Presentation of the half-year results

September 2020

LNA SANTÉ

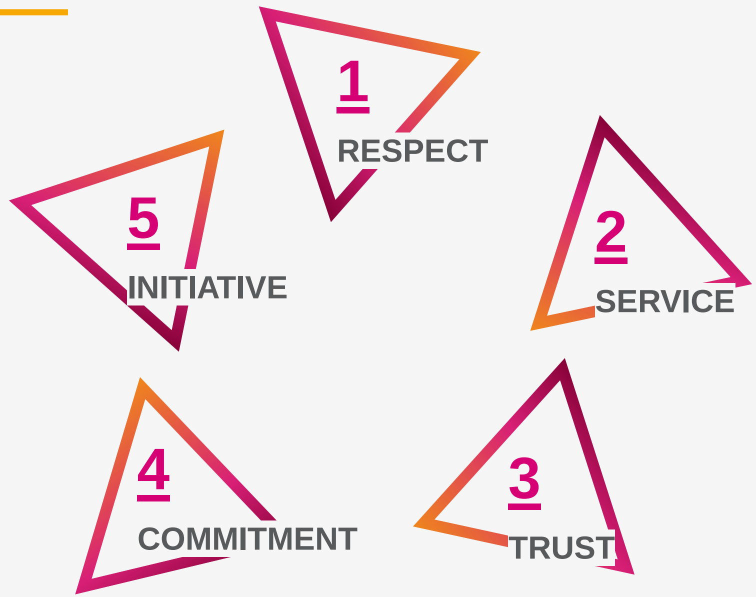
Soigner et prendre soin

Contents

LNA Santé, Treating and Providing Care

An inviolable mission and values at the heart of our project

5 BASIC AND MEANINGFUL VALUES



- **LNA Santé's Mission**
  - Treating and Providing Care
  - Improving the **quality of life** for temporarily or permanently **dependent people**, in a **welcoming and caring environment**, adapted to individual needs, regardless of age
- **A concrete desire to contribute to the development of health policies**

LNA SANTE, Treating and Providing Care

A leading player

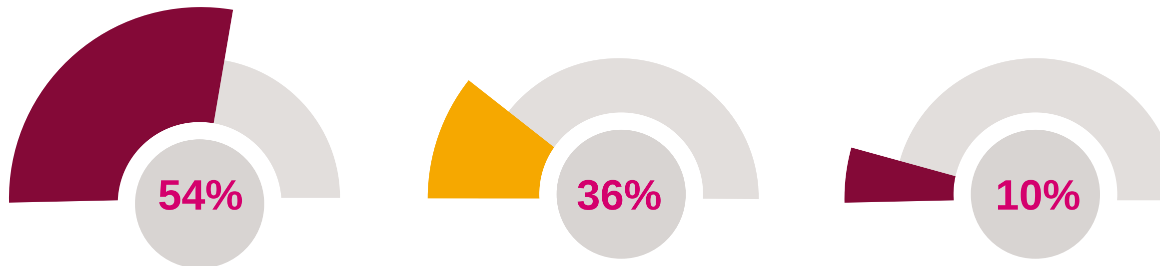
providing care for
dependent people

72
establishments

6,700
employees

+ 8,000
Patients/residents per day

30 years
of expertise and innovation
in the service of residents
and patients



ALF

Assisted living facilities/rest
and care home

Aftercare and rehabilitation

Aftercare and rehabilitation
services/psychiatry

HaH

Hospital at Home

54 %
of revenue
from
Long-Term Care

46%
of revenue
from
Medium-Term Care

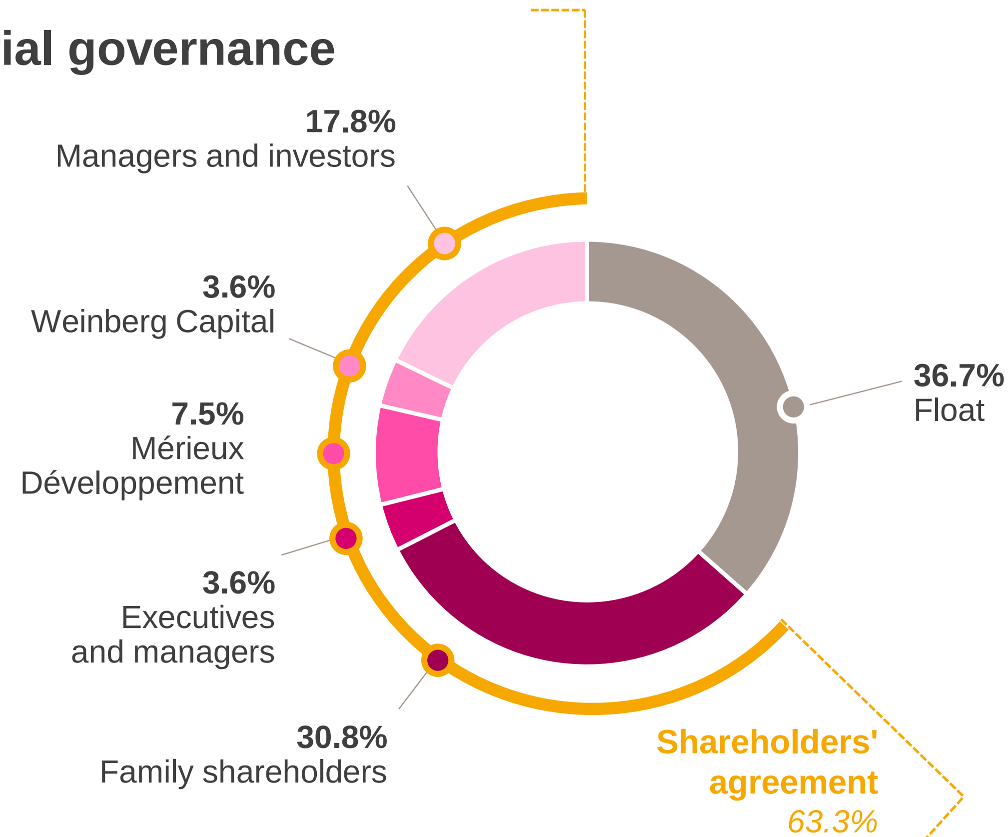
LNA Santé, Treating and Providing Care

Family-based and entrepreneurial governance

Family-owned capital
guarantee of stability and permanence

Shareholder executives & managers
who share our values and contribute to performance

Industrial families
acting together to promote growth



% of voting rights in June 2020

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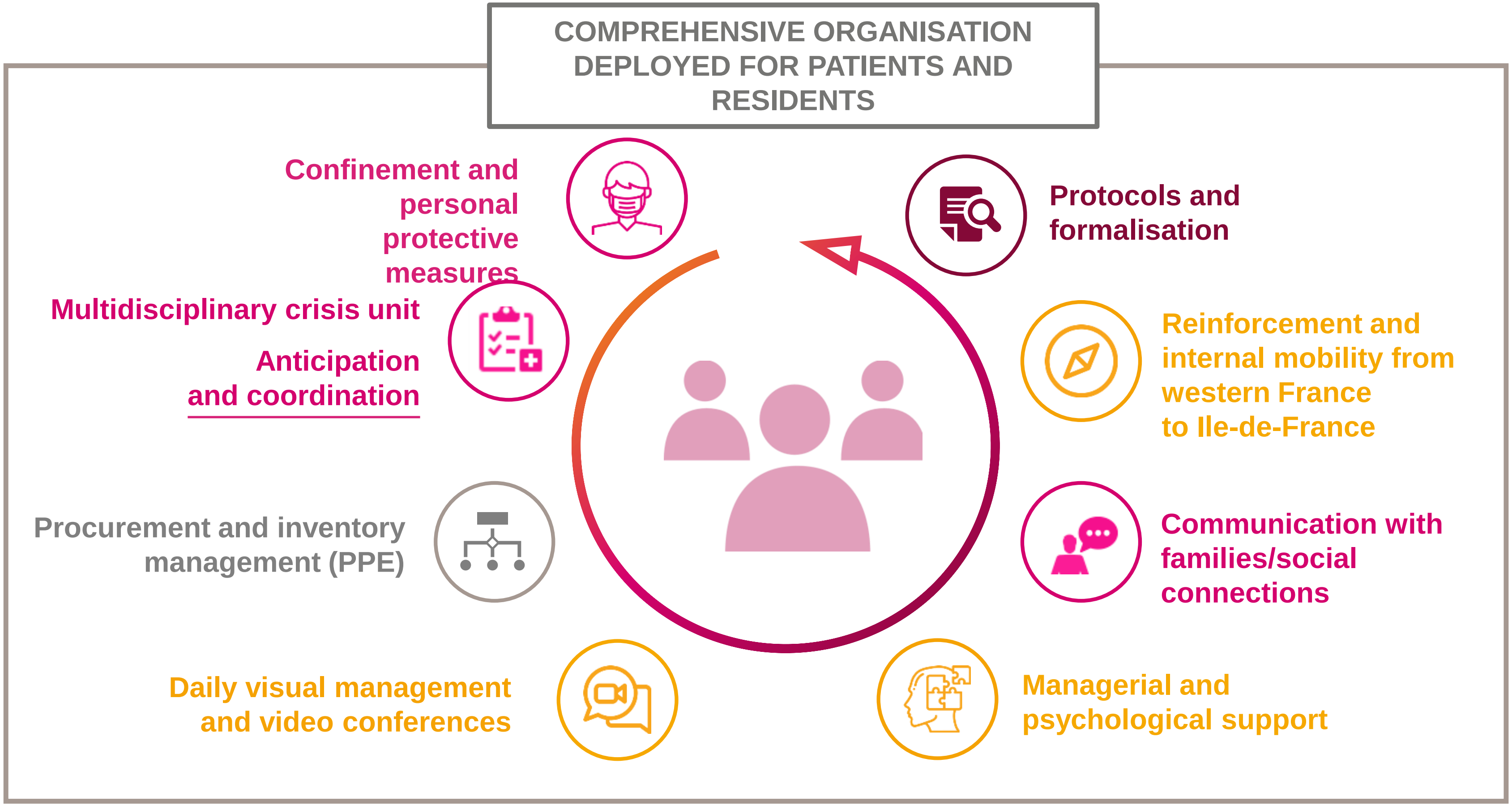
LNA SANTÉ
Soigner et prendre soin

