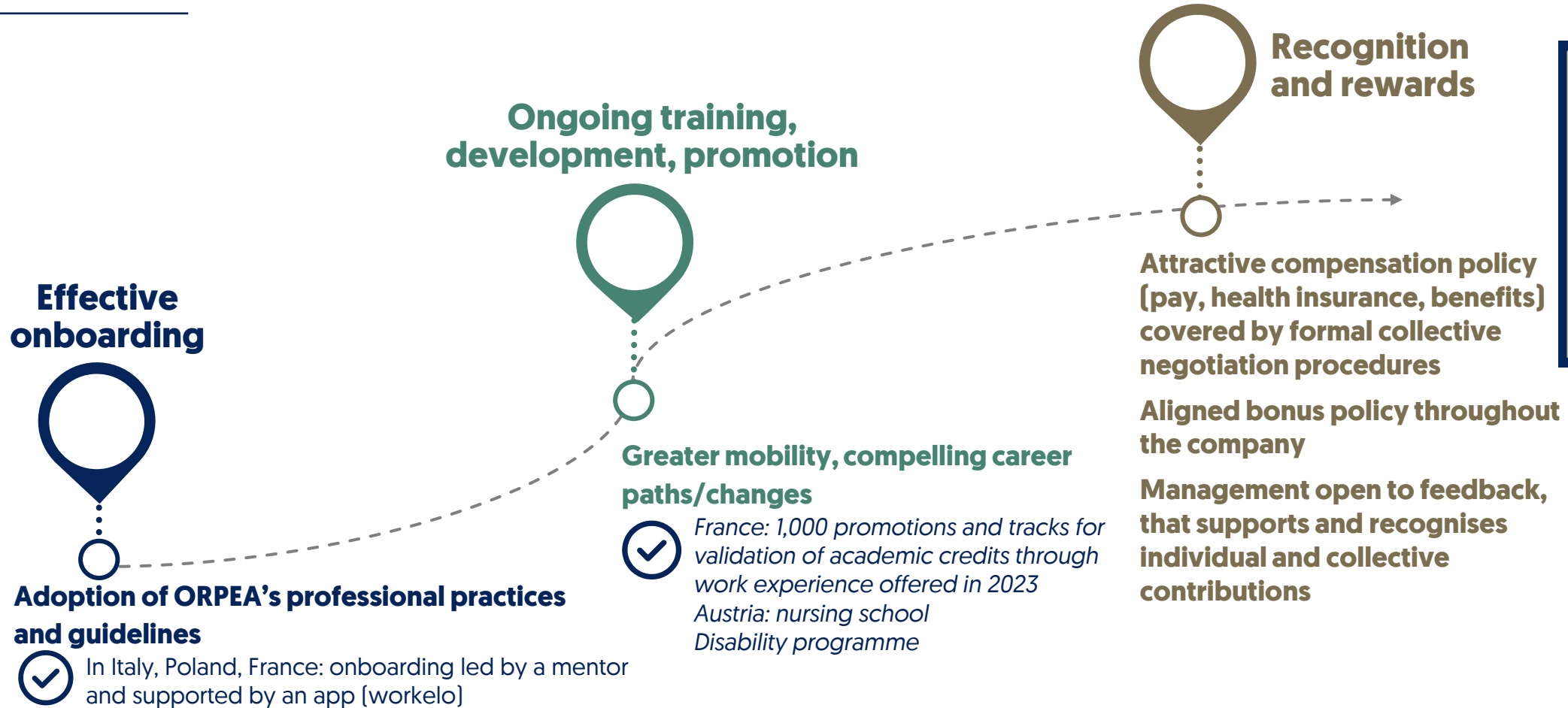


FRANCE

800 recruitments/month (CDI) since September

500 apprentices recruitments in 2022

And that also engages, develops and recognises




Trust
Pride
Sense of belonging

A learning company
Ambitious and constructive labour relations practices

An agile organisation that fosters a new, collaborative management culture

Clarified accountabilities that give back the initiative to facilities



Trained and exemplary management, attentive to employees

Right people at the right positions

Code of ethics

Supervision
of management practices

Engagement metrics

Inclusive and collaborative culture

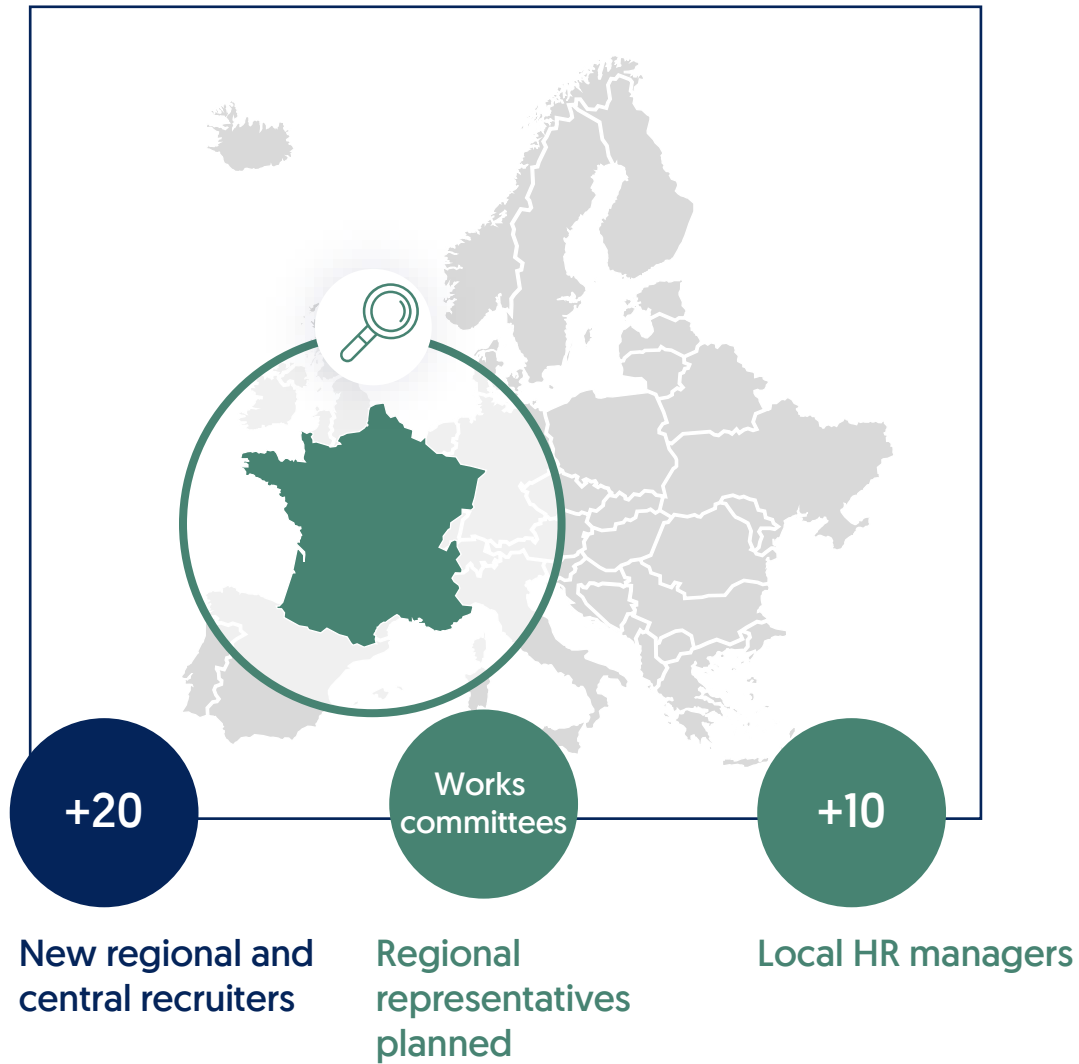
Staff in the field involved
in continuous improvement

