This press release does not constitute an offer to purchase securities. The Draft Offer, the Draft Offer Document, and the Draft Response Document remain subject to review by the AMF

PRESS RELEASE OF OCTOBER 27, 2022

PREPARED BY

EDF

RELATED TO THE FILING OF THE DRAFT RESPONSE DOCUMENT FOR THE PROPOSED SIMPLIFIED TENDER OFFER

for the shares

and

bonds convertible into and/or exchangeable for new and/or existing shares

of EDF

initiated by

THE FRENCH GOVERNMENT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This press release was prepared by EDF and circulated on October 27, 2022, in accordance with Article 231-26 of the General Regulations of the Autorité des marchés financiers (the "**AMF**").

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

The draft response document prepared by EDF (the "**Draft Response Document**") is available on the EDF website (www.edf.fr/finance) and on the AMF website (www.amf-france.org) and may be consulted by the public free of charge at EDF's registered office, 22-30, avenue de Wagram 75008 Paris.

1. BACKGROUND AND DESCRIPTION OF THE OFFER

1.1. Summary of the Offer

Pursuant to Articles 233-1, 1° *et seq*. of the AMF General Regulation, the French government, acting through the Agence des participations de l'Etat (the agency tasked with representing the French government's interests in the companies of which it is a shareholder) located at 139 rue de Bercy, 75012 Paris, France (hereinafter, the "**French Government**" or the "**Offeror"**) has irrevocably undertaken to offer to the shareholders of Electricité de France, a French corporation (*société anonyme*) with a board of directors and share capital of €1,943,290,542, having its registered office at 22-30 avenue de Wagram, 75008 Paris, France, registered in the Paris Trade and Companies Register under number 552 081 317 (the "**Company**" or "**EDF"**) and to the holders of bonds maturing in 2024 and convertible and/or exchangeable into new and/or existing shares of EDF (the "**OCEANEs**"), to acquire, for cash, (i) all of the Company's shares which are listed on the Euronext Paris regulated market under ISIN code FR0010242511, ticker symbol "EDF" (the "**Shares**"), and (ii) the OCEANEs, which are admitted to trading on the Euronext Access multilateral trading facility ("**Euronext Access**") under ISIN code FR0013534518, that the Offeror does not already hold, directly or indirectly, alone or in concert, as of the date of the draft offer document prepared by the Offeror and filed with the AMF on October 4, 2022 (the "**Draft Offer Document"**), at a price of €12.00 per Share (the "**Offer Price per Share**") and €15.52 per OCEANE (based on the Offer opening on November 10, 2022, according to the provisional Offer timetable in Section **Erreur ! Source du renvoi introuvable.** of the Draft Offer Document[1]) (the "**Offer Price per OCEANE**"), by means of a simplified tender offer, the terms of which are set forth below and in the Draft Response Document and described in more detail in the Draft Offer Document (the "**Offer"**). The Offer may be followed, if the conditions are met, by a squeeze-out pursuant to Articles 237-1 to 237-10 of the AMF's General Regulation.

As of the date of the Draft Response Document, the Offeror holds (A) directly (i) 2,911,865,628 Shares representing 5,177,476,850 theoretical voting rights (or 74.92% of the share capital and 79.02% of the theoretical voting rights of the Company),[2] and (ii) 87,831,655 OCEANEs; and (B) indirectly through EPIC Bpifrance, a public industrial and commercial establishment (*établissement public industriel et commercial*) that has its registered office at 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex, France ("**EPIC Bpifrance**") (with which the French Government is acting in concert), 340,706,595 Shares representing 669,055,956 theoretical voting rights (or 8.77% of the share capital and 10.21% of the theoretical voting rights of the Company).[3]. In total, the Offeror holds, directly or indirectly, alone or in concert, 3,252,572,223 Shares representing 5,846,532,806 theoretical voting rights (or 83.69% of the share capital and 89.23% of the theoretical voting rights of the Company).

[1] The Offer Price per OCEANE is therefore subject to change depending on the opening date of the Offer declared compliant by the AMF. The Offer Price of €15.52 per OCEANE is indicated as an example based on the provisional Offer timetable provided in Section 2.9 of the Draft Offer Document.

[2] Based on a total number of 3,886,581,084 Shares and 6,551,993,609 theoretical voting rights of the Company (information as of September 30, 2022, published by the Company on its website in accordance with Article 223-16 of the AMF General Regulation) and following the allocation of 61,000,000 double voting rights to the Offeror on October 26, 2022. In accordance with Article 223-11 of the AMF General Regulation, the total number of voting rights is calculated on the basis of all the Shares to which voting rights are attached, including Shares without voting rights, such as treasury Shares.

[3] *Id.*

The Offer is for:

(i) all of the Shares not held by the Offeror directly or indirectly, alone or in concert, that either:

- have already been issued (*i.e.*, as of the date of the Draft Response Document, a maximum of 633,120,350 Shares), it being noted that treasury shares held by the Company are not covered by the Offer,[4] or

- may be issued before the Offer closes upon conversion of the OCEANEs (*i.e.*, as of the date of the Draft Response Document, a maximum of 170,349,496[5] new Shares),

  for a combined maximum of 803,469,846 Shares as of the date of the Draft Response Document; and

(ii) all of the outstanding OCEANEs not held by the Offeror (*i.e.*, as of the date of the Draft Response Document, 131,747,484 OCEANEs).

There are no 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 1.3.5 of the Draft Response Document and Section 2.6 of the Draft Offer Document.

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

The Offer is presented by Goldman Sachs Bank Europe SE Succursale de Paris and Société Générale (together the "**Presenting Banks**"). However, Société Générale alone guarantees the tenor and the irrevocable nature of the Offeror's commitments within the meaning of Article 231-13 of the AMF's General Regulation.

1.2. <u>Background and reasons for the Offer</u>

The Offer follows the announcement by the French Prime Minister, on July 6, 2022, of the French Government's intention to acquire all of EDF's share capital in order to enhance EDF's ability to rapidly carry out ambitious projects that are essential for France's energy future.

Following that announcement, the French Government issued a press release on July 19, 2022, announcing its plan to acquire the shares it did not already hold through a simplified tender offer to be filed with the AMF, subject to the enactment of an amendment to the 2022 finance law allocating the budgetary appropriations necessary for the Offer to the special appropriations account for "Government Financial Holdings."

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[4] The Shares held in treasury by the Company, representing 0.02% of the share capital of the Company (information as at September 30, 2022), which are similar to those held by the Offeror pursuant to Article L. 233-9, I, 2° of the French Commercial Code, are not covered by the Offer.

[5] Calculated on the basis of the adjusted Share allocation ratio, as determined in Section 2.6 of the Draft Offer Document.

That law was passed by the Parliament on August 4, 2022, and entered into force on August 17, 2022 (Law No. 2022-1157 of August 16, 2022, amending the 2022 finances law).

The reasons for the Offer are more fully described in Section 1.1.3 of the Draft Offer Document.

1.3. Terms of the Offer

1.3.1. Principal terms of the Offer

Pursuant to Articles 231-13 and 231-18 of the AMF's General Regulation, on October 4, 2022, the Presenting Banks filed the draft Offer and the Draft Offer Document with the AMF in the name and on behalf of the Offeror. As noted above, only Société Générale is guaranteeing the tenor and the irrevocable nature of the undertakings made by the Offeror.

The Offer will be carried out using the simplified procedure provided for in Articles 233-1 et seq. of the AMF's General Regulation. The Company's shareholders and OCEANE holders should take note that because the Offer is being carried out according to the simplified procedure, it will not be reopened once the result of the Offer has been announced.

The Offeror irrevocably undertakes to acquire from the Company's shareholders and OCEANE holders, at the price of €12.00 per Share and €15.52 per OCEANE (based on the Offer opening on November 10, 2022, according to the provisional Offer timetable in Section **Erreur ! Source du renvoi introuvable.** of the Draft Offer Document), all Shares and OCEANEs tendered to the Offer during an offering period of twenty (20) Trading Days.

1.3.2. Offer procedures

The draft Offer and the Draft Offer Document were filed with the AMF on October 4, 2022. The AMF published a notice of filing on its website (www.amf-france.org) on the same day.

The Company filed the Draft Response Document with the AMF on October 27, 2022. The AMF published a notice of filing relating to the Draft Response Document on its website (www.amf-france.org) on the same day.

The Draft Response Document is available to the public free of charge at EDF's registered office and will be posted on the AMF's website (www.amf-france.org) and the Company's website (www.edf.fr/finance).

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

The AMF will declare the Offer compliant after verifying its compliance with applicable laws and regulations and will publish the declaration of compliance on its website (www.amf-france.org). The declaration of compliance constitutes the AMF's approval of the Response Document.

In accordance with Articles 231-27 and 231-28 of the AMF's General Regulation, the Response Document as approved by the AMF and the document containing the "Other Information" relating to the legal, financial, accounting, and other characteristics of the Company will be made available to the public free of charge, no later than the day before the Offer opens, at EDF's registered office. These documents will also be posted on the AMF website (www.amf-france.org) and the Company's website (www.edf.fr/finance).

A press release explaining how to obtain these documents will be issued no later than the day before the Offer opens, in accordance with 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 for its completion.

1.3.3. Adjustment of the terms of the Offer

The Offer Price per Share and the Offer Price per OCEANE have been determined by the Offeror on the basis of an assumption that no distribution (dividend, interim dividend or other) will be made before the Offer closes. In the event that on or before the Offer's settlement date, the Company carries out any (i) distribution of a dividend, an interim dividend, a reserve, a premium, or any other distribution (in cash or in kind), or (ii) capital redemption or capital decrease, in either case for which the ex-dividend date or the reference date on which one must be a shareholder to be entitled thereto is prior to the Offer's settlement date, then the Offer Price per Share and the Offer Price per OCEANE of the Company will be adjusted to reflect that transaction.