COVID-19
Thank you to everyone:

- **To our employees,** for their commitment, courage and exceptional mobilisation
- **To the patients, residents and their families,** for the many messages of support received
- **To our suppliers,** for continuing to provide their services, thereby helping us to ensure the safety of patients and residents
- **To our local partners, municipalities, regional healthcare agencies and the departments** for their support and the solidarity measures introduced
- **To our investors, shareholders and lenders,** for their loyalty and support

COVID-19: a fully-mobilised Group

► Strong measures to anticipate, protect and support



COVID-19: a fully-mobilised Group

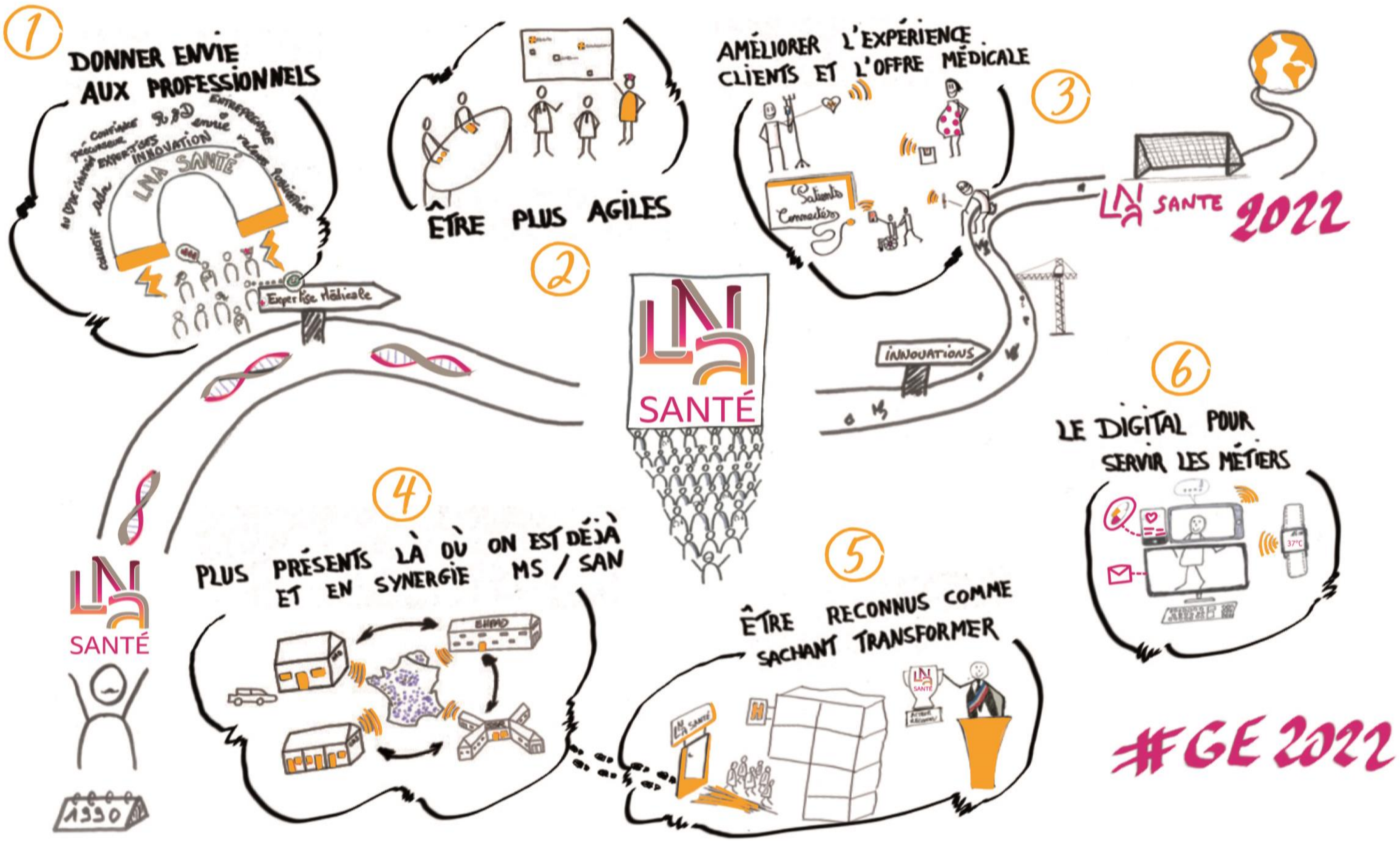
▶ From June, a priority action plan drawn up jointly in close collaboration with the teams

1. STRONG PERSONAL PROTECTIVE MEASURES DEPLOYMENT OF TESTING/PROTOCOLS/ WEEKLY CRISIS UNIT MEETINGS
2. RECOGNITION OF THE MOBILISATION OF TEAMS (INCLUDING COVID-19 BONUSES)
3. SUPPORT FOR TEAMS (MANAGERIAL, PSYCHOLOGICAL)
4. LESSONS LEARNED REVIEWS
5. RECOVERY OF THE MEDICO-SOCIAL AND HEALTHCARE BUSINESS (ORGANISATION OF ESTABLISHMENTS)
6. MEDICO-SOCIAL AND HEALTHCARE MARKETING
7. OBTAIN COMPENSATION FOR LOSS OF BUSINESS AND ADDITIONAL COSTS DUE TO THE CRISIS
8. RESTART FACE-TO-FACE AND REMOTE TRAINING COURSES/ INTERPROFESSIONAL DAYS

March-May	June-September	October-November
Peak of the health crisis	Revival of the businesses	Resumption of projects *Successes (agility, decompartmentalization, digital technology, in the service of...)*

Continuous vigilance, agile functioning

Growing Together 2022: 6 key themes for a central plan



Contents

Regulatory intelligence to redesign the health sector

“SÉGUR DE LA SANTÉ”

- **Consultation of players in the healthcare system conducted from May to July 2020 and led by the Minister of Health**
- **33 measures to accelerate the transformation of the healthcare system, based on 4 mainstays**

1 TRANSFORM THE PROFESSIONS AND IMPROVE CARER STATUS

2 DEFINE A NEW INVESTMENT AND FINANCING POLICY TO IMPROVE THE QUALITY OF CARE

3 SIMPLIFY THE ORGANISATIONS AND DAILY WORK OF HEALTH TEAMS SO THEY CAN FOCUS FIRST OF ALL ON THEIR PATIENTS

4 FEDERATE THE HEALTHCARE PLAYERS IN THE REGIONS FOR THE BENEFIT OF USERS

Old Age and Autonomy Law expected in 2021

- Major topics at the centre of the discussions

RETHINK NATIONAL AND

LOCAL GOVERNANCE

FINANCIAL RESOURCES

CREATION OF A 5TH SOCIAL SECURITY BRANCH
=> +1 billion euros in 2021 (supplementary social security contribution - CSG)

TRANSFORMATION OF THE OFFERING

TOWARDS ALFs, PLATFORMS FOR EXPERTISE AVAILABLE TO THEIR REGIONS

- **A sector central to public policies**

Contents

H1 2020 - Impact of COVID-19

HEAVY EXPOSURE OF THE NETWORK TOTHE PANDEMIC

- COVID-19 epidemic very virulent in Ile-de-France (representing 30% of the ALF capacity and 40% of the health facilities of LNA Santé)

STRONG COUNTER-MEASURES TAKEN

- Full business continuity with the closure of one site, little use of short-time work and reinforcements between facilities
- Introduction of a major crisis management plan
- Numerous signs of gratitude both from within and outside the Group for the tremendous commitment of our teams
- Use of state guarantees covering the loss of business

MAJOR IMPACT MAINLY ON H1

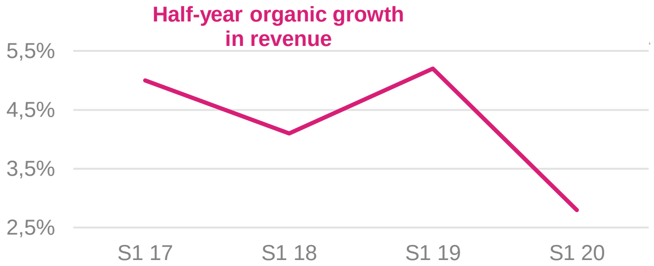
- Gross impact of COVID-19 expenses linked to the epidemic: €17.4m/Net: €9.9m
- Pending financing and compensation in the 2nd half of 2020 (PPE and reinforcements)
- Delays in business caused (restriction of Long-Term Care admissions) or suffered (cancellation of hospital surgery) totalling over €11m

