This Offer and the Draft Offer Document remain subject to review by the AMF.

This document is an unofficial English-language translation of the draft tender offer document (**projet de note d'information*****) which was filed with the French* **Autorité des marchés financiers** *on October 4, 2022 and which remains subject to its review. In the event of any differences between this unofficial English-language translation and the official French draft tender offer document, the official French draft tender offer document shall prevail.***

DRAFT OFFER DOCUMENT RELATING TO THE SIMPLIFIED TENDER OFFER

for the shares and bonds convertible into and/or exchangeable for new and/or existing EDF shares ("**OCEANEs**")

of the company

EDF

initiated by

the FRENCH STATE

presented by

Goldman Sachs

Presenting Bank

SOCIETE GENERALE

Presenting Bank and Guarantor

DRAFT OFFER DOCUMENT PREPARED BY THE FRENCH STATE

TERMS OF THE OFFER:
EUR 12.00 per share of EDF
EUR 15.52 per OCEANE of EDF

OFFER PERIOD:
20 Trading Days
The timetable for the simplified tender offer referred to herein (the "**Offer**") will be set out by the *Autorité des marchés financiers* (the "**AMF**") in accordance with provisions of its General Regulation.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This draft offer document (the "**Draft Offer Document**") was prepared and filed with the AMF on October 4, 2022, pursuant to Articles 231-13, 231-16 and 231-18 of the AMF's General Regulation.

This Offer and the Draft Offer Document remain subject to review by the AMF.

This Offer and the Draft Offer Document remain subject to review by the AMF.

IMPORTANT NOTICE

In the event that the number of shares not tendered to the Offer by the minority shareholders of EDF (excluding treasury shares held by the Company) does not represent more than 10% of the share capital and voting rights of EDF following the Offer, the French State intends to implement, at the latest within three (3) months following the closing of the Offer, in accordance with Articles L. 433- 4 II of the French Monetary and Financial Code and 237-1 *et seq*. of the AMF's General Regulation, a squeeze-out procedure in order to transfer the EDF shares not tendered to the Offer (excluding treasury shares held by the Company) in exchange for compensation equal to the Offer Price per Share (*i.e.* EUR 12.00 per EDF share).

In addition, in the event that the number of shares not tendered to the Offer by the minority shareholders of EDF (excluding treasury shares held by the Company) and the number of shares that may be issued following the conversion of the OCEANEs not tendered in the Offer do not represent more than 10% of the sum of existing EDF shares and EDF shares that may be issued as a result of the conversion of the OCEANEs following the Offer, the French State also intends to implement, at the latest within three (3) months following the closing of the Offer, in accordance with Articles L. 433-4 III of the French Monetary and Financial Code and 237-1 *et seq* of the AMF's General Regulation, a squeeze-out procedure in order to transfer the OCEANEs not tendered to the Offer in exchange for compensation equal to the Offer Price per OCEANE (*i.e*. EUR 15.52 per EDF OCEANE).

The Draft Offer Document is available on the websites of the AMF (www.amf-france.org), the *Agence des participations de l'Etat* (https://www.economie.gouv.fr/Agence-participations-etat) and the Company (www.edf.fr) and may be obtained free of charge from:

Ministère de l'Economie, des Finances et de la Souveraineté industrielle et numérique
Agence des participations de l'Etat,
Attn: Secrétaire général
139, rue de Bercy (bâtiment Colbert)
75572 Paris cedex 12

Société Générale
GLBA/IBD/ECM/SEG
75886 Paris Cedex 18

Goldman Sachs Bank Europe SE
(Paris Branch)
85 avenue Marceau
75116 Paris

In accordance with Article 231-28 of the AMF's General Regulation, a description of the legal, financial and accounting characteristics of the French State will be made available to the public no later than the day preceding the opening of the Offer. A press release will be issued to inform the public of the manner in which this information will be made available.

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1. OVERVIEW OF THE OFFER

Pursuant to Title III of Book II and more specifically Articles 233-1, 1° *et seq*. of the AMF's General Regulation, the French State, through the intermediary of the *Agence des participations de l'Etat* located at 139 rue de Bercy, 75012 Paris, France (hereafter, the "**French State**", or the "**Offeror**"), makes an irrevocable offer to the shareholders of the company Electricité de France, a limited liability corporation (*société anonyme à conseil d'administration*) with a share capital of EUR 1,943,290,542, having its office at 22-30 avenue de Wagram, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 552 081 317 (the "**Company**" or "**EDF**", and together with its direct and indirect subsidiaries, the "**Group**") and to the holders of EDF bonds convertible into and/or exchangeable for new and/or existing shares maturing in 2024 (the "**OCEANEs**"), to acquire all of the shares of the Company which are traded on the compartment A of the Euronext Paris regulated market under ISIN Code FR0010242511, ticker symbol "EDF" (the "**Shares**"), and the OCEANEs of the Company which are traded on the multilateral trading facility Euronext Access ("**Euronext Access**") under ISIN Code FR0013534518, that the Offeror does not hold, directly or indirectly, alone or in concert, on the date of the Draft Offer Document, at the share price of EUR 12.00 (the "**Offer Price per Share**") and at the OCEANE price of EUR 15.52 (the "**Offer Price per OCEANE**"), as part of a simplified tender offer, the terms and conditions of which are described hereafter (the "**Offer**") and which may be followed, if all conditions are met, by a squeeze-out procedure pursuant to the provisions of Articles 237-1 to 237-10 of the AMF's General Regulation.

As of the date of the Draft Offer Document, the French State holds (A) directly (i) 2,911,865,628 Shares representing 5,116,476,850 theoretical voting rights (*i.e.* 74.92% of the capital and 78.82% of the theoretical voting rights of the Company)[1], and (ii) 87,831,655 OCEANEs and (B) indirectly through the intermediary of the EPIC Bpifrance, a public institution of an industrial and commercial nature (*établissement public à caractère industriel et commercial*), having its registered office at 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France (the "**EPIC Bpifrance**") (with whom the French State acts in concert), 340,706,595 Shares representing 669,055,956 theoretical voting rights (*i.e.* 8.77% of the capital and 10.31% of the theoretical voting rights of the Company)[2]. In total, the Offeror holds, directly and indirectly, alone and in concert, 3,252,572,223 Shares representing 5,785,532,806 theoretical voting rights (*i.e.* 83.69% of the capital and 89.13% of the theoretical voting rights of the Company).

The Offer targets:

(i) All the Shares not held by the Offeror, directly or indirectly, alone or in concert:

- which are already issued, *i.e.* to the knowledge of the Offeror at the date of the Draft Offer Document, a maximum number of 633,120,350 Shares, it being specified that the treasury Shares held by the Company are not targeted by the Offer[3], and
- which are likely to be issued before the closing of the Offer in connection with the conversion of the OCEANEs, *i.e.*, to the knowledge of the Offeror at the date of the Draft Offer Document, a maximum number of 170,349,496[4] new Shares,

i.e., to the knowledge of the Offeror at the date of the Draft Offer Document, a maximum number of Shares targeted by the Offer equal to 803,469,846; and

(ii) All outstanding OCEANEs that are not held by the Offeror, *i.e.* to the knowledge of the Offer at

[1] Based on a total number of 3,886,581,084 shares and 6,491,104,844 theoretical voting rights of the Company (information as of August 31, 2022 published by the Company on its website in accordance with Article 223-16 of the AMF's General Regulation). In accordance with Article 223-11 of the AMF's General Regulation, the total number of voting rights is calculated on the basis of all shares to which voting rights are attached, including shares without voting rights.
[2] *Idem*.
[3] The treasury Shares held by the Company, representing 0.02% of the Company's share capital (information as of August 31, 2022), assimilated to those held by the Offeror pursuant to Article L. 233-9, I, 2° of the French Commercial Code, are not targeted by the Offer.
[4] Calculated on the basis of the adjusted share allocation ratio, as determined in paragraph 2.6 of the Draft Offer Document.

the date of the Draft Offer Document, 131,747,484 OCEANEs.

To the knowledge of the Offeror, there are no other equity securities or other financial instruments issued by the Company or rights conferred by the Company that may give access, immediately or in the future, to the share capital or voting rights of the Company, other than the existing Shares and the OCEANEs described in section 2.6 of the Draft Offer Document.

The Offer, which will be followed, if conditions are met, by a squeeze-out procedure pursuant to Articles L. 433-4 II and L. 433-4 III of the French Monetary and Financial Code and 237-1 *et seq*. of the AMF's General Regulation, will be conducted following the simplified procedure in accordance with the provisions of Article 233-1 *et seq.* of the AMF's General Regulation. The duration of the Offer will be twenty (20) Trading Days, a "Trading Day" for the purposes hereof being a trading day on Euronext Paris that is also a trading day in the United States.

In accordance with the provisions of Article 231-13 of the AMF's General Regulation, Goldman Sachs Bank Europe SE, Paris Branch ("**Goldman Sachs**") and Société Générale (together, the "**Presenting Banks**"), as presenting banks of the Offer, filed the Offer and the Draft Offer Document with the AMF on behalf of the Offeror, it being specified that only Société Générale guarantees the content and the irrevocable nature of the commitments made by the Offeror in connection with the Offer.

1.1 Background and reasons for the Offer

1.1.1 Background of the Offer

EDF, a company majority-owned by the French State and a major player in energy transition, is an integrated energy company active in all businesses: generation, transmission, distribution, energy trading, energy sales and energy services. The Group is a world leader in low-carbon energy, having developed a diverse production mix based mainly on nuclear and renewable energy (including hydropower). It is also investing in new technologies to support energy transition. EDF's *raison d'être* is to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive well-being and economic development.

Climate emergency and the geopolitical situation require strong decisions to ensure France's independence and energy sovereignty, including the ability to plan and invest for the very long term for electricity generation, transmission and distribution.

In this context, the French Prime Minister announced, on July 6, 2022, the French State's intention to hold 100% of EDF's capital. This change will enable EDF to strengthen its ability to carry out ambitious projects that are essential for France's energy future as soon as possible.

Following this declaration, the French State indicated in a press release published on July 19, 2022 that it intended to acquire the remaining equity securities it does not hold, by means of a simplified tender offer to be filed with the AMF, subject to the enactment of a 2022 Supplementary Budget Bill allocating to the "Financial interests of the French State" (*Participations financières de l'Etat*) special allocation account the budgetary appropriations necessary for the Offer.

Such law was definitely adopted by the French Parliament on August 4, 2022 and enacted on August 17, 2022 (Law No 2022-1157 of August 16, 2022 supplementing the budget for 2022).

The reasons for the Offer are more fully described in section 1.1.3 "*Reasons for the Offer*" below.

1.1.2 Breakdown of the Company's capital and voting rights

Share capital of EDF

To the Offeror's knowledge, the Company's share capital at the date of the Draft Offer Document amounts to EUR 1,943,290,542, divided into 3,886,581,084 ordinary shares of EUR 0.50 par value each, fully paid-up and all of the same class.

Composition of EDF's shareholding structure as of August 31, 2022

To the knowledge of the Offeror, the share capital and voting rights of the Company as of August 31, 2022 are as follows[5]:

Shareholders	Number of shares	Percentage of shares	Number of theoretical voting rights	Percentage of theoretical voting rights
Concert between the French State and the EPIC Bpifrance	3,252,572,223	83.69%	5,785,532,806	89.13%
- French State	*2,911,865,628*	*74.92%*	*5,116,476,850*	*78.82%*
- EPIC Bpifrance	*340,706,595*	*8.77%*	*669,055,956*	*10.31%*
Employee shareholding	51,879,298	1.33%	86,298,052	1.33%
Treasury shares	888,511	0.02%	888,511	0.01%
Public	581,241,052	14.96%	618,385,475	9.53%
Total	3,868,581,084	100%	6,491,104,844	100%

Acquisition of Shares or OCEANEs of the Company by the Offeror and by the EPIC Bpifrance in the past twelve months

The Offeror and EPIC Bpifrance received an interim dividend in respect of the 2021 financial year and received, as such, on December 2, 2021, 62,329,797 and 9,033,181 Shares respectively, *i.e.*, a total of 71,362,978 Shares and EUR 13.54 in balancing cash (the "**Payment of the Interim Dividend in Shares**").

On March 16, 2022, the Offeror acquired from EPIC Bpifrance a total of 15,513,760 Shares, at a unit price of EUR 7.54 (the "**Transfer between Concert Members**").

The Offeror subscribed to the capital increase in cash with preferential subscription rights launched by the Company on March 18, 2022 and received, on April 7, 2022, a total of 417,930,882 Shares pursuant to such subscription at a unit price of EUR 6.35 (the "**Capital Increase**").

The Offeror and EPIC Bpifrance opted for the payment in new shares of the balance of the dividend in respect of the financial year 2021 approved by the Company's general meeting of May 12, 2022 and received, as such, on June 13, 2022, a total of 118,090,600 Shares and EUR 6.65 of balancing cash (the "**Payment of the Balance on Dividend in Shares**").

It is specified that, with the exception of the Payment of the Interim Dividend in Shares, the Capital Increase, the Payment of the Balance on Dividend in Shares and the Transfer between Concert Members, neither the Offeror nor EPIC Bpifrance has received any Shares or OCEANEs during the twelve (12) months preceding the filing of the Draft Offer. Neither the Offeror nor EPIC Bpifrance has acquired any Shares or OCEANEs from third parties to the concert between the French State and EPIC Bpifrance during the twelve (12) months preceding the filing of the draft Offer.

[5] Based on a total number of 3,886,581,084 shares representing as of August 31, 2022 6,491,104,844 theoretical voting rights of the Company in accordance with Article 223-11 of the AMF's General Regulation.

Declarations of thresholds crossing and intentions

In accordance with the provisions of Article 10 of the Company's bylaws relating to the obligation to declare to the Company the crossing of a threshold of 0.5% of the Company's capital or voting rights (or a multiple thereof), pursuant to the declaration of statutory thresholds crossing dated March 18, 2022, the French State declared that on March 16, 2022, it had individually crossed upwards the statutory thresholds of 73.5% of the Company's capital and 83% of the Company's voting rights following the Transfer between Concert Members, and that as of March 16, 2022, it individually held 2,388,201,380 Shares representing 4,592,812,602 voting rights of the Company, *i.e.* 73.74% of the capital and 83.25% of the voting rights of the Company.

In accordance with the provisions of Article 10 of the Company's bylaws, pursuant to the declaration of statutory thresholds crossing dated April 13, 2022, the French State declared that on April 7, 2022, it had individually crossed upwards the statutory thresholds of 74%, 74.5% and 75% of the Company's share capital following the Capital Increase, and that it individually held 2,806,132,262 Shares representing 5,010,743,484 voting rights of the Company, *i.e.* 75.092% of the capital and 83.332% of the voting rights of the Company. Pursuant to the declaration of statutory thresholds crossing of the same day, the concert formed between the Initiator and EPIC Bpifrance declared that it held, as of April 8, 2022, 3,134,481,623 Shares representing 5,339,092,845 voting rights, *i.e.* 83.878% of the capital and 88.793% of the voting rights of the Company.

In accordance with the provisions of Article 10 of the Company's bylaws, pursuant to the declaration of statutory thresholds crossing dated May 4, 2022, the French State declared that on April 20, 2022, it had passively crossed downwards the statutory thresholds of 0.5% between 83% and 79.5% of the Company's voting rights, and that it held individually as of May 4, 2022 2,806,132,262 Shares representing 5,010,743,484 voting rights of the Company, *i.e.* 75.092% of the capital and 79.010% of the voting rights of the Company. Pursuant to the declaration of statutory thresholds crossing of the same day, the concert formed between the Initiator and EPIC Bpifrance declared that it held, as of May 4, 2022, 3,134,481,623 Shares representing 5,667,442,206 voting rights, *i.e.* 83.878% of the capital and 89.365% of the voting rights of the Company.

In accordance with the provisions of article L. 233-7 of the French Commercial Code and Article 10 of the Company's bylaws, pursuant to the declaration of thresholds crossing dated June 9, 2022[6], EPIC Bpifrance declared that it had individually crossed (i) downwards, on April 7, 2022, the threshold of 10% of the Company's share capital as a result of the Capital Increase, and that it individually held 328,349,361 Shares, *i.e.* 8.79% of the capital and 5.46% of the voting rights of the Company, and (ii) upwards, on April 20, 2022, the threshold of 10% of the Company's voting rights as a result of an allocation of double voting rights, and that it individually held 328,349,361 Shares representing 656,698,722 voting rights, *i.e.* 8.79% of the capital and 10.35% of the voting rights of the Company. The concert between the Offeror and EPIC Bpifrance stated that, as of June 8, 2022, it held 3,134,481,623 Shares representing 5,667,442,206 voting rights, *i.e.* 83.88% of the Company's capital and 89.37% of its voting rights.

In accordance with the provisions of Article 10 of the Company's bylaws, pursuant to the declaration of statutory thresholds crossing dated June 17, 2022, the concert formed between the Initiator and EPIC Bpifrance declared that, following the Payment of the Balance on Dividend in Shares on June 13, 2022, it had crossed the statutory threshold of 84% of the Company's share capital and that, as of June 13, 2022, it held 3,252,572,223 Shares representing 5,785,532,806 voting rights of the Company, *i.e.* 84.079% of the capital and 89.374% of the voting rights of the Company.

In accordance with the provisions of Article 10 of the Company's bylaws, pursuant to the declaration of statutory thresholds crossing dated July 29, 2022, the French State declared that, following the capital increase reserved for members of the Company's group savings plan and international group savings plan carried out on July 25, 2022, it had individually crossed downwards the statutory threshold of 75% of the Company's share capital and of 79% of the voting rights, and that it held 2,911,865,628 Shares representing 5,116,476,850 voting rights of the Company, *i.e.* 74.921% of the capital and 78.820% of the voting rights of the Company. Pursuant to the declaration of statutory thresholds crossing of the same day, the concert formed between the Initiator and EPIC Bpifrance declared that it held, as of July 27, 2022, 3,252,572,223 Shares

[6] AMF document n° 222C1425 of June 9, 2022.

representing 5,785,532,806 voting rights, *i.e*. 83.687% of the capital and 89.127% of the voting rights of the Company.

1.1.3 Reasons for the Offer

The Offer comes at a time of climate urgency and as the geopolitical context requires strong decisions to ensure France's independence and energy sovereignty, including the ability to plan and invest for the very long term the means of production, transport and distribution of electricity.

In this new context where the French State would be EDF's sole shareholder[7], the Company would be able to accelerate several decisive projects announced by the President of the French Republic in his speech in Belfort, in particular the program to build six EPR2-technology reactors by 2050. These projects will commit the company for decades to come, during which time EDF will continue to play a critical role in France's energy supply.

In addition, a situation in which the State would be EDF's sole shareholder would make it possible to:

> (i) fully establish the sovereign and critical nature of one of the most regalian activities such as decarbonized electricity production (in particular electricity of nuclear origin, which represents about 70% of the current national electric mix). In particular, such situation would allow the Company and its balance sheet to commit into long-term projects that are sometimes incompatible with the shorter-term expectations of private investors, without being exposed to the volatility of equity markets; and
>
> (ii) hence facilitate decision-making and operational management of the Company.

As a result, if the minority shareholders do not represent more than 10% of the share capital and voting rights of EDF at the end of the Offer, the French State intends to request to the AMF the implementation of the squeeze-out procedure as described in section 1.2.5 "*Intentions with respect to the squeeze-out*" below. In addition, if the number of Shares not tendered to the Offer by the minority shareholders of EDF and the number of Shares that may be issued following the conversion of the EDF OCEANEs not tendered in the Offer do not represent more than 10% of the sum of existing Shares and Shares that may be issued as a result of the conversion of the OCEANEs[8], French State intends to request to the AMF that the squeeze-out procedure also involve the OCEANEs that the French would not yet hold under the terms described in section 1.2.5 "*Intentions with respect to the squeeze-out*" below.