Similarly, in the event of a transaction affecting the Company's share capital (including a demerger, stock split or reverse split, or distribution of free shares in respect of existing shares by incorporation of reserves or profits) decided during the same period and for which the reference date on which the shareholder must be a shareholder in order to be entitled thereto is prior to the settlement date of the Offer, the Offer Price per Share and the Offer Price per OCEANE of the Company will be automatically adjusted to account for the impact of those transactions.

Any adjustment to the terms of the Offer will be announced by press release, which will be subject to the prior approval of the AMF.

1.3.4. Shareholders whose shares are held through the "Actions EDF," "EDF ORS," and "Actions ORS 2022" employee mutual funds

As of the date of the Draft Response Document, 47,770,005 Shares are held by the "Actions EDF," "EDF ORS" and "Actions ORS 2022" employee investment funds (the "**EDF FCPEs**") (more fully described in Section **Erreur ! Source du renvoi introuvable.** of the Draft Response Document) which are investment vehicles of the EDF group savings plan ("**PEG")** and the EDF international group savings plan ("**PEGI**"), the Shares of which are targeted by the Offer.

It will be up to the supervisory boards of the EDF FCPEs to decide whether to tender the Shares held by the EDF FCPEs to the Offer, subject to a prior amendment of the PEG and PEGI regulations.

1.3.5. OCEANE holders

On September 14, 2020, EDF issued 219,579,139 OCEANEs maturing on September 14, 2024. These OCEANEs, which have a nominal value of €10.93 each, are convertible or exchangeable at any time by the delivery of 1.124 Shares per OCEANE,[6] subject to further adjustments as provided for in the terms and conditions of the OCEANEs. To the best of the Company's knowledge, 219,579,139 OCEANEs are outstanding as of the date of the Draft Response Document. The OCEANEs are admitted to trading on Euronext Access.

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[6] According to the press release issued by the Company on May 18, 2022, mentioning the Share allocation ratio.

1.3.5.1. Tendering 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 set out in the Draft Offer Document.

1.3.5.2. Rights of OCEANE holders in the event of a tender offer

Conversion or exchange of OCEANEs in the event of a tender offer

In accordance with the terms and conditions of the OCEANEs, in the event of an offer declared compliant by the AMF, the opening of the Offer will result in an adjustment of the EDF share allocation ratio during the Tender Offer Adjustment Period (as defined below) in accordance with the following formula (the result will be rounded off in accordance with the terms and conditions 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 (as defined below);
- 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, which the nominal value of the OCEANEs reflects in relation to the reference price of the Share selected at the time of determination of the final terms 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 new share allocation ratio (or NRAA) is 1.2930, based on an Offer Opening Date of November 10, 2022 (according to the provisional Offer timetable in Section **Erreur ! Source du renvoi introuvable.** of the Draft Offer Document). As the ratio depends on the Offer Opening Date, it could be modified in the event of a change in this date.

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

- the first day (included) on which Shares may be tendered to the Offer (the "**Offer Opening Date**"); and
- the earlier (included) of:
    a. (x) the date that is 15 business days after the AMF's publication of the result of the Offer, or (y) if the Offeror of the Offer waives it, the date on which such waiver is published; and
    b. the date that is the 7th business day, inclusive, before the date set for early redemption or before 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 Tender Offer Adjustment Period, the corresponding Shares will be delivered within a maximum 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 the OCEANEs by means of a notice published on its website (www.edf.fr/finance) after the adjustment takes effect. The adjustment will also be the subject of a notice published by Euronext Paris within the same timeframe to the extent required by applicable rules and regulations.

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

In accordance with the terms and conditions of the OCEANEs, the Company may, at its option and at any time but subject to a notice period of at least 30 calendar days (and no more than 60 calendar days), redeem at par all of the outstanding OCEANEs, if they represent less than 20% of the number of OCEANEs issued.

As indicated in Section 2.6.2.2. of the Draft Offer Document, in the event of a squeeze-out targeting the Shares only, the Agence des participations de l'Etat may request that EDF proceed with such early redemption, in due course. However, holders of OCEANEs would still be permitted to exercise their rights to the allocation of Shares up to and including the 7th business day before the date set for early redemption. The allocation ratio will then be equal to the NRAA if the allocation right is exercised during the Tender Offer Adjustment Period, or equal to the allocation ratio applicable outside the Tender Offer Adjustment Period and indicated above, subject to customary adjustments, including anti-dilution adjustments and adjustments related to the payment of a dividend, as described in the terms and conditions of the OCEANEs.

Early redemption in the event that the Shares are delisted

In accordance with the terms and conditions of the OCEANEs, the representative of the OCEANE bondholders may, pursuant to a decision of the bondholders' meeting voting pursuant to the quorum and majority provided for by law, by simple written notification to the Company and to BNP Paribas Securities Services, make all the OCEANEs payable at par if the Shares are no longer admitted to trading on Euronext Paris or any other regulated market.

This early redemption could be implemented as described above in the event of a squeeze-out targeting only the Shares, in particular in the absence of early redemption of the OCEANEs before that date.

1.3.6. Intentions of the Offeror regarding the implementation of a squeeze-out and the maintenance of the Company's listing following the Offer

The Draft Offer Document states that:

- if the number of Shares not tendered to the Offer by the minority shareholders of the Company (other than the treasury Shares held by the Company) does not represent, at the end of the Offer, more than 10% of EDF's share capital and voting rights, the French Government intends no later than within a period of 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 General Regulation, to implement a squeeze-out in order to acquire the Shares not tendered to the Offer (other than the treasury Shares held by the Company) in consideration of a payment equal to the Offer Price per Share (*i.e.*, €12.00 per EDF share). The implementation of this procedure will result in the delisting of the Shares from the Euronext Paris regulated market;

- in addition, if, at the close of the Offer, the sum of (i) the number of Shares not tendered to the Offer by the Company's minority shareholders (other than the treasury Shares held by the Company) and (ii) the number of Shares that may be issued after conversion of the OCEANEs not tendered to the Offer does not, at the close of the Offer, represent more than 10% of the sum of the existing Shares and the Shares likely to be created as a result of the conversion of the OCEANEs,[7] the French Government intends, within three (3) months following the close 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, to implement a squeeze-out in order to acquire the OCEANEs not tendered to the Offer in consideration for a payment equal to the Offer Price per OCEANE (i.e., €15.52 per OCEANE based on the Offer opening on November 10, 2022, according to the provisional Offer timetable in Section 2.9 of the Draft Offer Document). The implementation of this procedure will result in the delisting of the OCEANEs from Euronext Access;

- if the Offeror is not in a position, at the end of the Offer, to implement a squeeze-out under the conditions set forth above, it may file a draft squeeze-out offer with the AMF followed, as the case may be, by a squeeze-out targeting the Shares and/or OCEANEs that it does not hold directly or indirectly, alone or in concert, as of that date. In this context, the Offeror could increase its stake in the Company after the end of the Offer and prior to the filing of a new offer, in accordance with applicable laws and regulations. In that event, the squeeze-out will be subject to review by the AMF, which will rule on the squeeze-out's compliance in light of the report of the independent appraiser appointed pursuant to Article 261-1 I and II of the AMF's General Regulation.

1.4. Procedures for tendering to the Offer

The Offer will be open for a period of twenty (20) Trading Days. The Company's shareholders and holders of its OCEANEs should take note that, as the Offer will be carried out under the simplified procedure set forth in Articles 233-1 *et seq*. of the AMF's General Regulation, it will not be reopened following publication of the Offer's result.

The Shares and OCEANEs tendered to the Offer must be fully negotiable and free from any liens, pledges, security interests or other restrictions of any kind on the free transfer of ownership. The Offeror may, in its sole discretion, refuse to acquire any Shares or OCEANEs tendered to the Offer that do not comply with this condition.

The Company's shareholders or holders of its OCEANEs who would like to tender their securities to the Offer pursuant to the proposed terms must deliver to the financial intermediary serving as the depositary of their Shares (such as a financial institution or investment firm) an irrevocable order to sell or tender, using the form provided to them by that intermediary, no later than on the closing date of the Offer, specifying whether they wish to (i) sell their Shares and/or OCEANEs on the market or to (ii) tender their Shares and/or OCEANEs to the semi-centralized Offer on Euronext Paris in order to benefit from the Offeror's assumption of brokerage fees as described below and in Section 2.10.3 of the Draft Offer Document. To ensure that they are able to tender their securities to the Offer no later than on the closing date of the Offer, shareholders and OCEANE holders should

[7] This conversion will be carried out on the basis of the adjusted Share allocation ratio, as defined in Section 2.6 of the Draft Offer Document.

contact their financial intermediaries to obtain information regarding their procedures for executing orders and any relevant restrictions.

To tender their shares to the Offer, shareholders whose Shares are registered in the Company's books in "pure registered" form (*nominative pur*) must request that the Shares be registered in "administered registered" form (*nominative administré*) unless they have previously requested conversion to bearer form (*au porteur*). It should be noted that the conversion of registered Shares into bearer Shares will cause these shareholders to lose the advantages associated with holding these Shares in registered form. Notwithstanding the foregoing, shareholders whose Shares are held in pure registered form will also be able to tender their shares to the semi-centralized Offer on Euronext Paris without first converting them to bearer or administered registered shares by going through BNP Paribas Securities Services, acting as registrar of the Shares. Orders to tender Shares or OCEANEs to the Offer will be irrevocable.

The Offer and all related agreements are governed by French law. Any dispute or litigation of any nature whatsoever relating to the Offer must be brought in the competent courts.

Transfer of ownership of the Shares and OCEANEs tendered to the Offer and all the rights attached thereto (including dividend rights) will occur on the date of registration in the Offeror's account, in accordance with Article L. 211-17 of the French Monetary and Financial Code. As a reminder, any amount due in connection with the tender of Shares and OCEANEs to the Offer will be paid on the settlement date and will not bear interest.