OCCUPANCY UNDER GREAT PRESSURE SINCE APRIL 2020

- Fall in occupancy of 8.9 points between H1 2020 and H1 2019
- Long-Term Care: insufficiently occupied at 01/09/20 by 5 points, i.e. -250 residents/5,000 targeted, 70% of the delay being concentrated in Ile-de-France and Brussels
- Aftercare and rehabilitation: insufficiently occupied at 01/09/20 by 10 points, i.e.-200 patients/2,000 targeted, 75% of the delay being concentrated outside Ile-de-France

A SUDDEN SLOWDOWN IN BUSINESS IN Q2 2020

- Slowdown in organic growth at 2.8% in H1: 0.7% in Q2 vs 4.9% in Q1
- Mixed situations depending on the business
- HaH business up by 16%
- Growth in the aftercare and rehabilitation business stopped dead at +1.3%
- Gradual slowdown in growth in ALFs at +1.6%
- Growth in business sluggish in Belgium at +0.8%



H1 2020 - Impact of COVID-19

Loss of business, additional costs and compensation

IMPACT ON THE BUSINESS

In €m	Loss of revenue due to COVID-19[1]	Compensation	Net loss of revenue	Loss EBITDA*
Impact	(11.2)[1]	6.9	(4.3)	(2.9)[2]
Medium-term care France	(8.1)	5.2	(2.9)	(1.7)
Long-term care France	(2.8)	1.4	(1.4)	(1.2)
Long-term care Belgium	(0.3)	0.2	(0.1)	-

**Loss of business after deducting variable expenses saved included in a non-financial restatement in the presentation*

Gross impact of the pandemic €28.6m, net impact €12.8m[2]

ADDITIONAL COSTS DUE TO COVID

In €m	COVID-19 costs[2]	Compensation	Loss of operating income**
Additional costs by sector	(17.4)[1]	7.5	(9.9)[2]
Medium-term care France	(6.5)	2.8	(3.6)
Long-term care France	(10.5)	4.7	(5.8)
Long-term care Belgium	(0.2)		(0.2)
Other	(0.2)		(0.2)
*** Exceptional additional costs recognised in the published operating income*			
Additional costs by type	(17.4)	7.5	(9.9)
Protective equipment	(2.0)	-	(2.0)
Staff reinforcements	(3.0)	-	(3.1)
Covid-19 state subsidies	(7.2)	7.2	0.0
Covid-19 LNA bonuses	(3.6)	-	(3.6)
Transport, hotels, tests etc.	(1.6)	0.3	(1.3)

H1 2020 - Impact of COVID

Loss of business, additional costs and compensation

IMPACT ON MARGINS
In €m excluding impact of IFRS 16

Operations	H1 19 published excluding impact of IFRS 16	% revenue	H1 20 published excluding impact of IFRS 16	Additional costs due to Covid	Subnormal capacity usage	H1 20 ajdusted excluding impact of IFRS 16	% revenue	Adjusted margin variation excluding impact of IFRS 16
Revenue	230.5		252.1		- 4.3	256.4		n/a
EBITDAR	59.0	25.6%	61.2		- 2.9	64.2	25.0%	- 58 BPS
EBITDA	26.2	11.4%	26.4		- 2.9	29.3	11.4%	+ 5 BPS
COI	21.6	9.4%	21.1		- 2.9	24.0	9.4%	+ 2 BPS
Operating income	22.9	9.9%	9.9	-9.9	- 2.9	22.7	8.9%	- 107 BPS

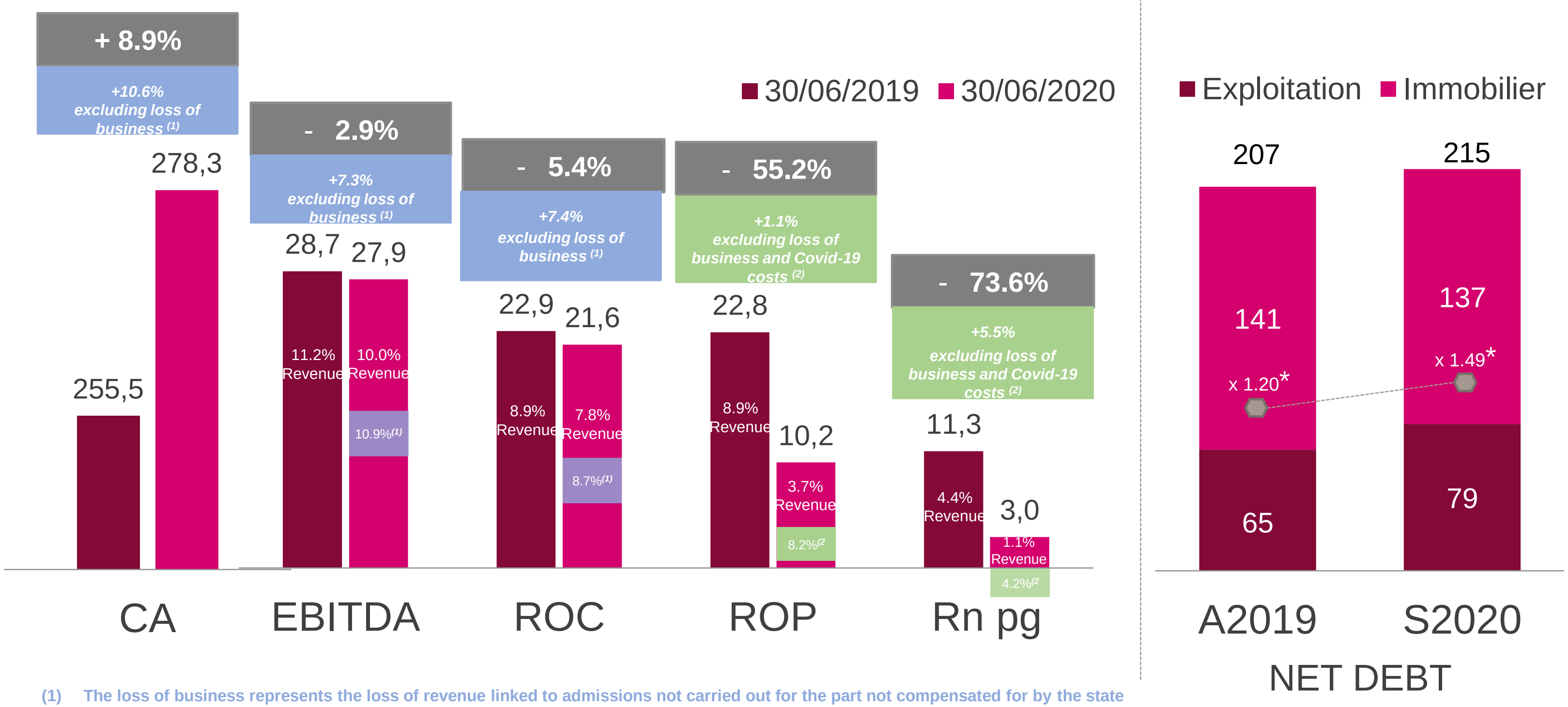
Operations in €m	**H1 2019 published** excluding impact of IFRS 16	**Loss of business due to COVID-19**	**Pro-forma excluding impact of COVID-19**	**H1 2020 published** excluding impact of IFRS 16
Revenue	230.5	- 4.3	25.9	252.1
EBITDA	26.2	- 2.9	3.1	26.4
EBITDA margin	11.4%	- 97 BPS	+ 5 BPS	10.5%
Variation in margin		- 92 BPS		

Resilience of the EBITDA and COI excluding additional costs for Covid-19

H1 2020, Key figures for the Group

REDUCTION IN PROFITS DUE TO COVID-19

In €m, excluding impact of IFRS 16



* Leverage: Operating net debt/Operating EBITDA

(1) The loss of business represents the loss of revenue linked to admissions not carried out for the part not compensated for by the state

(2) Additional costs due to Covid are recognised under non-current items in the operating income, for a total of -€9.9m

H1 2020 earnings for Operations + Real Estate

In €m, excluding impact of IFRS 16	30 June 2020	30 June 2019	Variation
Revenue	278.3	255.5	+ 8.9%
EBITDA	**27.9**	**28.7**	**- 2.9%**
EBITDA margin	*10.0%*	*11.2%*	*- 122 BPS*
EBITDA restated for the loss of business	30.8	28.7	+ 7.3%
EBITDA margin restated for the loss of business	*10.9%*	*11.2%*	*- 34 BPS*
Current operating income	**21.6**	**22.9**	**- 5.4%**
Current operating margin	*7.8%*	*8.9%*	*- 118 BPS*
COI restated for the loss of business	24.5	22.9	+ 7.4%
Current operating margin restated for the loss of business	*8.7%*	*8.9%*	*- 26 BPS*
Operating income *(including exceptional costs for COVID-19 totalling -€9.9m)*	**10.2**	**22.8**	**- 55.2%**
Operating margin	*3.7%*	*8.9%*	*- 526 BPS*

