



## EDF announces the success of its inaugural landmark offering of green bonds convertible into new shares and/or exchangeable for existing shares (*OCEANEs Vertes*) due 2024 for a nominal amount of €2.4 billion

Paris, France, 8 September 2020 - EDF announces today the success 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.

This landmark transaction marks a key milestone in EDF's Cap 2030 strategy. In 2015, EDF has set itself the goal of doubling its net installed renewables capacity to more than 50GW in 2030. Since 2013 the Company has issued five Green Bonds for a total amount of circa €4.5 billion in order to foster its development in renewable energies and has dedicated over the past few years approximately €2.5 billion per year of gross operational investments in renewables. This inaugural jumbo Offering, the first of its kind, not only strengthens EDF's leading position in renewable energy in Europe and demonstrates 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*, but also confirms the Company's position at the forefront of Green Bond innovation.

Commenting on the transaction, Jean-Bernard Levy, Chairman and CEO of EDF, said: "With this transaction we demonstrate our commitment to the full decarbonisation of our energy generation and position ourselves at the forefront of the energy transition. The success of this placement demonstrates the support of investors to our Cap 2030 strategy".

This issuance is the largest non-mandatory convertible bond issued in Europe since 2003, the largest green convertible bond ever issued and the largest green bond issued by a European corporate.

### Main terms of the transaction

EDF (ISIN Code: FR0010242511, Vigeo ESG Rating 66/100, Sustainalytics Rating 86/100) (the "**Company**") announces today the success 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 nominal amount of approximately €2.4 billion (the "**Offering**").

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.

The Bonds will not bear interest (zero-coupon) and will be issued at an issue price of €11.70, *i.e.* 107.00% of their nominal value, resulting in an annual gross yield-to-maturity of (1.68)%. The nominal value of the Bonds has been set at €10.93,



corresponding to a premium of 32.5% above the Company's reference share price on the regulated market of Euronext in Paris ("**Euronext Paris**")<sup>1</sup>.

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.

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.

### Legal framework of the Offering and placement

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

<sup>1</sup> The reference share price is 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, *i.e.* €8.2465.



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## **Subscription by the French State**

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 subscribed to the Offering for a total nominal amount of €960 million, corresponding to 40% of the Offering, at a price equal to the final price resulting from the bookbuilding process.

## **Lock-up undertakings**

In the context of the Offering, each of the Company and the French State agreed 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**

As a result of the Offering, considering an aggregate principal amount of €2,399,999,989.27 represented by 219,579,139 Bonds each with a nominal value of €10.93, based on the initial conversion/exchange ratio, the potential dilution would represent approximately 7.1% 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™ 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)).

## **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 the Offering of the Bonds is not 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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EDF S.A.  
22-30, avenue de Wagram  
75382 Paris cedex 08  
Capital de €1,551,810,543  
552 081 317 R.C.S. Paris

[www.edf.fr](http://www.edf.fr)

## CONTACTS

Press: +33 (0) 1 40 42 46 37

Analysts and Investors: +33 (0) 1 40 42 40 38

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*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 or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of EDF 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 (as amended, 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 will be offered only by way of a placement in France and outside France (excluding the United States of America, Australia, Japan, South Africa 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 Code monétaire et financier. There will be no offer to the public in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and EDF's shares can decrease as well as increase for a wide variety of reasons. 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 and United Kingdom retail investors

*The Bonds 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 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 to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as applicable.

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

MiFID II product governance / French Retail investors, 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 Bonds will be offered only to eligible counterparties and professional clients.

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 be delivered upon exercise of the conversion rights under the terms and conditions of the Bonds (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, the shares deliverable upon conversion or exchange of the Bonds, as 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 or to, or for the account or benefit of, U.S. Persons, 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 EDF have not been and will not be registered under the Securities Act and EDF does not intend to register any portion of the proposed offering in the United States, nor 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.

#### Canada

The offering of the securities described herein is only being made in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell these securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this offering or the merits of these securities, and any representation to the contrary is an offence. This offering is not, and under no circumstances is it to be construed as, an offer to sell the securities described herein or a solicitation of an offer to buy the securities described herein in any jurisdiction where the offer or sale of these securities is prohibited.

The Bonds 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 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

The Bonds, the shares deliverable upon conversion or exchange of the Bonds, may not and will not be offered, sold or purchased in Australia, Japan or South Africa. The information contained in this press release does not constitute an offer of securities for sale in Australia, Japan or South Africa.

This press release may not be forwarded to any U.S. address or distributed in any other manner in the United States or in any other jurisdiction in which the distribution of this press release would be unlawful. Failure to comply with this directive may result in violation of the Securities Act or the applicable laws of other jurisdictions.

The Joint Bookrunners are acting exclusively on behalf of EDF and no-one else in connection with the Offering. They will not regard any other person as their respective client in relation to the Offering and will not be responsible to anyone other than EDF for providing the same protections as to any of their clients or to provide advice in connection with the Offering or the Bonds or the offering thereof, the contents of this press release or any other transaction, arrangement or other matter described in this press release.

In connection with the Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of EDF or related investments in connection with the Offering, the Bonds, EDF or otherwise.

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None of the Joint Bookrunners or any of their respective affiliates accept any responsibility whatsoever which could result from the use of this press release with respect to its inaccuracy or completeness.

#### Forward-looking statements



*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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