In this respect, the Offeror has mandated the Presenting Banks to carry out an evaluation of the EDF Shares and OCEANEs, a summary of which is reproduced in Section 3 below.

As announced in a press release issued by the Company on July 19, 2022, the Company's Board of Directors decided on the same day to set up an *ad hoc* committee, consisting of Bruno Crémel as Chairman (independent director), Colette Lewiner (independent director), Philippe Petitcolin (independent director) and Christian Taxil (director elected by the employees), which will be responsible for proposing to the Company's Board of Directors the appointment of an independent expert, for monitoring the expert's work and for preparing a draft reasoned opinion (*avis motivé*).

On July 27, 2022, the Company's Board of Directors, on the advice of its *ad hoc* committee, appointed Finexsi, represented by Olivier Péronnet and Olivier Courau, as an independent expert, in accordance with the provisions of Article 261-1 I and II of the AMF's General Regulations, as an independent expert to prepare a report on the financial conditions of the Offer followed, if applicable, by a squeeze-out, the report of which will be provided in full in the EDF's reply document.

[7] It being understood that the French State's shareholding in the share capital of EDF includes the EDF shares held by the EPIC Bpifrance.
[8] This conversion would be done on the basis of the adjusted share allocation ratio, as determined in paragraph 2.6 of the Draft Offer Document.

1.2 Intentions of the Offeror for the next twelve months

1.2.1 Strategy and industrial, commercial and financial policies of the Company

The Offeror's intentions with respect to industrial, commercial and financial strategy and policies are described in the "*Reasons for the Offer*" as described in section 1.1.3 above.

No decision has been taken at this stage regarding reforms of the Group's business model or organization. In particular, and as reminded by the French Minister of Economy, Finance and Digital and Industrial Sovereignty to the Senate on July 20, 2022, the Hercule project, which, among other things, related to the structure of EDF, is no longer relevant.

However, several long-term projects remain under consideration, including:

- the reform of the European electricity market, so as to provide the necessary long-term price signals to all investors, as well as a decarbonized and competitive energy supply for all consumers, in line with the European ambition to electrify the entire economy;

- the implementation of a new regulation for existing nuclear power, as the mechanism related to a regulated access to historic nuclear power (the "**ARENH**") will end on December 31, 2025. As a reminder, discussions between the French State and the European Commission related to a new regulation for the sale of the Group's nuclear production in France were put on hold in the summer 2021. These discussions focused, among other things, on the level of the compensation received by the existing nuclear park, the scope of regulation and the possible counterparts to this new regulation;

- the organization, financing and regulation of the new French nuclear power program. As a reminder, on February 10, 2022, the French President announced the launch of a program to build six EPR2 and studies for eight additional EPR2 by 2050. No investment decision has been taken at this stage. This program might also be subject to discussions with the European Commission;

- the future of hydroelectric concessions operated by the Company.

In addition, the Offeror intends to pursue the divestment plan of c. 3 billion euros between 2022 and 2024 that was announced by the Company on February 18, 2022.

Assuming the squeeze-out procedure for the Shares and OCEANEs will have been conducted according to the terms described in paragraph 1.2.1 "*Intentions regarding the squeeze-out*" below, the French State is considering converting into shares the OCEANEs it will hold at the end of the Offer.

1.2.2 Employment guidelines

The Offeror does not intend to change the Company's employment policy.

1.2.3 Merger and legal reorganization

The Offer will have no impact on the legal organisation of the Company. However, the Offeror reserves the right to proceed, in conjunction with all stakeholders, with any subsequent changes in the organization of the Group, the Company, or of other entities of the Group, especially that are necessary to implement the strategy described in section 1.2.1 "*Strategy and industrial, commercial and financial policies of the Company*".

1.2.4 Composition of the Company's corporate bodies and management

The Company's Board of Directors is currently composed of the following members:

Board members nominated by the shareholders' general assembly
- Mr. Jean-Bernard Lévy (Chairman and Chief Executive Officer);
- Mrs. Nathalie Collin*;

– Mr. Bruno Crémel*;
– Mrs. Colette Lewiner*;
– Mrs. Claire Pedini*;
– Mr. Philippe Petitcolin*;

Board members nominated by the shareholders' general assembly upon proposal of the French State
– Mr. Gilles Denoyel;
– Mrs. Delphine Gény-Stephann;
– Mrs. Marie-Christine Lepetit;
– Mrs. Michèle Rousseau;

Board member representing the French State
– Mr. Alexis Zajdenweber;

Board member elected by employees
– Mrs. Claire Bordenave;
– Mrs. Karine Granger;
– Mrs. Sandrine Lhenry;
– Mr. Jean-Paul Rignac;
– Mr. Vincent Rodet; and
– Mr. Christian Taxil.

* *Independent directors*

Mr. Jean-Bernard Lévy is currently the Company's Chairman and Chief Executive Officer (CEO). In a press release dated July 7, 2022, the French State informed the market, following the press release published by the Company on the same day, of the launch of the process for the succession of Mr. Jean-Bernard Lévy, whose term of office as Chairman and CEO will end on March 18, 2023 at the latest, given the age limit set by the Company's bylaws. In agreement with Mr. Jean-Bernard Lévy, the new governance may be implemented before this date so that it will quickly be in a position to implement the strategic and industrial projects announced by the President of the French Republic in Belfort on February 10, 2022, in particular the launch of the construction program for six EPR 2 nuclear reactors and EDF's contribution to the accelerated development of renewable energies in France, and its consequences on the network. Its shorter-term priority will also be to ensure the timely restart and compliance with nuclear safety of the nuclear reactors that are shut down as part of the program to control and repair the stress corrosion phenomenon. In a press related dated September 29, 2022, the President of the Republic announced that he was considering appointing Mr. Luc Rémont as CEO of the Company, on proposal of the Prime Minister. The President of the National Assembly and the President of the Senate will be informed of this proposed appointment, so that the relevant committee of each assembly can give its opinion under the conditions provided for in the fifth paragraph of Article 13 of the Constitution.

In addition, following the resignation of Mr. François Delattre from his position as board member nominated by the shareholders' general assembly upon proposal of the French State, the latter is studying options for his replacement in accordance with Ordinance No. 2014-948 of August 20, 2014 on the governance and capital transactions of publicly held companies.

Should be the Offer be followed by a squeeze-out, it will result in the delisting of the Shares from the Euronext Paris regulated market. In this context and in the event of a squeeze-out, changes in the composition of the Company's corporate bodies may be envisaged.

1.2.5 Intentions regarding the squeeze-out

In the event that the number of Shares not tendered to the Offer by the minority shareholders of the Company (excluding treasury shares held by the Company) does not represent more than 10% of the share capital and voting rights of the Company following the Offer, the French State intends to implement, at the latest within three (3) months following the closing of the Offer, in accordance with Articles L. 433- 4 II of the French Monetary and Financial Code and 237-1 *et seq*. of the AMF's General Regulation, a squeeze-out procedure in order to transfer the Shares not tendered to the Offer (excluding treasury shares held by the Company) in exchange for compensation equal to the Offer Price per Share (*i.e.* EUR 12.00 per EDF share). The implementation of this procedure will result in the delisting of the Shares from Euronext Paris.

In addition, in the event that the number of Shares not tendered to the Offer by the minority shareholders of the Company (excluding treasury shares held by the Company) and the number of Shares that may be issued following the conversion of the OCEANEs not tendered in the Offer do not represent more than 10% of the sum of the existing Shares and the Shares that may be issued as a result of the conversion of the OCEANEs following the Offer[9], the French State also intends to implement, at the latest within three (3) months following the closing of the Offer, in accordance with Articles L. 433-4 III of the French Monetary and Financial Code and 237-1 *et seq* of the AMF's General Regulation, a squeeze-out procedure in order to transfer the OCEANEs not tendered to the Offer in exchange for compensation equal to the Offer Price per OCEANE (*i.e.* EUR 15.52 per OCEANE). The implementation of this procedure will result in the delisting of the OCEANEs from Euronext Access.

In the event that the Offeror is not in a position, following the Offer, to implement a squeeze-out under the above-mentioned conditions, it reserves the right to file a public tender offer followed, if applicable, by a squeeze-out for the Shares and/or OCEANEs it does not hold directly or indirectly, alone or in concert at that date. In this context, the Offeror does not exclude increasing its interest in the Company after the end of the Offer and prior to the filing of a new offer in accordance with the applicable legal and regulatory provisions. In this case, the squeeze-out will be subject to the control of the AMF, which will rule on its conformity in light of the independent expert's report to be appointed in accordance with the provisions of Article 261-1 of the AMF's General Regulation.

1.2.6 Synergies – Economic gains

No synergies have been specifically identified in connection with the Offer.

The potential savings in listing costs that would result from the delisting of the Company's shares from Euronext Paris after the implementation of the squeeze-out, if need be, is not significant in relation to the amount of the transaction.

1.2.7 Dividend distribution policy

Following the Offer, the Company's dividend policy will continue to be determined by its corporate bodies based on Company's distributive capacity, financial situation and financial needs, in compliance with any regulatory requirements applicable to the Company.

1.2.8 Interest of the Transaction for the Offeror, the Company, its Shareholders and holders of OCEANEs

The interest of the transaction for the Offeror and for the Company is described in section 1.1.3 above.

The Offeror is offering EDF shareholders who tender their Shares in the Offer the opportunity to obtain immediate liquidity for their entire stake at a price per Share representing a premium of:

- 53.0% compared to the closing price of the Share on July 5, 2022 (last day of trading before the Prime Minister's announcements);
- 47.0% compared to the volume-weighted average Share price over the 20 days preceding this date;
- 45.7% compared to the volume- weighted average Share price over the 60 days preceding this date;
- 49.8% compared to the volume-weighted average Share price over the 120 days preceding this date;
- 39.2% compared to the volume- weighted average Share price over the 180 days preceding this date;
- 34.3% compared to the volume- weighted average Share price over the 12 months preceding this date.

[9] This conversion would be done on the basis of the adjusted share allocation ratio, as determined in paragraph 2.6 of the Draft Offer Document.

The Offeror is offering holders of OCEANEs who tender their OCEANEs in the Offer the opportunity to obtain immediate liquidity for their entire stake at a price per OCEANE representing a premium of:

- 34.1% compared to the closing price of the OCEANE on July 5, 2022;
- 29.4% compared to the arithmetic average OCEANE price over the last month preceding this date;
- 28.1% compared to the arithmetic average OCEANE price over the last two months preceding this date;
- 14.7% compared to the arithmetic average OCEANE price over the 12 months preceding this date.

Details of appreciation for the Offer Price per Share and for the Offer Price per OCEANE, including the level of premiums offered as part of the Offer, are set forth in section 3 of the Draft Offer Document.

1.3 Agreements that may have a material impact on the assessment or outcome of the Offer

On January 15, 2018, the French State entered into an endowment agreement with EPIC Bpifrance pursuant to which (i) the French State undertook to endow EPIC Bpifrance with EDF shares (the "**Endowment Agreement**") and (ii) the French State and EPIC Bpifrance declared that they are acting in concert vis-à-vis the Company[10]. The main clauses of the Endowment Agreement include the following provisions:

- **Non-consumability of the endowment**: the Shares transferred by the French State to EPIC Bpifrance are not consumable. Consequently, EPIC Bpifrance undertakes not to transfer them, nor pledge them or otherwise dispose of them. On the other hand, EPIC Bpifrance will be free to dispose of the dividends and other income from EDF shares that are paid out.

- **Representation at the Board of Directors**: EPIC Bpifrance will not be represented on the EDF Board of Directors.

- **Concert**: under the Endowment Agreement, the French State and EPIC Bpifrance declare that they are acting in concert with respect to EDF. The French State and EPIC Bpifrance shall consult each other prior to each of the Company's general meeting of shareholders in order to determine, to the greatest possible extent, a common policy on the resolutions submitted to the vote of the shareholders. In the event that it is impossible to reach a common policy, EPIC Bpifrance shall make its best efforts to vote in the same way as the French State. The French State may terminate the concert in the event of disagreement with EPIC Bpifrance on the Group's strategy, in particular if EPIC Bpifrance does not vote in the same way as the French State at one or more EDF shareholders' meetings.

- **Undertakings of EPIC Bpifrance**: EPIC Bpifrance undertakes not to acquire, directly or indirectly, any EDF shares and not to enter into any concert with a third party *vis-à-vis* EDF.

- **Recovery of the endowment**: the French State reserves the right to recover the endowment at any time, including in the event of EPIC Bpifrance's failure to comply with the Endowment Agreement. The French State may also recover the endowment in the event of disagreement with EPIC Bpifrance on the Group's strategy, in particular if EPIC Bpifrance does not vote in the same way as the French State at one or more of EDF's general meetings.

With the exception of the Endowment Agreement, the Offeror is not aware of any agreement that could affect the determination of the Offer or its outcome.

1.4 Claims by the Company against the Offeror

Following the French government's announcement on January 13, 2022 of an additional allocation of 20 TWh of electricity to be sold at a regulated price (ARENH volumes) for 2022, the Company had announced that it was considering any measure to protect its interests. In this context, the Company's Chairman and

[10] AMF notification No 218C0136 of January 16, 2018.

Chief Executive Officer had indicated on May 12, 2022, at the Company's annual general meeting, that he had submitted a preliminary administrative recourse to the French State to request the withdrawal of such measure.

The Company filed a legal claim on August 9, 2022 with the *Conseil d'Etat* (the French administrative supreme court) seeking the withdrawal of Decree No 2022-342 of March 11, 2022 and related Orders of March 11, March 12 and March 25, 2022, as well as a claim for indemnification with the French State, which claims an estimated loss of 8.34 billion euros.

The French State is involved to defend itself against these claims, including before the *Conseil d'Etat*, which itself underlined, in its capacity as judge of interim relief (*juge des référés*), in July 2022 how such decision is related to the general interest. In addition, this mechanism, together with all the measures on the tariff shield, has made it possible to significantly reduce the energy bills of French consumers and, in particular, to limit the increase in household bills to an average of +4% in recent months, while all European countries are experiencing very significant increases in their energy bills. Without these measures, which include the additional allocation of ARENH volumes, household bills would have risen by nearly 35% (including tax) last February.

2. CHARACTERISTICS OF THE OFFER

2.1 Terms of the Offer

In accordance with the provisions of Articles 231-13 and 231-18 of the AMF's General Regulation, the draft Offer was filed on October 4, 2022 with the AMF by Goldman Sachs and Société Générale, Presenting Banks of the Offer, acting in the name and on behalf of the Offeror. A notice of filing will be published by the AMF on its website (www.amf-france.org).

In accordance with Articles 233-1 *et seq*. of the AMF's General Regulation, the Offer will be conducted following the simplified tender offer procedure. The attention of the shareholders and holders of the Company's OCEANEs is drawn to the fact that, as the Offer is being made under the simplified procedure, it will not be reopened following the publication of the result of the Offer.

The Offeror irrevocably undertakes to the Company's shareholders and holders of OCEANEs to acquire, at the price of EUR 12.00 per Share and of EUR 15.52 per OCEANE, all the Shares and OCEANEs that will be tendered in the Offer during a period of twenty (20) Trading Days.

Société Générale guarantees the content and the irrevocable nature of the undertakings made by the Offeror as part of the Offer in accordance with the provisions of Article 231-13 of the AMF's General Regulation.

2.2 Terms and conditions of the Offer

A notice of filing of the Offer will be published on the AMF website (www.amf-france.org). In accordance with the provisions of Article 231-16 of the AMF's General Regulation, a press release containing the main characteristics of the Offer and specifying the terms and conditions of the Draft Offer Document will be published by the Offeror on October 4, 2022. The Draft Offer Document is made available to the public free of charge at the office of the *Agence des participations de l'Etat* at the French Ministry of Economy, Finance and Digital and Industrial Sovereignty, and with the Presenting Banks and will be published on the websites of the AMF (www.amf-france.org), the Offeror (https://www.economie.gouv.fr/Agence-participations-etat) and the Company (www.edf.fr).

The draft Offer and the Draft Offer Document remain subject to review by the AMF.

The AMF will declare the Offer compliant after having verified its conformity with the legal provisions applicable to it and will publish the declaration of conformity on its website (www.amf- france.org). This declaration of conformity issued by the AMF will serve as the approval ("*visa*") of the offer document and will only occur after the Company has filed a draft reply document to the Draft Offer Document.

The offer document having thus received the AMF's approval ("*visa*") and the document containing the

"Other Information" relating to the legal, financial, accounting and other characteristics of the Offeror will, in accordance with the provisions of Articles 231-27 and 231-28 of the AMF's General Regulation, be made available to the public free of charge, no later than the day before the opening of the Offer, at the office of the *Agence des participations de l'Etat*, at the French Ministry of Economy, Finance and Digital and Industrial Sovereignty, and with the Presenting Banks. These documents will also be published on the websites of the AMF (www.amf-france.org), the Offeror (https://www.economie.gouv.fr/Agence-participations-etat) and the Company (www.edf.fr).

A press release specifying the terms and conditions for making these documents available will be issued no later than the day before the opening of the Offer in accordance with the provisions of Articles 231-27 and 231-28 of the AMF's General Regulation.

Prior to the opening of the Offer, the AMF will publish a notice of opening and the timetable of the Offer and Euronext Paris will publish a notice setting out the content of the Offer and specifying the timetable and terms of its realisation.

2.3 Adjustment of the terms of the Offer

It is specified for all purposes that the Offer Price per Share and the Offer Price per OCEANE have been determined on the basis of the assumption that no distribution (dividend, interim dividend or other) will be decided before the closing of the Offer. In the event that, between the date of the Draft Offer Document and the date of the settlement- delivery of the Offer (included), the Company proceeds in any form whatsoever to (i) distribute a dividend, interim dividend, reserve, premium or any other distribution (in cash or in kind), or (ii) redeem or reduce its share capital, and in both cases, in which the detachment date or the reference date on which it is necessary to be a shareholder in order to be entitled thereto is set before the date of the settlement-delivery of the Offer, the Offer Price per Share and the Offer Price per OCEANE of the Company will be adjusted to take into account this transaction.

Similarly, in the event of transactions affecting the share capital of the Company (in particular merger, spinoff, stock split, reverse stock split, distribution of free shares for existing shares through the capitalization of profits or reserves) decided during the same period, and for which the reference date on which one must be a shareholder in order to receive the distribution is set before the settlement date of the Offer, the Offer Price per Share and Offer Price per OCEANE will be mechanically adjusted to take into account the effect of such transactions.

Any adjustment of the terms of the Offer will be subject to the publication of a press release which will be submitted to the prior approval of the AMF.

2.4 Number and nature of the shares targeted by the Offer

As of the date of the Draft Offer Document, the French State holds (A) directly (i) 2,911,865,628 Shares representing 5,116,476,850 theoretical voting rights (*i.e.* 74.92% of the capital and 78.82% of the theoretical voting rights of the Company)[11], and (ii) 87,831,655 OCEANEs and (B) indirectly through the intermediary of the EPIC Bpifrance (with whom the French State acts in concert), 340,706,595 Shares representing 669,055,956 theoretical voting rights (*i.e.* 8.77% of the capital and 10.31% of the theoretical voting rights of the Company)[12]. In total, the Offeror holds, directly and indirectly, alone and in concert, 3,252,572,223 Shares representing 5,785,532,806 theoretical voting rights (*i.e.* 83.69% of the capital and 89.13% of the theoretical voting rights of the Company).

The Offer targets:

(i) All the Shares not held by the Offeror, directly or indirectly, alone or in concert:

[11] Based on a total number of 3,886,581,084 shares and 6,491,104,844 theoretical voting rights of the Company (information as of August 31, 2022 published by the Company on its website in accordance with Article 223-16 of the AMF's General Regulation). In accordance with Article 223-11 of the AMF's General Regulation, the total number of voting rights is calculated on the basis of all shares to which voting rights are attached, including shares without voting rights.

