PRESS RELEASE

Puteaux (France), 17 April 2024, 8:00 a.m. CEST

EMEIS PURSUES ITS REFOUNDATION

2023 consolidated financial results of ORPEA S.A.

- **Significant improvement in non-financial indicators, with major advances for employees, residents and patients**
  - Health and safety: decline in the work-related accident frequency rate, at 24.8 in 2023 (down 2 points vs. 2022 and down 8 points vs. 2021)
  - 2023 satisfaction rate at 92.4% (90.1% in 2022)
  - Medical and care ethics: 72% of facilities now have a trained ethics and positive treatment correspondent, vs. 45% in 2022

- **In a context of sustained revenue growth (+11%), the Group's 2023 financial performance was affected by an inflationary context and a lower-than-expected occupancy rate for nursing homes in France:**

(Main financial aggregates - €m)	2022	2023
Average occupancy rate	81,6%	83,1%
REVENUE	4,681	5,198
EBITDAR	780	696
EBITDAR margin	16,7%	13,4%
EBITDA pre-IFRS 16	342	204
OPERATING PROFIT / LOSS	(4,272)	(919)
Net profit / (loss) of consolidated companies - Attributable to ORPEA's shareholders	(4,027)	1,355
Gross financial debt (excluding IFRS 16 lease liabilities)	9,615	5,287
Cash and cash equivalents	856	645
Net cash-flow from investing activities, net of proceeds from disposals	(735,2)	(318,2)
Estimated value of real estate assets (€ billions)	6,5	6,3

- 2023 Operating loss includes € (903)m of non-recurring items
- Net income for 2023, of €1,355 million, includes an extraordinary financial income of €2,850 million resulting from the equitization of debt implemented as part of the financial restructuring

- **Driven by a steady increase in the Group's average occupancy rate in the second half of 2023 (up 1.1 points versus first-half 2023, reflecting growth in international activity and in nursing homes in France), the EBITDAR margin improved in the second half of the year (H1 = 13.2%; H2 = 13.6%)**

- **New 2024 EBITDAR forecast: between €800 million and €835 million (up 15% to 20% vs. 2023)**
  - Versus the €891 million forecast announced on November 6th, 2023
  - Adjustment mainly due to revised operating assumptions in France
  - Precautionary measures implemented to offset the impact on cash

- **Implementation of a transformation program (CREATE) with a positive impact on EBITDAR between €35 million to €40 million in 2024**

Guillaume Pepy, Chairman of the Board of Directors of emeis, commented: *"The new Board of Directors – reflecting the new ownership structure – would like to congratulate Laurent Guillot and his teams on the progress made by the Company in 2023 in enhancing the well-being of patients, residents and their relatives thanks to the unwavering commitment of employees. The Board commends them and reiterates its confidence in their ability to continue to step up the pace of the Group's transformation in an uncertain economic climate and amid a very challenging healthcare and nursing sector."*

Laurent Guillot, Chief Executive Officer of *emeis*, said: *"In 2023, we carried out a financial restructuring on an unprecedented scale, which has now been completed. The arrival of our new shareholders – Caisse des Dépôts, CNP Assurances, MAIF and MACSF – is enabling us to step up the pace of our transformation. At the same time, the Group pressed ahead with the operational implementation of its Refoundation Plan and has made significant progress. The effects of these initiatives for employees, residents and patients are already evident:*

- *a decline in the work-related accident frequency rate to 24.8 in 2023 (down 2 points vs. 2022 and down 8 points vs. 2021);*
- *72% of facilities now have a trained ethics and positive treatment correspondent, vs. 45% in 2022;*
- *a satisfaction rate of 92.5% (vs. 90.1% in 2022).*

The significant improvements in our non-financial indicators underline the acceleration of our Group's transformation.

These measures are being put into practice as part of the "CREATE" programme, which is structured around the Group's strategic priorities: our teams, patients, residents, and their relatives.

This programme comprises 48 cross-cutting projects co-constructed with the host countries and business lines, and comprises actions designed to give a major boost to operating performance. The initiatives include the segmentation of our offering and the overhaul of purchasing processes which, together with the whole program, are intended to have a positive €35 million to €40 million impact on EBITDAR in 2024.