Procedure for tendering to the Offer on the market

The Company's shareholders and OCEANE holders wishing to tender their Shares and/or OCEANEs to the Offer by selling them on the market must deliver their sale orders no later than on the last day of the Offer; settlement will be carried out as and when the orders are executed, two (2) trading days after each execution, it being specified that the trading costs (including brokerage fees and the related value added tax ("**VAT**")) will be borne entirely by the selling shareholders and OCEANE holders.

Société Générale (member 4407), an investment services provider licensed as a buyer's intermediary, will acquire, on behalf of the Offeror, all of the Shares and OCEANEs tendered to the Offer.

Procedure for the tendering to the semi-centralized Offer on Euronext Paris

Shareholders and OCEANE holders wishing to tender their Shares and/or OCEANEs into the semi-centralized Offer on Euronext Paris must deliver their tender orders to the financial intermediary holding their Shares or OCEANEs no later than on the last day of the Offer (or on such earlier date as may be required by their financial intermediaries). Settlement will take place after the completion of the centralization transactions.

The Offeror will pay the brokerage fees for shareholders and the OCEANE holders who tender to the semi-centralized Offer. The terms of such payment are described below and in Section 2.10.3 of the Draft Offer Document.

Euronext Paris will pay the amounts due for the reimbursement of the expenses mentioned below directly to the financial intermediaries on or after the Semi-Centralized Offer's settlement date.

Brokerage fees and remuneration of intermediaries

As indicated in Section 2.10.3 of the Draft Offer Document, the Offeror will bear the brokerage fees and the related VAT paid by shareholders and OCEANE holders that tender their Shares and/or OCEANEs to the semi-centralized Offer, up to a maximum of 0.3% (excluding tax) of the price of the Shares and/or OCEANEs tendered to the Offer and subject to a maximum of €100 per file (including tax). Only shareholders and OCEANE holders whose Shares and/or OCEANEs are held in registered form on the day before the Offer opens and who tender their Shares and/or OCEANEs to the semi-centralized Offer will be eligible for reimbursement of their brokerage fees (and the related VAT) as described above. Shareholders and OCEANE holders who sell their Shares and/or OCEANEs on the market will not be entitled to such reimbursement.

2. REASONED OPINION OF THE EDF BOARD OF DIRECTORS

2.1. Summary of the conditions under which the reasoned opinion of the Board of Directors regarding the Offer was obtained

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

Directors appointed by the general shareholders' meeting

- Jean-Bernard Lévy (Chairman and CEO);
- Nathalie Collin*;
- Bruno Crémel*;
- Colette Lewiner*;
- Claire Pedini*;
- Philippe Petitcolin*;

  ** Independent directors*

Directors appointed by the general shareholders' meeting on the proposal of the French Government

- Gilles Denoyel;
- Delphine Gény-Stephann;
- Marie-Christine Lepetit;
- Michèle Rousseau;

Director representing the French Government

- Alexis Zajdenweber;

Directors elected by employees

- Claire Bordenave;
- Karine Granger;
- Sandrine Lhenry;
- Jean-Paul Rignac;
- Vincent Rodet; and
- Christian Taxil.

In accordance with Article 261-1, III of the AMF's General Regulation ("**AMFGR**"), the Board of Directors, at its meeting of July 19, 2022, decided to set up an *ad hoc* committee composed of Bruno

Crémel as Chairman (independent director), Colette Lewiner (independent director), Philippe Petitcolin (independent director), and Christian Taxil (director elected by the employees). This committee is responsible for proposing an independent appraiser to be appointed by the Company's Board of Directors, for monitoring the appraiser's work, and for preparing a draft opinion.

On the proposal of the *ad hoc* committee, at its meeting of July 27, 2022, pursuant to articles 261-1-I 1° and 5° and 261-1-II of the AMFGR, the Board of Directors appointed Finexsi, represented by Olivier Péronnet and Olivier Courau, as independent appraiser to draw up a report on the financial terms of the Offer followed, if applicable, by a squeeze-out.

The Draft Offer Document filed by the Offeror with the AMF on October 4, 2022, contains, among other things, the background and reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer, and the criteria for assessing the Offer Price.

2.2. Reasoned opinion of the Board of Directors

In accordance with Article 231-19 of the AMFGR, the directors of the Company met on October 27, 2022, under the chairmanship of Jean-Bernard Lévy, Chairman and Chief Executive Officer, in order to review the draft Offer and give a reasoned opinion on its advantages and consequences for the Company, its shareholders, and its employees. All the members of the Board of Directors were present in person or by videoconference or represented.

Prior to the meeting, the directors were informed of:

- the Draft Offer Document filed by the Offeror with the AMF on October 4, 2022, as well as the Offeror's draft final version of the offer document dated October 21, 2022, containing, in particular, the context and the reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer, and the criteria for assessing the Offer Price;
- the draft reasoned opinion prepared by the *ad hoc* committee in accordance with Article 261-1, III of the AMFGR;
- the report of Finexsi, the independent appraiser;
- the financial opinion prepared by Morgan Stanley Bank dated October 25, 2022, addressed to the members of the *ad hoc* committee[8]; and
- the Company's Draft Response Document, prepared in accordance with article 231-19 of the AMFGR.

After deliberating, the Board of Directors has thus issued the following reasoned opinion by a majority of its members, including its independent members, it being specified that the directors appointed by the general shareholders' meeting on the proposal of the French Government and the director representing the French Government did not take part in the vote. The statements made by

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[8] The financial opinion relating to the fairness of the Offer Price is based on and subject to the various assumptions, caveats, and other limitations contained therein. That financial opinion does not constitute, and is not intended to constitute, a "fairness opinion" within the meaning of the AMFGR and does not constitute in any way a recommendation to the shareholders and holders of OCEANEs as to whether or not they should tender their securities to the Offer. That financial opinion is intended solely for the use and benefit of the members of the Ad Hoc Committee and is brought to the attention of the Board of Directors, and no other person may rely on it.

the directors elected by the employees, which the employees wished to have reproduced, are reproduced in **Appendix 1** of the Draft Response Document and this press release.

*"As a reminder, it is the responsibility of the Board of Directors, pursuant to Article 231-19, 4° of the AMF's General Regulation ("**AMFGR**"), to issue a reasoned opinion on the Offer's advantages and consequences for the Company, its shareholders, and its employees.*

*In accordance with Article 261-1 of the AMFGR, the Board of Directors, at its meeting of July 19, 2022, set up an ad hoc committee (the "**Committee**") comprising the following directors: Bruno Crémel as Chairman (independent director), Colette Lewiner (independent director), Philippe Petitcolin (independent director) and Christian Taxil (director elected by the employees). The Committee was responsible for proposing the appointment of an independent appraiser to the Company's Board of Directors, for monitoring the work of that appraiser, and for preparing a draft opinion.*

As Bruno Crémel, Colette Lewiner, and Philippe Petitcolin are independent directors, the Committee is constituted in accordance with Article 261-1, III of the AMFGR.

Prior to today's meeting, the following documents were made available to the members of the Board of Directors:

- *the Draft Offer Document filed by the Offeror with the AMF on October 4, 2022, as well as the Offeror's draft final version of the offer document dated October 21, 2022, containing, in particular, the context and reasons for the Offer, the intentions of the Offeror, the characteristics of the Offer, and the criteria for assessing the Offer Price;*
- *the draft reasoned opinion prepared by the Committee in accordance with Article 261-1, III of the AMFGR;*
- *the report of Finexsi, the independent appraiser;*
- *the financial opinion provided on October 25, 2022, by Morgan Stanley[1] to the members of the Committee; and*
- *the Company's Draft Response Document, prepared in accordance with Article 231-19 of the AMFGR.*

i. Procedure and basis for the appointment of the independent appraiser

The Committee met on July 22, 2022 and interviewed Finexsi, represented by Olivier Péronnet and Olivier Courau. Finexsi could act as an independent appraiser for the purposes of Article 261-1 of the AMFGR given, in particular (i) the lack of any past or present ties with the Company, (ii) its recent experience in the context of tender offers followed by a squeeze-out, and (iii) more generally, its professional reputation and human and material resources.

The members of the Committee, after deliberation and provided their decision is approved and there are no conflicts of interest, decided to propose that the Board of Directors appoint Finexsi as independent appraiser, given this firm's experience with similar assignments, the composition and qualifications of its members, and its material resources.

At the end of July 2022, the Committee also decided to appoint Morgan Stanley as financial advisor and Darrois Villey Maillot Brochier AARPI as legal advisor to assist the Committee in the context of the Offer.