[12] *Idem*.

- which are already issued, *i.e.* to the knowledge of the Offeror at the date of the Draft Offer Document, a maximum number of 633,120,350 Shares, it being specified that the treasury Shares held by the Company are not targeted by the Offer[13], and

- which may be issued before the closing of the Offer in connection with the conversion of the OCEANEs, *i.e.*, to the knowledge of the Offeror at the date of the Draft Offer Document, a maximum number of 170,349,496[14] new Shares,

i.e., to the knowledge of the Offeror at the date of the Draft Offer Document, a maximum number of Shares targeted by the Offer equal to 803,469,846; and

(ii) All outstanding OCEANEs that are not held by the Offeror, *i.e.* to the knowledge of the Offer at the date of the Draft Offer Document, 131,747,484 OCEANEs.

To the knowledge of the Offeror, there are no other equity securities or other financial instruments issued by the Company or rights conferred by the Company that may give access, immediately or in the future, to the share capital or voting rights of the Company, other than the existing Shares and the OCEANEs described in section 2.6 of the Draft Offer Document.

2.5 Situation of the shareholders whose shares are held via the "Actions EDF", "EDF ORS" and "Actions ORD 2022" FCPE (*fonds commun de placement d'entreprise*)

To the knowledge of the Offeror, 47,941,595 Shares are held as of the date of the Draft Offer Document by the "Actions EDF", "EDF ORS" and "Actions ORS 2022" corporate mutual funds (the "**FCPEs**") which are investment vehicles of EDF's Group Savings Plan (*Plan d'Epargne Groupe*) and International Group Savings Plan (*Plan d'Epargne Groupe International*), the Shares of which are targeted by the Offer.

It will be up to the supervisory boards of the FCPEs to decide whether to tender the Shares held by the FCPEs to the Offer, subject to prior amendment to the regulations of EDF's Group Savings Plan and EDF's International Group Savings Plan.

2.6 Situation of the holders of OCEANEs

On September 14, 2020, EDF issued 219,579,139 OCEANEs due September 14, 2024. The OCEANEs, with a nominal value of EUR 10.93 each, do not bear interest and are convertible or exchangeable at any time by the delivery of 1.124 new or existing Share for one OCEANE[15], subject to additional adjustments provided for in the terms and conditions of the OCEANEs and under the conditions set out therein. To the Offeror's knowledge, 219,579,139 OCEANEs are outstanding as of the date of the Draft Offer Document. The OCEANEs are listed on Euronext Access.

2.6.1 Tenders to the Offer

Holders of OCEANEs who wish to do so may tender their OCEANEs to the Offer, in accordance with the terms and conditions described in the Draft Offer Document.

2.6.2 Rights of holders of OCEANEs in the event of an offer.

2.6.2.1 Conversion or exchange of the OCEANEs in the event of an offer

In accordance with the terms and conditions of the OCEANEs and if the Offer is declared conformed by the

[13] [13] The treasury Shares held by the Company, representing 0.02% of the Company's share capital (information as of August 31, 2022), assimilated to those held by the Offeror pursuant to Article L. 233-9, I, 2° of the French Commercial Code, are not targeted by the Offer.
[14] Calculated on the basis of the adjusted share allocation ratio, as determined in paragraph 2.6.
[15] To the knowledge of the Offeror, according to the press release published by the Company on May 18, 2022 indicating the share allocation ratio.

AMF, the opening of the Offer entails an adjustment of the allocation ratio of Shares during the Adjustment Period in the event of a Tender Offer (as defined below) in accordance with the following formula (the result will be rounded off in accordance with the terms and conditions of issuance of the OCEANEs):

$$NRAA = RAA \times [1 + \text{Issue Premium of the OCEANEs} \times (J / JT)]$$

where:

- NRAA means the new Share allocation ratio (*nouveau ratio d'attribution d'actions*) applicable during the Tender Offer Adjustment Period;
- RAA means the Share allocation ratio (*ratio d'attribution d'actions*) in effect prior to the Offer Opening Date (as defined below);
- Issue Premium of the OCEANEs means the premium, expressed as a percentage that the nominal value of the OCEANEs reflects in relation to the reference share price of the Company's Shares selected at the time of determination of the final terms and conditions of the OCEANEs, i.e. 32.50%;
- J means the exact number of days between the Offer Opening Date (included) and September 14, 2024, the maturity date of the OCEANEs (excluded); and
- JT means the exact number of days between September 14, 2020, the issue date of the OCEANEs (included) and September 14, 2024, the maturity date of the OCEANEs (excluded), *i.e.* 1,461 days.

As a result of the Offer, the adjusted share allocation ratio (or NRAA) is 1.2930, based on an opening date of the Offer of November 10, 2022, as set out in the indicative timetable in section 2.9 of the Draft Offer Document. As the ratio is dependent on the opening date of the Offer, it would be modified in the event of a postponement or advancement of this date.

The adjustment of the share allocation ratio, as set out above, will exclusively benefit the holders of OCEANEs who exercise their right to the allocation of Shares, between (and through):

(i) the first day on which Shares may be tendered to the Offer (the "**Offer Opening Date**"); and
(ii) the earliest day (included) between:
   a. (x) the date falling 15 business days after the publication by the AMF of the result of the Offer, or (y) if waived by the Offeror, the date on which such waiver is disclosed; and
   b. The date that is the 7th business day (included) preceding the date set for early redemption or preceding September 14, 2024.

This period will be referred to as the "**Tender Offer Adjustment Period**".

If the right to the allocation of Shares is exercised during the Adjustment Period in the event of a Tender Offer, the corresponding Shares will be delivered within a maximum period of 3 business days from the date of exercise of the OCEANEs.

In the event of an adjustment, the Company will inform the holders of OCEANEs by means of a notice distributed by it and posted on its website (www.edf.fr) after the new adjustment takes effect. This adjustment will also be the subject of a notice circulated by Euronext Paris within the same timeframe as may be required by applicable rules and regulations.

2.6.2.2 Early redemption if the outstanding OCEANEs represent less than 20% of the total outstanding OCEANEs

In accordance with the terms and conditions of the OCEANEs, the Company may, at its discretion and at any time, but subject to giving at least 30 calendar days' notice (and a maximum of 60 calendar days), redeem at par all of the remaining outstanding OCEANEs, if they represent less than 20% of the number of OCEANEs issued. If a squeeze-out procedure for the Shares only is carried out, the *Agence des participations de l'Etat* reserves the right to request that EDF carry out such early redemption in due course. Holders of OCEANEs will, however, retain the right to exercise their right to the allocation of Shares up to and including the 7th business day preceding the date set for early redemption. The share allocation ratio shall be equal to the NRAA if the allocation right is exercised during the Tender Offer Adjustment Period, or equal to the share allocation ratio in force outside of the Tender Offer Adjustment Period and indicated at section 2.6

"*Situation of the holders of OCEANEs*" above, subject to usual adjustments, including anti-dilution adjustments and adjustments related to dividend payment, as further described in the terms and conditions of the OCEANEs.

2.6.2.3 Early redemption in the event that EDF shares are delisted

In accordance with the terms and conditions of the OCEANEs, the representative of the body of OCEANE bondholders may, upon the decision of the meeting of OCEANE bondholders ruling under the quorum and majority conditions provided for by law, by simple written notification to the Company and to BNP Paribas Securities Services, make all of the OCEANEs payable at par, in particular in the event that the Shares are no longer admitted to trading on Euronext Paris or any other regulated market.

Consequently, such early redemption may be decided under the above-mentioned conditions in the event a squeeze-out procedure is implemented related to the Shares only, especially in the event the OCEANEs are not redempted before such date.

2.7 Offeror's right to purchase Shares and OCEANEs during the Offer period

As from the filing of the proposed Offer with the AMF, and until the opening of the Offer, the Offeror reserves the right to purchase Shares or OCEANEs, on or off-market, in accordance with the provisions of Articles 231-38 and 231-39 of the AMF's General Regulation, within the limits set forth in Article 231-38, IV of the AMF's General Regulation, corresponding to a maximum of 30% of the existing Shares and 30% of the existing OCEANEs targeted by the Offer, respectively at the Offer Price per Share and the Offer Price per OCEANE, i.e. a maximum of 189,936,105 Shares and 39,524,245 OCEANEs as of the date of the Draft Offer Document. Such acquisitions will be declared to the AMF and published on the AMF website in accordance with applicable regulations.

2.8 Procedure for tendering in the Offer

The Offer will be open for a period of twenty (20) Trading Days. The attention of the Company's shareholders is drawn to the fact that, as the Offer will be conducted following the simplified procedure, in accordance with the provisions of Articles 233-1 *et seq.* of the AMF's General Regulation, it will not be reopened following the publication of the definitive result of the Offer.

The Shares tendered in the Offer must be freely negotiable and free from any lien, pledge, collateral or other security or restriction of any kind on the free transfer of their ownership. The Offeror reserves the right to reject, in its sole discretion, any Shares tendered in the Offer that do not fulfil this condition.

Shareholders and holders of OCEANEs of the Company whose securities are registered with a financial intermediary (bank, credit institution, investment firm, etc.) and who would like to tender their Shares in the Offer must submit to their financial intermediary an irrevocable sale order at the latest on the (included) closing date of the Offer, using the model made available to them by such financial intermediary, by specifying whether they opt either for the sale of their Shares and/or OCEANEs on the market, or for the tender of their Shares and/or OCEANEs in the semi-centralized offer by Euronext Paris in order to benefit from the payment of the brokerage fees by the Offeror under the conditions described in section 2.10.3 below. Shareholders and holders of OCEANEs shall contact their respective financial intermediaries to obtain information on the potential constraints of each of these intermediaries as well as on their own procedures for treating orders to be able to tender their securities to the Offer at the latest on the (included) closing date of the Offer.

Shareholders whose Shares are recorded in "*pure*" registered form ("*nominatif pur*") in the account register of the Company may request that their shares be converted into "administrative" registered form ('*nominatif administré*") in order to tender their securities in the Offer, unless they have already requested their conversion to bearer form ("*au porteur*"). It is specified that the conversion to bearer form of Shares held in registered form will result in the loss for such shareholders of the benefits associated with holding such Shares in registered form. Notwithstanding the foregoing, shareholders whose securities are held in "pure" registered form will also have the possibility to tender their securities to the semi-centralized Offer through Euronext Paris without prior conversion into bearer or "administered" registered form through BNP Paribas

Securities Services acting as registrar of the Shares.

Orders to tender Shares or OCEANEs in the Offer will be irrevocable.

The Offer and all related agreements are subject to French law. Any dispute or litigation of any nature whatsoever relating to the Offer will be brought before the competent courts.

The transfer of ownership of the Shares and OCEANEs tendered in the Offer and all of the rights attached thereto (including the right to dividends) will occur on the date of registration in the Offeror's account, in accordance with the provisions of Article L. 211-17 of the French Monetary and Financial Code. It is reminded, if need be, that any amount due in connection with the tendering of the Shares and OCEANEs in the Offer will not bear interest and will be paid on the settlement-delivery date.

Procedure for tendering in the Offer

Shareholders and holders of OCEANEs of the Company who wish to tender their Shares and/or OCEANEs to the Offer may sell their Shares and/or OCEANEs on the market. They must submit their sale orders no later than the last day of the Offer and the settlement and delivery of the Shares and OCEANEs sold will take place on the second trading day following the day of execution of the orders, it being specified that the trading costs (including the corresponding brokerage fees and value-added tax ("**VAT**")) relating to these transactions will remain entirely at the expense of the shareholders or holders of OCEANEs tendering their Shares and/or OCEANEs in the Offer.

Société Générale (4407 adherent), investment services provider qualified as a member of the bidding market to purchase, will acquire, on behalf of the Offeror, all Shares and OCEANEs which will be tendered in the Offer.

Procedure for tendering in the semi-centralized Offer by Euronext Paris

Shareholders and holders of OCEANEs of the Company who wish to tender their Shares and/or OCEANEs in the semi-centralized Offer by Euronext Paris must submit their sale offers to the financial intermediary with which their Shares or OCEANEs are deposited no later than the last day of the Offer (subject to specific time limits for certain financial intermediaries). The settlement-delivery will then occur after the completion of the semi-centralization transactions.

In this context, the Offeror will bear the brokerage fees of the shareholders and holders of OCEANEs, under the conditions described in section 2.10.3 below.

Euronext Paris will pay directly to the financial intermediaries the amounts due for the reimbursement of the fees mentioned below, as from the settlement-delivery date of the semi-centralization.

2.9 Tentative timetable of the Offer

Prior to the opening of the Offer, the AMF will publish a notice of opening and timetable, and Euronext Paris will publish a notice announcing the terms and timetable of the Offer.

A tentative timetable is proposed below:

Dates	Principal Stages of the Offer
October 4, 2022	Filing of the draft Offer and the Draft Offer Document of the Offeror with the AMF Offeror's Draft Offer Document made available to the public and posted to the websites of the AMF (www.amf-france.org), the Offeror (https://www.economie.gouv.fr/Agence-participations-etat) and the Company (www.edf.fr) Publication by the Offeror of a press release announcing the filing of the Offer and availability of the Draft Offer Document
October 27, 2022	Company's draft reply document filed with the AMF, including the reasoned opinion of the Company's board of directors and the independent expert's report Company's draft reply document made available to the public and posted to the websites of the AMF (www.amf-france.org) and the Company (www.edf.fr) Publication by the Company of a press release announcing the filing of the Offer and availability of Company's draft reply document
November 8, 2022 **(tentative)**	Declaration of conformity of the Offer issued by the AMF, which serves as the approval ("*visa*") of the Offeror's offer document and the Company's reply document
November 8, 2022 **(tentative)**	Filing of the Information relating to the Offeror's legal, financial, accounting and other characteristics with the AMF Filing of the Information relating to the Company's legal, financial, accounting and other characteristics with the AMF
November 9, 2022 **(tentative)**	Offeror's offer document and information relating to the its legal, financial, accounting and other characteristics are made available to the public and posted to the websites of the AMF (www.amf-france.org), the Offeror (https://www.economie.gouv.fr/Agence-participations-etat) and the Company (www.edf.fr) Publication by the Offeror of a press release specifying the terms and conditions for making the offer document and the information relating to the legal, financial, accounting and other characteristics of the Offeror available to the public Company's reply document and information relating to the its legal, financial, accounting and other characteristics made available to the public and posted to the websites of the AMF (www.amf-france.org) and the Company (www.edf.fr) Publication by the Company of a press release specifying the terms and conditions for making the reply document and the information relating to the legal, financial, accounting and other characteristics of the Company available to the public
November 10, 2022 **(tentative)**	Opening of the Offer
December 8, 2022	Closing of the Offer

(tentative)	
December 13, 2022 (tentative)	Publication of the notice of result of the Offer by the AMF
December 16, 2022 (tentative)	Settlement-delivery of the semi-centralized Offer by Euronext Paris
Promptly after the closing of the Offer	Implementation of the squeeze-out procedure, if applicable

2.10 Costs and financing terms of the Offer

2.10.1 Costs of the Offer

The overall amount of the fees, costs and external expenses incurred by the Offeror in connection with the Offer, including, in particular, fees and other expenses relating to its various legal, financial and accounting advisors and any other experts and consultants is estimated at approximately EUR 500,000 (taxes excluded).

2.10.2 Financing of the Offer

In the event that all of the Shares and OCEANEs targeted by the Offer are tendered in the Offer, the total amount of compensation in cash to be paid by the Offeror to the shareholders and/or holders of OCEANEs of the Company who tendered their Shares and/or OCEANEs in the Offer would amount to EUR 9,642,165,151.68 (expenses and commissions related to the Offer excluded and excluding the financial transaction tax).

The financing of the amounts due by the Offeror in connection with the Offer will be financed by the "Financial interests of the French State" (*Participations financières de l'Etat*) special allocation account, it being specified that fees relating to its legal and financial advisors will however be financed by the general budget of the French State.

2.10.3 Brokerage fees and compensation of intermediaries

Except as set forth below, no fee or commission will be refunded or paid by the Offeror to a holder who tendered Shares or OCEANEs in the Offer, or to any intermediary or person soliciting the tendering of Shares or OCEANEs in the Offer.

The Offeror will bear the brokerage fees and the related VAT paid by the holders of Shares and holders of OCEANEs having tendered their Shares and/or OCEANEs in the semi-centralized Offer, up to a maximum of 0.3% (excluding VAT) of the amount of the Shares tendered in the Offer with a maximum of EUR 100 per file (including VAT). Shareholders and holders of OCEANEs eligible for the refund of the brokerage fees as described above (and the related VAT) shall only be the holders of Shares and holders of OCEANEs that are registered in an account on the day preceding the opening of the Offer and that tender their Shares and/or OCEANEs in the semi-centralized Offer. Shareholders and holders of OCEANEs who sell their Shares and/or OCEANEs in the market will not be entitled to the said refund of brokerage fees (and related VAT).

2.11 Offer restrictions outside of France

The Offer has not been subject to any other registration or visa application with any financial market regulatory authority outside of France and no steps will be taken for such registration or visa. The Draft Offer Document and the other documents relating to the Offer do not constitute an offer to sell or purchase securities or a solicitation of such an offer in any other country in which such offer or solicitation is unlawful or at any person to whom such offer or solicitation could not validly be made or would require the publication of a prospectus or the fulfilment of any other formality under local financial law.

The Company's shareholders located outside France may not take part in the Offer unless the foreign law to which they are subject allows them to do so. Indeed, the Offer, the participation in the Offer and the communication of the Draft Offer Document as well as the delivery of the Shares and OCEANEs may be subject to specific regulations or restrictions in certain countries.

The Offer is not directed at persons subject to such restrictions, either directly or indirectly, and is not likely to be accepted from a country where the Offer would be subject to such restrictions. Accordingly, persons coming into possession of the Draft Offer Document are required to inform themselves of any restriction that may apply to them and to comply with them. Failure to comply with these restrictions may constitute a violation of the applicable stock exchange and/or securities laws and regulations in any of these jurisdictions.

The Offeror will not be liable for any breach by any person of any rules and restrictions applicable such person.

United States of America

The Offer will be made in the United States of America in accordance with Section 14(e) of the U.S. Securities Exchange Act of 1934 as amended (the "**1934 Act**"), and the rules and regulations promulgated thereunder, including Regulation 14E after applying the exemptions provided by Rule 14d-1(d) of the 1934 Act ("**Tier II**" exemption) and the requirements of French law. Accordingly, the Offer will be subject to certain procedural rules, in particular those relating to the timing of the settlement, waiver of conditions and payment dates, which are different from U.S. rules and procedures relating to public offers.

The receipt of an amount of money under the Offer by a U.S. shareholder or holder of OCEANEs of EDF may be a taxable transaction for U.S. tax purposes, including U.S. federal income tax purposes, and may be a taxable transaction under state or local tax laws, as well as foreign or other tax laws. It is strongly recommended that each EDF U.S. shareholder and holder of OCEANEs should immediately seek independent professional advice regarding the tax consequences of accepting the Offer.