In 2023, the operating performance continued to be affected by the inflationary context and the Group's transformation efforts. However, the sequential growth in the operating margin rate observed between the first and second halves of 2023 is evidence of the Group's positive momentum. The improvement in operating performance is set to continue into 2024, with EBITDAR expected to grow by between 15% and 20%.

Another key step in the Refoundation Plan has been the unveiling on 20 March of our new identity, emeis*, and our corporate purpose: "Together, let's stand as a strength for the vulnerable among us". This new identity embodies an ambitious corporate project to provide personalised care and support for all vulnerable people and represents the ambition of a Group that is transforming itself to better support the major societal challenges of mental and physical health, and old age. Building on these strengths, the Group is looking to the future with confidence and determination and is embarking on a transition to a mission-led business model by 2025, an initiative which will be put to the vote at the Annual General Meeting."*

ORPEA SA publishes its consolidated results for the year ended 31 December 2023[1], which were adopted by the Board of Directors on 16 April 2024.

Revenue saw sustained growth in 2023 (+11% vs. 2022, of which 9.5% organic growth), driven by an overall improvement in the occupancy rate and the opening of 31 new facilities.

Operating profitability continued to be affected by the newly implemented care and support measures, persistently high inflation in 2023 which could not be passed on through pricing changes, and an occupancy rate in French nursing homes that remains below its normative level (despite improving slightly by 1.2 points in the second half of 2023 compared with the first six months of the year). EBITDAR came out at €696 million over the year.

Attributable net profit for 2023 amounted to €1,355 million, including an extraordinary financial income of €2,850 million from the Equitization Capital Increase finalised on December 3rd, 2023, and a €830 million charge arising from impairment tests on property, plant and equipment and intangible assets in accordance with IAS 36. These two items have no impact on the Company's cash position.

The following table provides a summary of the main income statement items:

(€m)	31/12/2022	31/12/2023
REVENUE	**4,681**	**5,198**
Personnel costs	(3,028)	(3,469)
Other costs	(873)	(1,032)
EBITDAR (1)	**780**	**696**
% EBITDAR	16,7%	13,4%
External rental costs	(24)	(45)
EBITDA (2)	**756**	**652**
EBITDA pre-IFRS 16 (3)	342	204
Depreciation, amortisation and charges to provisions	(805)	(667)
RECURRING OPERATING PROFIT / LOSS	**(49)**	**(16)**
Other non-recurring operating income / (expense)	(4,223)	(903)
Operating profit / (loss)	**(4,272)**	**(919)**
Net financial expense	(319)	2 319
Profit / (loss) before tax	**(4,591)**	**1,400**
Income tax	596	(45)
Share in profit / (loss) of associates and JVs	(33)	5
Attributable to non-controlling interests	1	(6)
Net profit / (loss) of consolidated companies - Attributable to ORPEA's shareholders	**(4,027)**	**1,355**

(1) EBITDAR : operating result before depreciation, amortization, provisions and rental expense
(2) EBITDA : EBITDAR net of rental expenses on contracts with a term of less than one year
(3) EBITDA pre-IFRS 16 : EBITDAR net of rental expenses on leases of less than one year and net of payments made under leases of more than one year falling within the scope of IFRS 16

[1] Audit procedures are still on-going.

1- Refoundation Plan facilitating progress, and a new identity and corporate purpose

In 2023, the Company pressed ahead with the Refoundation Plan, which is structured around actions resolutely focused on employees and residents, achieving a number of significant results[2], including:

- in terms of health and safety at work, the work-related accident frequency rate fell 8 points in 2023 compared with 2021;
- the stability of our teams improved, with an increase of 3 percentage points in the proportion of staff on permanent contracts and a reduction of 3 percentage points in the rate of staff turnover in France compared with 2022. To make further progress, the Company has set a Group-wide reduction target of 5 percentage points by 2025 of the rate of turnover (average Group level in 2023: 29.3%);
- *emeis* forged constructive labour relations with renewed employee representative bodies, based on progressive values that are more in touch with events on the ground and with employees' expectations;
- 84% of countries have implemented tools to improve outreach with families;
- 72% of facilities now have a trained ethics and positive treatment correspondent;
- satisfaction indicators are at levels that reflect the ongoing commitment of the teams and the additional resources allocated from 2022 to improve the quality of care and support (satisfaction rate in 2023: 92.5%).