Collaborative, progress-driven
labour relations

Active communities
of managers

Team spirit/best
practices sharing

Stronger HR teams, repositioned closer to employees to provide better support



Providing our caregivers the means to do their jobs well



Ensure that the teams are properly sized



Roll out an organisation and tools that simplify day-to-day work



Better plan tasks for a balanced workload and better care for patients



Create the conditions for a friendly, learning environment



Taking care of and supporting our patients and residents

A major change at Group level that will soon bear fruit



WITH YOU
AND FOR YOU
CHANGING
ORPEA

Prof. Pierre Krolak-Salmon

Group Executive Vice President,
Medical



A company fully devoted to the health, care, and life plan of the most vulnerable



Care and support for our patients and residents is the heart of our work, and our full company serves this mission

Our people



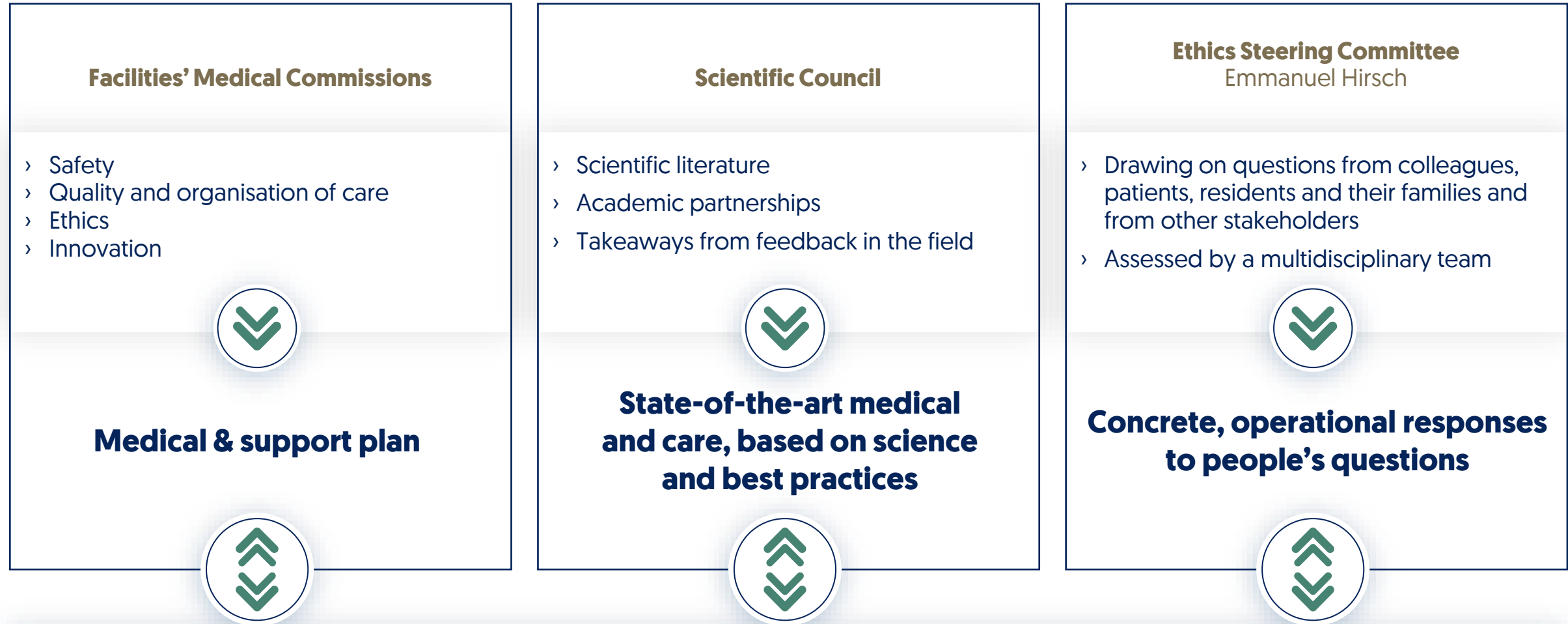
Committed **professional caregivers**, offering **complementary expertise** and backed by all the **support functions and partners**

Our network of facilities & services



An **extensive network of outpatient & care at home services, mental health clinics, rehabilitation centres, assisted living and nursing homes**, recognised locally and internationally for its specialisations, know-how and real estate

Our care and support policy for patients and residents is based on three strong pillars



Foster quality, human resources and medical & business performance

To keep our promise of quality, our caregivers need time and top-level skills/expertise

They need **TIME** to provide care & support



We deliver through **innovative organisations, high-performance IT** and **adequate staffing** levels

They need to be confident about their caregiving **SKILLS** and **EXPERTISE**



We deliver through **training programmes** closely matched to employees' needs

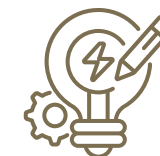
An organisation at the service of quality care for patients & residents



Establish Quality Standards built on medical/care, scientific and ethics criteria



Monitor & audit care KPIs across the organisation



Develop a benevolent, non-stigmatising and learning quality culture

Playing our part fully in all aspects of care



Deliver excellence in accommodation and food, incl. locally sourced & appetising meals



Offer activities related to each patient's/resident's history and personality

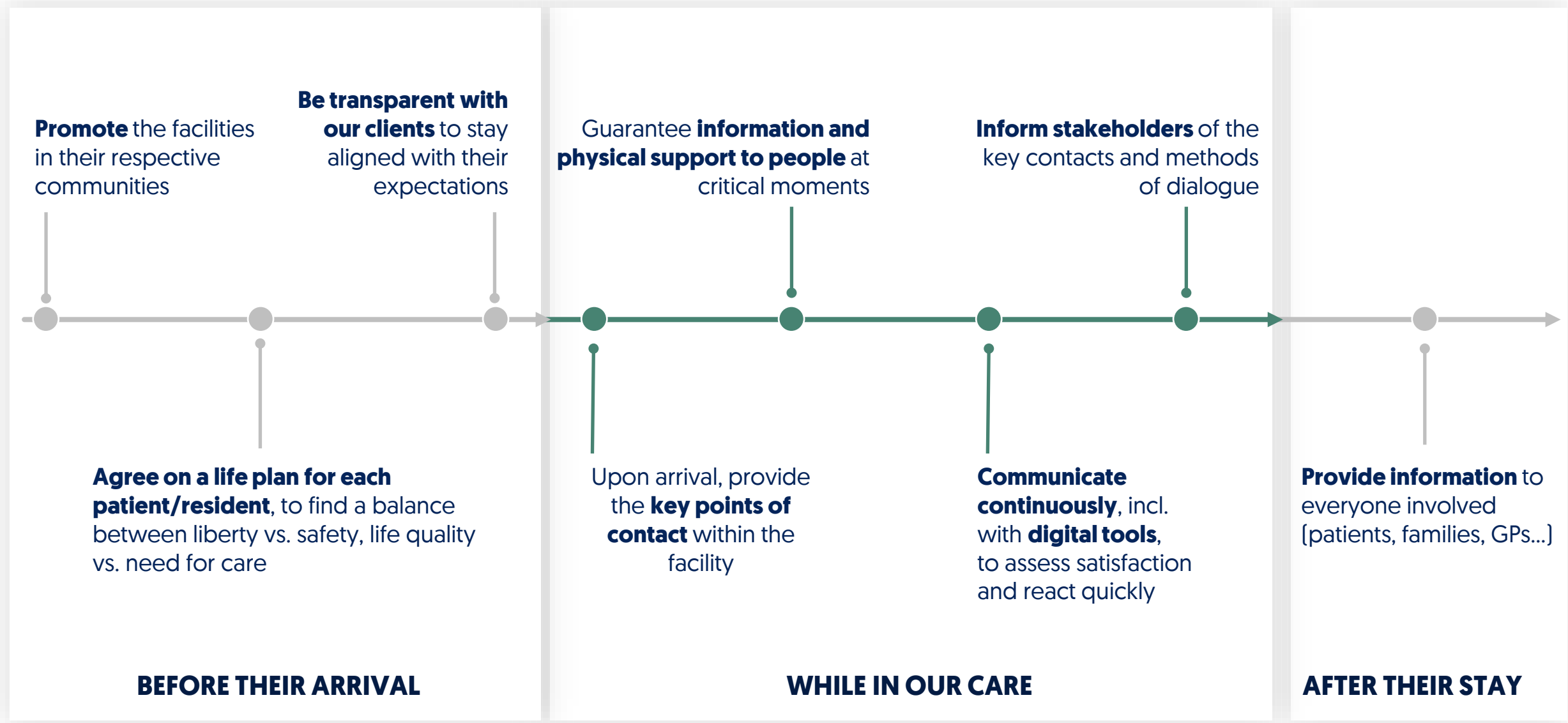


Encourage patients/residents' "skills" and a role in society, however modest, in line with their aspirations and abilities



