

Prospectus dated 30 March 2021



€500,000,000 2.00 per cent. Notes due 2028

Issue Price: 99.195 per cent. of the aggregate principal amount of the Notes

ORPEA, a French law limited liability company (*société anonyme*), having its registered office at 12, rue Jean Jaurès – 92813 Puteaux Cedex – France, and registered with the Registre du Commerce et des Sociétés of Nanterre under number 401 251 566 (the “**Issuer**” or “**ORPEA**”) intends to issue 2.00 per cent. notes (the “**Notes**”) on 1 April 2021 (the “**Issue Date**”), for an aggregate principal amount of €500,000,000. The Notes will mature on 1 April 2028 (the “**Maturity Date**”).

The Issue will allocate an amount equal to the net proceeds to existing or future Eligible Green and/or Social Assets or Projects as set out in the Issuer’s Sustainable Financing Framework (as amended and supplemented from time to time), as further described in the section “Use and estimated net amount of proceeds” of this Prospectus.

Interest on the Notes will accrue from, and including, the Issue Date at the rate of 2.00 per cent. *per annum*, payable annually in arrear on 1 April in each year.

Unless previously redeemed or purchased and cancelled in accordance with the Terms and Conditions of the Notes, the Notes will be redeemed at their principal amount on the Maturity Date. The Issuer may, and in certain circumstances shall, redeem all, but not some only, of the outstanding Notes prior to the Maturity Date, at their principal amount, together with any accrued interest thereon, in the event that certain French taxes are imposed (see “Terms and Conditions of the Notes – Redemption and purchase – Redemption for taxation reasons”). The Issuer may also, at its sole discretion, redeem all, but not some only, of the outstanding Notes (i) from (and including) the date falling three months prior to the Maturity Date to (but excluding) the Maturity Date, at their principal amount together with accrued interest and in accordance with the provisions set out in “Terms and Conditions of the Notes – Redemption and purchase – Pre-Maturity Call Option”, (ii) at any time prior to the Maturity Date at the Make-whole Redemption Amount (as defined herein) and in accordance with the provisions set out in “Terms and Conditions of the Notes – Redemption and purchase – Early redemption at the Make-whole Redemption Amount”, and (iii) at their principal amount together with any interest accrued thereon, in the event that at least seventy-five (75) per cent. of the initial aggregate principal amount of Notes has been purchased or redeemed and cancelled by the Issuer prior to the Maturity Date and in accordance with the provisions set out in “Terms and Conditions of the Notes – Redemption and Purchase – Clean-up Call Option”.

Each Noteholder (as defined in the Terms and Conditions of the Notes) will be entitled, in the event of a Change of Control (as defined in the Terms and Conditions of the Notes) of the Issuer, to request the Issuer to redeem all, but not some only, of its Notes at their principal amount, together with any accrued interest thereon (see “Terms and Conditions of the Notes – Redemption and purchase – Redemption following a Change of Control”).

The Notes will be issued in dematerialised bearer form in the denomination of €100,000 each. Title to the Notes will be evidenced by book entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. and Clearstream Banking, SA.

This document (including the documents incorporated by reference) constitutes a prospectus (the “**Prospectus**”) for the purposes of the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This Prospectus has been approved by the *Autorité des marchés financiers* (the “**AMF**”) in France, in its capacity as competent authority under the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to Euronext Paris for the Notes to be admitted to trading on the regulated market of Euronext Paris (“**Euronext Paris**”). Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, appearing on the list of regulated markets issued by the European Securities and Markets Authority.

This Prospectus will be valid until the date of admission to trading of the Notes on Euronext Paris. The obligation to supplement the Prospectus in the event of significant new factor, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid. Neither the Notes nor the long-term debt of the Issuer has been rated.

So long as any of the Notes is outstanding, copies of this Prospectus together with the 2018 Reference Document and the 2019 Universal Registration Document will be available on the websites of the Issuer (www.orpea-corp.com) and of the AMF (www.amf-france.org). The 2020 Interim Financial Report is available on the website of the Issuer.

See the “**Risk Factors**” section for a description of certain factors which should be considered by prospective investors prior to any investment in the Notes.

Joint Structuring Advisors

BNP Paribas

NATIXIS

Société Générale Corporate and
Investment Banking

Joint Lead Managers

BNP Paribas

Crédit Agricole CIB

HSBC

NATIXIS

Société Générale Corporate and Investment Banking

This Prospectus has been prepared for the purposes of giving information with respect to the Issuer, the Issuer and its subsidiaries taken as a whole (the “Group”) and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses of the Issuer, the rights attached to the Notes and the reason for the issuance and its impact on the Issuer.

This Prospectus is to be read and construed in conjunction with all the documents which are incorporated by reference herein (see “Documents incorporated by reference”). The Issuer accepts responsibility for the information contained or incorporated by reference herein. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, Natixis and Société Générale (the “Joint Lead Managers”) have not separately verified the information contained or incorporated by reference in this Prospectus. The Joint Lead Managers do not make any representation, express or implied, nor accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any responsibility for any acts or omissions of the Issuer or any other person (other than the Joint Lead Managers) in connection with the Prospectus or the issue and offering of Notes. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, any of the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes.

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Notes not contained or incorporated by reference in this Prospectus. Any information or representation not so contained or incorporated by reference herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Lead Managers. The delivery of this Prospectus or any offering or sale of Notes at any time does not imply (i) that there has been no change with respect to the Issuer or the Group since the date hereof and (ii) that the information contained or incorporated by reference in it is correct as at any time subsequent to its date.

This Prospectus and any other information relating to the Issuer or the Notes should not be considered as an offer, an invitation or a recommendation by any of the Issuer or the Joint Lead Managers to subscribe or purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The Joint Lead Managers do not undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to its attention. Investors should review inter alia, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase the Notes. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, its business, its financial condition and the issued Notes and consult their own financial or legal advisers about risks associated with an investment in the Notes and the suitability of such an investment in light of their particular circumstances. Prospective investors should read carefully the section entitled “Risk Factors” set out in this Prospectus prior to any investment in the Notes.

The distribution of this Prospectus and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit an offering of any Note to retail investors or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Notes and distribution of this Prospectus and of any other offering material relating to the Notes, see “Subscription and Sale” below.

Prospective purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions (including as a result of change in law). Prospective investors are also advised

to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes.

A number of Member States of the European Union are currently negotiating to introduce a financial transactions tax ("FTT") in the scope of which transactions in the Notes may fall. The scope of any such tax is still uncertain as well as any potential timing of implementation. If the currently discussed text or any similar tax is adopted, transactions in the Notes would be subject to higher costs, and the liquidity of the market for the Notes may be diminished. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Each prospective investor must determine based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to properly assess the Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Prospectus;*
- (ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, an investment in the Notes and the impact the Notes might have on its overall investment portfolio;*
- (iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including any currency exchange risk when the currency in which payment of principal or interests is to be made is different from that of the prospective investor;*
- (iv) understand thoroughly the terms of the Notes and related risks and be familiar with the behaviour of the financial markets and any relevant indices;*
- (v) be able to assess (either alone or with the help of a financial adviser) possible changes in the economy, rates of interest or in other factors that may affect its investment and its ability to bear the applicable risks; and*
- (vi) consult its own advisers as to legal, tax and related aspects of an investment in the Notes.*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowings and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Neither the Notes nor the long-term debt of the Issuer is rated. The assessment of the Issuer's ability to comply with its payment obligations under the Notes is made more complex for investors. One or more independent credit rating agencies may assign credit ratings to the Notes on an unsolicited basis. A credit rating may be revised or withdrawn by the rating agency at any time, without prior notice. Any such revision or withdrawal may negatively affect the trading price of the Notes and hence investors may lose part of their investment.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION of sales to UK retail investors – the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). for these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of article 2 of Regulation (EU) no 2017/565 as it forms part of domestic law by virtue of the European Union (withdrawal) act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) no 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) no 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPS Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

MIFID II product governance / Professional investors and eligible counterparties only type of clients – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (**ESMA**) on 5 February 2018 has led to the conclusion, in relation to the type of clients criterion only, that: (i) the type of clients to whom the Notes are targeted is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration each manufacturer’s type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ type of clients assessment) and determining appropriate distribution channels.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In this Prospectus, references to “**€**”, “**EURO**” or to “**euro**” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the functioning of the European Union, as amended.

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RISK FACTORS

The Issuer considers that the risk factors described below are important to make an investment decision in the Notes and/or may alter its ability to fulfil its obligations under the Notes towards investors. The risks described below are not the only risks the Issuer and its subsidiaries face and they do not describe all of the risks of an investment in the Notes. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations or on an investment in the Notes. The risk factors may relate to the Issuer or to any of its subsidiaries.

The following describes the main risk factors relating to the Issuer and the Notes that the Issuer considers, as of the date hereof, material for the purpose of assessing the market risks associated with the Notes. In each category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.

Prior to making an investment decision in the Notes, prospective investors should consider carefully all the information contained or incorporated by reference in this Prospectus, including the risk factors detailed below. In particular, prospective investors, subscribers and holders of Notes must make their own analysis and assessment of all the risks associated to the Notes and the risks related to the Issuer, its activities and its financial position. They should also consult their own financial or legal advisors as to the risks entailed by an investment in the Notes and the suitability of such an investment in light of their particular circumstances.

Terms defined in the “Terms and Conditions of the Notes” section of this Prospectus shall have the same meaning where used below.

1. Risks related to the Issuer and its activities

1.1 General risk identification and management policy

Given the nature of its operations, the ORPEA Group follows an active risk prevention and management policy for the risks inherent to its business. The risk prevention and management framework is based on a structured approach, which aims to identify, assess and control risk factors liable to adversely affect the smooth operation of the Group.

Measures to strengthen the audit, risk and compliance department began in 2017 under the leadership of executive management. The Group continued to build momentum for this effort by hiring teams at the Corporate level in 2018 and by hiring dedicated coordinators within the permanent control units at the Clusters level in 2019. The year 2020 was dedicated to supporting the operational teams through the public health crisis and the continuation of projects specific to each area of expertise.

This audit, risk and compliance department reports to the executive management team and to the Audit Committee for day-to-day operations to safeguard its independence. It is built around two units:

- the permanent control unit, which endeavours to identify and prevent risks and to devise an appropriate internal control framework. It has four main areas of expertise:
 - risk management, which is in charge of preparing and coordinating various risk mapping exercises;
 - internal control, which is responsible for establishing the internal control framework, including by introducing and monitoring Group-wide standards and by taking part in various projects to ensure risk factors are handled properly;
 - compliance, which is tasked with ensuring the Group complies with its obligations, with a particular focus on efforts to combat corruption and influence peddling;
 - data protection, which is tasked with ensuring that the Group complies with its obligations in relation to personal data;
- the periodic control unit, which consists solely of internal audit, and which is responsible for ensuring that the internal control framework is effective and that risks are mitigated in all Group entities. It may also recommend improvements to curb its risk exposure.

In 2019, the Company completely overhauled its risk mapping, which aims to identify the main risks at the Group level. All subsidiaries and activities were included in the exercise to take into account changes within the company

and the environment in which it develops. The risk mapping was presented and shared in full with the members of the Group’s executive management and with the Audit Committee.

The Group’s risk mapping approach is based on the following elements:

- analysis and classification, by area, of the risks arising from the interviews conducted with the Group’s key managers and the departments of the various Clusters and Business Units;
- risk benchmarks for risks that apply to similar sized companies in the same or related sectors;
- a rating of each risk factor based on expected severity, its likelihood of occurrence and the extent to which it has been mitigated;
- oversight of action plans to mitigate risk factors constituting major challenges for the Group.

During 2020, due to the public health context of the Covid-19 pandemic, action plans relating to risks identified as significant were fine-tuned to ensure continual improvement. The Group’s risk mapping will be updated as from H2 2021.

1.2 Main risks

In accordance with Article 16 of Regulation (EU) 2017/1129 of the European Parliament and Council, the “Main risks” chapter of this document has been revised to make it easier to read. In line with this new regulation, this chapter includes the main risks that could, on the date of this Prospectus, impact the Group’s business, financial position, reputation, results or outlook. At the date of this Prospectus, these risks are those that the Group believes could have a material adverse effect on the Group, its business, financial position, reputation, results or outlook, and that are material to its investment decisions. The attention of investors is nonetheless drawn to the fact that the overview of risks presented in this section, is not exhaustive and that other risks, unknown or not considered herein at the date of this Prospectus and that could have a material adverse effect on the Group, its business, financial position, reputation, results or outlook, may or could exist or arise.

However, the fact remains that the risk management policy includes a wider range of risks, and is not limited to the most significant ones. For instance, some risks identified during the risk mapping exercise are covered in the Statement of non-financial performance or in the vigilance plan but are not covered in the main risks discussed in this chapter.

The risks identified by the Group during the risk mapping exercise are ranked in order of severity: moderate, significant and critical. This ranking comes from combining the risk’s likelihood and its potential impact. Action plans are connected to these risks, which helps the Group obtain the net risks presented in the tables below. Thanks to the rolled out action plans, the Group does not have critical net risks. In accordance with the new regulation, the highest risk is shown at the top of each category.

The tables below also indicate, for each risk, whether or not such risk is mentioned in the statement of non-financial performance (*) and/or the vigilance plan (**). For the sake of clarity, the risk identification and assessment methodology used for risk factors also applies to the risks mentioned in the statement of non-financial performance and the vigilance plan.

The Group will present its CSR roadmap to the market in 2021, in particular the 2023 targets for the 5 stakeholders (Resident, Patients and Families, Employees, Partners, Environment, Society & Community).

In 2020, the Group reviewed the main risks that had been identified during 2019 in order to determine whether there were new or changed risks. The rating of each main risk factor based on its severity, likelihood and the extent to which it has been mitigated was also challenged especially with regards to the pandemic crises and the rise of cyber-security threats. This work only led to the addition of a risk factor dedicated to the Covid-19 pandemics; the 2019 identified risks factors are still relevant and so is their severity.

I. Risks arising from the Covid-19 pandemic	• Severity
• I.1 Risks arising from the Covid-19 pandemic(*) (**)	• Significant

II. Risks arising from the Company's activity	• Severity
<ul style="list-style-type: none"> • II.1 Strategic risk: risk related to building and maintaining real-estate assets 	<ul style="list-style-type: none"> • Significant
<ul style="list-style-type: none"> • II.2 Strategic risk: risk related to acquisitions and their integration 	<ul style="list-style-type: none"> • Significant
<ul style="list-style-type: none"> • II.3 Operational risk: risk related to a failure to respect the rights and dignity of vulnerable persons(*) (**) 	<ul style="list-style-type: none"> • Moderate
<ul style="list-style-type: none"> • II.4 Operational risk: risk related to medical treatment and quality of care(*) (**) 	<ul style="list-style-type: none"> • Moderate
<ul style="list-style-type: none"> • II.5 Operational risk: risk arising from facility safety conditions(*) (**) 	<ul style="list-style-type: none"> • Moderate

III. Operational risks	• Severity
<ul style="list-style-type: none"> • III.1 Human resources risk: difficulty attracting, hiring and retaining employees, especially for in-demand jobs (medical and paramedical jobs)(*) 	<ul style="list-style-type: none"> • Significant
<ul style="list-style-type: none"> • III.2 Communication risk: risk of damaging the Group's image 	<ul style="list-style-type: none"> • Significant
<ul style="list-style-type: none"> • III.3 Cybersecurity risk 	<ul style="list-style-type: none"> • Significant
<ul style="list-style-type: none"> • III.4 Information system risk 	<ul style="list-style-type: none"> • Moderate

IV. Legal and compliance risks	• Severity
<ul style="list-style-type: none"> • IV.1 Compliance risk: risk related to managing personal and medical information 	<ul style="list-style-type: none"> • Significant
<ul style="list-style-type: none"> • IV.2 Compliance risk: risk of violating the Group's ethical principles and efforts to combat corruption and influence peddling(*) (**) 	<ul style="list-style-type: none"> • Moderate
<ul style="list-style-type: none"> • IV.3 Legal and regulatory risk: risk related to the award and renewal of operating licences 	<ul style="list-style-type: none"> • Moderate
<ul style="list-style-type: none"> • IV.4 Legal and regulatory risk: risk related to pricing policies 	<ul style="list-style-type: none"> • Moderate

V. Financial risks	• Severity
<ul style="list-style-type: none"> • V.1 Risk related to raising additional funding 	<ul style="list-style-type: none"> • Moderate
<ul style="list-style-type: none"> • V.2 Risk related to the Group's debt 	<ul style="list-style-type: none"> • Moderate

I. Risks arising from the Covid-19 pandemic

I.1 Risk arising from the Covid-19 pandemic

As a long-term care player, ORPEA Group has always taken public health and epidemiological risk into account, in particular in terms of operational risk: “risk related to medical treatment and quality of care”. The purpose of this section is to focus on the most significant aspects of this risk for ORPEA.