All these actions and the corresponding outcomes result from the Company's transformation project launched in 2022. They will be consolidated in the coming months by both the transformation program "CREATE" (standing for its key principes : *"Commitment, Respect, Empowerment, Accountability, Trust, Excellence")* and a CSR roadmap defined with the teams, aimed at structuring, and transforming the Company in the long term, while strengthening the many assets it has developed over the course of its 30-year history, namely the commitment of its teams, its medical expertise, its drive for innovation and portfolio of complementary activities.

On 20 March, as part of the ongoing Refoundation Plan, the Company adopted a new identity, *emeis*, and a new corporate purpose: *"Together, let's stand as a strength for the vulnerable among us"*. The new corporate name and purpose are the result of extensive consultation with employees. They demonstrate the commitment of our teams to a purpose that will enable us and our stakeholders – patients, residents, family and friends, healthcare professionals, regulators and public authorities – to respond even more effectively to the major challenges facing society in terms of mental and physical health, and old age.

In order to anchor this change of identity as a marker for sustainable transformation, the corporate purpose will be enshrined in the Company's Articles of Association, subject to a positive vote at the Annual General Meeting. The *emeis* Group will then embark on the process of becoming a mission-led company by 2025.
This Refoundation Plan could not be implemented without the success of the financial restructuring plan, which has ensured the Company's long-term viability and has been accompanied by the acquisition of 50.2% of the Company's share capital by new reference shareholders (Caisse des Dépôts, CNP Assurances, MAIF and MACSF[3]).

[2] Data being reviewed by an independent third party as part of the preparation of the 2023 Non-Financial Statement (NFS).
[3] Acting in concert.

2- Analysis of the 2023 full-year consolidated income statement

As part of the publication of its 2023 annual results, the Group refers to financial indicators taken from its consolidated financial statements, as well as to alternative performance measures, which are presented in detail in the appendices to this press release. Definitions and calculation methods for these indicators are presented on page 10, 13 and 14 of this press release.

ORPEA SA's consolidated **revenue** came to €5,198 million in 2023, up 11.0% compared with 2022, including organic growth of 9.5%. This performance was driven by an increase in Group occupancy rates (up 1.5 percentage points to 83.1% on average in 2023 and up 1.1 percentage points in the second half compared with the first half; the average occupancy rate for nursing homes in France was up 1.2 percentage points in the second half of 2023 compared with the first half), with the exception of nursing homes in France (average occupancy rate in 2023: 83.6%, vs. 85.6% in 2022). It is also attributable to an increase in capacity over the year, both as a result of the opening of 31 additional facilities and the inclusion of new facilities in the scope of consolidation, bringing the total network to 1,031 facilities at the end of December 2023 (corresponding to 93,470 beds).

Operating profitability continued to be affected by the newly implemented care and support measures, persistently high inflation in 2023 that could not be passed on through pricing changes, and an occupancy rate in French nursing homes that remained below its normative level. **EBITDAR** came to €696 million over the year, compared with €780 million in 2022. The EBITDAR margin stood at 13.4%, with the margin for the second half up 0.4 percentage points on the first half.

Recurring operating expense amounted to €16 million, compared with €49 million in 2022.

The **operating loss** came to €919 million, after taking into account non-recurring items totalling €903 million, mainly comprising:

1. Charges resulting from asset impairment tests in accordance with IAS 36 amounting to €830 million, including €438 million in respect of IFRS 16 right-of-use assets. For the impairment tests under IAS 36, in 2023 the Group adapted its method in order to move towards a post-IFRS 16 approach. It should be noted that impairment of right-of-use assets under IFRS 16 does not change the value of real estate assets held by the Company, but results in a reduction in the value of the corresponding right-of-use assets under IFRS 16, which are presented discretely in the balance sheet.
2. Non-recurring expenses related to the management of the crisis, for €74 million. This amount includes financial restructuring costs not allocated to additional paid-in capital.

Reported **profit before tax** came to €1,400 million, after taking into account net financial income of €2,319 million. This includes an extraordinary financial income (with no cash and no tax impact) of +€2,850 million relating to the conversion of ORPEA S.A.'s unsecured debt for 3.8 billion euros, implemented as part of the financial restructuring.

Attributable net profit for the year came out at €1,355 million.