Revenue up by 8.9%, driven by the 2 businesses

- Operating revenue: + 9.4%
- Real estate revenue: + 4.8%

EBITDA down 2.9% due to Real Estate (-€1.0m i.e. -39%)

- **Operating EBITDA** remained **stable (+0.5%)** in spite of the COVID-19 pandemic and compensation of some of the loss of business by the authorities

Resilience of the COI down by 5.4%:

- Reduction in the COI for Operations limited to -€0.5m (-2.2%)
- Decline in the COI for Real Estate of -€0.8m

Operating income down by 55% **due to non-recurring costs** caused by the Covid-19 pandemic **totalling €9.9m**

Resilience of the EBITDA and of the current operating income

H1 2020 profit and loss account for Operations + Real Estate

EFFECT OF COVID-19 CONCENTRATED ON Q2

In €m, excluding impact of IFRS 16	30/06/2020	30/06/2019	Variation (%)
Operating income	10.2	22.8	- 55.2%
Net financial result	(2.9)	(3.5)	- 15.4%
Earnings before tax	7.3	19.3	- 62.3%
Tax expense	(4.1)	(7.7)	- 47.1%
Apparent rate of corporate tax	*- 55.9%*	*-39.8%*	*-16.1 points*
Overall net income	3.2	11.6	- 72.4%
Net result (Group's share)	3.0	11.3	- 73.6%
Net margin as % of revenue	*1.07%*	*4.41%*	*- 334 BPS*

Focus on Group tax	2020/06	2019/06
Theoretical tax rate	32.0%	32.0%
Apparent tax rate	55.9%	39.8%
Spread	23.9%	7.8%
Permanent differences	23.9%	7.8%
Impact of CVAE	27.7%	9.7%
Change of rate	- 1.2%	- 1.4%
Other differences	- 2.6%	- 0.5%

- The added-value contribution (CVAE) represented 27.7 points in the corporate tax rate at 30 June 2020 compared with 9.7 points at 30 June 2019, since this tax on production is hardly affected by the variation in earnings

- Finance charges down by 15%, due to rigorous debt management
- Earnings before tax down by 62% in line with the operating income
- Corporate tax rate of 56% including the impact of the added-value contribution (CVAE), set to decrease when the tax rate is cut in half on 1 January 2021 under the "France Recovery" plan
- Fall in the Net result (Group's share) of 74% linked to the impact of COVID-19 on Operations (loss of business, additional costs due to COVID-19 and CVAE expense)

Operating revenue

INCREASE IN BUSINESS IN ALL OPERATING SECTORS

	Revenue	**30/06/2020**		**30/06/2019**		Total variation	Organic Growth	Distribution of organic growth
	By activity	*In €m*	*% revenue*	*In €m*	*% revenue*			
Long-term Care	Long-term care France	122.4	49%	118.3	51%	+ 3.5%	+ 1.6%	+ 0.8%
						+ 3.2%	**+ 1.5%**	
	Long-term care Belgium	13.5	5%	13.4	6%	+0.8%	+0.8%	+ 0.05%
Medium-term Care	Aftercare/Psych	90.2	36%	76.2	33%	+18.3%	+ 1.3%	+ 0.4%
						+17.7%	**+ 4.5%**	
	HaH	24.8	10%	21.4	9%	+15.6%	+ 15.6%	+ 1.5%
	Other	1.2	0%	1.1	0%	-	-	-
	TOTAL	**252.1**	**100%**	**230.5**	**100%**	**+ 9.4%**	**+ 2.8%**	**+ 2.8%**

- **3.2% growth in long-term care revenue**
  - Evenly balanced contribution of organic and external growth
  - Stabilization of revenue from rest homes in Belgium
- **Big increase of 17.7% in medium-term care revenue**
  - Total growth of 18.3% for aftercare and rehabilitation supported by the acquisitions, and of 15.6% for HaH thanks to the extension of the offering in the regions where it is present during the Covid-19 crisis
  - Organic growth of 4.5% split between 1.3% for aftercare and rehabilitation centres and 15.6% for hospital at home

Operating EBITDA

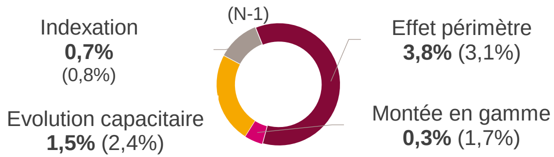
In millions of euros, excluding the impact of IFRS 16	30/06/2020	30/06/2019	Variation (%)
Revenue	252.1	230.5	+ 9.4%
External purchases and expenses	(48.7)	(41.3)	+ 17.9%
Payroll expense *(excluding reinforcements and COVID bonuses)*	(134.8)	(124.4)	+ 8.4%
Taxes and duties	(8.6)	(8.7)	- 1.5%
Miscellaneous revenue and expenses	1.2	3.0	-58.1%
EBITDAR	61.2	59.0	+ 3.8%
Restated EBITDAR [(1)]	64.2	59.0	+8.7%
Rent	(34.9)	(32.8)	+ 6.4%
EBITDA	26.4	26.2	+ 0.5%
EBITDA margin	10.5%	11.4%	- 92 BPS
Restated EBITDA [(1)]	29.3	26.2	+ 11.7%
Restated EBITDA margin [(1)]	11.4%	11.4%	+ 5 BPS

FROM REVENUE TO OPERATING EBITDA: CONTROLLED EXPENSES

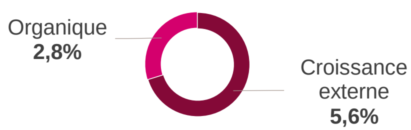
- Increase in external purchases and expenses linked to inclusions in the scope of consolidation
- EBITDA margin down by 92 BPS due to COVID
- Restated EBITDA margin strong at 11.4%

(1) Restatement of the loss of business represented by the loss of revenue linked to admissions not carried out for the part not compensated for by the state

Variation in rent



Variation in the payroll expense



Focus on Established Facilities

Data excluding impact of IFRS 16 in €m

Facilities & beds	Established Facilities – H1 2020 – Restated for Loss of Business	Established Facilities – H1 2020 – Including Loss of Business	Established Facilities – H1 2019	Other facilities – H1 2020 – Restated for Loss of Business	Other facilities – H1 2020 – Including Loss of Business	Other facilities – H1 2019
Number of facilities/Total Number of beds	63/72 7,041		60/69 6,519	9/72 1,115		9/69 1,028
Operating revenue	219.8		200.4	31.1		29.0
EBITDA of the facilities	25.3		25.6	-0.9		0.2
EBITDA/Revenue	12.2%	11.5%	12.8%	0.5%	-3.0%	0.6%
Current operating income	21.3		22.0	-1.5		-0.1
Current operating margin/revenue	10.4%	9.7%	11.0%	-1.2%	-4.7%	-0.3%
Capex	2.7		2.0	1.6		1.6
Capex/EBITDA affordability ratio	10.6%		7.8%	NS		NS
*Free Cash Flow** as % of revenue	6.6%		6.8%	-5.4%		-5.6%

≠ 13 points

≠ 12 points

- The margin for established facilities absorbs the impact of COVID-19 and retains a margin differential of 13 points with facilities undergoing restructuring: i.e. a source of earnings on completion of the transformations

** EBITDA – Capex – Financial charges – Corporate tax*

A strong and lasting model for transformation of the offering

Income and net margin for Operations including the impact of Covid-19

In €m, excluding impact of IFRS 16	H1 2020	H1 2019	Variation (%)
EBITDA	26.4	26.2	+ 0.5%
Restated EBITDA [1]	29.3	26.2	+ 11.7%
Current operating income	**21.1**	**21.6**	**- 2.2%**
Current operating margin	8.4%	9.4%	-99 BPS
Current operating income [1]	24.0	21.6	+ 11.4%
Current operating margin [1]	9.4%	9.4%	+ 2 BPS
Operating income	9.9	22.9	- 56.9%
Financial result	(1.9)	(2.5)	- 22.8%
Earnings before tax	7.9	20.4	- 61.1%
Income tax expense	(4.2)	(7.9)	- 46.8%
Net income 100%	3.7	12.4	- 70.2%
Net result (Group's share)	3.5	12.1	- 71.4%
Net margin (Group's share)	1.38%	5.26%	- 3.9 points

- **Operating income down by 57%** taking into account the exceptional additional costs due to COVID-19 totalling €9.9m
- **Improvement in the financial result** due to variations in hedging instruments and rigorous management
- **High income tax expense** due to the **increase in the CVAE**, unrelated to the change in earnings
- **Net result (Group's share) down by 71% at €3.5m**, i.e. a net margin (Group's share) of 1.38%

(1) Restatement of the loss of business represented by the loss of revenue linked to admissions not carried out and not compensated for by the state

Cash flow (excluding impact of IFRS 16)