- a. In terms of the public health crisis which shaped 2020, the Group acted early, in cooperation with the healthcare authorities, in response to the risk which the virus posed to the health and safety of patients, residents, individuals cared for in their homes and employees. Although the entire population is at risk of catching Covid-19, certain populations such as the elderly and those suffering from chronic illnesses may be more affected by severe forms of the illness. The virus has hit the elderly and fragile much harder and has left a great number of families in mourning despite the preventative measures implemented. As a matter of fact, the excess mortality was about 10% to 20% depending on the country and the period. It should be noted that in a 90 bed nursing home, there is on average about 2.2 deaths per month, a figure that has risen to 2.4 or even 2.5 during the pandemic. All preventive measures were set from an early stage in the Group and remain very strict up to this day. Following the action of some associations, the Madrid region facilities have provided the public authorities with information pertaining to the measures put in place during the Covid-19 crisis; some of the procedures opened by the latter as a result of the action of the former are already closed.

Considering the remarkable commitment of employees to care for patients, residents and individuals cared for in their homes, one of the major business continuity challenges was the prevention of occupational hazards faced by the Group’s teams. The Group therefore took action to secure the supply of personal protective equipment (masks, protective goggles, hand sanitisers, etc.) to limit the spread of the virus. The unprecedented nature of this pandemic and the lack of knowledge regarding the virus and its treatment also reinforced the need to support carers and employees by providing graduated, local responses, adapted to each facility, which focused on safety and maintaining the social interaction of residents (in particular with their families, the various employees, external service providers).

In light of the protracted nature of the pandemic, the psychological impact has not been overlooked. This may have an impact on patients and residents who, due to lockdown measures and visiting restrictions, could suffer from isolation despite the compensatory measures implemented. Moreover, healthcare staff and generally, all employees are more exposed to psychosocial risks.

All the measures taken have proven to be necessary as the Group is fully aware that any breach or failure in terms of protocols or organisational measures could have an impact on the health and safety of patients, residents, people cared for at home and all employees.

- b. The public health crisis has had an impact on the Group’s financial position. As was the case for most businesses, ORPEA saw a limited increase of sales of 4.9% (with an organic growth of 0%) due notably to the temporary closure of Austrian hospitals, the marked decline in admissions both in hospitals and nursing homes, in particular during H1 2020, and a more-than average mortality rate in certain regions. Moreover, additional costs were occasioned by the implementation of health resources and exceptional measures such as the purchase of PPE, an increase in the payroll to support healthcare staff and investment in or the leasing of equipment. The total gross cost for 2020 after factoring in the loss of business, additional costs relating to PPE and bonuses paid to employees was €259 million. The net cost of the crisis, after taking into account compensation received through government aid, was €101 million.
- c. The Covid-19 crisis and the related state-imposed lockdowns during the end of the winter and spring 2020 led the Group to expand remote working for a percentage of the workforce which represented less than 2% of total employees, since 98% of the personnel work at the Group’s various facilities. ORPEA did not encounter any major difficulties in terms of software solutions in place or IT equipment and was able to rapidly equip its employees for remote working.

A shortcoming in the robustness of its information systems and crisis management and business continuity plans could have led to disruptions in the Group’s day-to-day organisation. As the performance of the IT infrastructure represents a major challenge, the Group focused on IT, technical and organisational solutions that would limit the impact from the risk of compromising the security of information systems at a time when IT systems were seeing an upsurge in cyber-attacks (see Cyber risk).

II. Risks arising from the Company's activity

II.1 Strategic risk: risk related to building and maintaining real-estate assets

The Group's growth is supported by two core pillars: organic growth which relies in particular on the construction and redevelopment of facilities (Greenfield) and external growth via the acquisition and integration of new entities. The ORPEA Group strives to meet its development goals in a way that boosts its growth outlook and financial results.

Due to the public health crisis, the Group has been forced to postpone real-estate development and planned external growth projects.

ORPEA's real-estate strategy is to own around 50% of its buildings (in absolute number of buildings). At 31 December 2020, the owned real-estate portfolio (owned buildings and buildings financed by financial lease _Crédit bail immobilier_) which accounted for 2.22 million sqm, was valued at €6,806 million (not including the €490 million in real-estate assets sold within one (1) year), €815 million of which was assets under construction or redevelopment. In 2020, the real-estate portfolio rose by €789 million due to new construction projects, building acquisitions and valuation of all the portfolio by Cushman & Wakefield and JLL at a yield of 5.3% compared with 5.7% in 2019. The impact of this valuation at December 31, 2020 is an increase of €406 million in the gross value of the real-estate portfolio, an increase of €305 million in shareholders' equity and an increase of €101 million in deferred taxes. After the application of IFRS 16, the right to use an asset (which corresponds to discounted future lease payments) amounts to €2,817 million.

During the financial year ended 31 December 2020, real-estate expenditure represented by depreciation and impairment amounted to €03.6 million, including IFRS 16 depreciation. The real estate maintenance is classified in capital expenditure, representing on average 2.5% of annual revenues.

Overview of beds in service and under construction by geographic group at 31 December 2020

	Number of sites	Beds in service	Beds under construction	Number of beds	Change in 12 months
France Benelux	572	42,540	5,366	47,906	+3,838
France	372	32,673	3,543	36,216	+2,193
Netherlands	116	1,676	1,168	2,844	+583
Belgium	71	7230	268	7,498	79
Luxembourg	2	0	365	365	+0
Ireland	11	961	22	983	+983
Central Europe	261	22,148	5,828	27,976	+1,485
Germany	191	17,105	3,452	20,557	+974
Italy	30	1,977	1,518	3,495	+266
Switzerland	40	3,066	858	3,924	+245
Eastern Europe	142	11,154	4,101	15,255	+836
Austria	87	7,041	954	7,995	+180
Poland	23	1,190	1,696	2,886	+0
Czech Rep.	20	2,044	784	2,828	+103
Slovenia	9	551	467	1,018	+225
Latvia	1	202		202	+202
Croatia	1	126		126	+126
Russia	1		200	200	+0
Iberia and Latin America	137	10,416	9,723	20,139	+2,225
Spain	66	8,992	2,339	11,331	+254
Portugal	37	728	3,336	4,064	+956
Brazil	22	471	2,487	2,958	+206
Uruguay	3	100	209	309	-17
Colombia	4	0	641	641	+320
Mexico	5	125	711	836	+506
Other country	2	140	385	525	+385
China	2	140	385	525	+385
Total Group 2020	1,114	86,398	25,403	111,801	8,769
Total Group 2019	1,004	82,100	20,932	103,032	

Building future facilities and maintaining the existing real-estate portfolio represent strategic priorities for the Group. ORPEA may therefore be faced with the risks listed below:

- operational delay due to not obtaining administrative permits (e.g. third-party objections);
- construction cost for a project exceeding the preliminary assessment;
- construction period exceeding the estimated time;
- technical difficulties (default by subcontractors, inclement weather, etc.);
- deficiencies in the maintenance and rehabilitation of buildings leading to the ageing and disrepair of real-estate assets;
- non-compliance with environmental standards;
- regulatory non-compliance with regards to the safety of buildings.

At 31 December 2020, aside from all aspects relating to the public health crisis, the ORPEA Group had not experienced any significant events (e.g. facility closure due to a health hazard, inspections by relevant authorities that require major repairs etc.) under its real-estate portfolio management.

Any inability by the ORPEA Group to meet the construction and maintenance objectives for its real-estate assets may have a significant negative impact on its business, financial position, results of operations and outlook.

II.2 Strategic risk: risk related to acquisitions and their integration

For many years now, ORPEA has implemented an active development policy, in particular through the acquisition of existing facilities or small groups of facilities. In recent years, more than 50% of the Group's growth has come from acquisition-led growth in countries where it already operated and in new territories. In 2020, ORPEA has continued its targeted acquisition strategy with some bolt on acquisitions and the following major acquisitions:

- Group SINOUE (55%): 7 psychiatry facilities in France, representing a total of 592 beds
- CLINIPSY: 9 psychiatry facilities in France, representing a total of 907 beds
- TLC GROUP: 5 nursing homes in Ireland, representing a total of 674 beds
- BRINDLEY (50%) : 10 nursing homes in Ireland, representing a total of 574 beds

Moreover, more significant competition is emerging given the concentration of the long-term care sector in recent years and growing interest from private equity companies. Indeed, the emergence of national and international groups in the nursing homes and medical facilities sectors could cause those groups to bid up the prices paid to acquire independent facilities; this makes it challenging to identify sufficiently attractive opportunities. By way of example, several transactions were announced throughout Europe in 2020:

- Acquisition of the French psychiatric group Inicea by the European group Korian;
- Acquisition of the Colisée Patrimoine group (nursing homes in France, Belgium, Italy, Spain and China) by the Swedish private equity firm EQT;
- Acquisition of the Irish nursing home group Vertue by French group Emera.

Furthermore, the purchased facilities do not always comply with the Group's quality or its expected profitability standards. In terms of integration, upgrading the purchased facilities therefore requires investments and increased staff involvement in order to meet the Group's standards.

As a result, changes to the competitive landscape the Group operates in could hamper its ability to push ahead with its acquisition-led growth strategy and/or cause the Group to purchase companies and/or facilities at higher prices than they have historically had to do and/or cause the Group to purchase lesser quality companies and/or facilities than the Group normally does, which could have a material adverse impact on the Group's business, financial position, results of operations and outlook.

II.3 Operational risk: risk related to a failure to respect the rights and dignity of vulnerable persons

The ORPEA Group provides long-term physical, intellectual, permanent and temporary care. In 2020, the Group cared for more than 250,000 patients and residents in its facilities around the world. Due to the vulnerability of the individuals in its care, the Group has established respect of their dignity and their rights as part of its business ethics.

The Group's inability to respect its ethical commitments and guarantee care under the best possible safety conditions may have a negative impact on the health of the individuals cared for as well as on the Group's reputation which may be held legally liable. The Group has therefore been highly proactive in its treatment of these risks and in gaining recognised expertise in long-term care, in both medical terms as well as the quality of its services and the safety of its facilities. At 31 December 2020, the complaint rate was 0.5% versus 0.4% at 31 December 2019, corresponding to 1,254 claims throughout 2020 for around 250,000 patients and residents cared for over the same period.

Despite all the care and professionalism of the ORPEA Group's teams, residents or patients may believe they have suffered an act of mistreatment or abuse. Mistreatment and abuse can come in various forms such as physical, psychological, moral, sexual or financial abuse. This risk may result from intended or unintended negligence that

may harm the dignity and privacy of an individual. Staff may be held liable, which may have a negative impact on the image of the facility in question and, as a result, on the appeal and image of the Group as a whole.

II.4 Operational risk: risk related to medical treatment and quality of care

The health of residents and patients is at the heart of ORPEA's activity. It is the main priority of all teams within the Group's facilities, whose primary role is to provide care and support for vulnerable persons with loss of independent living skills.

Any failure in care and treatment could materialise in several ways:

- the occurrence of a risk of infection may impact patients and residents as well as staff. This may be the result of non-compliance with hygiene best practices or the poor management of potentially infectious medical waste (PIMW), or a seasonal epidemic such as the flu or a pandemic such as the Covid-19 pandemic;
- the use of medical devices may carry risks. Those risks may arise through the way they work, the way they are used or a combination of other causes. The risks may affect the resident, patient, user or a third party;
- residents or patients could file complaints against one of the ORPEA Group's facilities regarding their medical or paramedical care for negligence or professional malpractice despite the fact that doctors are personally liable when providing care, in particular doctors in private practice. In addition to the risk related to the facility's image and, as a result, to the Group as a whole, ORPEA may be obliged to pay financial compensation to residents or patients who filed the complaints;
- drug-induced iatrogenesis refers to adverse effects on a patient's health from any act or procedure performed or prescribed by a qualified professional aimed at protecting or curing an individual. Adverse side effects may result from an act by a professional with or without medical error or from the use of a drug, whether or not its use corresponds to its standard therapeutic indication. If iatrogenesis results from a "medication" error, the facility may be held liable;
- an ageing population and the growing number of people with Alzheimer's disease means that the risk of patients wandering out of medical facilities and nursing homes has increased. Wandering by senile patients or patients with degenerative diseases or psychiatric conditions may cause them significant harm which may, in turn, result in the facility being held liable;
- given the number of people cared for in its facilities, in particular in psychiatric facilities, the Group may be held liable if a resident or patient attempts or commits suicide;
- failure in the food supply chain may give rise to the risk of facility-wide food poisoning, which could negatively impact the health of residents, patients and employees as well as harm the facility's image. Moreover, the facility may be held liable in the event of such an infection.

The occurrence of one or more of the above-mentioned incidents may damage the Group's reputation and have a negative impact on its business, financial position, results of operations and outlook.

II.5 Operational risk: risk arising from facility safety conditions

Keeping the people it looks after physically safe is a pre-requisite for any medical facility or nursing home. Every country or even sometimes region has different strict construction standards and requirements as well as external inspections on hygiene, the cold chain, food, etc.

Due to the public health crisis and regulatory changes, the ORPEA Group continued to pursue its policy of strengthening health safety conditions at its facilities to limit the spread of the virus.

Thus, at 31 December 2020, the ORPEA Group had not been faced with any significant issue in terms of the security conditions at its premises. As a guideline, risk relating to the safety of premises may arise in different ways:

- a. failure to comply with the increasing number and stricter regulations applicable to facilities open to the public;
- b. a fire;
- c. a contamination of hot water may lead to health issues such as Legionnaires' disease;

- d. the non-potability of water;
- e. inability by the infrastructure to guarantee optimal protection against climate-related risks (e.g. heatwaves, floods, etc.).
- f. inability by the infrastructure to contribute to limiting the spread of epidemics (circulation within the premises, twin rooms, etc.).

Despite measures put in place, which are described in more detail in the statement of non-financial performance, these risks could have an unfavourable impact on the Group's business, financial position, results and outlook.

III. Operational risks

III.1 Human resources risk: difficulty attracting, hiring and retaining employees, especially for in-demand jobs (medical and paramedical jobs)

This chapter covers the most significant HR risk identified in the risk mapping process. Labour issues are generally covered in the Statement of non-financial performance.

The quality, availability and commitment of employees play a key role in the Group's success, in particular given the current public health crisis.

Any failure by ORPEA to identify, attract and retain competent employees and train them in responsible behaviour, despite its hiring campaigns and the strategy to increase the Group's appeal, could materially affect its business development and results.

In fact, difficulties in hiring qualified care staff in some countries or staff turnover could significantly affect the organisation and disrupt the smooth running of the Group's facilities. At 31 December 2020, the Group had 68,891 employees with 80% under permanent contracts. There were 12,565 departures and 13,831 recruitments. Nursing staff ratios vary greatly from country to country and even from facility to facility, depending on regulations and average care requirements. For example, in France, the ratio is around 65 FTE per resident in a nursing home and 95 FTE per patient in a post-acute, rehabilitation or psychiatric hospital, the need for medical support (doctors, nurses, physical therapy) being more important in that field. Should hiring difficulties persist, it could have an adverse impact on the quality of care provided and costs.

All facilities must also be able to provide continuity of care and medical treatment for their residents or patients through an adequately staffed and appropriately qualified care team. Thus, a prolonged shortage of qualified care staff, if left unmanaged, could jeopardise the number of beds authorised or even the operating licence itself, as compliance with personnel standards applies to all subsidiaries.

III.2 Communication risk: risk of damaging the Group's image

The Group's reputation may be harmed by events for which it is responsible. For the ORPEA Group, risks mainly arise from the care of residents, patients and individuals cared for in their homes, and also relate to ethics and corporate social responsibility. This risk is growing, especially due to changes in regulations and legislation (e.g. Sapin 2, GDPR, CSR) and societal expectations in general.

Moreover, the lack of awareness of the sector in which the Group operates and the major media coverage of the Covid-19 public health crisis and its real or assumed impact on facilities in the sector, exposes it to the risk of slander, unfounded allegations or lies that may damage its image or reputation.

Whether founded or not, criticism or allegations may be exacerbated by the speed in which information is spread due to the growth of social networks.

The risk of damage to the Group's image is considered to be serious in the area of care of vulnerable persons. Any deterioration in the Group's reputation may impact the trust-based relationship with patients, residents and individuals cared for in their homes and their friends and family and slow the Group's growth.

At 31 December 2020, other than the media coverage of the public health crisis which relates to the sector as a whole, there were no national articles or programmes that had a negative impact on the Group's image. On the contrary, in France for instance, ORPEA has a strong local presence, with more than 500 articles in 2020 in daily regional press mentioning facility organised activities and events. This demonstrates the facilities' deep local roots and the Group's ability to adapt to the unprecedented context of the public health crisis in order to maintain this relationship.

III.3 Cybersecurity risk

Like all businesses that use connected information systems, the Group, its suppliers and its subcontractors are exposed to cybersecurity risks. Despite the security measures implemented by the ORPEA Group, the risk remains high because the general view today is that cyber-attacks are becoming more and more varied and complex. Their frequency and severity are steadily increasing, too. This trend was accentuated by the Covid-19 public health crisis.

The Group detected the intrusion of a malware in its IT systems on 17 September 2020. Following this detection, the IT security teams took immediate action to secure the systems, isolate the affected servers (less than 1% of all servers) and temporarily shut down the entire network, thus preventing the spread of the malware. This voluntary shutdown caused disruptions to the IT systems, but did not affect the continuity of care and social interactions within the Group's facilities. External cyber security experts underlined the responsiveness and proper functioning of the existing security systems which meant that all backups remained intact and no data was destroyed or transferred.