Maintain the connection with the families, other patients/residents, and the local community

Communicate even more actively between teams and with our patients/residents and their families



Personalise support to our patients and residents

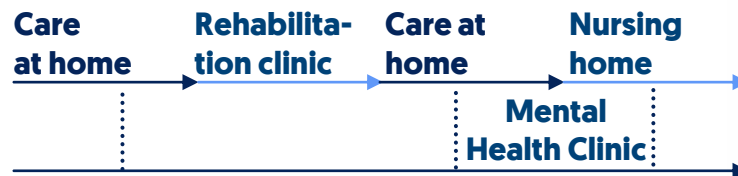
Arrival

A personalised **welcome**:

- › A plan defined with the patient, the resident and/or their families
- › A discussion of trade-offs between quality of life vs. safety, freedom and need for care, privacy vs. collective time
- › Support to families

Care journey

For illustrative purposes



By personalising their care journey according to each individual situation, into a stage-by-stage, integrated whole **within the group and with other local providers** (private partners) – **and leveraging the care our home offer**

Services

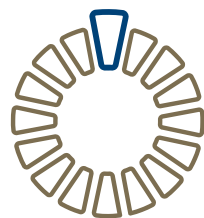
By personalising the **services** we offer, enabling us to better understand expectations and needs

To provide the best possible care, we need a balanced medical-financial model



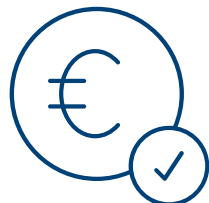
Occupancy rate

Ensure a high level of occupancy, aligned with pre-Covid levels and sustainable in the long run



Offer segmentation

Develop the most relevant and personalised offer to meet the needs of each patient and resident



Fair price

Offer segmented and adequately priced services (based on the location, standard of the rooms, services) in each facility

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AND FOR YOU
CHANGING
ORPEA

Laurent Guillot

Group CEO
& France CEO



A company fully devoted to the health, care, and life plan of the most vulnerable



Building a sustainable company

1

Rebuild an ethical organisation



2

Continue to reduce our energy consumption & greenhouse gas emissions



3

Establish lasting roots in local communities



1 We have already started to rebuild an ethical organisation, involving all our employees

Governance



DEEP RENEWAL OF THE BOARD OF DIRECTORS, INCL. ITS CHAIRMAN



NEW NATIONAL ETHICS STEERING COMMITTEES

Operational in Belgium and Germany, being created in France



LEADING BY EXAMPLE, WITH A ZERO TOLERANCE POLICY

At all levels of the organisation

Prevention



ACCELERATION OF ANTI-CORRUPTION TRAINING

100% of the Executive Committee and 34% of target employees trained



TRAINING PROGRAMME ON THE NEW CODE OF ETHICS

- › 100% of facilities managers and of team leaders trained, i.e. 15% of all employees: 100% target for 2023
- › 300 employees to be trained (AFNOR-certified) by 2024



INCREASED VISIBILITY AND SIMPLIFIED ACCESS TO THE INTERNAL REPORTING PLATFORM

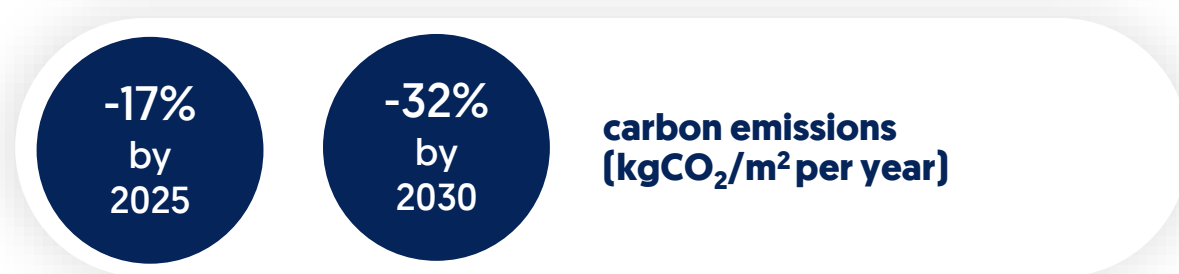
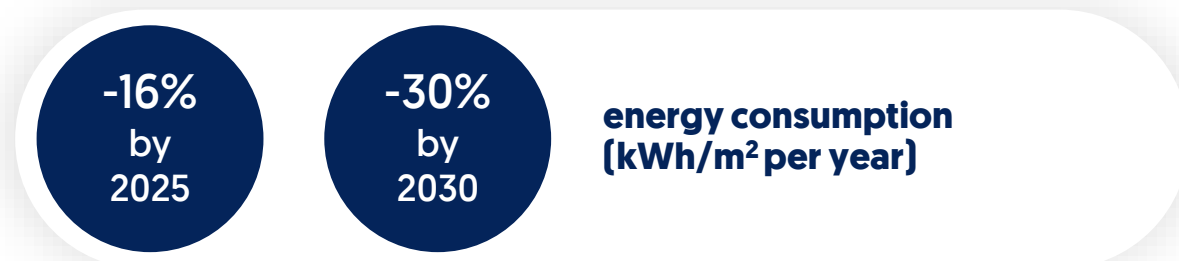


GROUP CAMPAIGN ON THE DECLARATION OF CONFLICTS OF INTEREST

Whistleblowing

2 A big first step in GHG emission reduction: we are implementing now our long-term “green building” strategy

- **Renewable energy produced** locally at the facility level
- **Energy audits:** 60% of facilities in France already audited
- **Water-saving equipment** installed at facilities
- **70% of construction site waste** reused
- **100% of new buildings certified** (LEED, BREAM)
- **Energy Managers recruited** to implement this strategy



Investments already earmarked to cut our energy consumption by 5% to 10%

3 We take our responsibility and establish lasting roots in our facilities' local communities

Stronger ties with our local communities

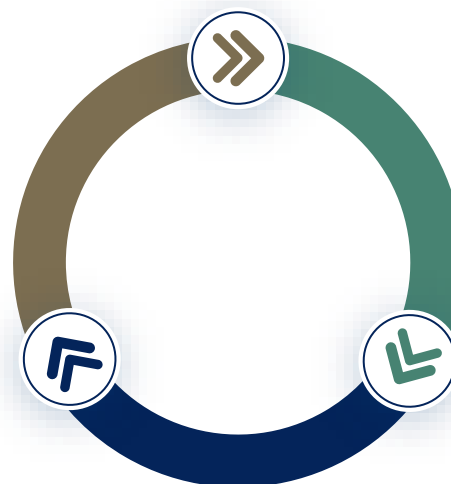
Procuring **fresh, local** food from **local suppliers** when possible



Building connections with **local stakeholders**, e.g. by allowing facility managers to sign local partnerships



Reaching out to the local elderly: through services [online training], seminars [for carers]



Integration in the care system

Establishing **ties with local healthcare practitioners**
Building **partnerships with local operators**, whether or not they belong to our network, to ensure everyone enjoys the best care journey



Working with local authorities to better meet their needs and become a trusted partner, e.g. partnerships with caregiver training schools in each region



Opening our facilities to the public



Services to the public: restaurants and other amenities [already done in Switzerland]

Real estate development for the facilities, with open access for local communities

Our transformation, starting with the work on our Purpose and the Changing Orpea plan, will lead us towards the “mission-driven company” status

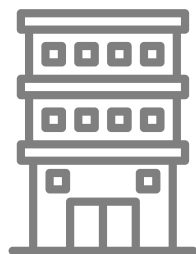


A company fully devoted to the health, care, and life plan of the most vulnerable



Building a transparent, high-performance operational model

1
Put real estate back at the service of operations and review our asset ownership policy



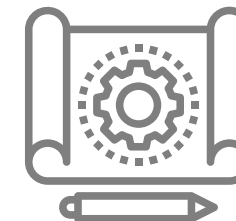
2
Provide more effective support to our facilities



