



## Electricité de France

(incorporated in the Republic of France with limited liability)

### EUR 850,000,000 6.5 Year Non-Call Reset Perpetual Subordinated Notes

Issue price: 99.283 per cent.  
(the "6.5 Year Non-Call Notes")

and

### EUR 1,250,000,000 10 Year Non-Call Reset Perpetual Subordinated Notes

Issue price: 98.960 per cent.  
(the "10 Year Non-Call Notes")

(together, the "Notes")

The EUR 850,000,000 6.5 Year Non-Call Reset Perpetual Subordinated Notes (the "**6.5 Year Non-Call Notes**") and the EUR 1,250,000,000 10 Year Non-Call Reset Perpetual Subordinated Notes (the "**10 Year Non-Call Notes**") and, together with the 6.5 Year Non-Call Notes, the "**Notes**") of Electricité de France ("**EDF**" or the "**Issuer**") will be issued on 15 September 2020 (the "**Issue Date**").

The 6.5 Year Non-Call Notes will bear interest (i) from (and including) the Issue Date, to (but excluding) 15 March 2027 (the "**6.5 Year Non-Call Notes First Reset Date**"), at a fixed rate of 2.875 per cent. *per annum*, payable annually in arrear on 15 March in each year with the first interest payment date on 15 March 2021, and (ii) thereafter in respect of each successive five year period, the first successive five year period commencing on (and including) the 6.5 Year Non-Call Notes First Reset Date, at a reset rate calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus a margin, payable annually in arrear on or about 15 March in each year with the first such interest payment date on 15 March 2028 as further described under paragraph "5. Interest" in Section "Terms and Conditions of the 6.5 Year Non-Call Notes" of this Prospectus (the "**Terms and Conditions of the 6.5 Year Non-Call Notes**"). There will be a first short coupon in respect of the interest period from, and including, the Issue Date to, but excluding, 15 March 2021.

The 10 Year Non-Call Notes will bear interest (i) from (and including) the Issue Date, to (but excluding) 15 September 2030 (the "**10 Year Non-Call Notes First Reset Date**"), at a fixed rate of 3.375 per cent. *per annum*, payable annually in arrear on 15 September in each year with the first interest payment date on 15 September 2021, and (ii) thereafter in respect of each successive five year period, the first successive five year period commencing on (and including) the 10 Year Non-Call Notes First Reset Date, at a reset rate calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus a margin, payable annually in arrear on or about 15 September in each year with the first such interest payment date on 15 September 2031 as further described under paragraph "5. Interest" in Section "Terms and Conditions of the 10 Year Non-Call Notes" of this Prospectus (the "**Terms and Conditions of the 10 Year Non-Call Notes**") and together with the Terms and Conditions of the 6.5 Year Non-Call Notes, the "**Terms and Conditions of the Notes**").

Payment of interest on the Notes may, at the option of the Issuer, be deferred in whole or in part, as set out under paragraphs "5.5 Interest Deferral" of the relevant Terms and Conditions of the Notes.

The Notes do not contain events of default.

Subject to any early redemption described below, the Notes are undated obligations of the Issuer and have no fixed maturity date. However, the Issuer will have the right to redeem (i) the 6.5 Year Non-Call Notes in whole, but not in part, (x) on any date during the period commencing on (and including) 15 December 2026 and ending on (and including) the 6.5 Year Non-Call Notes First Reset Date, or (y) on any Interest Payment Date falling thereafter, and (ii) the 10 Year Non-Call Notes in whole, but not in part, (x) on any date during the period commencing on (and including) 15 June 2030 and ending on (and including) the 10 Year Non-Call Notes First Reset Date, or (y) on any Interest Payment Date falling thereafter, as defined and further described under paragraphs "6.2 Optional Redemption from the First Call Date" of the relevant Terms and Conditions of the Notes.

The Issuer may also redeem the Notes upon the occurrence of a Tax Gross-up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, a Rating Methodology Event and a Substantial Repurchase Event, as further described under paragraphs "6. Redemption and Purchase" of the relevant Terms and Conditions of the Notes.

