ORPEA

GROUP

2023 half-year financial report

Contents

This half-year financial report has been prepared in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and 222-4 to 222-6 of the General Regulation of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF).

The current version of this document published on 19 October 2023 replaces that published on 18 October 2023 further to a typographical error appearing on page 11: the EBITDAR guidance for 2023 (announced on 13 July 2023) was given in a range of €750 million-€750 million rather than €705 million-€750 million.

A word from the Chief Executive Officer

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Laurent Guillot
Chief Executive Officer of ORPEA

The ORPEA Group crossed several major milestones in its transformation during the first half of 2023.

We took the necessary steps to attract and retain our employees, but also to increase staffing levels and improve the support and care provided to patients and residents. An initial salary increase agreement at ORPEA was signed in June. In particular, it provides for a general pay rise for all employees with at least one year's seniority, the introduction of a 13th month of pay and the distribution of lunch vouchers. Despite the short-term impact of these measures on our results, they are key to retaining our teams and turning the company around.

We have put medical care and nursing back at the heart of the company. The Group's Medical department has embarked on an ambitious programme of pilot projects to launch, test, evaluate and, if necessary, scale up medical and nursing innovations. The Group Medical Commission is now up and running, issuing recommendations and instructions for all Group countries. It brings together all members of the Group Executive Committee. In France, we have set up an initial network of regional ethics ambassadors, who report to the Group's Ethics department. We have also overhauled our mediation system, led by mediation lawyer Claude Evin, to rebuild relationships with the families and loved ones of our residents and patients.

At the end of May, we took the first steps in our transformation into a mission-led company by unveiling our four core values: a commitment to humanity, a taste for life, a thirst to learn and a spirit of mutual aid.

We have taken key steps in the Group's financial restructuring. On 24 July, the Nanterre Specialised Commercial Court approved the accelerated safeguard plan. Thanks to this decision, we can now undertake the financial transactions needed to significantly reduce the Group's debt while bringing in long-term investors, and thereby restore a sustainable financial structure. The planned investment by Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF is excellent news for the Group. These future shareholders, whom I would like to acknowledge and thank here for their unwavering commitment to us over the last few months, share our values of ethics, quality of care and support, efficiency and rigour, in line with the management team's proposal in the Refoundation Plan.

Against this backdrop, and despite an occupancy rate for retirement homes in France still lower than expected, revenue came to €2.5 billion in the first half of 2023, an increase of 10.7% on the first half of 2022. This rise is due to a gradual recovery in our occupancy rate across the Group, up 1.4 points on the same period last year, but also to the increase in our prices throughout Europe, which did not entirely offset inflation in our costs.

ORPEA is a strong company. Its strength lies in the 76,000 professionals working every day with our residents, patients and beneficiaries, in our nursing homes, in our clinics and at home. I would like to extend my heartfelt thanks for their efforts, particularly at this time of profound transformation for our Group.

Half-year business report

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2.1 Business activity and highlights

ORPEA is a leading global player, expert in providing care for all types of frailty and vulnerability. The Group operates in 21 countries and covers three core areas of expertise: care for the elderly (nursing homes, assisted-living facilities, home care), post-acute and rehabilitation care and mental health care. It has more than 76,000 employees and welcomes more than 267,000 patients and residents to its facilities each year.

2.1.1 CONSOLIDATED REVENUE IN THE FIRST HALF OF 2023

(in millions of euros)	First-half 2023	First-half 2022	Reported change	o/w organic[1]
France-Benelux-UK-Ireland	1,489	1,391	*+7.0%*	*+5.2%*
Central Europe	658	577	*+13.9%*	*+12.9%*
Eastern Europe	250	210	*+19.2%*	*+19.3%*
Iberian Peninsula and Latin America	139	114	*+21.4%*	*+19.7%*
Other countries	4	2	*+89.0%*	*+15.2%*
TOTAL REVENUE	**2,539**	**2,295**	***+10.7%***	***+9.1%***

(1) Organic growth in 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 current period or year-earlier period; and*
4. *the change in revenue of recently acquired facilities by comparison with the previous equivalent period.*

Revenue for the entire first half of 2023 came to €2,539 million, a 10.7% year-on-year increase including 9.1% organic growth.

The overall business level in hospitals both in France and internationally, as well as in nursing homes outside France, increased over the period. This trend is illustrated at Group level by an average occupancy rate up 136 basis points on the first half of 2022, at 82.7%.

Revenue in the **France-Benelux-UK-Ireland** geographical area totalled €1,489 million for the first six months, up 7.0% year on year (including 5.2% organic growth).

In France, revenue among nursing homes remained far below historical levels, with an average occupancy rate of 83.4% over the period as a whole (86.0% in the first half of 2022). Hospitals (medical care and rehabilitation hospitals and mental health hospitals), on the other hand, saw growth in business, reflecting the diversity of professions and specialities developed at these facilities across the country. Elsewhere in the same geographical area, operations in Belgium benefited from the inclusion of 19 new facilities in the scope of consolidation, and business grew despite the closure of seven facilities in Brussels, while operations in the Netherlands saw sustained growth thanks to the ramp-up of new facilities.

In **Central Europe**, revenue amounted to €658 million in the first half of the year, up 13.9% (12.9% on an organic basis). Facilities in Germany and Switzerland performed well during the first half, with an increase in occupancy rates in both nursing homes and hospitals. In Germany, the good momentum observed during the period also reflected the premium positioning taken in this market.

In **Eastern Europe**, revenue rose by 19.2% to €250 million over the first half, lifted by a significant increase in the occupancy rate of facilities opened over the past 12 months.

In the **Iberian Peninsula and Latin America**, revenue amounted to €139 million for the first half of the year, up 21.4%, mainly due to organic growth, reflecting a clear improvement in occupancy rates in Spain, the area's main contributor.

2.1.2 SIGNIFICANT EVENTS OF THE PERIOD

2.1.2.1 FINANCIAL RESTRUCTURING

As a reminder, the publication on 26 January 2022 of the book *Les fossoyeurs*, describing acts of wrongdoing within the ORPEA Group, received immediate and widespread media coverage, both in the general public and in the financial community. This publication triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had unprecedented consequences on the Company throughout 2022, in terms of its day-to-day management, its financial sustainability and its governance, and led to a complete redefinition of ORPEA's strategic priorities.

A first amicable conciliation procedure was therefore opened on 20 April 2022 by order of the President of the Nanterre Specialised Commercial Court for ORPEA to sign a term sheet with its main banking partners, enabling the Company to meet significant debt obligations in 2022. After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022.

The economic situation, unforeseeable circumstances and the strategic review conducted by the new management team brought to light new difficulties for the Group and for ORPEA – which therefore decided to enter into discussions with its financial creditors to restructure its debt, obtain new financial resources and adjust its covenants, within a stable and legally secure framework. In these circumstances, the Company applied for a second conciliation procedure, which was opened by the President of the Nanterre Specialised Commercial Court in an order issued on 25 October 2022.

Term sheet on the financial restructuring plan (February 2023)

Overseen by the appointed conciliator, the Company announced on 1 February 2023 that it had signed a term sheet, effective 3 February 2023, on a financial restructuring plan (the "**Term Sheet**"), with (i) a group of long-term French investors comprising Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF (together the "**Groupement**") and (ii) five institutions (the "**SteerCo**"), under which the parties agreed on the principles of the financial restructuring plan, as further described below.

At the same time, the stakeholders reiterated their support for management and the Refoundation Plan presented by the Company in its press release dated 15 November 2022.

Lock-Up Agreement (February 2023)

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all the steps and actions required to implement the financial restructuring.

The terms and conditions of the Lock-Up Agreement are standard and include an undertaking by the signatory creditors to support the Company's financial restructuring in accordance with the principles agreed in the Term Sheet, and to sign the required contractual documentation. These terms and conditions authorise the signatories and unsecured creditors adhering to the Lock-Up Agreement, until the completion date of the Company's restructuring, to transfer the debt of the Company they hold provided that the assignee is bound in the same terms by the Lock-Up Agreement.

Extension of the conciliation procedure (February 2023)

On 23 February 2023, the Company announced that the amicable conciliation procedure opened on 25 October 2022 by the President of the Nanterre Specialised Commercial Court, initially scheduled to end on 25 February 2023, had been extended for an additional period of one month at the request of the conciliator, i.e., until 25 March 2023.

Agreement on additional financing and an addendum to the Existing Loan Agreement with the main banking partners (March 2023)

On 17 March 2023, the Company entered into an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Lenders**") in view of opening an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for additional financing and provides for an adjustment to the syndicated loan agreement signed with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"), as summarised below. The purpose of the agreement is to formalise the parties' undertakings, in order to allow the Company to implement its restructuring plan pursuant to the aforementioned accelerated safeguard procedure.

Main terms of the new money debt financing structure

As part of the financial and shareholding restructuring of ORPEA, the Lenders have agreed to participate in a €600 million senior new money debt financing programme in three separate facilities:

- **(i)** a €400 million revolving credit facility (the "D1 Facility"), broken down into two tranches of €200 million each;
- **(ii)** a revolving credit facility of up to €100 million (the "D2 Facility"); and
- **(iii)** a revolving credit facility of up to €100 million (the "D3 Facility").

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

The main changes to be made to the Existing Loan Agreement

ORPEA and the Lenders have agreed to make certain changes to the Existing Loan Agreement as part of ORPEA's financial and shareholder restructuring through an addendum.

The main terms of the addendum are described in Note 2.2 to the half-year condensed consolidated financial statements.

Signature of the corresponding financing documentation

The new financing agreement and the addendum to the Existing Loan Agreement, dated 26 May 2023, were signed on 29 May 2023. The addendum will come into force, subject to certain conditions precedent being met, on completion of the second capital increase provided for in the financial restructuring plan.

Comparison between the original terms of the Existing Loan Agreement and the terms of the addendum to the Existing Loan Agreement

The table below compares the original terms of the Existing Loan Agreement dated 13 June 2022 with the terms as amended pursuant to the addendum to the Existing Loan Agreement signed on 29 May 2023 (the "**Addendum**"). The Addendum will come into force on the date on which the various applicable conditions precedent have been satisfied (the "**Effective Date**"), including the receipt by ORPEA of the proceeds from the Groupement Capital Increase. Other than those mentioned in the table below as having been amended by the Addendum, the provisions of the Existing Loan Agreement will remain in force after the Effective Date (in particular, security interests and privileges and cases of default). The terms of the Existing Loan Agreement are described in section 1.5.4.1 of the 2022 Universal Registration Document "*June 2022 financing*".

	Existing Loan Agreement					Amended and replaced by (as of the Effective Date):	Addendum				
	A Loan						A Loan				
	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans		A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Margin	4.00% to increase by 2.00% from 1 Jan. 2024	4.00%	3.50% to increase by 1.00% from 1 July 2023	4.00%	5.00%		2.00% per annum				
Maturity date	31 Dec. 2023 or 30 June 2024[1]	31 Dec. 2025	30 June 2023 or 31 Dec. 2023[2]	31 Dec. 2025	31 Dec. 2026		31 Dec. 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below:			31 Dec. 2027	31 Dec. 2027
							31 Dec. 2027 (or, in the case of First Net Disposal Proceeds (as defined below), 31 Oct. 2026)	31 Dec. 2027	31 Dec. 2023		
Repayments	Single repayment at maturity	▪ €100 million repayable on 30 June 2024 ▪ €100 million repayable on 31 Dec. 2024 ▪ €100 million repayable on 30 June 2025 ▪ Balance repayable on 31 Dec. 2025	Single repayment at maturity	Single repayment at maturity	Single repayment at maturity		▪ 31 Oct. 2024: €200 million ▪ 31 Oct. 2025: €200 million This repayment will be increased by the total amount of net proceeds from disposals received by the Group after the Effective Date up to €100 million (the "First Net Disposal Proceeds"). ▪ 31 Oct. 2026: €200 million	At maturity	31 Dec. 2023: €200 million	At maturity	At maturity
Undertakings relating to the disposal of operating and real estate assets	▪ Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds. ▪ Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 Dec. 2023, increasing to (ii) €1.5 billion at 31 Dec. 2024, and to (iii) €2 billion at 31 Dec. 2025.						▪ Undertaking to dispose of €1.25 billion worth of real estate assets (gross asset value excluding duties) by 31 Dec. 2025.				
Minimum cash undertaking	From 30 June 2023, maintain a minimum level of cash of €300 million (tested quarterly). This clause will not apply for the duration of ORPEA S.A.'s accelerated safeguard procedure.						The commitment will be tested for the first time on the last day of the first full calendar quarter ending after the Effective Date, which is 31 March 2024, according to the provisional timetable. For the purposes of this undertaking, the "Group's Liquidity" will now correspond to the sum of (i) the Group's cash and cash equivalents, and (ii) all undrawn committed facilities immediately available under the Group's existing financing arrangements.				

<table>
<tr><th rowspan="3"></th><th colspan="5">Existing Loan Agreement</th><th rowspan="3">Amended and replaced by (as of the Effective Date):</th><th colspan="5">Addendum</th></tr>
<tr><th colspan="3">A Loan</th><th rowspan="2">B Loan</th><th rowspan="2">C1/C2 Loans</th><th colspan="3">A Loan</th><th rowspan="2">B Loan</th><th rowspan="2">C1/C2 Loans</th></tr>
<tr><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th></tr>
<tr><td>Early repayment undertakings</td><td colspan="5">■ Allocate 100% of the net proceeds from the disposal of real estate assets covered by the MoU to repay the A4 Loan.
■ Allocate 25% of the net proceeds from the disposal of real estate assets (subject to the previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans.
■ Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans.
■ Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of the Company's subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million).
■ Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions) to repay the A2/A3 and B Loans.
■ Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan.</td><td></td><td colspan="5">Annual cash sweep based on disposals
ORPEA will undertake to make mandatory early repayments on 30 June of each year (and for the first time on 30 June 2025) for the A1, A2/A3 and B Loans in an amount equal to:
■ 75% of the net proceeds from the disposal of operating and real estate assets (as described opposite in relation to the Existing Loan Agreement) received by the members of the Group as from 13 June 2022 and up to 31 December of the prior financial year; less
■ the total amount of the Repayments, voluntary early repayments and mandatory early repayments (plus any First Net Disposal Proceeds received by any member of the Group, even if not yet allocated for early repayment of the Loans) from the Effective Date to 31 December of the prior financial year,
it being specified that this amount will be reduced to the extent necessary to ensure that the Group's Liquidity (as defined below) as adjusted for this early repayment is at least equal to €300m until 31 December of the current financial year. The above early repayment will be applied in the chronological order of the scheduled repayments of the A1, A2/A3 and B loans (pari passu and on a pro rata basis for repayments falling on the same date).
Net proceeds from subscriptions to new capital market debt issues
In accordance with the Existing Loan Agreement, subject to the provision that any early repayments made using such proceeds are allocated to the Repayments, in chronological order, of the A1, A2/A3 and B Loans (pari passu and on a pro rata basis for Repayments falling on the same date).</td></tr>
</table>

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.

Opening of an accelerated safeguard procedure (March 2023)

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which was extended for a further two months by way of a judgement of the said Court on 22 May 2023. The term of the accelerated safeguard procedure was set at 24 July 2023.

The main purpose of this procedure was to enable the Company to implement its restructuring plan in accordance with the provisions of (i) the Lock-Up Agreement and (ii) the Agreement Protocol.

The Court appointed SELARL FHB, represented by Hélène Bourbouloux, as the administrator for the procedure and SELARL AJRS, represented by Thibaut Martinat, as co-administrator (the "**Judicial Administrators**").

Vote on the draft accelerated safeguard plan (April-June 2023)

On 5 April 2023, the Judicial Administrators notified the holders of claims and rights arising prior to the judgement date of the opening the Company's accelerated safeguard procedure that they qualified as parties affected by the draft accelerated safeguard plan.

On 21 April 2023, they notified each affected party of the criteria used to constitute the classes of affected parties, the list of affected parties and the methods used to calculate the votes. On the same day, a number of affected parties lodged appeals regarding the methods used to classify the affected parties.

On 15 May 2023, the supervisory judge appointed by the Nanterre Specialised Commercial Court as part of the Company's accelerated safeguard procedure dismissed said appeals. However, two of the dismissals were challenged by several appeals at the Versailles Court of Appeal.

On 26 May 2023, the Judicial Administrators invited all classes of affected parties to vote on the Company's draft accelerated safeguard plan on 16 June 2023, in person or remotely as appropriate.

On the same day, the draft accelerated safeguard plan, prepared by ORPEA S.A. with the assistance of the Judicial Administrators, was made available on the Company's website. On 12 and 13 June 2023, ORPEA was informed by the Judicial Administrators of their decision to extend the remote voting period for the classes of affected parties to 27 June 2023 and to postpone the in-person meetings, initially scheduled for 16 June 2023, to 28 June 2023.

On 28 June 2023, meetings of the classes of shareholders and OCEANE bondholders were held in person to vote on the Company's draft accelerated safeguard plan. On the same day, the Judicial Administrators sent the results of the vote by the classes of affected parties on the draft accelerated safeguard plan to the Company, details of which are given in the press release dated 28 June 2023. Of the ten classes of affected parties, six approved the draft accelerated safeguard plan by the required majority (more than two-thirds), three others, including the shareholders, voted more than 50% in favour of the draft accelerated safeguard plan, and the OCEANE class voted 49.2% in favour. As the draft accelerated safeguard plan was not approved by the required majority of all classes of affected parties, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down (see section 2.5.1.1 of this report).

First drawdown of €200 million of new money debt (June 2023)

On 2 June 2023, ORPEA S.A. and its subsidiaries Niort 94 and Niort 95 made an initial drawdown of €200 million under the new money debt facility granted by the Group's main banking partners. This amount corresponds to the full amount of the D1A Tranche. The funds were used to finance and refinance Niort 94's general corporate purposes, including the repayment of intra-group debt owed to ORPEA S.A., which used the proceeds to finance the Group's general corporate purposes, debt servicing and capital expenditure.

The characteristics of the D1A Tranche and the main obligations of ORPEA S.A., Niort 94 and Niort 95, as well as the collateral securing this new money debt financing, are described in Note 4.14 to the half-year condensed consolidated financial statements.

2.1.2.2 OTHER EVENTS

Consolidation of residences in Belgium

The ORPEA Group has announced plans to consolidate (i) three residences in Flanders, due to the dilapidated state of the buildings, and (ii) seven residences in Brussels, in accordance with a government order requiring the sector to reduce the number of vacant beds. The latter provides for the gradual withdrawal of approvals for vacant beds in nursing homes with an occupancy rate of less than 97.5% from 1 January 2024. The residents and staff of the seven residences concerned in Brussels have been transferred to other Group facilities.

Unwinding of historic partnerships

On 29 March 2023, the ORPEA Group acquired:

- all of the share capital and voting rights of the French company RSS SENIOR+. Further to this acquisition, the ORPEA Group wholly owns 13 companies with real estate or real estate projects for senior residences;
- 60% of the share capital and voting rights of the Belgian company Holding Senior Invest. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 19.26% of the share capital and voting rights of the French companies AP1, AP2, AP3 and AP4, which operate residential facilities for dependent elderly people. Further to this acquisition, the ORPEA Group holds 69.26% of these companies.

On 14 March 2023, the ORPEA Group acquired 51% of the share capital and voting rights of Compartijn Holding BV and Thuismakers Holding BV. Further to these acquisitions, the ORPEA Group holds 100% of these companies.

On 30 June 2023, the ORPEA Group sold 100% of the share capital and voting rights of Maison de retraite Saint-Sauveur, AP Nevers, Promidel Santé, Geronte, BGP Alliance-Floirac and Les Jardins de Gournay and 99.41% of the share capital and voting rights of Résidence de l'Esplanade. Further to these disposals, the ORPEA Group no longer holds any shares in these companies.

Disposals of real estate portfolios

On 28 July 2022, the ORPEA Group signed an agreement to sell a portfolio of 32 nursing homes in the Netherlands to Syntrus Achmea Real Estate & Finance, acting on behalf of Achmea Dutch Health Care Property Fund (ADHCPF). The first sale of assets began on 15 September 2022 and the last sale took place on 29 June 2023.

2.2 Key figures

2.2.1 FINANCIAL RESULTS

2.2.1.1 CHANGE IN OPERATING PROFITABILITY

(in millions of euros)	First-half 2023	First-half 2022
Revenue	**2,539**	**2,295**
Personnel costs	(1,697)	(1,453)
Other expenses	(506)	(414)
EBITDAR	**336**	**427**
EBITDAR margin	**13.2%**	**18.6%**
Rental expenses	(14)	(12)
EBITDA	**321**	**415**
EBITDA margin	**12.6%**	**18.1%**
Depreciation, amortisation and charges to provisions	(334)	(333)
Recurring operating profit/(loss)	**(13)**	**82**
Other non-recurring operating income and expense	(85)	(251)
Operating profit/(loss)	**(98)**	**(170)**
Net financial expense	(231)	(96)
PROFIT/(LOSS) BEFORE TAX	**(329)**	**(266)**
Income tax	(39)	(6)
Share in profit/(loss) of associates and joint ventures	1	3
Attributable to non-controlling interests	(4)	(1)
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORPEA'S SHAREHOLDERS	**(371)**	**(269)**

EBITDAR: Recurring operating profit before depreciation, amortisation and charges to provisions and before rental expenses.
EBITDA: EBITDAR excluding rental expenses due in more than one year.

Reconciliation of operating profit/(loss)

(in millions of euros)	First-half 2023	First-half 2022
Operating profit/(loss)	**(98)**	**(170)**
Neutralisation of non-recurring operating income and expenses	85	251
Recurring operating profit/(loss)	**(13)**	**82**
Neutralisation of depreciation, amortisation and charges to provisions	334	333
Neutralisation of rental expenses	14	12
EBITDAR	**336**	**427**
IFRS 16 – Restatement of external leases	(229)	(211)
IFRS 16 – Restatement of operating expenses	(5)	(3)
EBITDA BEFORE IFRS 16	**102**	**212**

EBITDAR came to €336 million in the first half of 2023, for a margin of 13.2% compared with 18.6% for the same period in 2022. The 538-basis-point decline was mainly due to the increase in payroll costs, with a view to strengthening quality, and to the ongoing inflationary environment affecting other expense items (energy procurement, food and medical products).

EBITDA amounted to €321 million, representing a margin of 12.6%. Pre-IFRS 16 EBITDA amounted to €102 million, giving a margin of 4.0%, down 523 basis points on the same period last year.

The Group posted a recurring operating loss of €13 million, compared with a recurring operating profit of €82 million in the first half of 2022.

2.2.1.2 COST OF NET DEBT

Net financial expense came to €231 million. The year-on-year rise reflects the higher interest rates and margins associated with the June 2022 refinancing, as well as the increase in gross debt.

With regard to the cost of debt, the financial restructuring plan includes the following provisions:

- accrued interest on the unsecured debt of the legal entity ORPEA S.A., i.e., approximately €66 million for the first half of 2023, will be paid in an amount of approximately €11 million (30% of the total amount of accrued interest up to the day before the opening date of the accelerated safeguard procedure) after settlement-delivery of the Equitisation Capital Increase and the balance will be converted into capital;
- interest payments in respect of drawdowns on tranches A, B and C of the June 2022 syndicated loan, i.e., €115 million, will be made after settlement-delivery of the Groupement Capital Increase.

2.2.1.3 PROFIT/(LOSS) BEFORE TAX

The Group made a loss before tax of €329 million, compared with a loss of €266 million in first-half 2022.

2.2.1.4 NET PROFIT/(LOSS)

The attributable net loss for the period was €371 million.

2.2.2 CAPITAL STRUCTURE, DEBT AND REAL ESTATE PORTFOLIO

2.2.2.1 EQUITY

At 30 June 2023, equity attributable to ORPEA's shareholders stood at a negative €1.85 billion, compared with a negative €1.5 billion at 31 December 2022. It should be noted that at the end of the financial restructuring, equity will be reconstituted following the injection of new equity of around €1.55 billion.

2.2.2.2 DEBT

Net debt stood at €9,260 million at 30 June 2023, compared with €8,758 million at 31 December 2022. The change in net debt in the first half was mainly due to continued investment in the Group's development, amounting to €195 million.

For the debt borne by ORPEA S.A. and subject to financial covenants, the second conciliation procedure opened in October 2022 and the accelerated safeguard procedure opened in March 2023 led to a suspension of the contractual provisions relating to these covenants, the Company having obtained a waiver, since 31 December 2022, from the corresponding creditors to the effect that these covenants would not apply at 31 December 2022 and 30 June 2023, and would be removed once the Company's accelerated safeguard plan was approved by the Nanterre Specialised Commercial Court.

2.2.2.3 REAL ESTATE PORTFOLIO

At 30 June 2023, the carrying amount of net property, plant and equipment amounted to €5.2 billion. At the end of 2022, the Company changed the accounting method applied to real estate assets accounted for under IAS 16, which are now excluded from the scope of the standard. In addition, in line with what was indicated when the 2022 consolidated financial statements were published and in the 2022 Universal Registration Document, at the end of 2023 the Company will publish an estimate of the market value of the real estate assets held, including all calculation parameters (rate of return, risk-free rate and operational performance trajectory for each facility). As an indication, an increase of 0.10% in the rate of return on real estate assets, excluding any other factor, would lead to a decrease of approximately €95 million in the value of the real estate assets held as estimated at the end of 2022.

The application of IFRS 16 led to the recognition on the balance sheet of right-of-use assets relating to leases in force for €3,515 million (31 December 2022: €3,500 million), while the present value of future lease payments recognised in liabilities totalled €3,842 million, €3,287 million of which is due in more than one year and €555 million within one year.

2.2.3 CASH FLOWS

(in millions of euros)	**First-half 2023**	**First-half 2022**
Gross cash flow from operations	268	338
Net cash generated by operating activities	**192**	**352**
Net cash used in investing activities	**(214)**	**(518)**
Net cash generated by/(used in) financing activities	**(318)**	**347**
CHANGE IN CASH AND CASH EQUIVALENTS	**(339)**	**181**

In the first half of 2023, ORPEA's cash flow from operating activities was €192 million, compared with €352 million in the first half of 2022.

Net cash used in investing activities, which includes investments in construction projects and maintenance, acquisitions of real estate assets and intangible assets, net of real estate and intangible asset disposals, represented an outflow of €214 million, compared with an outflow of €518 million in the first half of 2022. Real estate investments (construction projects or acquisitions of buildings) accounted for most of these investments.

Net cash generated by/(used in) financing activities represented an outflow of €318 million, compared with an inflow of €347 million in the first half of 2022.

At 30 June 2023, ORPEA had €518 million in cash and cash equivalents, compared with €856 million at 31 December 2022.

Reconciliation of cash flows

The Group uses "Net recurring operating cash flow" as a management indicator to show cash generated by ordinary activities, net of recurring maintenance and IT capital expenditure. Net recurring operating cash flow is the sum of pre-IFRS EBITDA, recurring non-cash items, change in working capital, income tax paid and maintenance and IT capital expenditure. It can be reconciled with the cash flow statement as follows:

(in millions of euros)	First-half 2023
Net cash generated by operating activities	**192**
Neutralisation of the IFRS 16 impact	(219)
Net cash used in operating activities before IFRS 16	**(27)**
Change in working capital – Reclassification of cash flows used in investing activities	13
Reclassification of financial items	4
Reversal of non-current items	59
Other reclassifications	(9)
Maintenance and IT capital expenditure	(53)
NET RECURRING OPERATING CASH FLOW	**(13)**

The Group uses "Net cash flow before financing" as a management indicator to show net cash after recurring and non-recurring items, all capital expenditure, interest expense on borrowings, and gains and losses on transactions concerning the asset portfolio. Net cash flow before financing is the sum of net recurring operating cash flow, development capital expenditure, non-recurring items, net income or expense related to the day-to-day management of the asset portfolio, and financial expenses. It can be reconciled with the cash flow statement as follows:

(in millions of euros)	First-half 2023
NET RECURRING OPERATING CASH FLOW	(13)
Development capital expenditure	(192)
Asset portfolio management	36
Non-recurring items	(59)
Net financial expense	(60)
NET CASH FLOW BEFORE FINANCING	**(289)**

2.3 Main risks and uncertainties

2.3.1 RISK FACTORS

The main risks remain identical to those presented on page 54 *et seq.*, Chapter 2 of the 2022 Universal Registration Document filed with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on 7 June 2023 under no. D.23-0461 (the "**2022 Universal Registration Document**"), it being specified however that the following risks have been updated as follows:

2.3.1.1 LIQUIDITY RISK

Section 2.1.2.1 "**Liquidity risk**", presented in Chapter 2, page 60 *et seq.* of the 2022 Universal Registration Document, is updated and replaced as follows:

At 30 June 2023, the Group had cash and cash equivalents of €518 million, above the minimum amount the Group requires for its day-to-day operations, estimated at around €200 million-€250 million. As a reminder, negotiations were held as part of the conciliation procedure open since 25 October 2022 with the various stakeholders to determine the future terms of the financial restructuring of ORPEA S.A. to be implemented in accordance with the specifications presented by the Company on 15 November 2022 (see section 1.5 of the 2022 Universal Registration Document).

These discussions led to (i) a term sheet reached on 1 February 2023 relating to the financial restructuring between the Company and a group of French long-term investors comprising Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF (the "**Groupement**"), on the one hand, and five institutions holding unsecured debt of the Company (the "**SteerCo**") on the other hand, leading to the signature on 14 February 2023 of a lock-up agreement setting out the obligations of the signatories of the term sheet, and to which approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo) adhered on 10 March 2023, (ii) the signature on 17 March 2023 of an agreement protocol between the Company and its main banking partners providing for the terms and conditions of additional financing of €600 million (the "**Additional Financing**") and the amendment of the syndicated loan agreement signed on 13 June 2022, and (iii) the opening, on 24 March 2023, of an accelerated safeguard procedure (see section 1.5 of the 2022 Universal Registration Document).

As the draft accelerated safeguard plan was not approved by the required majority of all classes of affected parties at a meeting held on 28 June 2023, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of cross-class cram down (see section 2.5.1.1 of this report), which approved said plan in a decision handed down on 24 July 2023.

With regard to the financing for the continuity of operations until the effective execution of the planned financial restructuring, the amount and terms of the Additional Financing have been set in line with the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for as part of the financial restructuring (see section 1.5 of the 2022 Universal Registration Document). The definitive documentation for the Additional Financing dated 26 May 2023 was signed on 29 May 2023, such that the first €200 million tranche was drawn down on 2 June 2023, followed by a second €200 million tranche in August 2023 and then a third €100 million tranche in September 2023. The final €100 million tranche had not been drawn down at the date of this report.

The 12-month liquidity requirement (from October 2023 to September 2024) is estimated at €1.0 billion, excluding repayments of the A4 and D2 tranches (€0.3 billion), and will be covered by the proceeds from the €1.55 billion capital increases and by cash and cash equivalents.

The financial statements for the period ended 30 June 2023 were prepared on a going concern basis (see Note 1.1 to the half-year condensed consolidated financial statements).

Risk identification

Risks related to the implementation of the financial restructuring project

The effective implementation of the financial restructuring remains subject to:

- a decision by the Paris Court of Appeal rejecting the appeals filed against the exemption granted on 26 May 2023 to the Groupement by the AMF from the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring;
- approval by the AMF of the prospectuses relating to the planned capital increases.

