



Market update

Agreement reached on financial restructuring terms between the Company and a group of banks and bondholders

Significant milestone towards reaching a final restructuring agreement by July

Main terms of Atos' financial restructuring plan:

- Contribution of €233 million by way of a capital increase with preferential subscription right, €75 million of which is backstopped by the bondholders participating to the new financings (described below) in cash and €100 million is backstopped by the Participating Creditors by debt equitization
- Equitization of €2.8 billion of Atos financial debt (plus accrued and unpaid interests), bringing the total amount of converted debt into equity to €2.9 billion
- Net indebtedness reduced by circa €3.1 billion in line with the objective of a BB credit profile by 2026, which assumes a financial leverage¹ of circa 2x by year-end 2026
- Contribution between €1.5 billion to €1.675 billion in new secured financings (new money debt), allocated equally between bank creditors and bondholders of Atos

Implementation of the proposed financial restructuring plan will result in massive dilution of Atos existing shareholders

Existing shareholders will be able to participate in the contemplated share capital increases

Re-opening of syndication period for interim financing (additional tranches of €225 million and €350 million) to 3 July 2024, 1:00pm (Paris time)

Opening of the syndication period for new secured financings of between €1.5 billion and €1.675 billion as of today

Paris, France – June 30, 2024 – Atos SE (“**Atos**” or the “**Company**”) announces today that it has reached an agreement on the main terms of a financial restructuring plan (the “**Agreement**”) with a group of banks and bondholders of the Company.

¹ Ratio net debt pre-IFRS16 over EBITDA pre-IFRS16; EBITDA computed as OMDA pre-IFRS16 minus anticipated RRI (restructuring, rationalization, integration) costs and other changes.

The Board of Directors of Atos has concluded, under the *aegis* of the Conciliator, that this Agreement is consistent with the financial parameters outlined by the Company. It provides for the conclusion of a binding lock-up agreement² between the Company and a group of banks and bondholders and the other financial creditors willing to support the Agreement during the week of July 8, 2024, enabling the opening of a dedicated accelerated procedure³ from the week of July 22 and a targeted effective completion of all restructuring operations by the end of 2024.

The Agreement also provides for the preservation of the Group's perimeter, subject to the conclusion of ongoing negotiations (i) with the French State for the disposal of the Advanced Computing, Mission-Critical Systems and Cybersecurity Products activities of Atos SE's BDS (Big Data & Cybersecurity) division, and (ii) with Alten for the disposal of Worldgrid.

The Agreement is posted today on the Atos' website and is accessible via the following link: <https://atos.net/en/investissors>.

The Company will now be working with all the relevant parties involved with a view to finalizing the contractual documentation formalizing the Agreement, including the lock-up agreement.

As indicated in its previous communications, the Company reminds that the implementation of the contemplated financial restructuring plan will result in massive dilution for existing Atos shareholders, who should, if they do not participate in the envisaged share capital increases, hold less than 0.1% of the share capital.

Main terms of the financial restructuring plan

The Agreement is consistent with the key financial parameters outlined by the Company in April and aligns with the interest of the Company's stakeholders, particularly its employees and clients.

It shall enable the Company to have a stronger capital structure through:

- A rights issue with maintenance of the preferential subscription rights for existing shareholders, for an amount of €233 million, at a reduced subscription price compared to the Equitization Capital Increases (to the extent legally permissible), with €75 million in cash backstopped by bondholders participating in the new financings (described below) and €100 million backstopped by the creditors participating in the new financings (the "**Participating Creditors**") by set off against the portion of their respective debts (the "**Rights Issue**"), any cash proceeds resulting from the subscription to this Rights Issue will be kept in full by the Company for the purpose of financing its business operations;

² The contractual documentation will comprise in particular a lock-up agreement, which is an agreement under the terms of which the signatories undertake to support and carry out any steps or actions reasonably necessary for the implementation and completion of the Company's financial restructuring. This agreement makes it possible to secure the support of restructuring stakeholders who are not directly involved in the discussions.