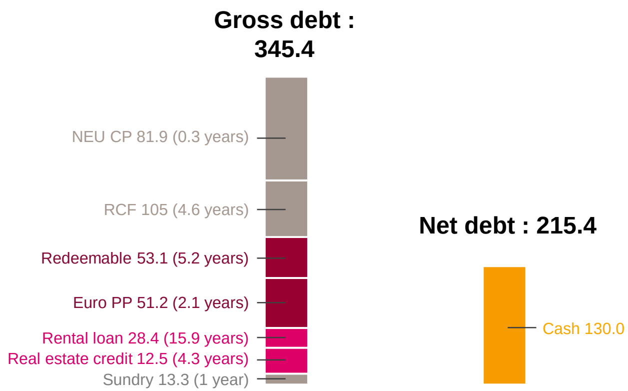
In €m		H1 2020	H1 2019	Variation in value
Opening cash balance		**140.1**	**121.6**	**18.5**
NET CASH FLOWS FROM ACTIVITIES		**32.3**	**37.1**	**(4.8)**
EBITDA	(1)	**27.9**	**28.7**	**(0.8)**
Other cash items	(2)	(12.3)	(2.1)	(10.2)
Change in WCR	(3)	27.4	4.8	22.6
Payment of corporate tax	(4)	(10.7)	5.6	(16.3)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(34.2)**	**(19.4)**	**(14.8)**
Development investments - Operations	(5)	(24.9)	(9.0)	(15.8)
Sustaining capital expenditures - Operations		(4.6)	(4.7)	0.1
Investments - Real estate		(3.4)	(4.7)	1.4
Net financial investments		(1.3)	(0.9)	(0.4)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(8.2)**	**(8.2)**	**0.0**
Dividends paid		(0.8)	(0.7)	(0.1)
Variation in financial debts		(2.2)	(4.7)	2.5
Net interest cost paid		(2.1)	(1.9)	(0.2)
Net purchases of own shares		(3.1)	(0.9)	(2.2)
Closing cash balance		**130.0**	**131.1**	**(1.1)**
Including Operating		***125.1***	***125.6***	***(0.5)***

- (1) Cash Flows form activities of €32.3m based on strong EBITDA (€27.9m)
- (2) Before taking into account exceptional COVID-19 costs (-€9.9m)
- (3) Positive change in the WCR due to cash advances received from the authorities totalling €28.8m
- (4) Increase in the corporate tax expense paid of €16.3m due to a repayment received in 2019
- (5) Development investments totalling €24.9m for acquisitions in the health and medico-social sector

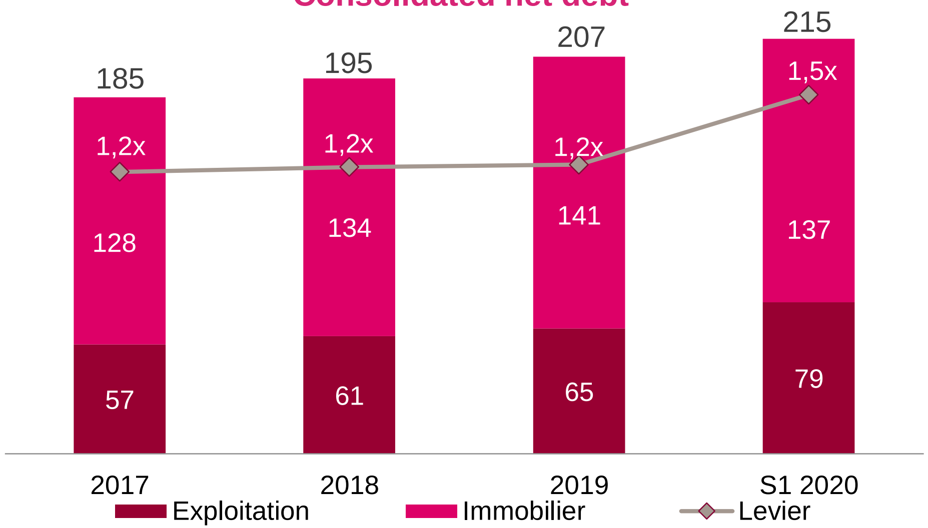
Cash flows benefiting from resilient EBITDA and WCR advances from the CPAM

Optimised capital structure

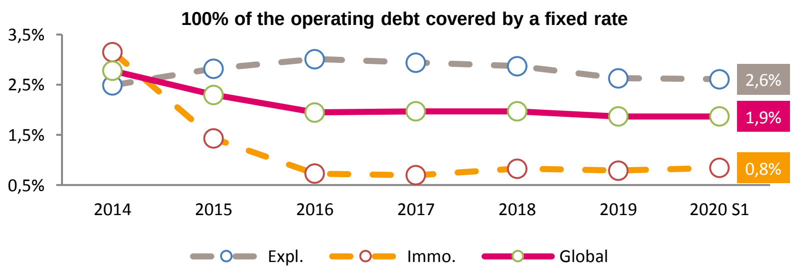
Debt structure and maturity



Consolidated net debt



Cost of debt



Highly flexible capital structure

Rigorous debt management

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LNA SANTÉ
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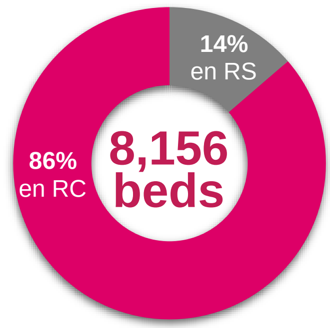
Transformation of the offering by LNA - A total of 72 establishments

At 30 June 2020 excluding new developments

7,041 beds in established facilities:
522 more beds than 2019

- + 108 beds in ALF
- + 414 beds and places in aftercare and rehabilitation centres



ALF/rest and care home*

Beds in EF*
4,787
4,232/555

Beds being restructured
399
399/0

5,186

HaH

Beds in EF*
423

Beds being restructured
50

473

Aftercare/Psych

Beds in EF*
1,831

Beds being restructured
666

2,497

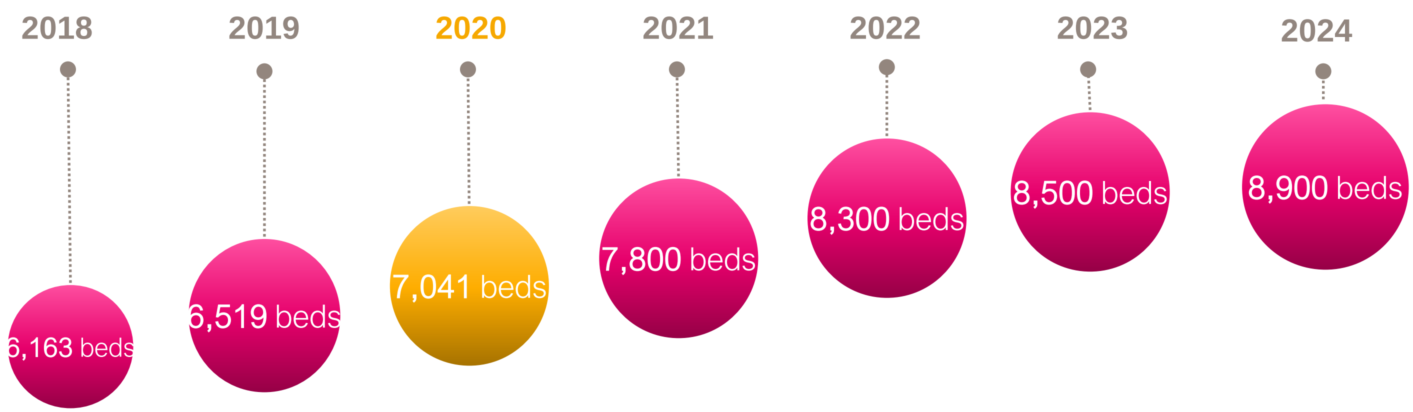
** EF: Established Facilities*
** MRS: Rest and care home*

A source of organic growth

Growth already in progress

► Transformation of existing capacity into established facilities

excluding new development projects



Capacity in established facilities

1,850 beds to reach maturity between 2020

LAUNCH OF THE 4TH ELEGANCE ALF IN THE CITY OF BORDEAUX

CURRENT ALF - LE BOURGAILH IN PESSAC (77 BEDS)

- Takeover of additional beds in June 2020 for a new ALF to be built in Pessac with a total of 120 beds
- Start of work in October 2020 for delivery in December 2022

OPENING OF A NEW AFTERCARE AND REHABILITATION CENTRE AND A HEALTH CENTRE IN ACHÈRES

New establishment in the Yvelines

Investment of €40m

Business on completion of almost €22m

Achères Rehabilitation Centre
(164 beds and places)

- 4 specialities:
  - neurology
  - orthopaedics
  - geriatrics
  - pneumology

Health Centre

- Services:
  - general medicine
  - orthodontics - dental surgery
  - cardiology
  - neurology
  - gynaecology
  - midwife consultations

CLINIQUE DÉVELOPPEMENT: A PLANNED ACQUISITION

Clinique Développement

LNA Santé has been holding **exclusive discussions** since 18 June 2020 with the shareholders of Clinique Développement, for a possible **acquisition of the whole of the Group**.

The conclusion of an acquisition agreement is subject to examination by the Competition Authority, in accordance with the legislation.

