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## EDF launches an inaugural landmark offering of green bonds convertible into new shares and/or exchangeable for existing shares (*OCEANEs Vertes*) due 2024 for a maximum nominal amount of €2.4 billion and announces its intention to issue two new tranches of Euro-denominated Hybrid Notes

Paris, France, 8 September 2020 - EDF (ISIN Code: FR0010242511, Vigeo ESG Rating 66/100, Sustainalytics Rating 86/100) (the “**Company**”) announces today the launch of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANEs Vertes*) due 2024 (the “**Bonds**”), by way of a placement to qualified investors (within the meaning of the Prospectus Regulation) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, for a maximum nominal amount of approximately €2.4 billion (the “**Offering**”).

As a core component of its Cap 2030 strategy, EDF has set itself the goal in 2015 of doubling its net installed renewables capacity to more than 50GW in 2030. With this Offering, the first convertible bond issued by EDF and the first green convertible bond of a jumbo size ever issued, the Company reaffirms its ambitions in renewable energy and its commitment “to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development” as stated in its *raison d’être*.

An amount equal to the net proceeds of the Offering will be allocated, directly or indirectly, to the financing and/or refinancing, in whole or in part, of new and/or existing Eligible Projects, as defined in EDF’s Green Bond Framework. Existing Eligible Projects that may be refinanced with the present Offering with a maximum three-year look-back period before the issuance year of the Bonds amount to approximately €1.5 billion in line with EDF’s Green Bond Framework.

### Main terms of the Bonds

The Bonds will not bear interest (zero-coupon) and will be issued at an issue price ranging between 105.75% and 108.00% of their nominal value, resulting in an annual gross yield-to-maturity of (1.91)% to (1.39)%. The nominal value of the Bonds will be set at a premium of 30% to 35% above the Company’s reference share price on the regulated market of Euronext in Paris (“**Euronext Paris**”)¹.

The final terms and conditions of the Bonds are expected to be announced later today and the settlement-delivery of the Bonds is expected to take place on 14 September 2020 (the “**Issue Date**”).

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 14 September 2024 (or on the following business day if this date is not a business day) (the “**Maturity Date**”).

The Bonds may be redeemed prior to maturity at the option of the Company, under certain conditions.

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¹ The reference share price will be equal to the volume-weighted average price (VWAP) of EDF’s shares recorded on Euronext Paris from the launch of the Offering today until the determination of the final terms (pricing) of the Bonds on the same day.

In particular, the Bonds may be fully redeemed earlier at par, at the Company's option at any time from 14 September 2022 (inclusive) until the Maturity Date (excluded), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic mean, calculated over a period of 20 consecutive trading days, chosen by the Company from among the 40 consecutive trading days ending on the trading day immediately preceding the day of the publication of the early redemption notice, of the daily products on each of such 20 consecutive trading days of the volume weighted average price of the Company's shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 130% of the nominal value of the Bonds.

Bondholders will be granted the right to convert or exchange the Bonds into new and/or existing shares of the Company (the "**Conversion/Exchange Right**") which they may exercise at any time from the day (inclusive) following the 90<sup>th</sup> day after the Issue Date (*i.e.*, 14 December 2020) up to the 7<sup>th</sup> business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond, subject to standard adjustments, including anti-dilution and dividend protections, as described in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing shares of the Company carrying in all cases all rights attached to existing shares of the Company as from the date of delivery.

Application will be made for the admission of the Bonds to trading on Euronext Access<sup>TM</sup> of Euronext in Paris to occur within 30 calendar days from the Issue Date.

### **EDF Green Bond Framework**

Green bonds are fully integrated in the financing policy of the EDF group (the "**Group**"), making the Group a frequent Green issuer and participant in the development and liquidity of the green bond market.

In this context, the Company released in January 2020 on its website the third version of its Green Bond Framework (as amended or supplemented from time to time, the "**Framework**"), established in accordance with the Green Bond Principles 2018 published by the International Capital Markets Association (ICMA). The external review of the Framework was conducted by Vigeo Eiris, who issued a second party opinion on 8 January 2020. The Bonds are issued on the basis of this same Framework and second party opinion. Both the Framework and Vigeo Eiris's external review are available on the "Green Bonds" Section of the Company's website ([www.edf.fr](http://www.edf.fr)).