This intrusion confirmed the overriding importance of efforts to combat cybersecurity threats, especially as the ORPEA Group has access to sensitive data (in particular medical and patient data). This data is crucial for safeguarding the care and treatment of patients and residents. Although the Group successfully limited the impact of the September intrusion, it remains vigilant as, depending on the type of attack to which it could be subject, the Group could face a range of consequences such as loss or theft of personal, confidential data, and the resulting knock-on effects, failures in the main operating systems and the inability to carry out daily operations.

Therefore, any malfunction, system shutdown or loss of data as a result of any malicious cyberactivity could have a major negative impact on the Group's activity, financial position, results and outlook.

III.4 Information system risks

Information systems play an important role in ORPEA's operations. As described in the section dedicated to cybersecurity risk, the Group suffered a major malware intrusion in its IT systems in 2020 that affected the availability of its information systems.

Moreover, in a context of increased digitalisation, accelerated by the public health crisis which has increased the dematerialisation of communication, challenges relating to the suitability of technologies to users' needs (either employees, patients, residents, families or individuals cared for in their homes) have become crucial. Lockdown measures and visiting restrictions led to social interactions and the related means of communication being reviewed in-depth. This period therefore helped drive the roll-out of the new technologies and service offerings on which the Group had been working (remote consultation, professional and family video conferences, etc.)

In addition to these elements, it remains important to continue to apply a strong innovative strategy to differentiate the Group from other sector players and this includes actively monitoring innovation and allocating investment budgets to information systems to ensure it follows market expectations as closely as possible and thus avoid the risk of obsolescence.

IV. Legal and compliance risks

IV.1 Compliance risk: risk related to managing personal and medical information

Risks arising from data collection, hosting and access are clear priorities given the increasing trend towards the digitalisation of the data held on the Group's systems. Insecure or unauthorised data access may, for example, lead to leaks of medical or personal data, which could have significant ramifications for patients, residents and for the Group. At 31 December 2020, the Group had not experienced any medical data breaches despite the malware intrusion on 17 September 2020.

As the Group manages healthcare data, any shortcomings in the implementation of the security measures required for its protection could expose ORPEA to non-compliance risks and regulatory fines. A lack of appropriate governance and a failure to standardise practices would constitute mitigating factors should such a risk arise. Moreover, as a large share of this data is hosted at the information systems level, a lack of coordination between the Data Protection and cybersecurity teams could affect the protection of personal and medical data.

All of these factors must be handled in accordance with General Data Protection Regulations (GDPR) or in compliance with local regulations when GDPR does not apply. In this regard, the data protection unit monitors the implementation of the Group's data protection policy. The Group is committed, in particular, to only collecting

the data necessary for patient and resident care and ensures that it informs them of their rights and responds to any request to exercise their rights.

IV.2 Compliance risk: risk of violating the Group's ethical principles and efforts to combat corruption and influence peddling

Ethical conduct and integrity are crucially important to ORPEA. Like any decentralised international business with over 60,000 employees in 16 countries, the Group may be exposed to breaches of its Code of Conduct by one of its employees or stakeholders. Aside from any penalties it may incur, these breaches could damage the Group's reputation and have a detrimental impact on its activity, financial position, results of operations and outlook.

Moreover, ORPEA is expanding in countries, such as Brazil, where the risk of corruption is considered much higher than on its core markets. This could thus expose employees to new sources of risk that the Group needs to identify in order to guard against them. Moreover, the Group's activities involve building relationships with public authorities and civil servants, as well as with health professionals (doctors, pharmacists, etc.) in every country in which it operates. In light of this, the Group may incur penalties unless it meets all the requirements imposed by the Sapin 2 law, particularly the anti-corruption component, and the requirements of local regulations in force. With an eye on these changes as they pertain to the Group's growth and to new regulations, the Group has created a compliance department tasked with introducing and leading efforts connected to the Sapin 2 law and analogous local regulations.

The public health crisis has been an opportunity to test the processes implemented by the Group in terms of the verification of third parties with which it comes into contact. The shortage of personal protective equipment which affected all businesses required greater sourcing agility by the Group. The Group therefore found itself more exposed to the risk of non-compliance due to the increase and diversity of new third parties to be controlled.

IV.3 Legal and regulatory risk: risk related to the award and renewal of operating licences

A licence is required to operate a nursing home or medical facility in France, as in most of the other countries where the Group operates. These licences are issued by the relevant authorities, specific to each country (Regional Health Agency and/or local authority in France, Local Health Administration in Italy, the autonomous communities' social services in Spain, groups of municipalities in Belgium, etc.). The ease with which such licences are obtained varies with the national and regional regulations.

In some countries, such as France, Belgium and Austria, obtaining such licences depends directly on the quota of beds planned by the relevant authorities. The number of new licences issued in the above-mentioned countries is closely controlled and limited by the public authorities to control spending.

Other countries, such as Germany, have not established such barriers to entry. However, the authorities require compliance with architectural, safety, quality, staff and other standards before issuing a licence.

Licences are awarded either for an indefinite period – in some regions of Belgium (Wallonia), Switzerland, Austria or Spain for instance – or for a fixed term of 5 to 15 years in France.

To maintain or renew their licences, they usually have to undergo procedures that assess and check their service quality. Depending on the country, these procedures are carried out by either the national or regional supervisory authorities.

At 31 December 2020, intangible assets and goodwill had a total net value of €3,768 million (€2,469 million for intangible assets and €1,299 million for goodwill). These intangible assets and goodwill correspond to the facility operating licences. In some countries, like France, Belgium, Italy, Spain, Switzerland, Austria, Poland and the Netherlands, licences are highly regulated and limited by the governments. They are measured at around 100% of annual revenue. In these countries, the Group cannot open or operate a care facility if this licence is not granted. In France, for instance, the value of these licences is important because the government has not granted many new licences over the past six years. These values are subject to impairment tests. In other countries, like Germany, the number of licences is not restricted. The right to operate a nursing home is left to the relevant authorities' discretion.

Not renewing an operating licence is extremely rare and has never happened to the ORPEA Group in any country where it operates. An operating licence may not be renewed if a significant breach of standards is identified. Licences may even be withdrawn by the supervisory authorities where serious misconduct occurs.

IV.4 Legal and regulatory risk: risk related to pricing policies

In some of the countries where the ORPEA Group operates, the pricing schedule applied by facilities has two components:

- a component that broadly consists of care and medical expenses, which is usually funded by the public authorities (national or regional health insurance system, national long-term care insurance, etc.);
- a component covering accommodation and/or superior comfort levels (e.g. a private room), paid for by the resident or patient.

The portion paid for by the public authorities varies from country to country, and even from one region to another within the same country, but makes up less than 50% of total funding in most cases.

The portion paid for by patients and residents is deregulated in most countries, but increases may be regulated (including in France, Belgium, Austria and Germany) subject to an inflation-linked cap, at least for existing residents. By contrast, pricing is not subject to any regulations for all new residents or patients in France and Switzerland.

In France, the portion of the Group's services that the patient pays for may increase if social security reduces their reimbursement amount or if private healthcare insurers reduce coverage or increase premiums. As a result, individual decisions to reduce personal spending or the risk for patients to pay higher private supplemental health insurance premiums could lead to reduced demand in comfort spending. A general decrease in prices may have an adverse effect on the Group's activity, financial position, results and outlook.

V. Financial risks

V.1 Risk related to raising additional funding

Raising funding is a key challenge to support the Group's growth and, as is the case for all market players, ORPEA is exposed to changes to its market. ORPEA can therefore provide no assurance that it alone will be able to obtain the financing it needs for its expansion, and particularly that market conditions will be conducive to raising funds as equity or debt when it needs it.

V.2 Risk related to the Group's debt

Liquidity risk

The Group may be faced with difficulties in terms of the diversification and optimisation of its financial structure.

Nevertheless, the ORPEA Group takes advantage of the record low level of interest rates and the strong interest it has attracted from banks and credit investors. The Group has spread its loans across a wide range of banking institutions. Maturities for the Group's financing are well staggered over the years to come.

The financing agreements entered into by the Group generally include covenants, early repayment provisions, interest increases in certain circumstances or asset-backed collateral. Such covenants were not breached as at 31 December 2020. The restrictions contained in the Group's financings could affect the Group's ability to carry out its operations and limit its ability to react to market conditions or to seize business opportunities that may arise. For example, these restrictions could affect the Group's ability to finance business investments, make strategic acquisitions or investments, or finance its capital requirements. In addition, the Group's ability to comply with these covenants could be affected by events beyond its control, such as economic, financial and industrial conditions.

The Group must continue to offer an attractive risk profile to lenders and thus manage its financial debt (operational and real estate) and have liquid assets to match its growth map.

<i>(in thousands of euros)</i>	31/12/2020	Less than one year*	More than one year
Bond issues	1,461,260	- 3,373	1,464,633
Finance lease obligations	882,779	188,380	694,399
Bridging loans	497,171	47,631	449,540
Other borrowings and financial liabilities	4,701,201	823,151	3,878,050
Cash and cash equivalents	- 888,836	- 888,836	-
Total net debt*	6,653,575	166,953	6,486,621
<i>Current IFRS 16 liabilities</i>	266,285		
<i>Non-current IFRS 16 liabilities</i>	2,720,246		
<i>* Of which €550m debt associated with assets held for sale.</i>			

At 31 December 2020, the Group's net debt totalled €6,103 million (excluding the €550 million in debt related to assets held for sale).

Interest rate risk

Most of the Group's debt consists of domestic debt carrying floating interest rates, and so it is also exposed to the risk of an increase in interest rates in the euro zone. After hedging, most of the debt became fixed rate.

At 31 December 2020, the Group's debt net of cash breaks down by maturity as well as fixed and floating rate as follows:

<i>(in thousands of euros)</i>	31/12/2020	Fixed rate (after hedging)	Variable rate (after hedging)
Bond issues	1,461,260	1,461,260	-
Finance lease obligations	882,779	882,779	-
Bridging loans	497,171	497,171	-
Other borrowings and financial liabilities	4,701,201	4,435,589	265,612
Cash and cash equivalents	- 888,836	- 888,836	-
Total net debt*	6,653,575	6,387,963	265,612
<i>Current IFRS 16 liabilities</i>	266,285		
<i>Non-current IFRS 16 liabilities</i>	2,720,246		
<i>* Of which €550m debt associated with assets held for sale.</i>			

2. Risks related to the Notes

A. Risks for the Noteholders as creditors of the Issuer

French insolvency law

As a *société anonyme* incorporated in France, French insolvency laws apply to the Issuer. Under French insolvency law, in the case of the opening in France of a preservation procedure (*procédure de sauvegarde*, *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*), a judicial reorganisation procedure (*procédure de redressement judiciaire*) or a judicial liquidation (*liquidation judiciaire*) of the Issuer, all creditors of the Issuer (including Noteholders through the Representative of the *Masse*) must file their proof of claims with the creditors' representative or liquidator, as the case may be, within two months (or within four months in the case of creditors domiciled outside metropolitan France) of the publication of the opening of the procedure against the Issuer in the BODACC (*Bulletin officiel des annonces civiles et commerciales*).

Under French insolvency law holders of debt securities issued by a French company (as the Issuer) are automatically grouped into a single assembly of holders (*assemblée unique des obligataires*) (the "**Assembly**") in order to defend their common interests in case of the opening in France of an accelerated preservation (*procédure de sauvegarde accélérée*) or an accelerated financial preservation (*procédure de sauvegarde financière accélérée*).

or a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) regardless of their governing law and will not be convened in accordance with Condition 11. The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), the proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may notably agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) if the differences in situation so justify; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to the share capital.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the amount of debt securities held by the holders who voted during such Assembly; notwithstanding any clause to the contrary and the law governing the issuance agreement). No quorum is required for the Assembly to be validly held.

Stipulations relating to the representation of holders of the Notes provided in Condition 11 will not be applicable if they depart from any imperative provisions of French insolvency law that may be applicable.

The procedures, as described above or as they may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to be subject to French insolvency proceedings.

The insolvency procedure in France is regulated by the provisions of the French *Code de commerce* as amended by ordinance n°2014-326 dated 12 March 2014 and these provisions govern the common rights, interests and representation of the Noteholders in this context. As a result, Noteholders should be aware that they will generally have limited ability to influence the outcome of an accelerated preservation (*procédure de sauvegarde accélérée*), an accelerated financial preservation (*procédure de sauvegarde financière accélérée*), a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer in France, especially given the current capital structure of the Issuer.

It should be noted that a new European directive entitled “Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132” has been adopted by the European Union on 20 June 2019. Once transposed into French law (which is scheduled to happen by 17 July 2021 at the latest), such directive should have a material impact on French insolvency law, especially with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this directive, “affected parties” (i.e., creditors, including the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% in the amount of claims or interests in each class, it being noted that Member States may require that in addition a majority in number of affected parties be obtained in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram-down, provided notably that:

- (a) the plan has been notified to all known creditors likely to be affected by it;
- (b) the plan complies with the best interest of creditors test (i.e., no dissenting creditor would be worse off under the restructuring plan than they would be in the event of liquidation, whether piecemeal or sale as a going concern);

- (c) any new financing is necessary to implement the restructuring plan and does not unfairly prejudice the interest of creditors;
- (d) the plan has been approved by a majority of the voting classes of affected parties, provided that at least one of those classes is a secured creditors class or is senior to the ordinary unsecured creditors class; or, failing that, by at least one of the voting classes of affected parties or where so provided under national law, impaired parties, other than an equity-holders class or any other class which, upon a valuation of the debtor as a going-concern, would not receive any payment or keep any interest, or, where so provided under national law, which could be reasonably presumed not to receive any payment or keep any interest, if the normal ranking of liquidation priorities were applied under national law;
- (e) the plan complies with the relative priority rule (i.e. dissenting voting classes of affected creditors are treated at least as favourably as any other class of the same rank and more favourably than any junior class). By way of derogation, Member States may instead provide that the plan shall comply with the absolute priority rule (i.e., a dissenting voting class of creditors must be satisfied in full before a more junior class may receive any distribution or keep any interest under the restructuring plan); and
- (f) no class of affected parties can, under the restructuring plan, receive or keep more than the full amount of its claims or interests.

Therefore, when such directive is transposed into French law, it cannot be excluded that the Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. Any decisions taken by the Assembly or a class of creditors, as the case may be, could materially and negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Issuer.

Credit risk

As contemplated in Condition 2 of the Terms and Conditions of the Notes, the obligations of the Issuer in respect of the Notes and any interest payable under the Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer. However, Noteholders are exposed to the credit risk of the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Notes, and investors may lose all or part of their investment. If the creditworthiness of the Issuer deteriorates, and notwithstanding Condition 9 of the Terms and Conditions of the Notes which enables the investors to request the redemption of the Notes, it may not be able to fulfil all or part of its payment obligations under the Notes. In such a case, the value of the Notes may decrease, which could materially negatively impact the Noteholders and investors may lose all or part of their investment.

B. Risks relating to the market generally

Market value of the Notes

Application has been made for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. The market value of the Notes on Euronext Paris may be affected by the creditworthiness of the Issuer and a number of additional factors, including economic and market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries.

The value and the volatility of the Notes depend on a number of interrelated factors, including economic, financial or political events in France or elsewhere, or factors affecting capital markets generally and the market on which the Notes are admitted to trading.

The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. If the creditworthiness of the Issuer deteriorates or if economic and market conditions decline, the value of the Notes may also decrease and Noteholders selling their Notes prior to maturity may lose all or part of their investment.

A secondary market for the Notes might not develop nor be liquid

An investment in the Notes should be considered primarily with a view to holding them until their maturity. As of the date of this Prospectus, there is no existing market for the Notes, and there can be no assurance that, any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market, in which case the market or trading price and liquidity of the Notes may be adversely affected. The yield of the Notes as at the Issue Date is 2.125 per cent. *per annum*. However, Noteholders may be unable to sell their Notes easily or within satisfactory price conditions, in particular in respect of the yield available in similar investments with a secondary market. The sale price of the Notes prior to maturity will be equal to their market price, which may entail either a gain or a loss for the selling Noteholders.

The liquidity of any market for the Notes will depend upon the number of Noteholders (which could be very limited), the amount of Notes outstanding at any time, the market for similar securities, the interest of securities dealers in making a market, general economic conditions and the Issuer's financial condition, performance, prospects and other factors. Historically, the market for indebtedness with characteristics similar to the Notes has not been consistently liquid and has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Notes will not be subject to similar disruptions. Any such disruptions may have an adverse effect on Noteholders. In addition, market-making activity in the Notes, if any, will be subject to limits imposed by applicable laws and regulations. As a result, the Issuer cannot assure Noteholders that an active trading market will develop for the Notes.

Fixed interest rate

The Notes bear interest on their outstanding principal amount from time to time at the rate of 2.00 per cent. *per annum*, payable annually in arrear on 1 April in each year and commencing on 1 April 2022, in accordance with Condition 4. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of a fixed interest rate note is determined during the term of such note or within a given period of time, the market interest rate (the "**Market Interest Rate**") typically varies on a daily basis. As the Market Interest Rate changes, the price of fixed rate notes varies in the opposite direction. If the Market Interest Rate increases, the price of the fixed rate notes typically decreases, until the yield of the fixed rate notes equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed rate note typically increases, until the yield of the note equals approximately the Market Interest Rate.