The main risks associated with the implementation of this financial restructuring are therefore the following:

- an unfavourable decision by the Paris Court of Appeal, rendering the exemption granted to the Groupement by the AMF null and void, and thus preventing the implementation of the financial restructuring as provided for in the agreements between the various parties;
- delays in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds of the cash capital increases provided for under the financial restructuring.

Such a delay would also have an impact on the effective entry into force of the Addendum to the Existing Loan Agreement, which is mainly subject to the receipt by the Company of the proceeds from the Groupement Capital Increase.

Risks relating to the syndicated loan agreement signed in June 2022, amended by the 17 March 2023 agreement protocol and the 26 May 2023 addendum signed on 29 May 2023

Under the syndicated loan agreement of 13 June 2022, as amended by the agreement protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash (plus undrawn Group credit facilities) of €300 million, tested quarterly as from the first full calendar quarter after completion of the second capital increase provided for under the restructuring plan;
- carry out €1.25 billion in real estate disposals by the end of 2025.

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

In addition, the Group's undertaking to carry out real estate disposals within a limited time period could mean that it may have to sell the assets at a lower-than-expected price, which could require the Group to recognise impairment losses against the assets concerned.

Other risks related to the Group's financing

The Group's existing debt at 30 June 2023 (see Note 4.14 to the half-year condensed consolidated financial statements) includes certain commitments, such as asset-backed guarantees, which could restrict the Group's ability to raise additional debt if new difficulties were to arise.

Moreover, if the Group fails to restore its financial position, notably by implementing its financial restructuring plan, it could continue to experience difficulties in obtaining financing, which could jeopardise its results and its ability to pursue its business.

Risk management

The Group's teams are fully mobilised to implement the Group's financial restructuring in accordance with the terms and conditions laid down by the Nanterre Specialised Commercial Court.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for under the financial restructuring could, if necessary, be managed by negotiating an increase in the amount of the Additional Financing with the Group's main banking partners on terms and conditions to be discussed at the time.

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

Lastly, the Company considers that the risk of not being able to implement the safeguard plan is limited based on the legal analyses of the various appeals lodged by third parties.

2.3.1.2 RISK RELATED TO INFLATION AND RISING COSTS

Section 2.1.2.2 "**Risk related to inflation and rising costs**" in Chapter 2, page 62 of the 2022 Universal Registration Document is updated and replaced as follows:

Risk identification

Several expense items that are essential to the Group's business are affected by the inflationary pressures observed since 2021, which have been intensified by various events including the outbreak of the Russian-Ukrainian conflict in early 2022. Firstly, the increase in payroll costs, representing almost 67% of revenue in the first half of 2023, is directly dependent on inflation through collective agreements (e.g., mandatory annual negotiations for activities in France). Secondly, other costs, particularly those relating to energy procurement and the purchase of foodstuffs, are likely to vary significantly as a result of changes in raw material prices. This, in conjunction with the fact that the occupancy rate for nursing homes in France is still out of step with the Business Plan, has led the Company, at the date of publication of the Half-Year Financial Report, to adjust its EBITDAR guidance for the 2023 financial year to the lower end of the €705 million-€750 million range announced on 13 July 2023 – compared with a guidance of €881 million in the Updated Business Plan.

In addition, the Group's dependence on real estate – as both an owner and a tenant – exposes it to inflationary risk at various levels:

- the cost of investments in construction and renovation of the real estate owned or leased by the Group could be affected by the persistence of high raw material prices in global markets or by interruptions in the supply chain, which could drive up costs of some construction projects prior to their delivery, as well as maintenance and upkeep costs;
- rents are also affected by this inflationary environment, both when leases are renewed and as a result of the application of indexation clauses inherent in lease contracts. In first-half 2023, lease payments on the Group's non-owned real estate represented approximately 9.2% of its revenue. This proportion will increase in the coming years in view of the commitments made by the Group to dispose of real estate assets as part of its deleveraging strategy and financial restructuring process (see "Liquidity risk" above).

Risk management

The Group has strengthened its procurement teams and is implementing a policy designed to anticipate price increases through forward-looking purchase management. Controlled monitoring of consumption of both consumables and raw materials is also being implemented.

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

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

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

2.3.1.3 INTEREST RATE RISK

Section 2.1.2.3 "**Interest rate risk**", presented in Chapter 2, page 62, of the 2022 Universal Registration Document, is updated and replaced as follows:

Risk identification

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

The Group's debt structure is mainly composed of floating-rate debt denominated in euros. The €3.2 billion secured syndicated loan (tranches A, B and C) granted to the Group bears interest at Euribor plus a margin.

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

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

The interest rate risk management strategy is described in Note 4.16.1 to the half-year condensed consolidated financial statements.

Risk management

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

At 30 June 2023, the notional amount of interest rate hedges used by the Group was €2,086 million.

Analysis of sensitivity to fluctuations in interest rates

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

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

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

At 30 June 2023, net debt amounted to €9,260 million (excluding IFRS 16), with approximately 36% at contractually fixed rates (before hedging) and the remainder at floating rates.

Including the impact of hedges:

- a 1% (100 basis points) rise in the yield curve would increase the Group's financial expense by €26.0 million (before tax and capitalisation of borrowing costs);
- a 0.10% (10 basis points) decrease would reduce the Group's financial expense by €2.6 million.

2.3.1.4 DISPUTE, CLAIMS AND LITIGATION RISK

Section 2.1.4.1 "**Dispute, claims and litigation risk**", presented in Chapter 2, page 64 *et seq.* of the 2022 Universal Registration Document, is updated and replaced as follows:

Risk identification

Dispute, claims and litigation risk has become a significant risk since the publication of the book *Les fossoyeurs* describing acts of wrongdoing, particularly in the nursing homes operated by the Group in France (the "**Described Acts**") and the ensuing financial crisis, which led to the ongoing financial restructuring.

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

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

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

Based on publicly available information, it appears that the Nanterre public prosecutor is in charge of (i) the legal investigations based on the report provided by the authorities and (ii) some of the complaints filed. In this context, the Group's head office and several facilities were searched in June and November 2022. Other civil or criminal proceedings, either related or unrelated to the Described Acts, could result in civil or criminal liability for the Group, its executives and/or current or former employees.

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

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

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

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

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

Following the opening of a second conciliation procedure on 25 October 2022 and the subsequent announcement and implementation of the draft financial restructuring plan, some of ORPEA's individual creditors and minority shareholders have initiated legal proceedings against the Company in an attempt to frustrate discussions with its main creditors and obstruct the adoption of its draft financial restructuring plan.

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

The decisions handed down in the two third-party oppositions were final. Only the 20 January 2023 order issued at the end of the above-mentioned summary proceedings is currently being appealed before the Versailles Court of Appeal.

Since 1 January 2023, these same creditors and/or shareholders have continued to oppose the terms of ORPEA's financial restructuring and are contesting the next stages.

The following procedures have already been initiated during the 2023 financial year, of which (a) six have been completed and (b) six were still in progress at the date hereof:

a) Procedures initiated during the 2023 financial year and completed to date:

(i) summary proceedings-retraction before the Court for withdrawal of the Judgement. By decision of 22 June 2023, the Court declared the application to set aside the Judgement inadmissible;

(ii) three third-party oppositions to the Court's judgement of 24 March 2023 (the "**Judgement**") opening ORPEA's accelerated safeguard procedure. In a decision dated 13 September 2023, the Court dismissed the third-party oppositions, declaring them null and void or inadmissible;

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

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

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

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

b) Procedures initiated during the 2023 financial year and still in progress:

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

(ii) three appeals to the Paris Court of Appeal against the AMF's decision of 26 May 2023 granting the group an exemption from the obligation to file a public offer for the Company's shares;

(iii) four appeals lodged by ORPEA creditors and shareholders with the Court to contest the valuation of the Company during the review of the accelerated safeguard plan. In a ruling handed down on 24 July 2023, the Court rejected the challenges to the Company's valuation and approved the accelerated safeguard plan proposed by the Company. Certain creditors and minority shareholders lodged an appeal against this decision with the Versailles Court of Appeal and filed a third-party opposition before the Court;

(iv) a discovery application made by certain creditors at the U.S. District Court for the District of Delaware under section 1782 of Title 28 of the United States Code against a member of the SteerCo and a financial advisor to the SteerCo;

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

(vi) an appeal to the Versailles Court of Appeal against one of the rulings handed down on 13 September 2023, which dismissed a third-party opposition to the ruling initiating the accelerated safeguard procedure.

Risk management

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

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

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

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

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

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

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

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

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

2.3.1.5 RISK RELATED TO THE AWARD AND RENEWAL OF OPERATING LICENCES

Regarding the "Risk related to the award and renewal of operating licences", presented in Chapter 2, page 67, of the 2022 Universal Registration Document, it should be noted that:

- in France, in July 2022, the relevant French Regional Health Agency (*Agence régionale de santé* – ARS) temporarily suspended a hospital's authorisations to provide full inpatient and day outpatient post-acute and rehabilitation services, as well as specialised inpatient and day outpatient care for elderly people with multiple conditions who are dependent or at risk of needing long-term care. In October 2022, following the remedial measures implemented by the hospital, the ARS lifted the temporary suspensions relating to the authorisation to provide full inpatient post-acute and rehabilitation services, as well as specialised inpatient care for elderly people with multiple conditions who are dependent or at risk of needing long-term care. In August 2023, the hospital fully reopened after the ARS lifted the two outstanding temporary suspensions;
- in Germany, a nursing home was closed on 31 July 2023 following a decision by the local authority. The closure of this facility was the subject of an appeal to the competent court, whose decision is not expected before 2024.

2.3.1.6 RISKS RELATED TO THE GROUP'S STRATEGY

A new section 2.1.4.5 entitled "*Risk relating to the implementation of the Group's strategy*" has been added after section 2.1.4.4, within section 2.1.4 "*Strategic, legal and regulatory risks*" of the 2022 Universal Registration Document, as follows:

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

At the same time, the Group launched a strategic review of its assets to focus on the most attractive countries (such as France, Germany and the Netherlands) and identify, if necessary, restructuring or disposal plans (in countries such as Belgium, Italy and Portugal).

The success of the Group's strategy, and in particular of any disposals or restructuring, depends on the Group's ability to target attractive offers and conduct effective negotiations. The negotiation of unfavourable conditions or a setback could have an impact on the profitability of the transaction concerned and, ultimately, on the value of the Group's asset portfolio."

2.3.2 LEGAL AND ARBITRATION PROCEEDINGS

Information related to legal and arbitration proceedings involving the Group can be found on page 282, Chapter 5 of the 2022 Universal Registration Document filed with the AMF on 7 June 2023 under no. D.23-0461.

It should be noted that following the final report of the IGAS-IGF joint investigation, on 29 July 2022, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) sent the Company a formal notice to return €55.8 million in unduly received funding. The Company recorded a provision for this amount in its individual and consolidated financial statements at 31 December 2022. Under the Company's accelerated safeguard plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the repayment of this funding has been spread over three years.

It should also be noted that on 30 June 2023, the Group became aware through the media of a press release from the Nanterre public prosecutor stating that, further to complaints lodged by ORPEA:

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

At present, the Group is not aware of any other exceptional event or litigation, including in the recent past, that could have a material adverse effect on its assets and liabilities, financial position, business activities or the results of its operations.

To the best of the Group's knowledge, there are no other governmental, legal or arbitration proceedings that may have, or have had in the recent past, a material adverse impact on the financial position or profitability of the Company and/or the Group.

2.3.3 PROGRESS REPORT ON THE IMPLEMENTATION OF INTERNAL CONTROL MECHANISMS AND THE NEW CSR ROADMAP

2.3.3.1 INTERNAL CONTROL

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

The findings of the external and internal investigations carried out in 2022 were taken into account when preparing the Refoundation Plan and led to actions to strengthen the internal control system. This work continued in first-half 2023 with the arrival of a new Internal Audit and Control, Risk and Compliance Director. A set of initiatives has already been launched. They will continue into the second half of 2023 and beyond.

2.3.3.2 CSR ROADMAP

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

As explained in the 2022 Universal Registration Document, the media crisis experienced by the Group in 2022 and its consequences have, until recently, significantly disrupted ORPEA's ability to roll out the action plans led by the support functions, especially with regard to the Group's CSR strategy.

Reporting directly to the Chief Executive Officer, a new Group Sustainable Development and Quality Director joined ORPEA in September 2023. Since her arrival, she has been working hard to define a new CSR roadmap to be approved by the Board of Directors in first-half 2024, with the aim of being in line with the ambitions of ORPEA's new governance structure and the high expectations of the Group's stakeholders.

2.4 Main related-party transactions

There have been no significant changes to the information presented in Chapter 6, Note 5.3 on page 346 of the Company's 2022 Universal Registration Document.

See also Note 5.3 to the half-year condensed consolidated financial statements.

2.5 Subsequent events

2.5.1 FINANCIAL RESTRUCTURING

Approval of the accelerated safeguard plan by way of a cross-cram cram down (July 2023)

On 11 July 2023, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down. The Court approved said plan by way of a cross-class cram down on 24 July 2023.

The accelerated safeguard plan, as it has been decided, is the only solution capable of providing the financial resources essential to the continuation and consolidation of the actions undertaken by the Group as part of its overhaul. As well as the additional financing provided by the Group's main banking partners on 26 May 2023, a number of transactions will be carried out, including capital increases to settle existing debt and raise new equity, the amendment of the terms and conditions of the June 2022 financing to extend maturities and reduce the interest rate, the adjustment – by obtaining various waivers – of the legal documentation of numerous financing agreements at subsidiary level, and the spreading over time of part of the Company's tax and social security liabilities.

The conversion into capital of all of ORPEA S.A.'s unsecured debt, followed by cash contributions of €1.55 billion, will begin as soon as the last condition precedent has been fulfilled. This consists of the rejection of the appeals lodged against the exemption from the obligation to file a public offer for ORPEA shares granted on 26 May by the AMF. The decision will be taken by the Paris Court of Appeal in the last quarter of 2023.

Details of the terms and conditions of the various capital transactions are set out in the press release of 24 July 2023.

New drawdowns of €200 million and €100 million respectively under the new money debt financing

Following the first drawdown of €200 million on 2 June (D1A Tranche), two new drawdowns were made under the new money debt financing granted by the Group's main banking partners to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, the €200 million D1B Tranche, and
- on 29 September 2023, the €100 million D2 Facility,

in order to finance the Group's general corporate purposes and debt servicing.

The characteristics of the D1B Tranche and D2 Facility and the main obligations of ORPEA S.A., Niort 94 and Niort 95, as well as the collateral securing this new money debt financing, are described in Note 4.14 to the half-year condensed consolidated financial statements.

The new money debt not yet drawn down consists of the €100 million D3 Facility, which can be drawn down subject to certain conditions precedent.

2.5.2 DISPOSALS OF REAL ESTATE PORTFOLIOS

On 30 June 2023, the ORPEA Group sold a portfolio of four nursing homes recently built in Austria to a local investor, representing a total of 475 beds, and assisted-living facilities with 21 apartments. These facilities, located in Dobl, Fohnsdorf, Kalwang and Kammern, will continue to be operated by SeneCura, a subsidiary of the ORPEA Group. The sale was completed in July 2023.

On 21 July 2023, the ORPEA Group completed the sale to a Dutch private equity fund, of four newly built or under construction nursing homes in the Netherlands operated through its Dutch subsidiaries September and Compartijn. The four facilities, located in the towns of Gouda, Doorn, Hardinxveld and Rozenburg, will operate 103 beds.

During the summer, the ORPEA Group also signed an agreement with Amvest Living & Care Fund for the sale of a 22-facility portfolio under development in the Netherlands, which will eventually accommodate 480 residents. This new sale and leaseback agreement will bring the number of homes owned by Amvest and operated by its subsidiary Dagelijks Leven to 75.

2.5.3 SALE OF A SUBSIDIARY IN LATVIA

Following the lifting of the conditions precedent provided for in the contract[1], on 27 July 2023, the ORPEA Group sold all of the share capital and voting rights of the Latvian company Senior Baltic, which operates and owns a nursing home in Latvia.

2.5.4 TERMINATION OF THE INVESTMENT AGREEMENT WITH CPPIB

On 8 June 2023, the Company received a letter from Canada Pension Plan Investment Board (CPPIB), which was ORPEA's largest shareholder at 31 December 2022, with 14.49% of the Company's share capital and 24.13% of the voting rights, before it sold all of its ORPEA shares between 2 and 8 February 2023, informing the Company of its decision to terminate the investment agreement entered into on 11 December 2023. Under the terms thereof, the agreement expired on 8 October 2023.

2.6 Outlook

With regard to full-year 2023 and 2024-2025 outlook, the Company is currently carrying out internal reviews at the level of all its operating entities in order to be able to produce and communicate updated forecasts to the market before the launch of the Equitisation Capital Increase. For 2023 in any case, the Company currently expects EBITDAR to come in at the lower end of the €705 million-€750 million range, announced in its press release dated 13 July.

Subject to the final condition precedent of a decision by the Paris Court of Appeal rejecting the appeals filed against the exemption granted on 26 May 2023 to the Groupement by the AMF from the obligation to file a public offer for ORPEA's shares, three capital increases will then be carried out, namely:

(i) a rights issue for approximately €3.8 billion, backstopped by the Company's unsecured creditors, who would subscribe, if required, by offsetting their existing receivables (the "**Equitisation Capital Increase**"). This first capital increase is planned for early December 2023;

(ii) a cash capital increase without pre-emption rights for approximately €1.16 billion, reserved for the members of the Groupement (the "**Groupement Capital Increase**"). This second capital increase is planned for mid-December 2023;

(iii) a cash capital increase with pre-emption rights for approximately €0.4 billion, to which the members of the Groupement have undertaken to subscribe for approximately €0.2 billion, with the balance guaranteed by SteerCo (the "**Rights Issue**"). This third capital increase is planned for early 2024.

(1) *See section 5.5.1, page 284, of the 2022 Universal Registration Document.*

Impact of the financial restructuring on the Group's net debt and the maturity schedule of its debt at 30 June 2023

The accelerated safeguard plan approved on 24 July 2023 provides for the conversion into capital of €3.8 billion of ORPEA S.A.'s unsecured debt through the Equitisation Capital Increase, a new money equity injection in cash of €1.55 billion following the Groupement Capital Increase and the Rights Issue, the amendments to the June 2022 financing documentation and the implementation of the Additional Financing as described in section 1.5.4.2 of the 2022 Universal Registration Document.

Constituting the main components of the financial restructuring plan due to be implemented following the Paris Court of Appeal's decision scheduled for early November 2023, these operations are designed to achieve a sustainable financial structure, which is essential to the continuation of the Refoundation Plan.

The Company has also obtained waivers from its creditors and various other arrangements (change of control clauses and financial covenants) to enable the financial restructuring plan to be implemented effectively.

The tables below show the impact of all of these transactions and contractual amendments on the Group's debt structure and its debt maturity schedule at 30 June 2023.

Impact of the financial restructuring on the Group's net debt at 30 June 2023

Before implementation of the accelerated safeguard plan
Before taking into account the Agreement Protocol with the G6 banks

(in millions of euros)	ORPEA S.A.	Subsidiaries	Group
June 2022 financing – G6	3,227	-	3,227
Additional Financing – G6	-	200	200
Secured debt	292	1,621	1,913
Partially secured private placements	32	-	32
Sub-total secured debt	**3,551**	**1,821**	**5,372**
Listed bonds	1,400	-	1,400
Bank borrowings	155	348	503
Unsecured EuroPP	698	-	698
Schuldschein	1,570	136	1,706
Sub-total unsecured debt	**3,823**	**484**	**4,307**
TOTAL GROSS DEBT (NON-IFRS)	**7,374**	**2,305**	**9,679**
Cash and cash equivalents			(518)
NET DEBT			**9,161**
IFRS adjustments			*99*
IFRS NET DEBT AT 30 JUNE 2023			**9,260**

After implementation of the accelerated safeguard plan
After taking into account the Agreement Protocol with the G6 banks

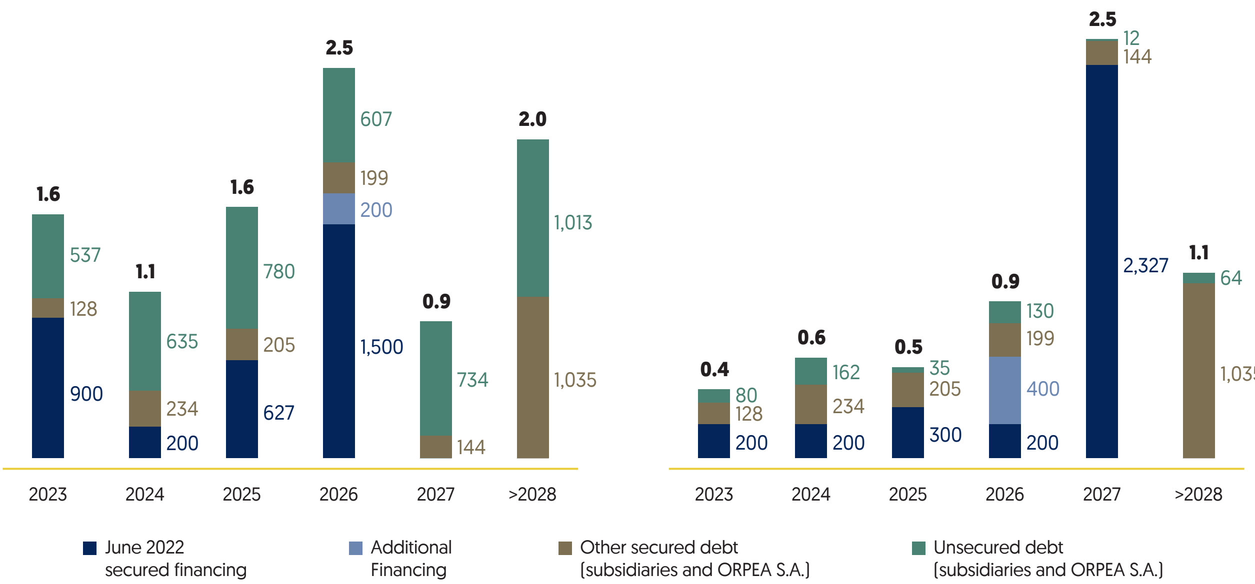
(in millions of euros)	ORPEA S.A.	Subsidiaries	Group
June 2022 financing	3,227	-	3,227
Additional Financing – G6	200	200	400
Secured debt	292	1,621	1,913
Partially secured private placements	32	-	32
Sub-total secured debt	**3,751**	**1,821**	**5,572**
Bonds	-	-	-
Bank borrowings	-	348	348
Unsecured EuroPP	-	-	-
Schuldschein	-	136	136
Sub-total unsecured debt	**-**	**484**	**484**
TOTAL GROSS DEBT (NON-IFRS)	**3,751**	**2,305**	**6,056**
Cash and cash equivalents			(2,053)
NET DEBT			**4,003**
IFRS adjustments			*(11)*
IFRS NET DEBT AT 30 JUNE 2023			**3,992**

Pro forma consolidated net debt restated for the impact of the financial restructuring would amount to €4.0 billion (excluding IFRS adjustments), with the difference between that figure and the reported net debt figure at 30 June 2023 resulting from the conversion into capital of ORPEA S.A.'s unsecured debt and the increase in cash corresponding to the gross proceeds of the cash capital increases provided for in the plan, less the various costs of implementing the plan and paying interest on ORPEA S.A.'s secured debt not yet due at 30 June 2023.

Impact of the financial restructuring on the maturity schedule of gross debt (as of 30 June 2023, including Additional Financing[1][2])

Taking into account the full conversion into shares of all of ORPEA S.A.'s unsecured debt, the extension of the maturities of the June 2022 financing and the €400 million in drawdowns under the Additional Financing agreed on 29 May 2023, the debt maturity schedule would be modified as follows:

- **Maturity schedule of gross debt at 30 June 2023**
  (in millions of euros, total in billions of euros)
- **Maturity schedule of gross debt adjusted for the impact of financial restructuring**
  (in millions of euros, totals in billions of euros)



2.7 Allocation of net profit/(loss)

The Board of Directors, having approved ORPEA S.A.'s financial statements, has decided to allocate the loss for the year ended 31 December 2022, amounting to €3,477,068,607.84, as follows:

- €636,160,146.38 to the "Share premium" account, which would be reduced to €0;
- €8,078,915.63 to the "Statutory reserve" account, which would be reduced to €0;
- the remainder to "Retained earnings", which would become negative in the same amount, i.e., €2,832,829,545.83.

This proposed allocation of the loss is provisional and will be modified when the 2023 Annual General Meeting is convened to take into account the transactions provided for in the restructuring plan.

(1) *Including Additional Financing of €400 million, following the contractual repayment of the D2 and D3 Facilities on 31 December 2023.*
(2) *Excluding reclassification of debt subject to the R1/R2 financial covenants to debt due in less than one year at 31 December 2022. Factoring programme (€130 million) included in the schedule (>2028).*

2023 half-year consolidated financial statements

3

Consolidated income statement

(in thousands of euros)	Notes	First-half 2023	First-half 2022
Revenue	**4.21**	**2,539,269**	**2,294,554**
Purchases used and other external costs*		(496,556)	(429,907)
Personnel costs*		(1,697,494)	(1,453,378)
Taxes other than on income*		(39,114)	(36,803)
Depreciation, amortisation and charges to provisions		(334,188)	(333,150)
Other recurring operating income		28,384	46,706
Other recurring operating expense		(13,288)	(6,260)
Recurring operating profit/(loss)	**4.23**	**(12,987)**	**81,763**
Other non-recurring operating income	4.24	252,238	6,635
Other non-recurring operating expense	4.24	(337,615)	(258,049)
OPERATING PROFIT/(LOSS)		**(98,364)**	**(169,651)**
Cost of net debt		(283,747)	(127,288)
Other financial income and expense, net		52,842	31,185
Net financial expense	**4.25**	**(230,906)**	**(96,103)**
PROFIT/(LOSS) BEFORE TAX		**(329,270)**	**(265,754)**
Income tax	4.26	(38,604)	(5,632)
Share in profit of associates and joint ventures	4.5	1,250	2,565
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		**(366,624)**	**(268,821)**
Attributable to non-controlling interests		4,115	548
Attributable to ORPEA's shareholders		(370,739)	(269,369)
Weighted average number of shares		*64,623,913*	*64,590,106*
Earnings/(loss) per share *(in euros)*		(5.74)	(4.17)
Diluted earnings/(loss) per share *(in euros)*		(5.74)	(4.17)

* *For first-half 2022:*
- reclassification of payroll and training taxes for €6,738 thousand from "Taxes other than on income" to "Personnel costs";
- reclassification of external doctors' expenses of €8,120 thousand from "Purchases used and other external costs" to "Personnel costs";
- reclassification of other financial income and expenses of €11,623 thousand from "Cost of net debt" to "Other financial income and expense, net".

Consolidated statement of comprehensive income

(in thousands of euros)		First-half 2023	First-half 2022 restated*/**	First-half 2022 reported*
Net profit/(loss) for the period	**a**	**(366,624)**	**(268,821)**	**(268,821)**
Change in currency translation adjustments		39,003	38,176	38,176
Financial assets measured at fair value		-	-	-
Cash flow hedges		(7,312)	134,853	134,853
Tax effect on items that may be reclassified to profit or loss		1,888	(42,296)	(42,296)
Total items that may be reclassified to profit or loss	**b**	**33,580**	**130,733**	**130,733**
Comprehensive income/(loss) net of items that may be reclassified to profit or loss	**a+b**	**(333,045)**	**(138,088)**	**(138,088)**
Actuarial gains		346	6,504	6,504
Revaluation of properties		-	-	24,100
Tax effect on items that may not be reclassified to profit or loss		67	(1,428)	(1,428)
Total items that may not be reclassified to profit or loss	**c**	**413**	**5,076**	**29,176**
Comprehensive income/(loss) net of items that may not be reclassified to profit or loss	**a+b+c**	**(332,632)**	**(133,012)**	**(108,912)**
Other comprehensive income (net of tax)	**b+c**	**33,993**	**135,809**	**159,909**
COMPREHENSIVE INCOME/(LOSS)	**A+B+C**	**(332,632)**	**(133,012)**	**(108,912)**

* *The reported figures for the six months ended June 30, 2022 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16 (see Note 4.3).*

** *The presentation of the 2022 half-year statement of comprehensive income (reported and restated) has been adjusted as follows: the first line is now "Net profit/(loss) for the period" and corresponds to the net profit/loss of consolidated companies rather than attributable net profit/(loss).*

Consolidated balance sheet

Assets

(in thousands of euros)	Notes	30 June 2023	31 Dec. 2022
Goodwill	4.1.2	1,411,352	1,362,491
Intangible assets, net	4.1.3	1,638,827	1,592,231
Property, plant and equipment, net	4.3	4,466,894	4,374,692
Assets in progress	4.3	691,666	626,633
Right-of-use assets	4.4	3,515,435	3,499,987
Investments in associates and joint ventures	4.5	7,051	7,852
Non-current financial assets	4.6	205,871	180,997
Deferred tax assets	4.26	585,921	581,556
Non-current assets		**12,523,016**	**12,226,438**
Inventories	4.7	16,093	16,100
Trade receivables	4.8	414,333	455,368
Other receivables, accruals and prepayments	4.9	778,135	586,957
Cash and cash equivalents	4.14	517,604	856,417
Current assets		**1,726,164**	**1,914,842**
Assets held for sale	**4.10**	**435,500**	**353,154**
TOTAL ASSETS		**14,684,680**	**14,494,434**

Equity and liabilities

(in thousands of euros)	Notes	30 June 2023	31 Dec. 2022
Share capital		80,867	80,867
Consolidated reserves		(1,685,842)	2,313,578
Revaluation reserves		126,065	131,075
Attributable net profit/(loss)		(370,739)	(4,027,042)
Equity attributable to ORPEA's shareholders	**4.11**	**(1,849,648)**	**(1,501,521)**
Non-controlling interests		(92)	(715)
Total equity		**(1,849,740)**	**(1,502,236)**
Non-current financial liabilities	4.14	1,442,804	1,378,335
Long-term lease liabilities	4.4	3,286,773	3,424,153
Long-term provisions	4.12	419,809	296,195
Provisions for pensions and other employee benefit obligations	4.13	67,531	66,195
Deferred tax liabilities	4.26	846,382	813,993
Non-current liabilities		**6,063,299**	**5,978,871**
Current financial liabilities	4.14	8,334,492	8,236,460
Short-term lease liabilities	4.4	555,089	344,317
Short-term provisions	4.12	4,944	-
Trade payables	4.17	300,582	326,954
Tax and payroll liabilities*	4.18	593,483	430,771
Current tax liability*	4.26	20,291	37,774
Other payables, accruals and prepayments*	4.19	648,267	585,292
Current liabilities		**10,457,147**	**9,961,568**
Liabilities held for sale	**4.10**	**13,974**	**56,232**
TOTAL EQUITY AND LIABILITIES		**14,684,680**	**14,494,434**

* *In December 2022:*
- reclassification of €73,859 thousand in tax liabilities from "Current tax liability" to "Tax and payroll liabilities";
- reclassification of €55,810 thousand in accrued expenses payable to the CNSA from "Tax and payroll liabilities" to "Other payables, accruals and prepayments".