The Issuer may also, at its option redeem all (but not some only) of the Notes, at any time (other than during the period from and including the First Call Date to and including the First Reset Date or upon any subsequent Interest Payment Date) as further described under paragraphs "6.3 Make-whole Redemption by the Issuer" of the relevant Terms and Conditions of the Notes.

This document (including the documents incorporated by reference) constitutes a prospectus (the "**Prospectus**") for the purposes of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended or superseded (the "**Prospectus Regulation**").

This Prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**") in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and on the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application will be made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris on the Issue Date. Euronext Paris is a regulated market for the purposes of the Directive 2014/65/EU of May 15, 2014 (as amended, "**MiFID II**"), appearing on the list of regulated markets issued by the European Securities and Markets Authority ("**ESMA**").

The Notes will be issued in dematerialized bearer form (*au porteur*) in the denomination of €200,000 each. Title to the Notes will be evidenced in accordance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical documents of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France ("**Euroclear France**") which shall credit the accounts of the Account Holders. "**Account Holder**" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking S.A. ("**Clearstream**").

The Notes have been assigned a rating of BB- by S&P Global Ratings Europe Limited ("**S&P**"), Baa3 by Moody's France SAS ("**Moody's**") and BBB by Fitch Ratings Ireland Limited ("**Fitch**"). As of the date of this Prospectus, the Issuer's long-term and short-term debt has been respectively rated (i) "A3" and "P-2" with negative outlook by Moody's, (ii) "BBB+" and "A-2" with stable outlook by S&P and (iii) "A-" and F2 with negative outlook by Fitch. Each of S&P, Moody's and Fitch is a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of September 16, 2009 (as amended, the "**CRA Regulation**") and is included in the list of registered credit rating agencies published by ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating

organization. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Copies of the documents incorporated by reference herein can be obtained free of charge on the Issuer's website ([www.edf.com](http://www.edf.com)) and the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

Prospective investors should have regard to the risk factors described under the Section headed "Risk Factors" beginning on page 7 of this Prospectus, in connection with any investment in the Notes.

Structuring Advisor and Active Joint Bookrunner

**BNP PARIBAS**

6.5 Year Non-Call Notes Active Joint Bookrunners

**BARCLAYS**

**CITIGROUP**

**NATIXIS**

**SOCIETE GENERALE  
CORPORATE & INVESTMENT BANKING**

**UNICREDIT BANK**

6.5 Year Non-Call Notes Passive Joint Bookrunners

**COMMERZBANK**

**CREDIT SUISSE**

**DEUTSCHE BANK**

**LA BANQUE POSTALE**

10 Year Non-Call Notes Active Joint Bookrunners

**BARCLAYS**

**CITIGROUP**

**IMI – INTESA SANPAOLO**

**NATIXIS**

**SOCIETE GENERALE  
CORPORATE & INVESTMENT BANKING**

10 Year Non-Call Notes Passive Joint Bookrunners

**BBVA**

**ING**

**LA BANQUE POSTALE**

This Prospectus constitutes a prospectus for the purposes of the Prospectus Regulation and of giving information with regard to the Issuer and its fully consolidated subsidiaries taken as a whole (the “**Group**”, the “**EDF Group**,” the “**EDF group**,” “**we**,” “**us**” and “**our**”) and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group, as well as the rights attached to the Notes and the reasons for the issuance and its impact on the Issuer.

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris, which is expected to occur on or about 15 September 2020. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

This Prospectus is to be read in conjunction with the documents incorporated by reference herein (see “*Documents Incorporated by Reference*”) which have been previously or simultaneously published and which shall be deemed to be incorporated by reference in, and form part of, this Prospectus (except to the extent so specified in, or to the extent inconsistent with, this Prospectus).