Noteholders should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for Noteholders if they sell Notes during the period in which the Market Interest Rate exceeds the fixed rate of the Notes.

C. Risks relating to the particular structure of the Notes

The Notes may be redeemed by the Issuer prior to their stated maturity

The Notes might be redeemed or purchased by the Issuer prior to their stated maturity date (Condition 5 of the Terms and Conditions of the Notes). The Issuer reserves the right to purchase Notes in the open market or otherwise at any price in accordance with applicable laws and regulations. Such transactions shall have no impact on the normal repayment schedule of outstanding Notes, but they decrease the yield of Notes which would be redeemed prior to their stated maturity date.

In addition, the Issuer has the option to redeem all, but not some only, of the outstanding Notes as provided in Conditions 5.3, 5.4, 5.5 and 5.7 of the Terms and Conditions of the Notes. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yields received due to such early redemption may be lower than expected, and the redemption amount of the Notes may be lower than the purchase price paid for such Notes by the Noteholder where the purchase price was above par and/or lower than the then prevailing market price of the Notes. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. However, the redemption amount of the Notes may not be below par. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than such redeemed Notes.

If, by reason of a change in any law or regulation of France, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional

amounts as specified in Condition 7 of the Terms and Conditions of the Notes, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may (as more fully described in Condition 5.2 of the Terms and Conditions of the Notes) at its sole discretion, at any time, redeem all, but not some only, of the Notes then outstanding at their principal amount, together with accrued interest to the date fixed for redemption.

If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 of the Terms and Conditions of the Notes, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall (as more fully described in Condition 5.2 of the Terms and Conditions of the Notes) redeem all, but not some only, of the Notes then outstanding at their principal amount together with all interest accrued to the date fixed for redemption of which notice hereunder may be given.

All of the above may reduce the profits prospective investors in the Notes may have expected in subscribing the Notes and increase the risk of losing all or part of their investment in the Notes.

Exercise of Put Option following a Change of Control of the Issuer

In the event of a Change of Control of the Issuer (as defined in Condition 5.6 of the Terms and Conditions of the Notes), each Noteholder will have the right to request the Issuer to redeem all, but not some only, of its Notes at their principal amount, together with any accrued interest thereon (as more fully described in Condition 5.6 of the Terms and Conditions of the Notes). If the Noteholders, upon a Change of Control, were to require from the Issuer the redemption of their Notes, the Issuer cannot guarantee that it will be able to pay the whole required amount. Investors in the Notes not having exercised their put options may not be able to sell their Notes on the market and may have to wait until the Maturity Date to obtain redemption of their investment in the Notes, which may have a negative impact on the Noteholders and reduce the profits anticipated by the investors at the time of the issue.

Any early redemption of the Notes may result, for the Noteholders, in a yield that is considerably lower than anticipated. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

The Notes are not protected by restrictive covenants, and do not prevent the Issuer from incurring additional indebtedness, including indebtedness that would come prior to or rank equally with the Notes

There are no specific restrictions on the payment of dividends, the incurrence of unsecured indebtedness or the issuance or repurchase of securities by the Issuer or any of its subsidiaries. As a result, it is possible that the Issuer could enter into or be the subject of transactions that are disadvantageous to the Noteholders and the Noteholders may lose part of their investment.

As contemplated in Condition 3, the Terms and Conditions of the Notes contain a negative pledge undertaking that prohibits the Issuer in certain circumstances from creating security over assets, but subject to certain exceptions.

Subject to the above-mentioned restrictions and the restrictions existing in its other debt instruments, the Issuer and its subsidiaries may incur significant additional debt that could rank before or equally with the Notes. Although these restrictions are significant, they are subject to a number of important exceptions, and debt incurred in compliance with these restrictions could be substantial. If the Issuer incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding. If the Issuer or its subsidiaries incur significant additional debt that is structurally senior or that would otherwise come prior to the Notes, it could negatively affect the holders of the Notes, as compared with the holders of such other instruments. Therefore, the Noteholders may lose part of their investment in the Notes.

The use of proceeds of the Notes may not be suitable for the investment criteria of an investor

The Notes may not be a suitable investment for all investors seeking exposure to sustainable assets, including “green” or “social” notes. While it is the intention of the Issuer to apply the proceeds of the Notes in, or substantially in, the manner set out in “*Use and estimated net amount of proceeds*” of this Prospectus, the use of such proceeds for any Eligible Green or Social Assets or Projects could fail to satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with

regard to any direct or indirect impact of any projects or uses, the subject of or related to, any Eligible Green or Social Assets or Projects.

Furthermore, it should be noted that the definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes, a “green”, “social” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green”, “social” or “sustainable” or such other equivalent label are currently under development. Accordingly, Eligible Green or Social Assets or Projects could fail to meet any or all investor expectations regarding such “green”, “social” or “sustainable” or other equivalently-labelled performance objectives. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development. On 18 June 2020, Regulation (EU) No. 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the Council and the European Parliament (the “**Taxonomy Regulation**”). The Taxonomy Regulation establishes a single EU-wide classification system, or “taxonomy”, which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. On 20 November 2020, the European Commission published for consultation, the Delegated Acts containing the Technical Screening Criteria for the first two environmental objectives under the EU Taxonomy Regulation (climate change mitigation and climate change adaptation). These texts are still to be implemented and the final texts may vary from the current recommendations, which may have an impact on the Notes that cannot be predicted at this stage. Any such consequences could have an adverse effect on the liquidity and value of and return on any such Notes.

In addition, the second party opinion which is provided by ISS-ESG (the “**Second Party Opinion**”) or any other opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Notes and in particular with any Eligible Green or Social Assets or Projects may not be suitable or reliable to fulfil any green and sustainable and/or other criteria.

The Second Party Opinion or any such other opinion or certification is only current as of the date that opinion was initially issued. Such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes may not be relevant for all investors. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

While it is the intention of the Issuer to apply the proceeds of the Notes in, or substantially in, the manner described in “*Use and estimated net amount of proceeds*”, the Eligible Green and/or Social Assets or Projects may not be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of the issue of the Notes for any Eligible Green and/or Social Assets or Projects as aforesaid and/or withdrawal of the Second Party Opinion or any such other opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have an adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Any failure to comply with the reporting obligations will not constitute an Event of Default under the Notes.

Modification of the Terms and Conditions of the Notes

Holders of the Notes will be grouped automatically for the defence of their common interests in a *Masse* (as defined in the Terms and Conditions) and a general meeting of holders of the Notes can be held. Condition 11 of the Terms and Conditions of the Notes contains provisions for calling meetings of Noteholders or consulting them by way of written resolutions to consider matters affecting their interests generally and permit in certain cases a defined majority of holders of the Notes to bind all holders of the Notes, including those who did not attend or vote at the relevant general meeting or those who voted in a manner contrary to the majority and holders of the Notes who did not respond to, or rejected, the relevant Written Resolution (all as defined in the Terms and Conditions of the Notes). If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes and hence investors may lose part of their investment.

In addition, the general meeting of holders of the Notes may deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions, which could negatively affect the Noteholders.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following sections referred to in the cross-reference table below which are incorporated by reference in, and shall be deemed to form part of, this Prospectus and which are extracted from:

- the 2018 registration document of the Issuer in the French language (*document de référence 2018*) which was filed with the AMF on 10 May 2019 under No. D.19-0474 (the “**2018 Reference Document**”) and which includes the statutory audited consolidated and unconsolidated financial statements for the year ended 31 December 2018 and the related audit reports from the statutory auditors of the Issuer:

https://www.orpea-corp.com/images/orpeafinance/pdf/Documentation/FR/2019/ORPEA_Document_de_reference_2018_b772_b.pdf

- the 2019 universal registration document of the Issuer in the French language (*document d'enregistrement universel 2019*) which was filed with the AMF on 12 May 2020 under No. D.20-0455 (the “**2019 Universal Registration Document**”) and which includes the statutory audited consolidated and unconsolidated financial statements for the year ended 31 December 2019 and the related audit reports from the statutory auditors of the Issuer:

https://www.orpea-corp.com/images/orpeafinance/pdf/Documentation/FR/2020/ORPEA_DEU_2019_FR_V2_1f1f0.pdf

and

- the interim financial report of the Issuer in the French language (*rapport financier semestriel*) which includes the condensed consolidated financial statements of the Issuer for the six-month period ended 30 June 2020 and the related limited review report from the statutory auditors of the Issuer (the “**2020 Interim Financial Report**”),

https://www.orpea-corp.com/images/orpeafinance/pdf/ORPEA_Rapportfinancier_S12020_FR_a162a.pdf

which are incorporated by reference in, and shall be deemed to form part of, this Prospectus.

So long as any of the Notes is outstanding, as described in the Terms and Conditions of the Notes below, copies of the documents incorporated by reference are available on the Issuer’s website (www.orpea-corp.com) and upon request, free of charge, at the principal office of the Issuer during normal business hours on any weekday (except Saturdays, Sundays and public holidays). The 2018 Reference Document and the 2019 Universal Registration Document are also available on the AMF’s website (www.amf-france.org). The 2020 Interim Financial Report has been filed with the AMF.

The information on the Issuer’s website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

The information incorporated by reference in this Prospectus shall be read in connection with the cross reference list below. The non-incorporated parts are either not relevant for the investor or covered elsewhere in the Prospectus. Any information not listed in the following cross-reference list but included in the documents incorporated by reference in this Prospectus is given for information purposes only and shall not be deemed to be incorporated, and to form part of, this Prospectus. Any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Rule	Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation	2018 Reference Document (page number and section of the French version)	2019 Universal Registration Document (page number and section of the French version)	2020 Interim Financial Report (page number and section of the French version)
4.	INFORMATION ABOUT THE ISSUER			
4.1.	<u>History and development of the Issuer</u>		Chapter 1, Section 1.2, p 16 to 27	
4.1.1.	The legal and commercial name of the Issuer		Chapter 8, Section 1, p 268	
4.1.4.	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the Prospectus		Chapter 8, Sections 1 to 2, p 268	
4.1.5.	Any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency			Chapter 1, p. 2 to 11
5.	BUSINESS OVERVIEW			
5.1.	<u>Principal activities</u>		Chapter 1, p 9 to 44	
5.1.1.	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed		Chapter 1, p 9 to 44	
5.1.2.	The basis for any statements made by the Issuer regarding its competitive position		Chapter 1 Section 4, p. 40	
6.	ORGANISATIONAL STRUCTURE			
6.1.	If the Issuer is part of a group, a brief description of the Group and the Issuer's position within the Group. This may be in the form of,		Chapter 1, Section 1, p. 23 to 27, Chapter 6, Section 1, p. 219 and	

Rule	Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation	2018 Reference Document (page number and section of the French version)	2019 Universal Registration Document (page number and section of the French version)	2020 Interim Financial Report (page number and section of the French version)
	or accompanied by, a diagram of the organisational structure if this helps to clarify the structure		Chapter 7, Section 1, p.250 to 253	
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES			
9.1.	Names, business addresses and functions within the Issuer of the following persons, and an indication of the principal activities performed by them outside that Issuer where these are significant with respect to that Issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		Chapter 5, Section 1, p.142 to 150 Chapter 5, Section 2, p.161 Chapter 5, Section 8, p.190 to 195	
9.2.	Administrative, Management, and Supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the Issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made		Chapter 5, Section 1 p. 149	
10.	MAJOR SHAREHOLDERS			
10.1.	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to		Chapter 8, Section 2, p.269 to 270	

Rule	Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation	2018 Reference Document (page number and section of the French version)	2019 Universal Registration Document (page number and section of the French version)	2020 Interim Financial Report (page number and section of the French version)
	ensure that such control is not abused			
10.2.	A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer		Chapter 5, Section 5, p. 188	
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES			
11.1	<u>Historical Financial Information</u>			
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the Issuer has been in operation and the audit report in respect of each year.	<p>Chapter 5, Consolidated financial statements, p.195 to 231:</p> <ul style="list-style-type: none"> - balance sheet p.198 - income statement p.196-197 - consolidated statement of cash flows p.199 - statement of changes in consolidated equity p.200 - accounting policies and explanatory notes p.201 to 231 <p>Chapter 6, Statutory financial statements, p.237 to 257</p> <ul style="list-style-type: none"> - balance sheet p.239 - income statement p.238 - accounting policies and explanatory notes p.240 to 257 	<p>Chapter 6, Consolidated financial statements, p.200 to 235:</p> <ul style="list-style-type: none"> - balance sheet p.202 - income statement p.200-201 - consolidated statement of cash flows p.203 - statement of changes in consolidated equity p.204 - accounting policies and explanatory notes p.205 to 235 <p>Chapter 7, Statutory financial statements, p.241 to 262</p> <ul style="list-style-type: none"> - balance sheet p.243 - income statement p.242 	Chapter 2, p. 12 to 47

Rule	Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation	2018 Reference Document (page number and section of the French version)	2019 Universal Registration Document (page number and section of the French version)	2020 Interim Financial Report (page number and section of the French version)
			- accounting policies and explanatory notes p.241 to 262	
11.1.3	Accounting standards	Chapter 6, Consolidated financial statements, p.200 to 235	Chapter 6, Consolidated financial statements, p.200 to 235	
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following: (a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes	Chapter 6, Statutory financial statements, p.237 to 257 - balance sheet p.239 - income statement p.238 - accounting policies and explanatory notes p.240 to 257	Chapter 7, Statutory financial statements, p.241 to 262 - balance sheet p.243 - income statement p.242 - accounting policies and explanatory notes p.241 to 262	
11.1.5	Consolidated financial statements If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Chapter 5, Consolidated financial statements, p.195 to 231	Chapter 6, Consolidated financial statements, p.199 to 235	
11.1.6	Age of latest financial information	Chapter 5, Consolidated financial statements, p.195 to 231	Chapter 6, Consolidated financial statements, p.199 to 235	Chapter 2, p. 12 to 47
11.2.1	<u>Auditing of historical financial information</u> <u>The historical annual financial information must be independently audited.</u> <u>The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.</u> <u>Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not</u>	Chapter 5, Consolidated financial statements, p.232 to 235 Chapter 6, Statutory financial statements, p. 258 to 261	Chapter 6, Consolidated financial statements, p.236 to 239 Chapter 7, Statutory financial statements p.263 to 266	

Rule	Annex 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation	2018 Reference Document (page number and section of the French version)	2019 Universal Registration Document (page number and section of the French version)	2020 Interim Financial Report (page number and section of the French version)
	<p><u>apply, the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document:</u></p> <p><u>(a) a prominent statement disclosing which auditing standards have been applied;</u></p> <p><u>(b) an explanation of any significant departures from International Standards on Auditing.</u></p>			
11.2.1 a)	<p><u>Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.</u></p>		Chapter 5, Consolidated financial statements, p.236	
12.	MATERIAL CONTRACTS		NA	

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue by ORPEA (the “**Issuer**”) of its €500,000,000 2.00 per cent. notes due 1 April 2028 (the “**Notes**”) was authorised by a resolution of the Board of Directors (*Conseil d’administration*) dated 16 March 2021 and a decision of Yves Le Masne, *Directeur Général* of the Issuer dated 30 March 2021. The Notes will be issued on 1 April 2021 (the “**Issue Date**”).

A fiscal agency agreement relating to the Notes will be entered into on 30 March 2021 (the “**Fiscal Agency Agreement**”) between the Issuer and Société Générale Securities Services, as fiscal agent, paying agent, calculation agent and put agent (the “**Fiscal Agent**”, “**Paying Agent**”, “**Calculation Agent**” and “**Put Agent**” which expressions shall, where the context so admits, include any successor for the time being as fiscal agent, paying agent, calculation agent or put agent, as the case may be).

References below to the “**Noteholders**” are to the persons whose names appear in the account of the relevant Account Holder (as defined below) as being the holders of such Notes. References below to “**Conditions**” are to the numbered paragraphs below.

1. Form, denomination and title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced by book-entries (*inscription en compte*) in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including certificats représentatifs pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of the Account Holders. For the purposes of these Conditions, “**Account Holder**” shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking SA (“**Clearstream**”).

Title to the Notes shall be evidenced and will pass upon by entries in the books of Account Holders and transfer of Notes may only be effected through registration of the transfer in such books and in denominations of €100,000.

2. Status

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer (*engagements chirographaires*), and rank and will rank *pari passu* without any preference amongst themselves and (subject to Condition 3 below) with all other unsecured and unsubordinated indebtedness and guarantees (subject to exceptions imposed by French law), present or future, of the Issuer.

3. Negative pledge

So long as any of the Notes remains outstanding (as defined below), the Issuer will not create or permit to subsist and will ensure that none of its Material Subsidiaries (as defined below) will create or permit to subsist any Security Interest upon any of the Issuer’s or any of its Material Subsidiaries’ assets, revenues or rights, present or future, for the benefit of the lenders and of the holders in respect of any Relevant Indebtedness (as defined below) to secure (a) a payment of any sum in respect of any Relevant Indebtedness incurred by the Issuer or any of its Material Subsidiaries, or (b) any payment under any guarantee or indemnity in respect of any Relevant Indebtedness unless in each case, at the same time or prior thereto, the Issuer’s obligations under the Notes are equally and rateably secured therewith.

