Press Release

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2023 FOURTH-QUARTER AND FULL-YEAR REVENUE

2023 REVENUE: €5.2BN, UP +11.0% VS. FY2022 (ORGANIC: +9.5%)

AVERAGE OCCUPANCY RATE IN 2023: UP +1.5 POINT VS. 2022

FINANCIAL RESTRUCTURING COMPLETED FOLLOWING THE THIRD CAPITAL INCREASE

ESTIMATED KEY FINANCIAL INDICATORS FOR 2023: EBITDAR OF AROUND €690M AND PRE-IFRS 16 EBITDA OF AROUND €200M

Along with the publication of its 4th quarter and full-year 2023 revenue, ORPEA confirms the acceleration of its transformation while maintaining its sales growth momentum for the year ending 31 December 2023 (unaudited figures), with an average 2023 occupancy rate up +1.5 points on 2022. The Group also provides an update on its financial restructuring and details of the main financial information communicated for 2023.

Revenue growth remained solid in the fourth quarter of 2023, with an increase of +11.7%, of which +9.7% was organic. Over the full 2023 financial year, revenue rose by +11.0%, of which +9.5% on an organic basis, giving sales for the period of €5,198 million, in line with expectations. The Group's activity as a whole is growing, with an average occupancy rate of 84.0% in the 4th quarter of 2023, up +1.9 points compared with the 4th quarter of 2022, despite a 0.9-point decrease within the perimeter of retirement homes in France.

With regard to its consolidated financial statements for the year ending 2023, which will be published in May 2024 at the latest, ORPEA ("the Company") wishes to reiterate and clarify the main estimates published on 18 January when the Third Amendment to the 2022 Universal Registration Document was made available (link):

- **EBITDAR is expected to be around 690 million euros (unchanged) ;**
- **Pre-IFRS 16 EBITDA is expected to be around 200 million euros (c. -5% below the estimate published on 18 January 2024) ;**

- **a number of items are likely to have a material non-cash impact on the consolidated financial statements for the year ending 31 December 2023:**
  - **an accounting entry following the capital transactions linked to the financial restructuring, leading to a positive impact of €2.7 billion on net income ;**
  - **a depreciation expense of around €0.4 billion, as part of the impairment tests carried out under IAS 36.**

Revenue growth in Q4 and for the full year 2023

in €m (unaudited)	Quarterly figures				12 months to December			
	Q4 2022	**Q4 2023**	*Change*	*o/w organic[1]*	2022	**2023**	*Change*	*o/w organic[1]*
France Benelux UK Ireland	715	**788**	*10,2%*	*7,2%*	2 802	**3 037**	*8,4%*	*6,2%*
Central Europe	312	**348**	*11,5%*	*10,9%*	1 197	**1 352**	*12,9%*	*12,2%*
Eastern Europe	113	**132**	*17,4%*	*16,9%*	435	**515**	*18,4%*	*18,8%*
Iber. Peninsula and Latam	63	**75**	*17,9%*	*18,6%*	242	**286**	*18,2%*	*18,3%*
Other countries	1	**2**	*nm*	*nm*	4	**7**	*nm*	*nm*
Total revenue	1 205	**1 346**	***11,7%***	***9,7%***	4 681	**5 198**	***11,0%***	***9,5%***

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

Composition of the geographical areas: Central Europe (Germany, Italy and Switzerland), Eastern Europe (Austria, Poland, the Czech Republic, Slovenia, Latvia, Croatia), Iberian Peninsula and Latam (Spain, Portugal, Brazil, Uruguay, Mexico, Chile), Rest of the World (China, United Arab Emirates).

Group revenue in **Q4 2023** amounted to €1,346 million (unaudited), up +11.7%, including +9.7% organic growth. The Group's activity as a whole is on the rise, with an average occupancy rate of 84.0% in Q4 2023, up +1.9 points on Q4 2022.

In **France Benelux UK Ireland**, revenue rose by +10.2% (of which +7.2% organic). Organic growth was primarily due to the contribution of new openings in the region (Netherlands) and an increase in the occupancy rate in Ireland. The region also benefited from the consolidation of facilities in Belgium.

In France, the medical and rehabilitation care and Mental Health Clinics activity is growing, with an occupancy rate of over 90%, confirming the diversity of expertise developed within the facilities. The average occupancy rate for retirement homes was 84.0% in the 4th quarter of 2023, down 0.9 points compared with the same period in 2022.

Revenue in **Central Europe** rose by +11.5% (of which +10.9% organic), benefiting in particular from favorable pricing trends in Germany and an increase in the average occupancy rate in the region.

In **Eastern Europe**, revenue rose by +17.4% (mainly organic), due to the continuing increase in activity levels at the facilities opened in the various countries of this zone.

Lastly, revenue in the **Iberian Peninsula and Latin America** region rose by +17.9%, essentially on an organic basis. Activity growth was particularly strong in **Spain**, the zone's main contributor, thanks to an increase in occupancy rates, the number of beds and average prices.

For the **full year 2023**, consolidated revenue amounted to €5,198 million (unaudited figure), an increase of +11.0%, of which +9.5% was organic.

Thus, despite revenue growth in France being impacted by the situation in retirement homes (average occupancy rate 2023: 83.6%, down -2 points on 2022), the Group is benefiting from its geographical diversity, with international activities characterized by high growth rates, benefiting from both a marked increase in occupancy rates (nearly +1.5 points at Group level over the full 2023 financial year) and favorable price effects.