In the third version of its Framework, the Company extended the scope of eligible investments to include the broader Group, and aligned the scope to current market practices and investor demand.

In line with its Green Bond Framework, the Company will provide information on the types of biodiversity projects receiving green bond funding. This will include descriptions of these project types, project examples and qualitative information on associated benefits and/or impacts. At its discretion, the Company will communicate on quantitative indicators for certain projects. Annex I provides a list of these indicators, as well as illustrative examples of project types by project category. The Company's approach to biodiversity reporting shall continue to evolve. Other biodiversity indicators may eventually be used to communicate biodiversity impact as the Company deems appropriate or desirable. Any additional information on biodiversity project reporting shall be communicated as specified in Annex I to this press release.

### **Legal framework of the Offering and placement**

The Bonds will be issued by way of a placement to qualified investors (within the meaning of Regulation (EU) 2017/1129 (as

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amended, the “**Prospectus Regulation**”) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, as per the authorization granted by the Company’s extraordinary general meeting held on 7 May 2020 (24<sup>th</sup> resolution), in France and outside of France (excluding, in particular, the United States of America, Australia, Japan or South Africa), without an offer to the public (other than to qualified investors) in any country (including France).

Existing shareholders of the Company shall have no preferential subscription rights, and there will be no priority subscription period, in connection with the issuance of the Bonds or the underlying new shares of the Company issued upon conversion.

### **Intentions of existing shareholders**

The French State – represented by the French Government Shareholding Agency (*Agence des participations de l’État* – APE) –, which currently holds, together with EPIC Bpifrance, 83.6% of the Company’s share capital, has informed the Company of its intention to place a subscription order in the Offering for a total nominal amount of up to €960 million corresponding to approximately 40% of the Offering<sup>2</sup>, at a price equal to the final price resulting from the bookbuilding process.

The Company is not aware of the intention of any of its other main shareholders to participate in the Offering.

### **Lock-up undertakings**

In the context of the Offering, each of the Company and the French State will agree to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital for a period starting from the announcement of the transaction and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Bookrunners.

### **Dilution**

For illustrative purposes, considering a €2.4 billion principal amount and a par value of €11.49<sup>3</sup> per Bond, and based on the initial conversion/exchange ratio, the potential dilution would represent approximately 6.7% of the Company’s outstanding share capital, if the Conversion/Exchange Right was exercised for all the Bonds and the Company decided to only deliver new shares upon exercise of the Conversion/Exchange Right.

### **Available information**

Neither the offering of the Bonds, nor the admission of the Bonds to trading on Euronext Access<sup>TM</sup> is subject to a prospectus approved by the French *Autorité des marchés financiers* (the “**AMF**”). No key information document required by the PRIIPs Regulation has been or will be prepared. Detailed information about EDF, including its business, results, prospects and the risk factors to which EDF is exposed are described in the Company’s universal registration document (*Document d’enregistrement universel*) for the financial year ended December 31, 2019, filed by the Company with the AMF on 13 March 2020 under No. D.20-0128; the Company’s half-year financial report as at 30 June 2020; the slideshow (including its appendices) made available in connection with the Company’s 2020 half-year results announcement; and the Company’s press releases and other regulated information about the Company; which are all available on the Company’s website ([www.edf.fr](http://www.edf.fr)).

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<sup>2</sup> The final amount subscribed by the French State will depend on the final allocations following the bookbuilding process.

<sup>3</sup> Calculated on the basis of a reference share price equal to €8.836 at close of trading on 7 September 2020, and a 30% conversion premium.

### **New issue of two tranches of Euro-denominated Hybrid Notes**

The Company is also announcing today its intention to issue a new Euro-denominated tranche of perpetual 6.5 years non-call hybrid notes with a first redemption at the option of the Company on 15 March 2027 (the “**6.5-Year Non-Call Hybrid Notes**”), and a new Euro-denominated tranche of perpetual 10 years non-call hybrid notes with a first redemption at the option of the Company on 15 September 2030 (the “**10-Year Non-Call Hybrid Notes**” and, together with the 6.5-Year Non-Call Hybrid Notes, the “**Hybrid Notes**”).