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Prospectus refers to are for information purposes only and does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

No person has been authorized to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer or any of the Managers (as defined in “*Subscription and Sale*”). Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position or financial performance of the Issuer or that of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that the information contained in it or any other information supplied in connection with the issue of the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit an offering of the Notes to retail investors or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Managers (each as defined in Section “*Subscription and Sale*”) have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom, France, the Republic of Italy and the European Economic Area (see Section “*Subscription and Sale*”).

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT IN TRANSACTIONS EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS PROSPECTUS, SEE “*SUBSCRIPTION AND SALE*.”

The Managers have not separately verified the information contained or incorporated by reference in this Prospectus. The Managers do not have any fiduciary duties to investors and therefore assume no liability or obligation to investors. None of the Managers makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes. Neither this Prospectus nor any information incorporated by reference in this Prospectus (a) is intended to provide the basis of any credit or other evaluation and (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any information incorporated by reference should subscribe for or purchase the Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Notes. In making an investment decision regarding the Notes, prospective investors must rely on their own independent investigation and appraisal of the (a) the Issuer, the Group, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Managers undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Managers. Potential investors should, in particular, read carefully the Section entitled “*Risk Factors*” of this Prospectus before making a decision to invest in the Notes.

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**AN INVESTMENT IN THE NOTES MIGHT NOT BE SUITABLE FOR ALL INVESTORS** - The Notes are complex financial instruments that may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of such investor's own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to properly assess the Notes, the merits and risks of investing in such Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, an investment in the Notes and the impact the Notes might have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including any currency exchange risk when the currency in which payment of principal or interests is to be made is different from that of the prospective investor;
- (iv) understand thoroughly the terms of the Notes and related risks and be familiar with the behaviour of the financial markets and any relevant indices;
- (v) be able to assess (either alone or with the help of a financial adviser) possible changes in the economy, rates of interest or in other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

In addition, some potential investors are subject to restricting investment regulations. These prospective investors should consult their legal counsel in order to determine whether an investment in the Notes is authorised by law, whether such investment is compatible with their other borrowings and whether other selling restrictions are applicable to them.

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**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1)

of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE - PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** — Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA on February 5, 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**Singapore Securities and Futures Act Product Classification** – In connection with Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any Notes will only be offered and sold in Singapore in compliance with the SFA.

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In this Prospectus, unless otherwise specified or the context otherwise requires:

- all references to “**EDF**,” the “**Company**,” the “**Issuer**” and “**Electricité de France**” refer to EDF S.A.;
- all references to “**RTE**” refer to Réseau de Transport d’Électricité, a regulated subsidiary of EDF managed independently within the meaning of the French *Code de l’énergie* and accounted for using the equity method;
- all references to “**Enedis**” refer to Enedis S.A., a regulated subsidiary of EDF managed independently within the meaning of the French *Code de l’énergie* and fully consolidated;
- all references to “**Framatome**” refer to Framatome S.A.S., a fully consolidated subsidiary of EDF, since the acquisition by EDF of 75.5% of its capital and voting rights on December 31, 2017; and
- all references to “**€**,” “**EURO**,” “**Euro**,” “**EUR**” or “**euro**” are to the lawful currency of the European Monetary Union, all references to “**£**,” “**GBP**,” “**pounds sterling**” and “**Sterling**” are to the lawful currency of the United Kingdom, and all references to “**\$**,” “**USD**” and “**U.S. Dollars**” are to the lawful currency of the United States of America.

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## RISK FACTORS

*The Notes are being offered to qualified investors only and are not suitable for retail investors. Investors should not purchase the Notes in the primary or secondary markets unless they are professional investors. An investment in the Notes involves a high degree of risk. Before investing, the Issuer urges you to carefully review the following risk factors, and other information included or incorporated by reference herein, in their entirety and carefully consider the risks and considerations relevant to an investment in the Notes.*