Consolidated statement of cash flows

(in thousands of euros)	Notes	First-half 2023	First-half 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) of consolidated companies		(366,624)	(268,821)
Elimination of non-cash income and expense related to operating activities*		193,709	329,724
Depreciation of right-of-use assets		197,939	181,240
Financial expenses (excluding IFRS 16)	4.25	185,021	49,381
Financial expenses on lease liabilities (IFRS 16)	4.25	58,243	46,722
Cash flows from operations generated by consolidated companies		**268,287**	**338,246**
Change in operating working capital			
■ Inventories		37	(390)
■ Trade receivables	4.8	16,313	(6,234)
■ Other receivables	4.9	(34,518)	(3,931)
■ Tax and payroll liabilities	4.18	84,825	7,569
■ Trade payables	4.17	(74,615)	36,771
■ Other payables	4.19	(67,945)	(20,366)
Net cash generated by operating activities		**192,385**	**351,665**
CASH FLOW FROM INVESTING AND DEVELOPMENT ACTIVITIES			
Property investments		(62,378)	(459,938)
Disposals of real estate		9,165	(9,767)
Other acquisitions and changes		(160,564)	(48,063)
Net cash used in investing activities		**(213,777)**	**(517,768)**
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash inflows/(outflows) related to bridging loans and bank overdrafts	4.14	-	177,651
Proceeds from new finance leases	4.14	-	41,425
Proceeds from other borrowings	4.14	200,000	1,004,926
Repayments of other borrowings	4.14	(165,724)	(170,536)
Repayments under finance leases	4.14	(69,662)	(520,145)
Repayments of lease liabilities	4.14	(225,861)	(90,023)
Net financial income/expense and other changes	4.25	(56,397)	(96,103)
Net cash generated by/(used in) financing activities		**(317,643)**	**347,195**
CHANGE IN CASH AND CASH EQUIVALENTS		**(339,035)**	**181,092**
Cash and cash equivalents at beginning of period		856,417	952,369
Cash and cash equivalents at end of period		**517,604**	**1,133,461**
Cash recognised in the balance sheet		**517,604**	**1,133,461**
Cash equivalents	4.14	60,275	7,050
Cash	4.14	457,329	1,126,411

* *Mainly including impairment losses, depreciation and amortisation, income and expense related to equity-method associates, deferred taxes, and provisions for restructuring costs.*

Statement of changes in consolidated equity

(in thousands of euros except for the number of shares)	Number of shares	Share capital	Capital reserves	Revaluation reserves: Revaluation of properties	Revaluation reserves: Cash flow hedges	Revaluation reserves: IAS 19 actuarial gains and losses	Other reserves	2022 net loss pending allocation	Net profit/(loss) for the period	Total attributable to ORPEA's shareholders	Non-controlling interests	Total equity
At 31 December 2021 restated*	**64,640,075**	**80,800**	**950,575**	**(0)**	**(81,315)**	**14,750**	**1,293,589**	**0**	**65,185**	**2,323,584**	**11,780**	**2,335,364**
Change in fair value of properties										0		0
Post-employment benefit obligations						7,380				7,380		7,380
Financial instruments					259,225					259,225		259,225
Currency translation adjustments							46,742			46,742		46,742
Dividend payment										0		0
Impact of the remeasurement of deferred taxes					(66,945)	(2,019)				(68,964)		(68,964)
Changes in fair value recognised directly in equity		**0**	**0**	**0**	**192,280**	**5,361**	**46,742**	**0**	**0**	**244,382**	**0**	**244,382**
Reclassifications										0		0
Allocation of net profit/(loss)							64,972		(65,185)	(213)		(213)
2022 net loss									(4,027,042)	(4,027,042)	(537)	(4,027,579)
Other							(42,232)			(42,232)	(11,959)	(54,191)
Free share plans	53,776	67	(67)							0		0
Cancellation of treasury shares										0		0
At 31 December 2022	**64,693,851**	**80,867**	**950,508**	**(0)**	**110,965**	**20,110**	**1,363,071**	**0**	**(4,027,042)**	**(1,501,521)**	**(715)**	**(1,502,236)**
Change in fair value of properties										0		0
Post-employment benefit obligations						346				346		346
Financial instruments					(7,312)					(7,312)		(7,312)
Currency translation adjustments							39,003			39,003		39,003
Dividend payment										0		0
Impact of the remeasurement of deferred taxes					1,888	67				1,956		1,956
Changes in fair value recognised directly in equity		**0**	**0**	**0**	**(5,423)**	**413**	**39,003**	**0**	**0**	**33,993**	**0**	**33,993**
Reclassifications										0		0
Allocation of net profit/(loss)								(4,027,042)	4,027,042	0		0
First-half 2023 net loss									(370,739)	(370,739)	4,115	(366,624)
Other							(11,381)			(11,381)	(3,492)	(14,873)
Free share plans	0	0	0							0		0
Cancellation of treasury shares										0		0
AT 30 JUNE 2023	**64,693,851**	**80,867**	**950,508**	**(0)**	**105,542**	**20,523**	**1,390,693**	**(4,027,042)**	**(370,739)**	**(1,849,648)**	**(92)**	**(1,849,740)**

* *The reported figures at 31 December 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16 (see Note 4.3).*

Notes to the half-year condensed consolidated financial statements

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Amounts are stated in thousands of euros unless otherwise indicated.

The ORPEA Group's 2023 half-year condensed consolidated financial statements were reviewed by the Board of Directors on 11 October 2023.

The consolidated financial statements for the year ended 31 December 2022 have not yet been approved by the Annual General Meeting.

ORPEA S.A. is a French joint-stock company (*société anonyme*) whose registered office is located at 12, rue Jean-Jaurès, 92800 Puteaux, France. It is the parent company of a leading global group with expertise in providing support for all types of vulnerable people. The Group operates in 21 countries and covers three core areas of expertise: care for the elderly (nursing homes, assisted-living facilities, home care), medical care and rehabilitation, and mental health care (specialised hospitals).

1. Significant accounting policies and basis of preparation

1.1 LIQUIDITY AND GOING CONCERN RISKS

At 30 June 2023, the Group's total gross debt amounted to €9.8 billion (excluding €3.8 billion in IFRS 16 lease liabilities), for which contractual principal repayments of €1.6 billion, €1.1 billion and €1.6 billion are due in the second half of 2023, 2024 and 2025 respectively (excluding ORPEA S.A.'s unsecured debt). The Group's cash and cash equivalents stood at €518 million at 30 June 2023. Out of the Group's total gross debt, the amount classified as current liabilities was €8.3 billion, including in particular all of ORPEA S.A.'s unsecured debt which is due to be capitalised as part of the financial restructuring (see Note 4.14).

On the basis of (i) the above debt repayment schedule, (ii) the 2023-2025 business plan drawn up in connection with the Refoundation Plan presented on 15 November 2022, including in particular the amount of capital expenditure planned over the period, (iii) the Group's existing cash position and the minimum cash "cushion" of €200 million needed to operate, and excluding (x) any proceeds from the disposal of real estate assets over the period from 2023 to 2025 in line with the Group's objective of eventually holding 20%-25% of its real estate assets, and (y) the impact of the financial restructuring (i.e., the equitisation of existing debt), the Group's financing requirement has been estimated at some €5.3 billion between now and 2025.

This unsustainable financial outlook was what led the Company to draw up the financial restructuring plan presented to ORPEA S.A.'s unsecured creditors on 15 November 2022 as part of the conciliation procedure opened on 25 October 2022. This restructuring proposal was the subject of discussions and negotiations with the various parties involved in the financial restructuring, overseen by the conciliator appointed for the purposes of the procedure.

On 14 February 2023, ORPEA S.A. entered into a lock-up agreement (the "**Lock-Up Agreement**") with a group of long-term French investors including Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF (together the "**Groupement**") and five institutions holding the Company's unsecured debt (the "**SteerCo**"), under which the parties agreed on the principles of the financial restructuring plan. Approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo, the original signatories to the Lock-Up Agreement), representing approximately €1.9 billion in outstanding unsecured debt (51% of ORPEA S.A.'s €3.8 billion unsecured debt), acceded to the Lock-Up Agreement, in accordance with its terms and prior to the longstop date which was set at 10 March 2023.

The Lock-Up Agreement met ORPEA S.A.'s objectives of achieving a sustainable financial structure and financing its Refoundation Plan presented on 15 November 2022, through:

- **(i)** the conversion into capital of all of ORPEA S.A.'s unsecured debt, corresponding to a reduction in the Group's gross debt of approximately €3.8 billion;
- **(ii)** an equity injection in cash ("new money equity") of €1.55 billion, via capital increases which would be subscribed by the Groupement for a total of €1,355 million, with a backstop for the balance up to €195 million provided by the SteerCo;
- **(iii)** the principle of additional financing of €600 million (including a €200 million bridging loan that can only be drawn down in 2023) to be provided by the Group's main banking partners.

These transactions should ensure the Group's future financial equilibrium, with a reduction of almost 57% in its net debt (excluding €3.8 billion in IFRS 16 lease liabilities) based on the post-restructuring position at 30 June 2023. After all of ORPEA S.A.'s unsecured debt (€3.8 billion) has been cleared and after repayment of the A4 tranches (€0.2 billion) and the additional financing drawn down (€0.5 billion), and taking into account the proceeds of the Groupement capital increase, the Group's pro forma net debt would amount to €4.0 billion.

On 17 March 2023, as provided for in the Lock-Up Agreement and with a view to the opening of an accelerated safeguard procedure, ORPEA S.A. entered into an agreement protocol with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Agreement Protocol**"). This Agreement Protocol sets out the terms and conditions of the additional financing provided for in the Lock-Up Agreement (€400 million, plus a €200 million bridging loan only drawable in 2023), which should enable the Group to cover its liquidity needs until the completion of the capital increases (including the €1.16 billion cash capital increase to be taken up by the Groupement which is currently planned for December 2023). The Agreement Protocol also provides for an adjustment to the loan documentation put in place in June 2022 (€3.2 billion), notably including the extension of the loans' final maturity to December 2027 (versus the existing maturities set out in Note 4.14) and reducing the applicable margin to 2.0%.

Lastly, in relation to its existing financing not affected by the planned financial restructuring (approximately €2.4 billion) – both secured debt held by ORPEA S.A. and debt held at the level of subsidiaries – the Group has obtained waivers, where necessary, from all of the lenders involved concerning (i) the neutralisation of the "R1" and "R2" financial covenants (elimination of the "R2" covenant and amendment of the "R1" covenant with its application postponed to mid-2025), and (ii) the change of control clauses (only covering the take-over of control by the Groupement provided for as part of the financial restructuring). These waivers mean that no early debt repayments could be triggered for non-compliance with the applicable covenants at 31 December 2022 or at the time of the change of control of ORPEA S.A. on the completion date of the financial restructuring.

The Lock-Up Agreement was implemented as part of the accelerated safeguard procedure opened on 24 March 2023 by the Nanterre Specialised Commercial Court (*Tribunal de commerce spécialisé de Nanterre*). Following the vote of the various affected classes of creditors and equity holders, the accelerated safeguard plan was approved on 24 July 2023 by the Court by way of a cross-class cram down. The accelerated safeguard plan is therefore binding on all of the affected parties, while the Lock-Up Agreement is still subject to the conditions precedent agreed by the signatories. To date, the main condition precedent still outstanding is the confirmation by the Paris Court of Appeal of the validity of the exemption granted to the Groupement by the AMF on 26 May 2023 in relation to the obligation to launch a public offer for ORPEA S.A.'s shares in view of the fact that the Groupement would own 50.2% of the Company's capital following the planned transactions. Appeals have been lodged with the Paris Court of Appeal against this exemption.

Against this backdrop, and on the basis of the legal analyses carried out in relation to the various appeals lodged by third parties, Executive Management is confident that the Company's financial restructuring will be successfully implemented in accordance with the agreed terms.

In any event, even before implementation of the accelerated safeguard plan, the Agreement Protocol entered into with its main banking partners will enable ORPEA S.A. to cover its liquidity needs until the completion of the capital increases. Therefore, in view of:

- the Group's cash balance, which stood at €677 million at 27 September 2023;
- the Company's cash flow forecasts, which take into account the successive capital increases representing a total cash contribution of €1.55 billion (including the €1.16 billion capital increase to be taken up by the Groupement which is planned for the last quarter of 2023).

The Board of Directors applied the going concern principle when it reviewed the half-year financial statements, after taking into account the information available to it about the future and, in particular, the cash flow forecasts for the next 12 months. These forecasts include the assumption that the transactions referred to above will take place.

Based on this information, and taking into account its assessment of the liquidity risk related to the items mentioned in Note 4.15.2 "Liquidity risk", the financial statements for the six months ended 30 June 2023 were prepared on a going concern basis.

1.2 SIGNIFICANT ACCOUNTING POLICIES

In accordance with European Regulation 1606/2002 of 19 July 2002, as amended by European Regulation 297/2008 of 11 March 2008, the ORPEA Group has prepared half-year condensed consolidated financial statements for the six months ended 30 June 2023. These financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. As they are condensed consolidated financial statements, they do not include all the information required under IFRS for annual financial statements and must therefore be read together with the Group's consolidated financial statements for the year ended 31 December 2022.

In preparing the half-year condensed consolidated financial statements for the six months ended 30 June 2023, the Group applied the same accounting principles and methods as in its consolidated financial statements for the year ended 31 December 2022, with the exception of the specificities required by IAS 34 and the reclassifications mentioned in the footnotes to the primary financial statements.

The accounting principles applied comply with IFRS standards and interpretations as adopted by the European Union at 30 June 2023.

The first-time application of the following standards and amendments as from 1 January 2023 had no material impact on the Group:

- IFRS 17 – Insurance Contracts and the amendments thereto;
- Amendments to IAS 1 – Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 – Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

A detailed analysis of these standards and amendments has not revealed any material impact on the consolidated financial statements.

The Group did not apply any new standards, amendments or interpretations that were not mandatory at 1 January 2023. The main such amendments are as follows (not yet adopted by the European Union [application date subject to EU adoption]):

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements;
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules;
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

1.3 SIGNIFICANT ESTIMATES AND JUDGEMENTS MADE BY MANAGEMENT FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that have an impact on the amounts presented in these financial statements. These estimates are based on the assumptions and conditions described in Note 1.1 relating to liquidity and going concern risks, and are established on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based change or in the event new information comes to light. Actual results may differ from these estimates.

The half-year condensed consolidated financial statements have been prepared by reference to the current environment, particularly with respect to the estimates presented below:

- the assumptions used for impairment tests by country (and not by facility), based on estimates from 2023 to 2025 that take into account the lag in EBITDAR generation announced on 13 July 2023 and on updated parameters (discount rate and long-term growth rate). See Note 4.2 "Regular impairment testing" for further details;
- measurement of financial assets (development-related receivables and partners' current accounts) in light of the discussions entered into with the Group's long-standing partners to unwind partnerships and settle those advances in exchange for the underlying real estate assets in the various countries concerned;
- measurement of share-based payments (IFRS 2);
- measurement of provisions (IAS 37);
- measurement of post-employment benefits (IAS 19);
- estimates of lease terms and discount rates for future lease payments (IFRS 16);
- measurement of certain financial instruments at fair value (IFRS 9);
- determining the corporate income tax expense and assumptions about the recoverability of deferred taxes (IAS 12).

2. Significant events of the period

2.1 REFOUNDATION PLAN AND FINANCIAL RESTRUCTURING PLAN

On 15 November 2022, the new management team presented the Group's new strategic priorities with its *With you and for you, changing ORPEA Refoundation Plan* and a Group-level transformation based on the following four priority areas for change:

- operational change, with zero tolerance for unethical practices, a collaborative approach with all stakeholders, a balanced focus on priorities, and a transparent and efficient operating model;
- organisational change, with facilities given autonomy, a new role for support functions, a Medical Director on the Group Executive Committee, and the real estate business serving as a support for operations;
- a change in the approach to care, support and human resources, with "Care by ORPEA" based on personalised support, a human approach to care and the management of caregivers, a focus on catering, and excellence in medical and care practices;
- a change in financial balance, with a recovery in operating profitability, a new property ownership policy and the restoration of a sustainable financial structure.

2.2 AGREEMENT ON ADDITIONAL FINANCING AND AN AMENDMENT TO THE EXISTING LOAN AGREEMENT WITH THE MAIN BANKING PARTNERS (MARCH 2023)

The Agreement Protocol that the Company entered into on 17 March 2023 with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) provides for an addendum to the Existing Loan Agreement which will come into force on the date the financial restructuring is completed. The main terms of the addendum can be summarised as follows:

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

These new conditions will apply as from the take-over of control by the Groupement and are therefore not reflected in the recognition of the Group's debt at 30 June 2023.

In any case:

- until the Addendum enters into force (settlement-delivery date of the second capital increase), interest will be calculated in accordance with the terms of the June 2022 agreement and will be due, although its actual payment has been suspended;
- the undertaking to maintain a minimum cash level of €300 million will only apply as from the end of the first quarter following the quarter in which the Addendum comes into force (i.e., in practice, from 31 March 2024);
- all of the other contractual clauses (including those relating to asset disposals) have been suspended.

2.3 FIRST DRAWDOWN OF €200 MILLION OF NEW MONEY DEBT (JUNE 2023)

On 2 June 2023, ORPEA S.A. and its subsidiaries Niort 94 and Niort 95 made an initial drawdown of €200 million under the new money debt facility granted by the Group's main banking partners. This amount corresponds to the full amount of the D1A Tranche. The funds were used to finance and refinance Niort 94's general corporate purposes, including the repayment of intra-group debt owed to ORPEA S.A., which used the proceeds to finance the Group's general corporate purposes, debt servicing and capital expenditure.

The characteristics of the D1A Tranche and the main obligations of ORPEA S.A., Niort 94 and Niort 95, as well as the collateral securing this new money debt financing, are described in the 2022 Universal Registration Document.

2.4 DISPOSALS OF REAL ESTATE PORTFOLIOS

On 28 July 2022, the ORPEA Group signed an agreement with Syntrus Achmea Real Estate & Finance, acting on behalf of the Achmea Dutch Health Care Property Fund (ADHCPF), for the sale of a real estate portfolio of 32 nursing homes in the Netherlands. The first sale of assets began on 15 September 2022 and the last sale took place on 29 June 2023.

2.5 MAIN ACQUISITIONS

The Group purchased, directly or via companies, specific assets necessary for its expansion, such as intangible and real estate operating rights, and sold certain facilities and properties.

In particular, the Group acquired the following during the period:

- a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium;
- a 100% interest in Compartjin and Thuismakers in the Netherlands;
- a 100% interest in Résidences Senior Services (RSS) in France;
- a 69.26% interest in AP1, AP2, AP3 and AP4 of the Âge Partenaires group.

Based on provisional estimates of the fair value of the assets acquired, the total investments at the acquisition dates of these entities breaks down as follows:

	30 June 2023					
(in millions of euros)	**Goodwill**	**Operating intangible assets**	**Properties**	**Purchase price**	**Revenue**	**Profit for the period**
France-Benelux-UK-Ireland	45	-	54	41	38	5
Central Europe	-	-	-	-	-	-
Eastern Europe	-	-	-	-	-	-
Iberian Peninsula and Latin America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
TOTAL	**45**	**0**	**54**	**41**	**38**	**5**

3. Subsequent events

3.1 APPROVAL OF THE ACCELERATED SAFEGUARD PLAN BY WAY OF A CROSS-CLASS CRAM DOWN (JULY 2023)

On 11 July 2023, the Company applied to the Nanterre Specialised Commercial Court to have the accelerated safeguard plan approved by way of a cross-class cram down. The Court approved said plan by way of a cross-class cram down on 24 July 2023.

The accelerated safeguard plan, as it has been decided, is the only solution capable of providing the financial resources essential to the continuation and consolidation of the actions undertaken by the Group as part of its overhaul. As well as the additional financing provided by the Group's main banking partners on 26 May 2023, a number of transactions will be carried out, including capital increases to settle existing debt and raise new equity, the amendment of the terms and conditions of the June 2022 financing to extend the maturities and reduce the interest rate, the adjustment – by obtaining various waivers – of the legal documentation of numerous financing agreements at subsidiary level, and the spreading over time of part of the Company's tax and social security liabilities.

The conversion into capital of all ORPEA S.A.'s unsecured debt (principal amount of €3.8 billion), followed by cash contributions of €1.55 billion, will begin as soon as the main condition precedent has been fulfilled. This consists of the rejection of the appeals lodged against the exemption from the obligation to file a public offer for ORPEA shares granted on 26 May 2023 by the AMF. The decision will be taken by the Paris Court of Appeal in the last quarter of 2023.

3.2 NEW DRAWDOWNS OF €200 MILLION AND €100 MILLION RESPECTIVELY UNDER THE NEW MONEY DEBT FINANCING

Following the first drawdown of €200 million on 2 June (D1A Tranche), two new drawdowns were made under the new money debt financing granted by the Group's main banking partners to ORPEA S.A. and its subsidiaries Niort 94 and Niort 95:

- on 16 August 2023, the €200 million D1B Tranche, and
- on 29 September 2023, the €100 million D2 Facility,

in order to finance the Group's general corporate purposes and debt servicing.

The characteristics of the D1B Tranche and D2 Facility and the main obligations of ORPEA S.A., Niort 94 and Niort 95, as well as the collateral securing this new money debt financing, are described in the consolidated financial statements for the year ended 31 December 2022.

The new money debt not yet drawn down consists of the €100 million D3 Facility, which can be drawn down once all the conditions precedent applicable to the restructuring are lifted.

3.3 DISPOSALS OF REAL ESTATE PORTFOLIOS

On 30 June 2023, the ORPEA Group entered into an agreement to sell a portfolio of four nursing homes recently built in Austria to a local investor, representing a total of 475 beds and assisted-living facilities with 21 apartments. These facilities, located in Dobl, Fohnsdorf, Kalwang and Kammern, will continue to be operated by SeneCura, a subsidiary of the ORPEA Group. The sale was completed in July 2023. Out of the overall transaction price of approximately €55 million, €41 million was paid in advance and was deducted from the Group's debt at 30 June 2023.

On 21 July 2023, the ORPEA Group completed the sale to a Dutch private equity fund of four newly built or under construction nursing homes in the Netherlands operated through its Dutch subsidiaries September and Compartijn. The four facilities, located in the towns of Gouda, Doorn, Hardinxveld and Rozenburg, will operate 103 beds. The sale price was approximately €28 million.

During the summer, the ORPEA Group also signed an agreement with Amvest Living & Care Fund for the sale of a 22-facility portfolio under development, in the Netherlands, which will eventually accommodate 480 residents. This new sale and leaseback agreement will bring the number of homes owned by Amvest and operated by its subsidiary Dagelijks Leven to 75. The sale price was approximately €85 million.

All of these assets have been classified as "Assets held for sale" in accordance with IFRS 5 in the half-year financial statements at 30 June 2023, as has the subsidiary in Latvia (see Note 3.4 below).

3.4 SALE OF A SUBSIDIARY IN LATVIA

Following the lifting of the conditions precedent provided for in the contract[1], on 27 July 2023, the ORPEA Group sold all of the share capital and voting rights of the Latvian company Senior Baltic, which operates and owns a nursing home in Latvia. The sale price was approximately €11 million.

4. Notes to the half-year consolidated financial statements

4.1 GOODWILL AND INTANGIBLE ASSETS

4.1.1 KEY ACCOUNTING POLICIES

Recognition of operating licences

The intangible assets recognised in the balance sheet mainly comprise operating licences, which may be recognised either as part of an acquisition (a business combination within the meaning of IFRS 3) or at cost if acquired directly.

In the case of business combinations (within the meaning of IFRS 3), recognition in the balance sheet depends in particular on applicable local regulations and whether or not there are any restrictions on the granting of new licences in the geographical area concerned. Where an operating licence is required to be recognised in the balance sheet, its fair value at the acquisition date is determined based on the type of operation and its location.

Operating licences recognised in the balance sheet mainly concern beds in nursing homes, medical care hospitals and psychiatric hospitals in France, Belgium, Switzerland, Spain, Italy, Austria, Poland, the Czech Republic, Portugal, the Netherlands, Germany (hospitals only), Slovenia, Ireland and the United Kingdom.

These licences are considered to have an indefinite life, in line with the market position adopted by the sector. This position is based on the following observations and is reinforced by the Group's past experience:

- the probability of the licences being withdrawn or not renewed is low, given that the Group adheres strictly in the management of its facilities to the guidelines and standards set by the various supervisory authorities;
- the costs incurred in maintaining licences are not material.

Operating licences with an indefinite useful life are not amortised but tested for impairment at each reporting date or whenever there is an indication that they might be impaired. The test consists of determining the recoverable amount of each licence at the end of the reporting period and recognising an impairment loss under "Other non-recurring operating expense" if this amount is less than the net carrying amount.

Other intangible assets

The amortisation period applied to other intangible assets ranges between one and ten years.

Amortisation of other intangible assets is recognised in profit or loss under "Depreciation, amortisation and charges to provisions". Impairment losses are recognised in "Other non-recurring operating expense" (see Note 4.24).

Impairment of goodwill, intangible assets and property, plant and equipment

In accordance with IAS 36, the net carrying amount of intangible assets with an indefinite useful life (corresponding mainly to operating licences) and goodwill is tested at the end of each reporting period or more frequently if there is any indication of impairment. The net carrying amount of other assets is tested whenever there is an indication of impairment.

(1) See section 5.5.1, page 284, of the 2022 Universal Registration Document.

Indications of impairment that may trigger an impairment test comprise:

- external indicators: market value of the asset, major changes in the company's environment, market capitalisation below the net carrying amount of equity, etc.; and
- internal indicators: fall in occupancy rate, change in regulations, obsolescence of the asset, financial performance below forecasts, etc.

Intangible assets and property, plant and equipment are tested for impairment at the level of the cash-generating unit (CGU), which corresponds to a homogeneous group of assets whose ongoing use generates cash inflows independently of the cash inflows from other CGUs. Each CGU corresponds to a facility (i.e., a nursing home or hospital).

Goodwill is tested for impairment by country (corresponding to a group of CGUs), i.e., the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the recoverable amount of the CGU or group of CGUs, and of the various assets comprising it, with their net carrying amount. The recoverable amount is defined by IAS 36 as the higher of an asset's fair value less costs of disposal and its value in use (corresponding to the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

The following method is used to carry out impairment tests:

- the value in use of each CGU or group of CGUs is determined by discounting expected future cash flows;
- for tests performed at the CGU level (in the case of unamortised intangible assets allocated to the CGU), where the value in use is less than the net carrying amount, an impairment loss is recognised using the following method:
  - if an additional impairment loss has to be recognised on the CGU or group of CGUs, the impairment loss is charged to all the intangible assets and property, plant and equipment making up the CGU (excluding working capital and financial assets) in proportion to their net carrying amount, within the limit of the individual asset's fair value less costs of disposal;
- for tests performed at the country level (group of CGUs), when the value in use is less than the net carrying amount, an impairment loss is recognised firstly on goodwill (this impairment being irreversible) and then, if required, on the value of the intangible assets and property, plant and equipment making up the group of CGUs (excluding working capital and financial assets) in proportion to the net carrying amount.

4.1.2 GOODWILL

The main movements during the period were as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
Net goodwill at beginning of period	**1,362,491**	**1,668,553**
Reclassification of goodwill held for sale	-	-
Business combinations	45,341	30,969
Adjustments to previous goodwill, deconsolidations and other	1,753	3,981
Impairment	-	(365,909)
Currency translation adjustments	1,768	24,896
NET GOODWILL AT END OF PERIOD	**1,411,352**	**1,362,491**

The amount recognised under "Business combinations" during the first half of 2023 mainly comprises the allocation of goodwill arising on the acquisition of the following:

- a 100% interest in the Holding Senior Invest (HSI) sub-group in Belgium, RSS in France, and Compartjin and Thuismakers in the Netherlands;
- a 69.26% interest in AP1, AP2, AP3 and AP4 of the Âge Partenaires group.

At 30 June 2023, the purchase price allocation was still provisional and the final purchase price allocation will be determined within 12 months of the acquisitions.

At 30 June 2023, goodwill by operating segment breaks down as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
France-Benelux-UK-Ireland	674,568	627,016
Central Europe	608,999	608,460
Eastern Europe	32,678	32,073
Iberian Peninsula and Latin America	95,107	94,942
Other countries	-	-
NET GOODWILL AT END OF PERIOD	**1,411,352**	**1,362,491**

4.1.3 INTANGIBLE ASSETS

Gross intangible assets and accumulated amortisation break down as follows:

	30 June 2023			31 December 2022		
(in thousands of euros)	Gross	Amortisation and charges to provisions	Net	Gross	Amortisation and charges to provisions	Net
Operating intangible assets	2,985,670	(1,460,916)	1,524,754	2,985,514	(1,457,954)	1,527,560
Advances and downpayments	1,860	(1,737)	124	5,203	(2,343)	2,859
Other intangible assets	339,955	(223,860)	116,095	282,327	(218,323)	64,004
Intangible assets held for sale	(2,590)	444	(2,146)	(2,192)	-	(2,192)
TOTAL	**3,327,485**	**(1,686,513)**	**1,638,827**	**3,273,044**	**(1,678,620)**	**1,592,231**

At 30 June 2023, "Operating intangible assets" mainly included operating licences considered to have an indefinite useful life. The allocation of these intangible assets by operating segment is shown in the table below:

(in thousands of euros)	30 June 2023	31 Dec. 2022
France-Benelux-UK-Ireland	1,259,526	1,263,534
Central Europe	113,170	112,807
Eastern Europe	95,080	94,228
Iberian Peninsula and Latin America	56,978	56,990
NET OPERATING LICENCES AT END OF PERIOD	**1,524,754**	**1,527,560**

The following table shows movements in intangible assets (net) by category:

(in thousands of euros)	Operating licences	Advances and downpayments	Other	Intangible assets held for sale	Total
At 31 December 2021	**2,964,486**	**5,691**	**106,229**	**-**	**3,076,406**
Increase	2,400	351	7,286	-	10,037
Decrease	(4,197)	(356)	(2,491)	-	(7,044)
Amortisation and charges to provisions	(1,435,557)	(2,834)	(48,660)	-	(1,487,051)
Reclassifications and other	(8,018)	7	1,865	(2,192)	(8,339)
Changes in scope	8,445	-	(224)	-	8,222
At 31 December 2022	**1,527,560**	**2,859**	**64,004**	**(2,192)**	**1,592,231**
Increase	7	22	4,823	-	4,853
Decrease	-	-	(3,611)	-	(3,611)
Amortisation and charges to provisions	(4,173)	(3,152)	(6,140)	-	(13,464)
Reclassifications and other	1,329	378	9,869	46	11,622
Changes in scope	30	16	47,149	-	47,196
AT 30 JUNE 2023	**1,524,754**	**124**	**116,095**	**(2,146)**	**1,638,827**

Changes in the scope of consolidation during the period mainly reflect the intangible assets recognised following the acquisition of Compartjin in the Netherlands.

4.2 REGULAR IMPAIRMENT TESTING

In accordance with IAS 36, the cash-generating units (CGUs) were tested for impairment at the end of the 2022 financial year, including goodwill, intangible assets with an indefinite useful life and property, plant and equipment.

In preparing the half-year condensed consolidated financial statements, the Group did not carry out impairment tests at CGU level as new business plans for each facility were not available. However, the Group did carry out a country-by-country analysis based on estimates for 2023, 2024 and 2025, which take into account the EBITDAR lags announced on 13 July 2023, and on updated parameters (discount rate and long-term growth rate).