3
Share reliable, enhanced and transparent external reporting



4
Reshape Group's future perimeter



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ORPEA

Géry Robert-Ambroix

Group Executive Vice President,
Real Estate



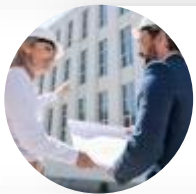
1 Put real estate back at the service of operations and review the asset management policy

Real estate at its right place :
an **activity at the service of operations**



A **strategic activity** for ORPEA

A key component of
operational excellence



Strong know-how
in development

A **value-adding** activity



Reviewing our **asset ownership policy**:
the “**CAPEX RIGHT**” strategy

Target of 20% to 25% of owned real estate in ORPEA’s portfolio

Already identified facilities worth €1bn+, to be divested as soon as market conditions enable

In the medium run, creation of a real estate vehicle dedicated to ORPEA

ORPEA to remain the main shareholder and operator

Capital open to long-term investors

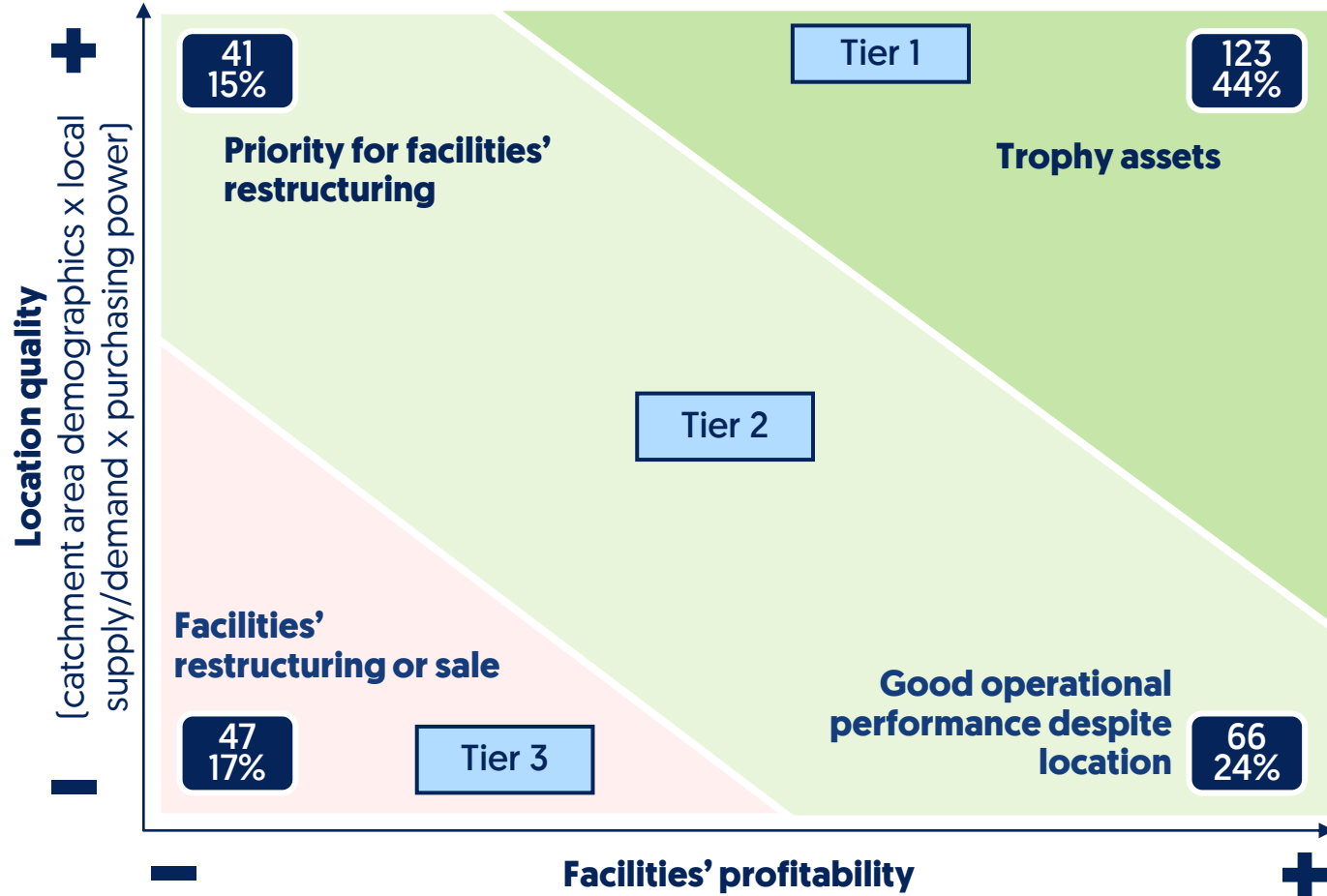
Meeting the highest standards of governance

Preferential access given to ORPEA’s project pipeline

1 A high-quality portfolio to implement the Capex Right strategy

CURRENT PORTFOLIO

2022, # of facilities, top eight countries (excluding non-mature facilities)



PORTFOLIO SEGMENTATION:

- > **Facilities' profitability** sufficient to finance the real estate
- > **Quality of the location:**
 - Catchment area demographics
 - Local supply vs. demand
 - Local purchasing power



Legend **XX** # of owned facilities
XX% % of total owned

Note : : For the purpose of this presentation, facilities also include individual reporting units used to track certain performances (out patients, partial revenue contributors...) and as such differ from the number usually tracked in the Group's releases.

1 In the future, a demanding set of criteria to ensure profitable and sustainable development

Highly selective criteria for future developments



Focus on activities and markets where we have a leading position



Selective development with both:

- › **Double-digit EBITDA margin**
- › **High single-digit development profit margin**



Real estate offer serving innovative approaches to care,
e.g. outpatient mental health clinics, small-size nursing homes
[Dutch model]



Dagelijks Leven model (Netherlands)
20 to 25-bed facilities, popular with residents
and meeting ORPEA's profitability criteria



**Our ambition: have most property development activities carried out
by the future ORPEA property company**

WITH YOU
AND FOR YOU
CHANGING
ORPEA

Laurent Lemaire

Group Executive Vice President,
Finance, Purchasing and IT



2 Our priority: provide more effective support to our facilities better so that they can focus on care

High-performance IT

- » Bring IT **up to standard**
- » Ensure operational **tools to work as intended properly**
- » Refocus IT on **user needs**

**Investments required to meet these needs:
2022-25 IT Capex estimated at \approx €370m**

Efficient purchasing

- » **Top priority: ethical purchasing practices**
- » Provide our facilities with **quality purchasing, at the right price** and easy to implement
- » Develop **local procurement**
- » Strengthen the **contribution of Purchasing** to ORPEA's **CSR policy**

**€30m of savings,
factored into the business plan**

Simplified finance & admin management

- » **Simplify processes and reporting**
- » **Pooling some tasks within dedicated support teams** to relieve the facilities

3 Share reliable, enhanced and transparent external reporting

1

Support data production with reliable and robust internal processes and information systems



2

Gradually enrich reporting with non-financial KPIs (e.g. occupancy rates, safety, quality, patient/resident satisfaction)



3

Distinguish between the performance of operational activities and real estate activities



4

Distinguish between the performance of mature activities and ramp-up facilities



4 Review ORPEA's future footprint according to each country's strategic value

Refocus our geographical scope on the countries where we have:



- › **A leadership position (in the private-sector segment)**
- › **The ability to manage the safety and quality of operations** (e.g. distance, management quality, asset quality)
- › **Financially sustainable operations**, generating double-digit Ebitda margin (after rent)
- › The potential for **profitable development (organic and M&A)**



Core and value-creating markets



2025 revenues	€5,226m
2022 EBITDA¹	€371m
2025 EBITDA¹	€697m

Operations restructuring or divestment



2025 revenues	€876m
2022 EBITDA^{1,2}	-€12m
2025 EBITDA^{1,2}	€48m

Notes: 1) Pre-IFRS 16 EBITDA; 2) Includes group-level consolidation adjustments

WITH YOU
AND FOR YOU
CHANGING
ORPEA

**Dr.
Erik
Hamann**

CEO, Germany



Focus on Germany

ORPEA operates in all segments in Germany and is positioned as a premium player in a large market