³ The Company may request the opening of accelerated safeguard proceedings – whose effects would be limited to financial creditors and shareholders only – with the sole view to implement and obtain a Court approval on the terms of the financial restructuring plan agreed in the lock-up agreement. The accelerated safeguard proceedings would concern only the financial indebtedness of Atos and would not impact in any way suppliers, employees, the governance of the Company, or other creditors of the Company or its subsidiaries.

- If the €100 million backstop by set-off against their respective debts provided by the Participating Creditors in the Rights Issue is not called up in full, the amount remaining to be subscribed shall be equitized on terms similar to those for the Rights Issue, through a capital increase without preferential subscription right reserved to them (with, if applicable⁴, a priority period (*délai de priorité*) for the benefit of existing shareholders), by way of debt equitization (the "**Potential Capital Increase**"). Participating Creditors will also have the option to fund, as part of the Potential Capital Increase, an additional amount of cash up to €75 million (the "Optional Additional Equity");
- The equitization of €2.8 billion (in addition to the €100 million previously equitized) of Atos' financial debt increased by the amount of accrued and unpaid interests due to Atos' financial creditors as from the opening of the accelerated safeguard procedure, through two share capital increases without preferential subscription right, one reserved to the Participating Creditors (with, if applicable⁵, a priority period (*délai de priorité*) for the benefit of existing shareholders), the other reserved to creditors not participating in the new financing (the "**Non-Participating Creditors**") (with, if applicable⁶, a priority period (*délai de priorité*) for the benefit of existing shareholders) (the "**Equitization Capital Increases**"). The Equitization Capital Increase reserved to Non-Participating Creditors will be offered on less favorable conditions than the one offered to Participating Creditors. Any cash proceeds resulting from the subscription by existing shareholders to these Equitization Capital Increases under their priority rights will be used in full to repay the Company's relevant unsecured financial creditors at par value in due proportion;

(together the "**Financial Restructuring Capital Increases**")

- A contribution between €1.5 billion and €1.675 billion of new secured financings (*new money debt*) (depending on the amount of cash subscriptions to the Rights Issue and of the Optional Additional Equity as part of the Potential Capital Increase) to be subscribed in equivalent proportions by (i) the bank creditors holding at the Record Date (as defined below) debt under the €1.5 billion term loan A maturing in January 2025 and the €900 million revolving credit facility maturing in November 2025 (the "**Loans**") and (ii) the bondholders holding at the Record Date bonds issued by Atos maturing in 2024, 2025, 2026, 2028 and 2029 (the "**Bonds**").

The aim of these transactions is to secure the Group's future financial equilibrium, with a reduction in net debt by circa €3.1 billion, that should enable the Company to achieve its target to regain a BB credit rating profile by 2026.

These transactions will guarantee minimum liquidity amount of €1.1 billion until December 31, 2026.

⁴ If the shareholders vote against the proposed accelerated safeguard plan. If the existing shareholders subscribe to the Potential Capital Increase within the priority period (*délai de priorité*), under the conditions of Article L.22-10-51 of the French commercial code, the new shares would be subscribed at the same price as those to be subscribed by the Participating Creditors in the Potential Capital Increase.

⁵ If the shareholders vote against the proposed accelerated safeguard plan. If the existing shareholders subscribe to the Equitization Capital Increases within the priority period (*délai de priorité*), under the conditions of Article L.22-10-51 of the French commercial code, the new shares would be subscribed at the same price as those to be subscribed by the Participating Creditors or the Non-Participating Creditors (as the case may be) in the Equitization Capital Increases.

⁶ See footnote 5.

Changes in shareholder structure following the completion of the financial restructuring expected by 2024 year-end / Q1 2025

Following the completion of the financial restructuring transactions described above, the Company emphasizes that Atos' financial creditors will become the Company's main shareholders.

The Agreement also provides the possibility for the entry of a potential anchor investor as part of the Financial Restructuring Capital Increases.