The country-by-country analysis did not lead to the recognition of any additional impairment losses at 30 June 2023. This update to the country-by-country impairment tests is not intended to predict the results of the impairment tests by CGU which will be performed in the second half of the year based on new business plans following revisions made by the facilities.

At 30 June 2023, the Group did not identify any impairment at facility level that required the recognition of impairment losses (see Note 1.3 "Significant estimates and judgements made by management for the preparation of the consolidated financial statements at 30 June 2023").

The Group is currently conducting a strategic review of all of its CGUs and the real estate assets it holds.

At the end of first-half 2023, the Group had not carried out the real estate valuations that will be launched for the purposes of the impairment tests to be performed between now and the end of the year.

At 30 June 2023, the value in use of each country was estimated using a discounted cash flow model based in particular on:

- the business plans by country used for the impairment tests performed at 31 December 2022, adjusted by country to reflect management's new estimates at 30 June 2023;
- discount rates determined using the Group's weighted average cost of capital and a country-by-country approach (see table below);
- the long-term growth rate, which corresponds to the forecast inflation rate for 2028 published by the International Monetary Fund (IMF) in April 2023 (see table below).

The useful life adopted in business plans is five years. The main operating assumptions and rates used at 30 June 2023 were as follows:

	Discount rate		Long-term growth rate	
Country	**30 June 2023**	**31 Dec. 2022**	**30 June 2023**	**31 Dec. 2022**
France	6.6%	6.7%	1.6%	1.6%
Belgium	6.8%	6.8%	2.0%	1.7%
Luxembourg	5.9%	6.0%	2.0%	2.0%
Ireland	7.2%	7.3%	2.0%	2.0%
Netherlands	6.3%	6.4%	2.0%	2.0%
Austria	6.7%	6.7%	2.0%	2.0%
Croatia	8.9%	8.9%	2.1%	1.9%
Latvia	7.4%	7.8%	2.5%	2.5%
Poland	8.5%	8.8%	2.5%	2.5%
Czech Republic	7.4%	7.6%	2.0%	2.0%
Slovenia	7.5%	7.8%	2.0%	2.4%
Germany	6.0%	6.1%	2.0%	2.0%
Italy	8.2%	8.6%	2.0%	2.0%
Switzerland	6.1%	6.1%	1.0%	1.0%
Spain	7.5%	7.6%	1.7%	1.7%
Portugal	7.7%	7.9%	2.0%	2.0%
Mexico	9.8%	10.1%	3.0%	3.0%
Brazil	11.0%	11.5%	3.0%	3.0%
Uruguay	11.1%	11.5%	4.5%	4.5%
China	7.8%	7.8%	2.2%	2.0%
United Kingdom	7.2%	7.2%	2.0%	2.0%
United Arab Emirates	7.7%	7.7%	2.0%	2.0%

The method used to estimate discount rates at 30 June 2023 is the same as that used at 31 December 2022. The change in the discount rates between 31 December 2022 and 30 June 2023 results from the combined impact of (i) the increase in government borrowing rates (which had the effect of increasing discount rates) and (ii) the change in sector- and country-related risk factors (which had the effect of reducing discount rates).

Sensitivity:

- a 50 basis point increase in discount rates would result in the recognition of an additional impairment loss of €82 million;
- a 50 basis point decrease in long-term growth rates would lead to the recognition of an additional impairment loss of €55 million.

4.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment mainly comprises land, buildings, fixtures and fittings, and equipment.

The Group's operating properties are either acquired, built or redeveloped by the Group.

They are held directly or under finance leases.

As part of its asset management policy, the Group regularly sells operating properties it owns.

These sales are carried out in a block or in lots and are then leased back from the new owner. Disposals may include properties owned and operated by the Group for several years and also properties that have been recently acquired, redeveloped or built, or are under construction or redevelopment.

Properties that the Group intends to sell within 12 months are classified as "Assets held for sale".

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at their cost of acquisition or production less accumulated depreciation and any accumulated impairment losses, in line with the standard treatment under IAS 16 – Property, Plant and Equipment.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset, as required by IAS 23 – Borrowing Costs.

CHANGE IN ACCOUNTING METHOD APPLIED TO PROPERTIES ACCOUNTED FOR IN ACCORDANCE WITH IAS 16

At 31 December 2022, the Group changed the measurement method applied for properties used for its operations and accounted for in accordance with IAS 16.31 to 42. This decision corresponds to a change in accounting method with retroactive effect within the meaning of IAS 8.

ORPEA was the only Paris-based group in its sector to use the optional revaluation method available under IAS 16, which resulted in the annual revaluation of the carrying amounts of real estate assets, with the change in value recognised in equity.

The Group now applies the cost model, which means its accounting method is comparable with other players in the sector.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

The Group depreciates property, plant and equipment on a straight-line basis. Depreciation is calculated based on the expected useful life of each asset or each of its components having different useful lives in line with the following criteria:

- Buildings, fixtures and fittings: 12 to 60 years;
- Technical installations, equipment: 3 to 10 years;
- Other: 3 to 10 years.

Property, plant and equipment is tested for impairment whenever there is an indication of impairment. Any impairment losses are recognised in profit or loss under "Other non-recurring operating expense".

PROPRIETARY PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE GROUP

Under its expansion policy and in order to meet its quality standards, the Group manages most of its own operating property development and redevelopment projects.

These properties are either retained by the Group or sold to external investors and leased back to the Group under sale-and-leaseback arrangements.

The cost of new or redeveloped properties includes the cost of purchasing the land, any buildings to be redeveloped and all development and redevelopment costs. These include direct production costs and borrowing costs directly attributable to the production of the asset in accordance with paragraph 11 of IAS 23 – Borrowing Costs.

The percentage of completion of projects is determined based on accrued costs after validation by the project manager, and corresponds to technical advancement in terms of the overall costs of the project.

Marketing expenses directly attributable to assets sold off-plan are recognised as assets under property, plant and equipment in progress and are charged back in proportion to the percentage of completion.

For real estate projects in the process of being sold, the amount of calls for funds for off-plan sales is deducted from the assets side of the balance sheet.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND ASSETS IN PROGRESS

Gross property, plant and equipment, including property under construction, and accumulated depreciation break down as follows:

	30 June 2023			31 December 2022		
(in thousands of euros)	**Gross**	**Depreciation and charges to provisions**	**Net**	**Gross**	**Depreciation and charges to provisions**	**Net**
Properties	7,008,493	(2,768,652)	4,239,840	6,781,797	(2,644,773)	4,137,024
Technical installations	1,061,373	(814,483)	246,890	1,045,834	(776,858)	268,976
Assets in progress	1,146,657	(246,833)	899,824	1,063,857	(304,307)	759,550
Other property, plant and equipment	587,186	(468,231)	118,955	553,893	(458,104)	95,788
Property, plant and equipment held for sale	(487,459)	140,510	(346,949)	(368,833)	108,820	(260,013)
TOTAL	**9,316,249**	**(4,157,689)**	**5,158,560**	**9,076,547**	**(4,075,222)**	**5,001,325**

Depreciation is recognised in profit or loss under "Depreciation, amortisation and charges to provisions".

Property, plant and equipment held for sale corresponds to properties earmarked for disposal within 12 months, and amounted to €347 million at 30 June 2023.

Movements in the carrying amounts of property, plant and equipment are as follows:

(in thousands of euros)	**Properties**	**Technical installations**	**Assets in progress**	**Other property, plant and equipment**	**Property, plant and equipment held for sale**	**Total**
At 31 Dec. 2021 restated*	**4,936,703**	**455,878**	**982,301**	**129,183**	**(347,191)**	**6,156,874**
Acquisitions	179,652	52,097	484,175	54,282	-	770,204
Disposals and retirements	(125,343)	(6,526)	(103,519)	(346)	-	(235,735)
Depreciation and charges to provisions	(1,222,807)	(265,001)	(311,057)	(112,377)	-	(1,911,243)
Reclassifications and other	293,931	30,704	(357,503)	24,853	87,177	79,161
Changes in scope	74,889	1,825	65,154	194	-	142,062
At 31 Dec. 2022	**4,137,024**	**268,976**	**759,550**	**95,788**	**(260,013)**	**5,001,325**
Acquisitions	55,127	16,446	140,175	22,547	-	234,294
Disposals and retirements	(15,209)	174	(2,296)	(229)	-	(17,560)
Depreciation and charges to provisions	(96,354)	(41,631)	(29,410)	(9,347)	-	(176,742)
Reclassifications and other	123,104	1,977	(78,189)	7,567	(86,936)	(32,478)
Changes in scope	36,148	948	109,995	2,629	-	149,720
AT 30 JUNE 2023	**4,239,840**	**246,890**	**899,824**	**118,955**	**(346,949)**	**5,158,560**

* *The reported figures at 31 December 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.*

The main movements during first-half 2023 were:

- changes in the scope of consolidation, in particular related to HSI, RSS and Thuismakers;
- investments necessary for the continuing operation of facilities;
- investments in new buildings or extensions;
- properties under construction, other items of property, plant and equipment acquired during the period through business combinations and those under construction.

TREATMENT OF FINANCE LEASES ACCORDING TO IFRS 16

In the past, the Group has frequently used and continues to use finance leases with its financial partners for the financing of properties acquired, for restructuring or for the construction of new properties.

The amounts at 30 June 2023 relating to these transactions were €1,317 million in property, plant and equipment and €717 million in financial liabilities (see Note 4.14).

Finance leases result in a legal assignment of properties but do not lead to the derecognition of the asset. This is because the Group retains control of the asset, since it is a financing transaction. As these financial arrangements are substantially asset purchases and not leases, the related real-estate assets are considered as property, plant and equipment in accordance with IAS 16 and the corresponding liabilities are considered as debt within the meaning of IFRS 9.

4.4 LEASES

4.4.1 KEY ACCOUNTING POLICIES

Under IFRS 16 – Leases, the Group determines whether a contract is (or contains) a lease, i.e., whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group is a lessee under property leases relating mainly to facilities, vehicles and equipment required for patient care.

Leases must give rise to the recognition in the balance sheet of an asset (representing the right to use the underlying asset for the lease term) and a liability (in respect of the lease payment obligation).

Lease liabilities

At the commencement of the contract, the lease liability corresponds to the present value of future rental payments over the term of the contract. The items taken into account to measure the liability include:

- fixed payments;
- variable lease payments that depend on an index or a rate (using the index or rate at the commencement date);
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- termination or non-renewal penalties, if they are absolutely certain.

The lease liability is increased by the interest expense determined by applying the discount rate and reduced by the amount of payments made.

In addition, the liability may be re-estimated in the event of a review of the lease term or rental amount, the possibility of a purchase option being exercised, or the rates and indices on which rents are based.

Rights of use

At the commencement date, the right-of-use asset is recognised at cost, including the initial amount of the lease liability, any advance payments made to the lessor and the initial direct costs incurred in concluding the contract. This asset also includes, where applicable, an estimate of costs to be incurred by the lessee in restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets relating to leases are depreciated over the period used to calculate the lease liability.

In the income statement, the depreciation charges are recognised in operating profit and interest expenses are included in net financial income/expense.

Lease terms

Lease terms are determined on a contract by contract basis.

The Group estimates the lease term by taking into account the renewal options at the commencement date, and on the basis of the Group's Strategic Plan.

Discount rate

The standard requires the discount rate for each contract to be determined by reference to the incremental borrowing rate of the contracting subsidiary.

In practice, given the Group's financial model, this rate is based on the incremental borrowing rate of the Group as a whole, the remaining lease term and the impact of geographical areas to reflect the risks specific to each country.

Simplification measure

The Group has elected to apply both exemptions provided for by the standard to:

- leases, for which the underlying asset is of low value (the replacement value of the underlying asset is less than $5,000);
- short-term leases (less than 12 months from the commencement date of the contract).

Lease payments relating to these contracts are recognised in the income statement as recurring operating expenses.

4.4.2 RIGHT-OF-USE ASSETS

Movements in right-of-use assets break down as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
Beginning of period	**3,499,987**	**3,072,567**
Increase	254,099	785,547
Decrease	(101,291)	(105,161)
Depreciation and charges to provisions	(213,549)	(350,809)
Reclassifications and other	(14,817)	76,367
Changes in scope	91,007	21,477
END OF PERIOD	**3,515,435**	**3,499,987**

4.4.3 LEASE LIABILITIES

The breakdown of lease liabilities by maturity is as follows:

(in thousands of euros)	30 June 2023	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	3,841,861	555,089	1,252,034	2,034,738
TOTAL	**3,841,861**	**555,089**	**1,252,034**	**2,034,738**

Movements in lease liabilities break down as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
Beginning of period	**3,768,470**	**3,265,196**
Discount	56,037	95,705
New contracts and increases	222,247	800,285
Repayments	(218,237)	(415,491)
Decreases due to amendments	(82,683)	(103,806)
Reclassifications and other	(2,466)	104,977
Changes in scope	98,493	21,604
END OF PERIOD	**3,841,861**	**3,768,470**

4.5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

At 30 June 2023, investments in associates and joint ventures break down as follows:

Associates and joint ventures (in thousands of euros)	Application of the % holding	Based on 100% interest	IDS and real estate companies jointly owned with IDS	Real estate companies retained as a result of sale and leaseback transactions	Brazil Senior Living	Rodevita*	Senior Suites	Other
Non-current assets	143,409	362,131	192,106	144,357	-	2,799	67	17,285
Current assets	41,676	93,312	12,144	4,292	-	41,348	6	6,021
TOTAL ASSETS	**185,085**	**455,443**	**204,250**	**148,649**	**-**	**44,147**	**73**	**23,306**
Equity	41,933	91,725	74,159	19,056	-	(220)	6	(8,441)
Non-current liabilities	76,255	172,973	123,073	47,953	-	7	66	1,875
Current liabilities	66,896	190,745	7,018	81,640	-	44,360	2	29,872
TOTAL EQUITY AND LIABILITIES	**185,085**	**455,443**	**204,250**	**148,649**	**-**	**44,147**	**73**	**23,306**
Percentage ownership			50%	between 10% and 49%	50%	45%	50%	between 28% and 50%
Revenue	10,163	23,747	-	2,616	-	-	-	-
INFORMATION ON THE CONSOLIDATED GROUP								
Carrying amount of investments	22,264		12,656	(5,322)	10,273	29	2,790	1,837
Equity-accounted profit/(loss) in previous financial years	20,615		24,422	10,019	(10,273)	(29)	(2,787)	(736)
Equity-accounted profit/(loss) based on a 100% interest		2,807	-	15	-	-	-	2,792
Other comprehensive income								
Total comprehensive income		2,807	-	15	-	-	-	2,792
Share of profit/(loss)	1,250		-	(2)		-	-	1,245
Assets held for sale (see Note 4.10)	(37,079)		(37,079)					
Investments in associates and joint ventures	7,051			4,695		-	3	2,353
Related-party receivables (see Note 4.9)		34,908	-	1,270	-	-	33,529	109

* *For equity-accounted companies in the Rodevita group, the data corresponds to the parent company's 2021 individual financial statements.*

Based on the value of the individual investments, existing cash flows with these companies and the ORPEA Group's overall strategy in and outside France, management believes that these interests are not material when taken individually.

At 30 June 2023, investments held for sale corresponded to shares in equity-accounted companies earmarked for disposal within 12 months and amounted to €37 million.

The Dutch companies previously accounted for by the equity method are now fully consolidated, and the receivables relating to these entities are no longer shown in the consolidated financial statements.

At 31 December 2022, investments in associates and joint ventures break down as follows:

Associates and joint ventures *(in thousands of euros)*	**Application of the % holding**	**Based on 100% interest**	**HSI and non-consolidated Belgian companies**	**IDS and real estate companies jointly owned with IDS**	**Real estate companies retained as a result of sale and leaseback transactions**	**Brazil Senior Living**	**Rodevita***	**Dutch companies**	**Résidences Senior Services**	**Senior Suites**	**Age Partenaires**	**Other**
Non-current assets	254,626	569,784	94,203	192,106	109,073	-	2,799	13,059	126,358	65	19,821	12,299
Current assets	95,168	210,862	65,038	12,144	5,028	-	41,348	64,189	13,538	5	6,686	2,885
TOTAL ASSETS	**349,793**	**780,646**	**159,242**	**204,250**	**114,101**	**-**	**44,147**	**77,248**	**139,896**	**70**	**26,508**	**15,184**
Equity	(6,723)	(21,939)	(90,566)	74,159	4,601	-	(220)	9,997	(9,095)	5	(6,598)	(4,223)
Non-current liabilities	93,149	213,157	12,293	123,073	53,086	-	7	1,345	6,309	63	15,376	1,605
Current liabilities	263,367	589,428	237,514	7,018	56,414	-	44,360	65,906	142,682	2	17,730	17,803
TOTAL EQUITY AND LIABILITIES	**349,793**	**780,646**	**159,242**	**204,250**	**114,101**	**-**	**44,147**	**77,248**	**139,896**	**70**	**26,508**	**15,184**
Percentage ownership			40%	50%	between 10% and 49%	50%	45%	49%	49%	50%	50%	between 28% and 50%
Revenue	28,920	70,307	48,035	9,889	8,638	-	-	3,449	109	17	62	109
INFORMATION ON THE CONSOLIDATED GROUP												
Carrying amount of investments	60,047		26,594	10,131	3,755	10,273	(86)	1,819	3,476	2,792	353	938
Equity-accounted profit/(loss) in previous financial years	18,169		(1,192)	29,473	499	(10,273)	-	2,283	0	(2,792)	0	171
Profit/(loss) of equity-accounted companies based on a 100% interest		(67,932)	(63,505)	(5,051)	9,520	-	(29)	(136)	(7,042)	5	(786)	(907)
Other comprehensive income												
Total comprehensive income/(loss)		(67,932)	(63,505)	(5,051)	9,520	-	(29)	(136)	(7,042)	5	(786)	(907)
Share of profit/(loss)	(33,285)		(25,402)	(2,525)	(1,030)		(13)	(67)	(3,451)	2	(393)	(407)
Assets held for sale (see Note 4.10)	(37,079)			(37,079)								
Investments in associates and joint ventures	7,852				3,224		(99)	4,035	25	3	(40)	704
Related-party receivables (see Note 4.9)		101,646		-	2,169	-	-	69,517		29,851		109

* *For equity-accounted companies in the Rodevita group, the data corresponds to the parent company's 2021 individual financial statements.*

4.6 NON-CURRENT FINANCIAL ASSETS

The fair value of financial assets and liabilities recognised at amortised cost, particularly for loans and sureties granted by the Group, is equal to the carrying amount of these securities with the exception of bonds, if applicable.

In instances where the Group does not exercise control, joint control or significant influence over the operating or financial decisions of a company in which it has an equity interest, that equity interest is recognised in accordance with the principles applicable to financial assets measured at fair value.

This corresponds either to the stock market price (level 1) for shares listed on an active market, or, in the case of unlisted shares, the estimated fair value determined on the basis of financial criteria most appropriate for the particular situation of each share (level 3).

Derivative financial instruments are accounted for using hedge accounting. Fair value is determined using valuation techniques. These different methods use observable market data as far as possible and rarely use the Group's own estimates. If all the inputs required to calculate the fair value of the instrument are observable, the instrument is classified in level 2.

Definitions of levels 1, 2 and 3 are set out in Note 5.2.

Non-current financial assets break down as follows:

(in thousands of euros)	**30 June 2023 Net**	**31 Dec. 2022 Net**
Non-consolidated investments	1,263	2,332
Loans	31,050	21,726
Deposits and guarantees	104,281	72,529
Derivative financial instruments	69,278	84,410
TOTAL	**205,871**	**180,997**

Non-consolidated investments are investments in companies over which the Group does not exercise any significant influence and investments in mutual banks.

Loans mainly consist of construction loans arranged by French subsidiaries.

Security deposits and guarantees include all types of security deposits and guarantees that the Group may be called upon to provide in the normal course of its business.

Derivative financial instruments include fixed-for-floating interest rate swaps (mainly three-month Euribor) and interest rate options (caps).

4.7 INVENTORIES

(in thousands of euros)	**30 June 2023**	**31 Dec. 2022**
Food	4,615	4,565
Cleaning products	354	292
Pharmaceuticals	8,582	8,366
Other	2,543	2,877
TOTAL	**16,093**	**16,100**

4.8 TRADE RECEIVABLES

At 30 June 2023, no trade receivables had been sold or transferred.

(in thousands of euros)	**30 June 2023**	**31 Dec. 2022**
Trade receivables	414,333	455,368
TOTAL	**414,333**	**455,368**

4.9 OTHER RECEIVABLES, ACCRUALS AND PREPAYMENTS

(in thousands of euros)	30 June 2023	31 Dec. 2022
Development-related receivables	72,593	71,875
Receivables related to disposals of real estate	4,673	5,526
Tax receivables	170,575	118,640
Advances and downpayments made	7,783	14,331
Current accounts (associates and related parties)	34,908	101,646
Interest rate derivatives with a positive fair value	63,269	46,577
Miscellaneous receivables	283,581	137,360
Receivables from suppliers	77,556	48,629
Prepaid operating expenses	63,197	42,373
TOTAL	**778,135**	**586,957**

The above items are shown net of impairment.

Development-related receivables consist mainly of receivables from disposals of shares, advances paid in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments.

VAT receivables arise mainly from property construction projects forming part of the Group's growth strategy.

"Current accounts" consist mainly of amounts paid to equity-accounted entities and are detailed in Note 4.5.

4.10 ASSETS AND LIABILITIES HELD FOR SALE

In accordance with IFRS 5, assets or groups of assets (disposal groups) – particularly properties or facilities which the Group intends to sell within a period of 12 months – are classified as assets held for sale.

Assets are classified as held for sale when the sale is highly probable and the non-current asset or disposal group held for sale meets the classification criteria (in particular, it is immediately available for sale).

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

At 30 June 2023, assets and liabilities held for sale break down as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
Intangible assets	2,146	2,192
Property, plant and equipment	138,792	127,096
Assets in progress	208,158	132,917
Financial assets	37,079	37,079
Other assets	49,326	53,870
Total assets held for sale	**435,500**	**353,154**
Borrowings from credit institutions	13,974	55,076
Other liabilities	-	1,155
Total liabilities held for sale	**13,974**	**56,232**

Assets held for sale in the "Property, plant and equipment" and "Assets in progress" categories mainly concern the following geographical areas:

(in thousands of euros)	30 June 2023	31 Dec. 2022
France-Benelux-UK-Ireland	228,732	122,505
Central Europe	6,897	1,971
Eastern Europe	76,531	95,374
Iberian Peninsula and Latin America	34,789	40,163
TOTAL	**346,949**	**260,013**

The “Financial assets” category relates to the France Benelux region, while the “Borrowings from credit institutions” category relates to:

(in thousands of euros)	30 June 2023	31 Dec. 2022
France-Benelux-UK-Ireland	13,489	13,459
Eastern Europe	485	41,617
TOTAL	**13,974**	**55,076**

4.11 EQUITY

4.11.1 SHARE CAPITAL

	30 June 2023	31 Dec. 2022
Total number of shares	64,693,851	64,693,851
Number of shares issued	64,693,851	64,693,851
Par value *(in euros)*	1.25	1.25
Share capital *(in euros)*	80,867,314	80,867,314
Treasury shares	46,814	74,563

No capital increases were carried out between 31 December 2022 and 30 June 2023.

4.11.2 EARNINGS PER SHARE

Basic earnings per share are calculated using the weighted average number of shares in issue during the financial year, less any treasury shares held and deducted from equity.

Diluted earnings per share take account of all potentially dilutive instruments, such as options, warrants and convertible bonds. Options and warrants are dilutive when their exercise price is lower than the market price.

Weighted average number of shares in issue

	First-half 2023		First-half 2022	
	Basic	Diluted	Basic	Diluted
Ordinary shares	64,693,851	64,693,851	64,657,847	64,657,847
Treasury shares	(69,938)	(69,938)	(67,742)	(67,742)
Other shares		218,756		284,787
Shares resulting from the conversion of OCEANE bonds		3,481,228		3,481,228
WEIGHTED AVERAGE NUMBER OF SHARES	**64,623,913**	**68,323,897**	**64,590,106**	**68,356,121**

Basic earnings/(loss) per share

	First-half 2023		First-half 2022	
(in euros)	Basic	Diluted	Basic	Diluted
Attributable net profit/(loss)	(5.74)	(5.74)	(4.17)	(4.17)

4.11.3 SHARE-BASED PAYMENTS/TREASURY SHARES

ORPEA S.A. shares held by the parent company are recognised at cost as treasury shares and deducted from equity until such time as they are sold.

Gains or losses on the sale of treasury shares are added to or deducted from consolidated reserves net of tax.

Free shares are awarded to certain Group employees.

In accordance with IFRS 2 – Share-based Payment, plans set up after 7 November 2002 are measured at the award date and are recognised under personnel costs over the period during which rights vest with grantees. This expense, which represents the option's market value at the award date, is recognised as an increase in equity.

The fair value of options and rights is determined by actuaries using pricing models based on the characteristics of the plan and market data at the award date.

ORPEA's share buyback programme has a number of aims, including to allow the Company to maintain the liquidity of and stimulate trading in its shares, to optimise its capital management and to grant shares to employees including under free share plans.

At 30 June 2023, the Group held 46,814 treasury shares.

The Board of Directors has approved the introduction of free share plans for corporate officers and certain employees of ORPEA and affiliated companies. These plans are as follows:

Information on free share awards	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Date of Annual General Meeting	28/6/2018	28/6/2018	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022
Date of Board of Directors' meeting	28/6/2018	28/6/2018	23/6/2020	N/A	N/A	24/6/2021	13/6/2022	28/7/2022
Decisions taken by the Chief Executive Officer	1/2/2020	1/2/2020	N/A	1/2/2021	1/2/2021	N/A	17/6/2022	N/A
Maximum total number of free shares that can be awarded	72,795	540	28,374	84,043	840	13,271	193,906	27,676
Vesting date of the shares	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
End date of lock-up period	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
Performance conditions	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR	Achievement of six CSR roadmap objectives, share price performance including dividend, earnings per share growth
Number of shares vested at 30 June 2023	27,869	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cumulative number of shares cancelled or lapsed	44,926	540	28,374	39,457	840	13,271	47,412	N/A
Free shares awarded but not vested at 30 June 2023	N/A	N/A	N/A	44,586	N/A	N/A	146,494	27,676

The fair value under IFRS 2 of the benefits provided to the grantees was measured by an independent actuary for each plan. This takes into account the market value of the shares, less a discount to reflect the fact that no dividend is paid until the end of the vesting period and that shares may not be sold for two years following the vesting date. The total expense is then calculated taking into account the probability that grantees will remain with the Group and the probable number of shares that they will be granted according to whether the performance criteria are satisfied.

The fair value of the plans under IFRS 2 (adjusted for lapsed and forfeited shares which affect the expense recognised) amounted to €25 million at 30 June 2023. At 31 December 2022, the fair value shown in the notes to the financial statements was €34 million, corresponding to the fair value adjusted for lapsed and forfeited shares. The amount expensed in the first half of 2023 was €1.1 million (excluding social security contributions).

4.11.4 DIVIDENDS

The proposed allocation of the net loss for 2022 as described in section 5.4.2 of the 2022 Universal Registration Document does not provide for a dividend payment in respect of the year ended 31 December 2022.

4.12 PROVISIONS

The Group sets aside a provision where it has a present obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of this obligation can be estimated reliably.

Where this liability is not probable and the amount of the obligation cannot be measured sufficiently reliably, but an outflow may be required to settle the obligation, the Group recognises a contingent liability.

Provisions related to the operating cycle are classified as short-term regardless of their probable reversal date. They primarily concern employee-related risks and are estimated by the employee affairs department based on the Group's exposure and the status of any proceedings.

Provisions that are not directly related to the operating cycle and have a probable reversal date of over one year are classified as long-term. They mainly comprise provisions for litigation, taxes and related items, onerous contracts and restructuring.

Group companies frequently undergo tax audits. Most of the reassessments notified by the tax authorities have been challenged by these companies, and so no provisions have been set aside for these reassessments. Tax reassessments that are not challenged are recognised in the financial year in which they are received.

Provisions break down as follows:

(in thousands of euros)	31 Dec. 2022	Changes in scope and other	Reclassifications	Charges	Reversals – Utilised provisions	Reversals – Surplus provisions	30 June 2023
Provisions for contingencies	242,914	172,072	(27,966)	36,107	(35,184)	(1,708)	386,236
Provisions for restructuring	53,281	279	(13,668)	481	(1,295)	(429)	38,518
TOTAL	**296,195**	**172,351**	**(41,634)**	**36,588**	**(36,479)**	**(2,137)**	**424,753**

Provisions mainly consist of:

- provisions for liabilities relating to the IGAS-IGF report for €86 million;
- provisions for contingencies recognised following the first-time consolidation of new entities;
- provisions for labour disputes for €57 million;
- provisions for restructuring for €38 million, consisting mainly of provisions recorded in connection with the consolidation of acquisitions.

4.13 EMPLOYEE BENEFITS

In France, the Group primarily applies the FHP (*Fédération de l'Hospitalisation Privée* – French private hospitals federation) collective bargaining agreement of 18 April 2002 for the private healthcare sector. This provides for payment of a lump-sum benefit upon retirement based on the employee's length of service, grade and salary at retirement date.

No other post-employment or long-term benefits are granted to employees in service.

Outside France, the Group applies the relevant local provisions in each country. It operates defined benefit pension plans only in Switzerland, Austria and for certain facilities in Germany and Italy.

The Group's post-employment benefit obligations are calculated on the basis of actuarial estimates and using the projected unit credit method. Actuarial assumptions include staff turnover, salary increases, inflation and life expectancy.

The actuarial obligation is provided for, less any plan assets measured at fair value.

Cumulative actuarial gains and losses arising from experience adjustments or the effects of changes in financial, economic or demographic assumptions (change of discount rate, annual salary increases, length of service, etc.) are recognised immediately in the Group's obligation with a corresponding amount in a separate component of equity ("Other reserves"), in accordance with IAS 19 (revised).

Current and any past service cost is recognised as an operating expense.

Interest cost and expected return on plan assets, calculated at the same rate, are recognised in net financial expense.

The impact on the Group's financial statements of applying the IFRIC's April 2021 agenda decision on attributing benefit to periods of service is not material.