ORPEA Germany covers all lines of business

of ORPEA facilities (2022)



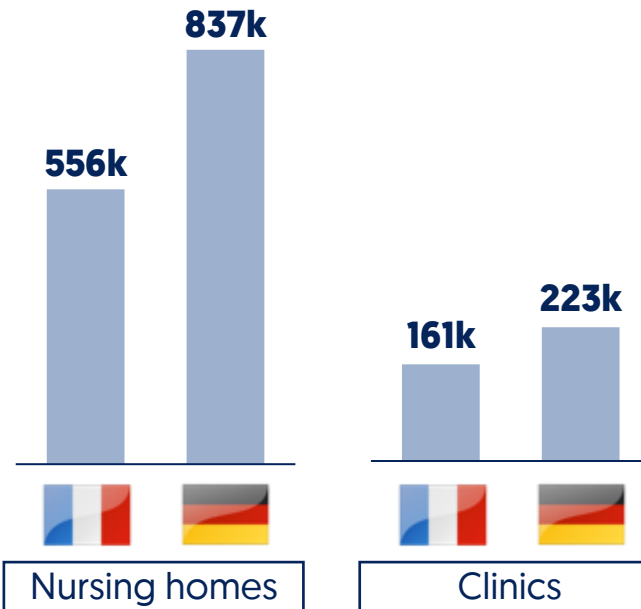
18 local brands



2022

In a large and deep market

Demand for nursing homes and clinics [# residents, # patients, 2021]



ORPEA Germany is a premium player

Selected nursing home figures

> Average daily rate above the market



> Only player in Germany with a major room premiumisation programme

18% of premium room capacity

> Continued expansion in the Assisted Living segment

+5 EBITDA pts for Assisted Living vs. Nursing homes

Note: For the purpose of this presentation, facilities also include individual reporting units used to track certain performances (out patients, partial revenue contributors...) and as such differ from the number usually tracked in the Group's releases.

Clear objectives have been defined for each pillar of our plan, following stakeholder consultation and benchmarking against the market's best practices



People

Improve recruitment and retention through strong initiatives (e.g. the ORPEA School) and by promoting the employer brand in the local labour market

Patients, residents and their families

Offer personalised room and activity options to our residents and patients, as well as complementary care models (e.g. assisted living residences) to meet their needs

Positive social & economic impact

Source locally and pursue green initiatives in the fields of insulation, lighting and building materials

Transparent, high-performance model

Ensuring our operations' sustainability through procurement savings and restructuring measures

Taking care of our employees: some of our proposed actions to make ORPEA attractive, ensure employee wellbeing and increase retention



Our HR vision

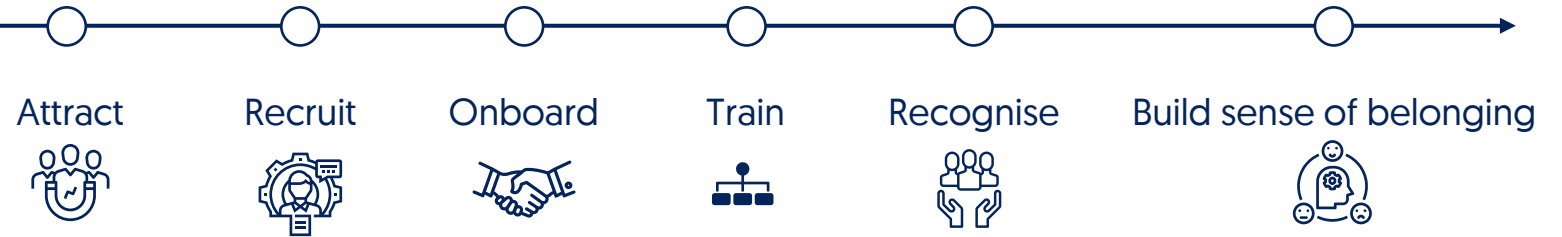
- › **10,900 full-time employees**
- › **incl. 6,200 care staff**
- › **≈620 care staff vacancies** in 2022
- › **+25% turnover rate**



The shortage of caregiving staff limits the intake of new residents

Our HR structure

Improve recruitment & retention



- › **Opening of the ORPEA School**
- › **Employer brand campaign**
- › **Recruitment of nurses abroad**
- › **Promotion of long-term career paths**
- › **Retention policy for leaders**

We commit to engage our employees from the moment they apply and throughout their careers

Going beyond traditional assisted living with a range of quality, autonomous and flexible residences to meet residents' appetite for flexibility



Assisted living +: our residents' needs



- › **Average age \cong 80 years**, vs. 85-90 in conventional nursing homes
- › **Residents frail but still self-sufficient and wishing to live independently**
- › **Demand for a high-end amenities:** flats (rather than rooms) with additional services
- › **Need to be reassured** by access to nursing home-type care

Assisted living +: what we offer



- Our ambition: offer an “assisted living +” model that provides lifestyle flexibility and comprehensive care
- › **Mixed nursing home / assisted living model**, skewed towards assisted living but providing a feeling of safety
 - › Combining insurance **reimbursements for care** and **free prices on rents and services**
 - › **Take a “test & learn” approach** as the network expands

We are committed to meeting our patients' need for leading outpatient rehabilitation services



Outpatient clinics: our patients' needs



- › **Decreasing need for hospitalization** thanks to less invasive surgery
- › **Increasing demand for outpatient rehabilitation services** that do not require overnight stays away from home



salvea outpatient clinics: what we offer


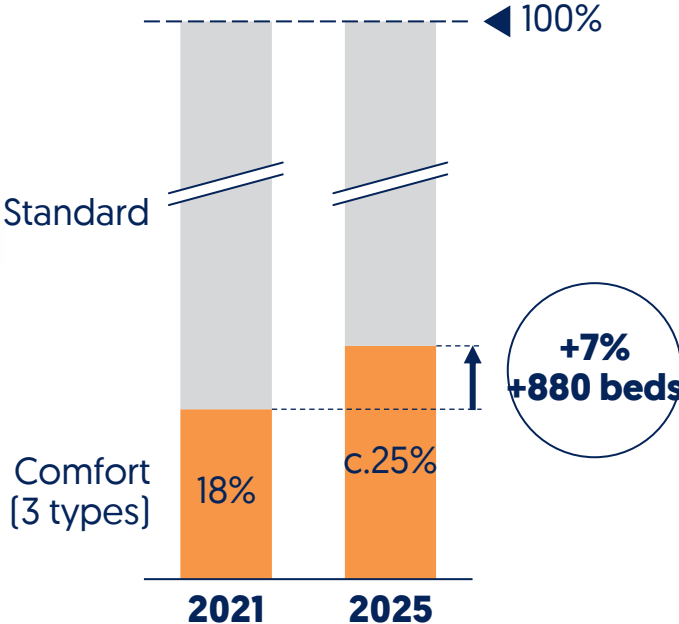




Our ambition: strengthen our Salvea outpatient brand to meet the expectations of patients and colleagues

- › **Offer patients treatment** in the outpatient setting of their choice
- › **Attract practitioners** with appealing facilities
- › **Selectively expand our network in high-traffic locations**

We offer personalised solutions to our residents, meeting their needs for comfort & quality of life while remaining accessible to all



Standards	Services	Mix of standards in Germany									
<p>COMFORT PREMIUM</p> 	<ul style="list-style-type: none"> › High-end furniture and bathroom 	<p>Mix of standards in Germany</p>  <table border="1"> <caption>Mix of standards in Germany</caption> <thead> <tr> <th>Year</th> <th>Standard</th> <th>Comfort [3 types]</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>82%</td> <td>18%</td> </tr> <tr> <td>2025</td> <td>75%</td> <td>c.25%</td> </tr> </tbody> </table> <p>+7% +880 beds</p>	Year	Standard	Comfort [3 types]	2021	82%	18%	2025	75%	c.25%
Year	Standard		Comfort [3 types]								
2021	82%		18%								
2025	75%	c.25%									
<p>COMFORT</p> 	<ul style="list-style-type: none"> › Small built-in fridge, quality bed, wall coverings, wardrobes 										
<p>COMFORT BASIC</p> 	<ul style="list-style-type: none"> › TV, bedside lamp, small fridge › Ideal for short-term stays (<30 days) without moving one's possessions 										