To the extent permitted by applicable Laws and regulations, including Rule 14e-5 of the 1934 Act, and in accordance with customary practices in France, the Offeror and its Affiliates or its broker(s) (acting as agent or in the name and on behalf of the Offeror or its Affiliates, where applicable) and EDF and its affiliates or its broker(s) (acting as agent or in the name and on behalf of EDF or its affiliates, where applicable) may, before or after the date of the Draft Offer Document, directly or indirectly, purchase or arrange for the purchase of Shares or OCEANEs outside of the Offer. Such purchases may be made on the market, on the basis of an order made at the Offer Price per Share or Offer Price per OCEANE, or in off-market transactions at a price per Share equal to the Offer Price per Share or a price per OCEANE equal to the Offer Price per OCEANE in accordance with the provisions of Article 231-39, II of the AMF's General Regulation. These purchases will not be concluded at a price per Share higher than the Offer Price per Share or at a price per OCEANE higher than the Offer Price per OCEANE. To the extent that information concerning these purchases or these provisions is made public in France, it will also be made public by means of a press release or any other means that informs the U.S. shareholders and holders of OCEANEs of EDF, at the following address: www.edf.fr. No purchases outside the Offer will be made by or on behalf of the Offeror, EDF or their respective affiliates in the United States of America. The Offeror's and EDF's financial advisory affiliates may engage in ordinary trading activities in EDF securities, which may include making purchases or arranging for the making of certain arrangements for the purchase of such securities.

The Draft Offer Document has not been filed with or reviewed by any market authority (federal or state) or other regulatory authority in the United States of America, nor has any such authority passed upon the accuracy or adequacy of the information contained in the Draft Offer Document. Any statement to the contrary would be unlawful and may constitute a criminal offence.

2.12 Tax treatment of the Offer in France

This section outlines certain tax consequences under current French tax laws and regulations that may apply to persons participating in the Offer.

Participants in the Offer should note, however, that this information is only a summary of the tax regime applicable under current French legislation, presented for general information purposes.

The rules described below could be impacted by possible changes in laws and regulations, which could have a retroactive effect or could apply to the current year, or by possible changes in their interpretation by the French tax authorities or courts.

The tax information set forth below does not constitute a comprehensive description of all the situations and tax consequences that may apply to participants in the Offer.

Participants are therefore urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

Participants who are not French tax residents must also comply with the tax legislation of their state of residence and, where applicable, with the provisions of any tax treaty entered into between France and such jurisdiction.

2.12.1 Tax regime of the Offer relating to the Shares

2.12.1.1 Individual French tax residents holding shares as part of their private estate and who do not trade on the markets on a regular basis and who do not hold shares in an employee benefits plan or as part of employee incentive schemes and who are not cross-border workers

The following developments do not apply to individuals who carry out stock market transactions under conditions similar to those which characterize an activity carried out by a person conducting such operations on a professional basis nor to individuals who hold or have acquired their Shares through a company savings plan (*plan d'épargne d'entreprise*) or a group savings plan *(plan d'épargne de groupe*) (including through a company mutual investment fund (*fonds commun de placement d'entreprise, "FCPE"*) or from the exercise of share purchase or subscription options or who received free Shares (or rights to receive such Shares).

Individuals who face these kinds of situations and cross-border workers are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

(a) *Standard tax regime*

(i) Income tax

In accordance with Articles 200 A, 158, 6 bis and 150-0 A et seq. of the French Tax Code ("**FTC**") net capital gains resulting from the sale of securities by individuals who are French tax residents are, in principle, subject to a 12.8% flat tax, without rebate.

However, pursuant to paragraph 2 of Article 200 A of the FTC, taxpayers may elect globally, expressly and irrevocably, before the deadline for filing their income tax return for a given year, for such net capital gains to be taken into account for the purposes of determining their net global income subject to the progressive income tax rate schedule. This election applies on a yearly basis to all investment income and capital gains (with the exception of certain exempted income) falling within the scope of the abovementioned 12.8% flat tax and earned during the year.

If such an election is filed, the net capital gains resulting from the sale of Shares acquired or subscribed before January 1, 2018 will be taken into account for the purposes of determining the net global income subject to the progressive income tax rate scale after application of a proportional rebate in accordance with Article 150-0 D, 1 ter of the FTC, which is equal to:

- 50% of their amount where the shares have been held for at least two years and less than eight years, at the date of the sale;
- 65% of their amount where the shares have been held for at least eight years, at the date of the sale.

Subject to exceptions, for the application of this rebate, this holding period is computed from the share subscription or acquisition date. In any case, no such rebate will apply to Shares acquired or subscribed on or after January 1, 2018 (with exceptions).

Persons with reportable net capital losses or recognizing capital losses on the sale of Shares in the context of the Offer are urged to consult with their usual tax advisor in order to review the conditions for the use of such capital losses.

Where relevant, the tendering of shares in the Offer will trigger the termination of any tax deferral or rollover relief that may have been available to the relevant persons in prior transactions with respect to the Shares tendered in the Offer.

Participants potentially concerned by these rules should consult with their usual tax advisor to determine the consequences applicable to their specific situation.

(ii) Social levies

Net capital gains resulting from the sale of shares are also subject to social levies at an overall rate of 17.2%, without any rebate where such a rebate is applicable for income tax purposes under the conditions specified above, broken down as follows:

- the general social contribution (*contribution sociale généralisée*, "**CSG**"), at a rate of 9.2%;
- the contribution for social debt repayment (*contribution pour le remboursement de la dette sociale*, "**CRDS**"), at a rate of 0.5%; and
- the solidarity levy (*prélèvement de solidarité*), at a rate of 7.5%.

If the net capital gains resulting from the sale of shares are subject to the abovementioned 12.8% flat tax, none of these social levies are deductible from the taxable income. If the taxpayer opts for taxation based on the progressive income tax rate scale, the CSG will be partially deductible, in the amount of 6.8%, adjusted in specific situations in proportion of the income tax rebate, from the taxable income of the year during which it is paid, it being understood that other social levies will not be deductible from the taxable income.

(iii) Exceptional contribution on high income

Article 223 *sexies* of the FTC provides that taxpayers subject to personal income tax are also subject to an exceptional contribution on high income applicable when their reference income for tax purposes (*revenu fiscal de référence*) exceeds certain thresholds.

Such contribution is calculated by applying a rate of:

- 3% for the portion of reference income (i) in excess of EUR 250,000 and representing less than or equal to EUR 500,000 for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (ii) in excess of EUR 500,000 and representing less than or equal to EUR 1,000,000 for taxpayers subject to joint taxation;
- 4% for the portion of reference income (x) exceeding EUR 500,000 for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (y) EUR 1,000,000 for taxpayers subject to joint taxation.

For the purposes of such rules, the reference income of a tax household is defined in accordance with the provisions of Article 1417, IV, 1° of the FTC, without application of the "quotient" rules defined under Article 163-0 A of the FTC, and, where applicable, by applying the specific quotient rules provided for in II of article 223 *sexies* of the FTC.

The abovementioned reference tax income includes net capital gains resulting from the sale of shares by the concerned taxpayers, before the application of the income tax rebate, if such a rebate is applicable in accordance with the conditions described above, in the event that the taxpayer opts for taxation according to the progressive income tax rate scale (see paragraph (a) (Personal income tax) above).

(b) *Shares held through a share savings plan (plan d'épargne en action or "**PEA**")*

Persons holding Shares of the Company as part of a PEA can participate in the Offer.

Subject to certain conditions, the PEA offers:

- (i) during the lifetime of the PEA, an exemption from personal income tax and social levies with respect to capital gains and other income derived from investments made through the PEA, provided in particular that such income and capital gains are maintained within the PEA;
- (ii) at the time of the closing of the PEA (if this occurs more than five (5) years after the PEA opening date) or at the time of a partial withdrawal from the PEA (if such withdrawal occurs more than five (5) years after the PEA opening, unless otherwise specified), an exemption from personal income tax for net gains realized since the opening of the plan.

The net gain described in paragraph (ii) above is not taken into account for the calculation of the exceptional contribution on high income, described above, but remains subject to the social levies described in paragraph (a) above (Social levies) at a rate of 17.2% for PEA opened since January 1, 2018. For PEA opened before January 1, 2018, the applicable rate of these social levies is applicable but may however vary for (i) net gains acquired or recognized before January 1, 2018 and (ii) net gains realized within the first five years following the opening of the PEA ("historic rates" rule).

Specific provisions, not described in the Draft Offer Document, apply if capital losses are realized, if the plan is closed before the end of the fifth year following the opening of the PEA or if a withdrawal is made from the PEA in the form of an annuity. Concerned persons are urged to consult with their usual tax advisor.

Persons holding their Shares in a PEA and wishing to participate in the Offer are invited to contact their usual tax advisor in order to determine the consequences of the transfer of their Shares in the PEA in the context of the Offer and the tax regime of such a transfer, in particular with regard to the deduction of expenses.

(c) *Shares from free share allocation plans (except in the case of ownership in the context of a PEG/FCPE and excluding allocations in the context of the law of August 6, 1986 n°86-912 relating to the terms and conditions of privatizations)*

Tendering free shares allocated in application of the provisions of articles L.225-197-1 *et seq*. of the French Commercial Code to the Offer will give rise to taxation of the gain on acquisition and will also give rise to the recognition of a capital gain or loss on disposal.

The acquisition gain on the Shares concerned will be taxed according to the regime applicable to the free share allocation plan from which the Shares tendered to the Offer originate. The persons concerned are invited to study their particular tax situation with their usual tax advisor.

The net gains on disposal realized from tendering to the Offer Shares resulting from free share allocation plans for which the vesting period has expired, corresponding to the difference between the Offer Price per Share, net of expenses, if any, borne by the tenderer, and the first share price of the Company's Shares on the day of the definitive acquisition of the free shares, will be taxed in accordance with the regime described in paragraph 2.12.1(i)(a).

The above-mentioned gains on sale or acquisition are taken into account in the calculation of the reference tax income on which the exceptional contribution on high incomes is assessed, if applicable.

Persons who hold their free Shares in the context of an employee savings plan are invited to consult their usual tax advisor to determine the tax and social security regime applicable to them.

Persons who hold free Shares allocated under the law of August 6, 1986 n°86-912 relating to the terms and conditions of privatizations are invited to consult their usual tax advisor to ascertain the tax treatment applicable to their particular case.

2.12.1.2 Legal entities that are tax residents in France and subject to corporate income tax under the conditions of ordinary law and for which the Company's Shares do not qualify as equity securities or similar securities under the provisions of Article 219 I-a quinquies *of the FTC*

Net capital gains resulting from the sale of Shares in the context of the Offer will be included in the taxable income subject to corporate income tax ("**CIT**") at the current applicable standard tax rate increased, where applicable, by the 3.3% social contribution (Article 235 *ter* ZC of the FTC), where applicable, which is assessed on the basis of the amount of CIT after application of a rebate which may not exceed an amount of EUR 763,000 per twelve-month period[16].

The applicable CIT rate will depend on the turnover of the legal entity and, in certain cases, on the level may be differentiated depending on its taxable income, as well as on the date of the disposal and the opening date of the tax year during which the disposal takes place, it being understood that the standard rate for tax years beginning on or after January 1, 2022 is currently 25%[17]. Legal entities participating in the Offer are invited to contact their usual tax advisor in order to determine the applicable CIT rate.

Capital losses incurred on the sale of Shares of the Company in the context of the Offer are deductible from the legal entity's taxable income.

Furthermore, it should be noted that tendering Shares in the Offer will result in the termination of any tax deferral or rollover relief that may have been available to the relevant companies with respect to prior transactions.

Legal entities resident in France for which the Company's Shares qualify as equity securities or similar securities pursuant to the provisions of Article 219 I-a *quinquies* of the FTC are invited to consult their usual tax advisor in order to determine the tax regime applicable to their particular situation.

2.12.1.3 Non-French tax residents

The following developments does not take into account the situation of investment funds or partnerships.

In addition, non-French tax residents are invited to study their particular tax situation with their usual tax adviser in order, in particular, to take into consideration the tax regime applicable both in France and in their country of tax residence.

Subject to international tax treaties, where applicable and any specific rules that may apply to individuals who are not French tax residents and have acquired their Shares through an employee benefits plan or any incentive scheme (including through a FCPE), capital gains on the sale of their Shares by taxpayers who are not French tax residents within the meaning of Article 4 B of the FTC or whose registered office is located outside of France (and which do not own their Shares in connection with a fixed base or a permanent establishment subject to taxation in France on the balance sheet of which the shares are recorded as an asset) and that have at no time during the five (5) years preceding the sale held, directly or indirectly, alone or together with their spouse, ascendants and/or descendants, an interest in excess of 25% in the Company's profits are in principle not subject to taxation in France (Articles 244 *bis* B and C of the FTC), except where the capital gains have been realized by persons or organizations that are domiciled, established or incorporated outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the FTC ("**NCSTs**"), other than those mentioned in paragraph 2° of paragraph 2 *bis* of the Article 238-0 A. In the latter case, and still subject to the provisions of international tax treaties that may apply, regardless

[16] Companies with a turnover (excluding taxes) of less than 7,630,000 euros and whose fully paid-up share capital has been continuously held for at least 75% during the tax year by individuals or companies meeting these conditions are exempt from the 3.3% social contribution. In this respect, there are special rules for companies that are members of a tax consolidation group within the meaning of Articles 223 A *et seq*. of the FTC.

[17] Companies with a turnover (excluding taxes) of less than 10 million euros and whose fully paid-up share capital has been continuously held for at least 75% during the tax year by individuals or by companies meeting these conditions benefit from a reduced corporate tax rate of 15%, within the limit of a taxable profit of 38,120 euros for a twelve (12) month period. In this respect, there are special rules for companies that are members of a tax consolidation group within the meaning of Articles 223 A *et seq*. of the FTC.

of the percentage of rights held in the Company's profits, capital gains will be taxed at the flat rate of 75%, unless it is demonstrated that the principal purpose or effect of the transactions triggering such capital gains is not simply to allow their location in an NCST. The list of NCSTs that is published by ministerial decree is, in principle, updated at least once a year (but such update can happen at any time). In this regard, it is reminded that Law No 2018-898 of October 23, 2018 on the fight against fraud, which entered into force on December 1, 2018, expanded the list of NCSTs as defined in Article 238-0 A of the FTC to the states and jurisdictions that are mentioned on the blacklist published by the Council of the European Union, which is updated on a regular basis (consequences of such expansion differ for each of the states and jurisdictions concerned, depending on the reason for which they were included on the aforementioned European Union blacklist and require, to be fully effective, that the specified ministerial order be updated accordingly).

Persons or domiciled organizations, established or incorporated in an NCST are urged to consult with their usual tax advisor.

The sale of Shares in the context of the Offer may trigger the termination of any payment deferral that may have been available to individuals subject to the "exit tax" rules set out in Article 167 bis of the FTC in the context of the transfer of their tax residence outside of France. Such individuals are urged to consult with their usual tax advisor.

2.12.1.4 Persons subject to a different tax regime

Shareholders of the Company participating in the Offer subject to a tax regime other than those referred to above, in particular persons who carry out transactions on securities exceeding the mere management of their private portfolio or whose Shares are recorded as assets on their commercial balance sheet, non-residents or individuals who benefited from an allocation of free Shares or cross-border workers or who hold or have acquired Shares through a company or group savings plan (including through a FCPE) or by the exercise of stock purchase or subscription options or legal entities subject to CIT are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

2.12.1.5 Registration fees or tax on financial transactions

Pursuant to article 235 ter ZD of the FTC, the tax on financial transactions (the "**French FTT**") will be payable at the rate of 0.3% (based on the Offer price) in respect of the Shares acquired by the Offeror under the Offer since the Company's market capitalization exceeded one billion euros as at December 1, 2021[18], and will be borne by the Offeror.

The 0.1% transfer tax referred to in Article 726 of the FTC is not due when the French FTT applies.

2.12.2 Tax regime of the Offer relating to the OCEANEs

The attention of holders of OCEANEs is drawn to the fact that the following developments only address the French tax consequences of the tender of OCEANEs to the Offer, with the exclusion, in particular, of tax consequences related to the conversion or exchange of OCEANEs or any other transaction mentioned under section 2.6.2 of the Draft Offer Document.

2.12.2.1 Individual French residents holding OCEANEs as part of their private estate, who do not trade on the markets on a regular basis and who are not cross-border workers

The following does not apply to individuals who carry out stock market transactions under conditions similar to those which characterize an activity carried out by a person conducting such operations on a professional basis. Such individuals and cross-border workers are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

[18] BOI-ANNX-000467-20211229.

(a) *Standard tax regime*

(i) Income tax

In accordance with Articles 200 A, 158, 6 *bis* and 150-0 A *et seq*. of the FTC, net capital gains resulting from the sale of OCEANEs, calculated taking into account, if applicable, the fraction of the price corresponding to the accrued interest, by individuals who are French tax residents in connection with the Offer are subject to a 12.8% flat tax, without rebate.

However, taxpayers may elect, before the deadline for filing their income tax return for the year in question, that such net capital gains be taken into account for the purposes of determining the net global income subject to the progressive income tax rate scale. The election is global, irrevocable, express and applicable on a yearly basis to all investment income (with the exception of certain tax-exempt income) and capital gains falling within the scope of the 12.8% flat tax and earned during the year in question.

The OCEANEs do not fall within the scope of the rebate under Article 150-0 D of the FTC.

Persons with reportable net capital losses or recognizing capital losses on the sale of OCEANEs in the context of the Offer are urged to consult with their usual tax advisor in order to review the conditions for the use of such capital losses.

Tendering in the context of the Offer will trigger the termination of any tax deferral or rollover relief that may have been available to the holders for prior transactions with respect to the OCEANEs tendered in the Offer.

(ii) Social levies

Net gains on the sale of bonds will also be subject, without rebate, to social levies at an overall rate of 17.2%, broken down as follows:

- the general social contribution (*contribution sociale généralisée*, “**CSG**”), at a rate of 9.2%;
- the contribution for social debt repayment (*contribution pour le remboursement de la dette sociale*, “**CRDS**”), at a rate of 0.5%; and
- the solidarity levy (*prélèvement de solidarité)*, at a rate of 7.5%.

If the net capital gains resulting from the sale of securities are subject to the abovementioned 12.8% flat tax, none of these social levies are deductible from the taxable income. If the taxpayer files an election for taxation based on the progressive income tax rate scale, the CSG will be partially deductible, in the amount of 6.8%, from the taxable income of the year during which it is paid, it being understood that other social levies will not be deductible from the taxable income.

(iii) Exceptional contribution on high income

Net capital gains are also included in the taxpayer's reference tax income, which may be subject to the exceptional contribution on high income at a rate of 3% or 4%, the tax regime of which is described in section 2.12(i)(a).

(b) *PEA*

The OCEANEs are not eligible for the PEA.

2.12.2.2 Legal entities that are tax residents in France and subject to corporate income tax

Net capital gains resulting from the sale of OCEANEs (calculated, if applicable, not including the fraction of the price corresponding to the accrued interest, as such interest is subject to a separate tax under the standard tax regime relating to accrued interest) in the context of the Offer will be included in the income subject to CIT at the standard rate plus the 3.3% social contribution (Article 235 *ter* ZC of the FTC), where applicable, which is assessed on the basis of the amount of CIT after application of a rebate which may not exceed an amount of €763,000 per twelve-month period[19].

The applicable CIT rate will depend on the legal entity and, in some cases, revenues and, in some cases, the amount of its taxable income, as well as the date of the sale and the opening date of the financial year during which the sale takes place, it being specified that the standard tax rate for fiscal years opened on or after January 1, 2022 is currently 25%[20].

Capital losses resulting from the sale of the Company's OCEANEs (calculated not including the fraction of the price corresponding to the accrued interest, as such interest is subject to a separate tax under the standard tax regime relating to accrued interest) in the context of the Offer will be deducted from the legal entity's taxable income.

In addition, it should be noted that tendering the Company's OCEANEs in the Offer will trigger the termination of any tax deferral or rollover relief that may have been available to the concerned holders of the Company's OCEANEs for prior transactions.

Concerned holders of OCEANEs are invited to consult with their tax advisor in order to determine the CIT rate applicable to them.

2.12.2.3 Non-French tax residents

Holders of OCEANEs that are not French tax residents are invited to review their particular tax situation with their usual tax advisor in order to take into consideration the tax regime applicable both in France and in their country of tax residence.