The provision for post-employment benefit obligations breaks down as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
France	39,437	38,309
International	28,094	27,886
TOTAL	**67,531**	**66,195**

Movements in post-employment benefit obligations in France break down as follows:

	First-half 2023			Full-year 2022		
(in thousands of euros)	Provision recognised	Income statement	Equity	Provision recognised	Income statement	Equity
Beginning of period	**(38,309)**			**(44,674)**		
Current service cost	(1,575)	(1,575)		(4,266)	(4,266)	
Interest cost (unwinding of the discount)	(666)	(666)		(413)	(413)	
Actuarial gains and losses	(499)		(499)	5,766		5,766
Past service costs	85	85		2,624	2,624	
Benefits paid	1,527	1,527		2,507	2,507	
Changes in scope	-			146		
Other	-			1		
END OF PERIOD	**(39,437)**	**(629)**	**(499)**	**(38,309)**	**452**	**5,766**

Movements in post-employment benefit obligations outside France break down as follows:

	First-half 2023			Full-year 2022		
(in thousands of euros)	Provision recognised	Income statement	Equity	Provision recognised	Income statement	Equity
Beginning of period	**(27,886)**			**(30,361)**		
Current service cost	(1,328)	(1,328)		(2,822)	(2,822)	
Actuarial gains and losses	451		451	1,614		1,614
Past service costs	8	8		479	479	
Benefits paid	732	732		2,851	2,851	
Changes in scope	21			(83)		
Currency translation adjustments	(68)			(490)		
Other	(24)			927		
END OF PERIOD	**(28,094)**	**(588)**	**451**	**(27,886)**	**507**	**1,614**

The main actuarial assumptions are as follows:

	30 June 2023		31 Dec. 2022	
	France	International	France	International
Discount rate	3.60%	between 0.50% and 3.80%	3.77%	between 0.50% and 3.80%
Annual rate of salary increases taking into account inflation	2.50%	between 0.25% and 2.05%	2.50%	between 0.25% and 2.05%
Expected return on plan assets	N/A	between 1% and 1.2%	N/A	between 1% and 1.2%
Retirement age	65	65	65	65
Social security contribution rate	average actual rate		average actual rate	

4.14 DEBT (EXCLUDING LEASE LIABILITIES UNDER IFRS 16)

Debt is recognised at nominal value net of any associated transaction costs, which are deferred over the life of the liability in net financial expense using the effective interest method.

The Group applies interest rate hedge accounting in accordance with IFRS 9. These hedging instruments qualify as hedges of future cash flows.

The effective portion of changes in the fair value of hedging instruments designated and qualifying as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedging reserve, up to the amount of the aggregate change in the fair value of the hedged item since the inception of the hedge. The gain or loss resulting from the ineffective portion is recognised immediately in financial income or expense.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to net profit in the periods during which the hedged item impacts net profit and are recorded under the same line item as the recognised hedged item.

Net debt comprises short- and long-term financial liabilities, excluding IFRS 16 lease liabilities, less the value of short-term investments that meet the definition of cash equivalents under IAS 7 and cash at that date.

It includes property bridging loans allocated specifically to finance operating properties recently acquired or under construction.

ORPEA's net debt breaks down as follows:

(in thousands of euros)	30 June 2023	31 Dec. 2022
Bond issues	2,129,500	2,129,500
Schuldschein debt	1,705,609	1,705,452
June 2022 and May 2023 bank financing	3,427,447	3,227,447
Other bank debt	648,239	682,599
Mortgage debt	1,051,097	1,191,300
Finance lease commitments	716,890	780,061
Other*	98,516	(101,564)
Total gross debt	**9,777,297**	**9,614,795**
Cash	(457,329)	(597,426)
Cash equivalents	(60,275)	(258,991)
TOTAL NET DEBT	**9,259,693**	**8,758,378**

* *At 31 December 2022, "Other" included accrued interest not yet due amounting to €37 million and IFRS adjustments, including:*
- €41 million in respect of OCEANE bonds;
- €32 million in "June 2022 bank financing" costs; and
- €55 million relating to IFRS 5.
At 30 June 2023, "Other" included accrued interest not yet due amounting to €186 million and IFRS adjustments, including:
- €37 million in respect of OCEANE bonds;
- €25 million in "June 2022 bank financing" costs; and
- €14 million relating to IFRS 5.

Total debt at 30 June 2023, excluding IFRS impacts and accrued interest not yet due ("Other"), amounted to €9,679 million.

The amount of debt at 30 June 2023 covered by a change of control clause totalled €8,029 million in the consolidated financial statements at that date, it being understood that the contractual clauses will not apply in the future in the event of a takeover by the Groupement as provided for in the Group's financial restructuring plan, as the Group has since obtained the necessary ad hoc agreements from the lenders concerned.

Movements in debt in the six months ended 30 June 2023 were as follows:

(in thousands of euros)	31 Dec. 2022	Increase	Decrease	Changes in scope and other	30 June 2023
Bond issues*	2,129,500	-	-	-	2,129,500
Schuldschein debt*	1,705,452	157	-	-	1,705,609
June 2022 and May 2023 bank financing*	3,227,447	200,000	-	-	3,427,447
Other bank loans*	682,599	2,274	(36,635)	-	648,239
Mortgage debt*	1,191,300	1,329	(154,320)	12,788	1,051,097
Finance lease commitments	780,061	15,997	(102,625)	23,457	716,890
Other**	(101,564)	202,051	(1,970)	-	98,517
Total gross debt	**9,614,795**	**421,807**	**(295,551)**	**36,246**	**9,777,297**
Cash and cash equivalents	(856,417)	338,813	-	-	(517,604)
TOTAL NET DEBT	**8,758,378**	**760,620**	**(295,551)**	**36,246**	**9,259,693**

* *The debt lines show the amounts of capital outstanding.*
** *The increase in "Other" is due to non-cash items, in particular:*
- €133 million in interest due but unpaid during the safeguard period from 25 March to 30 June 2023;
- €52 million in accrued interest not yet due.

Debt net of cash breaks down by maturity as follows:

(in thousands of euros)	30 June 2023	Less than 1 year*	1 to 5 years	More than 5 years
Bond issues	2,129,500	2,098,000	31,500	-
Schuldschein debt	1,705,609	1,705,609	-	-
June 2022 and May 2023 bank financing	3,427,447	3,427,447	-	-
Other bank debt	648,239	453,958	55,919	138,362
Mortgage debt	1,051,097	411,522	220,789	418,785
Finance lease commitments	716,890	137,769	368,723	210,399
Other	98,516	100,187	(1,671)	-
Total gross debt	**9,777,297**	**8,334,492**	**675,260**	**767,545**
Cash and cash equivalents	(517,604)	(517,604)	-	-
TOTAL NET DEBT	**9,259,693**	**7,816,888**	**675,260**	**767,545**

* *Debt classified as due in less than one year includes:*
- almost €1.8 billion of debt with a contractual maturity of less than one year, including almost €0.5 billion in unsecured debt for ORPEA S.A. (due to be converted into capital);
- almost €6.5 billion of debt with a contractual maturity of more than one year, which would be in default and/or cross-default at 30 June 2023 if the R1/R2 waivers signed during the first half of 2023 were to be called into question (in the event that the financial restructuring is ultimately not implemented due to an unsatisfied condition precedent), including almost €3.4 billion in unsecured debt for ORPEA S.A. (due to be converted into capital).

Debt maturing in more than one year but less than five years breaks down as follows:

(in thousands of euros)	1 to 5 years	2024-2025	2025-2026	2026-2027	2027-2028	After 1 July 2028
Bond issues	31,500	-	-	31,500	-	-
Schuldschein debt	-	-	-	-	-	-
June 2022 and May 2023 bank financing	-	-	-	-	-	-
Other bank debt	55,919	18,494	8,921	26,691	1,278	535
Mortgage debt	220,789	30,933	60,254	52,517	51,788	25,297
Finance lease commitments	368,723	75,682	117,153	88,535	65,927	21,426
Other	(1,671)	(339)	(635)	(397)	(262)	(39)
TOTAL GROSS DEBT	**675,260**	**124,769**	**185,693**	**198,847**	**118,732**	**47,220**

The weighted average interest rate for the Group's financial liabilities was 4.23% in first-half 2023.

GROUP FINANCING POLICY

The Group's development is achieved through operating and real estate investments.

Until 2022, these investments were partly financed by diversified external resources:

- bilateral bank loans repayable over five, six or seven years allocated to the acquisition of facilities in service, operating licences, stakes in operating companies, etc.;
- property bridging loans made up of financing lines dedicated to a specific project as well as general credit lines to pre-finance properties recently acquired or under redevelopment or construction while awaiting refinancing;
- finance leases and mortgage loans payable over 12 to 15 years, contracted to finance or refinance dedicated property transactions;
- public or private bonds as well as *Schuldscheindarlehen*, the revenue from which is generally allocated to property investments.

BANK COVENANTS

A large portion of the Group's bilateral borrowings as well as its *Schuldscheindarlehen* debt were subject to contractually agreed covenants, referred to as the "R1" and "R2" covenants (see definitions in Note 4.14 to the 2022 consolidated financial statements, paragraph "Bank covenants" on page 326 of the 2022 Universal Registration Document). Further to waivers obtained by the Group from all the lenders concerned, these covenants did not apply at 31 December 2022 and no longer apply as from that date. The waivers provide for the application of a new leverage covenant (net debt excluding IFRS adjustments/12-month EBITDA pre IFRS 16), which will only apply from 30 June 2025.

At 30 June 2023, debt subject to the R1/R2 covenants and not due to be converted into capital as part of the financial restructuring totalled €360 million.

JUNE 2022 BANK FINANCING AND CONCILIATION

On 12 May 2022, ORPEA signed a term sheet with its main banking partners BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale (the "**Banks**").

The purpose of this agreement was to provide the Company with the resources it needs to finance its day-to-day operations and development investments, and to meet its debt repayment obligations. In a context where the Group did not have access to the financial markets and the completion of a large-scale asset disposal programme would have taken time, the financing arranged with the Banks was based on maturities that were in line with the execution scenario of the disposal programme planned at that time.

The final agreement was signed and implemented on 13 June 2022 as part of an amicable conciliation procedure, opened by way of an order of the President of the Nanterre Specialised Commercial Court on 20 April 2022.

The bank financing that was arranged via a secured syndicated loan comprises three tranches that were fully drawn down at 31 December 2022 for a total amount of €3,227 million:

- Tranche A, totalling €1,500 million, repayable in instalments of €200 million at 30 June 2023, €700 million at 31 December 2023, €100 million at 30 June 2024, €100 million at 31 December 2024, €100 million at 30 June 2025 and €300 million at 31 December 2025;
- Tranche B, totalling €227 million, repayable at maturity on 31 December 2025 and intended to finance the repayment of the 2022 maturities of the Banks that signed the agreement; and
- Tranche C, totalling €1,500 million, repayable at maturity on 31 December 2026, open in priority to the lenders participating in the short- and medium-term financing outlined above and intended to refinance ORPEA S.A.'s unsecured bank facilities (excluding all bond, Euro, PP and *Schuldschein* financing).

Prior to the new financial restructuring, the financing agreement included:

- a commitment to the Banks to maintain a minimum cash level of €300 million, to be tested quarterly from June 2023;
- commitments relating to the disposal of operating and real estate assets, with the cumulative gross value of real estate disposals (excluding duties) amounting to at least (i) €1 billion at 31 December 2023, (ii) €1.5 billion at 31 December 2024, and (iii) €2 billion at 31 December 2025;
- rules for allocating a portion of the proceeds of disposals to the early repayment of various loans;
- a change of control clause for ORPEA; and
- a cross-default clause (€40 million threshold).

In terms of collateral, in addition to the pre-money privilege granted with respect to Tranches A and B by the Nanterre Specialised Commercial Court under the conciliation protocol signed in June 2022, the financing is secured by pledges of shares of the subsidiaries CLINEA and CEECSH (which represented 22.8% and 30.1% of Group revenue in first-half 2023, respectively). In this respect, it was agreed that, following reorganisations within the Group's investment portfolio, the pledges would be limited to the CLINEA France sub-group and the Group's operations in Germany, representing 22.6% and 15.3% of first-half 2023 consolidated revenue, respectively.

In terms of cost, the loans are at floating rates (3-month Euribor; interest payable at the end of each calendar quarter) with margins that vary according to the tranche, ranging from 3.5% to 5.0%, representing a weighted average (before any repayment of the principal) of 4.75%. The Agreement Protocol provides for a reduction in the applicable margin to 2% following completion of the Groupement capital increase.

The table below sets out the key terms and conditions of the syndicated loan agreement described above.

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Purpose	To finance or refinance the general corporate purposes of the Group and all fees, costs and expenses relating to the Loans			To refinance the payments due in respect of the core banking group's unsecured debt, excluding bond debt and *Schuldschein* for the second half of 2022 and to finance all the fees, costs and expenses relating to the Loans	To refinance unsecured debt (excluding bonds and *Schuldschein*) and finance all fees, costs and expenses relating to the Loans
Principal amount	€700 million	€600 million	€200 million	€229 million	€1,500 million
Amount drawn down at 30 June 2023	€700 million	€600 million	€200 million	€227.4 million	€1,500 million
Final maturity	31 Dec. 2023 or 30 June 2024[1]	31 Dec. 2025	31 Dec. 2023[2]	31 Dec. 2025	31 Dec. 2026
Repayment profile	Single repayment at maturity	▪ €100 million repayable on 30 June 2024 ▪ €100 million repayable on 31 Dec. 2024 ▪ €100 million repayable on 30 June 2025 ▪ Balance repayable on 31 Dec. 2025	Single repayment at maturity	Single repayment at maturity	Single repayment at maturity
Number of authorised drawdowns	Maximum of two	Two (A2 Loan and A3 Loan)	One[3]	Monthly depending on the repayments to be refinanced (with, if necessary, simultaneous drawdowns with the provision of the C1 Loan by the core banking group)	Depending on the commitment confirmations
Annual margin	4.00% to increase by 2.00% from 1 Jan. 2024	4.00%	3.50% to increase by 1.00% from 1 July 2023	4.00%	5.00%

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Security interests and privileges	A *Dailly* assignment of intra-group loans financed by loan drawdowns First-ranking pledges over: ■ 100% of the shares of CEECSH (the "CEECSH Pledge") ■ 100% of the shares of ORESC 25 SARL ("ORESC")				(i) Security interests equivalent to the A Loan for the C1 Loan and (ii) Second-ranking pledges for the C2 Loan
Undertakings relating to the disposal of operating and real estate assets	■ Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds ■ Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 December 2023, increasing to (ii) €1.5 billion at 31 December 2024, and (iii) €2 billion at 31 December 2025[4]				
Early repayment undertakings	■ Allocate 100% of the net proceeds from the disposal of real estate assets covered by the MoU to repay the A4 Loan ■ Allocate 25% of the net proceeds from the disposal of real estate assets (subject to the previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans ■ Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans ■ Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of the Company's subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million). ■ Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions) to repay the A2/A3 and B Loans. ■ Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan				
Other undertakings	Maintain a minimum level of cash of €300 million (tested quarterly). This clause will apply from the first full quarter after completion of the Groupement capital increase.				
Enforcement of security interests	If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 Loan): ■ Loan payment default ■ Failure to comply with the minimum consolidated cash undertaking described below ■ Insolvency proceedings ■ Failure to comply with the undertakings relating to the disposal of operating and real estate assets described above or to protect the assets provided as collateral ■ Cross-default above a cumulative threshold of €100 million ■ Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements or a qualified opinion on the Group's status as a going concern If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold less than 66.7% of the outstanding amounts and undrawn commitments at that date under the Loans (excluding the C2 Loan): ■ Loan payment default ■ Insolvency proceedings The second-ranking pledges will only be realisable once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the C2 Loan undertakings)				
Events of default (subject to the usual materiality thresholds and cure periods, if any)	■ Loan payment default ■ Failure to respect the Group's minimum consolidated cash position of at least €300 million on the last day of each quarter as from the first full quarter after completion of the Groupement capital increase ■ Cross-acceleration above a cumulative threshold of €40 million ■ Insolvency proceedings ■ Enforcement proceedings as from a cumulative threshold of €40 million ■ Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements ■ Any administrative, arbitration, governmental or regulatory disputes, claims or litigation reasonably likely to (i) have a material adverse effect or (ii) negatively impact the commitments relating to the disposal of operating assets and real estate assets				

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.
(3) Drawdown conditional on the delivery of a Memorandum of Understanding relating to the disposal of real estate assets for €200 million (the "MoU").
(4) The undertakings to sell real estate assets do not prevent the Group from leasing those assets.

These bank loans were reclassified in full as current liabilities at 30 June 2023 on the basis that they would be in default and/or cross-default at that date if the R1/R2 waivers signed during the first half of 2023 were called into question (in the event that the financial restructuring is ultimately not implemented due to an unsatisfied condition precedent).

In addition, the provisions of the Agreement Protocol signed on 17 March 2023 (see Note 2.2), notably with regard to maturity and margin, will only take effect once the Groupement has effectively taken its interest in the Company's capital.

MAY 2023 BANK FINANCING

On 20 March 2023, the Company announced that it had entered into an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Lenders**") in view of the opening of an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for the provision of additional financing ("new money debt") and provides for amendments to the Existing Loan Agreement which should come into effect on the date of completion of the financial restructuring.

The additional financing was put in place on 29 May 2023. The borrowers under the new money debt are two Group real estate subsidiaries (Niort 94 and Niort 95), and for part of the financing (the D1B Tranche and the D2 and D3 Facilities) ORPEA S.A. is a joint borrower. The financing is secured by shares in the holding company ORESC 26, which owns Niort 94 and Niort 95.

The main terms of the additional financing ("new money debt") are summarised below:

	D1 Facility	D2 Facility	D3 Facility
Purpose	To finance or refinance (directly or indirectly) (x) the general corporate purposes of Niort 94/Niort 95 (including debt servicing and capital expenditure), (y) the general corporate purposes of ORPEA S.A. (via repayment of existing intra-group debt) and (z) all fees, costs and expenses relating to the Facilities.		
Maximum principal amount (in euros)	€400 million, broken down as follows: ■ D1A Tranche: €200 million ■ D1B Tranche: €200 million	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of ORPEA's accelerated safeguard procedure, for the portion of these net proceeds not already used to reduce the D3 Facility.	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of ORPEA's accelerated safeguard procedure.
Amount drawn down at 30 June 2023	€200 million		
Annual margin	2.00% per annum (in addition to the Euribor rate applicable over the drawdown period (one month, three months or six months))		
Final maturity	D1A/D1B Tranche: 30 June 2026	The earlier of (i) 31 December 2023 and (ii) the fifth business day following the completion of all of the capital increases provided for in the judgement of the Nanterre Specialised Commercial Court approving ORPEA's accelerated safeguard plan (the "Plan Approval") and ORPEA's receipt of the related amounts.	Same as for the D2 Facility.
Collateral, guarantee and equity injection undertaking	■ A first-ranking pledge granted by ORESC 27, a newly-created company ("Topco"), wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26 ("NewCo"), which is wholly owned by Topco and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95 ■ A pledge of receivables (*nantissement de créances*) to be granted by ORPEA over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities ■ A stand-alone guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) guaranteeing an amount equal to the sum of the principal and interest due under the D1, D2 and D3 Facilities ■ An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by ORPEA to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities ■ A *Dailly* assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities ■ A post money privilege in relation to borrowings made by ORPEA under the D1B Tranche, and the D2 and D3 Facilities		

BOND ISSUES

In 2018, the Group completed a public bond offering of €400 million, maturing in seven years (due in March 2025) with an annual fixed-rate coupon of 2.625%.

In May 2019, ORPEA issued €500 million of eight-year OCEANE bonds (bonds convertible to and/or exchangeable for new or existing shares, due in May 2027), with an annual fixed-rate coupon of 0.375%. In accordance with IAS 32, the value of the equity component of the OCEANE bonds was not deemed material, due to the low value of the buy-out option.

On 1 April 2021, ORPEA S.A. issued a public non-convertible seven-year bond for €500 million.

Over the years, the Group has also issued several private bond placements with maturities of eight, 12 and 20 years, representing a total outstanding principal amount of €729.5 million at 30 June 2023.

OTHER BORROWINGS AND DEBT

Finance leases

The Group's finance leases for transferable property and real estate amounted to €717 million at 30 June 2023.

Mortgage debt

Prior to 2022, the ORPEA Group took out mortgage loans, generally with a 12-year maturity and an LTV ratio (ratio between the amount of the loan and the value of the assets) of 70% at inception. The balance of these loans totalled €1,051 million at 30 June 2023.

Schuldscheindarlehen and *Namensschuldverschreibung* debt

The balance of the Group's *Schuldscheindarlehen* and *Namensschuldverschreibung* notes at 30 June 2023 was €1,706 million.

Other bank debt

Excluding the June 2022 bank financing, other bank debt consisted mainly of bilateral unsecured debt totalling €648 million at 30 June 2023.

SHORT-TERM DEBT SECURITIES

At 30 June 2023, the amount issued under the commercial paper programme was reduced to zero.

FINANCING SECURED BY RECEIVABLES

Where the opportunity arises, the Group may, and has, secured financing lines through the sale of receivables. At 30 June 2023, the Group had a €130 million financing line secured by future receivables with a variety of health insurance funds.

At 30 June 2023, €130 million of this financing was recognised as debt.

4.15 CASH AND LIQUIDITY RISK

4.15.1 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" consist of cash in hand and at bank and short-term investments that are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Financial assets and liabilities may be offset subject to the conditions laid down in IAS 32.

Cash and cash equivalents comprise balances on bank accounts, cash in hand, term deposits of less than three months and debt securities traded on official markets that are subject to an insignificant risk of a fall in value, which are measured at fair value, with any changes recognised in profit or loss. At 30 June 2023, no debt securities were traded on official markets.

At 30 June 2023, ORPEA's cash and cash equivalents consisted of €50 million in term deposits, approximately €54 million in interest-bearing current accounts, €50 million in short-term money market (SICAV) funds and €364 million in bank credit balances.

Under the June 2022 financing, the Group's cash position must be at least €300 million at the end of each quarterly and annual period from June 2023. This clause will not apply until ORPEA's financial restructuring is completed.

4.15.2 LIQUIDITY RISK

At 30 June 2023, the Group had cash and cash equivalents of €518 million, above the minimum amount it requires for its day-to-day operations, estimated at around €200-€250 million.

The Company proposed an accelerated safeguard plan, which was approved by the Nanterre Specialised Commercial Court on 24 July 2023, the terms of which are fully in accordance with the specifications presented by the Company on 15 November 2022 (see Note 1.1 "Liquidity and going concern risks" and Note 2.1 "Refoundation Plan and financial restructuring plan").

With regard to the financing for the continuity of operations until the effective execution of the planned financial restructuring, €600 million in Additional Financing was put in place in May 2023, the amount and terms of which have been calibrated to meet the Group's liquidity needs for the period until the date of receipt of the proceeds of the cash capital increases provided for in the context of the financial restructuring.

The 12-month liquidity requirement (from October 2023 to September 2024) is estimated at €1.0 billion, excluding repayments of the A4 and D2 tranches (€0.3 billion), and will be covered by the proceeds from the €1.55 billion capital increases and by cash and cash equivalents.

Risk identification

Risks related to the implementation of the financial restructuring project

The effective implementation of the financial restructuring remains subject to:

- a decision by the Paris Court of Appeal rejecting the appeals filed against the exemption granted on 26 May 2023 to the Groupement by the AMF from the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring; and
- approval by the AMF of the prospectuses relating to the planned capital increases.

The main risks associated with the implementation of this financial restructuring are therefore the following:

- an unfavourable decision by the Paris Court of Appeal, rendering the exemption granted to the Groupement by the AMF null and void, and thus preventing the implementation of the financial restructuring as provided for in the agreements between the various parties;
- delays in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for under the financial restructuring.

In such a situation, or more generally if the operations provided for under the restructuring plan could not be implemented for any other reason, the Company considers that it would not have sufficient means of financing to enable it to meet its obligations, and therefore its estimated liquidity requirements, for the next 12 months. As a result, the Group could be subject to administration proceedings and/or judicial liquidation proceedings with, if necessary, the implementation of a disposal plan. If such proceedings were to be initiated, affected parties ranking below the secured debt holders would recover a smaller portion of the final disposal proceeds than under the safeguard plan.

Risks related to the syndicated loan put in place in June 2022 and amended by the agreement protocol of 17 March 2023

Under the syndicated loan agreement of 13 June 2022, as amended by the agreement protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash (plus undrawn Group credit facilities other than the D2 and D3 Facilities) of €300 million tested quarterly as from the first full calendar quarter after completion of the capital increases provided for under the restructuring plan;
- carry out €1.25 billion in real estate disposals by the end of 2025.

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

In addition, the Group's undertaking to carry out real estate disposals within a limited time period could mean that it may have to sell the assets at a lower-than-expected price, which could require the Group to recognise impairment losses on the assets concerned.

Other risks related to the Group's financing

The Group's existing debt at 30 June 2023 (see Note 4.14) includes certain commitments, such as asset-backed guarantees, which would restrict its capacity to take on additional debt if new difficulties were to arise.

Moreover, if the Group fails to restore its image and financial position, notably by implementing its financial restructuring plan, it could continue to experience difficulties in obtaining financing, which could jeopardise its results and its ability to pursue its business.

Risk management

The Group's teams are fully mobilised to complete the financial restructuring in accordance with the terms and conditions approved by the Nanterre Specialised Commercial Court.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for under the financial restructuring could, if necessary, be managed by negotiating an increase in the amount of the Additional Financing with the Group's main banking partners on terms and conditions to be discussed at the time.

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

Lastly, on the basis of the legal analyses carried out in relation to the various appeals lodged by third parties, the Company considers the risk of not being able to implement the safeguard plan to be limited.

4.16 FINANCIAL INSTRUMENTS

The Group uses various financial instruments to hedge its exposure to interest rate risk. It had no currency derivatives at 30 June 2023. Its interest rate hedges are over-the-counter instruments arranged with blue chip counterparties.

Interest rate derivatives are recognised under "Other current assets and liabilities" and "Other non-current financial liabilities/assets", depending on their maturity, and measured at fair value at the transaction date (see Note 4.16.1 "Interest rate risk management strategy").

Currency derivatives are recognised under "Other current assets and liabilities" and measured at fair value at the transaction date (see Note 4.16.2 "Currency risk"). At 30 June 2023, no currency derivatives had been recognised.

4.16.1 INTEREST RATE RISK

Interest rate risk management strategy

Out of the Group's total net debt, 64% is at floating interest rates, mainly corresponding to floating-rate domestic debt exposed to the risk of an increase in short-term rates in the eurozone.

The Group's strategy is to hedge a large proportion of its consolidated net debt against the risk of fluctuations in floating interest rates. To do so, it uses financial instruments to hedge its floating-rate financial liabilities. These include:

- interest rate swaps under which it receives mainly three-month Euribor and pays a fixed rate specific to each contract; and
- interest rate options (caps).

The Group applies hedge accounting under IFRS 9, and these transactions qualify as cash flow hedges. Unrealised gains and losses arising from the re-measurement of these derivatives at market value are recognised in equity at the end of the reporting period, except for the time value at the inception of options, which is amortised in profit and loss over the effective lives of the instruments, in accordance with the "hedging cost" approach under IFRS 9.

The use of these hedges to curb interest rate risk exposes the Group to counterparty risk. Counterparty risk is the risk of having to replace a hedge at going market prices should a counterparty default. The Group's analysis did not identify any material impact arising from this risk.

The Group therefore considers only the intrinsic value of option contracts to be hedging instruments.

Interest rate derivatives

At 30 June 2023, the derivatives portfolio included fixed-for-floating interest rate swaps (mainly three-month Euribor) and interest rate options (caps). These derivatives have either a constant or decreasing nominal profile.

The average notional amount of interest rate derivatives at 30 June 2023 breaks down as follows:

	Maturity profile				
(in millions of euros)	**2023-2024**	**2024-2025**	**2025-2026**	**2026-2027**	**2027-2028**
Average notional amount	2,086	2,286	1,154	72	67

(in thousands of euros)	**30 June 2023**	**< 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**> 5 years**
Current assets	63,234	63,234					
Non-current assets	69,278		49,353	17,093	945	847	1,040
INTEREST RATE DERIVATIVES	**132,512**	**63,234**	**49,353**	**17,093**	**945**	**847**	**1,040**

The average notional amount of interest rate derivatives at 31 December 2022 breaks down as follows:

	Maturity profile				
(in millions of euros)	**2023**	**2024**	**2025**	**2026**	**2027**
Average notional amount	2,040	2,337	1,816	372	65

(in thousands of euros)	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**> 5 years**
Current assets	46,577	46,577					
Non-current assets	84,410		47,538	27,927	5,607	1,237	2,100
INTEREST RATE DERIVATIVES	**130,987**	**46,577**	**47,538**	**27,927**	**5,607**	**1,237**	**2,100**

Accumulated changes in the fair value of these hedging derivatives, representing €132.5 million at 30 June 2023, were recognised under interest rate hedging reserves in equity.

Analysis of sensitivity to fluctuations in interest rates

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

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

Including the impact of hedges:

- a 1% (100 basis point) rise in the yield curve would increase the Group's financial expenses by €26.0 million (before tax and capitalisation of financial expenses);
- a 0.1% (10 basis point) decrease would reduce the Group's financial expenses by €2.6 million.

At 30 June 2023, net debt amounted to €9,260 million (excluding IFRS 16 debt), with approximately 36% arranged at fixed rates and the remainder at floating rates.

Movements in the cash flow hedging reserve

(in thousands of euros)	First-half 2023	Full-year 2022
Revaluation reserve at beginning of period	**130,987**	**(100,524)**
Correction of the revaluation reserve	3,901	(35,318)
New instruments		
Impact on net profit	4,935	7,604
Change in equity	(7,312)	259,225
REVALUATION RESERVE AT END OF THE PERIOD	**132,512**	**130,987**

4.16.2 CURRENCY RISK

The Group has little foreign currency debt and little cash denominated in foreign currencies. For accounting purposes, the Group is also exposed to currency risk on intra-group loans granted to some of its subsidiaries (Switzerland, Poland, Czech Republic, etc.). This risk remains very limited.

4.17 TRADE PAYABLES

(in thousands of euros)	30 June 2023	31 Dec. 2022
Trade payables	300,582	326,954
TOTAL	**300,582**	**326,954**

The Group does not have any reverse factoring arrangements for its trade payables.

4.18 TAX AND PAYROLL LIABILITIES

(in thousands of euros)	30 June 2023	31 Dec. 2022
Employee-related liabilities	281,233	237,833
Social security liabilities	185,939	138,378
Tax liabilities*	126,312	54,560
TOTAL	**593,483**	**430,771**

* *In December 2022:*
- reclassification of €73,859 thousand in tax liabilities from "Current tax liability" to "Tax and payroll liabilities";
- reclassification of €55,810 thousand in accrued expenses payable to the CNSA from "Tax liabilities" to "Other payables, accruals and prepayments" under the "Miscellaneous" line.

4.19 OTHER PAYABLES, ACCRUALS AND PREPAYMENTS

(in thousands of euros)	30 June 2023	31 Dec. 2022
Development-related liabilities	138,081	19,423
Security deposits	75,927	76,299
Commitments to carry out work on buildings sold	-	43,907
Customer accounts in credit	120,100	134,799
Other prepaid income	69,857	39,429
Interest rate derivatives with a negative fair value	960	-
Advances and downpayments received on orders in progress	38,232	20,843
Current accounts (associates and related parties)	31,795	53,865
Miscellaneous*	173,315	196,728
TOTAL	**648,267**	**585,292**

* *In December 2022, €55,810 thousand in accrued expenses payable to the CNSA was reclassified to "Other payables, accruals and prepayments" under the "Miscellaneous" line.*

Development-related liabilities include:

- earn-outs related to the acquisitions of shares in Axion (€11 million) and SIS Brasil (€27 million);
- advances received in connection with real estate disposals in France (€44 million) and Luxembourg (€33 million).

Security deposits mainly comprise the sums paid by residents at the beginning of their stay.