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Laurent Guillot

Group CEO
& France CEO

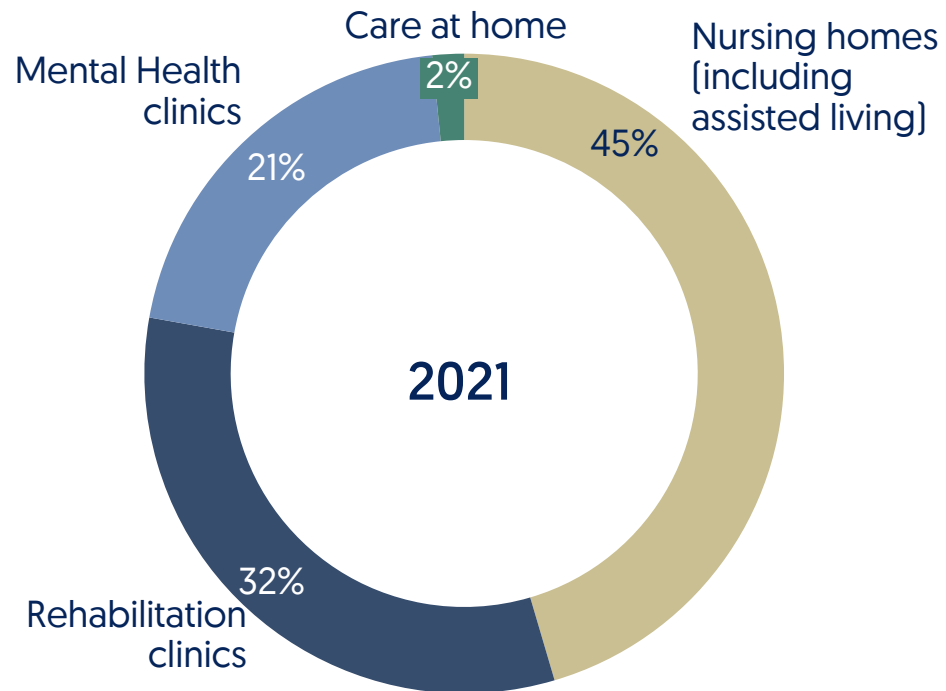


Focus France



French revenue breakdown by line of business

[2021]



- Key country for ORPEA, with a great wealth of activities, expertise and committed employees
- Extensive local presence thanks to a unique network among the French private market, enabling care continuity across each health territory
- Work underway to reshape the organisations so that support teams can better help facilities, esp. regional based teams
- Trusting relationship with patients, residents, their families and local stakeholders (local authorities and elected representatives)

Employees' safety & wellbeing: a priority for France



Foster a culture of employee safety (supervised by a Health & Safety Director in France, with officers in the regions)

Use our know-how in rehabilitation, prevention and psychology to improve our risks assessment tools & actions

Invest in equipment (ceiling rails, electric beds) **and training to reduce the accident rate** (from onboarding)

Pay attention to our employees' physical & psychological health and their wellbeing (hotline with psychologists already in place for employees)

Give autonomy to local teams to fulfil their care mission



A co-developed facility-level plan to unite the staff and stakeholders (2023/2024)

Autonomy to carry out this plan (recruitment, training, communication tools)

KPIs to enable them to manage their work (quality, HR and financial)

More autonomy for the facility manager to lead his/her team and bring their facility project to life



Foster a close relationship between our residents, patients, their families and our organisation at all levels



Launch an annual approach, in the spirit of the “États Généraux”, for all our activities

More than **2,000 participants** (employees, residents, elected representatives, etc.)

who enabled us to **set priorities** and define a **roadmap**

An **event that should become a ritual** with the families

Next edition **in 2023**



Offer residents, patients and their families a role as partners

Manage the **family - facility relationship** at the facility level, beyond “conseil de vie sociale”, including a redesigned family application

Identify **ORPEA family/resident/patient** representatives, from the facilities to the regions





Medical & Ethics



Promote gateways between activities locally and exchanges of know-how (e.g. depression of the elderly)

Establish a Care Department that will share management practices throughout the organisation

Build partnerships with academic and research institutions (nursing schools, hospitals)

Train additional Ethics & Quality Care contact persons to provide answers in the field and disseminate good practices
(in partnership with standards agency AFNOR)

Quality and safety control



Separate and weight transparent KPIs, balancing quality/safety vs. financial performance

Align individual bonuses between quality/safety vs. performance, across the entire reporting line (from the CEO to the facility managers)



Optimise catering quality, a major element of the offering in our plan



A promise to our patients, residents and their guests

- › **Nutritional values reviewed by specialised teams**
- › **Have taste and choice** (alternative menu, local and seasonal products)
- › **Regular satisfaction surveys to react quickly**



Resources for our catering teams

- › **A multidisciplinary nutrition and catering committee**, also sharing good practices
- › Training of our chefs by an organisation of starred chefs (**partnership with Ducasse Conseil**)
- › **Regional buyers** to enable better sourcing and more support for establishments

Feed

Treat

Bring together

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Laurent Lemaire

Group Executive Vice President
Finance, Purchasing and IT



Financial performance

2022-2025: +9% annual revenue growth / +340bps of EBITDAR margin

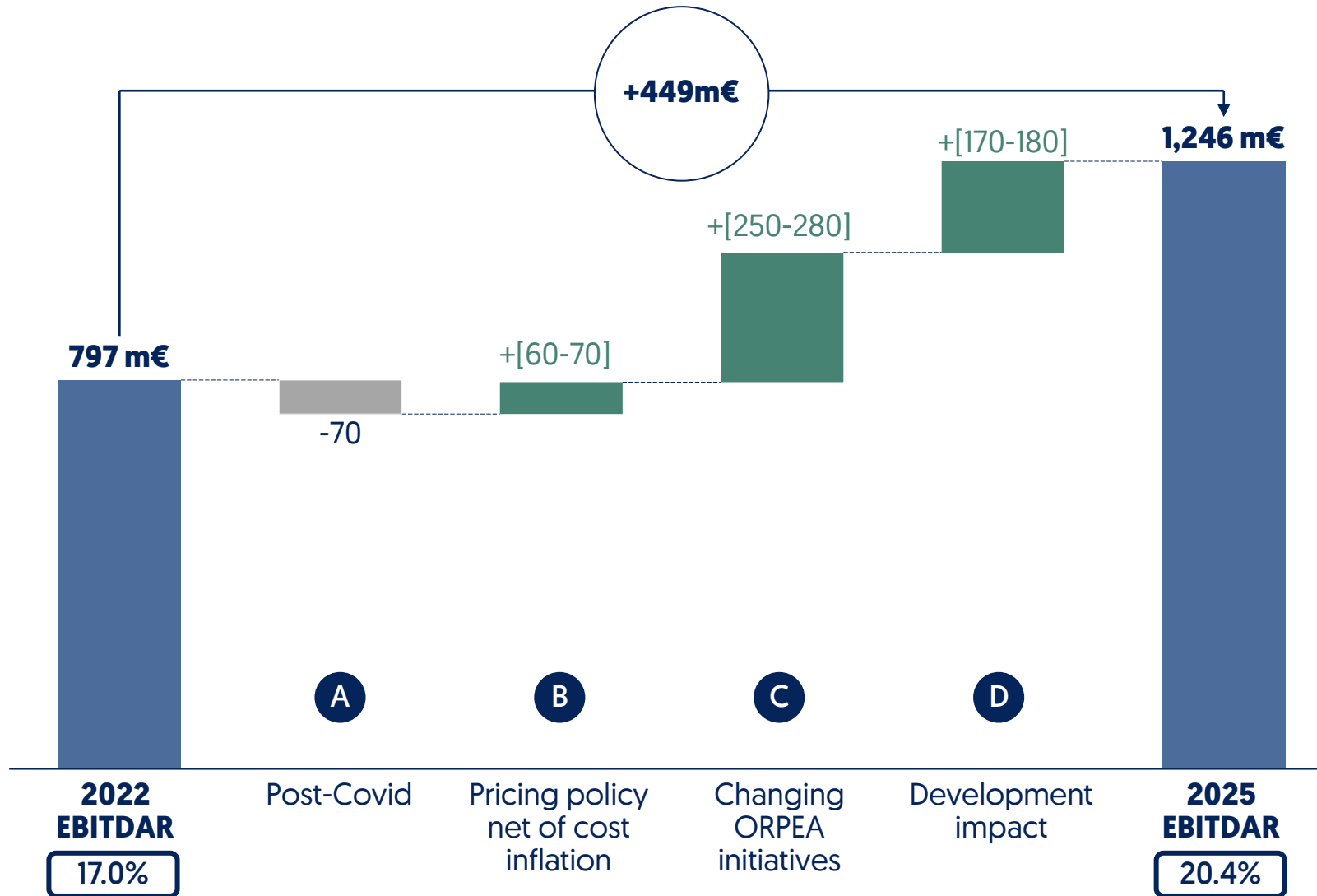
	2022	2025 ¹	CAGR 22-25
REVENUES (€m)	€4,688m	€6,102m	+9%
EBITDAR (% revenues)	€797m (17.0%)	€1,246m (20.4%)	+16%
Pre-IFRS 16 EBITDA² (% revenues)	€358m (7.6%)	€745m (12.2%)	+28%
# FACILITIES	1,053	1,173	+4%
# BEDS	87,716	96,806	+3%