Subject to any international tax treaties that may apply, pursuant to Article 244 *bis* C of the FTC, capital gains resulting from the sale of OCEANEs by persons who are not French tax residents within the meaning of Article 4B of the FTC or whose registered office is located outside of France (and the holding of the securities is not connected to a fixed base or a permanent establishment subject to taxation in France) are in principle not subject to taxation in France.

The sale of OCEANEs in the context of the Offer is likely to put an end to the deferral of payment from which individuals subject to the "exit tax" system provided for by the provisions of Article 167 *bis* of the FTC could have benefited when transferring their tax residence outside France. Individuals concerned are invited to contact their usual tax advisor.

2.12.2.4 Persons subject to a different tax regime

Holders of OCEANEs subject to a tax regime different from those described above and that are participating in the Offer, in particular taxpayers whose transactions involve securities that are not simply part of their private estate or are recorded as assets on their balance sheet, as well as non-residents and cross-border workers, are invited to review their particular situation with their usual tax advisor.

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[19] Companies with a turnover (excluding taxes) of less than 7,630,000 euros and whose fully paid-up share capital has been continuously held for at least 75% during the tax year by individuals or companies meeting these conditions are exempt from the 3.3% social contribution. In this respect, there are special rules for companies that are members of a tax consolidation group within the meaning of Articles 223 A *et seq*. of the FTC.

[20] Companies with a turnover (excluding taxes) of less than 10 million euros and whose fully paid-up share capital has been continuously held for at least 75% during the tax year by individuals or by companies meeting these conditions benefit from a reduced corporate tax rate of 15%, within the limit of a taxable profit of 38,120 euros for a twelve (12) month period. In this respect, there are special rules for companies that are members of a tax consolidation group within the meaning of Articles 223 A *et seq*. of the FTC.

(c) Transfer tax or French FTT

No transfer tax is due in France on the sale of the OCEANEs, unless the sale of the OCEANEs is spontaneously presented for registration, in which case a minimal registration fee (*droit fixe des actes innomés*) of €125 will apply (Article 680 of the FTC).

Sales of OCEANEs under the Offer are exempted from the French financial transfer tax pursuant to Article 235 *ter* ZD, II-9° of the FTC.

3. SUMMARY OF INFORMATION USED TO DETERMINE THE OFFER PRICE PER SHARE AND THE OFFER PRICE PER OCEANE

The Price offered by the Offeror is set at EUR 12.00 per Share, payable in cash, and EUR 15.52 per OCEANE, payable in cash.

The valuation assessment of the Offer Price has been prepared by the Presenting Banks, Goldman Sachs and Société Générale, on behalf of the Offeror. This valuation assessment was determined based on a multi-criteria approach using customary valuation methodologies and is based on (i) a financial trajectory provided by the Company (hereinafter referred to as the "Adjusted Scenario A"), and (ii) the Extrapolations (as defined in section 3.1.2.a *"Key financial metrics"* of this section) prepared by the Company for defined segments, covering different time horizons. Sources of information are indicated in the Draft Offer Document (section 3.1.4 *"Financial Data Used for the Valuation of the Offer Price per Share"* of this section). The Presenting Banks have not been mandated to independently verify this information (notably the financial data related to the Company).

The information, figures and analyses presented hereafter in the Draft Offer Document, other than historical figures, reflect forward-looking statements, expectations and assumptions involving risks, uncertainties, and other factors, about which no guarantee can be given, and which may cause actual facts or results to differ substantially from what is included in the Draft Offer Document.

The assessment of the Offer Price valuation, i.e. EUR 12.00 per EDF Share and EUR 15.52 per OCEANE, have been drafted by the Presenting Banks, on behalf of the Offeror and in full agreement with the latter (in particular with regard to the different valuation methodologies used and assumptions selected), based on publicly available information and written or oral information provided by the Company or on its behalf.

3.1 Valuation Assessment Criteria of the Offer Price per Share

3.1.1 Selection of Valuation Methodologies

(a) Retained References and Valuation Methodologies

As part of the multi-criteria approach, the following valuation methodologies have been retained to assess the Company's valuation:

Primary Valuation Methodologies

- *Reference to historical stock market prices until the closing date (July 5, 2022) preceding the general policy speech to the National Assembly by Prime Minister Mrs. Elisabeth Borne, confirming the French State's intention to increase its stake in EDF to 100%;*

EDF Shares are listed on the regulated market of Euronext Paris under the ISIN code FR0010242511. EDF is part of the CAC Next 20 and the SBF120 indexes. The stock market price is a benchmark as part of the assessment of the Company's valuation.

The volumes traded over the last six months up to July 5, 2022 (included) convey a rotation of 122% of the free float over the same period. The sufficient liquidity of the EDF stock thus makes it possible to consider the reference to the historical stock market price as one of the relevant valuation criteria for the Offer Price assessment.

The analysis of the Company's historical share price is based on market data as of July 5, 2022, as the last trading day before the Prime Minister's general policy speech, confirming the French State's intention to increase its stake in EDF to 100%.

- *Reference to research analysts' target share price;*

The Company is covered by eighteen research analysts (source: Bloomberg as of July 5, 2022). These analysts periodically publish target prices, recommendations, and indicative valuations. The target prices are generally 12-month forward looking.

The retained target share prices have been published:

- After May 19, 2022, to reflect the latest publicly available information regarding the stress corrosion phenomenon, and adjustment by EDF of its 2022 French nuclear output estimate (EDF press release as of May 19, 2022);
- Until July 5, 2022, included, to exclude the impact on price targets of the Prime Minister's general policy speech announcements on July 6, 2022.

- *Sum-of-the-Parts Valuation ("**Sum-of-the-Parts**" or "**SOTP**")*

Given the breadth of the Company's activities and to capture the specificities of its operating models, growth dynamics, and various margin and risk profiles, the Company's business lines have been grouped into several segments which have been valued based on independent and differentiated approaches. These valuations, specific to each segment, reflect the specific nature of each asset and their medium and long-term prospects. The results were summed to assess the enterprise value of the Company. The equity value of the Company is obtained by subtracting the bridge adjustments from the enterprise value as defined in section 3.1.2.b *"Bridge from Enterprise Value ("EV") to Equity Value ("EQV")"* of this section.

It should however be noted that the Sum-of-the-Parts valuation method does not reflect the operational reality of each segment and the upstream/downstream integration existing within the France segment, which includes notably the production and supply of electricity in France. If each segment was to operate completely autonomously, several additional costs would have to be accounted for, including:

- Central costs for each business unit to dispose of its own group and support functions;
- Fiscal cost of dividing each business unit into autonomous and distinct entities;
- The financing structure would not be the same and could lead to higher financing costs and the weighted average cost of capital ("**WACC**") of the Company.

Indicative Valuation Methodologies

- *Trading multiples approach, based on listed comparable companies;*

The trading multiples approach based on listed comparable companies consists in assessing the value of the Company by applying to the financial metrics of the Company's Adjusted Scenario A (as defined in section 3.1.2.a *"Key financial metrics"* of this section) the valuation multiples observed on a sample of listed comparable companies, and in comparing the Offer Price to the obtained valuations.

The listed comparable companies retained for EDF are integrated European companies in the energy sector, namely: Energias de Portugal (EDP), Enel, Engie, and Iberdrola.

Due to the difficulty in identifying purely comparable companies to EDF (including in the aforementioned sample) because of the range of activities within the Group and the dispersion of the valuations conveyed by this approach resulting from the extreme volatility of the financial metrics considered over the reference years, this methodology is presented for indicative purposes only.

(b) Rejected Valuation Methodologies

The following methodologies, deemed not relevant to assess the Offer Price, were not retained:

− **Book Net Asset Value**

This reference is based on the amount of book value equity per share. This methodology is not relevant to value a company in the context of continuing operations and does not account for the potential company’s profit or loss, growth outlook or operational difficulties. It is more suitable for companies whose assets constitute a major part of the value, such as investment companies or real estate companies. Conversely, for integrated European companies in the energy sector, book value multiples are not accounted for by investors as a relevant valuation benchmark.

This accounting-based method was therefore not retained by the Presenting Banks.

In line with the valuation parameters set forth in the AMF regulations in the event of a tender offer filed by a shareholder holding the majority of the capital and voting rights in the perspective of a subsequent squeeze-out, the valuation implied by this method has been assessed for illustrative purposes. For consistency purposes, the amount of book value equity has been restated for the following instruments that do not give access to shares:

- perpetual subordinated bonds (also called hybrid bonds) which, although accounted for in equity under IFRS, do not belong to the shareholders since the contractual clauses do not include any obligation to reimburse the nominal value of the bonds or to pay them a remuneration;
- the equity share of the OCEANEs.

For illustrative purposes, on the basis of the half-yearly consolidated financial accounts as of June 30, 2022, EDF's book net asset value amounts to €46,717m (after the restatement of the perpetual subordinated bonds and the equity share of the OCEANEs), *i.e.* EUR 12.0 per Share based on the retained number of shares. It is to be noted that the Company estimates that, due to the significant losses estimated by the Company for the second half of 2022, the book net asset value of EDF at the end of 2022 should be lower than at June 30, 2022, subject to potential variations of components of the equity value of the Company, outside of operating income and losses (notably actuarial gains and losses linked to interest rates variations).

- **Discounted Cash Flow (consolidated)**

This method is based on the principle that the enterprise value corresponds to the sum of its consolidated free cash flows, before the impact of its capital structure, discounted at its WACC.

Due to the diversity of the Company's activities (electricity generation, network operator, electricity supply) which operate in different regulatory frameworks and bear different operational risks, this method has not been used.

− **Adjusted Net Asset Value**

This approach defines the value of a company's equity as the difference between its assets and its liabilities, after revaluation of the major assets, in particular intangibles, at their market value.

This valuation methodology does not reflect a company's outlook and is of little relevance in the context of continuing operations. In addition, this approach is usually used to value diversified holding companies or real estate assets, which own and operate assets whose value is independent of their inclusion in an operating process. This methodology was therefore not retained by the Presenting Banks.

− **Dividend Discount Model**

This approach consists in assessing the value of a company's equity based on its dividend distribution capacity, by discounting the future flows of dividends received by shareholders.

This method has not been retained because it depends on the future decisions of the Company and its majority shareholder (through governance bodies of the Company) in terms of future dividend payout ratio and is not representative of the Company's ability to generate free cash flows.

− **Comparable transactions approach**

This approach consists of applying to the financial metrics of EDF, or to the financial metrics its relevant segments, the valuation multiples observed on a sample of transactions carried out in the same sector of activity on companies with a similar profile to the Company, or its segments.

This method was not retained because no transaction in the last ten years is similar to the proposed transaction, *i.e.* the increase of the majority shareholder to 100% of the capital of a diversified company in the energy sector.

3.1.2 Summary of the information used to determine the Offer Price per Share

(a) Key financial metrics

The valuation assessment detailed hereafter is based on the following sources of information:

- For historical financial data:
  - the Company's annual consolidated and audited financial statements as of December 31, 2021 and its semi-annual consolidated and audited financial statements as of June 30, 2022.
- For the 2022-2024 period:
  - an update of the Company's financial trajectory, reflecting five scenarios for the 2022-2024 period (A, B, C, D and E). These scenarios come with two electricity price references:
    - based on the average forward electricity prices for 2023 and 2024 between January 1, 2022 and September 13, 2022; and
    - based on the forward prices for 2023 and 2024 as of September 13, 2022, which are in line with the average of prices observed between mid-June and mid-September 2022.
  - these scenarios make different assumptions about the level and terms of financing of a possible tariff shield (*bouclier tarifaire*) and are based on the nuclear output assumptions and possible increase of the ARENH (regulated access to historical nuclear output) volumes and prices presented in the table below:

		SCENARIO				
		A	**B**	**C**	**D**	**E**
French nuclear output (TWh)	**2023**	315	300	300	315	280
	2024	330	315	315	330	295
ARENH	**2023 and 2024 volume (TWh)**	100	100	110	110	120
	2023 and 2024 prices (€/MWh)	42	42	49.5	49.5	49.5

  - as a reminder, the French nuclear output guidance is between 300 TWh and 330 TWh and 315 TWh and 345 TWh, respectively for 2023 and 2024;
  - as part of its valuation assessment, the Offeror has selected Scenario A on the basis of the average forward prices of electricity for 2023 and 2024 between January 1, 2022 and September 13, 2022 (the "**Adjusted Scenario A**"). This scenario limits the impact of the very high volatility of electricity market prices in recent months and assumes an absence of (i) further deterioration of the nuclear output in 2023 and 2024, below the Company's best estimates to date, and (ii) new regulatory measures of all kinds likely to impact EDF's financial trajectory in 2023 and 2024.
- For the period beyond 2025:
  - long-term extrapolations communicated to the Offeror by EDF ("**the Extrapolations**") from 2025 to 2100 for the ***C+P France - Existing Nuclear*** segment, from 2025 to 2040 for the ***Regulated France*** segment, from 2025 to 2032-2066 for the ***C+P France - Hydropower*** segment (depending on the selected scenario), from 2025 to 2055 for the ***United Kingdom – Existing Nuclear*** segment and from 2025 to 2032 for the Group's other activities;

- o the valuation assessment excludes the financial impacts of Sizewell C and the French New Nuclear Program ("**NNF**") (see paragraph 3.1.2.I *"Financial data used in the valuation assessment – C+P France"* of this section);
- o for market data: Bloomberg, Capital IQ, Refinitiv;
- o for research analysts' target prices: Bloomberg, Capital IQ, Refinitiv and analysts' notes.

<u>Financial data used in the valuation assessment</u>

The Adjusted Scenario A and the Extrapolations have been prepared in accordance with IFRS accounting standards, including IFRS 16 for rents. As the Offeror has established its valuation assessment on a pre-IFRS 16 basis, it has decided to make the relevant depreciation and rent adjustments to take the impact of this accounting standard into account. The amounts of lease liabilities were therefore not taken into account in the transition between enterprise value and equity value. These adjustments were prepared on the basis of data provided by EDF about the breakdown of IFRS 16 rents in the first half of 2022. The adjustments were applied to the Adjusted Scenario A and the Extrapolations of each segment.

The elements selected for the valuation assessment are:

i. Over the 2022-2024 period: Adjusted Scenario A was retained;

This scenario reflects EDF's latest announcements of September 15, 2022 regarding the downward review of its nuclear output expectations for 2022 and 2024. It mechanically shows a financial trajectory that is significantly higher than the research analysts' estimates for 2023 and 2024. The use of this scenario therefore implies a very significant positive impact on EDF's valuation assessment;

ii. For the year 2025: the Extrapolations are based on data provided by EDF's management on the different segments, the assumptions of which are detailed below;

iii. The different segments studied in the valuation assessment are the following:

1. French Generation and Supply ("**C+P France**")
   a. C+P France – Existing Nuclear
   b. C+P France – Hydropower
   c. C+P France – Commerce and Services
2. Regulated France
   a. Regulated France – Enedis
   b. Regulated France – Others (Système Electrique Insulaire ("**SEI**") and Production Electrique Insulaire ("**PEI**") & Electricité de Strasbourg ("**ES**"))
3. Other segments
   a. United Kingdom – Existing Nuclear
   b. United Kingdom – Services (Podpoint)
   c. United Kingdom – Customers
   d. United Kingdom – Others
   e. United Kingdom – Hinkley Point C ("**HPC**")
   f. Italy
   g. EDF Renewables
   h. Dalkia
   i. Framatome
   j. Other International
   k. Trading & Others

As part of the valuation assessment, a high and a low point for segments with specific sensitivities were selected. These specific valuation points are detailed below for the relevant segments.

I. <u>C+P France</u>

C+P France – Existing Nuclear

- The Adjusted Scenario A and the Company's Extrapolations are based on the following operating assumptions:

  - a 60-year operational life for all nuclear reactors;
  - the commissioning of the Flamanville EPR in accordance with the latest schedule announced by EDF, and full production of the reactor from 2025;
  - a total average net electricity output (including losses and excluding output of the Flamanville 3 reactor) of approximately 350 TWh on a run-rate basis;
  - over the 2023-2025 period, an anticipation that a number of customers return to EDF (at regulated tariffs), resulting in a decrease in the curtailment rate (*taux d'écrêtement*) following the decrease in ARENH demand from alternative suppliers, because of the lesser rights they would have;
  - in the short term, the Offeror retains a 100 TWh ARENH volume at a price of €42.0/MWh, without any assumption of increase over 2023 and 2024, price cap or any other regulatory measure (see below);
  - from January 1, 2026: assumption of the enforcement of a new regulation for existing nuclear power, succeeding the ARENH, and guaranteeing the coverage of the full costs of EDF's existing nuclear fleet. This intention to introduce a new regulation of electricity prices, already expressed in recent years by the State during the work carried out within the framework of the "Hercule" and "Grand EDF" projects, was reiterated by the President of the Republic, who stressed, during his speech in Belfort on February 10, 2022, that it should enable French consumers, households and businesses to benefit from stable prices close to the costs of electricity output in France. While the specific terms of this regulation have yet to be defined, the principle of the coverage of the full costs of EDF's existing nuclear fleet, according to an objective assessment of costs by the regulator, is one of the priorities of the French authorities in their discussions with all stakeholders. The Offeror assumes that this new regulation will be enforced on January 1, 2026, the day after the ARENH system expires;
- This scenario assumes (i) a French nuclear output in the mid-point of the guidance range provided on September 15, 2022 by EDF, which is 315 TWh and 330 TWh respectively for 2023 and 2024, and (ii) the absence of new regulatory measures impacting EDF's financial trajectory in 2023 and 2024, and in particular the absence of a further increase in the ARENH volume, or the implementation of a possible price cap or revenue cap (currently under discussions at European level) aimed at capturing all or part of the profits of the Group due to the very high market prices currently observed, or funding by the Group of the 15% tariff freeze announced by the Prime Minister on September 14, 2022. Furthermore, it does not take into account any possible increase in the price of ARENH to €49.5/MWh voted by Parliament in August 2022, its application still being subject to the agreement of the European Commission (in accordance with Article 2 of Decision SA.21918). Even more so, the possible implementation of such an increase would depend on the Commission's decision timetable, which remains uncertain. If such an increase was to be accepted by the Commission, it could be accompanied by a review of the other parameters of the ARENH scheme, for example by a simultaneous increase in its maximum overall volume. As such, the impact of an increase in ARENH's price alone cannot be taken into account without further adjustments.
- Changes in financial metrics over different reference periods are described below:

<u>*2022-2024 period*</u>

  - The 2022-2024 period is based on the Company's Adjusted Scenario A. The main financial metrics retained over the 2022-2024 period are:
    - Negative EBITDA (post-IFRS 16) in 2022, becoming positive from 2023 onwards;
    - Capex (capital expenditures) representing on average (43%) of the annual EBITDA (post-IFRS 16) over the 2023-2024 period, in particular as part of the continuation of the *Grand Carénage* (nuclear maintenance) program;
    - A change in working capital requirement of up to EUR (0.1)bn over the period.

<u>*For the year 2025*</u>

- The financial elements for the year 2025 are based on the Extrapolations provided by the Company and translate as follows:
  - A change in EBITDA (post-IFRS 16) of 7.5% compared to 2024, the decrease in electricity market prices being offset by the increase in nuclear output;

- Capex representing (37%) EBITDA (post-IFRS 16).