On July 27, 2022, on the Committee's recommendation, the Company's Board of Directors decided to appoint Finexsi as independent appraiser to prepare a report on the financial terms of the Offer followed, if necessary, by a squeeze-out pursuant to Article 261-1, I, 1° and 5° and II of the AMFGR.

ii. Work of the Committee and interaction with the independent appraiser

Between July 22, 2022 and October 26, 2022, the Committee met thirteen times for the purposes of its assignment and, except for the meeting of July 26, 2022, the independent appraiser was in attendance each time. The Committee met at the Company's registered office or by videoconference:

- *on July 22, 2022, in order, firstly, to discuss the principal terms of the proposed Offer and the provisional timetable for the Offer, and secondly, to interview Finexsi, the prospective independent appraiser, with a view to its potential preliminary selection before recommending that the Board of Directors appoint it as independent appraiser in connection with the Offer. At the same meeting, Morgan Stanley was retained to assist the Committee with its work;*

- *July 26, 2022, to appoint Darrois Villey Maillot Brochier AARPI the Committee's legal advisor to assist it with its duties in connection with the Offer;*

- *August 3, 2022, with the independent appraiser, Morgan Stanley and Darrois Villey Maillot Brochier AARPI, to make an initial progress report on the work of the independent appraiser in connection with the Offer and on the roles and tasks assigned to the Committee members, the Committee's advisors, and the independent appraiser;*

- *August 12, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to discuss the exchanges with the banks presenting the Offer. The various valuation methods to be used to assess the Offer Price were then discussed. The legal action filed by the Company on August 9, 2022 with the Conseil d'État seeking the invalidation of Decree no. 2022-342 of March 11, 2022 and the decrees of March 11, March 12 and March 25, 2022 was also discussed, as was the preliminary claim for compensation filed by the Offeror, alleging losses estimated to date at €8.34 billion (the "**Preliminary Claim**");*

- *August 25, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to review the independent appraiser's work in connection with the Offer and to discuss the new exchanges with the banks presenting the Offer. In particular, the independent appraiser informed the Committee members of its preliminary observations on the valuation work to date. It also gave an update on the interviews to be carried out and on the documentation received or to be received for the purposes of its assignment. The Committee members also discussed the Offeror's reasons and intentions, as well as its provisional timetable, in light of a preliminary draft offer document the Offeror had sent to the Committee through its advisors;*

- *on September 1, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, so the independent appraiser could give a progress report on its work. At this meeting, the Committee members discussed the potential the Preliminary Claim's financial impact on the Offer Price;*

- *September 8, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to discuss the exchanges that took place since the meeting of September 1, 2022, and to discuss future exchanges, in particular on aspects relating to the Offer Price;*

- *on September 29, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to allow the independent appraiser to make a progress report on the valuation of the Company following the exchanges that took place during the month of September. At this stage, in light of the documents and information in its possession and based on its work to date, the independent appraiser has provided indications on EDF's central case value and has noted that the difference between the Offer Price and the central case value should be sufficient to hedge the maximum amount to be received, if any, under the Preliminary Claim;*

- *October 4, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to review the principal terms of the offer, following the filing of the offer by the French Government on the same day. The provisional timetable for the offer was also discussed;*
- *October 12, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to review the work of the independent appraiser and the valuation assumptions used. A first draft of a reasoned opinion was also sent to the Committee members for review, pending the appraiser's findings;*
- *October 18, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to allow the Committee members to assess the status of the responses to the various questions raised by the minority shareholders. The next steps between now and delivery of the reasoned opinion were also discussed;*
- *October 24, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, in particular to discuss, with the independent appraiser and the Committee's legal adviser, the minority shareholders' various questions and the answers provided. The independent appraiser also reported on the progress of the valuation work. A new draft reasoned opinion was sent to the Committee members for review, pending the independent appraiser's final findings;*
- *October 26, 2022, with the independent appraiser, Morgan Stanley, and Darrois Villey Maillot Brochier AARPI, to receive the findings of Finexsi and Morgan Stanley. At the end of this meeting, the Committee members also approved the draft reasoned opinion to be submitted to the Board of Directors.*

During these meetings, the Committee ensured that the independent appraiser had in its possession all the information it needed to carry out its tasks and that it had been able to do its work under satisfactory conditions. In particular, the appraiser has received an update of the 2022 outlook, the operational and regulatory scenarios for 2023 and 2024, and the Group's related financial trajectory, which were examined by the Audit Committee of the Board of Directors on October 4, 2022 and by the Board of Directors on October 5, 2022. The appraiser also confirmed that it received the letters of representation from the Company and from the French Government, the terms of which are acceptable to it, as well as a modified version of the criteria for assessing the Offer price dated October 21, which will be included in the final version of the offer document.

Details of the interactions between the Committee members and the independent appraiser are set out in full in the report prepared by Finexsi.

The Committee also states that it has not been informed of or noted any factors that prevent the smooth performance of the independent appraiser's work.

iii. Findings of the independent appraiser

Following the exchanges between the Committee and the independent appraiser, as indicated above, Finexsi submitted its report on October 26, 2022. The characteristics of the Offer are set forth below and were taken into account by the independent appraiser in preparing its report, and by the Committee in preparing its recommendation:

- *as of September 30, 2022, the Offeror holds (A) directly (i) 2,911,865,628 shares representing 5,116,476,850 theoretical voting rights (or 74.92% of the share capital and 78.82% of the theoretical voting rights of the Company) and (ii) 87,831.655 OCEANEs and (B) indirectly through EPIC Bpifrance, a public industrial and commercial establishment (with which the French Government acts in concert), 340,706,595 shares representing 669,055,956 theoretical voting rights (or 8.77% of the share capital and 10.31% of the theoretical voting rights of the Company). In total, the Offeror holds, directly or indirectly, alone or in concert, 3,252,572,223 shares representing 5,785,532,806 theoretical voting rights (or 83.69% of the share capital and 89.13% of the theoretical voting rights of the Company);*

- *the Offer is voluntary and will be carried out according to the simplified procedure in accordance with articles 233-1 et seq. of the AMFGR. The Offer period will be set at twenty (20) trading days;*
- *the Offer concerns (i) all the shares not held by the Offeror directly or indirectly, alone or in concert, (a) which are already issued, for a maximum 633,120,350 shares (it being specified that the treasury shares held by the Company are not covered by the Offer) and (b) which are likely to be issued before the Offer closes upon conversion of the OCEANEs (or a maximum number of 170,349,496 new shares),[9] for a maximum number of shares covered by the Offer equal to 803,469,846; and (ii) all of the outstanding OCEANEs not held by the Offeror (or 131,747,484 OCEANEs);*
- *in connection with the Offer, the Offeror is offering (i) to acquire the Company shares held by the shareholders in consideration, for each Company share, of a cash amount of €12.00 per share, and (ii) to acquire OCEANEs from OCEANE holders at a price of €15.52 per OCEANE;*
- *the Offeror has indicated that (i) the theoretical analysis of the Preliminary Claim indicates a maximum impact of €1.48 per share on the Company's intrinsic value, (ii) discounting this amount over 5 years at the risk-free rate would result in a maximum impact on the Company's intrinsic value of €1.29 per share, and (iii) according to the Offeror, the difference between the price offered per share of the Company and the intrinsic value of the Company hedges the maximum amount associated with the Preliminary Claim;*
- *the Offeror has indicated that if, when the Offer closes, the conditions required for a squeeze-out are met, the Offer will be followed by a squeeze-out pursuant to articles L. 433-4, II of the French Monetary and Financial Code and 237-1 et seq; of the AMFGR;*
- *the Offeror makes its intentions known to the members of the Board of Directors.*

The independent appraiser presents a summary of its work and its findings.

With respect to the Company's shares

- *"We conducted a multi-criteria approach, which resulted in the following findings:*

  The diversity of the EDF Group's business activities led us to use the <u>sum-of-the-parts method</u> as the main method for assessing the positioning of the Offer price. This method, based on the valuation of each of the Group's businesses according to the discounted cash flow method, appears to be the most relevant and enables us to value each of the Group's assets, taking into account its development prospects, as well as its specific profile and risks, assessed according to the nature of the business and its location.

  It should be noted that this method has been applied on the basis of the Group's current structure, i.e., without assuming any asset disposals beyond the €3bn disposal plan announced at the beginning of 2022. The values that emerge from our work therefore do not correspond to the sale prices that include control premiums and any synergies that could be paid by a buyer in the context of an organized sale process, which is not currently a scenario pursued by the EDF Group or its controlling shareholder.

  The central scenario that we have chosen is based on a large number of assumptions of different kinds and that incorporate a certain level of uncertainty, all of which constitute a coherent scenario. In this context, we have given priority to sensitivity analyses of the fundamental assumptions of our central scenario, in order to simulate other scenarios incorporating the operational, regulatory, or financial (market) risks or opportunities to which the Company is exposed.

[9] Based on an adjusted allocation ratio of 1.2930.

On this sum-of-the-parts criterion, the Offer Price shows a premium of between +13.3% and +67.4%, it being specified, by way of reminder, that the cash flow approach is representative of a control value since it assumes the free disposal of all cash flows.

However, in this context, we must assess the extent to which the claim for compensation mentioned above has been taken into account. In this respect, with the Company and its legal advisors, we have reviewed the terms of the litigation before the Conseil d'Etat and the claim for compensation of €8.34 billion against the French Government. In view of the uncertainties inherent in such proceedings, we have included the full amount of the claim in our sensitivity analysis, which appears to be favorable to the minority shareholder. The maximum amount of this claim represents €1.50 per EDF share after taxes, and €1.36 after taking into account the time effect over a period of 5 years, before compensatory interest.

The premium observed on the Offer Price covers the entire present value of the claim for compensation (€1.36 per share), but the premium then expressed is in a range of +0.4% to +40.6%.

With regard to the reference to the stock market price, which is also the main criterion used, the Offer Price represents a premium of 53.0% over the last unaffected stock market price (on July 5, 2022), and a premium of 43.9% over the weighted average stock market price for the 60 days preceding that date.

With regard to the claim for compensation referred to above, it should be noted that its announcement on August 9, 2022 did not cause the share price to rise above the Offer Price.

With regard to the reference to price targets, a criterion used as a secondary criterion, the Offer Price shows a premium of 20.00% over the median target price of financial analysts published between May 19 and July 5, 2022.

The litigation and the claim for compensation announced on August 9, 2022, did not lead to any change in the analysts' price objectives.

On the valuation approach according to the EDF global DCF, used as an indication, the Offer Price shows premiums of respectively 18.6% and 158.6% on the low and high terminals that cover 100% of the present value of the claim compensation (€1.36 per share), but the premium then expressed is in a range of +4.5% to +99.8%.

The other methods do not call for any particular remark on our part."

Concerning the OCEANEs

- *"The Offer Price of the OCEANEs corresponds to the adjusted contractual conversion value of the OCEANEs in the event of a tender offer at €12.00 per share,[10] which is the main valuation criterion.*

  The financial terms of the Offer therefore do not result in unequal treatment of shareholders on the one hand, and OCEANE holders, on the other, as the OCEANE Offer Price is obtained by taking Offer Price for the shares into account using the conversion formula provided for in the event of a tender offer.