Without prejudice to the foregoing, this undertaking relates exclusively to the incurrence of Relevant Indebtedness and in no way affects the Issuer’s ability to grant any security interest over or in respect of its assets in any other circumstances.

For the purposes of these Conditions:

“**Material Subsidiary**” means any consolidated subsidiary by global integration of which the Issuer, directly or indirectly, holds at least forty (40) per cent. of the voting rights (provided that no other shareholder holds, directly

or indirectly, alone or in concert, a fraction of the voting rights greater than the Issuer) and which represented (i) more than ten (10) per cent. of the consolidated turnover of the Issuer over the last financial year, or (ii) more than ten (10) per cent. of the consolidated assets of the Issuer at the end of the last financial year or (iii) more than ten (10) per cent. of the consolidated net profit before taxation of the Issuer at the end of the last financial year.

“**outstanding**” means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed on their due date or otherwise in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 8.

“**Relevant Indebtedness**” means any present and future indebtedness for borrowed money in the form of, or represented by, (i) bonds (*obligations*), notes or other securities which are, are to be, or are capable of being, quoted, listed or ordinarily traded on any stock exchange, multilateral trading facility or any over-the-counter or other securities market or (ii) loan agreements under the format of *Schuldschein*.

“**Security Interest**” means any mortgage, charge, lien, pledge or other form of security interest (*sûreté réelle*).

4. Interest

The Notes bear interest from, and including, the Issue Date to, but excluding, 1 April 2028 (the “**Maturity Date**”) at the rate of 2.00 per cent. *per annum*, payable annually in arrear on 1 April in each year, subject to the application of Condition 6.2 below.

Each Note will cease to bear interest from their due date for redemption, unless the Issuer defaults in payment for their redemption on said date. In such event, it shall continue to bear interest at the rate of 2.00 per cent. *per annum* (both before and after judgment) until the day (included) on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

Interest will be calculated on an actual/actual (ICMA) basis. If interest is required to be calculated for a period of less than one year, it will be calculated on an actual/actual basis for each period, being the actual number of days elapsed during the relevant period divided by 365 (or by 366 if a 29 February is included in such period), the result being rounded to the nearest cent (half a cent being rounded upwards).

5. Redemption and purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 5 or Condition 9.

5.1. Redemption at maturity

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.

5.2. Redemption for taxation reasons

If, by reason of a change in any law or regulation of France, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its sole discretion, at any time prior to the Maturity Date, subject to having given not more than sixty (60) nor less than thirty (30) calendar days’ prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding at their principal amount, together with accrued interest to the date fixed for redemption, provided that the due date for redemption, of which notice hereunder may be given, shall be no earlier than the latest practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.

If the Issuer would on the occasion of the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, subject to having given not less than seven (7) calendar days’ prior notice to the

Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding at their principal amount together with all interest accrued to the date fixed for redemption of which notice hereunder may be given, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date has passed, as soon as practicable thereafter.

5.3. Pre-Maturity Call Option

The Issuer may, at its sole discretion, subject to having given not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding, from (and including) the date falling three months prior to the Maturity Date (i.e. 1 January 2028) to (but excluding) the Maturity Date, at their principal amount together with accrued interest up to (but excluding) the date fixed for redemption.

5.4. Early redemption at the Make-whole Redemption Amount

The Issuer may, subject to having given (i) not more than thirty (30) nor less than fifteen (15) calendar days' prior notice to the Noteholders in accordance with Condition 10 and (ii) not less than five (5) calendar days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Calculation Agent (which notices shall specify the conditions, if any, to which the redemption is subject (including in particular any refinancing condition) and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**")), redeem all, but not some only, of the Notes then outstanding at any time prior to the 1 January 2028 at their relevant Make-whole Redemption Amount.

For the purposes of this Condition:

"Benchmark Rate" means, with respect to any Make-whole Redemption Date, the rate per year equal to the annual equivalent yield to maturity of the French government bond (*Obligations Assimilables du Trésor - OAT*) bearing interest at a rate of 2.75 per cent. *per annum* and maturing on 25 October 2027 (ISIN code: FR0011317783), as determined by the Calculation Agent on the fourth (4th) Business Day preceding the Make-whole Redemption Date. If such French government bond is no longer outstanding, a Similar Security will be reasonably chosen by the Calculation Agent, after prior consultation with the Issuer.

"Make-whole Margin" means + 0.40 per cent. *per annum*.

"Make-whole Redemption Amount" means, with respect to each Note, the amount in Euro equal to the greater of (i) the principal amount of the Notes and (ii) as determined by the Calculation Agent (rounded to the nearest cent (half a cent being rounded upwards)), the sum of the then present values on the Make-whole Redemption Date of the Remaining Scheduled Payments of principal and interest on the Notes discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in case of a leap year) by 366) at a rate equal to the Make-whole Redemption Rate, increased in both cases (i) and (ii) by interest accrued since the last interest payment date (included) (or, as the case may be, the Issue Date (included)) to, but excluding, the Make-whole Redemption Date.

"Make-whole Redemption Rate" means the sum of the Benchmark Rate and the Make-whole Margin.

"Remaining Scheduled Payments" means, with respect to each Note, the remaining scheduled payments of principal thereof and interest thereon (except interest accrued since the last interest payment date (included) (or, as the case may be, the Issue Date (included)) to, but excluding, the Make-whole Redemption Date) that would be due from the Make-whole Redemption Date to the 1 January 2028, if the Issuer's option referred to in Condition 5.4 were not exercised.

"Similar Security" means a reference bond or reference bonds issued by the French Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

5.5. Clean-up Call Option

In the event that at least seventy-five (75) per cent. of the initial aggregate principal amount of the Notes has been purchased or redeemed and cancelled by the Issuer, the Issuer may, at its sole discretion, subject to having given

not more than sixty (60) nor less than thirty (30) calendar days' prior notice to the Noteholders in accordance with Condition 10 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes then outstanding, at any time prior to the Maturity Date at their principal amount together with accrued interest up to (but excluding) the date fixed for redemption.

5.6. Redemption following a Change of Control

If a Change of Control (as defined below) occurs at any time while any Note remains outstanding, each Noteholder will have the option to require the Issuer to redeem all (but not some only) of the Notes held by such Noteholder (the "**Put Option**") as described below.

The Notes will be redeemed at their principal amount, together with interest accrued since (and including) the last Interest Payment Date (or, if applicable, since the Issue Date) to, but excluding, the Optional Redemption Date (as defined below).

If a Change of Control occurs, the Issuer shall promptly give notice to the Noteholders, in accordance with Condition 10. Such notice will specify that any Noteholder has the option to require the early redemption of its Notes, and will specify (i) to the extent permitted by applicable law, the nature of the Change of Control, (ii) the redemption amount, (iii) the date fixed for the early redemption (the "**Optional Redemption Date**"), which date shall be no earlier than twenty-five (25) Business Days (as defined in Condition 6.2) and no later than thirty (30) Business Days from the date of publication of the notice, (iv) the period (the "**Put Period**"), of at least fifteen (15) Business Days, during which the Put Option and the relevant Notes must be received by the Put Agent and (v) the procedure for exercising the Put Option.

To exercise the Put Option, the Noteholder must transfer (or cause to be transferred by its Account Holder) its Notes to be so redeemed to the account of the Put Agent (details of which are specified in the Change of Control Notice) for the account of the Issuer within the Put Period by 5:00 p.m. (Paris time) at the latest on the last day of the Put Period together with a duly signed and completed notice of exercise in the then current form obtainable from the Put Agent (a "**Put Option Notice**") and in which the Noteholder may specify an account denominated in euro to which payment is to be made under this Condition. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

Following the Put Option Notice, the Issuer shall redeem the Notes tendered as provided above on the Optional Redemption Date.

For the purposes of this Condition:

"**Change of Control**" shall be deemed to have occurred each time that one or more individuals or entities acting alone or in concert shall come to hold the Control of the Issuer.

"**Control**" means holding (directly or indirectly, through companies themselves controlled by the relevant person(s) or not) (x) the majority of the voting rights attached to the Issuer's shares or (y) more than forty (40) per cent. of these voting rights if no other shareholder of the Issuer, acting alone or in concert, holds (directly or indirectly, through companies controlled by such shareholder(s) or not) a greater percentage of voting rights. For the purpose of this definition, "acting in concert" has the meaning given to it in article L.233-10 of the French *Code de commerce*.

5.7. Purchases

The Issuer may at any time purchase Notes in the open market or otherwise (including, without limitation, by means of a tender and/or exchange offer) at any price in accordance with applicable laws and regulations. Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.

5.8. Cancellation

All Notes which are redeemed or purchased for cancellation by, or on behalf of the Issuer, pursuant to this Condition 5, will forthwith be cancelled and accordingly may not be reissued or sold. The obligations of the Issuer in respect of any such Notes shall be discharged.

6. Payments

6.1. Method of payment

Payment of principal, interest and other amounts in respect of the Notes will be made in Euro, by credit or transfer to a Euro-denominated account (or any other account on which credits or transfers may be made in Euro) as specified by the beneficiary in a city where banks have access to the TARGET System. In these Conditions, “**TARGET System**” means the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) or any succeeding system.

Such payments shall be made for the benefit of the Noteholders to the Account Holders (including Euroclear France, Euroclear and Clearstream) and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payments.

Payments of principal, interest and other amounts in respect of the Notes will be subject in all cases to any tax or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.2. Payments on Business Days

If any due date for payment of principal, interest or other amounts in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and shall not be entitled to any interest or other additional sums in respect of such postponed payment.

In these Conditions, “**Business Day**” means any day (other than a Saturday or Sunday) (i) on which commercial banks and foreign exchange markets are opened for general business in Paris, (ii) on which the TARGET System is operating and (iii) on which Euroclear France or any successor is open for general business.

6.3. Fiscal Agent, Paying Agent, Calculation Agent and Put Agent

The initial Fiscal Agent, Paying Agent, Calculation Agent and Put Agent and its specified office are as follows:

Société Générale
CS 30812 - 32, rue du Champ de Tir
44308 Nantes Cedex 3
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent or Put Agent and/or appoint another Fiscal Agent, Paying Agent, Calculation Agent or Put Agent or additional Paying Agents or Put Agents, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days’ prior notice to the Noteholders, in accordance with Condition 10, and as long as there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) a leading investment bank active on the market acting as Calculation Agent and (iii) so long as the Notes are admitted to trading on Euronext Paris, a Paying Agent having a specified office in a European city and ensuring the financial service in France.

Any termination or change of Fiscal Agent, Paying Agent, Calculation Agent or Put Agent will be notified to the Noteholders in accordance with the provisions of Condition 10.

7. Taxation

All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any French law or regulation should require that any payment of principal, interest or other assimilated revenues in respect of the Notes be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision or authority therein or thereof having power to tax, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, after such

deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)) who is subject to such taxes, duties, assessments or other governmental charges, (i) in respect of such Note by reason of his having some connection with France other than the mere holding of such Note or (ii) in respect of any Note to a Noteholder who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 7.

8. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed after five (5) years (both for principal and interest) from the due date for payment thereof.

9. Events of Default

The Representative (as defined in Condition 11), acting upon request of any Noteholder, may, upon written notice given to the Issuer (copy to the Fiscal Agent), cause all, but not some only, of the Notes to become immediately due and payable at their principal amount, together with accrued interest since (and including) the last Interest Payment Date (or, as the case may be, since the Issue Date) to (but excluding) their actual redemption date, if any of the following events (each, an “**Event of Default**”) occurs:

- (a) any amount of principal or interest on any Note (including any additional amount referred to in Condition 7) shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of fifteen (15) Business Days from such due date; or
- (b) the Issuer defaults in the due performance of, or compliance with, any other obligation in respect of the Notes (including Condition 3) and such default continues for a period of thirty (30) Business Days (unless such default is not curable in which case such period shall not apply) following receipt by the Issuer of a written notice of such default from the Representative; or
- (c) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for borrowed monies in excess of €40,000,000 (forty million euros) (or its equivalent in any other currency), whether individually or in the aggregate,
 - (i) becomes, following the expiry of any applicable grace period, due and demanded (*exigée*) prior to its stated maturity as a result of a default (howsoever described) thereunder, or
 - (ii) is not paid at its stated maturity,

except if the Issuer or such Material Subsidiary, as the case may be, has disputed in good faith that such indebtedness is due, and such dispute has been submitted to a competent court in which case such event shall not constitute an event of default hereunder so long as the dispute has not been finally adjudicated; or

- (d) the Issuer or any of its Material Subsidiaries (i) to the extent permitted by applicable laws, makes any proposal for a general moratorium or amicable settlement in relation to its debt with its main creditors to which the Noteholders are not party, or (ii) a resolution is passed or a judgment is issued for the voluntary liquidation (*liquidation amiable*), winding-up, dissolution (*dissolution*), judicial liquidation (*liquidation judiciaire*) or judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or (iii) to the extent permitted by applicable laws, the Issuer is subject to any other insolvency or bankruptcy proceedings under any applicable laws.

10. Notices

Any notice to the Noteholders and notices relating to the convocation, decision(s) of the *Masse* and Written Resolutions will be valid if delivered through Euroclear France, Euroclear or Clearstream, and, for so long as the Notes are admitted to the operations of such depositaries or custodian, published on the website of the Issuer (www.orpea-corp.com). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

11. Representation of the Noteholders

11.1. General

The Noteholders will be grouped automatically for the defense of their common interests in a *masse* (hereinafter referred to as the “*Masse*”).

The *Masse* will be governed by the applicable provisions of the French *Code de commerce*, and with the exception of Articles L.228-48, L. 228-65 II, L.228-71, R.228-63 and R.228-69 and thereof subject to the provisions set out below.

The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through collective decisions (“**Collective Decisions**”) of the Noteholders as further described in this Condition.

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

The initial Representative of the *Masse* shall be:

Aether Financial Services

36 rue de Monceau

75008 Paris

France

The Issuer shall pay to the Representative an amount equal to four hundred euros (€400) (excluding VAT and miscellaneous disbursements) *per annum* for its services.

All interested Noteholders may at all times obtain the names and addresses of the Representative at the principal office of the Issuer and the specified office of any of the Paying Agents.

11.2. Powers of the Representative

The Representative shall, in the absence of any Collective Decision to the contrary, have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, in order to be valid, must be brought against or by the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

11.3. Collective Decisions

Collective Decisions are adopted either in a general meeting of the Noteholders (the “**General Meeting**”) or by way of a Written Resolution (as defined below).

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second Business Day preceding the date set for the meeting of the relevant Collective Decision.

(a) *General Meetings*

A General Meeting may be held at any time, on convocation either by the Board of Directors (*Conseil d'administration*) of the Issuer, or by the legal representative of the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

In accordance with Articles L.228-59 and R.228-67 of the French *Code de commerce*, notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 10 not less than fifteen (15) calendar days prior to the date of the General Meeting for a first convocation, and not less than five (5) calendar days prior to the date of the General Meeting in the case of a second convocation.

Each Noteholder has the right to participate in a General Meeting in person or by proxy, correspondence and, in accordance with Article L.228-61 of the French *Code de commerce*, by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders. Each Note carries the right to one vote.

(b) Powers of General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and may also act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one-fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such General Meeting or represented thereat.

(c) Written Resolutions and Electronic Consent

Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of holding a General Meeting, to seek approval of a resolution from the Noteholders by way of a Written Resolution (as defined below). Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce*, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders (“**Electronic Consent**”).

Notice seeking approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 10 not less than five (5) calendar days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

For the purpose of these Conditions, “**Written Resolution**” shall mean a resolution in writing signed or approved by or on behalf of the holders of not less than seventy-five (75) per cent. in nominal amount of the Notes outstanding. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent.

11.4. Publication of Collective Decisions

Decisions of the General Meeting and Written Resolutions and all notices to the Noteholders pursuant to this Condition (including without limitation all decisions of the Issuer or the General Meeting or any Written Resolutions mentioned in Articles R.228-61, R.228-79 and R.236-11 of the French *Code de commerce*) will be published in accordance with the provisions set out in Condition 10.

11.5. Information to the Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-calendar-day period preceding the holding of each General Meeting on first convocation (or preceding the Written Resolution Date in the case of a Written Resolution) and during the 5-calendar-day period preceding the holding of such General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting (or submitted in connection with a Written Resolution), all of which will be available for inspection at the registered office of the Issuer, at the offices of the Paying Agent and at any other place specified in the notice of the General Meeting or the Written Resolution.

11.6. Expenses

The Issuer shall pay all the reasonable and duly documented expenses relating to the operations of the Masse, including the reasonable and duly documented expenses relating to the calling and holding of Collective Decisions and, more generally, all reasonable and duly documented administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

11.7. Miscellaneous

For the purposes of ascertaining the right to (x) attend and vote at any meeting of Noteholders and (y) to approve any Written Resolution, those Notes that are beneficially held by, or are held on behalf of, the Issuer or any of its subsidiary and not cancelled shall (unless and until easing to be so held) be deemed not to be outstanding.