2026-2100 period

- The financial trajectory for the 2026-2100 period was based on the Extrapolations made by the Company, regarding (i) market prices, (ii) output levels, (iii) operational costs and (iv) capex.
- The main financial metrics over the 2026-2100 period are the following:
  - The evolution of EBITDA (post-IFRS 16) allows to distinguish two phases of development:
    - A period of growth between 2026 and 2038 with a compound annual growth rate of 1.9% in the low point of valuation and 1.8% in the high point due to inflation assumptions, output remaining stable on average;
    - A phase out period between 2039-2100, reflecting the progressive closure of reactors in the existing nuclear fleet;
  - Capex representing on average (40%) of post-IFRS 16 EBITDA in the low point and (39%) in the high point over the 2026-2100 period;
  - A change in working capital requirement between €(0.0)bn and €0.4bn over the 2026-2100 period;
  - A normative tax rate of 25.83% (calculated as a corporate tax rate of 25.0% plus the Social Contribution on Profits ("**SCP**") of 3.3%). This rate is calculated with the same methodology and used for all French segments. Existing tax deficits were used over six years from 2023 to 2028.

Note that the NNF program (see section 1.2.1 *"Strategy and industrial, commercial and financial policies of the Company"* of this Draft Offer Document) was not considered in the context of the valuation assessment because of the lack of visibility on several key project parameters, which prevents a precise financial trajectory from being determined at this stage. Indeed, if the President of the Republic announced on February 10, 2022 the launch of a program to build six nuclear reactors with EPR2 technology and studies for eight additional reactors by 2050, no investment decision has yet been taken at this stage and appraisal work is ongoing – particularly with regard to the strengthening of the technical and economic parameters of the project – in order to reach a higher level of maturity.

Several key parameters of this program, for which EDF has not submitted a binding offer, remain under development and costing, leading to a significant level of uncertainty in the perspective of a valuation exercise:

- Regulatory framework: the regulatory scheme of the program as well as its precise parameters regarding the remuneration of EDF and the related regulated electricity sale price remain to be determined;
- Investments: the significant costs of the program will continue to evolve on the basis of the dialogue between EDF and its suppliers, the evolution of the design and the important engineering work that must be completed, and various exchanges with safety and security authorities. If the costing methods used by EDF and the levels of costs and provisions are deemed appropriate and robust at this stage, and if the risk analysis is currently considered relevant and complete by the last audit regarding the maturity of the project, these elements will nevertheless need to be further refined to further reduce uncertainties in the actual execution of the program;
- Financing: several options are under consideration, in particular regarding the impact of the carry terms (*"modalités de portage"*). Work is ongoing to define more precise parameters of the financing of this project, taking into account in particular the legal feasibility, the regulated price level, the cost to the taxpayers and consumers, and the ability of the various schemes to encourage the project promoter to control costs and deadlines;
- Timeline: given the technical complexity of the program and the uncertainties surrounding the consultation and regulatory authorization processes, the timeline is not yet stabilized, in particular regarding the date of final commissioning of these new power stations.

These technological, operational, regulatory and financial uncertainties do not allow the elaboration of financial projections and therefore of any valuation assessment for this development project. The impossibility of establishing a specific valuation is therefore tantamount to implicitly considering that, because of the strong uncertainties and major implementation risks that this program entails, it has no impact on the valuation of the Company as presented. In order to exclude the impact of the entire new nuclear program from the Company's balance sheet and financial trajectories, past and future investment expenditures associated with the new nuclear program have been adjusted through intrinsic valuation approaches.

C+P France – Hydropower

- The Adjusted Scenario A was communicated by the Company over the 2022-2024 period and was supplemented by the Company's Extrapolations up to 2066, however reflecting, in the approach retained by the Offeror, the progressive termination of concession contracts, according to their respective maturity dates. This Extrapolation was built on the basis of a price trajectory produced by the Company.

2022-2024 period

- o EBITDA (post-IFRS 16) variation between €0.4bn and €4.4bn over the period;
- o Capex representing on average (38.8%) of the annual EBITDA (post-IFRS 16) over the 2022-2024 period;
- o A change in working capital requirement varying between €(0.1)bn and €0bn per year over the 2022-2024 period;
- o A normative tax rate of 25.83%.

2025-2066 period

- o EBITDA (post-IFRS 16) reaching a maximum of €2.8bn over the period and phasing out by 2066;
- o Capex representing on average (22.9%) of the annual EBITDA (post-IFRS 16) over the 2033-2066 period;
- o A change in working capital requirement varying between €12.4m and €0.1m per year;
- o A normative tax rate of 25.83%.

C+P France – Commerce & Services

- Adjusted Scenario A for 2022-2024 and Extrapolations made by the Company for 2025-2032:
  - EBITDA Compound Average Growth Rate ("**CAGR**") (post-IFRS 16) of 5.1% over the 2022-2032 period;
  - Capex averaging 21.8% of annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - A change in working capital requirement of €(1.1)bn and €1.2bn per year on average over the 2022-2032 period;
  - A normative tax rate of 25.83%.

The ***C+P – France*** segment has been adjusted for the additional costs required for the establishment of the implementation of a new regulation after 2026.

II. Regulated France

Regulated France – Enedis

- Adjusted Scenario A for the 2022-2024 period and Extrapolations made by the Company on the 2025-2040 period with the following assumptions:
  - o The continuation of the current tariff conditions of TURPE 6 over the period of the Adjusted Scenario A and Extrapolations;
  - o BAR CAGR of 2.8% over the 2022-2040 period;
  - o EBITDA CAGR (post-IFRS 16) of 2.0% over the 2022-2040 period;
  - o Capex representing on average (79.2%) of the annual EBITDA (post- IFRS 16) over the 2022-2040 period (CAGR of 2.3% over the 2022-2040 period);
  - o A change in working capital requirement of €(0.1)bn per year on average over the period;
  - o A normative tax rate of 25.83%. Existing tax deficits are used over the six-year period from 2023 to 2028.

Regulated France – SEI/PEI & ES

- Adjusted Scenario A provided by EDF over the 2022-2024 period, then Extrapolations carried out by the Company over the 2025-2040 period for SEI/PEI and 2025-2032 for ES supplemented by extrapolations carried out over the 2033-2040 period. The financial elements used are based on the following assumptions:

- An EBITDA CAGR (post-IFRS 16) of (2.0%) for the SEI-PEI segment over the 2022-2040 period, and of 1.5% for ES over the 2022-2032 period then extrapolated on the basis of historical growth;
- Capex representing on average (48.8%) of the annual EBITDA (post-IFRS 16) for the SEI/PEI segment over the 2022-2040 period, (50.7%) for ES over the 2022-2032 period and (47.6%) over the 2033-2040 period (in line with 2032);
- No change in working capital requirements from 2025 onwards in line with the Company's Extrapolations;
- A normative tax rate of 25.83%.

III. Other segments

United Kingdom – Existing Nuclear

- Adjusted Scenario A over the 2022-2024 period and Company's Extrapolations over the 2025-2055 period:
  - For the low point, shutdown of Sizewell B in 2035, i.e a 40-year operational life;
  - For the high point, extension of Sizewell B's operational life from the current 40 years to 60 years with a planned closure in 2055;
  - Capex representing on average (27%) of the annual EBITDA (post-IFRS 16) over the 2022-2055 period in high point and (17%) in low point;
    - Capex have been adjusted in order to take into account, if applicable, the extension of the Sizewell B's operational life;
  - A change in of working capital requirement of €(2)m on average per year over the period;
  - Annual tax rate of 19.0% (applicable tax rate in the United Kingdom).

United Kingdom – Customers

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of 2% over the 2023-2032 period;
  - Capex representing on average (33%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - A change in working capital requirement of €26m on average per year over the period;
  - Annual tax rate of 19.0% (applicable tax rate in the United Kingdom).

United Kingdom – Others

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of (2%) over the 2022-2032 period;
  - Capex representing on average (0%) of the annual EBITDA (post-IFRS 16) over the 2022-2032;
  - A change in working capital requirement of €43m on average per year over the period;
  - Annual tax rate of 19.0% (applicable tax rate in the United Kingdom).

United Kingdom – HPC

- Adjusted Scenario A and Company's Extrapolations over the 2022-2088 period according to the following assumptions:
  - Starting up in 2027 and operational life until 2088;
  - EBITDA in line with the figures communicated by the Company over the 2022-2088 period (EBITDA CAGR (post-IFRS 16) of 4.5% over the 2027-2086 period, then zero EBITDA as from 2089);
  - Capex representing €21.3bn over the 2022-2027 period, including then capex representing (1%) of the annual EBITDA (post-IFRS 16) over the 2028-2088 period;
  - A change in working capital requirement of €(73)m on average per year over the period;
  - Annual tax rate of 19.0% (applicable tax rate in the United Kingdom).

Italy

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:

  - An EBITDA CAGR (post-IFRS 16) of 7% over the 2022-2032 period;
  - Capex representing on average (80%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - An annual average change in working capital requirement of €39m over the period;
  - Annual tax rate of 27.9% over the period (applicable tax rate in Italy).

EDF Renewables

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of 8% over the 2022-2032 period;
  - Capex representing on average (146%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - A change in working capital requirement of €(28)m on average per year over the period;
  - A French normative tax rate of 25.83%;
  - A CAGR of dividends received from the stakes held by EDF Renewables (associates) of 20% over the 2022-2032 period.

Dalkia

- Adjusted Scenario A and Extrapolations of the Company over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of 2% over the 2022-2032 period;
  - Capex representing on average (66%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - A change in working capital requirement of €(7)m on average per year over the period;
  - A French normative tax rate of 25.83% (calculated as a corporate tax rate of 25.0% increased by the SCP of 3.3%).

Framatome

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of 11% over the 2022-2032 period;
  - Capex representing on average (72%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - An annual average change in working capital requirement of €(42)m over the period;
  - A French normative tax rate of 25.83%.

Other International (including Belgium)

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of 3% over the 2022-2032 period;
  - Capex representing on average (121%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - An annual average variation of working capital requirement of €(10)m over the period;
  - A French normative tax rate of 25.83%.

Trading & Others

- Adjusted Scenario A and Company's Extrapolations over the 2022-2032 period according to the following assumptions:
  - An EBITDA CAGR (post-IFRS 16) of (12%) over the 2022-2032 period;
  - Capex representing on average (7%) of the annual EBITDA (post-IFRS 16) over the 2022-2032 period;
  - An annual average change in working capital requirement of €549m over the period.
  - A French normative tax rate of 25.83%.

(b) <u>Bridge from Enterprise Value to Equity Value</u>

The bridge between the enterprise value and the equity value retained for the Sum-of-the-Parts and the trading multiples are calculated based on:

- Net financial debt of €40,278m as of June 30, 2022 (excluding OCEANEs);
- Adjustments composing the economic debt of €31,558m as of June 30, 2022 including associates of €(5,805)m as of June 30, 2022, including the adjustments mentioned below;
- Minority interests of €9,342m as of June 30, 2022 accounted for at their adjusted values;
- Adjustments regarding lease liabilities of €(4,240)m as of June 30, 2022.

The valuation being conducted on a pre-IFRS 16 basis, the IFRS 16 lease liabilities have been added to the bridge from the Enterprise Value to the Equity Value.

Based on the above, the Enterprise Value to Equity Value bridge is amounting to €79,202m as of June 30, 2022, assuming the full conversion of the OCEANEs in equity shares:

	€m
Bond instruments[1]	42,689
Bank loans	17,215
Other financial liabilities	9,719
Lease liabilities	4,240
Accrued interests	1,173
Total financial debt	**75,036**
Cash flow and cash flow equivalents[2]	(7,522)
Debt-hedging derivatives	(3,893)
Available-for-sale assets – Liquid assets	(23,323)
Asset-hedging derivatives	(20)
Total net financial debt	**40,278**
Hybrid bonds	12,264
Nuclear Provisions	12,005
including Provisions related to the Nuclear Output	*60,699*
including dedicated Assets (France)	*(33,876)*
including NLF Receivables (U.K.)	*(14,818)*
Other provisions for dismantlement	2,120
Edison Provisions	424
Pensions[3]	10,550
Associates[4]	(5,805)
Total economic debt	**71,836**
Minority interests[5]	9,342
Other Restatements[6]	(1,976)
Equity Value to post-IFRS 16 Enterprise Value bridge	**79,202**
Lease liabilities adjustments	(4,240)
Equity Value to pre-IFRS 16 Enterprise Value bridge	**74,962**

[1] After deduction of €2,389m corresponding to the book value of the OCEANEs as of June 30, 2022.

[2] Adjusted for "ORS" on the basis of 18,100,741 shares created on July 25, 2022 with a subscription price of €5.72, i.e. €104m.

[3] €13,150m provisions for employee benefits minus €2,600m differed tax assets resulting from actuarial differences on hedging assets as of June 30, 2022.

[4] *Excluding share in CTE and associates accounted for in the dedicated assets. On the basis of the book value of associates as of June 30, 2022 of €9,681m restated for the book value of the share in CTE and the share in other associates accounted for in the dedicated assets (€1,886m for the share in CTE and €2,433m for the share in other associates) and adjusted with associates for "Other International" and "EDF Renewables", calculated by discounting of dividend flows;*

[5] *Book value as of June 30, 2022 adjusted for minority values for "United Kingdom – HPC", "Framatome", and "United Kingdom – Existing Nuclear" calculated on the basis of the values resulting from the SOTP - The high point of the SOTP leads to a value of €11,178m for minority interests, while the low point of the SOTP yields a value of €7,506m;*

[6] *Includes restatement of historical expenditures on the FNN, Sizewell C, and the projects Small Modular Reactor and the compensation due to EDF for the anticipated closure of the Fessenheim nuclear plant, on a post-tax basis.*

(c) Number of shares

The values per EDF Share presented hereafter are calculated by dividing the equity value by the number of shares on a fully diluted basis, net of treasury shares as of August 31, 2022.

As of August 31, 2022, this number of shares corresponds to the 3,886,581,084 EDF Shares comprising the Company's share capital, plus 283,915,826 shares related to the dilutive effect of the OCEANEs (on the basis of 219,579,139 OCEANEs and a conversion rate of 1.293 (based on an opening date of the Offer on November 10, 2022) – see section 3.2.3.b. *"Conversion Value of OCEANEs in the event of a public offer"* of this section, minus 888,511 treasury shares).

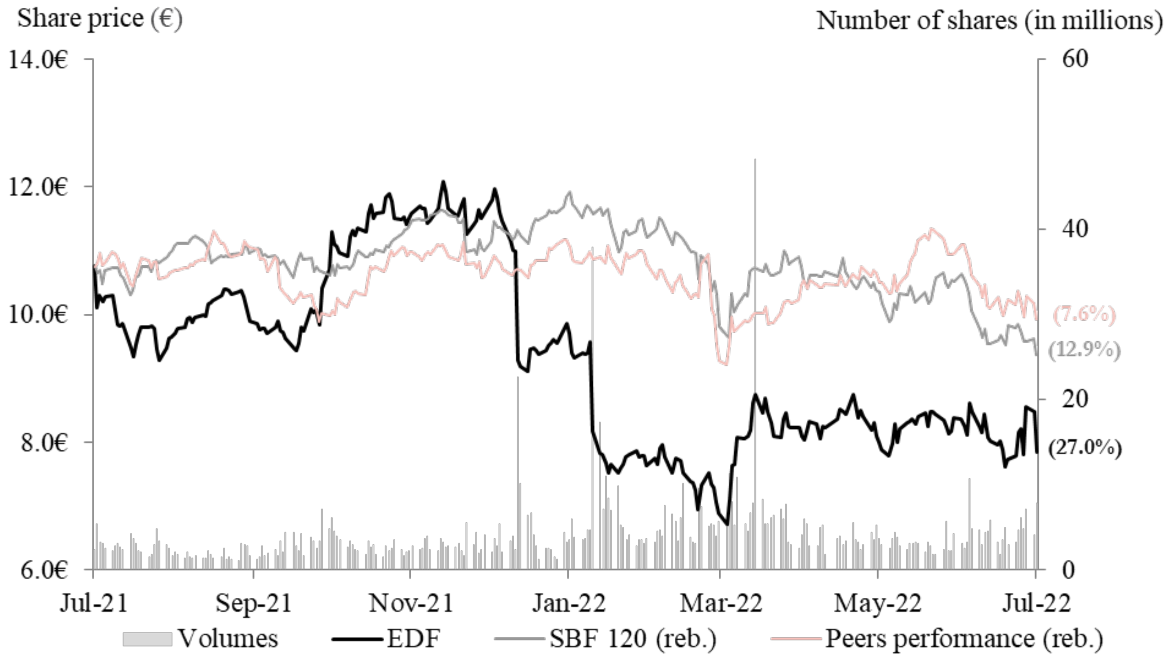
The total number of shares after deduction of the number of treasury shares and accounting for the impact of dilutive instruments thus amounts to 4,169,608,399 shares.

3.1.3 Retained valuation methodologies

For the purposes of applying valuation methodologies, the Company's financial metrics presented below (EBITDA 2022 and 2023) correspond to those in Adjusted Scenario A.

(a) Historical share price reference

Change in the share price and volumes traded over the last 12 months prior to July 5, 2022



Source : Bloomberg
Note : Share prices adjusted for capital increases (excluding ORS) and ordinary and exceptional dividends

Over the 12 months prior to July 5, 2022, the Company's share price fluctuated within a range from €6.72 to €12.08 and fell over the period by 27.0% (by comparison, the SBF 120 benchmark fell by 12.9% over the same period and the composite index of companies comparable to EDF (EDP, Enel, Engie, Iberdrola) fell by 7.6% over the same period).

Note that during the first quarter of 2022, the share price was impacted by the announcement and execution of a capital increase with preferential subscription rights (DPS) carried out from March 23, 2022 to April 1, 2022 by the Company (13 DPS allowing to subscribe to 2 new shares at the unit price of €6.35 per share, i.e. a theoretical market price after dilution, "TERP" (Theoretical Ex-Rights Price), at the announcement of €8.53). During this period, the State also purchased 15.5m shares from EPIC Bpifrance on March 11, 2022 at €7.54/share.

The table below shows the premia implied by the Offer Price per share by taking as a reference the spot price and the volume weighted average prices (VWAP) over several reference periods.

The volume-weighted average price (VWAP) over a given period is defined as the ratio between the sum of the proceeds of the volume-weighted average price of each trading session multiplied by the volume traded during the trading session and the sum of the volumes traded during the period.

	As of 5 July	
	Main reference	
Reference to the share price[(1)]	**Share price**	**Implied premium**
Spot price	€7.84	*53.0%*
VWAP[(2)] - 20 days	€8.16	*47.0%*
VWAP[(2)] - 60 days	€8.24	*45.7%*
VWAP[(2)] - 120 days	€8.01	*49.8%*
VWAP[(2)] - 180 days	€8.62	*39.2%*
VWAP[(2)] - 12 months	€8.93	*34.3%*
Minimum 12 months (7-Mar-22)	€6.72	*78.4%*
Maximum 12 months (17-Nov-21)	€12.08	*(0.7%)*

Source: Bloomberg
Note: (1) Share prices adjusted for capital increases (excluding ORS) and ordinary and exceptional dividends
(2) Volume weighted average price (VWAP)

The Offer Price of €12.00 per share shows a premium of 53.0% compared to the closing share price of July 5, 2022 and premia of 47.0% and 45.7% respectively compared to the 20-day and 60-day volume-weighted average prices on that same date.

(b) Sum-of-the-Parts valuation ("**SOTP**")

In order to get their respective valuation, the different segments detailed in paragraph 3.1.2.a *"Key financial metrics"* of this section have been valued using different methodologies consistent with their respective characteristics such as the discounted cash flow method, or the trading multiples method.

The trading multiples method is detailed in paragraph 3.1.4.a "*(a) Valuation by applying trading multiples based on listed comparable companies"* of this section. The discounted cash flows method is detailed below.

Discounted cash-flow method

The intrinsic discounted cash flow method consists in determining a company's enterprise value by discounting its forecasted free cash flows. The enterprise value was obtained by discounting free cash flows as of June 30, 2022 to the WACC by applying the mid-year convention.