Pursuant to the Agreement, if:

- a) No existing shareholder subscribes to the Rights Issue;
- b) No existing shareholder subscribes to any of the other Financial Restructuring Capital Increases during the priority period (délai de priorité) (if any), and
- c) Only the financial creditors supporting the Agreement subscribe to the Financial Restructuring Capital Increases under their respective backstop commitments,

the ownership percentages would be, according to the principles set out in the Agreement and the valuations adopted by the parties, as follows:

- for the Company's existing shareholders, below 0.1% following completion of all the Financial Restructuring Capital Increases;
- for the Company's financial creditors, circa 99.9% upon completion of all the Financial Restructuring Capital Increases.

Assuming that all existing shareholders subscribe to the Financial Restructuring Capital Increases, the ownership percentages⁷ would be, according to the principles set out in the Agreement and the valuations adopted by the parties, as follows:

- for the Company's existing shareholders, circa 25.9% upon completion of all the Financial Restructuring Capital Increases;
- for the Company's financial creditors, circa 74.1% upon completion of all the Financial Restructuring Capital Increases.

⁷ On a fully diluted basis.

	Existing shareholders (for their current shareholding)	Existing shareholders (for the shares subscribed under the €233 million Rights Issue)	Financial creditors
100% participation in the €233 million Rights Issue ⁸	0.05%	25.83%	74.12%
0% participation in the €233 million Rights Issue	0.06%	-	99.94%

In view of the dilution expected to result from the Financial Restructuring Capital Increases, the Board of Directors of the Company will, on a voluntary basis pursuant to Article 261-3 of the AMF General Regulation, appoint an independent expert to issue an opinion on the financial restructuring. The independent expert will assess the financial conditions of the financial restructuring for shareholders and issue a report containing a fairness opinion that will be made available to shareholders.

It is specified that the banks and the bondholders of the Company do not intend to act in concert together.

Following the Financial Restructuring Capital Increases, the Company will remain uncontrolled.

Conditions precedent and implementation of the Agreement

The implementation of the financial restructuring remains subject to the fulfilment of several conditions precedent, including in particular:

- Finalization and conclusion of the long form financial restructuring documentation, including the accelerated safeguard plan;
- Approval by the AMF of the securities note (*note d'opérations*) relating to the contemplated share capital transactions;

⁸ On a fully diluted basis (including the full exercise of the option to inject EUR 75m in cash as part of the Potential Capital Increase).

- Receipt of a report from an independent expert confirming that the terms of the proposed financial restructuring (including in relation to the share capital increases) are fair from a financial perspective in accordance with the AMF General Regulation, as customary for transactions of this nature;
- Judgment of the specialized Commercial Court of Nanterre (*Tribunal de Commerce spécialisé de Nanterre*) approving the accelerated safeguard plan implementing the definitive financial restructuring agreement; and
- Obtaining regulatory approvals, if applicable⁹.

Re-opening of syndication period for interim financing (additional tranches of €225 million and €350 million) to July 3rd, 2024

Following its press release dated June 20, 2024 and as part of its interim financing process, Atos today announces the re-opening of the syndication period for the additional tranches of €225 million and €350 million of facilities (with a reallocation of banks' participations within the factoring program of €75 million) from June 30, 2024 to July 3rd, 2024 at 1.00 p.m. Paris time.

The agreement on such additional tranches of facilities remains subject to a waiver from the banks under the €1.5 billion term loan of the Company and to an amendment to the Facilities previously provided by a group of bondholders.