Clinique Développement

Polyclinique de Lisieux
Spécialité : MC
65 salariés, 17 praticiens libéraux
MC : 34 lits, 21 places, 5 blocs

Clinique Tous Vents
Spécialité : MC
51 salariés, 14 praticiens libéraux
MC : 30 lits, 24 places, 5 blocs

CRF Le Normandy
Spécialité : SSR
527 salariés
SSR : 305 lits et 114 places

Polyclinique & CRF Deauville
Spécialités : MC, SSR & HAD
168 salariés, 21 praticiens libéraux
MC : 30 lits, 18 places, 5 blocs
SSR : 100 lits, 17 places
HAD : 30 places

Clinique d'Alençon
Spécialités : MC & SSR
84 salariés, 23 praticiens libéraux
MC : 19 lits, 17 places, 7 blocs
SSR : 59 lits, 10 places

900
employees

6
establishments

828
Beds and places

€76m
Revenue in 2019

An investment approach for LNA Santé

1 REINFORCED REGIONAL COVER

- **Reinforcement of the Group's regional presence** in Normandy
- Potential for organic **and external growth** in the region

2 GROWTH IN HIGH-QUALITY ASSETS

- A **complete range** of local healthcare (aftercare and rehabilitation/HaH/Medicine, Surgery and Obstetrics)
- Recognised and **specialised technical support centers**
- **Opportunities for organic growth** via sharing of best practices between LNA/CDEV establishments
- Several **business development projects** in progress
- **High quality real estate assets**, in particular in Granville and Deauville

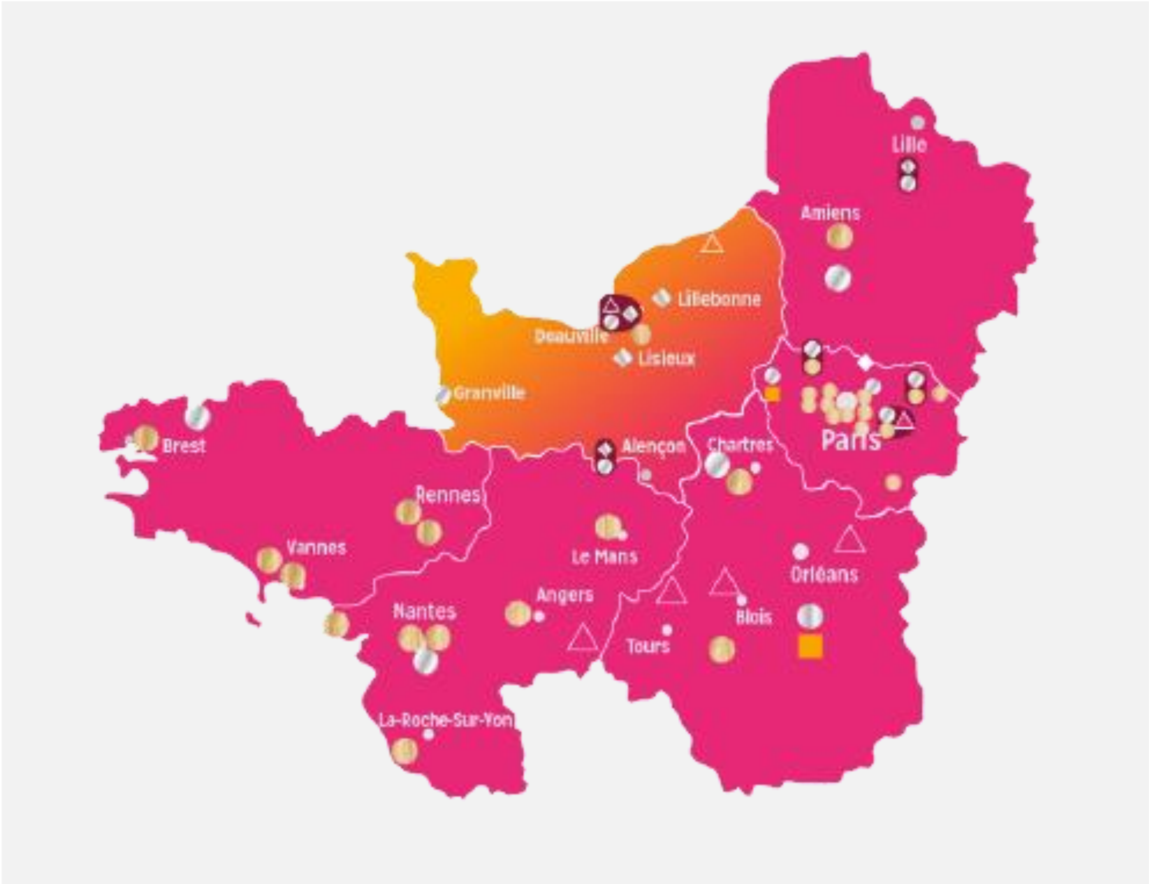
3 ATTRACTIVE OPERATIONAL AND FINANCIAL PERFORMANCE

- A margin profile, proof of **a high level of maturity**
- An appropriate **pricing policy** for aftercare and rehabilitation speciality offerings
- An structure with **moderate central costs** limiting duplication and efforts for convergence

4 ENTREPRENEURIAL GOVERNANCE

- An **entrepreneurial culture** and a heavily involved management

Map of the location of Clinique Développement + LNA Santé sites in the north-west zone



Ehpad / MRPA / MRS
SSR
Chirurgie
HAD
Clinique Psychiatrique
Centre de Santé
Pôle médical et/ou gériatrique

Consolidate the Group’s financing with its lenders

H1 2021

DEVELOP OUR BUSINESS PLAN AIMED AT GROWTH

- Investment process with a long-term view
- Wide range of ALF/aftercare/Psych/HaH services makes the LNA Santé model more resilient
- Track record for selecting and integrating acquisitions

GIVE THE CAPITAL STRUCTURE ADDITIONAL MEANS

- Operating equity of €201m
- Diversified sources of financing and credit profile strengthened over the last 10 years
- Leverage of 1.5 at 30/06/2020 giving flexibility for a structuring and accretive acquisition
- Debt under control after the acquisition of Clinique Développement, below the covenant of 4.25

HAVE FURTHER AIMS FOR THE PERIOD 2020-2030

- **Acquisitions**: raise the limits in line with the Group’s aims, abilities and achievements
- **Partnerships**: consolidate LNA’s position as an innovative operator, that makes proposals
- **Real estate**: ability to carry out arbitrage for targeted assets, while maintaining the primary interest of Operations

A strategic plan in progress

Confirmed outlook

Grandir ensemble 2022

By 2022 we aim to be...

An independent and committed family business, grouping together about **a hundred facilities** and more than **8,000 professionals**

A **health sector player recognised** for the quality of its services, its medical expertise and its ability to innovate

A **group** whose facilities work **in synergy** and are involved in their region

An **employer recognised** for its professionalism, its corporate culture and its quality of working life

The leading independent player in the transformation of the health offering

Thank you!

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Appendices

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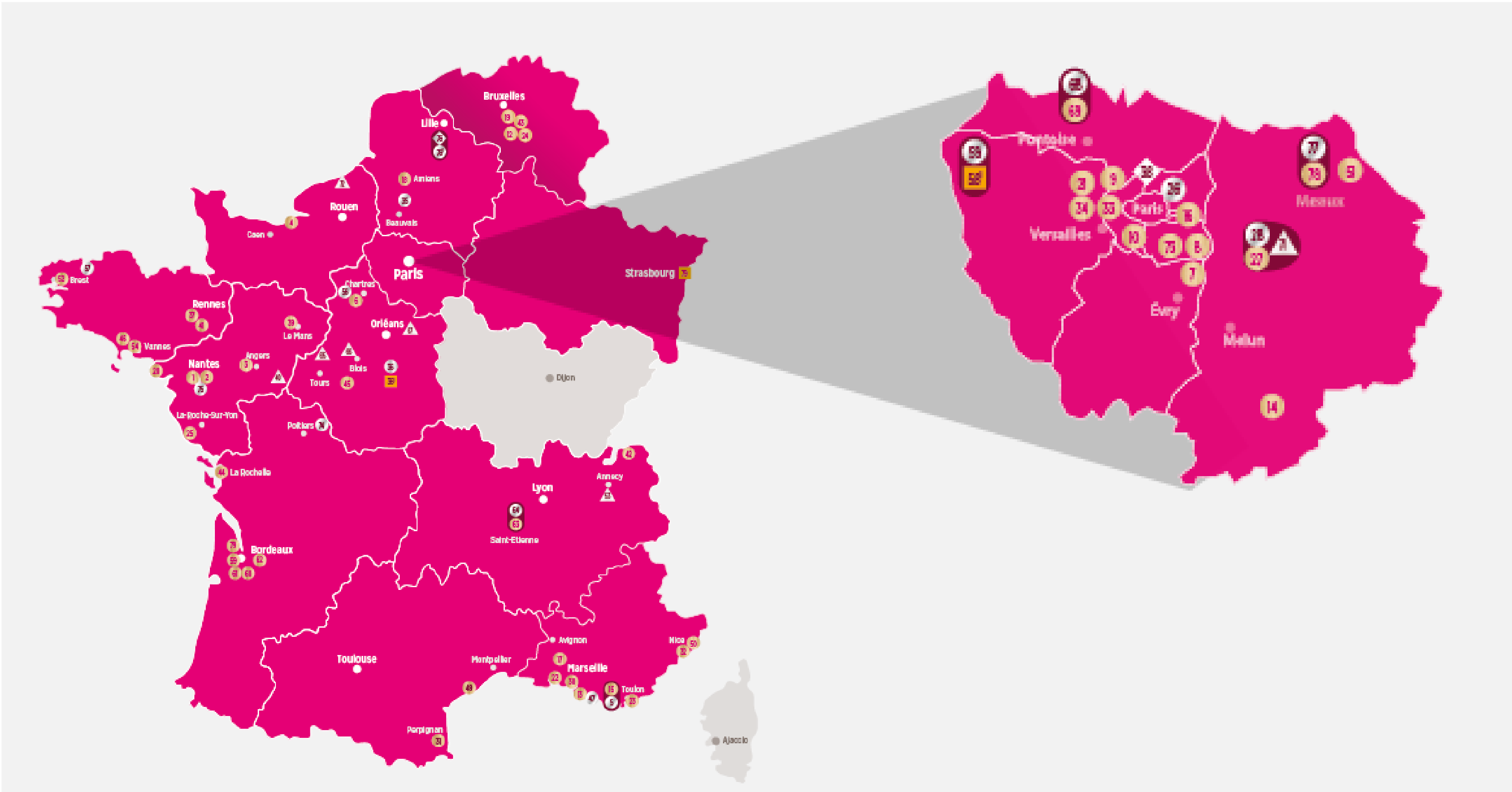
Strong presence in target territories