This value is broken down into the present value of free cash flows over the explicit period of the Adjusted Scenario A and the Company's Extrapolations to different time horizons according to segments (as detailed in paragraph 3.1.2.a *"Key financial metrics"* of this section), and a terminal value corresponding to the discounting of these flows after the Extrapolation period. When the theoretical "Gordon Shapiro" method was applied for the calculation of the terminal value of a segment, the Presenting Banks have adopted a

Perpetual Growth Rate ("**PGR**") of 1.7%, estimated from the inflation rate in 2050 provided by the Company to the Offeror.

The SOTP valuation was therefore obtained by adding the valuations of the different segments. The WACC used for discounting the future net cash flows and terminal values of the valued segments are detailed below.

I. C+P France

C+P France – Existing Nuclear

WACC

The WACC is calculated as the weighted sum of the cost of equity and the cost of debt after tax. The cost of equity is estimated using the usual formula of the Capital Asset Pricing Model ("**CAPM**").

Sample of comparable companies used to calculate the unlevered adjusted beta

CEZ: Czech player active in the production, distribution and supply of electricity, as well as the supply of gas and heat. CEZ is mainly active in Europe and meets 75% of Czech electricity demand. It has an installed capacity of 11.8 GW (of which 4.3 GW is nuclear) and has a distribution network of 336,000 kilometers.

Constellation Energy: American player active in the electricity production, distribution and supply (including nuclear, wind, solar and hydropower sources). Constellation Energy has an installed capacity of 32.4 GW (of which 20.9 GW is renewable).

Contour Global: American player specialized in the acquisition and development of wholesale power generation businesses using long-term contracts. Contour Global operates mainly in Europe and America and has an installed capacity of 6.3 GW (of which 1.8 GW is renewable).

RWE: German player active in the production and sale of electricity from renewable (wind, solar, biomass, hydropower) and conventional (coal, gas, etc.) sources, present mainly in Europe and North America. RWE has an installed generation capacity of 37.2 GW (of which 12.0 GW is renewable). It owns a 15% stake in E.On.

WACC calculation

The WACC calculation for the *C+P France – Existing Nuclear* segment results in a discount rate of 7.6%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.68 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 75.0% (assumption of the Presenting Banks based on comparable companies);
- Risk-free rate: 2.7% (*Obligation Assimilable du Trésor* 20 years as of September 21, 2022);
- Equity market risk premium: 6.8% (market consensus based on Duff & Phelps as well as Eurozone market practices);
- Cost of debt before tax: 6.1% (cost of debt estimated using the average cost of new 20-year senior debt issuance of 4.7% and hybrid debt of 11.5%, with a share of senior debt of 80% and hybrid debt of 20%);
- A normative tax rate of 25.83% (calculated as a corporate tax rate of 25.0% plus the SCP of 3.3%).

It should be noted that the ***C+P France - Existing Nuclear*** trajectory reflects four years of exposure to merchant electricity prices and a regulated price trajectory from 2026 (the Company remaining exposed to volume risk). The merchant period (during which the Company has no guarantee on the sale price of its output) corresponds to a higher level of risk.

Terminal value

The Adjusted Scenario A and the Company's Extrapolations for the ***C+P France - Existing Nuclear*** segment have been established over the 2022-2100 period, the last year of operation of the assets in the Extrapolations. Thus, this segment was not subject to a terminal value based on a multiple or a normative year.

C+P France – Hydropower

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

Fortum: Finnish player active in the production and supply of electricity (including nuclear, wind, solar and hydropower) as well as gas and heat supply. Fortum operates mainly in Europe and has an installed production capacity of 47.1 GW (of which 16.6 GW is renewable, including 8.4 GW of hydropower).

Verbund: Austrian player active in the production, transmission, distribution and sale of electricity (notably from hydropower sources). Verbund has an installed production capacity of 9.5 GW (of which 8.6 GW is renewable).

WACC calculation

The WACC calculation for the ***C+P France – Hydropower*** segment results in a discount rate of 7.9%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.73 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 75.0% (assumption of the Presenting Banks based on comparable companies).

The risk-free rate, risk premium, average cost of debt before tax and tax rate assumptions are identical to those presented in the segment ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

Based on the approach retained by the Offeror, the valuation assessment for the ***C+P France - Hydropower*** segment was carried out over the 2022-2066 period, taking into account the expiry of each of the existing concessions. Thus, this segment was not subject to a terminal value based on a multiple or a normative year.

C+P – Commerce & Services

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

Centrica: British player active in the supply of energy services and solutions. Centrica operates mainly in the United Kingdom, Europe and North America.

WACC calculation

The WACC calculation for the ***C+P France – Commerce & Services*** segment results in a discount rate of 10.4%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 1.14 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 75.0% (assumption of the Presenting Banks based on comparable companies).

The risk-free rate, risk premium, average cost of debt before tax and tax rate assumptions are identical to those presented in the segment ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

The terminal value for the ***C+P France - Commerce & Services*** segment was determined on the basis of the theoretical "Gordon Shapiro" method applied to the normative cash flow calculated based on the following key assumptions:

- EBITDA growing by the PGR of 1.7% compared to 2032;
- Change in working capital requirement in line with the five-year average over the 2028-2032 period;
- Capex representing (19.6%) of EBITDA of the normative year;
- Depreciation and amortization representing 95.0% of capex;
- Normative tax rate of 25.83%.

II. Regulated France

Regulated France – Enedis

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

Only companies active in the regulated distribution sector were selected. Those predominantly involved in electricity and gas transmission (National Grid, Snam, Enagas, Ren, Terna and Red) were excluded to keep the most comparable sample of companies to EDF's regulated activity (given the holding of a 50.1% stake in RTE is treated directly in the dedicated assets within the bridge between Enterprise Value and Equity Value). This is because there are important differences between these two types of activity, both in the regulatory scheme and in the contractual system.

E.On: Integrated German player active in the electricity and gas distribution and supply. E.On has a total distribution network of 1.6m kilometers and operates mainly in Germany, Sweden and Central and Eastern Europe.

Italgas: Italian player specialized in natural gas distribution (35% market share in Italy on this segment). Italgas operates a 74,400-kilometer distribution network.

WACC calculation

The WACC calculation for the France regulated activities composed of ***Regulated France - Enedis*** segment and ***Regulated France - SEI/PEI & ES*** segment results in a discount rate of 5.0%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.35 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 180% (assumption of the Presenting Banks based on comparable companies).

The risk-free rate (1.7%) and risk premium (5.2%) assumptions are based on the decision of the Commission for Energy Regulation of January 21, 2021 and reflect the rate of use of the TURPE 6 HTA-BT public electricity distribution networks.

The assumptions for the average cost of debt before tax and the tax rate are identical to those presented in the paragraph ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

The terminal value for the ***Regulated France - Enedis*** segment was determined on the basis of an exit multiple and discounted by the WACC. This exit multiple is calculated with a 2040 BAR multiple. The BAR multiple, determined at 0.95x, corresponds to a usual practice in the sector, in line with Enedis' specific concession business model.

Regulated France – Others (SEI/PEI & ES)

WACC

The WACC used is in line with the Enedis WACC (detailed in the paragraph above).

Terminal value

The terminal value for the ***Regulated France - SEI/ PEI & Electricité de Strasbourg*** segment was determined on the basis of an exit multiple and then discounted by the WACC. This exit multiple corresponds to an EV/EBITDA multiple applied in 2040, the last year of the financial projections, and was determined on the basis of an average of the EV/EBITDA 2023 trading multiples of E.On and Italgas.

III. Other segments

United Kingdom – Existing Nuclear

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

Constellation Energy, CEZ and RWE, present in the selected sample, are presented in the ***C+P France - Existing Nuclear*** segment.

WACC calculation

The WACC calculation for the ***United Kingdom – Existing Nuclear*** segment results in a discount rate of 9.6%. The elements involved in the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.83 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 75% (assumption of the Presenting Banks based on comparable companies);
- Equity market risk premium: 7.8% (market consensus based on Duff & Phelps as well as Eurozone market practices corresponding to 6.8% plus a country risk premium of 1.0% calculated as the differential between the OAT 20 years France at September 21, 2022 and the equivalent in the United Kingdom, in line with the methodology of the Presenting Banks);
- A normative tax rate of 19.0% for the United Kingdom.

The assumptions for the risk-free rate and the average cost of debt before tax are identical to those presented in the paragraph ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

<u>Terminal value</u>

The valuation assessment for the ***United Kingdom – Existing Nuclear*** segment was established over the 2022-2055 period, the last year of operation of the assets. Thus, this segment was not subject to a terminal value on the basis of an exit multiple or a normative year.

United Kingdom – Customers

<u>WACC</u>

Sample of comparable companies used to calculate the unlevered adjusted beta

The sample selected is limited to Centrica only, presented in paragraph ***C+P France – Commerce & Services.***

WACC calculation

The WACC calculation for ***UK - Customer*** segment results in a discount rate of 11.8%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 1.14 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 75% (assumption of the Presenting Banks based on comparable companies);
- Equity market risk premium: 7.8% (market consensus based on Duff & Phelps as well as Eurozone market practices corresponding to 6.8% plus a country risk premium of 1.0% calculated as the differential between the OAT 20 years France at September 21, 2022 and the equivalent in the United Kingdom);
- A normative tax rate of 19.0% for the United Kingdom.

The assumptions for the risk-free rate and the average cost of debt before tax are identical to those presented in the paragraph ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

<u>Terminal value</u>

The terminal value for the ***United Kingdom – Customers*** segment was determined on the basis of an exit multiple and then discounted by the WACC. This exit multiple corresponds to an EV/EBITDA multiple applied in 2032, the last year of the Company's Extrapolations, and was determined on the basis of Centrica's EV/EBITDA 2023 trading multiple.

United Kingdom – Others

<u>WACC</u>

The WACC of the ***UK – Others*** segment was calculated from a 2023 EBITDA weighted average of the other UK business segments' WACC. It amounts to 9.7%.

Terminal value

The terminal value for the ***United Kingdom – Others*** segment was determined based on the theoretical "Gordon Shapiro" method applied to the normative cash-flow calculated based on the following key assumptions:

- EBITDA growing by a 1.7% PGR after 2032;
- Change in working capital requirement representing the average of the last five years over the 2028-2032 period;
- Capital expenditures growing by a 1.7% PGR after 2032;
- Depreciation and amortization representing 95.0% of capex;
- Normative tax rate of 19.0% for the United Kingdom.

Italy

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

A2A: Italian player active in the production, distribution and supply of gas and electricity, district heating, waste management, public lighting and integrated water service. A2A is present mainly in Italy and Europe, and has an installed production capacity of 9.6 GW.

The company **RWE**, also present in the selected sample, is presented in the ***C+P France - Existing Nuclear*** segment.

WACC calculation

The WACC calculation for the ***Dalkia*** segment results in a discount rate of 7.4%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.54 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 100% (assumption of the Presenting Banks based on comparable companies);
- Equity market risk premium: 8.3% (market consensus based on Duff & Phelps as well as Eurozone market practices corresponding to 6.8% plus a country risk premium of 1.5% calculated as the differential between the OAT 20 years France at September 21, 2022 and the equivalent in Italy);
- A normative tax rate of 27.9% for Italy.

The risk-free rate, risk premium, average cost of debt before tax and tax rate assumptions are identical to those presented in segment ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

The terminal value for the ***Italy*** segment was determined based on an exit multiple calculated based on an average of the EV/EBITDA 2023 trading multiples of the companies RWE and A2A.

Dalkia

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

SPIE: French company active in the fields of electrical and mechanical engineering, Heating, Ventilation, and Air Conditioning (HVAC), energy and communication networks. SPIE is present mainly in Europe.

Engie: Integrated French player active in the production and supply of electricity (from thermal, wind, solar and nuclear sources), supply, transportation and distribution of natural gas, construction and operation of district heating networks as well as energy services. Engie operates mainly in France and Europe and has an installed production capacity of 102.3 GW (of which 36.4 GW is renewable).

The companies E.On and Italgas also present in the selected sample, are presented in the segment ***C+P France - Existing Nuclear.***

WACC calculation

The WACC calculation for the ***Dalkia*** segment results in a discount rate of 7.0%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.57 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 100% (assumption of the Presenting Banks based on comparable companies).

The risk-free rate, risk premium, average cost of debt before tax and tax rate assumptions are identical to those presented in segment ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

The terminal value for the ***Dalkia*** segment was determined based on an exit multiple calculated on the basis of an average of the 2023 EV/EBITDA trading multiples of Engie, E.On, Spie and Italgas for the low point, and Spie's 2023 EV/EBITDA trading multiple for the high point.

Framatome

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

Jacob Engineering: American company offering technological and consulting services. Jacob Engineering operates primarily in North America.

John Wood Group (Wood Group): Scottish company offering energy consulting, project management and engineering solutions. John Wood Group operates in over 60 countries around the world.

WACC calculation

The WACC calculation for the ***Framatome*** segment results in a discount rate of 8.4%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.82 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 50% (assumption of the Presenting Banks based on comparable companies).

The risk-free rate, risk premium, average cost of debt before tax and tax rate assumptions are identical to those presented in segment ***C+P France - Existing Nuclear*** and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

The terminal value for the ***Framatome*** segment was determined based on the theoretical "Gordon Shapiro" method applied to the normative cash-flow calculated based on the following key assumptions:

- EBITDA growing by a 1.7% PGR after 2032;
- Change in working capital requirement representing the average of the last five years over the 2028-2032 period;
- Capital expenditures growing by a 1.7% PGR after 2032;
- Depreciation and amortization representing 95.0% of capex;
- Tax rate of 25.83%.

Other international

WACC

Sample of comparable companies used to calculate the unlevered adjusted beta

The companies A2A, RWE and Centrica present in the selected sample are presented in the ***Italy*** and ***C+P France – Commerce & Services*** segments.

WACC calculation

The WACC calculation for the ***Other International*** segment results in a discount rate of 8.1%. The parameters driving the calculation are:

- Average adjusted unlevered betas of comparable companies: 0.74 (source: Bloomberg as of September 21, 2022);
- Ratio of net financial debt to equity (gearing): 100% (assumption of the Presenting Banks based on comparable companies);
- Equity market risk premium: 6.9% (market consensus based on Duff & Phelps as well as Eurozone market practices corresponding to 6.8% plus a country risk premium of 0.1% calculated as the differential between the OAT 20 years France at September 21, 2022 and the equivalent in Belgium);
- A normative tax rate of 25.00% for Belgium.

The assumptions for the risk-free rate and the average cost of debt before tax are identical to those presented in **the *C+P France - Existing Nuclear*** segment and detailed in the ***WACC summary table*** at the end of this subsection.

Terminal value

The terminal value for the *Other International* segment was determined based on the theoretical "Gordon Shapiro" method applied to the normative cash-flow with a PGR of 1.7% in 2032.

Segments that have not been valued by the discounting cash flows method:

United Kingdom – Services (Podpoint)

Podpoint was valued using its market value by retaining its market capitalization as of September 21, 2022, as well as the enterprise to equity value bridge elements published as of June 30, 2022.

United Kingdom – HPC

- At the low point of valuation, HPC was valued based on the average valuations carried out by research analysts (Citibank, HSBC, Barclays, UBS and Bank of America);
- At the high point, HPC was valued using its book value.

EDF Renewables

The ***EDF Renewables*** segment was valued based on a 2024 EV/EBITDA multiple with the multiple of Acciona Energia at the low point of valuation range and the average of comparable companies EDPR, Acciona Energia and Neoen at the high point.

Trading & Others

As mentioned above, the ***Trading & Others*** segment was valued based on a multiple EV/EBITDA 2023 in line with Glencore, which is a comparable company relevant for this activity.

The summary of the WACC and terminal value calculation methodologies used for the different segments are detailed in the tables below.

WACC Summary table – C+P France

Parameters	**C+P France – Existing Nuclear**	**C+P France - Hydropower**	**C+P France - Commerce & Serv.**	**Regulated France**
Unlevered Beta	0.68	0.73	1.14	0.35
Net debt/Equity	75.0%	75.0%	75.0%	180.0%
Tax rate	25.8%	25.8%	25.8%	25.8%
Levered beta	**1.07**	**1.13**	**1.77**	**0.83**

Parameters	**C+P France – Existing Nuclear**	**C+P France - Hydropower**	**C+P France - Commerce & Serv.**	**Regulated France**

Risk free	2.7%	2.7%	2.7%	1.7%
Equity risk premium	6.8%	6.8%	6.8%	5.2%
Cost of equity	**9.9%**	**10.4%**	**14.7%**	**6.0%**
Retained cost of debt	**6.1%**	**6.1%**	**6.1%**	**6.1%**

Parameters	**C+P France – Existing Nuclear**	**C+P France - Hydropower**	**C+P France - Commerce & Serv.**	**Regulated France**
Pre-tax cost of debt	6.1%	6.1%	6.1%	6.1%
Cost of equity	9.9%	10.4%	14.7%	6.0%
Tax rate	25.8%	25.8%	25.8%	25.8%
Target debt %	42.9%	42.9%	42.9%	64.3%
Target equity %	57.1%	57.1%	57.1%	35.7%
WACC	**7.6%**	**7.9%**	**10.4%**	**5.0%**

WACC Summary table – Other segments

Parameters	**UK – Ex. Nuc.**	**UK – Cust.**	**UK Other**	**Italy**	**Dalkia**	**Fram.**	**Other Int.**
Unlevered Beta	0.83	1.14		0.54	0.57	0.82	0.74
Net debt/Equity	75.0%	75.0%		100%	100%	50.0%	100%
Tax rate	19.0%	19.0%		27.9%	25.8%	25.8%	25.0%
Levered beta	**1.33**	**1.83**		**0.93**	**1.00**	**1.13**	**1.30**

Parameters	**UK – Ex. Nuc.**	**UK – Cust.**	**UK Other**	**Italy**	**Dalkia**	**Fram.**	**Other Int.**
Risk free	2.7%	2.7%		2.7%	2.7%	2.7%	2.7%
Equity risk premium	7.8%	7.8%		8.3%	6.8%	6.8%	6.9%
Cost of equity	**13.1%**	**17.0%**		**10.4%**	**9.5%**	**10.4%**	**11.6%**
Retained cost of debt	**6.1%**	**6.1%**		**6.1%**	**6.1%**	**6.1%**	**6.1%**

Parameters	**UK – Ex. Nuc.**	**UK – Cust.**	**UK Other**	**Italy**	**Dalkia**	**Fram.**	**Other Int.**
Pre-tax cost of debt	6.1%	6.1%		6.1%	6.1%	6.1%	6.1%
Cost of equity	13.1%	17.0%		10.4%	9.5%	10.4%	11.6%
Tax rate	19.0%	19.0%		27.9%	25.8%	25.8%	25.0%
Target debt %	42.9%	42.9%		50.0%	50.0%	33.3%	50.0%
Target equity %	57.1%	57.1%		50.0%	50.0%	66.7%	50.0%
WACC	**9.6%**	**11.8%**	**9.7%**	**7.4%**	**7.0%**	**8.4%**	**8.1%**

Summary of terminal value methodologies by segment

	Segment	**Terminal value methodology**	**Metric(s) used**	**Terminal year**
C+P France	**Existing Nuclear**	No terminal value (DCF end of life)		
	Hydropower	No terminal value (DCF until maturity of existing contracts)		
	Commerce & Services	Gordon Shapiro growth method	PGR of 1.7%	2032
Regulated France	**Enedis**	Multiple	0.95x BAR multiple	2040
	Other regulated activities - France (SEI/PEI & ES)	Gordon Shapiro growth method	Exit multiple calculated on the basis of an average	2040

			of the 2023 trading multiples of E.On and Italgas	
	United Kingdom – Services (Podpoint)	No terminal value (market value)		
	United Kingdom – Customers	Multiple	Exit multiple in line with Centrica	2032
	United Kingdom – Others	Gordon Shapiro growth method	PGR of 1.7%	2032
	United Kingdom – HPC	No terminal value (average of research analysts / book value)		
	Italy	Multiple	Exit multiple calculated on the basis of an average of the 2023 trading multiples of RWE and A2A	2032
	EDF Renewables	No terminal value (2024 EV/EBITDA multiple based on the average of Neoen, Acciona Energia and EDPR)		
	Dalkia	Multiple	Exit multiple calculated on the basis of an average of the 2023 trading multiples of Engie, E.On, Spie and Italgas	2032
	Framatome	Gordon Shapiro growth method	PGR of 1.7%	2032
	Other International (including Belgium)	Gordon Shapiro growth method	PGR of 1.7%	2032
	Trading & Others	No terminal value (2023 EV/EBITDA multiple in line with Glencore)		

Conclusion

Based on the assumptions described above, the SOTP valuation method shows an enterprise value between €104.7bn and €119.7bn, calculated as the sum of:

- a first segment composed of the ***C+P France*** sub-segments valued between €15.4bn and €17.2bn;
- a second segment composed of the ***Regulated France*** sub-segments valued at €51.0bn;
- a third segment composed of all the other activities of the Group (***United Kingdom***, ***Italy***, ***EDF Renewables***, ***Dalkia***, ***Framatome***, ***Other International***, ***Trading & Others***) valued between €38.4bn and €51.5bn.