3- Valuation of the real estate portfolio

As of December 31st, 2023, the estimated value of the real estate portfolio was €6.3 billion. This amount includes €5.3 billion in assets valued by the independent appraisers[4], covering a total of 414 sites, most of which are located in France. The appraisals were based on an average real estate asset yield of 5.6%, versus 5.1% at end-2022, reflecting current conditions in the healthcare real estate market.

4- Main consolidated balance sheet, debt and liquidity indicators

€m	31/12/2022	31/12/2023
Net tangible assets (*)	5,001	4,775
Right-of-use assets (IFRS 16)	3,500	3,084
Net intangible assets	1,592	1,513
Goodwill	1,362	1,386
Total equity	(1,502)	1,888
Gross financial debt (excl. IFRS 16)	9,615	5,287
Short-term financial debt	*8,236*	*746*
Cash and cash equivalents	856	645
Financial Net debt (excl. Lease liabilities IFRS 16)	8,758	4,642
Lease liabilities IFRS 16	3,768	3,874
Short-term lease liabilities IFRS 16	344	560

(*) including assets in progress: €627m at year-end 2022 and €406m at year-end 2023

The value of **right-of-use** assets recognised under IFRS 16 decreased from €3.5 billion at end-2022 to €3.1 billion at 31 December 2023, mainly attributable to write-off further to impairment tests conducted in accordance with the IAS 36. As the right-of-use assets relate to leased buildings, these write-offs had no impact on the value of the real estate portfolio held by the Company.

Consolidated **equity** is amounting to +€1.9 billion as of December 31st, 2023, compared to a € (1.5) billion one year earlier. This recapitalization of shareholders' equity results from the two capital increases carried out in 2023 and the extraordinary financial income (with no cash and no tax impact) of €2,850 million recorded as part of the company's financial restructuring.

Financial net debt (excluding IFRS 16 lease liabilities) on December 31st, 2023, amounted to €4.6 billion, compared to €8.8 billion one year earlier. This very sharp reduction in debt is attributable to the financial restructuring plan, which led to:

- the conversion into capital of €3.8 billion of ORPEA SA's unsecured debt following the Equitisation Capital Increase, the settlement-delivery of which took place on 3 December 2023, which resulted in the recognition of exceptional financial income of €2,850 million;

[4] Independent appraisers: JLL, C&W and CBRE.

- a cash contribution following the Groupement[5] Capital Increase of €1.2 billion, the settlement-delivery of which took place on 19 December 2023.

Following these two transactions, the company repaid €700 million in debt, corresponding to the repayment of D1A, D1B, D2 and A4 loans.

Based on pre-IFRS 16 2023 EBITDA of €204 million, the Group's financial leverage[6] came out at 22.8x.

The third capital increase of €390 million under the financial restructuring plan was completed on 15 February 2024.

Cash and cash equivalents at the end of 2023 amounts to €645 million. The Group had an undrawn line of credit of €400 million as of December 31st, 2023.

5- 2023 Financing Table (pre-IFRS 16)

in million euros	31/12/2022	31/12/2023
EBITDA pre IFRS 16	**342**	**204**
Maintenance & IT Capex	(136)	(141)
Other operating cash flows (incl.change in working capital)	(85)	(149)
Net Operating Cash Flow	**122**	**(87)**
Real Estate Development capex	(638)	(315)
Non-current items	(151)	(145)
Asset portfolio management	39	138
Net financial expenses	(215)	(338)
Net Operating Cash Flow before financing	**(844)**	**(746)**
Change in equity - cash	-	1,160
Change in equity - debt equitisation	-	3,823
Change in perimeter	(72)	(53)
Chg. in IFRS adjustments	68	(67)
Chg. in net financial debt	**(848)**	**4,116**
TOTAL NET FINANCIAL DEBT	**8,758**	**4,642**

Net recurring operating cash flow represented an outflow of €87 million, after deducting maintenance and IT investments of €141 million and other recurring operating cash flows (including changes in working capital) representing an outflow of €149 million. This includes the impact of the decision to grant employees more favourable salary settlement periods, representing an outflow of approximately €60 million.

[5] Refers to the group of long-term investors led by Caisse des Dépôts, together with CNP Assurances, MAIF and MACSF Epargne Retraite.

[6] Net debt excl. IFRS 16/pre-IFRS 16 EBITDA.