Distinctive features of our company

FAMILIAL

Nous sommes une entreprise familiale car nous associons des familles, équipes et des membres fondateurs pour être un acteur responsable avec une vision long terme et un **MANAGEMENT BIENVEILLANT** et de **PROXIMITÉ**

HUMANISTE

Nous sommes une entreprise humaniste car nous avons de la **CONSIDÉRATION POUR CHACUN** et prenons soin des personnes fragilisées et de nos équipes

ENTREPRENEUR

Nous cultivons l'envie d'entreprendre en permettant **À CHACUN DE PARTICIPER AUX DÉCISIONS ET D'INNOVER** dans son métier

EXIGEANT

L'exigence au cœur de nos choix, de notre modèle d'organisation, **DE NOS QUESTIONNEMENTS ET DE L'EXPERTISE** de nos métiers

SACHANT TRANSFORMER

Nous sommes un acteur de la santé sachant transformer car nous savons bien intégrer, dans le temps, les établissements pour **AMÉLIORER L'OFFRE DE SOIN(S)** sur le territoire

Analysis of Operating EBITDA *(excluding impact of IFRS 16)*

S1 2020, in €m excluding impact of IFRS 16	**Operations**	**Holding company**	**Long-term care France**	**Long-term care Belgium**	**Medium-term care France**	**including Aftercare/Psych**	**including HaH**
EBITDA	26.4	2.0	12.9	0.6	10.8	7.2	3.7
Margin	10.5%		10.5%	4.7%	9.4%	7.9%	14.9%
Margin variation 2020 - 2019	- 92 BPS		- 195 BPS	+ 254 BPS	- 149 BPS	- 202 BPS	+ 52 BPS
No. of beds in operation at 30/06/2020 *Beds in established facilities H1 2020 (% total)*	*8,156* *7,041 (86%)*	-	*4,631* *4,232 (91%)*	*555* *555 (100%)*	*2,970* *2,254 (76%)*	*2,497* *1,831 (73%)*	*473* *423 (89%)*
Reminder Beds in established facilities H1 2019 (% total)	7,547 *6,519 (86%)*		4,433 *,124 (93%)*	555 *555 (100%)*	2,559 *1,840 (72%)*	2,086 *1,417 (68%)*	473 *423 (89%)*
Margin for established facilities at 30/06/2020	11.5%		11.7%	4.7%	12.3%	11.3%	15.1%
Var. in margin for established facilities 2020 - 2019	- 128 BPS		- 120 BPS	+ 254 BPS	- 224 BPS	- 288 BPS	- 29 BPS
Restated margin for established facilities (1)	12.2%		12.5%	4.8%	12.8%	12.0%	15.1%
Restated var. in margin for established facilities (1)	- 60 BPS		- 34 BPS	+ 270 BPS	- 171 BPS	- 216 BPS	- 29 BPS

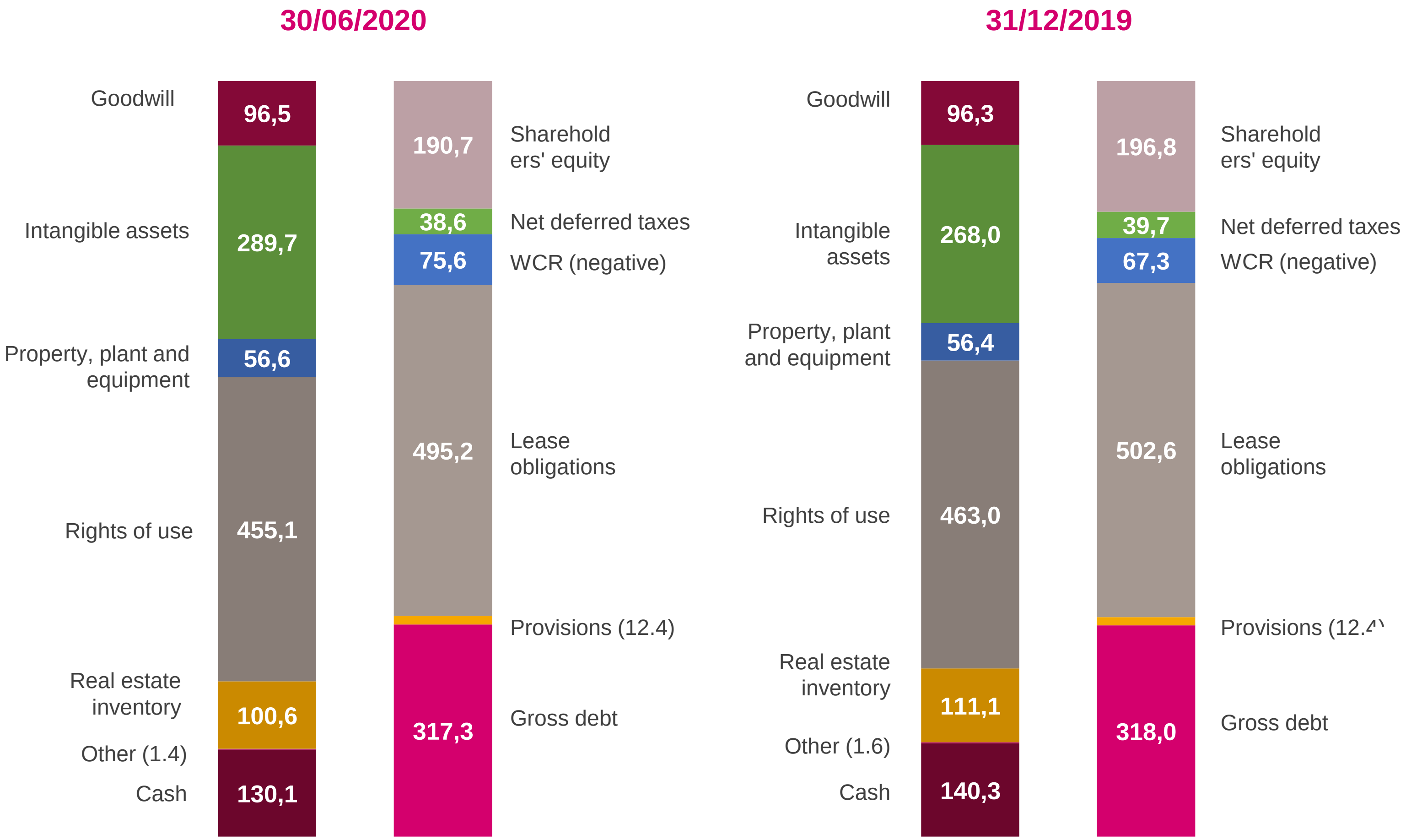
Confort: €0.7m
Elégance: €12.2m

Confort: 9.7%
Elégance: 12.1%

(1) Restatement of the loss of business represented by the loss of revenue linked to admissions not carried out for the part not compensated for by the state

- The margin for Long-term care France fell mainly due to the crisis (closure of day care, reduction of admissions)
- Increase of 2.5 points in the EBITDA margin in Belgium mainly thanks to Résidence des Tamaris, the level of performance of this sector remaining low
- Decline in the margin for Medium-Term Care: the performance of HaH driven by volumes offset the decline in the margin for aftercare and rehabilitation centres affected by the crisis (closure of day care centres and reduced flow of admissions) as well as by low increases in the charge per day

Operations + Real Estate balance sheet



Structure of net debt at 30/06/2020 (excluding impact of IFRS 16)

► Flexible capital structure

in €m, excluding impact of IFRS 16	Operations	Real estate	Total
Total gross debt	203.8	141.6	345.4
Net cash	125.1	4.9	130.0
Net financial debt at 30/06/2020	78.7	136.7	215.4
Operating leverage at 30/06/2020	1.49		
Cost of debt	2.6%	0.8%	1.9%
Net financial debt at 31/12/2019	65.5	141.5	207.0
Operating leverage at 31/12/2019	1.20		

Leverage covenant restated for the impact of IFRS 16 and controlled under 4.25

► Slight increase in operating leverage at 1.49 (financing of acquisitions during the period)