*These risks are, on the date hereof, the risks that the Group believes are specific to the Group and material for an informed investment decision with respect to investing in the Notes. Investors could lose all or part of their investment. All of these factors are contingencies which may or may not occur. Moreover, if and to the extent that any of the risks described below materialize, they may occur in combination with other risks, which would compound the adverse effect of such risks on the Group's business, financial condition, results of operations and prospects. The occurrence of one or more of these risks, alone or in combination with other circumstances, may prevent the Issuer from being able to pay interest, principal or other amounts on the Notes when due and you could lose all or part of your investment. There may be other risks that the Group has not yet identified or does not consider as of the date hereof likely to have a material adverse effect on its business, financial condition, results of operations or growth. The risks described below may relate to the Issuer or the Group.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes are also described below.*

*In each sub-category below the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.*

*Words and expressions defined under Sections "Terms and Conditions of the 6.5 Year Non-Call Notes" and "Terms and Conditions of the 10 Year Non-Call Notes" shall have the same meanings in this Section. References to "Conditions" in this Section refer to the Terms and Conditions of the 6.5 Year Non-Call Notes and the Terms and Conditions of the 10 Year Non-Call Notes (together, the "**Terms and Conditions of the Notes**").*

*Prospective investors should read the detailed information set out elsewhere in this Prospectus and in any documents incorporated by reference herein and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.*

### 1. RISK FACTORS RELATING TO THE ISSUER

The risks presented below are divided into the five categories below:

- the section "Market regulation, political and legal risks" describes the risks related to changes in public policy and regulation in the countries and territories where the Group operates, as well as the legal risks to which the Group is exposed;
- the section "Financial and market risks" describes the risks arising from exposure to the energy markets in which the Group operates, as well as risks related to changes in the financial markets and the reliability of related information;
- the section "Group transformation and strategic risks" describes the risks related to the Group's ability to adapt, particularly in terms of strategy and skills, in response to the needs for transformation brought about by climate change, new competition, and technological and societal changes;
- the section "Operating performance" describes the risks related to the control of the Group's operating activities across its various industrial activities and projects, including EPR, services and sales;
- the section "Risks specific to nuclear activities" supplements the section "Operating performance" for the Group's nuclear-related activities, which entails additional risk factors and special provisions, particularly in view of the primary requirements of nuclear safety and the very long-term capital-intensive nature of nuclear

activity.

The risks are outlined in detail in each of the relevant sections for their respective category. They are numbered to make it easier to connect the table with the graph and the detailed descriptions that follow.

In addition to the risks specific to the EDF Group listed below, the impacts of the Coronavirus crisis are described in the section "Impacts of the coronavirus on risk factors".

All the risks identified have been selected because they are significant in terms of the materiality of their estimated impact on the Group. In addition, they are prioritised based on a qualitative assessment of their criticality, taking into account simultaneously the significance of the potential impact for the Group, the probability of their occurrence and the level of control, in light of the actions undertaken. This prioritisation produces a three-level scale for all risks: the criticality can be considered strong, intermediate or moderate. The categories are not ranked among themselves.

As a general rule, the scope of exposure is France, Belgium, Italy, the United Kingdom and all countries in which the Group is present. Where the scope of exposure is more restrictive, it is specified in the table and in the risk description.

Exposure to risk may vary according to duration. The potential impact of these risks may produce effects at very different time horizons, ranging from very short term (less than a year), to medium term (up to a few years) to very long term (up to several decades or more, given the nature of the relevant industrial activities which may span centuries).