The Company reminds that the following are invited to participate in the additional tranches of €225 million and €350 million of facilities and the €75 million factoring program:

- All the holders of the following notes as at June 14, 2024, after close of market (the "**Record Date**") (the "**Bondholders**"):
 - o 2024 Exchangeable Notes: €500 million of zero per cent. exchangeable bonds due 6 November 2024, issued pursuant to terms and conditions dated 6 November 2019 admitted to clearing under number ISIN: FR0013457942;
 - o 2025 Notes: €750 million 1.75 per cent. bonds due 7 May 2025, issued pursuant to a prospectus dated 5 November 2018 admitted to clearing under number ISIN: FR0013378452;
 - o 2026 Notes: €50 million NEU MTN (Negotiable European Medium-Term Note) due 17 April 2026, issued pursuant to the €600,000,000 Negotiable European Medium-Term Note program admitted to clearing under number ISIN: FR0125601643;
 - o 2028 Notes: €350,000,000 2.50 per cent. bonds due 7 November 2028, issued pursuant to a prospectus dated 5 November 2018 admitted to clearing under number ISIN: FR0013378460;
 - o 2029 Notes: €800 million 1.00 per cent. sustainability-linked bonds due 12 November 2029, issued pursuant to a prospectus dated 10 November 2021 admitted to clearing under number ISIN: FR0014006G24;

⁹ Ongoing analysis by the parties of the need to obtain any potential regulatory approvals required to implement the contemplated transactions.

- All the lenders under the following credit facilities as at the Record Date (the “**Banks**”):
 - o Term loan A: €1.5 billion term loan facility agreement dated July 2022 maturing in January 2025;
 - o RCF: €900 million revolving facility agreement dated November 2014 maturing in November 2025.

The additional tranche of €225 million of revolving credit facility (to be drawn shortly after close of syndication) will be allocated between Banks and Bondholders as follows:

- €125 million to be provided by Banks;
- €100 million to be provided by Bondholders.

The additional tranche of €350 million of revolving credit facility (to be drawn by end of July, subject, inter alia, to signing of a lock-up agreement in respect of the financial restructuring and the entry into a dedicated accelerated procedure¹⁰) will be allocated between Banks and Bondholders as follows:

- €175 million to be provided by Banks;
- €175 million to be provided by Bondholders.

As part of the reduction of the factoring program agreed in principle to €75 million, the participation in this program will be reallocated among the Banks with effect shortly after the closing of the syndication.

All the Banks and Bondholders willing to participate in these additional tranches of €225 million and €350 million of facilities and in the €75 million factoring program are invited to formalize their commitment by filling-in the following form by July 3rd, 2024 at 1.00 p.m Paris time via: <https://forms.kroll.com/orbeon/fr/is/atos-form/new?form-version=1>.

Banks and Bondholders who have already participated and completed their form will be able to modify their response form by July 3rd, 2024 at 1:00 p.m. Paris time. To this end, Banks and Bondholders willing to modify their earlier response are invited to contact Kroll to have their initial form deleted. They will then be able to formalize a new commitment by filling-in a new form via the same link: <https://forms.kroll.com/orbeon/fr/is/atos-form/new?form-version=1>.

Following its press release dated June 20, 2024, Bondholders willing to participate in the additional tranches of €225 million and €350 million of facilities will have to provide proof of holding as at the Record Date to Kroll and to sign a cooperation agreement.

Information concerning the additional tranches of €225 million and €350 million of facilities and the €75 million factoring program to be provided (including a new version of the agreement between the Company and its financial creditors) is accessible on the following website: <https://deals.is.kroll.com/atos>.

¹⁰ See footnote 3

Opening of the syndication period for New Secured Financings of between €1.5 billion and €1.675 billion as of today

As announced in its press release of June 13, 2024 and in connection with the provision of secured new money debt under the Agreement in an amount from €1.5 billion to €1.675 billion in the form of new secured financings (the "**New Secured Financings**") as well as €75 million in the form of backstop in cash of the Rights Issue (the "**Equity Financings Backstop**", together with the New Secured Financings, the "**New Financings**"), Atos announces today the opening of a first syndication period for the New Financings.

Are invited to participate in the New Financings all the Bondholders and Banks as at the Record Date.