Net cash flow before financing amounted to €746 million, breaking down as:

- €315 million in development capital expenditure, mainly in real estate (greenfield projects). The decrease of €323 million in this item versus 2022 reflects the precautionary measures taken during the year (deferrals and curtailments) designed to preserve the Group's liquidity;
- €146 million in proceeds from real estate disposals in 2023 (mainly in the Netherlands, Austria and Germany) bringing total proceeds from real estate disposals over the 2022-2023 period to around €300 million, in line with the trajectory set out in the June 2022 financing plan[7]. As a reminder, the Company has a contractual commitment to complete a total of €1.25 billion in real estate disposals[8] by the end of 2025;
- €338 million in debt servicing costs, mainly related to the €3.2 billion in financing arranged in June 2022 with the Group's main banking partners;
- €145 million in non-recurring items, including expenses related to the management of the crisis experienced by the Group, including outflows relating to financial restructuring.

For 2023, cash flow from operating activities restated for the positive impact of IFRS 16 represented a net cash outflow of €81 million, including €145 million in non-recurring items. Cash used in investing activities net of disposal proceeds was €318 million.

6- Reforecast of 2024 and procedures launched on the 2025-2026 forecasts

The Group has finalised the reforecast of its 2024 financial performance. The Company now anticipates 2024 EBITDAR of between €800 million and €835 million, corresponding to a growth between 15% and 20% compared to 2023. The reforecasting exercise incorporates the most reasonable assumptions and estimates to date, including a Group average occupancy rate of 85.1% in the first-quarter 2024, including 83.1% for nursing homes in France.

The main adjustment on the reforecast 2024 is related to France operations, due to a less level of operational recovery than initially anticipated.

The Group has taken precautionary measures with regards to capital expenditures in order to offset the decrease expected in EBITDAR on the Group cash trajectory. The company also remains fully committed to its real estate disposal plan and is looking at every opportunity to accelerate the process.

This new forecast compares with the 2024 EBITDAR forecast of €891 million included in the documentation relating to the recent capital increases[9].

The Group plans to begin internal work on updating its multi-year business plan in the coming months. At the end of this process, which is expected to be completed by the end of the fourth quarter of 2024, the Company will disclose, in accordance with applicable regulations, any changes in the trajectory set out in the business plan in the

[7] As amended in May 2023 under the accelerated safeguard procedure.

[8] Amount received net of selling costs and before repayment of associated debt.

[9] First amendment to the 2022 Universal Registration Document, dated 10 November 2023 (section 5.5.2. “Forecast for 2024, 2025 and 2026”).

documentation relating to the recent capital increases, in particular concerning the Group's financial leverage[10] (as a reminder, the financial leverage included in the business plan underlying the capital increases was 5.5x by 2026).

7- Financial information and agenda

A web conference will be held by Laurent Guillot (Chief Executive Officer) and Laurent Lemaire (Chief Financial Officer) to present the Group's 2023 results, today at 8:30 a.m (CEST). The presentation along with a recording of the web conference will be made available on the Company's website (link).

It is also possible to take part in this web conference by telephone. Login details are as follows:

- France : +33 (0) 1 7037 7166
- UK: +44 (0) 33 0551 0200
- USA: +1 786 697 3501
- Then tell the operator that you are calling for the conference **ORPEA ENG**

The Company expects to publish its revenue for the first quarter of 2024 on May 14th, 2024.

[10] Net debt excl. IFRS 16 lease liabilities/pre-IFRS 16 EBITDA.

DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including information incorporated by reference, regarding the Group's expected growth and profitability in the future that may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties relate to factors that the Company cannot control or accurately estimate, such as future market conditions. Any forward-looking statements made in this document express expectations for the future and should be regarded as such. Actual events or results may differ from those described in this document due to a number of risks or uncertainties, as described in Chapter 2 of the Company's 2022 Universal Registration Document, which is available on the Company's website and on the website of the French financial markets authority (*Autorité des marchés financiers*) (www.amf-france.org).