  We further note that the proposed OCEANE buyback price represents a premium of 37.6% over the last unaffected trading price as of July 5, 2022, and a premium of 39.9% over the intrinsic value of the OCEANEs (according to the principal approach), taking into account the calculation parameters as of July 5, 2022.

[10] *"Offer price of €15.52 per OCEANE based on an Offer opening of November 10, 2022, in accordance with the provisional Offer timetable set out in the Draft Offer Document of October 21, 2022."*

With respect to related agreements

- *"The review of the only agreement communicated in the Draft Offer Document that may have a material effect on the assessment or outcome of the Offer, namely the share allocation agreement between the French Government and EPIC BPIFRANCE of January 15, 2018, did not reveal any financial provision that could, in our opinion, call into question the fairness of the Offer from a financial point of view."*

The independent appraiser also notes, that it has responded to the comments of the minority shareholders, specifying, in particular that the various points raised by the minority shareholders have not led it to modify its assessment of the Offer Price.

The Committee therefore notes that, according to the report prepared by Finexsi, the Offer Price of €12.00 per share and €15.52 per OCEANE is fair from a financial point of view for EDF shareholders, including in the event of a squeeze-out.

iv. Committee's Recommendation

On October 26, 2022, the Committee finalized its recommendation to the Board of Directors in light of the independent appraiser's report and the correspondence received from certain shareholders following the public announcement of the Offer.

In general, and in order to prepare its report, the Committee drew the attention of the independent appraiser to the following information, specific to the context and to the Offer, which appeared to it to be of particular importance and which it also took into account in its recommendation:

Concerning the advantages of the Offer for the Company (Strategy and industrial, commercial, and financial policy)

The Committee notes that:

- *in accordance with Article L. 311-5-7 of the French Energy Code, the Company, as an operator generating more than one-third of the country's electricity, has drawn up a strategic plan setting out the actions that the Company is committed to taking in order to meet the objectives of supply security and a diverse electricity mix set out in the multi-year energy plan. The Company has thus presented the strategy it is pursuing to secure supplies and diversify the electricity mix, as well as its strategy for energy consumption and use. On October 8, 2020, the Company's Board of Directors approved the transmission of this strategic business plan to the minister in charge of energy for approval by the administrative authority. The Company's previous strategic plan was submitted to the Company's Board of Directors in 2017;*

- *the Offer is being made in a sensitive political and environmental context, particularly with regard to the very high volatility of prices on the wholesale energy markets. On September 14, 2022, the French Prime Minister announced that the energy price shield would be extended to 2023, with electricity price increases limited to 15% (whereas the increase should have been 120%, according to her);*

- *under the circumstances recalled by the Offeror in its intentions, the Offeror indicated its intention to undertake long-term projects (including, in particular, the construction of new nuclear reactors, which requires particularly heavy investments). As mentioned by President Macron in his speech in Belfort on 10 February 2022, the French government wants EDF to complete the construction and operation of the new EPRs, a project "of a scope not seen for 40 years". "From a financial and regulatory point of view, massive public funding of several tens of billions of euros will be allocated to finance this new program, which will preserve EDF's financial position and develop the entire industry." The Government affirmed that it will "assume responsibility for* *securing EDF's financial position and financing capacity in the short and medium term, and enabling it to pursue its profitable development strategy in the context of the energy transition;"*

- *the Offeror already controls the Company, directly or indirectly holding 83.69% of the capital and 89.13% of the theoretical voting rights;*
- *the Offer concerns (i) all the shares not held by the Offeror directly or indirectly, alone or in concert, (a) that have already been issued, for a maximum number of 633,120,350 shares (it being specified that the treasury shares held by the Company are not covered by the Offer) and (b) that are likely to be issued before the Offer closes upon conversion of the OCEANEs (for a maximum number of 170,349,496 new shares),[11] for a maximum number of shares covered by the Offer equal to 803,469,846; and (ii) all of the outstanding OCEANEs not held by the Offeror (or 131,747,484 OCEANEs);*
- *the Offeror intends to implement a squeeze-out pursuant to articles L. 433-4, II of the French Monetary and Financial Code and 237-1 et seq. of the AMFGR if, when the Offer closes, the conditions required for a squeeze-out are met,*
- *on August 9, 2022, the Company filed the Preliminary Claim (as this term is defined above) with respect to the damages incurred as a result of the Government's decision to allocate additional ARENH volumes for 2022, it being specified that the Company's Board of Directors, and in particular the independent directors, paid particular attention to have the Preliminary Claim taken into account in the financial work.*

The Committee also notes that the Offeror's intentions, as described in the Draft Offer Document, are as follows:

- *with respect to the Company's industrial, commercial, and financial strategy and policy, the Offeror has indicated that the Offer is taking place in a context of a climate emergency and at a time when the geopolitical situation requires tough decisions to be made to ensure France's energy independence and sovereignty. In this new context, with the French Government as the sole shareholder, EDF would be in a position to accelerate several decisive projects that in his speech in Belfort, President Macron announced his intention to launch, in particular the program to build six EPR2 technology reactors by 2050. These projects will engage the company for decades to come, during which time EDF will continue to play a critical role in France's energy supply. The Offeror has also indicated that no decisions have been made at this stage regarding changing the Group's business model or with respect to its new nuclear program or organization;*
- *if the Offer is followed by a squeeze-out, it will result in the delisting of the Company's shares from the Euronext Paris regulated market; in this context, changes in the composition of the Company's corporate bodies could be considered and will depend on the Offer's outcome;*
- *the Offeror has not identified any synergies specifically in the context of the Offer, and the potential savings in listing costs associated with delisting the Company's shares from the Euronext Paris regulated market after the squeeze-out, if any, is not significant relative to the amount of the transaction; and*
- *with respect to dividends, the Offeror has indicated that the Company's dividend policy will continue to be determined by its corporate bodies based on the Company's distributive capacity, financial position and financial needs, in compliance with applicable regulatory requirements and taking into account the constraints of the current economic environment.*

[11] Based on an adjusted allocation ratio of 1.2930.

Regarding the price of the Offer and the advantages of the Offer for the minority shareholders and the OCEANE holders

The Offeror is offering (i) to acquire the Company Shares held by the shareholders in consideration, for each Company Share, of a cash amount of €12.00 per share, and (ii) to acquire the OCEANEs held by OCEANE holders at a price of €15.52 per OCEANE.

The Offeror has indicated that (i) the theoretical analysis of the Preliminary Claim indicates a maximum impact of €1.48 per share on the Company's intrinsic value, (ii) discounting this amount over 5 years at the risk-free rate would result in a maximum impact on the Company's intrinsic value of €1.29 per share, and (iii) according to the Offeror, the difference between the price offered per share of the Company and the intrinsic value of the Company hedges the maximum amount associated with the Preliminary Claim.

The Committee has reviewed the criteria for assessing the Offer Price established by the institutions presenting the Offer, of the independent appraiser's report, of the correspondence received from certain minority shareholders following the public announcement of the Offer, and of the financial opinion obtained from Morgan Stanley bank,[1] which concludes that from a financial point of view, the Offer Price is fair for the shareholders and the OCEANE holders.

The Committee notes that the independent appraiser has analyzed the criteria for assessing price mentioned in the Draft Offer Document and that this analysis appears in the independent appraiser's report.

The Committee further notes that the multi-criteria analysis conducted for the valuation of the Company shows that the Offer Price includes a premium of (i) 53% based on the closing price of the Company on July 5, 2022 immediately prior to the announcement of the draft Offer, (ii) 45.7% based on the volume weighted average share price over the two months preceding the announcement of the draft Offer, and (iii) 49.8% based on the volume weighted average share price over the four months preceding the announcement of the draft Offer, and hedges the amount that may be received pursuant to the Preliminary Claim.

It also notes that the Offeror is offering Company shareholders that tender their shares to the Offer the opportunity to obtain immediate liquidity on their entire shareholding at a price per share that the independent appraiser considers fair.

With respect to OCEANE holders, the Committee notes that the price of €15.52 per OCEANE offered in connection with the Offer represents a premium of (i) 34.1% based on the OCEANE price on July 5, 2022 immediately prior to the announcement of the draft Offer, (ii) 29.4% relative to the mathematical average over 1 month, (iii) 28.1% relative to the mathematical average over 2 months and, (iv) 14.7% relative to the mathematical average over 12 months.

The Committee further notes, in accordance with the terms and conditions of the OCEANEs, (i) that the Company may, at its option and at any time but subject to prior notice of at least 30 calendar days (and no more than 60 calendar days), redeem at par all of the outstanding OCEANEs if they constitute less than 20% of the number of OCEANEs issued, and (ii) that the OCEANE holders' representative may, on a decision of the meeting of OCEANE holders acting in accordance with the quorum and majority requirements provided for by law, by simple written notice to the Company and to BNP Paribas Securities Services, make all of the OCEANEs due and payable at par in the event that the EDF shares are no longer listed for trading on Euronext Paris or any other regulated market.

In the event of a squeeze-out concerning the OCEANEs, the OCEANE holders that did not tender their OCEANEs to the Offer will receive cash compensation equal to the Offer Price per OCEANE (€15.52 per OCEANE).

Finally, the Company or the Committee members have received letters or emails from minority shareholders concerning the Offer. The Committee has reviewed this correspondence and has ensured that they received special review by the *independent appraiser, who discussed them with the Company and the Offeror. The independent appraiser's exchanges with the minority shareholders and the replies to their comments appear in section 12 of the appraiser's report.*

Regarding the advantages of the Offer for the employees

The Committee further notes that, with respect to employment, the Offeror has indicated that it does not intend to change the Company's employment policy.

The Committee also notes that the Offeror has indicated that the Offer will not have any consequences on the Company's legal organization, but reserves the right to subsequently make, in conjunction with all the stakeholders, any changes in the organization of the Group, the Company, or the Group's other entities that are necessary to implement the intentions expressed in terms of strategy and industrial, commercial, and financial policies.