12. Further issues

The Issuer may from time to time, without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry identical rights in all respects (or in all respects except for the issue price and the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the case of such an assimilation, the holders of such further notes and the Noteholders will be grouped in a single *masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

13. Governing law and jurisdiction

The Notes are governed by, and shall be construed in accordance with, French law.

Any dispute arising out of or in connection with the Notes will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The estimated net proceeds from the issue of the Notes amount to €492,975,000.

Orpea intends to allocate an amount equal to the net proceeds to existing or future Eligible Green and/or Social Assets or Projects (“**Sustainability Notes**”) as set out in the Issuer’s Sustainable Financing Framework (as amended and supplemented from time to time) (the “**Framework**”) available on the Issuer’s website (<https://www.orpea-corp.com/documentation-invest-fr/operations-financieres>). On a best effort basis, Orpea aims to complete such allocation within two years of the issuance of the Sustainability Notes.

The Issuer will apply processes for project evaluation and selection, management of proceeds and reporting consistent with guidelines set out in the Green Bond Principles 2018, Social Bond Principles 2020 and the Sustainability Bond Guidelines 2018 published by the International Capital Markets Association (the “**Principles**”) (as they may be further updated). The Framework sets out Eligible Green and Social Assets or Projects that have been identified by the Issuer.

A second party opinion has been obtained from the second party opinion provider ISS-ESG on the Framework, assessing the alignment of the Framework with the Principles. This document is available on the Issuer’s website (<https://www.orpea-corp.com/documentation-invest-fr/operations-financieres>).

In relation to the issue of the Sustainability Notes, the Issuer intends to publish on an annual basis a report on the allocation of the proceeds raised through Sustainability Notes as well as on the associated impact. The Issuer’s statutory auditors will be requested to review the effective allocation of proceeds of the Sustainability Notes. The auditors’ reports on the allocation of proceeds will be available on the Issuer’s website (<https://www.orpea-corp.com/documentation-invest-fr/operations-financieres>).

RECENT DEVELOPMENTS

The Issuer has published the following press releases:

Puteaux, 3 November 2020 (6 pm CET)

TEAMS FULLY MOBILISED IN THE FIGHT AGAINST COVID-19

Q3 2020: QUARTERLY REVENUE EXCEEDING ONE BILLION EUROS FOR THE 1ST TIME (+6.2%)

NEW 2020 REVENUE TARGET ABOVE €3,900 MILLION (+4.3%)

EVOLUTION IN OPERATING GOVERNANCE

The ORPEA Group, world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, mental health hospitals, and home care services), today announces its revenue for the third quarter of 2020 to 30 September and an adaptation in the governance of its operations.

Teams still fully mobilised in the fight against Covid-19

As Europe, and France in particular, face a “second wave” of the Covid-19 pandemic, the Group and its teams are more mobilised than ever. Besides, it is important to point out that ORPEA never dropped its guard between the first and second waves, both in terms of barrier measures and testing. Thus, the Coro 1/2/3 procedures are still being applied and followed in all geographical regions in order to secure all facilities to the maximum, while each facility has sufficient protective equipment to handle this second wave.

The psychological intervention unit for employees is still active in all countries to support the fully mobilised teams. In the countries more heavily impacted at this time, particularly France, the Group has strengthened its training for managers to raise their awareness in order to identify and prevent any psychosocial risks facing their teams, specifically during a health crisis.

In France, in collaboration with the Supervisory Authorities, a large number of Covid units are being opened in the Group’s post-acute and rehabilitation hospitals in order to care for residents from ORPEA nursing homes and Covid patients from other institutions, and thus to relieve the strain on hospitals.

The Group continues to maintain a continuous, adapted and transparent communication with families and the Supervisory Authorities to keep them informed of the situation in each of the facilities.

In the coming weeks, the Group will keep on rolling out all its logistical and human resources to preserve the safety, well-being and social connections of its patients and residents, support its employees for their exceptional mobilisation and actively cooperate with the Supervisory Authorities in order to provide solutions to support and ease the burden on healthcare systems.

Solid revenue growth in Q3 2020

In €m	Quarterly			9 months		
	Q3 2020	Q3 2019	Change	2020	2019	Change
France Benelux	602.2	557.5	+0.8%	1,738.7	1,650.7	+5.3%

Central Europe	257.0	244.9	+4.9%	756.6	718.8	+5.3%
Eastern Europe	100.0	90.7	+10.3%	270.0	266.4	+1.4%
Iberian Peninsula and LATAM	41.9	49.5	-15.3%	138.3	145.9	-5.2%
Rest of the world	0.9	0.9	N.A.	2.5	2.3	N.A.
Total revenue	1,002.0	943.6	+6.2%	2,906.2	2,784.1	+4.4%
Organic growth ¹			+0.5%			-0.4%

Consolidation dates: Clinipsy in France as from 15 July 2020, Sinoué in France from 1 April 2020, TLC in Ireland from 1 January 2020; SIS Brazil and SIS Portugal are consolidated since 1 October 2019. Clusters' composition: France Benelux (France, Belgium, Netherlands, Ireland), Central Europe (Germany, Italy and Switzerland), Eastern Europe (Austria, Poland, Czech Republic, Slovenia, Latvia), Iberian Peninsula and LATAM (Spain, Portugal, Brazil, Uruguay, Mexico), Rest of the world (China).

Activity bounced back sharply in the third quarter, with growth of +6.2% taking quarterly revenue over one billion euros for the first time in ORPEA's history. This dynamic was primarily driven by the contribution from the acquisitions of TLC Group in Ireland, Sinoué and Clinipsy in France, as well as other targeted acquisitions.

Organic growth in the third quarter also rebounded significantly to reach +0.5%, up from -5.5% in Q2 2020.

This growth was driven by:

- the solid recovery of activity in healthcare facilities (post-acute, rehabilitation and psychiatric hospitals), which returned to occupancy rates close to their pre-Covid-19 levels in August;
- a large influx of new admissions in most of the nursing homes, particularly in July and August, in a catch-up effect after the lockdown period.

Thus, the geographical regions of France Benelux and Eastern Europe, which had been impacted by the closing or sharp slowdown of healthcare facilities in the second quarter, returned to positive organic growth this quarter.

Over the first nine months of the year, revenue totalled €2.9 billion, up +4.4%, in a global context marked by an unprecedented health crisis tied to the Covid-19 pandemic. This solid performance demonstrates not only the resilience of the business, but also the need for medical facilities enabling care for serious pathologies, whether in nursing homes, post-acute and rehabilitation hospitals or in psychiatric hospitals.

¹ The Group's organic growth reflects the following factors: 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates; 2. The year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period; 3. Revenue generated in the current period by facilities created during the year or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

Early renewal of the appointment of Yves Le Masne, Chief Executive Officer

Yves Le Masne has served as Group Chief Executive Officer since 2011, and his appointment – which was renewed in March 2017 – will expire at the end of the Annual General Meeting called to approve the 2020 financial statements.

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors, by unanimous vote on 2 November 2020, reiterated its confidence in Yves Le Masne with the early renewal of his appointment as Chief Executive Officer until the end of the first meeting of the Board of Directors following the Annual General Meeting to be held in 2025.

Through this decision, the Board of Directors wishes to reaffirm its full support for the Group's Management and all the ORPEA teams.

Evolution in operating governance

Two years ago, the ORPEA Group initiated the adaptation of its organisation to its strong internationalisation, firstly with the creation of geographical regions, each equipped with a management team and head office, and secondly with strengthened harmonisation of the procedures and controls conducted by the Corporate teams. This change led to higher decentralisation that allowed more effective management of the growing number of countries in which the Group operates, while remaining close to the facilities. In fact, in just a few years, the number of countries covered by the Group doubled, from 10 to nearly 25 countries today.

This geographic organisation proved its total effectiveness during the first phase of the Covid-19 pandemic, when each local team was able to manage the impacts of this unprecedented crisis with the support of Corporate services and by fully adapting to the local context of each facility, thanks to local management.

As operations are now managed directly by the management team dedicated to each geographic region, in compliance with the Group's standards and under the supervision of the Corporate teams, the result is that the position of Group Chief Operating Officer, which was held until now by Jean-Claude Brdenk, is no longer appropriate. On 2 November 2020, the Board of Directors, based on this fact, ended the appointment of Jean-Claude Brdenk as Chief Operating Officer, effective 31 December 2020. Jean-Claude Brdenk will continue to use his unique experience of more than twenty years in serving the private long-term care sector in general. He will also continue to represent ORPEA at Synerpa, where he is Vice-President.

Jean-Claude Brdenk stated:

"I have proud that I have been able to contribute, with all the operational teams, for more than 20 years, to the development of the global player that ORPEA has become today. I want to dedicate my experience and strength of conviction to the entire elderly services industry, and thus contribute to meeting challenges associated with an aging population. I would like to thank the ORPEA Board of Directors for the confidence they have placed in me throughout these years. Thanks to the local and international teams that are now perfectly structured, I am particularly confident in ORPEA's future."

Yves Le Masne, Chief Executive Officer of ORPEA, commented:

"On behalf of the Board of Directors and all the Teams, I would like to express our wholehearted thanks to Jean-Claude for the excellent work he has accomplished as the Chief of Operations for the Group"

for more than twenty years. Without contest, he will remain one of the great architects of ORPEA's success, and we are all profoundly grateful to him. We are pleased that he can continue applying all his expertise and his unique experience to the sector and to represent ORPEA within SYNERPA, the sector's employers' federation."

2020 Revenue target

On 5 May of this year, ORPEA decided to temporarily suspend its revenue target of €4,040 million for 2020. Based on the evolution of the pandemic and the current situation, the Group now anticipates revenue above €3,900 million, representing a growth of at least 4.3%.

Yves Le Masne, Chief Executive Officer of ORPEA, commented:

"Despite the period being marked by an unprecedented health and economic situation, ORPEA has succeeded in achieving a quarterly record by exceeding one billion euros in revenue for the first time in thirty years. This performance is the result of the resilience of the sector and particularly the outstanding commitment of the Group's 65,500 employees to our patients, residents, families, Supervisory Authorities and all our partners. With its loyal and united management team dedicated to the Group's values focused on the safety and well-being of its patients and residents, ORPEA will continue its development and its internationalisation to consolidate its position as world leader."

Puteaux, 26 January 2021

5 INNOVATIVE PROJECTS WIN 2020 ORPEA EXCELLENCE AWARDS

3 FACILITIES WIN THE '1 000 SMILES' AWARD

The ORPEA Group, one of the world's largest players in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals and home care services), is pleased to announce the winners of the sixth ORPEA Excellence Awards and the "1 000 Smiles" award, which pay tribute to novel initiatives implemented in its European facilities in 2020.

On Tuesday, 26 January 2021, the ORPEA Group's International Scientific & Ethics Council (ISEC) presented the 2020 ORPEA Excellence Awards, which every year pay tribute to the teams that have submitted the best projects in the categories "**Research**", "**Clinical Ethics**" and "**Innovation in Care**".

For 2020, teams in 8 countries² submitted a total of **27 ground-breaking projects** for consideration. This impressive participation testifies to the culture of innovation and research that drives the Group's teams to enhance residents' and patients' dignity and well-being as the world confronts a health crisis like no other.

Speaking about these awards, Yves Le Masne, Chief Executive Officer of ORPEA, said:

"Despite experiencing an unprecedented global pandemic that touched every aspect of our lives in 2020, all our employees stepped up and showed extraordinary commitment and dedication. This sixth edition of the ORPEA Excellence Awards once again demonstrates how our facilities and their staff are continually able to innovate and develop forward-looking services to benefit residents and patients. I want to give a big thank you to the teams for the fantastic projects they implemented as part of the '1000 Smiles' initiative, which boosts residents', patients', families' and employees' wellbeing and happiness."

The awards went to the following projects:

² Austria, Belgium, France, Germany, the Netherlands, Poland, Portugal, Spain

- **“Research” category:** Flavien Quijoux for POSTADYCHUTE. **This predictive tool assesses the risk of falling for an elderly person placed in an institution.** This doctoral dissertation in neuroscience, backed by ORPEA France’s medical department, in collaboration with the Centre Borelli (UMR9010, CNRS, INSERM, French Defence Health Service), analyses static equilibrium to identify predictive markers of the elderly person’s risk of falling. It will be continued with the creation of groups engaging in physical activities tailored to the abilities of the selected residents, for whom the benefits will be confirmed by analysing posture and gait.
- **“Clinical Ethics” category:** Haus-Edelberg Kernen (Germany) Nursing Home for its **intercultural workshop on death and end of life** “Giving days more live-culture” Starting from a detailed analysis of the resident’s needs and expectations, this workshop develops a resident-centred approach that is preventive and multi-disciplinary, and empowers the resident.
- **“Innovation in Care” category:** Château d’Herblay Hospital (CLINEA SSR France) for its **PREVaction programme**, a comprehensive strategy of health education and prevention. The PREVaction programme, which is delivered in this outpatient hospital to people aged 75 and up, is meant to be utilised before patients lose autonomy so they can gain the tools to take charge of their health and preserve their remaining abilities.
- Because so many excellent projects were submitted, the jury also gave two honourable mentions in the **“Innovation in Care” category:**
 - o Home chemotherapy treatment, supported by the teams of Allertzorg Home Care in Woerden, the Netherlands. This programme aims to improve quality of life for the very elderly or people with reduced mobility by offering them home chemotherapy care so they do not need to travel to a hospital.
 - o “EM Table©”, passive horizontal stimulation for quality of life for people with reduced mobility, a project backed by the Spanish teams of the ORPEA Mirasierra rehabilitation facility in Madrid. This device recreates the effects produced by physical activity by inducing passive movements on a horizontal plane. The nitrogen oxide that is produced improves bio-mechanical properties, muscle tone and tissue oxygenation ($\square PaO_2$, $\square PaCO_2$) in patients aged 26 to 65.

This year, ISEC is adding a new element: international workshops designed to speed up the implementation of these innovations across the Group while encouraging the sharing of experience and best practices. These workshops will bring together each team of winners and the ISEC members, who will model approaches and protocols for a successful implementation.

ISEC was created in 2015 to give the Group an opportunity to further study the ethical aspects of care practises, and it studies the medical ethics issues faced by the Group’s care and senior management teams.

“1000 Smiles” award

The **“1000 Smiles”** awards were also announced during this ceremony. These awards, which were specially created by the ORPEA Group in 2020, recognise creative initiatives implemented in its European facilities to amuse, energise and lift the spirits of residents, patients and employees throughout this trying year.

Teams from 10 countries³ submitted a total of **69 applications**. A jury of seven employees from different Group business lines chose the winners based on their originality, impact criteria, ease of being reproduced and additional effort required for implementation.

³ Austria, Belgium, France, Germany, Great Britain, the Netherlands, Poland, Portugal, Spain, Switzerland

After evaluating the excellent and varied initiatives that were submitted, the jury announced three awards:

Loreto Nursing Home, Spain (Madrid), for its “tableau vivant” project: nursing home residents chose paintings they wanted to re-enact – the project involved selecting the artworks, creating props, and choosing scenery, poses and shots. This was a comprehensive project that lasted several weeks. All the residents and employees got excited about it, and the final result was superb.

Koala Nursing Home, Belgium (Deurne), for construction forklifts placed in front of the nursing home so families could see their loved ones who were confined to their rooms during the first lockdown. The project led to poignant reunions between residents and their families.

Senecura Villach, Austria, for its intergenerational “1000 drawings, 1000 smiles” project. During the first wave of the lockdown, the children and families living near the nursing home were asked to post letters and drawings on social media for elderly people, who then responded with video messages. The project created valuable intergenerational connections.

Puteaux, 9 February 2021 (6:00 pm CET)

SOLID GROWTH IN Q4 2020 REVENUE: +6.4% (TO €1,017M) DOUBLING IN THE RATE OF ORGANIC GROWTH VS. Q3: +1.2%

GOOD RESILIENCE OF ACTIVITY IN 2020, WITH RECORD REVENUE OF €3,922M (+4.9%)

VACCINATION CAMPAIGNS VERY WELL RECEIVED IN NURSING HOMES:

TWO THIRDS OF RESIDENTS HAVE ALREADY BEEN VACCINATED

2021: SUBSTANTIAL ACCELERATION IN OPENINGS MORE THAN 4,000 NEW BEDS WORLDWIDE

The ORPEA Group, a world leader in long-term care (nursing homes, post-acute and rehabilitation hospitals, psychiatric hospitals and home care services), today announces its revenue for the 2020 financial year to 31 December and an acceleration in the opening of new facilities in 2021.

Yves Le Masne, Chief Executive Officer of ORPEA, said:

“2020 was marked by an unprecedented pandemic primarily affecting the elderly and frail. The Covid-19 virus has left many families bereaved, and I would first and foremost like to let them know, on behalf of all our teams, that they have our support and our heartfelt thoughts go out to them. Thanks to the exceptional mobilisation, dedication and commitment of our staff, who I would again like to thank, and to the medical, psychological and logistical resources deployed by the Group, ORPEA is managing to limit the impact of this crisis.