The New Secured Financings will be allocated between the Banks and the Bondholders as follows:

- between €750 million and €837.5 million by the Banks (including between €250 million and €337.5 million in the form of term loans, €250 million in RCF and €250 million in bank guarantees);
- between €750 million and €837.5 million by Bondholders in the form of a new bond issue.

Equity Financings Backstop may only be subscribed by Bondholders (for the avoidance of doubt, the Optional Additional Equity will be open to all Bondholders and Banks). Bondholders willing to participate in the New Secured Financings will be required to participate in the Equity Financings for an equivalent proportion.

For Bondholders, syndication of the New Financings will be carried out as follows;

- until July 3rd, 2024 at 1.00 p.m. Paris time, Bondholders have the option:
 - o to subscribe, pro rata to their Bonds' holdings at the Record Date, to the New Secured Financings allocated to Bondholders and to backstop, for an equivalent proportion, the subscription to the Equity Financings;
 - o to underwrite, pro rata to their Bonds' holding at the Record Date, the portion of New Secured Financings allocated to Bondholders not subscribed at the end of the syndication period.
- for a period of ten business days following the signature of the lock-up agreement, Bondholders will have the opportunity to subscribe, pro rata only to their Bonds' holding at the Record Date, to the New Secured Financings allocated to Bondholders.

For the Banks, syndication of New Equity Financings will be carried out as follows:

- until July 5, 2024 at 11:59 p.m. Paris time, the Banks have the option of backstopping, underwriting and contributing all or part of the New Secured Financings allocated to the Banks (i.e. up to €837.5 million);
- for a period of ten business days following signature of the lock-up agreement, the Banks that did not participate in the first phase will be able to subscribe to the New Secured Financings, within the limit of their pro rata only to their Loans' holdings at the Record Date allocated to Banks.

All Banks and Bondholders wishing to participate and backstopping the subscription to this New Financings under the conditions set out above are invited to formalize, by July 3rd, 2024 1.00 p.m. Paris time in respect of the Bondholders and by July 5, 2025 11:59 p.m. Paris time in respect of the Banks, their commitment by completing the following form: <https://forms.kroll.com/orbeon/fr/is/atos-form-backstop/new?form-version=1>.

A new syndication period will be opened after signature of the lock-up agreement to allow all Bondholders and Banks to participate in these financings on a pro rata basis.

Bondholders wishing to participate in these New Financings will be required to provide Kroll with proof of their ownership as at the Record Date and to sign a cooperation agreement.

The terms and conditions of the New Financings are set out in the Agreement published on the Company's website. Further information concerning the New Financing will be available to Banks and Bondholders via the following website: <https://deals.is.kroll.com/atos>.

Next steps

As indicated in its press release of June 26, 2024, the Company expects that:

- The lock-up agreement allowing all financial creditors to support the proposed restructuring plan would be expected during the week starting July 8; and
- The accession to the lock-up agreement would be open from the week starting July 8 to the week ending July 22.

The definitive financial restructuring agreement with the financial creditors would then be implemented through a dedicated accelerated procedure¹¹ from the week starting July 22.

The restructuring operations will then be implemented during the second half of 2024 with a view to effective completion by the end of 2024 / Q1 2025.

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Atos SE confirms that information that could be qualified as inside information within the meaning of Regulation No. 596/2014 of 16 April 2014 on market abuse and that may have been given on a confidential basis to its financial creditors has been published to the market, either in the past or in the context of this press release, with the aim of re-establishing equal access to information relating to the Atos Group between the investors.

¹¹ See footnote 3

Disclaimer

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About Atos

Atos is a global leader in digital transformation with c. 94,000 employees and annual revenue of c. € 11 billion. European number one in cybersecurity, cloud and high-performance computing, the Group provides tailored end-to-end solutions for all industries in 69 countries. A pioneer in decarbonization services and products, Atos is committed to a secure and decarbonized digital for its clients. Atos is a SE (Societas Europaea), and listed on Euronext Paris.

The [purpose of Atos](#) is to help design the future of the information space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

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