Summary of changes in occupancy rates (for the quarter and the full year)

Average occupancy rate (unaudited)	Quarterly			12 months		
	Q4 2022	Q4 2023	*Var.*	2022	2023	*Var.*
France Benelux UK Ireland	83.4%	**84.3%**	+0.9 pt	83.6%	**83.4%**	-0.2 pt
Central Europe	79.1%	**82.5%**	+3.4 pts	79.1%	**81.9%**	+2.7 pts
Eastern Europe	82.9%	**86.8%**	+3.9 pts	81.9%	**85.6%**	+3.8 pts
Iber. Peninsula and Latam	82.2%	**85.9%**	+3.6 pts	78.0%	**83.6%**	+5.6 pts
Other countries	ns	**ns**	ns	ns	**ns**	ns
Group total	82.1%	**84.0%**	+1.9 pt	81.6%	**83.1%**	+1.5 pt

➢ Update on the financial restructuring

Following the Rights Issue of €390 million, the settlement and delivery of which took place on February 15th, the Company wishes to point out that, from 20 February 2024 to 21 March 2024, a reverse share split on the Shares making up the Company's share capital will be carried out such that 1,000 existing Shares with a par value of €0,01 each will be exchanged for one (1) new Share with a par value of €10 each (the "Reverse Share Split"), which was the subject of a resolution approved by the Company's annual general meeting of shareholders held on 22 December 2023. Details of the Share Consolidation and its expected timetable were set out in a press release issued by the Company on 5 February 2024 (link).

➢ Consolidated financial statements at 31 December 2023: estimates of EBITDAR, EBITDA pre-IFRS 16 and main items likely to have a material impact

To date, the Company estimates that EBITDAR and pre-IFRS 16 EBITDA for the 2023 financial year should be around €690 million and €200 million respectively, i.e. less than 5% below the estimate for this management indicator communicated on 18 January.

In addition, the Company reminds below the items likely to have a material impact on the consolidated income statement for the year ended 31 December 2023, which is expected to be published no later than May 2024:

- an accounting entry in respect of the financial restructuring operations carried out in 2023, and more specifically the conversion into equity of ORPEA S.A.'s Unsecured Debt: in accordance with the provisions of IFRS 9 (IFRIC 19 interpretation), the Group will recognize a positive impact (non-cash) on Group net income of around 2.7 billion euros, corresponding mainly to the difference between :

  - on the one hand, the book value of ORPEA S.A.'s Unsecured Debt repaid and/or equitized (i.e. nearly 3.9 billion euros) on the settlement-delivery date of the Equitisation Capital Increase on 4 December 2023; and

  - on the other hand, the value received as consideration in cash (72 million euros) and in the form of new shares issued as part of the Equitisation Capital Increase (this consideration representing a fair value of around 964 million euros based on a closing share price of 0.0152 euro on 4 December 2023, the settlement-delivery date of the Equitisation Capital Increase),

net of miscellaneous expenses related to the financial restructuring incurred during 2023 and/or provisioned at 31 December 2023 (approximately 120 million euros);

- a negative impact on net income (non-cash) due to additional impairments on assets (non-cash) carried on the balance sheet at 31 December 2023, amounting to around 0.4 billion euros, mainly as a result of revised real estate yields (up 0.5% on average), weighted average costs of capital in certain countries, and business plans at facility level as part of the impairment tests carried out under IAS 36.

➢ **Cash and financial debt at 31 December 2023** (unaudited figures)

The cash position at 31 December 2023 is estimated at around €645 million (unaudited figure), in line with the level forecast in the Business Plan as updated in the First Amendment to the 2022 Universal Registration Document. Gross financial debt (excluding IFRS 16 and IFRS 5) at end-December 2023 is estimated at €5.3 billion (unaudited figure).

At 31 January 2024, the Group's liquidity position stood at around €935 million, including an undrawn credit facility of €400 million under the Additional Financing agreement implemented as part of the accelerated safeguard procedure with its main banking partners.

In accordance with the timetable, on 15 February 2024 the Company received the net proceeds of the third and final capital increase under the accelerated safeguard plan.

DISCLAIMER

This document contains forward-looking statements that involve risks and uncertainties, including those included or incorporated by reference, concerning the Group's future growth and profitability that could cause actual results to differ materially from those indicated in the forward-looking statements. These risks and uncertainties relate to factors that the Company cannot control or estimate precisely, such as future market conditions. The forward-looking statements contained in this document constitute expectations of future events and should be regarded as such. Actual events or results may differ from those described in this document due to a number of risks or uncertainties described in Chapter 2 of the 2022 Universal Registration Document dated 7 June 2023, as amended in Chapter 2 of the first, second and third amendments to the Company's 2022 Universal Registration Document dated 10 November 2023, 5 December 2023 and 17 January 2024, which are available on the Company's website and that of the AMF (www.amf-france.org).

ORPEA GROUPE

About ORPEA

ORPEA is a leading global player, expert in providing care for all types of frailty. The Group operates in 20 countries and covers three core businesses: care for the elderly (nursing homes, assisted living facilities, homecare and services), post-acute and rehabilitation care and mental health care (specialized clinics). It has more than 76,000 employees and welcomes more than 267,000 patients and residents each year.

https://www.orpea-group.com/en

Since December 2023, the ORPEA Group is held at 50.2% by Caisse des Dépots, CNP Assurance, MAIF and MACSF Épargne Retraite.

ORPEA is listed on Euronext Paris (ISIN: FR0000184798) and is a member of the SBF 120 and CAC Mid 60 indices

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