Over the 2020 financial year, ORPEA recorded revenue growth of almost 5% to €3,922 million.

While the second wave of Covid-19 has led to lockdowns almost everywhere in Europe, fourth-quarter revenue marked the resilience of our activity, with the rate of growth accelerating to +6.4%. Hence, over the final quarter of the year, ORPEA achieved an increase in activity close to the target defined before the Covid-19 pandemic, which was +8%.

Although uncertainty is continuing at the beginning of this year, there are encouraging signs enabling us to be confident in our gradual growth in 2021: the success of the vaccination campaign in our nursing homes and the

materialisation of our organic growth strategy, with an increase of over 50% in the opening of new facilities to more than 4,000 new beds in 13 countries.”

Further upturn in activity in the fourth quarter

In €millions	Full year			Quarterly		
	2020	2019	Change	Q4 2020	Q4 2019	Change
France Benelux	2,363.8	2,218.4	+6.6%	625.8	567.7	+10.2%
Central Europe	1,010.7	961.6	+5.1%	254.1	242.7	+4.7%
Eastern Europe	365.6	358.7	+1.9%	95.6	92.3	+3.5%
Iberian Peninsula and Latam	179.0	198.3	-9.8%	40.7	52.5	-22.4%
Other country	3.2	3.1	+3.3%	0.8	0.8	N.A.
Total revenue	3,922.3	3,740.2	+4.9%	1,017.0	956.0	+6.4%
Of which: organic growth ⁴			0.0%			+1.2%

Consolidation dates: Clinipsy in France from 15 July 2020, Sinoué in France from 1st April 2020, TLC in Ireland from 1st January 2020, SIS Brazil and SIS Portugal from 1st October 2019.

Composition of geographical areas: France Benelux (France, Belgium, Netherlands, Ireland), Central Europe (Germany, Italy, Switzerland), Eastern Europe (Austria, Poland, Czech Republic, Croatia, Slovenia, Latvia), Iberian Peninsula and Latam (Spain, Portugal, Brazil, Uruguay, Mexico), Other country (China).

While the fourth quarter was marked by a second wave of the Covid-19 pandemic and lockdowns in most European countries, the Group’s activity accentuated its upturn with revenue growth of +6.4%. During that quarter, organic growth was +1.2%, more than double that of the previous quarter (+0.5% in Q3). This performance was a result of:

- the continuing upturn in post-acute and rehabilitation activities, notably with the transformation of beds dedicated to Covid-19 patients;
- the solid momentum of mental health activities;
- good control of occupancy rates in nursing homes. The teams are continuing to protect everyone via preventative measures (sectorisation, operating procedures, etc.) and remedial measures (care protocols, temporary lockdowns, etc.), which are adapted as new scientific knowledge of the virus becomes available, while striving to maintain a warm and friendly ambiance.

With the exception of the Iberian Peninsula and Latam zone, primarily impacted by Spain, the various geographical areas all recorded organic growth that was positive or close to zero in the fourth quarter.

Over 2020 as a whole, which was marked by an unprecedented pandemic, revenue grew by almost 5% to a record €3,922 million. This solid performance demonstrates not only the resilience of the Group’s activity, but also the extraordinary commitment of ORPEA’s teams to try to limit the impact of this crisis, giving their very best for

⁴ The Group’s organic growth reflects the following factors: 1. The year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates; 2. The year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period; 3. Revenue generated in the current period by facilities created during the year or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

our residents and patients. Organic revenue was stable over the year, growth being a result of the acquisitions of groups, notably in Ireland in the field of nursing homes and in France in the field of mental health, as well as targeted acquisitions of independent facilities.

Success of the deployment of the Covid vaccine in the Group’s nursing homes

Thanks to the decision taken by most European nations to prioritise nursing home residents in their vaccine strategies, vaccination campaigns in the Group’s facilities began at the end of 2020 and significantly accelerated during the first weeks of January 2021. Once again, the mobilisation of ORPEA’s teams in terms of educating people about the vaccination strategy, but also in terms of organisation, has enabled the Group to achieve, as of 8 February 2021, an average vaccination rate of over 66% for its nursing home residents (those having had at least the first of the two vaccine injections).

Some countries, such as Spain, Portugal, Brazil, Austria and Croatia, have already exceeded 80%. This vaccination campaign, deployed with unprecedented speed, has thus been globally warmly welcomed by elderly residents and their families and, more importantly, will protect them from more serious forms of the disease.

Among the Group’s staff, 37% have already been vaccinated in its facilities even though, in a number of countries, the campaign is not yet open to every age bracket.

Whatever the stage of the vaccination programme within the Group’s facilities, barrier measures, psychological support and all procedures associated with Covid-19 remain in place to provide residents, patients, families, staff and external partners with the best possible protection.

2021: more than 4,000 new beds to open

Over the last few years, ORPEA has refocused its development strategy on the most value-creating avenue: the creation of new facilities in large European and Latin American towns and cities. As anticipated, this strategy will begin to bear fruit in 2021, with an acceleration of over 50% in the opening of new beds compared with the rate recorded in recent years.

The Group will open, in 2021, and more specifically over the second half of the year, 4,055 new beds, corresponding to approximately 45 new facilities and extensions of existing facilities. These openings will take place across all of the Group’s geographical zones: 32% in France and Benelux, 20% in Central Europe, 23% in Eastern Europe and 25% in the Iberian Peninsula and Latam. These facilities have been designed and built by the Group incorporating the very highest standards of quality and care, in compliance with local traditions, and are mostly located in strategic towns and cities: Antwerp, Porto, Bilbao, Rio, Villach, Warsaw, Dortmund, Turin, etc.

For example, 2021 will see the opening of the first flagship ORPEA facility in Brazil with the Peninsula facility, located in front of the bay in Rio de Janeiro, in one of the city’s most sought-after districts.

2021 outlook

Although the vaccination campaigns have made a very good start and the health situation within the Group’s facilities has remained stable since mid-December, ORPEA remains particularly vigilant and has recently reinforced its barrier measures, faced with the risk of new variants of the Covid-19 virus. ORPEA will indicate its 2021 revenue growth target when it publishes its 2020 annual results on 16 March.

Financial schedule for 2021

The following dates are subject to change. Press releases will be published after the market closes.

Event	Date
Full-year 2020 results	Tuesday 16 March 2021

First-quarter 2021 revenue	Tuesday 4 May 2021
Half-year 2021 revenue	Tuesday 20 July 2021
Half-year 2021 results	Tuesday 21 September 2021
Third-quarter 2021 revenue	Wednesday 3 November 2021

Puteaux, 16 March 2021 (6:00 pm CET)

COVID-19 VACCINATION CAMPAIGN: 80% OF RESIDENTS VACCINATED

2020: GROWTH IN ACTIVITY AND RESILIENT PROFITABILITY

- **REVENUE: €3,922 MILLION (+4.9%)**
- **EBITDA: €926,5 MILLION (-2.4%)**

AN EXPANDING GROWTH PIPELINE: +8,769 BEDS IN 2020

- **PIPELINE OF BEDS UNDER CONSTRUCTION OF MORE THAN 25,000 BEDS**
- **NETWORK OF MORE THAN 111,000 BEDS IN 23 COUNTRIES**

STRONG INCREASE IN REAL-ESTATE PORTFOLIO VALUATION (+€789 MILLION)

- **PORTFOLIO VALUATION AT €6.8 BILLION**

2021 REVENUE GROWTH TARGET: AT LEAST +6%

- **> €4,155 MILLION**

The ORPEA Group, world leader in long-term care (nursing homes, post-acute and rehabilitation and hospitals and mental health facilities, and home care services) today announced its consolidated results for the 2020 financial year⁵, ended on 31 December, which release has been approved by the Board of Directors on 16 March 2021.

Management of Covid-19: major improvement in the sanitary situation across all Group facilities thanks to the success of the vaccination campaign

The Covid-19 vaccination campaign, which is scheduled to be completed across all countries in which the Group operates by the beginning of April, coupled with the strong commitment of our teams, has improved the sanitary situation within the ORPEA network.

At 15 March 2021, 80% of residents and 44% of employees had been vaccinated. Thanks to the success of these vaccinations, the number of positive cases has decreased considerably and currently represents less than 1% of the Group's residents. More than 90% of the Group's nursing homes thus currently have no positive cases of Covid-19.

Although the teams remain highly cautious and strict barrier measures remain in place, the social life within each facility, which is of utmost importance is gradually returning to normal: meals at the restaurant, family visits,

⁵ The 2020 financial statements are currently being audited.

events and entertainment, authorisations to leave the premises. ORPEA is providing customised solutions in each region and each facility according to regulatory requirements and the local public health context.

As has been the case each year for 20 years, ORPEA has carried out an annual satisfaction survey among the residents of nursing homes and their families worldwide: 50,000 questionnaires were issued and the rate of response was 56%, a high level considering the pandemic. Thanks to the unprecedented commitment of employees during the past year of this public health crisis, the satisfaction and recommendation rates have improved: reaching 92.5% (+0.2pt) and 95.1% (+1.2pts) respectively.

2020 results demonstrate the Group's resilience in an unprecedented context

Results for 2020 are presented in accordance with IFRS standards, including IFRS 16.

In €m (IFRS)	2020	2019	Change
Revenue	3,922.4	3,740.2	+4.9%
EBITDAR (EBITDA before rental expenses)	963.0	982.5	-2.0%
EBITDA	926.5	949.4	-2.4%
Recurring operating profit	422.9	503.7	-16.0%
Net interest expense	-256.7	-215.0	+19.4%
Profit before tax	210.3	325.7	-35.4%
Net profit attributable to Group's shareholders	160.0	233.8	-31.6%

Revenue for 2020 was up +4.9% to €3,922.4 million, driven by good external growth momentum in Ireland (TLC Group) and France (Clinipsy, Sinoué). Moreover, the recovery in organic growth during H2 offset the slight slowdown in growth seen during H1.

EBITDAR (EBITDA before rental expenses) recorded a limited decline of 2% over the year as a whole, to €963 million representing a margin of 24.6%, versus 26.3% in 2019, marking a limited 170 bp decrease against a backdrop of a global pandemic.

The gross cost of Covid-19 over 2020 was €259 million (loss of business, additional costs relating to personal protective equipment and staff bonuses), and the net cost €101 million, taking into account compensation received. This compensation is recognised as recurring profit, either mainly under other income for compensation relating to loss of activity or as a reduction in expenses for compensation for additional costs.

H2 2020 was characterised by a marked increase in profitability, with an EBITDAR margin that improved by 150 bp to 25.3% versus 23.8% during H1, thanks to the upturn in business, mainly in post-acute and rehabilitation hospitals and mental health facilities. Central Europe and Eastern Europe enjoyed a strong improvement in profitability during H2, whereas the Iberian Peninsula and Latam continued to be affected by the scale of the pandemic in Spain during H1.

EBITDA declined by a limited 2.4% to €926.5 million, representing a margin of 23.6% (vs 23.1% during H1 2020).

Recurring operating profit stood at €422.9 million (-16%) after depreciation, amortisation and charges to provisions of €503.7 million (+13%) with the level of amortisation and depreciation reflecting the growth of the real-estate portfolio held by the Group.

Net non-recurring gains were €14.1 million compared with €37.0 million in 2019 (+19.2%).

The net interest expense reached €256.7 million (+19.4%), with this increase mainly driven by a non-cash element relating to provisions for interest rate hedging due to an environment of sustained negative interest rates during 2020.

Against a backdrop of the global public health crisis that impacted both levels of activity and operating expenses, net profit attributable to Group's shareholders reached €60 million (-31.6%). Excluding IFRS 16, 2020 net profit stood at €174 million, representing a decline of 29% compared to 2019.

Proposed dividend distribution of €0.90 per share

In 2020, faced with an unprecedented situation, ORPEA was one of the first groups to propose a dividend suspension in solidarity with all stakeholders. This proposal was almost unanimously approved (99%) by shareholders during the Annual General Meeting.

Faced with the prospect of an improvement in the public health situation, the Board of Directors, will propose, at the 24 June 2021 Annual General Meeting, that shareholders approve the distribution of a dividend of €0.90 per share, entirely paid in cash, with respect to the 2020 financial year. This amount implies a pay-out ratio of 36%, allowing the Group to maintain its investment capacity to improve and develop its network of facilities.

Significant growth in the real-estate portfolio to €6.8 billion

At 31 December 2020, the Group's real-estate portfolio was valued at €6,806 million⁶ and had a total surface area of more than 2.2 million sqm.

This significant improvement of €789 million (+13%) compared to 2019 was driven by:

- the revaluation (+€406 million) of all existing real estate (as opposed to one third of the portfolio every three years) by independent experts Cushman & Wakefield and JLL. This assessment points to a capitalisation rate of 5.3% (vs 5.7% in 2019) that reflects changes to market conditions, but which nonetheless remain conservative in terms of recent transactions of assets falling within the same category;
- the continuation of developments associated with the ownership of new buildings in prime locations, notably with the acquisition of buildings in Ireland, Germany and the Netherlands (+€15 million);
- the disposal of facilities (-€32 million), in line with the arbitrage strategy announced by the Group at the end of 2019.

As the public health crisis has demonstrated the resilience of occupancy rates at healthcare facilities, the Group's buildings continue to attract an increasing number of international real-estate investors, under conditions that remain very attractive in terms of yield, the indexation of rental income and lease terms. The Group has thus received commitments of more than €2 billion for its 2021-2025 disposal programme.

ORPEA therefore now owns 47% of its facilities, which is in line with the medium-term ownership rate objective of 50%.

Financial structure strengthened further in 2020

In 2020, ORPEA continued to actively strengthen its financing capacity, with new bank financing and non-banking transactions (Schuldschein and Euro PP for almost €500 million), of which part in long-term maturities (12 and 15 years), as well as a Private Placement indexed to extra-financial impact criteria.

⁶ Excluding the impact of €490 million of real-estate assets held for sale as of 31.12.20.

Net financial debt stood at €6,103 million⁷ at 31 December 2020, compared with €5,958 million at 30 June 2020, a very modest increase considering the level of investments, both in real estate and operating assets.

The share of real estate debt reached 87%, compared with 85% at 31 December 2019. Debt ratios restated for IFRS 16, used by the Group's financial partners, remain well below their covenants, with financial leverage restated for real estate assets at 3.4 (5.5 authorised) and stable restated gearing compared with 2019 at 1.6 (2.0 authorised). The Group therefore has good financial leeway to execute its growth strategy.

Borrowing cost (including hedging costs) stood at 2.4%, a 30 bp decrease compared to 2019. Net debt is still fully hedged against the risk of an increase in interest rates.

Further sustained growth for the network in 2020: +8,769 new beds in just one year

At 31 December 2020, the ORPEA network extended across 23 countries, with 111,801 beds in 1,114 facilities, thanks to a sustained pace of growth despite the Covid-19 pandemic.

Indeed, following an already steady increase of almost 8,000 beds in 2019, the Group continued its development policy by increasing its network by 8,769 new beds (+8%) in 2020:

- +5,808 beds (i.e. 66% of the increase) through the creation of facilities across all geographical regions, in particular in France, Germany, Portugal and Mexico;
- +2,961 beds through external growth, via the acquisition of groups (Sinoué and Clinipsy in France, TLC and Brindley in Ireland) and independent facilities.

The growth pipeline, consisting exclusively of beds under construction, posted growth in excess of 20% over 12 months to reach a record level of 25,403 beds. This marked improvement, for the third consecutive year, underlines the Group's long-term growth momentum, which remains unchanged despite the unprecedented context of the public health crisis. This growth pipeline will allow the Group to guarantee secure, sustainable and strong organic growth for the next five years.

	Number of sites	Beds in service	Beds under construction	Number of beds	Change in 12 months
France Benelux	572	42,540	5,366	47,906	+3,838
France	372	32,673	3,543	36,216	+2,193
Netherlands	116	1,676	1,168	2,844	+583
Belgium	71	7230	268	7,498	79
Luxembourg	2	0	365	365	+0
Ireland	11	961	22	983	+983
Central Europe	261	22,148	5,828	27,976	+ 1,485
Germany	191	17,105	3,452	20,557	+974
Italy	30	1,977	1,518	3,495	+266
Switzerland	40	3,066	858	3,924	+245
Eastern Europe	142	11,154	4,101	15,255	+ 836
Austria	87	7,041	954	7,995	+180
Poland	23	1,190	1,696	2,886	+0
Czech Rep.	20	2,044	784	2,828	+103
Slovenia	9	551	467	1,018	+225
Latvia	1	202		202	+202
Croatia	1	126		126	+126
Russia	1		200	200	+0
Iberia and Latin America	137	10,416	9,723	20,139	+2,225

⁷ Excluding €550 million and €400 million in debt associated with assets held for sale at 31.12.2020 and 31.12. 2019 respectively.