2022-2025 DYNAMICS

- › **c.75% of the increase in the Group's EBITDAR margin rate comes from improvements in France** [recovering occupancy rates and costs management]
- › **c.25% comes from the turnaround of the international business**, which continues however to be less profitable than group's average

Notes: For the purpose of this presentation, facilities also include individual reporting units used to track certain performances (out patients, partial revenue contributors...) and as such differ from the number usually tracked in the Group's releases; For the purpose of this presentation, presented beds number is limited to those of the nursing homes and clinics activities and does not include flats and assisted living usually tracked in the Group's releases [1] 2025 projections based on 2022 geographical scope, [2] IFRS 16 EBITDA - external property rental expenses not included in IFRS 16 EBITDA (net of all external property rentals)

EBITDAR margin target of 20% in 2025 (up c.€450m from 2022 to 2025), driven mainly by the initiatives of the Changing ORPEA plan



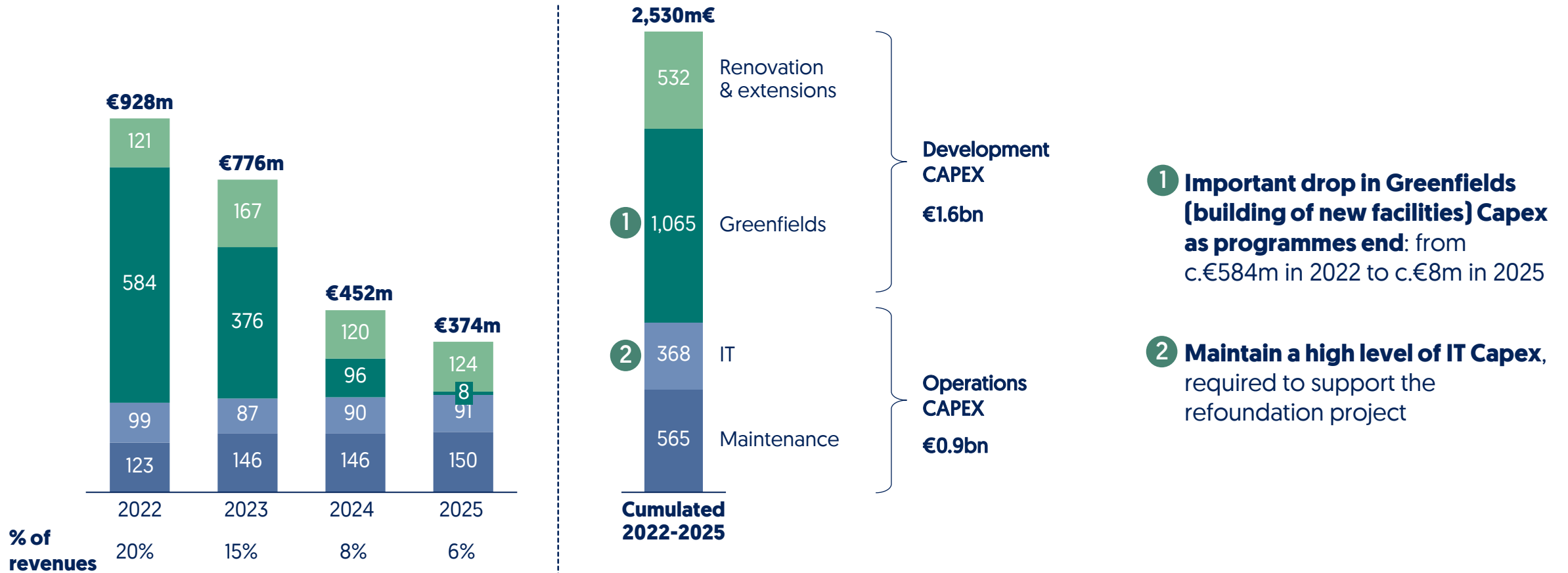
- A** Post-Covid:
 - › Impact of Covid subsidies termination
- B** **Net inflation effect** between pricing policy and cost inflation
- C** **Price and volume gains** thanks to the **Changing ORPEA initiatives**, including the recovery of occupancy rates to pre-Covid levels
- D** Increased EBITDAR generated by ramp-up facilities

xx% Marge d'EBITDAR

Levers	BP impact on EBITDAR 22-25	Key initiatives
People	€60 – 65m	<ul style="list-style-type: none"> › Reopening of beds thanks to the hiring of additional caregivers › Permanent contracts offered to temporary staff
Patients, residents and families	€155 – 175m	<p>Recovery of occupancy rates to pre-Covid levels</p> <ul style="list-style-type: none"> › Offer segmentation (occupancy and price effects) › Personalisation of rooms, specialisation of care and improvement of activities offered to residents
Transparent, high-performance model	€35 – 40m	<ul style="list-style-type: none"> › Improvement of the purchasing policy, especially on maintenance and indirect purchases › Efficiency of support functions
Total	€250 – 280m	

A very sharp drop in Capex driven by the end of the Greenfield programmes

Group investment plan (€m, 2022-2025, excluding M&A Capex)



Strong improvement in cash-flow generation

€m	2022	2023	2024	2025	Gap 2025-2022
Operating cash flow ¹	59	132	295	471	+412
Development Capex	-705	-544	-216	-132	+573
Net total	-646	-412	79	339	+985

Note: 1) Pre-IFRS 16 EBITDA - change in WCR - maintenance & IT CAPEX - tax

Why the June 2022 plan cannot be implemented as planned

1

The plan relied heavily on massive disposals of real estate assets

- › A binding commitment on real estate disposals of at least €2bn over 2022-2025 (including €1bn in 2023)
- › In its internal business plan, ORPEA planned real estate disposals reaching €3bn over the period 2022-2025, including €0.7bn in the first quarter of 2023

2

In Q2 2022, ORPEA was already in advanced and promising negotiations with various real estate investors

- › Negotiations on both mid-sized deals and larger asset portfolios

3

The context has evolved in a very unfavourable way since last spring

- › The real estate market has slowed considerably as interest rates skyrocketed → fewer transactions
- › The perception of ORPEA's financial solidity has deteriorated, making it more difficult, if not impossible, to sell or lease out properties → the counterparty risk is deemed excessive by third parties
 - Operating performance: inflation, occupancy rates (Press releases of 12 Sept 2022 and 28 Sept 2022)
 - Asset impairments, financial covenant risks (Press release of 26 Oct 2022)

4

Direct consequence:
It's impossible to implement the property disposal plan as imagined in June

- › Only one deal closed to date, for €125m in the Netherlands (announced in July)
- › No other deals have been completed to date and negotiations have become tougher since October
- › A few medium-sized deals might be completed but there is no certainty at this stage
- › No solid prospects for significant deals to be completed in a reasonable timeframe

5

Indirect consequence:
All other measures that were to ensure the viability of the June plan are called into question

- › The real estate disposals foreseen in the June plan were the cornerstone to restoring ORPEA's financial shape and rebuilding the Group's credibility
- › The non-implementation of these disposals makes the other financing operations of the June plan impossible (Opening of the ORPEA real estate company capital, a return to the financial markets, etc.)