The Committee notes, in addition, that (i) the Company met with its French Works Council within two days of the Offeror's filing of the Draft Offer Document with the AMF, that is, on October 5, 2022, (ii) the French Works Council, accompanied by the accounting firm 3E Consultants, held a hearing with the Offeror on October 10, 2022, and (iii) the Company voluntarily convened its Central Social and Economic Committee (CSEC) for an information meeting on October 19, 2022.

Finally, the Committee notes that as indicated in the Company's Draft Response Document, it will be up to the supervisory boards of the FCPEs to decide to tender, or not to tender, the shares held by the FCPEs to the Offer, subject to a prior amendment of the regulations of the group savings plan and the international group savings plan.

In light of the foregoing, the Committee considers that the Offer as described in the Draft Offer Document is in the interests of the Company's employees, as the French Government has indicated that it does not intend to change the Company's employment policy.

At the end of its assignment, having taken into account the work of its advisors, of the independent appraiser, and of all the information above, and given the industrial risks and stakes for the Company, the Committee recommends, by a majority of its members, that the Board of Directors conclude that the Offer, insofar as it gives the shareholders the opportunity to sell their shares at a price deemed fair by the independent appraiser, is in the interests of the Company, of its shareholders, and of its employees.

v. Opinion of the Board of Directors

The Board of Directors notes (i) the terms of the Offer and the criteria for assessing the Offer Price stated in the Draft Offer Document, (ii) the reasons and intentions of the Offeror and the valuation information prepared by the Presenting Institutions as indicated in the Draft Offer Document and in the draft final offer document dated October 21, (iii) the work and recommendations of the Committee and its favorable opinion on the Offer, (iv) the findings of the independent appraiser, and (v) the findings of the Committee's financial advisor.

After exchanging views on the draft Offer and in light of the foregoing and the industrial risks and stakes for the Company, the Board of Directors decides by a majority, with the directors appointed by the general shareholders' meeting on the proposal of the French Government and the director representing the French Government not having taken part in the vote, to endorse the work and recommendations of the Committee, and therefore considers that the Offer, because it gives shareholders the opportunity to sell their shares at a price deemed fair by the independent appraiser, is in the best interests:

- *of the Company, insofar as it will enable it, already controlled by the Offeror, to pursue its development strategy in connection with the energy transition;*
- *of its shareholders, because the price offered by the Offeror of €12.00 per EDF share is deemed by the independent appraiser to be fair and to constitute a fair valuation of the shares held by the Company's*

shareholders, including in the event of a squeeze-out and in light of the amount that may be received as a result of the Preliminary Claim;

- *of OCEANE holders, because the price offered by the Offeror of €15.52 per OCEANE is deemed by the independent appraiser to be fair and to constitute a fair valuation of the OCEANEs held by the Company's OCEANE holders, including in event of a squeeze-out and in light of the amount that may be received as a result of the Preliminary Claim;*
- *of its employees, because the Offeror has indicated that it does not intend to modify the Company's employment policy;*

***recommends** to the shareholders and OCEANE holders to tender their securities to the Offer."*

3. Intentions of the members of the EDF Board of Directors

The members of the Company's Board of Directors who attended the meeting at which the Board of Directors issued its reasoned opinion reproduced in Section 2 stated their intentions as follows:

Name	Position	Shares held on the date of the reasoned opinion	Intention
Karine Granger	Director	25	Has no intent to tender her Shares to the Offer
Colette Lewiner	Director	1,348	Will tender all of her Shares to the Offer
Sandrine Lhenry	Director	32	Has no intent to tender her Shares to the Offer
Philippe Petitcolin	Director	10	Will tender all of his Shares to the Offer

4. Intentions of the Company with respect to the Treasury Shares

As of the date of the Draft Response Document, the Company holds 888,511 of its own Shares.

As the Treasury Shares are deemed to be Shares held by the Offeror pursuant to Article L. 233-9, I, 2° of the French Commercial Code, they are not covered by the Offer and may therefore not be tendered to it.

5. Agreements that may have a material effect on the Offer's assessment or outcome

On January 15, 2018, the French Government entered into a grant agreement with EPIC Bpifrance pursuant to which (i) the French Government undertook to grant EDF Shares to EPIC Bpifrance (the "**Grant Agreement**") and (ii) the French Government and EPIC Bpifrance declared that they were acting in concert vis-à-vis the Company.[12] The main provisions of the Grant Agreement include the following:

- **Non-transferability of the grant**: the Shares transferred by the French Government to EPIC Bpifrance are non-transferable. Consequently, EPIC Bpifrance undertakes not to transfer them, pledge them as security, or otherwise dispose of them. EPIC Bpifrance may, however, use the dividends and other income derived from the EDF Shares that are paid out.

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

- **Consortium**: in the Grant Agreement, the French Government and EPIC Bpifrance state that they will act in concert vis-à-vis EDF. The French Government and EPIC Bpifrance will consult with each other before each EDF shareholders' meeting with a view to adopting, if possible, a joint position on the resolutions put to a shareholder vote. If it is impossible to reach a joint position, EPIC Bpifrance will make best efforts to align its vote with the French Government's. The French Government may terminate the consortium if it disagrees with EPIC Bpifrance on the Group's strategy, in particular if EPIC Bpifrance does not vote the same way the French Government does at one or more of EDF's shareholders' meetings.

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

- **Recovery of the Shares granted**: the French Government may repossess the Shares at any time, including if EPIC Bpifrance does not comply with the Grant Agreement. The French Government may also repossess the Shares in event of disagreement with EPIC Bpifrance on the Group's strategy, in particular if EPIC Bpifrance does not vote the same way the French Government does at one or more EDF general meetings.

With the exception of the Allocation Agreement, the Company is not aware of any agreement and is not a party to any agreement related to the Offer or which would have a material effect on the valuation or the outcome of the Offer.

6. ACTIONS BROUGHT BY EDF AGAINST THE FRENCH GOVERNMENT

Following the French government's announcement on January 13, 2022, of a system for allocating an additional volume not exceeding 20 TWh of electricity to be sold at a regulated price from April to December 2022, the Company announced that it was considering its options for protecting its interests.[13] In that regard, the Company's Chairman and CEO indicated at its annual shareholders' meeting that he had sent the French government an administrative appeal requesting the withdrawal

[12] AMF Notice No. 218C0136 of January 16, 2018.

[13] See the Company's press release, "Exceptional measures announced by the French government," issued on January 13, 2022.

of the decree[14] and the orders of March 2022 relating to that system.[15]

After an in-depth legal analysis, and in light of the damages suffered as a result of the decree and the orders dated March 11, 12 and 25, 2022, on August 9, 2022 the Company filed a legal action (currently under review) with the French Conseil d'Etat (highest administrative court) to have the decree and orders invalidated, and a preliminary claim ("*demande indemnitaire préalable,*" a claim that must be filed with an administrative body before commencing action in the administrative courts) for compensation with the French Government, which the Government implicitly denied on October 9, 2022.[16]

In line with its press releases of January 13, 2022 and August 9, 2022, the Company filed an action with the Administrative Court of Paris on October 27, 2022 to obtain compensation from the Government of the losses, estimated at €8.34 billion in principal, it has incurred as a direct result of the institution of the system for allocating an additional volume not exceeding 20 TWH of electricity to be sold at regulated prices from April to December 2022.[17]

7. MEASURES THAT THE COMPANY HAS TAKEN OR INTENDS TO TAKE TO BLOCK THE OFFER

The Company has not taken any measures to block the Offer and does not intend to take any such measures.

8. INDEPENDENT APPRAISER'S REPORT

In accordance with Articles 261-1-I 1° and 5° and 261-1-II of the AMF General Regulation, the Company's board of directors, by resolution dated July 27, 2022, and on the proposal of the *ad hoc* committee (formed on July 19, 2022, in accordance with Article 261-1-III of the AMF General Regulation) appointed Finexsi, represented by Olivier Péronnet and Olivier Courau, as an

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[14] Decree No. 2022-342 of March 11, 2022, setting forth the specific terms and conditions for the allocation of an additional volume of electricity that may be allocated in 2022, on an exceptional basis, in connection with the regulated access to historical nuclear electricity (ARENH).

[15] The order of March 11, 2022, issued in application of Article L. 337-16 of the French Energy Code and setting the price of additional electricity volumes sold in the exceptional delivery period introduced by Decree No. 2022-342 of March 11, 2022, setting forth the specific terms and conditions for the allocation of an additional volume of electricity that may be allocated in 2022, on an exceptional basis, as part of the regulated access to historical nuclear electricity (ARENH).

The order of March 11, 2022, setting the maximum overall volume of electricity to be sold by Electricité de France based on the regulated access to historical nuclear electricity, issued in application of Article L. 336-2 of the French Energy Code.

The order of March 12, 2022, on the terms and conditions for the sale of additional capacity guarantees linked to the supplemental ARENH delivery period starting on April 1, 2022, issued in application of Article R. 335-69 of the French Energy Code.

The order of March 25, 2022, amending the order of April 28, 2011, issued in application of II of Article 4-1 of Law No. 2000-108 of February 10, 2000, on the modernization and development of the public electricity service.

[16] See the Company's press release, "Action relating to the allocation of additional ARENH volumes for 2022," published on August 9, 2022.

[17] See the Company's press release, "Update on the claims relating to the allocation of additional 20TWh of electricity for 2022," issued on October 27, 2022.

independent appraiser to prepare a report on the financial terms of the Offer, in accordance with AMF Instruction No. 2006-08 and AMF Recommendation No. 2006-15.

The findings set forth in that report (which is reproduced in full in **Appendix 2** of the Draft Response Document and is an integral part thereof) are reproduced in the body of the reasoned opinion of the Company's Board of Directors set forth above.