4.20 SIMPLIFIED INCOME STATEMENT

	First-half 2023			First-half 2022		
(in thousands of euros)	**Excluding IFRS 16**	**IFRS 16 impact**	**Including IFRS 16**	**Excluding IFRS 16**	**IFRS 16 impact**	**Including IFRS 16**
Revenue and other income	2,567,653	-	2,567,653	2,341,260	-	2,341,260
Purchases used and other costs	(2,237,160)	5,179	(2,231,981)	(1,918,017)	3,471	(1,914,546)
EBITDAR[1]	**330,493**	**5,179**	**335,671**	**423,243**	**3,471**	**426,714**
External rental costs	(228,764)	214,294	(14,470)	(211,211)	199,409	(11,801)
EBITDA[2]	**101,728**	**219,473**	**321,201**	**212,032**	**202,881**	**414,913**
Recurring operating profit/(loss)	(68,724)	55,737	(12,987)	49,418	32,345	81,763
Net financial expense	(172,678)	(58,228)	(230,906)	(49,382)	(46,722)	(96,103)
Profit/(loss) before tax	(301,044)	(28,226)	(329,270)	(252,024)	(13,730)	(265,754)
Net profit/(loss) of consolidated companies	(344,574)	(22,050)	(366,624)	(258,112)	(10,709)	(268,821)
ATTRIBUTABLE NET PROFIT/(LOSS)	**(354,140)**	**(16,599)**	**(370,739)**	**(258,734)**	**(10,635)**	**(269,369)**

(1) EBITDAR = Recurring operating profit before depreciation, amortisation and charges to provisions and before rental expenses.
(2) EBITDA = EBITDAR excluding rental expenses related to contracts with a term of more than one year.

4.21 REVENUE

Revenue mainly comprises payment for accommodation and care services provided to residents and patients. Revenue is recognised when the service is provided.

The only seasonal effect is the number of business days, which is higher in the second half of each year than in the first.

Revenue amounted to €2,539 million in first-half 2023, representing a 10.7%, or €245 million, increase compared with first-half 2022, and primarily corresponding to organic growth.

ORGANIC GROWTH

Organic revenue growth in first-half 2023 was 9.1%.

Organic growth in revenue reflects the following factors:

- the year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates;
- the year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period;
- revenue generated in the current period by facilities created during the current period or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

SUMMARY OF CHANGES IN AVERAGE OCCUPANCY RATES

	First-half 2023	First-half 2022	Change
France-Benelux-UK-Ireland	83.1%	84.2%	-105 bps
Central Europe	81.8%	78.7%	+304 bps
Eastern Europe	84.6%	81.4%	+323 bps
Iberian Peninsula and Latin America	82.5%	74.8%	+766 bps
Other countries	NM	NM	NM
TOTAL GROUP	**82.7%**	**81.3%**	**+136 BPS**

4.22 SEGMENT INFORMATION

Segment information is provided for the segments used by management to analyse its activity and monitor its development. The operating segments are presented by geographical area:

- France-Benelux-UK-Ireland: France, Belgium, Luxembourg, the Netherlands, the United Kingdom and Ireland;
- Central Europe: Germany, Italy and Switzerland;
- Eastern Europe: Austria, Poland, Czech Republic, Slovenia, Latvia and Croatia;
- Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Uruguay and Mexico;
- Other countries: China.

(in thousands of euros)	First-half 2023	First-half 2022
REVENUE		
France-Benelux-UK-Ireland	1,489,182	1,391,114
Central Europe	657,513	577,331
Eastern Europe	250,316	210,025
Iberian Peninsula and Latin America	138,685	114,194
Other countries	3,573	1,891
TOTAL	**2,539,269**	**2,294,554**
RECURRING OPERATING PROFIT BEFORE RENTS AND BEFORE DEPRECIATION, AMORTISATION AND CHARGES TO PROVISIONS		
France-Benelux-UK-Ireland	168,073	251,800
Central Europe	120,878	133,463
Eastern Europe	29,652	30,101
Iberian Peninsula and Latin America	19,260	11,978
Other countries	(2,192)	(616)
TOTAL	**335,671**	**426,726**

(in thousands of euros)	30 June 2023	30 June 2022
ASSETS		
France-Benelux-UK-Ireland	12,085,022	15,090,810
Excluding France Benelux	2,599,658	4,689,053
TOTAL	**14,684,680**	**19,779,863**
LIABILITIES EXCLUDING EQUITY		
France-Benelux-UK-Ireland	12,710,076	11,948,854
Excluding France Benelux	3,824,469	4,129,147
TOTAL	**16,534,545**	**16,078,001**

4.23 RECURRING OPERATING PROFIT/(LOSS)

Recurring operating profit/(loss) breaks down as follows:

(in thousands of euros)	First-half 2023	First-half 2022
Revenue	2,539,269	2,294,554
Purchases used and other external costs before rental expenses*	(482,086)	(418,106)
Personnel costs*	(1,697,494)	(1,453,378)
Taxes other than on income*	(39,114)	(36,803)
Other recurring operating income	28,384	46,706
Other recurring operating expense	(13,288)	(6,260)
Recurring operating profit before rents and before depreciation, amortisation and charges to provisions	**335,671**	**426,714**
Rental expenses	(14,470)	(11,801)
Depreciation, amortisation and charges to provisions	(334,188)	(333,150)
RECURRING OPERATING PROFIT/(LOSS)	**(12,987)**	**81,763**

* *For first-half 2022:*
- reclassification of payroll and training taxes for €6,738 thousand from "Taxes other than on income" to "Personnel costs";
- reclassification of external doctors' expenses of €8,120 thousand from "Purchases used and other external costs" to "Personnel costs";

4.24 OTHER NON-RECURRING OPERATING INCOME AND EXPENSE

Other non-recurring operating income and expense comprises:

- gains or losses on the Group's real estate transactions: development costs and any impairment;
- the Group's development expenses and redevelopment costs for recently acquired facilities;
- income and expenses related to business combinations: transaction costs;
- impairment of intangible assets and goodwill.

With effect from 1 July 2022, the Group has reclassified certain expenses previously classified as "non-recurring" as recurring expenses. These are operating costs of facilities that have not yet reached their standard operating level. The Group previously presented these expenses as "non-recurring".

The amount of these costs still recorded as non-recurring expenses was €20 million in the six months ended 30 June 2023.

Other non-recurring operating income and expense for the first six months of 2023 and 2022 were as follows:

(in thousands of euros)	**First-half 2023**	**First-half 2022**
Capital gains/(losses) on disposals	41,824	(4,988)
Reversals of provisions	40,073	474
Charges to provisions	(42,500)	(154,134)
Asset impairment	(56,000)	(37,918)
Other income/(Other expenses)	(68,774)	(54,848)
OTHER NON-RECURRING OPERATING INCOME AND EXPENSE	**(85,377)**	**(251,414)**

In the six months ended 30 June 2023, other non-recurring operating income and expense consisted mainly of:

- capital gains on disposals, corresponding to gains on the deconsolidation of the Compartijn, Résidences Senior Services and Age Partenaires entities, and the proceeds from the disposal of the Age Partenaires entities;
- reversals of provisions, mainly due to changes in the scope of consolidation during the period;
- charges to provisions, chiefly comprising provisions for site closures and indemnities in Belgium;
- asset impairment, primarily corresponding to impairment losses recognised against partnership-related receivables and IFRS 16 right-of-use assets following the closure of certain sites in Belgium;
- other expenses, mainly comprising crisis management expenses.

4.25 FINANCIAL INCOME AND EXPENSES

(in thousands of euros)	**First-half 2023**	**First-half 2022**
Interest on bank debt and other financial liabilities	(216,128)	(74,117)
Interest income	1,613	43
Interest on items held under finance leases	(10,989)	(6,492)
Financial expenses on lease liabilities	(58,243)	(46,722)
Cost of net debt	**(283,747)**	**(127,288)**
Net income on interest rate derivatives	22,801	15,779
Capitalised financial expenses*	3,166	3,783
Other financial income and expenses**	26,875	11,623
Other financial income and expense, net	**52,842**	**31,185**
NET FINANCIAL EXPENSE	**(230,906)**	**(96,103)**

* *Calculated at an average rate of 4.23% in first-half 2023.*

** *In June 2022: reclassification of €11,623 thousand in other financial income and expenses from "Interest on bank debt and other financial liabilities" to "Other financial income and expenses".*

Net financial expense came to €231 million in first-half 2023. The year-on-year rise reflects the higher interest rates and margins associated with the June 2022 refinancing, as well as the increase in gross debt.

With regard to the cost of debt, the financial restructuring plan includes the following provisions:

- accrued interest on the unsecured debt of the legal entity ORPEA S.A., i.e., approximately €66 million for the first half of 2023, will be paid in an amount of approximately €11 million (30% of the total amount of accrued interest up to the day before the opening date of the accelerated safeguard procedure) after the settlement-delivery of the Equitisation Capital Increase and the balance will be converted into capital;
- interest payments in respect of drawdowns on tranches A, B and C of the June 2022 syndicated loan, i.e., €115 million, will be made after settlement-delivery of the Groupement Capital Increase.

4.26 INCOME TAX EXPENSE

(in thousands of euros)	First-half 2023	First-half 2022
Current income tax	(23,638)	(28,473)
Deferred taxes	(14,967)	22,841
TOTAL	**(38,604)**	**(5,632)**

Pursuant to IAS 12, the income tax expense includes the CVAE value-added levy of €3.4 million.

The CFE (*Cotisation Foncière des Entreprises*) levy is recognised as a recurring operating expense in "Taxes other than on income".

5. Additional information

5.1 COMMITMENTS AND CONTINGENT LIABILITIES

5.1.1 OFF-BALANCE SHEET COMMITMENTS

Commitments given

(in thousands of euros)	30 June 2023	31 Dec. 2022
Pledged shares	3,372,472	3,321,601
Sureties and bank guarantees	71,960	833,839
Real estate mortgages	1,109,088	833,604
Put options/purchase undertakings (shares/real estate assets)	225,170	225,170
Partnership guarantees	75,072	239,513
Lease guarantees	259,463	109,077
Other guarantees and commitments	93,813	71,963
Contractual commitments relating to property development	52,259	33,665
Other pledges	15,458	2,087
COMMITMENTS GIVEN	**5,274,755**	**6,427,885**

The main commitments given and received by the ORPEA Group under the conciliation protocol signed with its main banking partners at 30 June 2023 are as follows:

- provision of Loans by banking partners;
- the Lenders, in particular, have undertaken to finance the Group's cash flow requirements by making available the A1, A2/A3, A4, B and C Loans in the form of a syndicated loan (together, the "**Loans**");
- ORPEA's main undertakings.

ORPEA has given the following main undertakings, described in Note 4.14:

- relating to the disposal of operating and real estate assets;
- relating to the allocation of certain net proceeds from disposals and subscriptions to repay the Loans;
- to grant collateral to secure Loan repayment obligations.

To ensure that the Loan amounts due are repaid *pari passu*, ORPEA has granted the following security interests from the first drawdown of one of the Loans:

- a *Dailly* assignment of intra-group loans financed by Loan drawdowns;
- first-ranking pledges over:
  - 100% of the shares of CEECSH (the "CEECSH Pledge"), and
  - 100% of the shares of ORESC 25 SARL ("ORESC") to which the Company will contribute no later than on the second drawdown date of the Loans (i.e., excluding the first drawdown of a maximum amount of €250 million under the A1 Loan), 100% of the shares of its subsidiary CLINEA (the "ORESC Pledge", and together with the CEECSH Pledge, the "Pledges"), the pledged assets representing 22.8% and 30.1% of the Group's revenue, respectively. Following certain reorganisations to be carried out within the Group, the pledges will be over shares in CLINEA France and the Group's business in Germany, representing 22.6% and 15.3% of consolidated revenue, respectively.

Commitments relating to the Group's operating activities

France

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	Immobilière de Santé	The following commitment has been given as regards the potential acquisition of a 100% interest in 50.01%-held Immobilière de Santé (France): ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised between 1 January 2024 and 31 December 2024 (inclusive).
France	AP6	The following commitment has been given concerning the potential acquisition of a 100% interest in 50%-held AP6 (France): ■ call option for SARL 97 (ORPEA) (i.e., promise to sell by the partners), which may be exercised between 1 January 2024 and 30 June 2024.
France	AP7	The following commitment has been entered into concerning the potential acquisition of a 100% interest in 50%-held AP7 (France): ■ call option for ORPEA (i.e., promise to sell by the partners), which may be exercised between 26 December 2022 and 31 December 2023.
France	Clinique des Portes de l'Eure	The following commitments have been given concerning the potential acquisition of a 100% interest in 55%-held Clinique des Portes de l'Eure (France), including the receivables held by the partner at the exercise date: ■ promise to buy granted by Groupe Sinoué (ORPEA), with the option to be substituted by any third party (i.e., put option for the partner) exercisable at any time until 31 March 2030; ■ call option for Groupe Sinoué (ORPEA) with the option to be substituted by any third party (i.e., promise to sell by the partner) exercisable (i) between 1 April 2030 and 30 September 2030 or (ii) if a material event occurs within six months of Groupe Sinoué becoming aware of said event (i.e., termination of MPCM Management's term of office as Chairman, change in control of MPCM Management, resignation, dismissal, death or incapacity of MPCM Management's legal representative due to mismanagement resulting in a loss for the target company). A promise to sell was granted by Groupe Sinoué (ORPEA) with the option to be substituted by any third party (i.e., call option for the partner) concerning 45%-held Clinique des Portes de l'Eure (France) and the receivables held by Groupe Sinoué at the exercise date, which may be exercised during any of the following three periods: ■ between 1 January 2023 and 31 March 2023; ■ between 1 January 2026 and 31 March 2026; ■ between 1 January 2029 and 31 March 2029.
France	ORESC 7	The following commitments have been given concerning the potential acquisition of a 100% interest in 51%-held ORESC 7 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: ■ promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); ■ call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular in respect of a call for funds). The following commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORESC 7 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: ■ promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds); ■ call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).
France	ORESC 8	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.9%-held ORESC 8 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: ■ promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); ■ call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised (i) at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular with regard to a call for funds) or (ii) if the shares and/or receivables held by OPPCI ICADE Healthcare Europe were to be subsequently held indirectly by a competitor of ORPEA (or any of its affiliated entities). The following respective commitments have been given for a potential acquisition of a 100% interest in 10.1%-held ORESC 8 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: ■ promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised (i) at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds) or (ii) if no agreement is reached between the parties on whether to pursue their investment in the six months prior to the agreement's expiration date (provided that ORPEA Real Estate Luxembourg's put option does not result in German Real Estate Transfer Tax (RETT) becoming payable); ■ call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	ORESC 12	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 51%-held ORESC 12 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: ■ promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); ■ call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular in respect of a call for funds). The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORESC 12 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: ■ promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds); ■ call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).
France	SCI des Boucles de la Moselle	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI des Boucles de la Moselle (France) or (ii) the property lease or (iii) the property it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI d'Yvetot	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI d'Yvetot (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Clinique du Campus	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Clinique du Campus (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de Châtillon	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de Châtillon (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SAS du Champ de Gretz	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SAS du Champ de Gretz (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI du Virval	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI du Virval (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de l'Epinoy	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de l'Epinoy (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Les Oyats	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Les Oyats (France) or (ii) the property finance lease or (iii) the building it owns: ■ promise to buy granted by ORPEA S.A. (i.e., put option for the partner), which may be exercised until 16 July 2035; ■ call option for ORPEA S.A. (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.

International

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	Put/call options
Chile	Rentas Senior Suites SA	The following respective commitments have been entered into concerning the potential acquisition of a 100% interest in 50%-held Rentas Senior Suites SA (Chile): ■ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2024 and 31 July 2024; ■ call option for the partner (i.e., promise to sell by ORPEA), which may be exercised between 1 August 2024 and 31 July 2025; ■ promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised until 31 July 2024.
Mexico	SIS Exploit Mexico S. de R.L. de C.V.	Concerning 49%-held SIS Exploit Mexico S. de R.L. de C.V. (Mexico), the following respective commitments have been given concerning the potential acquisition of a 100% interest: ■ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building (and at any time if the partner ceases to be manager); ■ promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building.
Colombia	ORPEA Colombia Exploit SAS	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORPEA Colombia Exploit SAS (Colombia): ■ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building (and at any time if the partner ceases to be manager); ■ promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building.
Czech Republic	SeneCura S.R.O. (previously Senior Holding S.R.O.)	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 80%-held SeneCura S.R.O. (Czech Republic): ■ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2028 and 31 May 2028; ■ call option for the ORPEA Group (i.e., promise to sell by the partner) if there is a change of partner/Chief Executive Officer appointed by Urban Survival, until the contract end date; ■ put option for the partner (i.e., promise to buy by the ORPEA Group), which may be exercised between 1 June 2028 and 31 August 2028.
Luxembourg	Bad Schonborn Properties S.C.S.	Concerning 10.1%-held Bad Schonborn Properties S.C.S. (Luxembourg), the following commitments have been entered into: ■ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 12 May 2026 and 12 August 2026; ■ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised between 12 February 2027 and 12 May 2027.
Luxembourg	Salza Verwaltungs GmbH	The following respective commitments have been entered into concerning the potential acquisition of the 5.2% interest held in Salza Verwaltungs GmbH (Luxembourg): ■ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 30 June 2021 and 15 November 2021; ■ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 7 November 2037 and 7 February 2038; ■ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised between 7 May 2038 and 7 July 2038.
Luxembourg	ORPEA Real Estate Luxembourg S.à.r.l	Call option in respect of Daki. Since 1 January 2023, ORPEA Real Estate Luxembourg S.à.r.l has had a call option concerning Red Bridge's interest in Daki, enabling it, if it were to exercise the option, to acquire 100% of Daki SA. Alongside this call option, the Group also benefits from a share pledge on the Daki shares.
Germany	ORPEA Premium Holding GmbH	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 75%-held ORPEA Premium Holding GmbH (Germany): ■ put option for the partner (i.e., promise to buy by the ORPEA Group), which may be exercised between 1 January 2024 and 31 December 2025; ■ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised at any time from 1 January 2026; ■ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised before 1 January 2026 if (a) Mr Tavridis is convicted of a crime within the meaning of the German Criminal Code; (b) Mr Tavridis resigns as Chief Executive Officer without just cause (to avoid ambiguity, the death of Mr Tavridis constitutes a just cause within the meaning of the clause); (c) Axion declares that ORPEA Premium Holding GmbH has terminated the contract; (d) there is a change in control at Axion.

Country	Companies controlled/ accounted for using the equity method	Put/call options
Russia	ORPEA Rus	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.09%-held ORPEA Rus (Russia): ■ promise to buy granted by the ORPEA Group (i.e., put option for minority shareholders), which may be exercised between 27 December 2025 and 27 December 2029 (and at any time in the cases listed in Article 3.1.2 of the Deed of Covenant (in particular if no project has been approved within 18 months of the initial investment)); ■ call option for the ORPEA Group (i.e., promise to sell by minority shareholders), which may be exercised between 27 December 2025 and 27 December 2028 (and at any time in the cases listed in Article 4.1.2 of the Deed of Covenant (in particular if no project has been approved within the 18 months following the initial investment)). If ORPEA S.A. fails to meet its obligations relating to the call option for the benefit of the ORPEA Group (e.g., non-payment), reverse call option (i.e., promise to sell by ORPEA) for the minority shareholders.
China	YangTing (Shanghai) Enterprise Management and Consultant Co. Ltd	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held YangTing (Shanghai) Enterprise Management and Consultant Co. Ltd. (China): ■ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised until the contract end date (25 December 2037).
China	Pacific Orpea (Shanghai) Senior Care Management Co. Ltd	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 44%-held Pacific ORPEA (Shanghai) Senior Care Management Co. Ltd. (China): ■ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised until the contract end date (31 October 2038); ■ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised until the contract end date (31 October 2038).

Commitments received

(in thousands of euros)	**30 June 2023**	**31 Dec. 2022**
Pledged shares	-	40,590
Other commitments received	11,899	10,139
COMMITMENTS RECEIVED	**11,899**	**50,729**

5.1.2 CONTINGENT LIABILITIES

Overall, Executive Management believes that the provisions recognised in the balance sheet for disputes involving the Group of which it is aware should be sufficient to cover its exposure to risks.

Following the final report of the IGAS-IGF joint investigation, on 29 July 2022 the *Caisse Nationale de Solidarité pour l'Autonomie* (CNSA) sent the Company a formal notice to return €55.8 million in unduly received funding. The Company recorded a provision for this amount in its individual and consolidated financial statements at 31 December 2022. Under the Company's accelerated safeguard plan approved by the Nanterre Specialised Commercial Court on 24 July 2023, the repayment of this funding has been spread over three years.

Since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences.

Other civil or criminal proceedings, either related or unrelated to the acts described in the book *Les fossoyeurs*, could result in civil or criminal liability for the Group, its executives and/or current or former employees. With the exception of the risks that are the subject of a provision described in Note 4.12 "Provisions", the Group considers at this stage that these proceedings are not likely to have a material adverse effect on its financial position or profitability. However, since the outcome of any proceedings is inherently unpredictable, proceedings in progress could represent contingent liabilities.

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

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

The Company has not currently identified any material adverse impact on its cash flow or real estate assets resulting from the reported fraudulent activities. Nevertheless, the proceedings that may be initiated in this respect, which are inherently unpredictable, could represent contingent liabilities.

5.2 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES IN ACCORDANCE WITH IFRS 7

Financial assets and liabilities recognised under IFRS 7 break down as follows:

		Carrying amount				Fair value		
(in thousands of euros)	**Balance**	**Hedge accounting**	**Amortised cost**	**Fair value through equity**	**Fair value through profit or loss**	**Level 1**	**Level 2**	**Level 3**
AT 30 JUNE 2023								
FINANCIAL ASSETS	**1,922,993**							
Investments in companies and joint ventures	7,051			7,051				7,051
Derivative financial instruments – non-current assets	69,278	69,278					69,278	
Other non-current financial assets	136,593		136,593					
Non-current assets	**212,922**							
Trade receivables	414,333		414,333					
Derivative financial instruments – current assets	63,269	63,269					63,269	
Other receivables, accruals and prepayments	714,866		714,866					
Cash and cash equivalents	517,604				517,604	517,604		
Current assets	**1,710,071**							
FINANCIAL LIABILITIES	**10,726,145**							
Non-current debt excluding bridging loans	1,442,804		1,442,804					
Non-current liabilities	**1,442,804**							
Current debt excluding bridging loans	8,334,492		8,334,492					
Trade payables	300,582		300,582					
Other payables, accruals and prepayments	648,267		648,267					
Current liabilities	**9,283,341**							
AT 31 DECEMBER 2022								
FINANCIAL ASSETS	**2,087,591**							
Investments in companies and joint ventures	7,852			7,852				7,852
Derivative financial instruments – non-current assets	84,410	84,410					84,410	
Other non-current financial assets	180,997		180,997					
Non-current assets	**273,259**							
Trade receivables	455,368		455,368					
Derivative financial instruments – current assets	46,577	46,577					46,577	
Other receivables, accruals and prepayments	455,970		455,970					
Cash and cash equivalents	856,417				856,417	856,417		
Current assets	**1,814,332**							
FINANCIAL LIABILITIES	**10,527,042**							
Non-current debt excluding bridging loans	1,378,335		1,378,335					
Non-current liabilities	**1,378,335**							
Current debt excluding bridging loans	8,236,460		8,236,460					
Trade payables	326,954		326,954					
Other payables, accruals and prepayments**	585,292		585,292					
Current liabilities	**9,148,706**							

* *Level 1: financial assets and liabilities quoted on an active market, where fair value is the listed price.*
Level 2: financial assets and liabilities not quoted on an active market, for which fair value is measured using directly observable market inputs.
Level 3: financial assets and liabilities not quoted on an active market, for which fair value is measured using inputs not based on observable market data.

** *In December 2022, €55,810 thousand in accrued expenses payable to the CNSA was reclassified from "Tax and payroll liabilities" to "Other payables, accruals and prepayments".*

5.3 RELATED-PARTY TRANSACTIONS

RELATED-PARTY TRANSACTIONS

In the ordinary course of its business, the ORPEA Group enters into various transactions with related parties as defined by IAS 24.

At 30 June 2023, the main net exposures with regard to related parties were as follows:

- property development partnerships;
- advances granted by the ORPEA Group to its associates and joint ventures and to other related parties amounted to €35 million at 30 June 2023 (see Note 4.5);
- advances granted by the ORPEA Group to other partners in respect of property development projects amounted to €73 million (see Note 4.9 "Other receivables, accruals and prepayments".)

The ORPEA Group has initiated negotiations with its partners with a view to unwinding the partnerships and recovering the real estate assets against the receivables.

Advances received by the ORPEA Group from its associates and joint ventures and from related parties amounted to €32 million at 30 June 2023 (see Note 4.19 "Other payables, accruals and prepayments").

5.4 SCOPE OF CONSOLIDATION AT 30 JUNE 2023

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
ORPEA S.A.	100.00%	100.00%	Parent
Clinea SAS	100.00%	100.00%	Full
SA La Saharienne	100.00%	100.00%	Full
EURL Les Matines	100.00%	100.00%	Full
Bel Air	100.00%	100.00%	Full
SARL 95	100.00%	100.00%	Full
SARL 96	100.00%	100.00%	Full
Résidence Les Jardins de Louise	100.00%	100.00%	Full
Résidence Les Jardins de Lucile	100.00%	100.00%	Full
Résidence Les Jardins de Mathis	100.00%	100.00%	Full
Résidence Saint-Luc	100.00%	100.00%	Full
Clinique de Champvert	100.00%	100.00%	Full
La Teste de Buch – Résidence Saint-Marc	100.00%	100.00%	Full
Clinique du Cabirol	100.00%	100.00%	Full
Résidence Les Jardins d'Escudié	100.00%	100.00%	Full
Clinique de l'Émeraude	100.00%	100.00%	Full
SARL Domea	100.00%	100.00%	Full
Clinique Régina	100.00%	100.00%	Full
Clinique de l'Émeraude	100.00%	100.00%	Full
Clinique La Chavannerie	100.00%	100.00%	Full
Résidence Les Parrans	100.00%	100.00%	Full
Maison de Santé de Merfy	100.00%	100.00%	Full
Résidence Les Acanthes	100.00%	100.00%	Full
Résidence Le Clos Saint-Grégoire	100.00%	100.00%	Full
Château de Bon Attrait	100.00%	100.00%	Full
Clinique Sancellemoz	97.00%	100.00%	Full
Résidence La Villa des Aînés	100.00%	100.00%	Full
Résidence Athéna	100.00%	100.00%	Full
Clinique Gallieni	100.00%	100.00%	Full
Séniors Études et Réalisations	100.00%	100.00%	Full
Résidence du Lac	100.00%	100.00%	Full
Clinique du Pays d'Oc (formerly Dr. Becq)	100.00%	100.00%	Full
Résidence Bon Air	100.00%	100.00%	Full
L'Ambarroise	100.00%	100.00%	Full
Institut Hélio Marin de la Côte d'Azur	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
Clinique La Salette	100.00%	100.00%	Full
Clinique Les Bruyères Brosville	100.00%	100.00%	Full
CRF Mer Air Soleil	100.00%	100.00%	Full
Clinique La Pinède	100.00%	100.00%	Full
GCS Pharmacie du Valois	100.00%	100.00%	Full
Résidence Centre de Repos de la Montagne	100.00%	100.00%	Full
Résidence Le Clos Saint-Jacques	100.00%	100.00%	Full
SARL ORPEA	100.00%	100.00%	Full
Europsy	100.00%	100.00%	Full
Clinique du Château de Garches	100.00%	100.00%	Full
Clinique du Dauphiné	100.00%	100.00%	Full
Clinique Madeleine Remeuzat	100.00%	100.00%	Full
Maison de Santé Bellevue	100.00%	100.00%	Full
Clinique Rochebrune	100.00%	100.00%	Full
Boucles de la Moselle	100.00%	100.00%	Full
Boucles de la Seine	100.00%	100.00%	Full
Clinique de Chatillon	100.00%	100.00%	Full
Clinique de l'Epinoy	100.00%	100.00%	Full
Clinique des Oyats	100.00%	100.00%	Full
Clinique du Campus	100.00%	100.00%	Full
Clinique du Littoral	100.00%	100.00%	Full
Clinique du Virval	100.00%	100.00%	Full
Institut d'Addictologie du Littoral	100.00%	100.00%	Full
Résidence Paul & Lisa (removed from the Companies Registry)	100.00%	100.00%	Full
HDJ Psy84	100.00%	100.00%	Full
OPCI	100.00%	100.00%	Full
SFI France	100.00%	100.00%	Full
SAS Douce France Santé	100.00%	100.00%	Full
SOGIP SARL	100.00%	100.00%	Full
Massilia Gestion Santé	100.00%	100.00%	Full
SARL Augeo – Livry-Gargan	100.00%	100.00%	Full
SARL Livery Traiteur	100.00%	100.00%	Full
SARL FamiliSanté	97.00%	100.00%	Full
ORPEA China Holding	100.00%	100.00%	Full
SARL Services 77	100.00%	100.00%	Full
SARL Résidence Parc de Royat	100.00%	100.00%	Full
SARL Résidence de l'Ambène	100.00%	100.00%	Full
SARL Résidence Saint-Martial	100.00%	100.00%	Full
SARL Résidence Marquisat de Provence	100.00%	100.00%	Full
SARL Résidence Parc des Noues	100.00%	100.00%	Full
SARL Résidence Les Pergolas de Sigoules	100.00%	100.00%	Full
SARL Services 64	100.00%	100.00%	Full
SARL Résidence Saint-Honorat	100.00%	100.00%	Full
SARL Domidorm Franchises	100.00%	100.00%	Full
AP Immo 2	98.00%	100.00%	Full
Domidom Office	100.00%	100.00%	Full
TCP Dev	100.00%	100.00%	Full
Âge Partenaires	100.00%	100.00%	Full
AP5	100.00%	100.00%	Full
Transac-Consulting	100.00%	100.00%	Full
SCI Officea Santé	100.00%	100.00%	Full
SCI Résidence Sud Saintonge	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
SAS Nucourt	100.00%	100.00%	Full
SCI Résidence Les Rives d'Or	100.00%	100.00%	Full
AP Immo1	100.00%	100.00%	Full
SCI Princess 2	75.00%	100.00%	Full
SCI Résidence du Château	100.00%	100.00%	Full
SCI Résidence La Talaudière	100.00%	100.00%	Full
SCI Résidence Saint-Priest	100.00%	100.00%	Full
SCI Résidence de Balbigny	100.00%	100.00%	Full
SCI Résidence Saint-Just	100.00%	100.00%	Full
SCI Résidence Sainte-Clotilde	100.00%	100.00%	Full
SCI Résidence La Tour Pujols	100.00%	100.00%	Full
SCI Résidence La Cerisaie	100.00%	100.00%	Full
SCI Résidence Val de Seine	100.00%	100.00%	Full
ORPEA le Clos Saint-Louis	100.00%	100.00%	Full
SCI Résidence du Clisclouet	100.00%	100.00%	Full
Les Rives de Cabessut	100.00%	100.00%	Full
Grandes Platières Passy	100.00%	100.00%	Full
SCI Résidence Saint-Germain	100.00%	100.00%	Full
SCI Résidence Gambetta	100.00%	100.00%	Full
SCI Résidence Croix-Rousse	100.00%	100.00%	Full
SCI Les Chesnaies	100.00%	100.00%	Full
SCI Résidence Les Dornets	100.00%	100.00%	Full
SCI Clinique de l'Ill	100.00%	100.00%	Full
SCI Résidence Montchenot	100.00%	100.00%	Full
SCI Clinique Villa Montsouris	100.00%	100.00%	Full
SCI Clinique de l'Abbaye	100.00%	100.00%	Full
SCI Résidence Les Tamaris	100.00%	100.00%	Full
SCI Résidence Saint-Jacques	100.00%	100.00%	Full
SCI de Beaulieu	100.00%	100.00%	Full
SCI Résidence Fauriel	100.00%	100.00%	Full
SCI Résidence Les Charentes	100.00%	100.00%	Full
SCI Résidence de l'Ambène	100.00%	100.00%	Full
SCI Résidence Les Maraîchers	100.00%	100.00%	Full
SCI Résidence Saint-Pierre-du-Bos	100.00%	100.00%	Full
SCI Clinique Le Vallon	100.00%	100.00%	Full
SAS Les Terrasses des Lilas	100.00%	100.00%	Full
SCI Résidence Les Diamantines	100.00%	100.00%	Full
SCI Résidence Le Lys Blanc	100.00%	100.00%	Full
SARL Spi	100.00%	100.00%	Full
SCI Les Magnolias	100.00%	100.00%	Full
SCI de l'Arche Courbevoie	100.00%	100.00%	Full
SCI Domaine de Borderouge	100.00%	100.00%	Full
SCI Ried Santé	75.00%	75.00%	Equity-accounted
SCI Clinique Sainte-Brigitte	100.00%	100.00%	Full
SARL Niort 94	100.00%	100.00%	Full
Holding company	100.00%	100.00%	Full
AP1	69.00%	100.00%	Full
AP2	69.00%	100.00%	Full
AP3	69.00%	100.00%	Full
AP4	69.00%	100.00%	Full
AP6	50.00%	50.00%	Equity-accounted
AP7	50.00%	50.00%	Equity-accounted