The Company can redeem the Hybrid Notes for cash at any time during the 90 days before the first interest reset date, which is expected to be in 6.5 years (with a first reset date of March 2027) for the 6.5-Year Non-Call Hybrid Notes, and in 10 years (with a first reset date of September 2030) for the 10-Year Non-Call Hybrid Notes, and on every coupon payment date thereafter. Although the proposed Hybrid Notes are perpetual, they include a make whole call at the option of the Company and can be called at any time for withholding tax, tax deductibility, tax gross-up, rating methodology, accounting, or substantial repurchase event.

The Hybrid Notes are scheduled to be admitted to trading on Euronext Paris. It is also expected that the rating agencies will assign the Hybrid Notes a rating of Baa3/BB-/BBB (Moody's/S&P/Fitch) and an equity content of 50%.

**Annex I**

<b>Biodiversity project category</b>	<b>Illustrative project types<sup>4</sup></b>	<b>Indicator</b>
a. Projects and/or facilities that integrate a “mitigation hierarchy” related to attenuating the impact of Group activities on biodiversity.	Projects to ensure fish continuity both upstream and downstream, and sediment continuity on a dam or factory.	Number of protected species impacted by the project.
b. Restoration and/or “renaturing” of sites	Measures intended to compensate for a residual loss of biodiversity generated by a project after avoidance and reduction of impacts, measures to create a supply of compensation units, works to improve the biodiversity of an area (e.g. a watercourse, or parcel) by earthworks and revegetation, restoration, management or inventories and monitoring of various areas, whether regulatory or voluntary.	Project surface area in hectares.
	Actions in favor of the development of biodiversity (e.g. creation of habitats, combating invasive species, use of local seeds) and/or awareness of internal and/or external stakeholders on biodiversity issues (e.g. creation of training / awareness raising with external stakeholders, development of educational tools).	Number of actions taken.
c. Research and Development	Research programs related to biodiversity.	Number of publications resulting from the research, including but not limited to peer-reviewed papers, scientific posters, conferences, etc.

<sup>4</sup> Project types may include these examples but are not limited to them. In the event that EDF does not report on a quantitative indicator for a given project type, other pertinent information may be provided including qualitative information on project impact.

## Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States, Australia, Japan or South Africa or in any jurisdiction to whom or in which such offer is unlawful, and neither the Offering of the Bonds, nor the offering of the Hybrid Notes, is an offer to the public in any jurisdiction including France, other than to qualified investors within the meaning of the Prospectus Regulation, or an offer to retail investors as such term is defined below.

*Note: The English version of this press release may differ from the French version for regulatory reasons.*

## About EDF

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 38.9 million customers<sup>(1)</sup>, 28.8 million of which are in France. It generated consolidated sales of €71.3 billion in 2019. EDF is listed on the Paris Stock Exchange.

<sup>(1)</sup> Customers are counted since 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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Prohibition of sales to European Economic Area and United Kingdom retail investors

The Bonds and the Hybrid Notes referred to (and as defined) herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Bonds or Hybrid Notes, to any retail investor in the European Economic Area (EEA) or in the United Kingdom. For the purposes of this provision:

(a) 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 Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a "qualified investor" as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds or the Hybrid Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds or the Hybrid Notes, as applicable.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRiIPs Regulation**") for offering or selling the Bonds or the Hybrid Notes, or otherwise making them available, to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Bonds or the Hybrid Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRiIPs Regulation.

MiFID II product governance / French Retail investors, professional investors and ECPs only target market

Bonds – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes French retail investors, the Bonds will be offered only to eligible counterparties and professional clients.

Hybrid Notes - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Hybrid Notes has led to the conclusion that: (i) the target market for the Hybrid Notes is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Hybrid Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Hybrid Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment

*in respect of the Hybrid Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

United Kingdom

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*The Bonds and the Hybrid Notes may only be distributed to investors in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. Only prospective investors in Ontario, Québec, British Columbia, Alberta and Manitoba purchasing, or deemed to be purchasing, as principal that are "accredited investors", as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients", as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations that are not individuals will be eligible to purchase the Bonds. Each prospective investor in Canada may be required to accept a representation letter confirming its eligibility and providing certain additional acknowledgements, representations and warranties. Any resale of the Bonds and the Hybrid Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.*



Australia, Japan and South Africa

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*The Company considers portions of this announcement to be a forward-looking statement. Forward-looking statements can be identified typically by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes”, “predicts” or “anticipates”, as well as the negatives of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, these assumptions are inherently uncertain and involve a number of risks and uncertainties that are beyond the Company’s control; therefore, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the transactions described therein.*

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