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Fnac Darty announces the success of its issuance of bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) due 2027 for a nominal amount of approximately €200 million

Fnac Darty (the "**Company**" or the "**Group**") announces the success of its issuance of bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) due 2027 for a nominal amount of approximately €200 million.

The net proceeds will be used to repay certain existing indebtedness of the Group, including the €200 million medium-term loan (Senior Term Loan Facility) due in April 2023.

This transaction is part of the long term financing strategy of Fnac Darty that aims at optimizing the Group's debt maturity schedule and financial flexibility.

The issuance of the bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) of the Company due March 23, 2027 (the "**Bonds**"), was performed by way of a placement to qualified investors (within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")) only in accordance with Article L. 411-2 1° of the French Code *monétaire et financier* for a nominal amount of €199,999,947.63 (the "**Issuance**").

The Bonds will be issued at par and will bear interest at an annual rate of 0.25% from the Issue Date (as such term is defined below), payable annually in arrears on March 23 of each year (or on the following business day if such date is not a business day), and for the first time on March 23, 2022.

The nominal unit value of the Bonds has been set at €81.03, corresponding to a premium of 50% above the reference price of Fnac Darty ordinary shares¹ (the "**Shares**") on the regulated market of Euronext Paris ("**Euronext Paris**").

The settlement-delivery is expected to take place on March 23, 2021 (the "**Issue Date**").

Unless previously converted and/or exchanged, redeemed or repurchased and cancelled, the Bonds will be redeemed at par on March 23, 2027 (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 and at the option of the bondholders under certain conditions.

In particular, the Bonds may be fully redeemed earlier at par plus accrued interest, at the Company's option at any time from April 13, 2025 until the Maturity Date, subject to a minimum of 30 (but not more than 60) calendar days prior notice, if the arithmetic average, calculated over a period of 20 consecutive trading days chosen by the Company from among the 40 consecutive trading days preceding the publication of the early redemption notice, of the products of the volume weighted

¹ The reference Share price is equal to the volume-weighted average price of the Shares recorded on Euronext Paris between the opening of trading today until the determination of the final terms and conditions of the Bonds, i.e., €54.0182.

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average price of the Company's Shares on Euronext Paris on each trading day of the considered period and the applicable conversion/exchange ratio on each such trading day exceeds 130% of the nominal value of the Bonds.

Upon a Change of Control of the Company or a Delisting of the Shares of the Company (as these terms are defined in the terms and conditions of the Bonds), all bondholders will have an option to request the early redemption before the Maturity Date of the Bonds at their nominal amount plus accrued but unpaid interests.

An application will be made for the admission of the Bonds to trading on the non-regulated open market of Euronext Paris (Euronext Access™). Such admission to trading is expected to occur within 30 calendar days after the Issue Date.

Conversion Right

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 Issue Date until the 7th business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The initial conversion/exchange ratio is set at one Share per Bond subject to standard subsequent adjustments (as set out 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. The new and/or existing Shares then delivered shall carry current dividend rights.

Dilution

Following the Issuance of a €199,999,947.63 principal amount corresponding to 2,468,221 Bonds with a par value of €81.03 per Bond and based on the initial conversion/exchange ratio of one Share per Bond, the potential dilution would represent approximately 9.28% 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.

Lock-up undertaking from the Company

In the context of the Issuance, the Company agreed to a lock-up undertaking with respect to its shares and securities giving access to the share capital for a period starting from the announcement of the final terms of the Bonds and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver by the global coordinator.

Legal Framework of the Issue and Placement

The Bonds were offered to qualified investors only within the meaning of point (e) of article 2 of the Prospectus Regulation and as per the 17th resolution approved by the Company's extraordinary general meeting held on May 23, 2019, in France, in the European Economic Area (EEA) and outside the EEA (excluding in particular the United States of America, Canada, Australia or Japan and any other

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jurisdiction where a registration process or an approval would be required by applicable laws and regulations).

Available information

The Issuance and the admission to trading on Euronext Access™ were not subject to a prospectus (as defined by the Prospectus Regulation) to be approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the "**AMF**"). No key information document the PRIIPs Regulation has been and will be prepared.

Detailed information on the Company, including its business, results, prospects and related risk factors are described in the Company's universal registration document for the financial year ended 31 December 2019 filed with the AMF on April 20, 2020 under number D.20-0323 and in the half-year financial report as at June 30, 2020, which are available, together with all the press releases (including the press releases relating to the third quarter 2020 revenue and full year 2020 results and the related analysts' presentation) and other regulated information about the Company, on the Company's website (www.fnacdarty.com).

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DISCLAIMER

This press release may not be released, published or distributed, directly or indirectly, in or into the United States of America, Australia, Canada or Japan. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering of the Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance by the Company or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Fnac Darty and the joint bookrunners assumes any liability in connection with the breach by any person of such restrictions.

*This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This press release is not an offer to the public other than to qualified investors, or an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France.*

The Bonds have been offered only by way of an offering in France and outside France (excluding the United States of America, Australia, Canada, Japan and any other jurisdiction where a registration process or an approval would be required by applicable laws and regulations), solely to qualified investors as defined in article 2 point (e) of the Prospectus Regulation and in accordance with Article L. 411-2 1° of the French monetary and financial code (Code monétaire et financier). There has not been, and will not be, any public offering in any country (including France) in connection with the Bonds. This press release does not constitute a recommendation concerning the issue of the Bonds, other than to qualified investors. The value of the Bonds and the shares of Fnac Darty can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.

Prohibition of sales to European Economic Area retail investors

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area. 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 to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.*

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

Prohibition of sales to UK retail Investors

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No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the United Kingdom ("UK"). 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 (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
- (b) 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 Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

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 Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Retail investors (France only), professional investors and ECPs only target market – 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 manufacturers have decided that the Bonds will be offered, as part of the initial offering, only to eligible counterparties and professional clients.

France

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France other than to qualified investors. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to qualified investors (investisseurs qualifiés), as defined in article 2 point (e) of the Prospectus Regulation, and in accordance with Article L.411-2 1° of the French monetary and financial code (Code monétaire et financier).

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "**Relevant Persons**")). The Bonds and, as the case may be, the shares to

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be delivered upon exercise of the conversion rights (the "**Financial Instruments**"), are intended only for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

This press release may not be released, published or distributed in or into the United States. The Bonds and the shares deliverable upon conversion or exchange of the Bonds described in this press release have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States, and such securities may not be offered, sold, pledged or otherwise transferred in the United States absent registration under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state or local securities laws. The securities of Fnac Darty have not been and will not be registered under the Securities Act and Fnac Darty does not intend to make a public offer of its securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Australia, Canada and Japan

The Bonds may not and will not be offered, sold or purchased in Australia, Canada or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.

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