	Number of sites	Beds in service	Beds under construction	Number of beds	Change in 12 months
Spain	66	8,992	2,339	11,331	+254
Portugal	37	728	3,336	4,064	+956
Brazil	22	471	2,487	2,958	+206
Uruguay	3	100	209	309	-17
Colombia	4	0	641	641	+320
Mexico	5	125	711	836	+506
Other country	2	140	385	525	+ 385
China	2	140	385	525	+385
Total Group	1,114	86,398	25,403	111,801	8,769

Major developments and investments in training

ORPEA's employees are key to the Group's success and a major stakeholder within the CSR commitments of the Group. Achieving sustainable growth requires the implementation of an innovative and differentiating Human Resources strategy that meets three fundamental challenges - recruitment, training and loyalty.

In terms of recruitment, ORPEA uses all the means available to increase the visibility and attractiveness of its employer brand, while diversifying its sources:

- strengthening its social media presence to better promote its professions and careers,
- the digitalisation of HR processes, which has already achieved tangible results with, for example, 5,000 unsolicited job applications received in France and Germany,
- partnerships with non-profit organisations to attract new profiles: "Nos quartiers ont du talent", "Rev'elles ton Potentiel", "Viens Voir Mon Taf",
- the development of Open Innovation through partnerships with start-ups such as *Hublo*, a digital solution for the management of replacement care staff which already has more than 9,000 candidates registered in its database for ORPEA.

ORPEA has always considered training to be a cornerstone of its HR development policy to enable all employees, regardless of their position, to advance in their careers with no "glass ceiling". The Group has thus introduced major new initiatives in this area:

- the development of internal schools, for example in France that now has two schools for carers capable of accepting 250 candidates each year;
- the acquisition of EMG Akademie, the leading nursing and care school in Austria, associated with the construction of a campus covering all Care-related courses, with a capacity of over 500 students;
- an acceleration in the Validation of Prior Experience (VAE) programme: more than 600 nursing assistants will be able to become carers in just two years;
- partnerships with prestigious universities to create University Degrees specific to ORPEA's fields of expertise: Degree in Psychiatric Nursing, Degree in Hygiene, Degree in Troubled Teens, etc.

The Group will continue to invest in its HR development strategy to reinforce its attractiveness, attract and retain more talent, and promote the personal and professional development of its employees which is a key factor in terms of competitiveness for ORPEA.

Strategy and outlook

In 2021, the Group will remain extremely cautious in terms of the public health situation and will continue to implement all of its resources and know-how to protect its residents, patients and employees and strengthen its relationship with and the well-being of all its stakeholders. The Group has set the following objectives:

- continue to grow in its five geographical areas across all professions in long-term physical and mental health care, through targeted acquisitions and new facility construction projects;
- open 4,055 new beds from the growth pipeline;
- revenue growth above 6% (> €4,155 million)
- real-estate disposals of €400-500 million, in line with its strategy of owning around 50% of its property portfolio;
- roll out its CSR roadmap with 2023 objectives focused on its five stakeholders: Residents, Patients & Families, Employees, Partners, Environment, Society & Community.

Yves Le Masne, Chief Executive Officer of ORPEA, commented:

“2020 was an unprecedented year in the scale and duration of the global pandemic, but ORPEA, thanks to the commitment of its 68,000 employees, who I would like to once again thank for their unwavering commitment, was able to demonstrate its ability to adapt and resist. ORPEA thus posted revenue growth of close to 5%, EBITDAR in slight decline of 2% compared to 2019 and net profit of €160 million (€174 million restated for IFRS 16, -29%).

While remaining highly cautious to protect our residents and patients, we are reasonably confident that the public health situation will gradually return to normal, thanks in particular to the success of the vaccination campaign.

In 2021, we will continue to broaden our CSR commitments, notably by investing in the development, training and well-being of our employees so that they are happy and proud to work, each day, in a profession that has never been so useful and essential to our society.

Lastly, the Group is confident in its ability to continue its sustained global growth focused, as always, on value creation through new acquisitions and the construction of new health facilities.”

Organic growth

Organic growth 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 in the current or year-earlier period, and the change in revenue at recently acquired facilities by comparison with the previous equivalent period

EBITDAR

EBITDA before rents, including provisions related to external charges and staff costs

EBITDA

Recurring operating profit before net additions to depreciation and amortisation, including provisions related to external charges and staff costs

Pre-tax profit on ordinary activities

Recurring operating profit - Net financial expense

Net debt

Non-current borrowings + current borrowings - cash and short-term investments

Financial leverage restated for real-estate assets

(Net debt - Real-estate debt)/(EBITDA - (6% x Real-estate debt))

Restated gearing

Net debt/(Equity + Deferred taxes available indefinitely on intangible assets)

Capitalisation rate

The real-estate capitalisation rate or the rate of return is the ratio between the rental amount and the building's value

Consolidated income statement (Audit in progress)

In €m	2020	2019	2020 Restated IFRS 16	2019 Restated IFRS 16
Revenue	3,922.3	3,740.2	3,922.3	3,740.2
Purchases used and other external expenses	-712.3	-685.6	-718.4	-685.6
Staff costs	-2,210.3	-1,978.1	-2,210.3	-1,978.1
Taxes other than on income	-135.5	-129.2	-135.5	-129.2
Depreciation, amortisation and charges to provisions	-503.6	-445.7	-233.4	-198.5
Rents	-36.5	-33.1	-354.0	-331.4
Other recurring operating income and expenses	98.8	35.1	98.8	35.1
Recurring operating profit	422.9	503.7	369.5	452.5
Other non-recurring operating income and expenses	44.1	37	43.5	36.2
Net interest expense	-256.7	-215.0	-184.0	-147.9
Profit before tax	210.3	325.7	228.9	340.8
Income tax expense	-52.6	-98.6	-56.9	-101.6
Share in profit/(loss) of associates and joint ventures	2.3	6.7	2.3	6.7
Net profit attributable to ORPEA's shareholders	160.0	233.8	174.3	245.9

Consolidated balance sheet (Audit in progress)

In €m	31-dec-20	31-dec-19
Non-current assets	14,398	12,440
Goodwill	1,489	1,299
Intangible assets	2,881	2,469
Property, plant and equipment and properties under development	6,806	6,017
Right of use assets	2,817	2,334
Other non-current assets	405	321
Current assets	1,944	1,699
<i>Cash and short-term investments</i>	889	839
Assets held for sale	550	400
TOTAL ASSETS	16,892	14,539
Equity attributable to ORPEA's shareholders and deferred taxes available indefinitely	3,949	3,513
Equity attributable to ORPEA's shareholders	3,374	3,014
Deferred taxes available indefinitely on operating intangible assets	576	499
Non-controlling interests	-5	-3
Non-current liabilities	9,998	8,849
Other deferred tax liabilities	625	529
Provisions for liabilities and charges	191	199
Non-current liabilities	6,462	5,859
Lease commitments	2,720	2,262
Current liabilities	2,399	1,780
<i>o/w current financial liabilities (bridge loans and real-estate porting)</i>	530	515
Liabilities associated with assets held for sale	550	400
TOTAL EQUITY AND LIABILITIES	16,892	14,539

Cash flows (Audit in progress)

In €m	2020	2019
Net cash from operating activities	440	487
Investments in construction projects	-427	-375
Acquisitions of real-estate	-324	-343
Disposals of real-estate	232	16
Net operating investments and equity investments	-488	-276
Net cash generated/(used) by investing activities	-1,007	-978
Net cash generated/(used) by financing activities	617	562
Change in cash over the period	50	71
Cash at end of period	889	839

Reader warning

In the press release issued on 16 March 2021, on page 7, the Group disclosed a summary cash flow statement, without specifying that the aggregates were restated for the impacts of IFRS 16. The summary cash flow statement below shows a presentation with and without the impact of IFRS 16:

Cash flows (Audit in progress)

In €m	2020	2019	2020 restated IFRS16	2019 restated IFRS16
Net cash from operating activities	758	806	440	487
Investments in construction projects	-427	-375	-427	-375
Acquisitions of real-estate	-324	-343	-324	-343
Disposals of real-estate	232	16	232	16
Net operating investments and equity investments	-488	-276	-488	-276
Net cash generated/(used) by investing activities	-1,007	-978	-1,007	-978
Net cash generated/(used) by financing activities	299	243	617	562
Change in cash over the period	50	71	50	71
Cash at end of period	889	839	889	839

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the “**Subscription Agreement**”) dated 30 March 2021, between the Issuer and the Joint Lead Managers, the Joint Lead Managers agreed with the Issuer, subject to the satisfaction of certain conditions, to procure the subscription and the payment, failing which to subscribe and pay, for the Notes at an issue price equal to 99.195 per cent. of their aggregate principal amount, less the commissions agreed between the Issuer and the Joint Lead Managers. The Subscription Agreement entitles, in certain circumstances, the Joint Lead Managers to terminate it prior to payment being made to the Issuer.

1. General restrictions

No action has been or will be taken by the Issuer or the Joint Lead Managers (to the best of their knowledge) in any country or jurisdiction that would permit an offering of the Notes to retail investors, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any document, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

Each of the Joint Lead Managers has agreed and represented that it has complied and will comply (to the fullest extent possible) with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material.

2. United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this section and not otherwise defined in this Prospectus have the meanings given to them by Regulation S.

The Notes are only being offered and sold outside of the United States in offshore transactions in compliance with Regulation S.

The Joint Lead Managers have represented and agreed that they have not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Notes as part of their distribution at any time within the United States.

In addition, until 40 calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

3. United Kingdom

The Joint Lead Managers have represented and agreed that:

- they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activities (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by them in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from or otherwise involving, the United Kingdom.

4. Prohibition of Sales to European Economic Area Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- the expression “**retail investor**” means a person who is one (or more) of the following:
 - i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- ii. a customer within the meaning of (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

5. Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

- the expression “**retail investor**” means a person who is one (or more) of the following:
 - i. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - iii. not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

GENERAL INFORMATION

1. The Issuer's registered address is located at 12, rue Jean Jaurès 92813 Puteaux Cedex and its registration number is 401 251 566 RCS Nanterre. The Issuer's telephone number is: +33 (0)1 47 75 78 07. The Issuer was initially incorporated as a on 22 May 1995, as a French limited company (*société à responsabilité limitée*) and converted into a public limited company (*société anonyme*) on 27 September 1999 and the length of life of the Issuer is until 8 June 2094. The Legal Entity Identifier ("LEI") of the Issuer is: 969500LHH3NT7PK1V89.
2. The Notes have been accepted for clearance through Euroclear France (66 rue de la Victoire, 75009 Paris, France), Clearstream (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) with the common code 232559799 for the Notes. The ISIN code is FR0014002O10 for the Notes.
3. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 16 March 2021 and a decision of Yves Le Masne, *Directeur Général* of the Issuer dated 30 March 2021.
4. This Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation and received the approval number no. 21-084 dated 30 March 2021. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

5. The total expenses related to the admission to trading of the Notes (including AMF fees) are estimated to €12,800.
6. To the Issuer's knowledge, at the date of this Prospectus, there are no conflicts of interest between the private interests and/or other duties of members of the Board of Directors (*Conseil d'administration*) of the Issuer and the duties they owe to the Issuer.
7. Save for any fees payable to the Joint Lead Managers, and for the repayment of certain existing debt towards one or more Joint Lead Manager, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.
8. The yield of the Notes is 2.125 per cent. *per annum*, as calculated at the Issue Date on the basis of the issue price of the Notes. It is not an indication of future yield.
9. The statutory auditors of the Issuer for the period covered by the historical financial information are Saint Honoré BK&A (140, rue du Faubourg Saint-Honoré - 75008 Paris – France) and Deloitte & Associés (6, place de la Pyramide, 92908 Paris - La Défense Cedex– France). They have audited and rendered audit reports on the financial statements of the Issuer for each of the financial years ended 31 December 2018 and 31 December 2019. Saint Honoré BK&A belongs to the *Compagnie Régionale des Commissaires aux Comptes de Paris* and Deloitte & Associés belongs to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.
10. Except as disclosed in this Prospectus, namely the future economic impacts linked to the current situation with Covid-19, there has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2020.
11. Except as disclosed in this Prospectus, namely the future economic impacts linked to the current situation with Covid-19, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.
12. During the period of twelve (12) months prior to the date of this Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which

the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

13. So long as any of the Notes is outstanding, copies of this Prospectus, the documents incorporated by reference in this Prospectus, the by-laws (*statuts*) of the Issuer, the most recent financial statements of the Issuer and, as the case may be, the audit reports with respect thereto will be available and obtainable, free of charge, at the registered office of the Issuer during normal business hours on any weekday (except Saturdays, Sundays and public holidays). The by-laws (*statuts*) of the Issuer are also available on the websites of the Issuer (www.orpea-corp.com). This Prospectus, together with the 2018 Reference Document and the 2019 Universal Registration Document, are also available on the websites of the AMF (www.amf-france.org) and of the Issuer (www.orpea-corp.com). The 2020 Interim Financial Report is available on the website of the Issuer.
14. This Prospectus contains or incorporates by reference certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.
15. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in the ordinary course of business, in investment banking, commercial banking transactions and/or other financial advisory dealings with, and may perform services for, the Issuer and its affiliates and in relation to securities issued by the Issuer. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Where there is a lending relationship between the Issuer and one or several Joint Lead Managers, it cannot be excluded that all or part of the proceeds of any issue of Notes be used to repay or reimburse all or part of such loans. Potential conflicts of interest may arise between the Calculation Agent (as defined in the preamble of the Terms and Conditions of the Notes) for the Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that the Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes.
16. The website of the Issuer is "www.orpea-corp.com". The information on such website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus, and has not been scrutinised or approved by the competent authority.
17. Neither the Second Party Opinion, nor any such other opinion or certification is, or shall be deemed to be, incorporated in and/or form part of this Prospectus.
18. Neither the Notes nor the long-term debt of the Issuer is rated.
19. The Group's financial information relating to the financial year ended 31 December 2020 included in the press release published by the Issuer on 16 March 2021 in relation to the unaudited consolidated financial information of the Group for the financial year ended 31 December 2020 included in the section "Recent Development" in this Prospectus (the "**Group's Full-Year 2020 Press Release**") have been prepared using a process similar to that adopted for the preparation of the Group's annual consolidated financial statements and are currently being audited. The main assumptions used for the preparation of the financial information relating to the financial year ended 31 December 2020 are presented and prepared in a form consistent with the accounting standards framework used by the Issuer for the purpose of preparing its historical financial information. The Board of Directors of ORPEA has examined at its 16 March 2021 meeting the Group's financial information for the financial year ended 31 December 2020 and has approved communication of the figures inserted in the Group's Full-Year 2020 Press Release. Therefore the financial information from the

Group's Full-Year 2020 Press Release presented herein shall be, in accordance with the Regulation EU 2017/1129, qualified as estimated financial results.

20. In relation to the unaudited consolidated financial statements of the Issuer as of and for the year ended 31 December 2020, published on 16 March 2021, pursuant to Section 8 item 8.2 of Annex VII of Commission Delegated Regulation (EU) 2019/980, the Issuer makes the following statements:

The estimate has been compiled and prepared on a basis which is:

- (a) comparable with the historical financial information;
- (b) consistent with the issuer's accounting policies; and
- (c) this financial information has not been audited.

RESPONSIBILITY

1. Person responsible for the information contained in the Prospectus

ORPEA

12 rue Jean Jaurès
92813 Puteaux Cedex
France

Duly represented by:

Yves Le Masne
Chief Executive Officer

2. Responsibility statement

I hereby certify, that the information contained in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 30 March 2021

ORPEA

Duly represented by Yves Le Masne, Chief Executive Officer



This Prospectus has been approved by the French *Autorité des marchés financiers* (the “AMF”) in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Prospectus after inquiring that the information it contains is complete, consistent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors are invited to make their own assessment as to the suitability of investing in the Notes.

This Prospectus has been approved on 30 March 2021 and is valid until 1 April 2021 and shall, during this period and in accordance with the provisions of Article 23 of the Regulation (EU) 2017/1129, be completed by a supplement to the Prospectus in the event of new material facts or material mistakes or inaccuracies. This Prospectus obtained the following approval number: n°21-084.

ISSUER

ORPEA

12, rue Jean Jaurès
92813 Puteaux Cedex
France
Tel: +33 1 47 75 78 07

JOINT STRUCTURING ADVISORS

BNP Paribas

16, boulevard des Italiens
75009 Paris
France

Natixis

30, avenue Pierre Mendès
France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

JOINT LEAD MANAGERS

BNP Paribas

16, boulevard des Italiens
75009 Paris
France

Crédit Agricole Corporate and Investment Bank

12, place des États-Unis
CS 70052
92547 Montrouge Cedex
France

HSBC Continental Europe

38, avenue Kléber
75116 Paris
France

Natixis

30, avenue Pierre Mendès France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

FISCAL AGENT, PAYING AGENT, CALCULATION AGENT AND PUT AGENT

Société Générale Securities Services

32, rue du Champ de Tir - CS 30812
44308 Nantes Cedex 03
France

STATUTORY AUDITORS

Saint Honoré BK&A

140, rue du Faubourg Saint-Honoré
75008 Paris
France

Deloitte & Associés

6, place de la Pyramide
92908 Paris - La Défense Cedex
France

LEGAL ADVISERS

To the Issuer

White & Case LLP

19, place Vendôme
75001 Paris
France

To the Joint Lead Managers

Allen & Overy LLP

52, avenue Hoche
75008 Paris
France