9. AVAILABILITY OF ADDITIONAL INFORMATION RELATING TO THE COMPANY'S LEGAL, FINANCIAL AND ACCOUNTING CHARACTERISTICS

In accordance with Article 231-28 of the AMF's General Regulation, additional information relating to the Company's legal, financial and accounting characteristics will be included in a separate document filed with the AMF and made available to the public, no later than the day before the Offer opens, on the AMF website (www.amf-france.org) and on EDF's website (www.edf.fr/finance) at EDF's registered office: 22-30, avenue de Wagram 75008 Paris.

Appendix 1

Statements made by the directors elected by the employees

Statement - Sandrine LHENRY – Employee-elected Director sponsored by FO

"I am very surprised that we value are valuing based ONLY on 2022: the worst year in the history of EDF.

This overlooks EDF's potential and all the challenges that the company and its employees have been able to meet.

The transaction, which aims to buy back from shareholders the 16% of the share capital that the Government does not hold, comes at a crucial time in the company's history, a time when the company is recording a record debt of nearly €60 billion.

Faced with a large accumulated debt and massive investment needs in order to meet the needs of the energy transition and carry out necessary maintenance on the generation tools that are manageable and essential to the nation, I do not see how the simplified tender offer will solve, on its own and in the current situation, this difficult equation: massive investments and debt reduction.

For nearly 17 years, the Government has been making wrongheaded decisions for the EDF group, with:

- *Regulatory measures that are very costly for EDF*
    - *Successive governments have consistently refused to accede to EDF's demands for a significant increase in regulated electricity price (TRVE) to restore the company's finances*
    - *It was the same with the Government's refusal to adjust the Contribution to the Public Electricity Service (CSPE) to meet the financing needs of the public policies covered. (Even if it is refunded, it remains prejudicial).*

- *EDF, which had to:*
    - *Rescue Areva, whose 2005 merger announcement had already caused the share price to fall by 5.7 pts*
    - *Close Fessenheim to satisfy purely political demands*
    - *Finance HPC with up to €17 billion of its own funds*

Last but not least: the obligation for EDF to sell to its competitors nearly 25% of its nuclear electricity output at a price of €42 per MWh, with all the windfall profits the alternative companies were given by the market:

- *By retracting their purchase intentions in 2016*
- *By buying and putting pressure on the French Energy Regulatory Commission (CRE) and the Government when market prices soar and, for some of them, not even bothering to pass this low-cost rate on to their customers, but moreover, by offloading them to EDF, which had to supply their customers by buying from the market at abysmal prices*

The ARENH mechanism has contributed to weakening EDF's finances and therefore its stock market valuation.

An additional ARENH mechanism, requested in January 2022, when the company was already facing major industrial maintenance issues post COVID and CSC.

This decision is incomprehensible because in December 2021, EDF had already sold all its output for 2022 and no longer had any electricity reserves!

An incomprehensible decision, especially since alternative suppliers are far from having fulfilled their part of the bargain: in the space of 10 years, they still do not produce energy and thus do not contribute to the war effort!

All these decisions have contributed to the result we know today: a constant fall in the share price to its all-time low of €7.84 before the French Prime Minister, E. Borne, announced "nationalization."

Furthermore, and concerning the dividend policy to which my predecessor and I were opposed: In its 2015 report, the Court of Auditors (Cour des comptes) summarized the situation as follows: "the major concern of the Government *shareholder was that the group continue to pay a substantial dividend, despite a delicate financial situation and even at the cost of additional debt" (special report S 2015-1442 from November 2015).*

If the company's recent past has been difficult, the future is still uncertain. It is even unclear regarding changes to the business model and the group's organization. Several long-term projects are, however, mentioned, and will hopefully enable us to see the end of nuclear bashing.

However, major questions remain unanswered, in particular in the context of the valuation of the share price which should be, according to stock exchange rules, fair.

How can we really be fair about the valuation of the company's shares to date when we lack vision and business prospects? How can we position ourselves favorably when no financial trajectory is presented?

However, the refined business and financial outlooks could provide a more accurate picture of the company's valuation. It would not be a matter of sticking to a very small period in the history of the EDF group and especially not to the year 2022 alone! **If the outlook is encouraging and clear, the valuation could be much higher than what is being presented today.**

In view of all these facts and given the worrying situation of EDF, a zero-sum operation, at least, should be carried out taking into consideration the dividends received (thus a result of around €16/share).

Moreover, while this meeting was scheduled to take place this morning at 9:00 a.m., all of the elements that were to be the subject of our decisions - the draft response document, the draft reasoned opinion prepared by the ad hoc committee and, even more importantly, the draft report of the independent appraiser - were only communicated to us the previous evening at more than 11:00 p.m.

I challenge anyone on this Board to be able to thoroughly review such dense and structuring documents in such a short period of time. Consequently, I consider that the directors did not have a reasonable amount of time to review and question the documents necessary to decide on a recommendation to the tender offer.

Therefore, under the conditions currently proposed, I cannot vote in favor.

I would also like this statement to be made public."

Statement by Vincent RODET – Employee-elected director sponsored by the CFDT

"Before expressing myself on the merits of the case and thus motivating my vote, I will begin by noting the extremely late communication of the documents, including the report of the appraiser for whom I voted for the mandate exactly 3 months ago.

I note that the French government has taken its time on this file since the formal announcement of the start of operations by the French Prime Minister before the national representation, as well as the appraiser. The originality and complexity of the file is not lost on anyone and certainly motivates this long sequence of work.

But we have to admit that unfortunately the only ones who are forced to work in extreme urgency in very poor conditions are the directors who discover the report and the hundreds of pages of related documents, including two of specialized financial expertise not translated into French, a few hours before our Board of Directors meeting.

Concerning my capacity to participate in the debates and the vote, I certify the absence of any link with the legal and physical persons involved in the offer likely to affect the objectivity of my opinion.

My analysis focuses on two dimensions, that of the significant and globally detrimental impact of the decisions of the government as main shareholder and regulator since the opening of the capital in 2005, and that of the method used to qualify the buy-back price of €12 as fair, which would be transformed into an expropriation indemnity if approximately 6% of the current floating shares are brought in at that price.

I am surprised that the independent appraiser did not consider it relevant to go back in time beyond the very narrow observation of the last act of EDF's stock market performance. This approach is doubly regrettable because, on the one hand, the sequence studied can hardly be put into perspective if it is disconnected from previous sequences, and on the other hand, an inequitable expropriation of the popular shareholders would have serious repercussions in reducing the acceptability of civil nuclear energy, because the popular shareholders who subscribed in 2005 are certainly part of the citizens who find the place of nuclear power in the national electricity mix relevant, and would also harm its financing spectrum, including the leverage of the call for popular savings, and therefore ultimately EDF's social interest.

I was an employee of the company in 2005 when the capital was opened and I remember perfectly the intense internal and external publicity that was carried out to guarantee the success of the IPO. Internally, ambassadors were assigned to promote the operation, bordering on the ethics that forbid them to act as financial advisors, and externally, French Prime Minister Villepin, with his particular emphasis, declared that "the opening of EDF's capital would be a fine example of popular shareholding in France. It will also be an opportunity to involve EDF employees in the success of their company (...)."

The associated prospectus approved by the AMF on October 28, 2005 referred to a public service contract, which was signed just before the launch of the capital opening, but the guarantees promised to minority shareholders were not honored.

Thus, common sense stipulating that the regulated electricity price should cover costs has been trampled on many times since 2005, the paroxysm of small-time political interference being illustrated by the unilateral announcement by Minister Royal, on June 19, 2014, during an interview on BFMTV of her decision to cancel a 5% increase in the regulated electricity price on August 1st. The share price then immediately fell by 10%, and then the EDF stock market UFO sank inexorably. In its report of January 25, 2017 "The Government as shareholder", the Court of Auditors noted: "the policies of the Government in terms of tariffs and dividends have often been contrary to the social interest of the company and have been able to negatively affect both their development capabilities and their valuation. Thus, the Government has generally sought to limit the price of electricity for the benefit of consumers, without sufficiently considering the future needs for the renewal of the fleet, and has even gone so far as to derogate from the rules for setting tariffs provided for by law."

The 2005 prospectus evoked an investment policy valued at €26 billion over the period 2006-2008, to be financed by cash flow, a program of disposals, and debt in line with the objective of stabilizing net financial debt at the level reached at the end of 2005 after the capital increase and the acquisition of joint control of Edison. But the French Prime

Minister, on the occasion of the signing of the Public Service Contract, revealed that he had asked EDF to intensify its investments, with a target of €40 billion.

This change of direction will result in a rise in net financial debt to 24.5 billion at the end of 2008, compared with €16.3 billion at the end of 2007. The promise made to minority shareholders to stabilize debt at €18.5 billion will thus be objectively and definitively violated.

From 2008 onwards, EDF will no longer be able to generate an EBITDA cash flow to cover net investments before asset disposals. This will not prevent the Government from demanding from the company an inappropriate dividend policy, for example a bleeding of €2.3 billion in cash for the year 2008, including 2 for the Government. This hemorrhage will only end with the arrival of the current CEO, who declared in 2014 his "astonishment" at paying a dividend by increasing its debt.

This policy of requiring EDF to pay cash dividends has led to a dangerous increase in debt and to the sale of regulated assets, such as 49.9% of RTE, the British networks, which is all the more regrettable as these assets limited the group's exposure to market risks.

EDF had to issue expensive hybrid bonds, without having the capacity to pay them off quickly, and their management over time is proving complex.

The Government shareholder thus excessively withdrew cash dividends during a first phase, then when it decided to take it in new shares significantly diluted the small minority shareholders who were counting on a cash income from their so-called "popular shareholding" investment.

In addition to its questionable dividend policy after the opening of the capital, the Government has multiplied decisions harmful to EDF with the Tartam and then ARENH mechanism regulations, the political closure of Fessenheim, and injunctions to buy out companies in difficulty.