ORPEA needs to take immediate action

**New financial resources
[“new money”] are
mandatory**

- › In the absence of significant property disposals, the company's liquidity level could be under severe pressure by February 2023



New money is needed

**The levels of the debt
covenants R1 & R2 at 31
Dec 2022 remain uncertain**

- › Uncertainty regarding debt covenant ratios R1 and R2 at the next test date
 - Impact of the current business on the EBITDA
 - Impact of asset impairments



**Adjustment of R1 & R2 ratios for
all debt having these covenants**

**ORPEA's current financial
structure is unsustainable**

- › The financial leverage ratio is excessive, estimated at 25x at year end 2022
 - Severe loss of credibility of ORPEA as a counterparty
 - ORPEA unable to conduct asset sales and leasing transactions
- › As a result, based on the existing debt agreements, ORPEA may not be able to meet its debt service requirements



**Need to significantly reduce
financial leverage**

The conciliation proceedings initiated on 25 October will enable ORPEA SA to enter into discussions with its financial creditors on the restructuring of its financial debt and to obtain new financing resources in established and legally secure conditions

ORPEA needs to enter into a major financial restructuring. Its outcome and financial impacts can not be anticipated to date and create uncertainty on ORPEA's ability to implement its strategy

Proposed solution

	Issue	Suggested solutions	Mechanism	Benefits for ORPEA
1	Excessive financial leverage	Reduced financial leverage	<ul style="list-style-type: none"> › Equity conversion of ORPEA SA unsecured debt › Capital increase in cash 	<ul style="list-style-type: none"> › A sustainable financial structure › A strengthening of the equity capital
2	Need for liquidity	New debt and equity resources	<ul style="list-style-type: none"> › €800m of new secured debt <ul style="list-style-type: none"> • Drawdown of the €200m A4 tranche put in place in June 2022 • New €600m real estate-backed loan to be drawn down in February 2023 › €1.3-1.5bn increase in capital 	<ul style="list-style-type: none"> › Secured liquidity until financial strength has been restored thanks to the drawing of new secured debt › A financed business plan allowing time for performance improvement
		Modification of the terms of the debt put in place in June 2022 (maturity, margin, repayments)	<ul style="list-style-type: none"> › Regarding the ORPEA SA secured debt put in place in June 2022 (tranches A/B/C): <ul style="list-style-type: none"> • Extension of maturities to June 2028 • Reduction of the margin to 175 basis points • Removal of all early repayment clauses linked to asset disposals 	<ul style="list-style-type: none"> › Significant improvement in liquidity thanks to the deferral of repayments › A more favourable context for raising capital
3	Various changes	Modification of the R1 & R2 covenants	<ul style="list-style-type: none"> › Adjustment of R1 and R2 covenants on all debts where these covenants applied (including debts located at the level of ORPEA SA subsidiaries) 	<ul style="list-style-type: none"> › Correction and remediation of the current instability caused by the decline in operational performance
		Other modifications	<ul style="list-style-type: none"> › Modification of various technical parameters 	<ul style="list-style-type: none"> › Facilitated implementation of the plan

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**Laurent
Guillot**

Group CEO
& France CEO



Conclusion



WITH YOU AND FOR YOU CHANGING ORPEA

Changing our method

Ethics, collaborative approach involving all stakeholders, symmetry of attention between staff and patients/residents, transparent & efficient operational model

Changing our organisation

Independence of the facilities, new role for support functions, an EVP Medical sitting on the Executive Committee, real estate at the service of operations

Changing our approach to care, support and HR

“Care by ORPEA” based on personalisation, more attention to both care and the caregivers, focus on catering and on excellence in medical practices & care

Changing our financial situation

Restore operational profitability, redesign real estate ownership, return to a durable financial situation

1

Continue the immediate actions already initiated

2

Build our reFOUNDATION plan

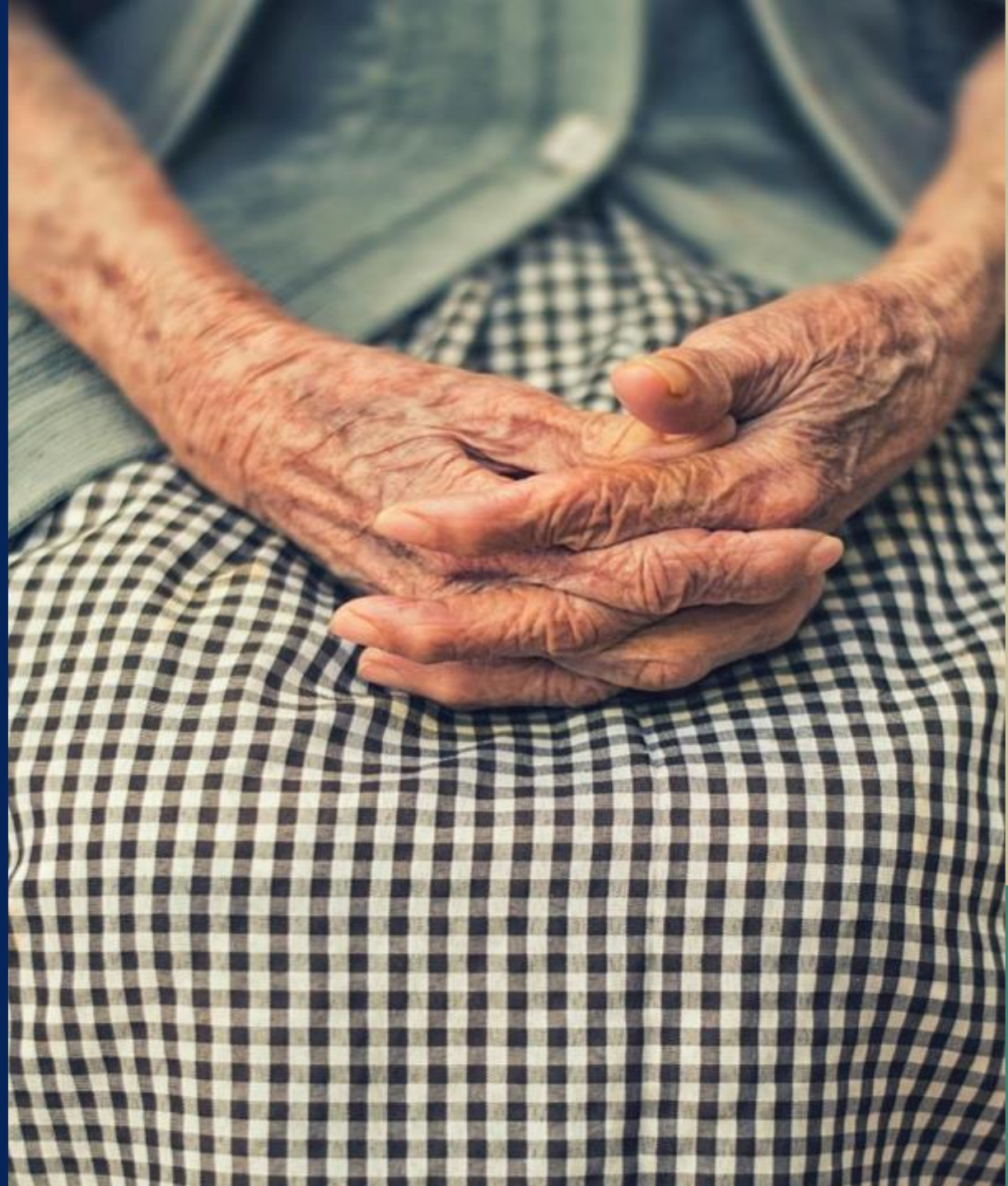
3

Live our values and claim our purpose

4

Restore our financial strength

Q&A session



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Thank you

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