DEFINITIONS

Organic growth	Organic growth in Group revenues includes : 1. The change in revenues (N vs. N-1) of existing facilities as a result of changes in their occupancy rates and per diem prices; 2. The change in sales (N vs. N-1) of establishments restructured or whose capacities were increased in N or N-1; 3. The sales achieved in N by establishments created in N or in N-1, and the change in sales of recently acquired establishments over a period equivalent in N to the consolidation period in N-1.
EBITDAR	Operating result before depreciation, amortization, provisions and rental expense
EBITDA	EBITDAR net of rental expenses on contracts with a term of less than one year
EBITDA pre-IFRS 16	EBITDAR net of rental expenses on leases of less than one year and net of payments made under leases of more than one year falling within the scope of IFRS16
Net debt	Long-term financial debt + short-term financial debt - cash and marketable securities (excluding lease liabilities - IFRS 16 liabilities)
Net cash flow from operations	Cash generated by ordinary activities, net of recurring maintenance and IT capital expenditure. Net recurring operating cash flow is the sum of EBITDA before IFRS 16, recurring non-cash items, change in working capital, income tax paid and maintenance and IT capital expenditure
Net cash flow fbefore financing	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 corresponds to the sum of Net Current Operating Cash-Flow, development investments, non-current items, income and/or net costs related to the management of the asset portfolio, and financial expenses.

APPENDICES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Consolidated income statement

Consolidated income statement in €m	FY 2022	FY 2023
REVENUE	**4,681**	**5,198**
Personnel costs	(3,028)	(3,469)
Purchases used and other external costs	(939)	(1,073)
Taxes other than on income	(63)	(49)
Depreciation, amortisation and charges to provisions	(805)	(667)
Other recurring operating income and expenses	105	44
Recurring operating profit	**(49)**	**(16)**
Other non-recurring operating income and expenses	(4,223)	(903)
OPERATING PROFIT / (LOSS)	**(4,272)**	**(919)**
Net financial result	(319)	2,319
PROFIT / (PROFIT) BEFORE TAX	**(4,591)**	**1,400**
Income tax	596	(45)
Share in profit / (loss) of associates and JV	(33)	5
Profit / (loss) attributable to non-controlling interest	1	(6)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	**(4,027)**	**1,355**

2. Consolidated balance sheet

Consolidated balance sheet - in million euros	31/12/2022	31/12/2023
Non-current assets	**12,226**	**11,538**
Goodwill	1,362	1,386
Intangible assets, net	1,592	1,513
Property, plant and equipment, net	4,375	4,369
Assets in progress	627	406
Right of use assets	3,500	3,084
Non-current financial assets	189	139
Deferred tax assets	582	641
Current assets	**1,915**	**1,837**
Cash and cash equivalents	*856*	*645*
Assets held for sale	**353**	**533**
TOTAL ASSETS	**14,494**	**13,908**
Total equity	(1,502)	1,887
Total consolidated equity	**(1,502)**	**1,888**
Non-current financial liabilities	**5,979**	**8,899**
Long-term financial debt	1,378	4,541
Long-term lease liabilities	3,424	3,314
Long term provisions	296	307
Provisions for pensions and other employee benefit obligations	66	73
Deferred tax liabilities	814	663
Current financial liabilities	**9,962**	**3,045**
Short-term financial debt	8,236	746
Short-term lease liabilities	344	560
short term provisions	(0)	7
Trade payables	327	502
Tax and payroll liabilities	431	523
Current tax liabilities	38	57
Other payables, accruals and prepayments	585	651
Liabilities held for sale	**56**	**76**
TOTAL LIABILITIES	**14,494**	**13,908**

3. Simplified statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS (€m)	2022	2023
Consolidated net income	**(4,028)**	**1,361**
Elimination of non-cash income and expenses relating to activities (*)	3,907	(2,139)
IFRS16 impact (amortization and impairment of assets)	350	820
Financial income and expenses, excluding financial expenses on lease liabilities	182	338
Financial expenses on lease liabilities	98	121
Cash flows from operations generated by consolidated companies	**510**	**501**
Change in working capital related to operations	(100)	(135)
Net cash generated from operating activities [1]	**410**	**366**
Tangible and intangible operating investments	(136)	(141)
Property development investments	(638)	(315)
Real estate disposals	146	146
Other acquisitions and disposals	(29)	(8)
Cash flow from investing and development activities [2]	**(657)**	**(318)**
Capital increases (monetary impact). Net proceeds	-	1,160
Net cash inflows/(outflows) related to bridging loans and bank overdrafts	-	-
Proceeds from new finance leases	-	-
Proceeds from other borrowings	3,368	500
Repayments of lease liabilities	(416)	(457)
Repayments of other borrowings	(2,470)	(972)
Repayments under finance leases	(149)	(160)
Net financial income/expense and other changes	(182)	(330)
Net cash from financing activities [3]	**152**	**(259)**
CHANGE IN CASH AND CASH EQUIVALENTS [1]+[2]+[3]	**(96)**	**(211)**

(*) This item mainly includes (€2.9)bn in financial income linked to the financial restructuring, as well as €1.03 bn in depreciation and amortization.