The effects of some of them are heavily prolonged with an impact on the work of the appraiser and I am astonished by some of his hypotheses on the future of the ARENH mechanism for example. He does not mention the possibility opened by the energy code to suspend the ARENH mechanism in case of exceptional circumstances, he does not mention the only certainty known to date, namely the current ARENH mechanism system will simply expire at the end of 2025, he dismisses the potential technical and legitimate revaluation of the ARENH mechanism blocked at €42 by at least the inflation without asking for the European Commission's approval. And finally, it conceals the procedure initiated at the Council of State well before that of the company, by the 6 employee-elected directors, the Supervisory Board of the share fund and the energy trade union federations, which will be judged soon since the last briefs have just been completed and transmitted in recent days. In short, my feeling is that on the regulatory perspectives you have aligned yourselves with the regulatory vision of the Government, which has a lot of difficulty in admitting that the ruinous infusion of competition is a failure and that it is now necessary to let the parasites installed on the value chain disappear.

Still on the subject of regulation, I find it difficult to understand why the appraiser has retained the assumptions mentioned during the tripartite Government-Commission-EDF instruction of the Hercule project 2-3 years ago, whereas the offeror's note indicates that the Hercule project is no longer relevant, that the national, European and global energy context has radically evolved and requires a complete rethink of energy policies.

Still on the subject of Hercules adhesions, for example, why integrate deoptimization costs into the valuation when no project that would affect the integrated nature of the project is currently being examined or announced?

With regard to the method used to qualify the price proposed by the offeror as fair, I note that the post-2025 price assumptions seem to me to be lower than those used as medians in recent work by the Council and that, overall, EDF is still considered to be structurally constrained in terms of income, since heavy regulation would inevitably follow the ARENH mechanism.

At the current stage of the energy crisis, when all certainties are wavering, a completely different competitive framework could open up. Currently, EDF is a structurally constrained company, prevented from prospering in the name of a *sacrificial public service obligation. There is no reason to prolong this outdated framework in the assumptions of valuation. A healthier framework, freed from the ARENH mechanism, where EDF would generate EBITDA and important results, legitimately taken over in part by the Government shareholder to finance the nation's accounts, while leaving EDF the means to reduce its debt and self-finance its investments, is possible, probable and desirable.*

As regards energy generating facilities, I find your approach pessimistic because it overweighs the current, admittedly difficult, sequence of managing corrosion hazards under stress, but which must be put into perspective and smoothed out in relation to the long output period of the extended and reinforced units following the major refurbishment.

To illustrate, I feel that you are excessively discounting the value of a car with a broken clutch. It is a painful episode, disruptive during the repair time, expensive, but it does not affect the value of the asset.

Reading the SWOT matrix on page 99 of the report, I find that it makes one want to invest rather than sell. I am convinced that the majority of minority shareholders would be more inclined to stay on the train than to get off at the €12 terminal.

Regarding the choice of valuation methods and especially the rejected valuation methods, I find, as do the A, B, C, D, and E shareholders, that you have rejected many valuation methods likely to objectify a price significantly higher than €12.

For example, the comparables method is discarded because of the wide dispersion of valuations, but eliminating the extreme values and averaging the median values, which would result in values between €15 and €18, does not seem so exotic to me as to be rejected. Especially since the EDF Group regularly sells and buys assets and uses this approach in its valuation methods.

Concerning potential disposals, the framework retained is that already known from the current 3 billion sale plan. No disposals in Italy or Brazil, the offeror confirms to your request that these are only rumors, which we will follow up in 2023.

The appraiser's report takes care to show the percentage that the premium would represent according to the envisaged valuations, its best valuation hypotheses leave a small part to the premium, less than 20%, whereas the average premium noted by the takeover journal in 2021, on a basis of 41 tender offers, calculates an average premium of 38.4%.

The value of the compensation for the premature shutdown of Fessenheim seems very low, whereas the output lost, even if only for a year, would have significantly limited the loss of EBITDA.

Finally, concerning the interest of the employees in the offer, the offeror does not sufficiently reveal its strategic, industrial, commercial and social project for EDF, which is 100% owned, to reassure them. Worse, the expression "maintaining the employment policy" can be read negatively, because it is not a maintenance that is hoped for, but a dynamization, a reinforcement of the professions in charge of accelerating the energy transition, and a re-internalisation of subcontracted activities.

As far as the interest for the company is concerned, the process would not bring a penny into EDF's coffers and the questions of reinforcing the equity capital, managing the debt and financing investments remain unanswered. I also believe that small shareholders who are loyal over the long term should not be expropriated at a price that does not correctly value the immobilization of their savings, including dividends and inflation, and this is particularly true at the very moment when the public debate on electro-nuclear production is opening in the country.

With regard to the minority shareholders' interest, you will have understood that I consider that the proposed price of €12 is insufficient and does not reflect the value and the potential of EDF in a healthy market, and that it is too much based on a stock market price collapsed by bad decisions of the Government since 2005 and very clearly again last winter.

In conclusion, I vote against the proposed deliberation."

Statement by Christian TAXIL – Employee-elected director sponsored by CFE-CGC

"By participating in the ad hoc committee, I was able to appreciate the commitment and the seriousness of the various stakeholders to be able to formulate a recommendation to the Board. The independent appraiser worked with the concern to have an overall coherence based on the most documented elements. I was able to express my remarks and ask my questions in order to fully understand the valuation used as a framework for our decision.

By choosing as a central scenario for the valuation, a hypothesis of post-ARENH mechanism regulation provided by the Government, the offeror, I felt uncomfortable in several ways.

Indeed, for several years, the regulation that weighs on EDF, in particular through the ARENH mechanism, has prevented the company from benefiting from a fair remuneration to cover the reality of its costs and investments. As this system will end in 2025, we have worked in the Council with price scenarios post 2025 of several levels, with a median scenario much higher than the one given by the Government, offeror of the Expert. It is not this median scenario that was retained, although it was used to calculate the IRR of the Grand Carénage, for example, in our file of 31 March 2022.

Thus, by retaining the scenario of the Government, offeror, not known to the Council and not public, coming from the work on the Hercule project yet officially abandoned by the Government, this results in a lower valuation.

In addition, based on elements of the Hercule project, very substantial deoptimization costs are also retained, which also weigh on the valuation.

This scenario of the offeror dates from before the European energy crisis and does not reflect the evolution of this context, but rather the increasing costs for EDF with CCS.

However, in the future output assumptions, these constraints have been well integrated into the Expert's work. Also, if we take a future regulation hypothesis, we should have a higher production price because of both the increased maintenance costs (integrated into the hypotheses) and a lower production volume (integrated into the hypotheses), but this is not the case if we take work that has not been validated by the institutions and that dates back a few years to set the regulation price.

Finally, the consequence of this regulatory choice, which will not allow EDF to cover its costs, is a decrease in the expected valuation of the Fessenheim indemnity since it includes future prices.

The regulation scenario, provided by the Government, the offeror, makes it possible to justify the price offered, but this is a real problem of conflict of interest. In addition, it perpetuates the under-remuneration of EDF and a new undermining of its value and therefore of the interest of minority shareholders.

As regards the interest for the Company, this offer, as such, does not solve the problem of EDF's under-remuneration and under-capitalization. The offeror has not expressed itself on this fundamental point.

Concerning the interest for the employees, we do not have enough elements provided by the offeror.

Indeed, as the offeror does not indicate how he intends to act to resolve EDF's structural difficulties caused in particular by inadequate regulation, this creates considerable uncertainty.

What decisions will be taken that could have a major impact on the EDF Group, its integrated model, its various divisions or subsidiaries?

The members of the EDF Group Committee have interviewed the offeror and have expressed their lack of visibility.

In conclusion, I vote against the proposed deliberation."

Statement of the employee-elected directors sponsored by the CGT

"EDF's employee-elected directors have always condemned the liberalization of the electricity sector and the listing of EDF on the stock exchange. As early as 2000, EDF's operations and employees were affected so that the company could present accounts "in line with the expectations" of the rating agencies.

The employee directors sponsored by the CGT will therefore unsurprisingly vote against the deliberation linked to the offer launched by the Government that is submitted to us on the grounds that, whatever the value that will ultimately be proposed as compensation for the shares held by the minority shareholders, the employees, in particular, will be penalized by the numerous bad decisions that have been imposed by the Government as legislator, regulator and majority shareholder.

Indeed, the deregulation of the electricity sector was carried out under disastrous conditions for EDF, whose business model and very long-term investments are incompatible with the short-term financial systems of the electricity markets. All the more so since the role assigned to EDF is often to its disadvantage and in any case asymmetrical by the Nome Law. The negative consequences of the ARENH mechanism on the company's accounts can be counted in billions of euros.

Among the decisions that have also weakened the company is the inconsistent payment of excessive dividends (more than €20 billion in cash since the IPO), accompanied by widespread plans to reduce expenses and staffing levels in order to maximize profits in the short term, with no regard for the medium- and long-term maintenance requirements of the nuclear and hydroelectric sectors, which are severely affected by the operating regimes dictated by the markets.

We also regret the launch of the Hinkley Point C project and the aberrant closure of Fessenheim, both of which came at the worst possible time. Just as we note the colossal loss on numerous acquisitions/concessions carried out by the group.

The various employee-elected directors sponsored by the FNME-CGT have systematically voted against these deliberations in recent years.

Given this record, we would have greatly preferred a Nationalization Law to the proposed takeover bid, which would have allowed EDF's public service objectives and missions to be monitored by the representatives of the Nation, while meeting the needs of the general interest, thus opening a public debate based on a real assessment of the catastrophic deregulation of the sector.

The crisis we are going through is the source of major inflation in all areas of the economy with disastrous consequences, especially social and environmental. The crisis has been accompanied by temporary measures such as a price shield, of which EDF has a large part, and which, overall, continues to burden the Government budget and the accounts of the historical operator. The crisis is deep and long-lasting, and the takeover bid does not respond to it with the few lines on strategic intent that the initiating Government evokes."