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
SCI Résidence Les Mimosas	100.00%	100.00%	Full
SCI Clinique l'Artémise	100.00%	100.00%	Full
SCI IBO Bastide des Oliviers	100.00%	100.00%	Full
SCI 12 Rue du Fauvet	100.00%	100.00%	Full
SCI Douarnenez ORPEA	100.00%	100.00%	Full
SCI Marcoussis	100.00%	100.00%	Full
SCI Kod's	100.00%	100.00%	Full
SCI Barbacane	100.00%	100.00%	Full
SCI Slim	100.00%	100.00%	Full
L'Allochon	100.00%	100.00%	Full
SCI Saintes BA	100.00%	100.00%	Full
SCI Barbaras	100.00%	100.00%	Full
SCI Selika	100.00%	100.00%	Full
SCI J.E.M. II	100.00%	100.00%	Full
SCI Château de la Chardonnière	100.00%	100.00%	Full
SCI des Ânes	100.00%	100.00%	Full
SCI Spaguy	100.00%	100.00%	Full
SAS ORPEA Saint-Bonnet	100.00%	100.00%	Full
SC Matisse Santé (formerly Calista Santé)	75.00%	75.00%	Equity-accounted
Reine Bellevue	100.00%	100.00%	Full
SAS Champvert	100.00%	100.00%	Full
SCI La Salvate	100.00%	100.00%	Full
SCI François Rabelais	100.00%	100.00%	Full
SCI de la Drone	100.00%	100.00%	Full
SARL L'Ombrière	100.00%	100.00%	Full
SAS Maja La Rose des Sables	100.00%	100.00%	Full
Association Languedocienne de Gériatrie	100.00%	100.00%	Full
Holding Sogimob	100.00%	100.00%	Full
SCI du Caroux	100.00%	100.00%	Full
SCI du Mont d'Aurelles Clinique	100.00%	100.00%	Full
Société Civile des Praticiens du Grand Pré	100.00%	100.00%	Full
SAS ORPEA Assomption	100.00%	100.00%	Full
SCI La Lorraine	100.00%	100.00%	Full
SA Immobilière Leau Bonneveine	100.00%	100.00%	Full
SCI Héliades Santé	100.00%	100.00%	Full
Margaux Pony	100.00%	100.00%	Full
Than. Co.	100.00%	100.00%	Full
Société Civile Cardiopierre	100.00%	100.00%	Full
Les Jardins de Jouvence	100.00%	100.00%	Full
SCI Super Aix Paul Cézanne	100.00%	100.00%	Full
SARL Résidence du Parc	100.00%	100.00%	Full
Les Orangers	100.00%	100.00%	Full
SCI Crosnes 1	100.00%	100.00%	Full
SCI Séquoia	100.00%	100.00%	Full
SCI Marseille Émeraude	100.00%	100.00%	Full
SCI Saint-Victoret	75.00%	75.00%	Equity-accounted
SARL Régina Renouveau	100.00%	100.00%	Full
SCI Ansi	100.00%	100.00%	Full
SCI Océane Saint-Georges-Didonne	100.00%	100.00%	Full
SCI Dreux	100.00%	100.00%	Full
SCI Louvroil Bocage	100.00%	100.00%	Full
SCI Chanapost Chavannerie	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
SCI Lautréamont Loos	100.00%	100.00%	Full
SCI Berlaimont Robert Schumann	100.00%	100.00%	Full
SNC Bréchet	100.00%	100.00%	Full
SARL Marc Aurelle Immobilier	100.00%	100.00%	Full
SAS Les Hauts de Crosne	100.00%	100.00%	Full
SCI Les Oliviers	100.00%	100.00%	Full
SCI PORTES D'AUXERRE	100.00%	100.00%	Full
SARL Ancienne Abbaye	100.00%	100.00%	Full
SARL Parassy	100.00%	100.00%	Full
SCI Livry Vauban 2020	100.00%	100.00%	Full
SCI Méditerranée Clinique Saint-Joseph	75.00%	75.00%	Equity-accounted
Maison de Santé Marigny	100.00%	100.00%	Full
SCI Normandy Cottage Foncier	100.00%	100.00%	Full
SAS La Aur	100.00%	100.00%	Full
SCI du Parc Saint-Loup	100.00%	100.00%	Full
SCI Larry	100.00%	100.00%	Full
Résidence Ardennaise	100.00%	100.00%	Full
SCI Ardennaise Charleville Mézières	100.00%	100.00%	Full
SCI de Peix	100.00%	100.00%	Full
SCI Les Jardins de Castelviel	100.00%	100.00%	Full
Clinique Soleil Cerdan	100.00%	100.00%	Full
Clinique Sensevia	100.00%	100.00%	Full
SAS Immo Nevers	100.00%	100.00%	Full
SCI Villa Morgan	100.00%	100.00%	Full
SCI Yobema	100.00%	100.00%	Full
Boissise-le-Roi	100.00%	100.00%	Full
SCI Nancy Bellefontaine	100.00%	100.00%	Full
SCI Les Bords du Gave	100.00%	100.00%	Full
RSS 150 Aurillac	100.00%	100.00%	Full
RSS 830 Cogolin	100.00%	100.00%	Full
RSS 020 Saint-Quentin	100.00%	100.00%	Full
SCI Caserne de Draguignan	100.00%	100.00%	Full
SCI SENIOR +	100.00%	100.00%	Full
SCI Rezé	100.00%	100.00%	Full
RSS 076 Rouen	100.00%	100.00%	Full
RSS 130 Istres	100.00%	100.00%	Full
RSS 510 Reims	100.00%	100.00%	Full
RSS 270 Vernon	100.00%	100.00%	Full
RSS 180 Bourges	100.00%	100.00%	Full
RSS 730 La Ravoire	100.00%	100.00%	Full
RSS 640 Pau	100.00%	100.00%	Full
RSS 770 Provins	100.00%	100.00%	Full
RSS 831 La Seyne	100.00%	100.00%	Full
SCI du Bois-Guillaume	100.00%	100.00%	Full
RSS 771 Saint-Fargeau	100.00%	100.00%	Full
ORPEA SAINT-FIACRE	100.00%	100.00%	Full
Les Jardins de Villeneuve	100.00%	100.00%	Full
SCI Barbusse Montigny-en-Gohelle	100.00%	100.00%	Full
SAS ORPEA Vilgenis	100.00%	100.00%	Full
SAS Résidence Gambetta	100.00%	100.00%	Full
SAS Résidence des Bûchères	100.00%	100.00%	Full
SCI des Capucins	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
SAS Launaguet	100.00%	100.00%	Full
Foncière Clinipsy 1	100.00%	100.00%	Full
Foncière Clinipsy 2	100.00%	100.00%	Full
SAS ORPEA DeFrance	100.00%	100.00%	Full
ORPEA St Estève	100.00%	100.00%	Full
SCI Laurent	100.00%	100.00%	Full
ORPEA Immodom	100.00%	100.00%	Full
ORPEA La Metare	100.00%	100.00%	Full
SAS Grande Rue De Garches	100.00%	100.00%	Full
Aix Trinité	100.00%	100.00%	Full
Honfleur Immo	100.00%	100.00%	Full
Les Hauts de Suresnes	100.00%	100.00%	Full
ORPEA Affieux	100.00%	100.00%	Full
SAS RSS 780 Rambouillet	100.00%	100.00%	Full
SAS ORPEA Verdun Saint-Mihiel	100.00%	100.00%	Full
DFS Immobilier	100.00%	100.00%	Full
Familisante Immobilier	100.00%	100.00%	Full
SCI Méditer Foncier	100.00%	100.00%	Full
Immobilière de Santé	50.00%	50.00%	Equity-accounted
ORPEA RÉSIDENCE 1	100.00%	100.00%	Full
ORPEA RÉSIDENCE 2	100.00%	100.00%	Full
ORPEA RÉSIDENCE 3	100.00%	100.00%	Full
ORPEA RÉSIDENCE 4	100.00%	100.00%	Full
ORPEA RÉSIDENCE 5	100.00%	100.00%	Full
RSS SENIORS+	100.00%	100.00%	Full
Holding Dom	100.00%	100.00%	Full
France Seniors	100.00%	100.00%	Full
Sinoué group	100.00%	100.00%	Full
SAS Assistance Retraite	49.00%	49.00%	Equity-accounted
France Seniors Management	100.00%	100.00%	Full
SAS Résidence Services	100.00%	100.00%	Full
Domidom Services	100.00%	100.00%	Full
Domidom Franchise	100.00%	100.00%	Full
Domidom Office	100.00%	100.00%	Full
SARL Primavera SAP (delisted company)	100.00%	100.00%	Full
Adhap Performances	100.00%	100.00%	Full
APAD	100.00%	100.00%	Full
APAD 26	100.00%	100.00%	Full
APAD 42	100.00%	100.00%	Full
APAD 59	100.00%	100.00%	Full
E.T.A.P.E. Entreprise de travaux d'aide aux personnes	100.00%	100.00%	Full
SARL Seniors Comtois Services	100.00%	100.00%	Full
LP Solutions	100.00%	100.00%	Full
Aidadomicile 51	100.00%	100.00%	Full
Aidadomicile 52	100.00%	100.00%	Full
NT Lorraine Champagne Services	100.00%	100.00%	Full
A.S.B. Aide et Service du Bassin	100.00%	100.00%	Full
Alapa	100.00%	100.00%	Full
Maintien à Domicile	100.00%	100.00%	Full
Aidologie	100.00%	100.00%	Full
233 – Leudeville – Subsidiary	100.00%	100.00%	Full
310 – Sainte-Terre – Subsidiary	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
408 – Boissise-Le-Roi – Subsidiary	100.00%	100.00%	Full
410 – Brétigny-Sur-Orge	100.00%	100.00%	Full
416 – Signy-l'Abbaye – Subsidiary	100.00%	100.00%	Full
475 – Saintry – Subsidiary	100.00%	100.00%	Full
477 – Villiers-Le-Bel – Subsidiary	100.00%	100.00%	Full
479 – Margency – Subsidiary	100.00%	100.00%	Full
SAS La Saharienne	100.00%	100.00%	Full
SARL La Bretagne	100.00%	100.00%	Full
SAS Résidence Saint-Luc	100.00%	100.00%	Full
SAS Bon Air	100.00%	100.00%	Full
SAS Les Grands Pins (delisted company)	100.00%	100.00%	Full
SARL Mex (delisted company)	100.00%	100.00%	Full
SNC Les Jardins d'Escudie	100.00%	100.00%	Full
SAS Bon Air (duplicate of 009328)	100.00%	100.00%	Full
SAS Holfing Mandre (delisted company)	100.00%	100.00%	Full
SAS L'Oasis Palmeraie	100.00%	100.00%	Full
SAS Résidence l'Ambarroise	100.00%	100.00%	Full
AUSTRIA			
SeneCare Personalservices GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Mühldorf GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Frantschach – St. Gertraud GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum St. Veit in der Südsteiermark GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Afritz GmbH	100.00%	100.00%	Full
SeneCura Pflegezentrum Kreuzbergl GmbH	100.00%	100.00%	Full
SeneCura Pflegezentrum Lurnfeld GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum St. Veit an der Glan GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort St. Josef GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Weißbriach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Weissenbach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad St.Leonhard GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Oberzeiring GmbH & Co. KG	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Salzerbad GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad Wimsbach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Agathenhof GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Hallein GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Raxblick GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Perchtoldsdorf GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad Mitterndorf GmbH	100.00%	100.00%	Full
NEWSTART Center für psychosomatische Erkrankungen – Betriebs GmbH	100.00%	100.00%	Full
SeneCura Kliniken- und Heimebetriebsgesellschaft mbH.	100.00%	100.00%	Full
SeneCura Services Dienstleistungsgesellschaft mbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Purkersdorf Heimbetriebsgesellschaft mit beschränkter Haf	100.00%	100.00%	Full
SeneCura Sozialzentrum Grafenwörth Heimebetriebsgesellschaft mbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Krems Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pressbaum Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Nikitsch Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Stegersbach Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Wildongemeinnützige Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Bad St. Leonhard GmbH	100.00%	100.00%	Full
SeneCura Waldhaus Pflegeanstalt- und Heimebetriebs GmbH	100.00%	100.00%	Full
SeneCura Region Salzburg gemeinnützige GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
AUSTRIA			
SeneCura Süd GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Haus Bludenz gemeinnützige GmbH	99.00%	100.00%	Full
SeneCura Sozialzentrum Haus Lauterachgemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Rust Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pölfing-Brunn Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pöchlarn Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
Ambulante Dienste Salzburg gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Region Wiener Alpen GmbH	100.00%	100.00%	Full
OptimaMed Neurologisches Rehabilitationszentrum Kittsee GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Frauenkirchen Gesellschaft mit beschränkter Haftung	100.00%	100.00%	Full
SeneCura Sozialzentrum Wolfsberg Gesellschaft mit beschränkter Haftung	100.00%	100.00%	Full
SeneCura Sozialzentrum Vasoldsberg GmbH	100.00%	100.00%	Full
SeneCura BePartment Betriebs GmbH	100.00%	100.00%	Full
SeneCura Pflegeheim Graz-Lendgemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Schladming gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura West gemeinnützige Betriebs GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Wiesing GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Stainz GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum St. Margarethen/Raab GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Unterpremstätten GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitstherme Wildbad Betriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Gratkorn GmbH	100.00%	100.00%	Full
SeneCura SozialzentrumTraiskirchen GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum Kittsee GmbH	100.00%	100.00%	Full
OptimaMed Ambulante Gesundheitsbetriebe GmbH	100.00%	100.00%	Full
OptimaMed DialysezentrumFrauenkirchen GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Sitzenberg-Reidling Betriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Kittsee GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Söchau – HausKamille GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Feldbach – Haus Melisse GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Trofaiach – HausVerbena GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Kammern – Haus Viola GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Knittelfeld GmbH	100.00%	100.00%	Full
SeneCura Residenz Oberdöblinggemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Residenz Grinzinggemeinnützige GmbH	100.00%	100.00%	Full
CFE Immobilienentwicklungs GmbH	100.00%	100.00%	Full
SeneCura Immobilien Entwicklungs- und Verwaltungs GmbH	100.00%	100.00%	Full
SeneCura Holding West GmbH	100.00%	100.00%	Full
OptimaMed Bad Mitterndorf Immobilien GmbH	100.00%	100.00%	Full
Orlando Immobilien Gesellschaft mbH & Co. KG	100.00%	100.00%	Full
OptimaMed Bad Wimsbach Immobilien GmbH	100.00%	100.00%	Full
OptimaMed Kärnten Immobilien GmbH	100.00%	100.00%	Full
Gesundheitsresort Montafon GmbH	100.00%	100.00%	Full
Orlando Immobilien Gesellschaft mbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Oberzeiring GmbH	100.00%	100.00%	Full
OptimaMed Perchtoldsdorf Immobilien GmbH	100.00%	100.00%	Full
OptimaMed Judenburg Immobilien GmbH	100.00%	100.00%	Full
ORPEA Austria Holding GmbH	100.00%	100.00%	Full
SeneCura gemeinnützige Betriebs GmbH	100.00%	100.00%	Full
OptimaMed Aspach Beteiligungs verwaltungs GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitatioszentrum Aspach GmbH	100.00%	100.00%	Full
SeneCura Gastro Services GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
AUSTRIA			
EMG Akademie für Gesundheit GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum Judenburg GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Aspach GmbH & Co. KG	100.00%	100.00%	Full
OptimaMed Gesundheitshotel Aspach GmbH	100.00%	100.00%	Full
BELGIUM			
SA ORPEA Belgium	100.00%	100.00%	Full
RS Domaine Churchill	100.00%	100.00%	Full
RPA Lonchamp Libertas	100.00%	100.00%	Full
Résidence Zennehart	100.00%	100.00%	Full
Résidence Sagittaire	100.00%	100.00%	Full
Résidence du Cinquantenaire	100.00%	100.00%	Full
Résidence Les Amarantes	100.00%	100.00%	Full
Palacea SA	100.00%	100.00%	Full
Résidence Saint-François	100.00%	100.00%	Full
Les Jardins d'Ariane	100.00%	100.00%	Full
Panhuys Park	100.00%	100.00%	Full
Résidence Jean de Nivelles	100.00%	100.00%	Full
Résidence Lucie Lambert	100.00%	100.00%	Full
Gerontologisch Centrum De Haan VZW	100.00%	100.00%	Full
Château Chenois	100.00%	100.00%	Full
Résidence Diamant SA	100.00%	100.00%	Full
Résidence du Golf	100.00%	100.00%	Full
Justus Lipsius	100.00%	100.00%	Full
Résidence Linthout	100.00%	100.00%	Full
Résidence New Philip	100.00%	100.00%	Full
Résidence Parc Palace	100.00%	100.00%	Full
Résidence Palace	100.00%	100.00%	Full
Résidence Rinsdelle	100.00%	100.00%	Full
Résidence Vigneron	100.00%	100.00%	Full
Les Ramparts	100.00%	100.00%	Full
Résidence De Manevinke	100.00%	100.00%	Full
Résidence Home de Famille	100.00%	100.00%	Full
Résidence Albe	100.00%	100.00%	Full
Résidence Séniorie Weltershoek	100.00%	100.00%	Full
Seaflower Service Palace	100.00%	100.00%	Full
Ter Harte VZW	100.00%	100.00%	Full
Sint-Carolus WZC	100.00%	100.00%	Full
Woonzorg Het Dorp VZW	100.00%	100.00%	Full
T'Buurthuis	100.00%	100.00%	Full
Roobeekpark VZW	100.00%	100.00%	Full
Ter Eyke VZW	100.00%	100.00%	Full
Hof Sint-Martinus VZW	100.00%	100.00%	Full
ORPEA Volunteers	100.00%	100.00%	Full
Prinsenhof	100.00%	100.00%	Full
Andante BV	100.00%	100.00%	Full
Residentie Klein Bijgaarden VZW	100.00%	100.00%	Full
Wivina VZW	100.00%	100.00%	Full
Kesterberg VZW	100.00%	100.00%	Full
Ter Poele VZW	100.00%	100.00%	Full
Quio VZW	100.00%	100.00%	Full
De Hoef VZW	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
BELGIUM			
ORPEA at Home CV	100.00%	100.00%	Full
Ter Reigerie VZW	100.00%	100.00%	Full
Residentie Park Lane BV	100.00%	100.00%	Full
Van Linthout	100.00%	100.00%	Full
Holding Médibelge	100.00%	100.00%	Full
Medidep Belgique SA	100.00%	100.00%	Full
Holdind Mikkana	100.00%	100.00%	Full
Orpimmo	100.00%	100.00%	Full
Park Lane Im SA (future Antwerp building)	100.00%	100.00%	Full
Natiënimmo	100.00%	100.00%	Full
SCI RS Le Domaine Churchill SA	100.00%	100.00%	Full
SCI Le Domaine Lonchamp SA	100.00%	100.00%	Full
Vintage Classics International	100.00%	100.00%	Full
Grand Chemin	100.00%	100.00%	Full
Résidence Carina – property	100.00%	100.00%	Full
Séniorie de l'Épinette	100.00%	100.00%	Full
ODE Holding	100.00%	100.00%	Full
Senior's Westland Immobilière	100.00%	100.00%	Full
Le Thines	100.00%	100.00%	Full
Château de la Lys	100.00%	100.00%	Full
Résidence Montaigne Maison De Repos	100.00%	100.00%	Full
Résidence d'Outremeuse	100.00%	100.00%	Full
Residentie Julien	100.00%	100.00%	Full
Immobilière du Château d'Or	100.00%	100.00%	Full
Villerservices	100.00%	100.00%	Full
Feninvest	100.00%	100.00%	Full
Holding Senior Invest SA	100.00%	100.00%	Full
Corasen Groep	100.00%	100.00%	Full
Immobiiën en Project Maatschappij – IPM	100.00%	100.00%	Full
't Bisschoppenhof NV	100.00%	100.00%	Full
Immobilière Zorgcentrum Europ	100.00%	100.00%	Full
Vastgoed Albe NV	100.00%	100.00%	Full
Retake	100.00%	100.00%	Full
Immobilière Edegem 3 Eiken	100.00%	100.00%	Full
Sodeim NV	100.00%	100.00%	Full
Leuven Brabanconne NV	100.00%	100.00%	Full
Helchteren Het Dorp	100.00%	100.00%	Full
Houthalen Lucia	100.00%	100.00%	Full
Residentie Klein Bijgaarden BV	100.00%	100.00%	Full
Oostende Stenenbrug	100.00%	100.00%	Full
Brugpap	100.00%	100.00%	Full
Rinsdelle Développement SA	100.00%	100.00%	Full
Vordenstein BV	100.00%	100.00%	Full
Senes WZC BV	100.00%	100.00%	Full
HSI Management & Services CV	100.00%	100.00%	Full
Seaflower Service Palace	100.00%	100.00%	Full
NETHERLANDS			
OREN Holding	100.00%	100.00%	Full
DLZ – DagelijksLeven Zorg	100.00%	100.00%	Full
Van Hollant Stompetoren BV	100.00%	100.00%	Full
Woonzorgnet BV	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
NETHERLANDS			
OREN 2 BV DL Lochem	100.00%	100.00%	Full
OREN 3 BV DL Breuningen	100.00%	100.00%	Full
DLV – DagelijksLeven B.V.	100.00%	100.00%	Full
OREN 1 BV DL Apeldoorn (headquarters)	100.00%	100.00%	Full
OREN 4 BV DL Heerhugowaard	100.00%	100.00%	Full
OREN 5 BV DL Varsseveld	100.00%	100.00%	Full
OREN 6 BV DL Terneuzen	100.00%	100.00%	Full
OREN 7 BV DL Doesburg	100.00%	100.00%	Full
OREN 9 BV DL Wierden	100.00%	100.00%	Full
OREN 10 BV DL Kerkrade	100.00%	100.00%	Full
OREN 11 BV DL	100.00%	100.00%	Full
OREN 12 BV DL Gennep	100.00%	100.00%	Full
OREN 13 BV DL Schoonhoven	100.00%	100.00%	Full
OREN 14 BV DL Heerenveen	100.00%	100.00%	Full
OREN 21 BV DL Vlissingen 2	100.00%	100.00%	Full
OREN 22 BV DL Emmen 2	100.00%	100.00%	Full
OREN 23 BV DL Boxtel	100.00%	100.00%	Full
OREN 24 BV DL Groesbeek	100.00%	100.00%	Full
OREN 25 BV DL Joure	100.00%	100.00%	Full
OREN 26 BV DL Emmen 3	100.00%	100.00%	Full
OREN 27 BV DL Geldermalsen	100.00%	100.00%	Full
OREN 28 BV DL Drachten	100.00%	100.00%	Full
OREN 29 BV DL	100.00%	100.00%	Full
OREN 30 BV DL Gorinchem	100.00%	100.00%	Full
OREN 100 Blmdl	100.00%	100.00%	Full
OREN 15 BV DL Cuijk	100.00%	100.00%	Full
OREN 17 BV DL	100.00%	100.00%	Full
OREN 18 BV DL Emmeloord	100.00%	100.00%	Full
OREN 19 BV DL Oosterwolde	100.00%	100.00%	Full
OREN 31 BV DL Hoogeveen2	100.00%	100.00%	Full
OREN 32 BV DL	100.00%	100.00%	Full
OREN 33 BV DL	100.00%	100.00%	Full
OREN 37 BV DL	100.00%	100.00%	Full
OREN 38 BV DL	100.00%	100.00%	Full
OREN 39 BV DL	100.00%	100.00%	Full
OREN 40 BV DL Deurne2	100.00%	100.00%	Full
OREN 41 BV DL	100.00%	100.00%	Full
OREN 42 BV DL	100.00%	100.00%	Full
OREN 43 BV DL	100.00%	100.00%	Full
OREN 44 BV DL	100.00%	100.00%	Full
OREN 47 BV DL	100.00%	100.00%	Full
OREN 48 BV DL	100.00%	100.00%	Full
OREN 50 BV DL	100.00%	100.00%	Full
OREN 101 Breda	100.00%	100.00%	Full
OREN 200 Moldenhof	100.00%	100.00%	Full
OREN 102 Hilversum	100.00%	100.00%	Full
OREN 103 Stoutenburg	100.00%	100.00%	Full
OREN 104 Rozenburg	100.00%	100.00%	Full
OREN 105 Heerenveen	100.00%	100.00%	Full
OREN 106 Breedenbroek	100.00%	100.00%	Full
OREN 107 Ede	100.00%	100.00%	Full
OREN 108 Stompetoren	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
NETHERLANDS			
OREN 109 Apeldoorn	100.00%	100.00%	Full
OREN 110 Muiden	100.00%	100.00%	Full
OREN 111 Wassenaar	100.00%	100.00%	Full
OREN 112 Middelurg	100.00%	100.00%	Full
OREN 117 BV Amsterdam	100.00%	100.00%	Full
OREN 115 BV Sneek	100.00%	100.00%	Full
OREN Gouda	100.00%	100.00%	Full
OREN 53 B.V.	100.00%	100.00%	Full
OREN 54 B.V.	100.00%	100.00%	Full
OREN 55 B.V.	100.00%	100.00%	Full
OREN 56 B.V.	100.00%	100.00%	Full
OREN 57 B.V.	100.00%	100.00%	Full
OREN 58 B.V.	100.00%	100.00%	Full
OREN 59 B.V.	100.00%	100.00%	Full
OREN 60 B.V.	100.00%	100.00%	Full
OREN 201 BV Soesterberg	100.00%	100.00%	Full
OREN 202 BV Den Dolder	100.00%	100.00%	Full
OREN 122 BV Best	100.00%	100.00%	Full
OREN 123 BV Emmerloord	100.00%	100.00%	Full
Oren 119 Hailoo (final)	100.00%	100.00%	Full
OREN 120 Arnhem-Schaarsbergen (not final)	100.00%	100.00%	Full
Doorn Huize Doornrijck Vastgoed BV (not final)	100.00%	100.00%	Full
OREN 124 Boskoop	100.00%	100.00%	Full
OREN 125 BV Zeist	100.00%	100.00%	Full
OREN 52	100.00%	100.00%	Full
Thuismakers Holding B.V	100.00%	100.00%	Full
Thuismakers B.V.	100.00%	100.00%	Full
Thuismakers Project Management B.V	100.00%	100.00%	Full
Utrechtseweg Sortie 02-N B.V.	100.00%	100.00%	Full
DLH – DagelijksLeven Holding	100.00%	100.00%	Full
ORPEA Netherlands BV	100.00%	100.00%	Full
OREN 51 B.V.	100.00%	100.00%	Full
OREN Holding BV	100.00%	100.00%	Full
September	100.00%	100.00%	Full
Allerzorg B.V.	100.00%	100.00%	Full
BLMDL	100.00%	100.00%	Full
Holding Sept	100.00%	100.00%	Full
Van Hollant	100.00%	100.00%	Full
PGZ groep B.V.	100.00%	100.00%	Full
Zorgverlening PGZ B.V.	100.00%	100.00%	Full
Compleet Mensenwerk	100.00%	100.00%	Full
CMW Wonen	100.00%	100.00%	Full
CMW Werkt	100.00%	100.00%	Full
Allerzorg Beheer BV	100.00%	100.00%	Full
ELSSC	100.00%	100.00%	Full
Allerzorg Support BV	100.00%	100.00%	Full
Allerzorg Kraamzorg	100.00%	100.00%	Full
Allerzorg Flexiekids BV	100.00%	100.00%	Full
Thuismakers Vastgoedmanagement B.V.	100.00%	100.00%	Full
Thuismakers Amersfoort B.V	100.00%	100.00%	Full
Thuismakers Boxtel B.V.	100.00%	100.00%	Full
Thuismakers Goor B.V.	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
NETHERLANDS			
Thuismakers Hardinxveld Giessendam B.V.	100.00%	100.00%	Full
Thuismakers Leidsche Rijn B.V.	100.00%	100.00%	Full
Thuismakers Lochem B.V.	100.00%	100.00%	Full
Thuismakers Lochem B.V.	100.00%	100.00%	Full
Thuismakers Nijverdal B.V.	100.00%	100.00%	Full
Thuismakers Schiedam B.V.	100.00%	100.00%	Full
Thuismakers Tiel B.V.	100.00%	100.00%	Full
Thuismakers Zevenaar Juvenaat B.V.	100.00%	100.00%	Full
OREN 113 B.V.	100.00%	100.00%	Full
OREN 114 B.V.	100.00%	100.00%	Full
OREN 116 B.V.	100.00%	100.00%	Full
OREN 118 B.V.	100.00%	100.00%	Full
OREN 121 B.V.	100.00%	100.00%	Full
Compartijn Holding B.V.	100.00%	100.00%	Full
Compartijn Exploitatie B.V.	100.00%	100.00%	Full
ORPEA Holding Netherlands B.V.	100.00%	100.00%	Full
ORPEA Real Estate Holding Netherlands B.V.	100.00%	100.00%	Full
Van Hollant Vesper	100.00%	100.00%	Full
LUXEMBOURG			
OREG 5 – ex-923 / 8923	100.00%	100.00%	Full
OREG 4 – ex-924 / 8924	100.00%	100.00%	Full
OREG 3 – ex-8925	100.00%	100.00%	Full
OREG 2 – ex-926 / 8926	100.00%	100.00%	Full
OREG 1 – ex-927 / 8927	100.00%	100.00%	Full
ORESC 8 – ex-928 / 8928	10.00%	10.00%	Equity-accounted
ORESC 7 – ex-929 / 8929	49.00%	49.00%	Equity-accounted
ORESC 6 – ex-930 / 8930	100.00%	100.00%	Full
ORESC 5 – ex-931 / 8931	100.00%	100.00%	Full
ORESC 4 – ex-932 / 8932	100.00%	100.00%	Full
ORESC 3 – ex-933 / 8933	100.00%	100.00%	Full
ORESC 2 – ex-934 / 8934	100.00%	100.00%	Full
ORESC 1 – ex-935 / 8935	100.00%	100.00%	Full
OREGH – ex-941 / 8941	100.00%	100.00%	Full
ORESC 9 – ex-919 / 8919	100.00%	100.00%	Full
ORESC 10 – ex-8947	100.00%	100.00%	Full
ORESC 11 – ex-888 / 8888	100.00%	100.00%	Full
ORESC 12 – ex-920 / 8920	49.00%	49.00%	Equity-accounted
ORESC 13 – ex-8943	100.00%	100.00%	Full
ORESC 14	100.00%	100.00%	Full
ORESC 15 – ex-8948	100.00%	100.00%	Full
ORESC 16 – ex-8949	100.00%	100.00%	Full
ORESC 17 – ex-8950	100.00%	100.00%	Full
ORESC 18 – ex-8951	100.00%	100.00%	Full
ORESC 19 – ex-8952	100.00%	100.00%	Full
ORESC 20	100.00%	100.00%	Full
ORESC 21	100.00%	100.00%	Full
ORESC 22	100.00%	100.00%	Full
ORESC 23	100.00%	100.00%	Full
ORESC 24	100.00%	100.00%	Full
Acrina Grundinvest 10	95.00%	100.00%	Full
Wohnpark ElchesheimIllingen Projektgesellschaft UG	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
LUXEMBOURG			
Bad Schonborn Properties	10.00%	10.00%	Equity-accounted
Gengenbach Properties	95.00%	100.00%	Full
Schomberg (Care Home) Properties	95.00%	100.00%	Full
Schomberg (Clinic) Properties SARL	95.00%	100.00%	Full
ORE-A SARL	100.00%	100.00%	Full
ORE-B SARL	100.00%	100.00%	Full
ORE-D SARL	100.00%	100.00%	Full
RB Rehabilitationsklinik Bensberg GmbH	100.00%	100.00%	Full
Arkadia Pflegegesellschaft NRW mbH	100.00%	100.00%	Full
ORE-F	100.00%	100.00%	Full
ORE-I	100.00%	100.00%	Full
ORE-J	100.00%	100.00%	Full
ORE-O	100.00%	100.00%	Full
ORE-P	100.00%	100.00%	Full
ORE-R	100.00%	100.00%	Full
Antan Recona GmbH & Co, 12 VV KG	100.00%	100.00%	Full
ORE-T S.à.r.l.	100.00%	100.00%	Full
ORE-U S.à.r.l.	100.00%	100.00%	Full
ORE-W S.à.r.l.	100.00%	100.00%	Full
ORPEA RE Lease S.àr.l.	100.00%	100.00%	Full
ORE-X S.à.r.l.	100.00%	100.00%	Full
ORE-Y S.à.r.l.	100.00%	100.00%	Full
ORE-Z S.à.r.l.	100.00%	100.00%	Full
Cotp T8	30.00%	30.00%	Equity-accounted
ORESC 25	100.00%	100.00%	Full
ORESC 26	100.00%	100.00%	Full
ORESC 27	100.00%	100.00%	Full
OREL – ex-936/8936	100.00%	100.00%	Full
Ceecsh – ex-943/8943	100.00%	100.00%	Full
GCSE – ex-944/8944	100.00%	100.00%	Full
Brige	100.00%	100.00%	Full
Samosa	100.00%	100.00%	Full
ORPEA GP Lux	100.00%	100.00%	Full
OME Holding	100.00%	100.00%	Full
ORED GP GmbH	100.00%	100.00%	Full
SIS Portugal Exploit	100.00%	100.00%	Full
SIS Brasil Exploit	100.00%	100.00%	Full
Rodevita SA	45.00%	45.00%	Equity-accounted
ORPEA Luxembourg Exploitation	100.00%	100.00%	Full
ORPEA Luxembourg Services	100.00%	100.00%	Full
IRELAND			
Veritdale Limited	100.00%	100.00%	Full
Cubedale Limited	100.00%	100.00%	Full
Orbitview Limited	100.00%	100.00%	Full
TLC Spectrum Limited	100.00%	100.00%	Full
Brindley Manor Federation of NH Ltd.	100.00%	100.00%	Full
Buccleuch Estates Ltd	100.00%	100.00%	Full
Ashley Lodge NH Ltd	100.00%	100.00%	Full
Kilminchy Lodge NH Ltd	100.00%	100.00%	Full
Maynooth Lodge NH Ltd	100.00%	100.00%	Full
Millbrae Lodge NH Ltd	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
IRELAND			
Brindley Healthcare Services Ltd	100.00%	100.00%	Full
Padamure Ltd	100.00%	100.00%	Full
Firstcare NH Ltd	100.00%	100.00%	Full
Belmont Care Ltd	100.00%	100.00%	Full
Firstcare Beneavin House Ltd	100.00%	100.00%	Full
Firstcare Beneavin Lodge Ltd	100.00%	100.00%	Full
Firstcare Beneavin Manor Ltd	100.00%	100.00%	Full
Firstcare Blainroe Lodge Ltd	100.00%	100.00%	Full
Firstcare Earlsbrook House Ltd	100.00%	100.00%	Full
Firstcare Mountpleasant Lodge Ltd	100.00%	100.00%	Full
Benton Ltd	100.00%	100.00%	Full
Mahaska Ltd	100.00%	100.00%	Full
Kilbrew Recuperation & Nursing Care Ltd	100.00%	100.00%	Full
Athlunkard Nursing Home Ltd	100.00%	100.00%	Full
Trygve Ltd	100.00%	100.00%	Full
Birger Ltd	100.00%	100.00%	Full
ORPEA Care Ireland Ltd	100.00%	100.00%	Full
Brindley Healthcare Ltd	100.00%	100.00%	Full
Zaltana Invest Ltd	100.00%	100.00%	Full
TLC Health Services Limited	100.00%	100.00%	Full
CZECH REPUBLIC			
SeneCura s.r.o.	80.00%	100.00%	Full
SeneCura Holding s.r.o.	100.00%	100.00%	Full
SeneCura SeniorCentrum Chrudim s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Klamovka s.r.o.	80.00%	100.00%	Full
DS Morava a.s	100.00%	100.00%	Full
SeneCura SeniorCentrum MOPT a.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum HSH a.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum Kolin s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Slivenec s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Pisek a.s.	100.00%	100.00%	Full
SeneCura SeniorCentrum Liberec s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrumTelc s.r.o.	80.00%	100.00%	Full
Seniorskyklub Pisek o.p.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum Chotebor s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Jicín s.r.o.	80.00%	100.00%	Full
SC Chrudim a.s.	100.00%	100.00%	Full
SC Klamovka s.r.o.	100.00%	100.00%	Full
SC Sanov s.r.o.	100.00%	100.00%	Full
SeneCura Olomouc s.r.o.	100.00%	100.00%	Full
SC Modrice s.r.o.	100.00%	100.00%	Full
SC Plzen s.r.o.	100.00%	100.00%	Full
SC Terezin, a.s.	92.00%	100.00%	Full
SC Havirov, s.r.o.	100.00%	100.00%	Full
SC Hradec Kralove, s.r.o.	100.00%	100.00%	Full
SC Sterboholy, s.r.o.	100.00%	100.00%	Full
SeneCura Kolin s.r.o.	100.00%	100.00%	Full
SC Slivenec s.r.o.	100.00%	100.00%	Full
SC Pisek s.r.o.	100.00%	100.00%	Full
SC Liberec s.r.o.	100.00%	100.00%	Full
SeneCura SeniorCentrum Humpolec s.r.o.	80.00%	100.00%	Full
SR Telc s.r.o.	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
CZECH REPUBLIC			
SC Zadrnad Sazavou s.r.o.	80.00%	100.00%	Full
SC Chotebor s.r.o.	100.00%	100.00%	Full
SeneCura Jicin s.r.o.	100.00%	100.00%	Full
SC Jablonne s.r.o.	100.00%	100.00%	Full
SC Horazdovice s.r.o.	100.00%	100.00%	Full
SeneCura Rehabilitace Plzen s.r.o	100.00%	100.00%	Full
BRAZIL			
Casa de Repouso Alex Sabino Pereira Ltda	100.00%	100.00%	Full
Casa de Repouso Bem Viver Ltda	100.00%	100.00%	Full
CIAI – Centro Integrado de Atendimentoaoldoso LTDA – EPP	100.00%	100.00%	Full
Vivace Residencial Para Idosos Eireli	100.00%	100.00%	Full
Hrsv Residencial Para Idosos Eirelihrsv Residencial Para Idosos Eireli	100.00%	100.00%	Full
Primo Immo Brasil Empreendimentos E Participaçoes Ltda	100.00%	100.00%	Full
SIS EHPAD	100.00%	100.00%	Full
Spe Norte Sul Campinas Empreendimentos Imobiliarios Ltda	100.00%	100.00%	Full
Orpimmo Pampulha Empreendimentos E Participaçoes Ltda	100.00%	100.00%	Full
Orpimmo Sao Francisco Empreendimentos E Participaçoes Ltda	100.00%	100.00%	Full
Orpimmo Trompowski Empreendimentos E Participaçoes Ltda	100.00%	100.00%	Full
Orpimmo Tres Figueires Empreendimentos E Participaçoes Ltda	100.00%	100.00%	Full
Orprimmo Jardim Goianas	100.00%	100.00%	Full
Orpimmo Camboinhas Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Brasília Norte Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Saint-Émilion Joinville Empreendimentos e Participações Ltda	100.00%	100.00%	Full
ORPEA Brasil Empreendimentos E Participaçoes Ltda	100.00%	100.00%	Full
Doce Exploit Empreendimentos E Participaçoes Eireli	100.00%	100.00%	Full
SIS Clinicas e Residencias Geriatricas Ltda	100.00%	100.00%	Full
Hospital E Casa De Repouso Sainte Marie Ltda	100.00%	100.00%	Full
Brazil Senior Living SA	100.00%	100.00%	Full
Assistcare Servicos De Saude SA	100.00%	100.00%	Full
Orpexploit Brasil Residenciais E Clinicas Para Idosos Ltda	100.00%	100.00%	Full
BSL Home Care Holding SA	100.00%	100.00%	Full
ITALY			
ORPEA Italia	100.00%	100.00%	Full
Clinea Italia Holding SRL	100.00%	100.00%	Full
Villa Cristina Siège	100.00%	100.00%	Full
Casamia Verdello	100.00%	100.00%	Full
Casamia Mestre	100.00%	100.00%	Full
Madonna dei Boschi	100.00%	100.00%	Full
Centro dell'Anzianao SRL	100.00%	100.00%	Full
Solidarietas SRL	100.00%	100.00%	Full
Sarea	100.00%	100.00%	Full
Siège Clinea Italia	100.00%	100.00%	Full
Rodevita S.p.A.	45.00%	45.00%	Equity-accounted
Rodevita Bicocca S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita Brescia S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita Camponogara S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita Favaro S.r.l.	45.00%	45.00%	Equity-accounted
Rodevita San Celso S.r.l.	45.00%	45.00%	Equity-accounted
Villa Martini S.r.l.	100.00%	100.00%	Full
Nord Est Group SRL	100.00%	100.00%	Full
Casamia International SRL	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
ITALY			
Ad Maiores S.r.l.	100.00%	100.00%	Full
LTC Invest SPA	100.00%	100.00%	Full
Crest S.r.l.	100.00%	100.00%	Full
Sanremo Borea Immobiliare S.r.l.	100.00%	100.00%	Full
Torino Consolata Immobiliare S.r.l.	100.00%	100.00%	Full
Nova Monastir	100.00%	100.00%	Full
Orpitalia	100.00%	100.00%	Full
ORPEA RSA Consolata S.R.L.	100.00%	100.00%	Full
ORPEA RSA Julia Sanremo SRL	100.00%	100.00%	Full
PORTUGAL			
Port Exploit Unipessoal Lda	100.00%	100.00%	Full
Doce Viver	100.00%	100.00%	Full
Porto Salus Azeitao	100.00%	100.00%	Full
Pensar Futuro Ltda	100.00%	100.00%	Full
Simple Senior Club – Apoio Social Limitada	100.00%	100.00%	Full
Casa de Avioso – Residencia e Apoio Senior SA	100.00%	100.00%	Full
AGMR SAUDE	100.00%	100.00%	Full
Flavicórdia, Saúde e Serviços, Lda	100.00%	100.00%	Full
Residências e Serviços para a 3ª Idade, Lda	100.00%	100.00%	Full
IMMORPEA SA Portugal	100.00%	100.00%	Full
CIT ORPEA SA	100.00%	100.00%	Full
ORPEA Portugal Immo SA	100.00%	100.00%	Full
U.S.C.S. SA	100.00%	100.00%	Full
Cometa 2018 Investimentos Imobiliarios, Lda	100.00%	100.00%	Full
Niorpea Portugal	100.00%	100.00%	Full
Kauforg-Port, Unipessoal, Lda	100.00%	100.00%	Full
C.O.P. – Comprasorg, SA	100.00%	100.00%	Full
Hospital Nossa Senhora Da Arrabida	100.00%	100.00%	Full
C.R.G. – Centro de Reabilitação da Giesta, SA	100.00%	100.00%	Full
SPAIN			
ORPEA Ibérica SAU	100.00%	100.00%	Full
Residencial Senior 2000 SLU	100.00%	100.00%	Full
Artevida Centros Residenciales SAU	100.00%	100.00%	Full
Centros Residenciales Estremera SAU	100.00%	100.00%	Full
Explotacion de Residencias de Real Sitio de San Fernando SLU	100.00%	100.00%	Full
Centro de Mayores Care Extremadura Dos 2002 SLU	100.00%	100.00%	Full
Sanyres Sur SLU	100.00%	100.00%	Full
ResidenciaCiutat Diagonal Esplugues SLU	100.00%	100.00%	Full
Residencia Reyes de Aragon SLU	100.00%	100.00%	Full
Ecoplar SAU	100.00%	100.00%	Full
Gesecoplar SAU	100.00%	100.00%	Full
Ecoplar Serranillos SAU	100.00%	100.00%	Full
Ecoplar Cantabria SLU	100.00%	100.00%	Full
Ecoplar Granada SAU	100.00%	100.00%	Full
Acacias Logrono, SL	100.00%	100.00%	Full
Instituto de Investigaciones Neuropsiaquitricas Dr. Lopez Ibor SA	100.00%	100.00%	Full
Centro Lescer, SL	100.00%	100.00%	Full
Atirual Inmobiliaria SLU	100.00%	100.00%	Full
Union Sanyres SLU	100.00%	100.00%	Full
ORPEA Latam	100.00%	100.00%	Full
Accomodore Assistencial SLU	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SWITZERLAND			
ORPEA Suisse SA	100.00%	100.00%	Full
Clinea Suisse	100.00%	100.00%	Full
Clinique de la Métairie	100.00%	100.00%	Full
Clinique Bois-Bougy	100.00%	100.00%	Full
Clinique du Grand-Salève	100.00%	100.00%	Full
Clinica Holistica Engadina	100.00%	100.00%	Full
Senevita AG	100.00%	100.00%	Full
Stiftung Résidence Beaulieu	100.00%	100.00%	Full
Senevita Bernerrose AG	100.00%	100.00%	Full
Senevita Limmatfeld	100.00%	100.00%	Full
Senevita Mülibach AG	100.00%	100.00%	Full
Senevita Tonisberg AG	100.00%	100.00%	Full
Casa Giesserei	100.00%	100.00%	Full
Sensato Holding	100.00%	100.00%	Full
Med-Immo La Colline SA	100.00%	100.00%	Full
Kauforg	100.00%	100.00%	Full
Helvetia Clinea SARL	100.00%	100.00%	Full
Gevea Sante SA	100.00%	100.00%	Full
Gevea Seniors SA	49.00%	49.00%	Equity-accounted
GévéaImmo SA	49.00%	49.00%	Equity-accounted
Transport Bois-Bougy SARL, in liquidation	100.00%	100.00%	Full
MEXICO			
SIS Exploit Mexico SA de C.V.	49.00%	49.00%	Equity-accounted
Operadora	100.00%	100.00%	Full
Mexicorpea	100.00%	100.00%	Full
Orpimmo Tlapan	100.00%	100.00%	Full
Orpimmo Valle Real	100.00%	100.00%	Full
Promotora	100.00%	100.00%	Full
Orpimmo Lomas	100.00%	100.00%	Full
Orpimmo Guadalajara Jardines	100.00%	100.00%	Full
Orpimmo Guadalajara Punto Sur	100.00%	100.00%	Full
Puebla Cascattas	100.00%	100.00%	Full
Orpimmo Centro Sur	100.00%	100.00%	Full
ORPEA Mexico S. de R.L. de C.V.	100.00%	100.00%	Full
Administracion	100.00%	100.00%	Full
SLOVENIA			
SeneCura Dom starejaihobcanov Radenci d.o.o.	100.00%	100.00%	Full
SeneCura Dom starejaihobcanov Vojnik d.o.o.	100.00%	100.00%	Full
SeneCura Dom starejaihobcanov Maribor d.o.o.	100.00%	100.00%	Full
SeneCura HS domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura Ra d.o.o.	100.00%	100.00%	Full
SeneCura K d.o.o.	100.00%	100.00%	Full
SeneCura M domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura ` domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura R domstarejaihobcanov d.o.o.	100.00%	100.00%	Full
SeneCura Central SI, domovistarejaihobcanov, d.o.o.	100.00%	100.00%	Full
OptimaMedDializni center Vojnik d.o.o.	100.00%	100.00%	Full
CHILE			
ORPEA Chile SPA	100.00%	100.00%	Full
Rentas Senior Suites SA	50.00%	50.00%	Equity-accounted
Senior Gestion de Enfermeria las Encinas Ltda	50.00%	50.00%	Equity-accounted