4. Calculation methods for EBITDAR and pre-IFRS 16 EBITDA

(in million euros)	31/12/2022	31/12/2023
OPERATING PROFIT / (LOSS)	**(4,272)**	**(919)**
Neutralisation of non-recurring operating income and expenses	4,223	903
RECURRING OPERATING PROFIT / (LOSS)	**(49)**	**(16)**
Neutralisation of Depreciation, amortisation and charges to provisions	805	667
EBITDAR	**756**	**652**
Neutralisation of rental charges	24	45
EBITDAR	**780**	**696**
IFRS 16 - Restatement of external leases	(414)	(448)
IFRS 16 - Restatement of operating expenses	(24)	(45)
EBITDA PRE-IFRS 16	**342**	**204**

5. Information about pre-IFRS 16 alternative performance measures

Income statement aggregates IFRS 16	2022	2023
EBITDA pre IFRS16	**342**	**204**
Rental IFRS 16	414	448
EBITDA margin pre IFRS 16	**7,3%**	**3,9%**
Recurring operating profit pre IFRS 16	**(112)**	**(124)**
Recurring operating margin pre IFRS 16	**-2,4%**	**-2,4%**

Cash Flow pre IFRS 16	2022	2023
Operating cash flow [pre IFRS 16]	**(4)**	**(81)**
Net Investment cash flows	**(657)**	**(318)**
Net financing flows [pre IFRS 16]	**566**	**188**
Change in cash	**(96)**	**(211)**

Reminder of cash-flow "GAAPS"	2022	2023
Cash flow from operations (after tax)	510	501
Change in working capital	(100)	(135)
Net cash generated from operating activities	**410**	**366**
Cash flow from investing and development	**(657)**	**(318)**
Net cash from financing activities	**152**	**(259)**
Change in cash	**(96)**	**(211)**

6. Reconciliation of cash flows

(in million euros)	31/12/2022	31/12/2023
Net cash flow from operations	**410**	**366**
Neutralisation IFRS 16 P&L impact	(414)	(448)
Net cash flow from operations Pre IFRS 16	**(4)**	**(81)**
Change in WCR - Reclassification of cash flows from investing activities	79	-
Reclassification of financial items	33	-
Reclassification of non-current items	151	145
Additional reimbursement of IFRS 16 debt	(2)	(9)
Maintenance and IT investments	(136)	(141)
NET CURRENT OPERATING CASH-FLOW	**122**	**(87)**

(in million euros)	31/12/2022	31/12/2023
Net cash flow from operations	**122**	**(87)**
Neutralisation IFRS 16 P&L impact	(638)	(315)
Asset portefolio Management	(151)	(145)
Non-current items	39	138
Financial result	(215)	(338)
NET CASH-FLOW BEFORE FINANCING	**(844)**	**(746)**

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About *emeis*

With 76,000 experts and professionals in healthcare, care, and supporting the most vulnerable among us, *emeis* operates in 21 countries with five core activities: psychiatric hospitals, medical care and rehabilitation clinics, nursing homes, home care services, and assisted-living facilities.

Every year, *emeis* welcomes 267,000 residents, patients, and other beneficiaries. *emeis* is committed and is taking action to rise to a major challenge facing our society, i.e., the increase in the number of people placed in vulnerable positions as a result of accidents or old age, and of cases of mental illness.

ORPEA SA, the Group's parent company, is 50.2% owned by Caisse des Dépôts, CNP Assurances, MAIF, and MACSF Epargne Retraite. It is listed on the Euronext Paris stock exchange (ISIN: FR001400NLM4) and is a member of the SBF 120 and CAC Mid 60 indices.

Website: www.emeis-group.com