Optimised debt structure

Reference rate	30/06/2020		31/12/2019	
Average 3 month Euribor rate (rolling 6 months)	-0.35%		-0.36%	
5-year Mid-Swap	-0.36%		-0.12%	
Group debt	**30/06/2020**		**31/12/2019**	
1 - Cost of gross debt	1.9%		1.9%	
2 – Disintermediated portion	**SFAF 09/2020**	**30/06/2020**	**SFAF 04/2020**	**31/12/2019**
	65%	42%	42%	51%
3 – Fixed rate and variable rate portion covered	80%		76%	
Operating debt	**30/06/2020**		**31/12/2019**	
4 – Portion of the debt for Operations/consolidated debt	37%		32%	
5 - Cost of gross debt	2.6%		2.6%	
6 – Fixed rate and variable rate portion covered	100%		95%	
7 - Maturity of the debt for Operations	4.1 years		4.3 years	
8 - Operating financial charges/operating EBITDA	7%		8%	
Banking covenants	**30/06/2020**		**31/12/2019**	
9 – Operations gearing *	x 0.28		x 0.23	
10 – Leverage (operating net debt/operating EBITDA)	x 1.49		x 1.20	
Available cash and credit	**30/06/2020**		**31/12/2019**	
11 - Net cash position for Operations	125.1		136.6	

** Operating net financial debt for operations/operating equity and deferred taxes*

IFRS 16 – Impact at 30/06/2020

▶ Impact on the operating margins

In millions of euros	Before IFRS 16		Impact of IFRS 16	After IFRS 16	
	Operations	*Margin*	Operations	Operations	*Margin*
EBITDA	26.4	*10.5%*	30.0	56.4	*22.4%*
Current operating income	21.1	*8.4%*	5.1	26.2	*10.4%*
Cost of financial debt	-1.9		-6.4	-8.4	
Net income of the consolidated group	3.7	*1.5%*	-0.6	3.1	*1.2%*

- Current operating margin increased by 2.0 points to 10.4% compared with 8.4% under the 100% rental regime
- Net margin reduced by 23 BPS due to the maturity of the agreements (reversed on expiry of the agreements)

▶ Impact on the operating debt

In millions of euros	Before IFRS 16		After IFRS 16		
	Operations	*Lender leverage*	Operations	*Lender leverage*	*Adjusted lender leverage*
Net debt	78.7	*1.49*	571.2	*5.06*	*1.49*

- Debt increased by the amount of lease obligations, wholly restated for the covenant calculation

Large facilities

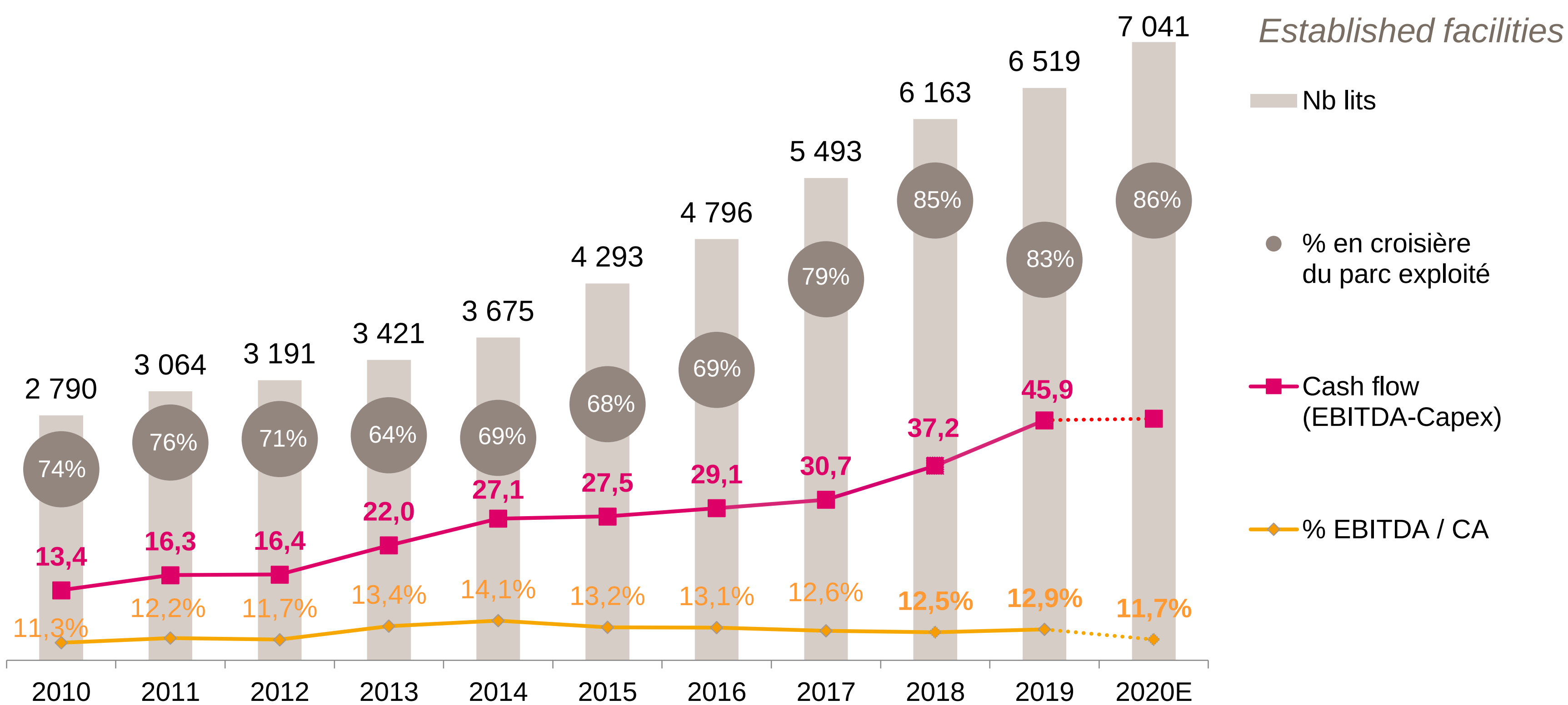
Synonymous with quality and efficiency

Change in the average size of the facilities in operation at 30/06/2020

	ALF	BRH	Aftercare and rehabilitation	All sectors
Established facilities in 2023	107	145	172	*122*
variation	4%	4%	10%	3%
06/2020	103	139	156	*118*
variation	19%	31%	30%	24%
2013	85	106	116	*93*
Average for the industry	< 80	< 80	< 70 (including 80 for private)	

An important choice for economies of scale and critical size

Resilience of the mature facilities



Glossary

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Glossary

WCR

- Working Capital Requirement

Revenue

- Revenue

CPAM

- Local Sickness Insurance Fund (Caisse Primaire d'Assurance Maladie)

Organic growth

Corresponds to the change in turnover:

- between N-1 and N for facilities existing in N-1,
- between N-1 and N for facilities opened in N-1 or in N,
- between N-1 and N for facilities restructured according to LNA Santé specifications or whose capacity increased in N-1 or in N,
- in N, compared with the equivalent period in N-1 for facilities acquired in N-1.

CVAE

- Tax on the added value of companies

Net financial debt

- Gross financial debt, excluding lease obligations introduced by IFRS 16, less cash and cash equivalents

Net financial debt from operations

- Represents gross financial debt from Operations, excluding lease obligations introduced by IFRS 16, less cash and cash equivalents and shareholders' equity contributed to the real-estate activity

EBITDA

- Earnings Before Interest, Taxes, Depreciation and Amortization, after rent and provisions and reversals of provisions for depreciation of real estate

EBITDAR

- Earnings Before Interest, Taxes, Depreciation, Amortization and Rents, after provisions and reversals of provisions for depreciation of real estate

ALF

- Assisted Living Facilities - France

PPE

- Personal Protective Equipment

Established facilities

- A facility that has been extended (if necessary) and renovated, with 100% of its authorised capacity
- Human organisation and method of management in line with Group standards
- Facilities undergoing restructuring or being opened
- Facilities taken over or opened within about 1 year
- Renovation and/or extension work in progress
- Implementation of the Group's standards

FCF or Free Cash Flow

- EBITDA less capex, financial charges and corporate tax

Glossary

Operating gearing

- Ratio of the operating net financial debt to the adjusted operating equity. The adjusted operating equity corresponds to the consolidated equity from Operations, excluding the impact of IFRS 16, plus operating deferred tax liabilities, excluding the impact of IFRS 16, mainly linked to the valuation of intangible operating assets

Financial leverage, operating leverage

- Ratio of net debt from operations to operating EBITDA, measures the company's ability to reimburse its debt. It shows how long (in years) it will take the company to reimburse its debt based on its EBITDA

Beds to be installed

- Beds authorised but not yet in operation.

Medicine, Surgery and Obstetrics

- Medicine Surgery and Obstetrics

MOC

- Current operating margin: ratio of current operating income to revenue

BRH

- Rest home in Belgium, equivalent to ALF in Belgium

MRPA

- Rest home for the elderly, equivalent to ALF in Belgium

MRS

- Rest and care home, equivalent to ALF in Belgium

NEU-CP

- *Negotiable European Commercial Paper*: short-term negotiable securities, previously called commercial papers

Established facilities, EF

- See Established facilities

Taken over during the year

- Facilities that were not included on 1 January of the current year
- New facilities opened during the year

Restructuring, RST

- See "Facilities undergoing restructuring or being opened"

RCF

- Revolving Credit Facility

COI

- Current Operating Income

Operating income

- Operating income

Aftercare and rehabilitation

- Aftercare and rehabilitation services

Net cash position

- Cash and cash equivalents less bank loans and overdrafts.