Legal entity	Percentage control	Percentage ownership	Consolidation method
CHILE			
Servicios Senior SA	50.00%	50.00%	Equity-accounted
Servicios Living La Dehesa SA	50.00%	50.00%	Equity-accounted
Seniors Gestion de Enfermeria Ltda	50.00%	50.00%	Equity-accounted
SG Sebastian Elcano Ltda	50.00%	50.00%	Equity-accounted
Inmobiliaria Seniors SA	50.00%	50.00%	Equity-accounted
CHINA			
China Ltd	100.00%	100.00%	Full
Retirement Services Co. Ltd	100.00%	100.00%	Full
ORPEA (Shanghai) Enterprise Management Consulting Co., Ltd	100.00%	100.00%	Full
Pacific ORPEA (Shanghai) Senior Care Management Co., Ltd	44.00%	44.00%	Equity-accounted
Yangting (Shanghai) Enterprise Management and Consultant Co., Ltd	49.00%	49.00%	Equity-accounted
CROATIA			
Konsolidierung Kroatien	100.00%	100.00%	Full
SeneCura Dom za starijeinemocne Novaki Bistranski	100.00%	100.00%	Full
Dom SeneCura Treanjevka	100.00%	100.00%	Full
Dom Vita Nova Bjelovar	100.00%	100.00%	Full
SeneCura Novaki Bistranski d.o.o.	100.00%	100.00%	Full
Data S d.o.o. Bjelovar (Real Estate)	100.00%	100.00%	Full
SeneCura Ceecr d.o.o.	100.00%	100.00%	Full
Brojcanik j.d.o.o.	100.00%	100.00%	Full
Cisti dom j.d.o.o.	100.00%	100.00%	Full
Domar bistra j.d.o.o.	100.00%	100.00%	Full
POLAND			
ORPEA Polska	100.00%	100.00%	Full
MS Nieruchomosci sp.z.o.o.	100.00%	100.00%	Full
Ostoya Real Estate	100.00%	100.00%	Full
Czeremchowa	100.00%	100.00%	Full
KM sp.z.o.o	100.00%	100.00%	Full
URUGUAY			
Lagubel SA	100.00%	100.00%	Full
Famibel SA	100.00%	100.00%	Full
Blenasa International SA	100.00%	100.00%	Full
Caselio SA	100.00%	100.00%	Full
Orpimmo Uruguay SA	100.00%	100.00%	Full
Orpexploit Uruguay SA	100.00%	100.00%	Full
UNITED ARAB EMIRATES			
ORPEA Middle East Investments LLC	48.00%	100.00%	Full
DPRC Rehabilitation Center LLC	48.00%	100.00%	Full
UNITED KINGDOM			
Florence Nightingale Hospital	100.00%	100.00%	Full
Start2Stop Limited	100.00%	100.00%	Full
ORPEA UK Limited	100.00%	100.00%	Full
BAHRAIN			
Orpimmo AL Jasra W.L.L.	48.00%	100.00%	Full
ISRAEL			
Senior Services Platform Ltd	49.00%	49.00%	Equity-accounted

Legal entity	Percentage control	Percentage ownership	Consolidation method
LATVIA			
Senior Baltic	100.00%	100.00%	Full
RUSSIA			
ORPEA Rus	89.00%	100.00%	Full

The following fully-consolidated German subsidiaries intend to use all exemptions possible under Articles 264 (3) and 264b of the German Commercial Code (HGB) for the year ended 30 June 2023 with respect to the preparation of the notes to the financial statements and the management report in accordance with Subsection 1, audit requirements in accordance with Subsection 3 and the disclosure requirements of Subsection 4 of Section 2 of Book 3 of the HGB.

Legal entity	Percentage control	Percentage ownership	Consolidation method
GERMANY			
Seniorenresidenzen Bürgerpark GmbH	100.00%	100.00%	Full
Bavaria II GmbH Pflegeresidenz Alt-Tempelhof 10-12	100.00%	100.00%	Full
GAPSTEP Personalmanagement GmbH	100.00%	100.00%	Full
HKD GmbH Heim- und Klinikdienste	100.00%	100.00%	Full
Reiko Dienstleistung für Altenhilfeeinrichtung GmbH	100.00%	100.00%	Full
Theißtal Aue Alten- und Pflegeheim GmbH	100.00%	100.00%	Full
Residenz zwischen den Auen Gesellschaft für Altenpflege mbH	100.00%	100.00%	Full
Peter Janssen Seniorenresidenzen GmbH	100.00%	100.00%	Full
VitaCare Gesellschaft für den Betrieb von Pflegeeinrichtungen mbH	100.00%	100.00%	Full
HvBuche Seniorenresidenzen GmbH	100.00%	100.00%	Full
DSU Dienstleistungen für Sozialunternehmen GmbH	100.00%	100.00%	Full
Comunita Seniorenresidenzen GmbH	100.00%	100.00%	Full
GHW Gesellschaft für Handel und Wirtschaftsdienste Verwaltungs-GmbH	100.00%	100.00%	Full
ZDS Zentrale Dienstleistungen für Sozialunternehmen	100.00%	100.00%	Full
MediCare im Grillepark GmbH	100.00%	100.00%	Full
Senioren- und Pflegeheim Gutshof Bostel GmbH & Co. KG	100.00%	100.00%	Full
MediCare Pflegeeinrichtung GmbH	100.00%	100.00%	Full
MediCare Seniorenresidenz Rehren Beteiligungs GmbH	100.00%	100.00%	Full
Fürsorgeim Alter Seniorenresidenzen GmbH	100.00%	100.00%	Full
Senioren Wohnpark Weser GmbH	100.00%	100.00%	Full
Senioren Wohnpark Stade GmbH	100.00%	100.00%	Full
HvBuche Seniorenresidenzen GmbH	100.00%	100.00%	Full
Vitalis Gesellschaft für soziale Einrichtungen mbH	100.00%	100.00%	Full
MediCare Verwaltungs GmbH	100.00%	100.00%	Full
MediCare Seniorenresidenz Rehren GmbH & Co. KG	100.00%	100.00%	Full
MediCare Servicegesellschaft mbH	100.00%	100.00%	Full
Bräuninger-Stift Alten- und Pflegeheim GmbH	100.00%	100.00%	Full
Residenz Phoenixsee GmbH	100.00%	100.00%	Full
Fürsorgeim Alter Seniorenresidenz Weissensee GmbH	100.00%	100.00%	Full
Aumühlenresidenz Oberursel GmbH	100.00%	100.00%	Full
Arkadia Pflege Betriebsgesellschaft mbH	100.00%	100.00%	Full
Arkadia Objekt Bad Saarow GmbH	100.00%	100.00%	Full
alisea Domizil GmbH	100.00%	100.00%	Full
ORPEA Silver Care Holding GmbH	100.00%	100.00%	Full
ORPEA MediCare Holding GmbH	100.00%	100.00%	Full
ORPEA Peter Janssen Holding GmbH	100.00%	100.00%	Full
ORPEA Comunita Holding GmbH	100.00%	100.00%	Full
ORPEA Deutschland GmbH	100.00%	100.00%	Full
ORPEA FiA Holding GmbH	100.00%	100.00%	Full
ORPEA Residenz Holding GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
GERMANY			
ORPEA Deutschland Immobilien Services GmbH	100.00%	100.00%	Full
ORPEA Vitalis Holding GmbH	100.00%	100.00%	Full
ORPEA Ambulante Pflege Holding GmbH	100.00%	100.00%	Full
German Care Services Enterprise S.à.r.l., German Branch	100.00%	100.00%	Full
Celenus-Kliniken GmbH	100.00%	100.00%	Full
Teufelsbad Fachklinik Blankenburg GmbH	100.00%	100.00%	Full
Algos Fachklinik Bad Klosterlausnitz GmbH	100.00%	100.00%	Full
REHA-Klinik Sigmund Weil GmbH	100.00%	100.00%	Full
Sport- und Rehabilitationszentrum Harz GmbH	100.00%	100.00%	Full
Psychosomatische Fachklinik Gengenbach GmbH	100.00%	100.00%	Full
Fachklinik für psychische Erkrankungen Ortenau GmbH	100.00%	100.00%	Full
Psychosomatische Fachklinik Schömberg GmbH	100.00%	100.00%	Full
Gotthard-Schettler-Klinik GmbH	100.00%	100.00%	Full
Fachklinikum Sachsenhof GmbH	100.00%	100.00%	Full
Deutsche Klinik für Integrative Medizin und Naturheilverfahren GmbH	100.00%	100.00%	Full
Fachklinik Bromerhof GmbH	100.00%	100.00%	Full
Medexpert Gesellschaft für Klinikbetrieb mbH	100.00%	100.00%	Full
Rehakonzept Klinikbetriebsgesellschaft mbH	100.00%	100.00%	Full
Celenus Psychosomatische Fachklinik Freiburg GmbH	100.00%	100.00%	Full
Celenus Fachklinik Hilchenbach GmbH	100.00%	100.00%	Full
Klinik Bad Herrenalb GmbH	100.00%	100.00%	Full
Celenus Klinik an der Salza GmbH	100.00%	100.00%	Full
Celenus Salza Vita GmbH	100.00%	100.00%	Full
Celenus Parkklinik GmbH	100.00%	100.00%	Full
Kuwo GmbH	100.00%	100.00%	Full
Prävention und Fitness IO GmbH	83.00%	100.00%	Full
salvea Süd GmbH	100.00%	100.00%	Full
Reha Bensberg GmbH	100.00%	100.00%	Full
Reha Düsseldorf Gesellschaft für indikations über greifende Rehabilitation mbH	100.00%	100.00%	Full
Reha Gelsenkirchen – RG – GmbH	100.00%	100.00%	Full
Reha Kleve GmbH	100.00%	100.00%	Full
Reha Krefeld – RK – GmbH	100.00%	100.00%	Full
Reha Rheinland – RR – GmbH	100.00%	100.00%	Full
Reha-Zentrum Hofheim/Taunus GmbH	100.00%	100.00%	Full
Rehazentrum Obere Nahe IO GmbH	100.00%	100.00%	Full
TheraNet Homberg GmbH	100.00%	100.00%	Full
TheraNet Huckingen GmbH	100.00%	100.00%	Full
TheraNet NRW GmbH	51.00%	100.00%	Full
TheraNet Recklinghausen GmbH	74.90%	100.00%	Full
TheraNet Westfalen GmbH	100.00%	100.00%	Full
inoges – IV – GmbH – Integrierte Versorgung	100.00%	100.00%	Full
Danuvius Klinik GmbH	100.00%	100.00%	Full
Rehabilitationszentrum Alt-Neuötting GmbH	100.00%	100.00%	Full
Therapiezentrum Winterberg GmbH	100.00%	100.00%	Full
Medaktiv GmbH	100.00%	100.00%	Full
medaktivreha Gmbh	100.00%	100.00%	Full
Danuvius Ambulante Pflege GmbH	100.00%	100.00%	Full
MVZ AidA GmbH	100.00%	100.00%	Full
Celenus SE	100.00%	100.00%	Full
Celenus-Service GmbH	100.00%	100.00%	Full
Celenus-Management GmbH	100.00%	100.00%	Full
Fachklinik Hilchenbach Service GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
GERMANY			
Celenus-Beteiligungs GmbH	100.00%	100.00%	Full
Sot Vermögensverwaltungs GmbH	100.00%	100.00%	Full
inoges Holding GmbH	100.00%	100.00%	Full
Medaktiv Holding GmbH	100.00%	100.00%	Full
Medaktiv Saarbrücken GmbH	100.00%	100.00%	Full
Medaktiv Beteiligungsgesellschaft mbH	100.00%	100.00%	Full
Senwo GmbH – no Celenus Company	49.00%	49.00%	Equity-accounted
Salvea Hüls GmbH	100.00%	100.00%	Full

Statutory Auditors' review report on the half-year financial information

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This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and in accordance with, French law and professional auditing standards applicable in France. This report includes information relating to the specific verification of information given in the Group's half-yearly management report.

Six-month period ended 30 June 2023

To the shareholders of ORPEA,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying half-year condensed consolidated financial statements of ORPEA for the six months ended 30 June 2023;
- the verification of the information contained in the half-year business report.

These half-year condensed consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying half-year condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to:

- Notes 1.1 "Liquidity and going concern risks", 3 "Subsequent events" and 4.15.2 "Liquidity risk" to the half-year condensed consolidated financial statements, which describe the information used by management for applying the going concern principle, as well as the Company's liquidity position.
- Note 4.3 "Property, plant and equipment – Measurement of property, plant and equipment" to the half-year condensed consolidated financial statements, which describes the change in accounting method for real estate assets recognised in accordance with IAS 16.
- Note 4.2 "Regular impairment testing" to the half-year condensed consolidated financial statements sets out the background to the implementation of asset impairment testing at 30 June 2023, in the absence of new business plans for each facility.
- The introduction to the notes to the half-year condensed consolidated financial statements, which states that no Annual General Meeting was held to approve the financial statements for the year ended 31 December 2022.

SPECIFIC VERIFICATION

We have also verified the information given in the half-year management report on the half-year condensed consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the half-year condensed consolidated financial statements.

Paris-La Défense and Paris, 16 October 2023

The Statutory Auditors

Mazars	Deloitte & Associés	Saint-Honoré BK&A
Gaël Lamant	Damien Leurent	Xavier Groslin

Statement by the person responsible for the half-year financial report

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I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profit or loss of the Company and all consolidated companies, and that the half-year business report on page 2 *et seq.* presents a true and fair view of the major events that occurred during the first six months of the year, their impact on the financial statements, and the main related-party transactions, and also describes the main risks and uncertainties for the remaining six months of the year.

Puteaux, 18 October 2023

Laurent Guillot
Chief Executive Officer

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