The Company's equity value per share is the enterprise value minus bridge items detailed in paragraph 3.1.2.b *"Bridge from Enterprise Value to Equity Value"*.

Based on the assumptions described above, the SOTP valuation method results in a valuation between €7.6 and €10.3 per share. The Offer Price per Share thus implies a 34.3% premium compared to this median value.

Summary table of SOTP valuation method

	Valuation by SOTP (€/share)		
	Low	**Median**	**High**
Share price (€)	€7.57	€8.94	€10.30

The low and high point of the SOTP method correspond to the sums of the minimum and maximum values implied by the valuation method used for each segment. This methodology shows a value per EDF share between €7.57 and €10.30. The Offer Price implies a premium of +58% and +17% respectively compared to these two values.

(c) Reference to financial analysts' target prices

The table below summarizes the target prices published by financial analysts:

- After May 19, 2022, as it reflects the latest public information on the phenomenon of stress corrosion, as well as EDF's adjustment to its 2022 nuclear output guidance (EDF press release of May 18, 2022); and
- Up to and including July 5, 2022, in order to exclude the impact on target prices of the announcement in the Prime Minister's general policy speech of July 6, 2022.

In addition, the Presenting Banks have excluded Jefferies' price target, because it has not been updated since May 18, 2021, despite the multiple events that have materially impacted the Company since then.

Last publication	Last target price update	Analysts	Recommandations	Target price	Offer price per Share implied premium
27-Jun-22	24-Jun-22	Kepler Chevreux	Buy	€12.00	0.0%
13-Jun-22	13-Jun-22	Citi	Buy	€11.30	6.2%
9-Jun-22	18-Feb-22	Barclays	Buy	€11.10	8.1%
6-Jun-22	6-Jun-22	HSBC	Sell	€7.40	62.2%
1-Jun-22	10-May-22	Morgan Stanley	Hold	€10.00	20.0%
24-May-22	20-May-22	Morning Star	Hold	€8.80	36.4%
20-May-22	18-May-21	Jefferies	Buy	€16.00	(25.0%)
19-May-22	19-May-22	Oddo BHF	Hold	€8.80	36.4%
Average (excl. Jefferies)				**€9.91**	24.2%
Median (excl. Jefferies)				**€10.00**	20.0%

Source: Bloomberg and broker notes

The target prices of financial analysts selected demonstrate a range of valuation between €7.40 and €12.00 per share, with a median of €10.00 per share.

The Offer Price per Share represents a premium of 20.0% compared to the median and 24.9% compared to the average of the retained target prices.

With regards to the target prices of research analysts detailed above, the following evolutions should be noted for the period:

(i) between the general policy speech of July 6, 2022 by the Prime Minister and the announcement of the offer by the State on July 12, 2022, the analyst Oddo BHF updated his price target to €9.25; and
(ii) following the announcement of the Offer by the Offeror on July 19, 2022, the average financial analysts' target price increased to €11.5 (as of September 21, 2022).

3.1.4 Indicative Methodologies

(a) Valuation by applying trading multiples based on listed comparable companies

The date of September 21, 2022 has been retained for the valuation of the Company based on the trading multiples methodology. The valuation assessment of the Company has been based on the trading multiples of the listed comparable companies as of September 21, 2022.

The next-twelve-month period ("**NTM**", calculated as from June 30, 2022, the valuation date) and the year 2023 have been retained as reference periods, considering the year 2022 alone is not representative given the decline in output linked to the stress corrosion phenomenon.

i. Samples of comparable companies and method of calculating multiples

Sample of comparable listed companies

The sample of comparable companies selected consists of European integrated companies in the energy sector: EDP, Enel, Engie and Iberdrola.

Energias de Portugal (EDP): Portuguese integrated player, active in the production, distribution, transmission and supply of electricity and natural gas. EDP operates mainly in Portugal, Spain Brazil and the United States and has an installed production capacity of 27.2 GW (of which 21.5 GW[21] is from

[21] Renewable part representing 79% of the installed capacity

renewable sources).

Enel: Italian integrated player active in the production, distribution and supply, of electricity especially from renewable sources (solar, wind, geothermal and hydropower). It operates in about thirty countries across Europe, North America, and Latin America. Enel has an installed production capacity of 91.9 GW (of which 54.9 GW from renewables).

Iberdrola: Spanish integrated player active in the production, distribution and supply of electricity, especially from renewable sources (wind, hydropower, solar) and the supply of natural gas. Iberdrola has a net[22] installed production capacity of 52.4 GW (of which 38.7 GW is from renewable sources).

Engie, also present in the selected sample, is described in the ***Dalkia*** segment.

The list was prepared on the basis of usual operational and financial criteria. These companies share characteristics in terms of business sectors and diversification (generation, regulated network activities, supply). However, given EDF's specificity, related to its high exposure to the electricity market due to its nuclear activities, there is no company that is fully comparable to it.

Multiples Calculations

The EV/EBITDA multiple of comparable companies has been calculated by dividing the enterprise value of each company by the NTM and 2023 EBITDA projections based on the IBES consensus as of September 21, 2022. The EBITDA projections of the listed comparables are post-IFRS.

The P/E multiple of comparable companies has been calculated by dividing the share price of each company by the projections of NTM earnings per share ("EPS") and 2023 adjusted of the remuneration of hybrid instruments, based on the IBES consensus as of September 21, 2022.

Comparable Companies Multiples

Company	**Country**	**Mkt Cap.**	**EV**	**EV/EBITDA**		**P/E**	
		€m	*€m*	*NTM*	*2023*	*NTM*	*2023*
EDP	Portugal	19,558	43,343	10.1 x	9.5 x	20.8 x	18.4 x
Enel	Italy	49,268	131,491	6.6 x	6.4 x	8.3 x	8.1 x
Engie	France	31,046	66,331	5.7 x	5.9 x	7.8 x	8.5 x
Iberdrola	Spain	65,505	128,230	10.1 x	9.7 x	15.7 x	15.0 x
Minimum				**5.7 x**	**5.9 x**	**7.8 x**	**8.1 x**
Median				**8.4 x**	**8.0 x**	**12.0 x**	**11.8 x**
Maximum				**10.1 x**	**9.7 x**	**20.8 x**	**18.4 x**

Sources: Capital IQ, Refinitiv (IBES)

i. EV/EBITDA and P/E Multiples Valuation

EV/EBITDA Multiples

The EV/EBITDA multiples approach conveys a minimum value per share of €(5.19), obtained by applying the minimum NTM multiple of the sample of listed comparables to the EDF NTM EBITDA, and a maximum value of €40.18 per share, obtained by applying the maximum 2023 multiple of the sample of listed comparables to the EDF 2023 EBITDA. The multiples of the selected comparables show significant differences.

	Reference Year: NTM			**Reference Year: 2023**		
	Minimum	*Median*	*Maximum*	*Minimum*	*Median*	*Maximum*
EV/EBITDA Multiple	5.7 x	8.4 x	10.1 x	5.9 x	8.0 x	9.7 x

[22] Company does not disclose its gross installed production capacity

Implied EQV[1] (€m)	**(21,634)**	**5,407**	**22,826**	**69,092**	**122,708**	**167,538**
Implied value per share (€)	**(5.19)**	**1.30**	**5.47**	**16.57**	**29.43**	**40.18**

Note: [1] The equity value to enterprise value bridge is post-IFRS 16 for comparability purposes with the sample of selected comparables.

P/E Multiples

The P/E multiple approach conveys a minimum value per share of €(3.69), obtained by applying the minimum NTM multiple of the sample of listed comparables to the NTM net income of EDF, and a maximum value of €61.32 per share, obtained by applying the maximum 2023 multiple of the sample of listed comparables to the 2023 net income of EDF.

	Reference Year: NTM			**Reference Year: 2023**		
	Minimum	*Median*	*Maximum*	*Minimum*	*Median*	*Maximum*
P/E Multiple	7.8 x	12.0 x	20.8 x	8.1 x	11.8 x	18.4 x
Implied EQV (€m)	**(5,774)**	**(8,853)**	**(15,373)**	**112,070**	**162,989**	**255,663**
Implied value per share (€)	**(1.38)**	**(2.12)**	**(3.69)**	**26.88**	**39.09**	**61.32**

The strong disparity of the valuations resulting from this approach has led the Presenting Banks to consider this methodology for indicative purposes only.

3.1.5 Information disclosed following the transaction announcement and not incorporated in the valuation assessment

Adjusted Scenario A, Extrapolations and enterprise to equity value bridge items do not take into account any financial impacts, positive or negative, on the Group's valuation, that could be the result of recently announced events, the outcome of which is currently not predictable both in terms of substance and timing.

In particular, on August 9, 2022, the Company filed a legal action with the French administrative supreme court (*Conseil d'Etat*) in order to obtain the cancellation of the measure to increase the ARENH by 20 TWh in 2022 and an indemnity claim with the Offeror to repair a resulting damage estimated by the Company at €8.34bn as described in section 1.4 of the Draft Offer Document. The Offeror has taken note of these two steps, which are not a surprise as they are fully in line with the preliminary administrative recourse to the French State taken by the Company against the measure and has indicated that it is committed to defend itself against this action.

For the purposes of the analysis, the Presenting Banks, without issuing a legal opinion on the merits of the action and the indemnity claim, which is outside their scope of competence, calculated the theoretical impact on the intrinsic valuation of a hypothetical recovery by the Company of all the amounts requested (*i.e.* €8.34bn), which would be subject to corporation tax at the rate of 25.83% (consistent with the tax rate used in Adjusted Scenario A and Extrapolations of the Company).

This analysis – strictly theoretical – has a maximum impact of €1.48/share on the Company's intrinsic valuation. This mechanical calculation, deliberately maximalist and therefore purely illustrative, is not subject to any weighting or discounting, even though the uncertainty over the timetable of this procedure could make the hypothetical payment of an indemnity distant in time. Discounting this amount by the risk-free rate over a 5-year period would lead to a maximum impact of €1.29/share on the Company's intrinsic valuation.

The difference between the Offer Price per Share and the fundamental value of the Company resulting from the above analyses covers the maximalist amount of this recourse.

3.1.6 Summary – Determination of the Offer Price

The table below presents the summary of valuations based on the valuation criteria used and the premia implied by the Offer Price per Share:

Methodology	(€)	Offer Price per Share implied premium (%)
As of July 5, 2022 (1)		
Closing price	7.84€	53.0%
VWAP - 20 days	8.16€	47.0%
VWAP - 60 days	8.24€	45.7%
VWAP - 120 days	8.01€	49.8%
VWAP - 180 days	8.62€	39.2%
VWAP - 12 months	8.93€	34.3%
Analyst target price pre-general policy speech(2)		
Minimum	7.40€	62.2%
Average	9.91€	24.2%
Median	10.00€	20.0%
Maximum	12.00€	-
Sum-of-the-Parts		
Minimum	7.57€	58.4%
Average	8.94€	34.3%
Maximum	10.30€	16.5%
Trading multiple		
Minimum	(5.19)€	n.s.
Maximum	61.32€	n.s.

(1) Share price adjusted for capital increases (excluding ORS) and ordinary and exceptional dividends
(2) Latest share price not impacted by the Prime Minister's general policy speech of July 6, 2022

3.2 Valuation criteria for the Offer Price per OCEANE

3.2.1 Reminder of the Main Characteristics of the OCEANEs

The main characteristics of the OCEANEs are presented in section 2.6 *"Situation of the holders of OCEANEs"* of the Draft Offer Document.
For further information with respect to the OCEANEs, please refer to the terms and conditions of the OCEANEs (*Terms and Conditions of Électricité de France zero coupon bonds issued for a nominal amount of €2,399,999,989.27 convertible into new Shares and/or exchangeable for existing Shares of Électricité de France due September 14, 2024*, the "**Terms and Conditions**").

3.2.2 Offer Price per OCEANE

The Offer Price per OCEANE offered by the Offeror within the Offer is set at EUR 15.52.

3.2.3 Valuation Assessment

(a) Historical Market Value

EDF OCEANEs are listed on Euronext Access. OCEANEs trading on the market is fairly limited insofar as transactions in the secondary market are mainly based on over-the-counter transactions. The historical OCEANEs market prices in the below table are sourced from Bloomberg, which does not provide any information on the traded volumes.

The Offer Price per OCEANE compares with the historical OCEANE prices as follows:

As of July 5, 2022	**OCEANE Price**[23]	**Premium Implied by the Offer Price per OCEANE**
Closing Price	€11.58	34.1%
1-month arithmetic average	€12.00	29.4%
2-month arithmetic average	€12.12	28.1%
3-month arithmetic average	€12.27	26.4%
6-month arithmetic average	€12.37	25.4%
9-month arithmetic average	€13.22	17.4%
12-month arithmetic average	€13.53	14.7%
Maximum Price over 12-month	€15.62	(0.7%)
Minimum Price over 12-month	€11.51	34.8%

Source: Bloomberg

(b) Conversion Value of OCEANEs in the event of a public offer

The OCEANEs' conversion value is determined by applying the Conversion/Exchange Ratio (as defined in the Terms and Conditions) of the OCEANEs at the date of the Draft Offer Document (1.124 share per OCEANE), adjusted during the Adjustment Period in case of a Public Offer (as defined in the Terms and Conditions), in accordance with the Terms and Conditions of the OCEANEs.
The adjusted Conversion/Exchange Ratio is derived according to the following formula, as defined in the terms and conditions of the OCEANEs:

$$NCER = CER \times [1 + ICEP \times (c / t)]$$

Where:

- "**NCER**" means the Conversion/Exchange Ratio applicable during the Adjustment Period in case of a Public Offer (as defined in the Terms and Conditions) (rounded to three decimal places, 0.0005 being rounded up to the next thousandth, thus 0.001);
- "**CER**" means the Conversion/Exchange Ratio applicable prior to the Offer Opening Date (as defined in the Terms and Conditions);
- "**ICEP**" means 32.50%, being the Initial Conversion/Exchange Premium (as defined in the Terms and Conditions) expressed as a percentage;
- "**c**" means the exact number of days between the Offer Opening Date (as defined in the terms and conditions) (included) and the Maturity Date (as defined in the terms and conditions) (excluded); and
- "**t**" means the exact number of days between September 14, 2020 (being the Issue Date (as defined in the Terms and Conditions)) (included) and the Maturity Date (excluded).

The application of the above formula results in an adjusted Conversion/Exchange Ratio of 1.2930 per OCEANE for an Offer Opening Date on November 10, 2022. Thus, the conversion value per OCEANE in case of a public offer is €15.52, on the basis of an Offer Price of €12.00 per share.

The Offer Price per OCEANE offered by the Offeror in the context of the Offer of €15.52 is aligned with the conversion value of the OCEANEs in the case of a public offer.

[23] Last daily price according to *Bloomberg Generic Price*

(c) Theoretical Value of the OCEANEs

The theoretical value of the OCEANEs presented hereafter is based on their own terms and conditions and market data provided by Bloomberg. The value of the OCEANEs presented hereafter is based on market conditions applicable at the last negotiation day preceding the day of the announcement of the transaction, *i.e*. as of July 5, 2022.

The following assumptions were retained:

- EDF share price: share price at market close on July 5, 2022 was €7.844;
- Discount rate: calculated on the basis of a base rate of 1.25% plus a margin credit of 46bps, in line with the margin credit observed on EDF simple bonds maturing on September 11, 2024 as of July 5, 2022;
- Cost of borrowing for the EDF share: normative assumption of 40bps;
- Volatility of the EDF share: 41.6%, in line with the historical volatility of EDF share observed over 260 trading days as of July 5, 2022.

This theoretical methodology conveys a value of €11.76 per OCEANE.

(d) Valuation of OCEANEs in the context of an Early Redemption in the Event of a Delisting

The early redemption at the option of the Bondholders in the event of a Delisting (as defined in the Terms and Conditions) price is equal to the nominal value of the OCEANEs, *i.e*., €10.93 per OCEANE.
In case of Delisting (as defined in the Terms and Conditions), the representative of the Masse has the right, subject to the conditions set forth in the Terms and Conditions, to request the immediate redemption of all OCEANEs at a price equal to the nominal value of one OCEANE (*i.e*. €10.93). At the date of the Draft Offer Document, the early redemption option in case of Delisting cannot be triggered. This reference is therefore solely provided for information purposes.

(e) Summary Valuation Criteria to Assess the Offer Price per OCEANE

As of July 5, 2022	**OCEANE Price**	**Premium Implied by the Offer Price per OCEANE**
Market Value[24]		
Last share price	11.58€	34.1%
1-month arithmetic average	12.00€	29.4%
2-month arithmetic average	12.12€	28.1%
3-month arithmetic average	12.27€	26.4%
6-month arithmetic average	12.37€	25.4%
9-month arithmetic average	13.22€	17.4%
12-month arithmetic average	13.53€	14.7%
Maximum 12-month price	15.62€	(0.7%)
Minimum 12-month price	11.51€	34.8%
Conversion Value of the OCEANEs in Case of a Public Offer at €12.0	15.52€	0.0%
Theoretical Value of the OCEANEs	11.76€	32.0%
Early Redemption Value of the OCEANEs in Case of Delisting	10.93€	42.0%

[24] Last daily price according to *Bloomberg Generic Price*; Source: Bloomberg

4. METHODS FOR MAKING AVAILABLE INFORMATION RELATING TO THE OFFEROR AVAILABLE

In accordance with Article 231-28 of the AMF General Regulation, information relating in particular to the legal, financial and accounting characteristics of the Offeror will be the subject of a specific document filed with the AMF and made available to the public in a manner intended to ensure full and effective disclosure, no later than the day prior to the opening of the Offer.

5. PERSONS RESPONSIBLE FOR THE DRAFT OFFER DOCUMENT

5.1 For the Offeror

"*To our knowledge, information contained in the draft offer document relating to the simplified tender offer followed by a squeeze-out for the shares and the OCEANEs of the company EDF made by the French State correspond to reality and contain no omission likely to affect their import.*"

French State, represented by the Minister of Economy, Finance and Digital and Industrial Sovereignty, himself represented by the Commissioner of State Holdings.

5.2 For the Presenting Banks

"*In accordance with Article 231-18 of the AMF General Regulation, Goldman Sachs and Société Générale, as presenting banks of the Offer, certify that, to their knowledge, the presentation of the Offer, which they examined on the basis of information provided by the Offeror, and the valuation criteria for the proposed prices correspond to reality and contain no omission likely to affect their import*."

Goldman Sachs

Société Générale