## EDF GROUP'S SPECIFIC RISKS

<p><b>1.</b> Market regulation, political and legal risks</p> <ul style="list-style-type: none"> <li>• <b>1A</b> – Public policy developments in France and Europe</li> <li>• <b>1B</b> – Evolution of the regulatory framework (ARENH, TRV, environmental regulations and SNBC)</li> <li>• <b>1C</b> – Evolution of the regulatory framework for hydraulic concessions ***</li> <li>• <b>1D</b> – Evolution of the regulatory framework for electricity distribution concessions ***</li> <li>• <b>1E</b> – Ethics or Compliance Violations</li> <li>• <b>1F</b> – Legal Litigation Risk</li> <li>• <b>1G</b> – Increased cost caused by energy savings certificates *</li> <li>• <b>1H</b> – Insufficient compensation for missions of general interest *</li> </ul>	<p><b>2.</b> Financial and market risks</p> <ul style="list-style-type: none"> <li>• <b>2A</b> – Interest rate risk</li> <li>• <b>2B</b> – Financial markets risk</li> <li>• <b>2C</b> – Energy market risk</li> <li>• <b>2D</b> – Exchange rate risk</li> <li>• <b>2E</b> – Counterparty risk</li> <li>• <b>2F</b> – Access to liquidity risk</li> </ul>	<p><b>4.</b> Operational performance</p> <ul style="list-style-type: none"> <li>• <b>4A</b> – Management of large and complex industrial projects (including EPR projects)</li> <li>• <b>4B</b> – Hydraulic safety risks</li> <li>• <b>4C</b> – Occupational health or safety violations (employees and service providers)</li> <li>• <b>4D</b> – Attacks against assets, including cyberattacks</li> <li>• <b>4E</b> – Operational continuity of supply chains and contractual relationships</li> <li>• <b>4F</b> – Blackout risk</li> <li>• <b>4G</b> – Industrial safety and impact on environmental assets, including biodiversity</li> </ul>
<p>Criticality</p> <ul style="list-style-type: none"> <li>• <b>Strong</b></li> <li>• <b>Intermediary</b></li> <li>• <b>Moderate</b></li> </ul>	<p><b>3.</b> Group transformation and strategic risks</p> <ul style="list-style-type: none"> <li>• <b>3A</b> – Transformation capacity in the face of disruptions</li> <li>• <b>3B</b> – Adaptation to climate change: physical and transition risks</li> <li>• <b>3C</b> – Adaptation of employees' skills</li> <li>• <b>3D</b> – Ability to ensure long-term social commitments</li> </ul>	<p><b>5.</b> Specific risks related to nuclear activities</p> <ul style="list-style-type: none"> <li>• <b>5A</b> – Failure to comply with the operating objectives and/or in terms of extending the operating life of nuclear power plants (France and United Kingdom) **</li> <li>• <b>5B</b> – Control of radioactive waste treatment and decommissioning of nuclear facilities, and ability to meet related commitments **</li> <li>• <b>5C</b> – Nuclear safety risks during operation resulting from nuclear civil liability **</li> <li>• <b>5D</b> – Control of the fuel cycle **</li> </ul>

Main exhibition perimeter, France, Europe and International, with specific mentions.

\* France

\*\* France and United Kingdom

\*\*\* France and Italy



## MARKET REGULATION, POLITICAL AND LEGAL RISKS

### 1A: Public policy developments in France and Europe.

**Changes in public energy policies and the political framework of market regulation in the countries where the Group operates, such as the energy-climate act or the Multi-year Energy Programme (PPE) in France, or the “green deal” in Europe, are likely to lead to profound changes in the Group’s governance or business portfolio. These could hinder the Group’s development in relation to its competitors or undermine its ability to meet its commitment to climate protection.**

**Criticality in view of the control actions undertaken: Strong.**

**On 25 January 2019, the French Government presented a draft Multi-year Energy Programme (PPE)** which sets out the trajectory for the next 10 years in terms of energy policy, and therefore ecological transition (see section 1.5.1.2 "Public service in France" of the 2019 URD).

In particular, in this context:

- the French Government has confirmed the objective of diversifying the electricity mix and reducing nuclear power to 50% of electricity production in France by 2035: to reduce nuclear power to 50% of the energy mix, 14 reactors could be shut down by 2035 (including the two at Fessenheim). This would represent a quarter of the reactors currently operating in France. The final version of the Multi-year Energy Programme (PPE) will indicate the criteria for identifying the sites of the reactors to be closed, which will serve as a basis for EDF’s proposal. It will ultimately be up to the government to identify which sites have priority;
- it could therefore be decided to shut down one or more reactors in the EDF fleet prematurely, not as a result of an industrial choice but as a result of the application of the Multi-year Energy Programme (PPE). Such decisions should lead to EDF being compensated for the harm suffered, as reiterated by the French Constitutional Council in a decision of 13 August 2015;
- in this respect, with regard to the Fessenheim nuclear power plant, on 30 September 2019, EDF sent the Minister responsible for ecological and solidarity transition and the Nuclear Safety Authority a request for the repeal of the operation and the declaration of permanent shutdown of the two reactors of the Fessenheim nuclear power plant, providing for the shutdown of reactor no. 1 on 22 February 2020 and reactor no. 2 on 30 June of the same year. The submission of this request and declaration follows the signing, on 27 September 2019, by the French State and EDF, of the protocol governing the State’s indemnification of EDF for the early closure of the Fessenheim power plant.

**The energy-climate act was enacted on 8 November 2019.** The act specifies the key points of the energy and ecological transition policy in France and updates the objectives set by the energy transition act for green growth (see section 1.5.1.2 "Public service in France" of the 2019 URD).

In particular:

- in terms of energy mix, the law ratifies the postponement to 2035 of the deadline for reducing the share of nuclear power in electricity production to 50%, thus providing a legal framework for the Multi-year Energy Programme (PPE) project mentioned above. The act also calls for a 40% reduction in fossil energy consumption compared to 2012 by 2030 (compared to 30% previously), as well as carbon neutrality in 2050, by dividing emissions by a factor of more than 6;
- it sets up a scheme to limit from 1 January 2022 the level of CO<sub>2</sub> emissions from installations generating electricity from fossil fuels, with the aim of closing down coal-fired power stations by 2022;
- it introduces a revision of the Arenh system allowing the French government to increase by decree the maximum overall volume of electricity that EDF can assign to alternative suppliers from 100 to 150TWh ("ARENH ceiling") as of 1 January 2020. The Act also authorises the French government to revise the

price of Arenh, without establishing a direct link between price increases and increases in the ceiling. However, the French government had not implemented these possibilities by the end of 2019;

- it also specifies the procedure concerning the Strategic Business Plan (PSE), which will have to cover both periods of the Multi-year Energy Programme (PPE), be made public (with the exception of information relating to business secrecy), and present the accompanying measures put in place for employees as a result of the closure of nuclear or thermal power stations. In the event that the Strategic Business Plan (PSE) is incompatible with the Multi-year Energy Programme (PPE), the act provides for a formal notice followed, if necessary, by sanctions.

**The European legal framework**, which notably organises the liberalisation of the energy sector and climate and energy policies, underwent significant changes in 2019 with the finalisation of the Clean Energy Package and is likely to evolve in the future, in particular through the "Green deal", a flagship mechanism of the new European Commission likely to include key provisions for the energy sector in general and the EDF Group in particular.

**The Green Deal**, according to the presentation made by the President of the European Commission to the European Parliament in December 2019, sets out the climate neutrality target for the EU by 2050, and includes measures such as:

- the revision of the EU Emissions Trading Scheme (EU-ETS) within the EU and a carbon floor price to bring about a meaningful and predictable price for CO<sub>2</sub>;
- the introduction of a "carbon tax" (carbon inclusion mechanism) along the borders of the EU;
- the revision of the Energy Taxation Directive, which should lead to preferential tax treatment for low-carbon solutions such as CO<sub>2</sub>-free electricity or hydrogen.

**Developments relating to the European taxonomy for Sustainable Finance should also be taken into account.**

A key element in guiding investments is their consistency with the objective of long-term carbon neutrality. There is a risk that nuclear power could be excluded from the taxonomy, which would be detrimental to the fight against climate change.

**These developments could be unfavourable to the Group and could adversely affect its ability to meet its commitment to climate protection.** In particular, they could result in additional costs, not be in line with the Group's development objectives, change the competitive environment in which the Group operates, change the level of regulated tariffs or affect the profitability of current or future production units or any of the Group's other activities. In general, the legislative and regulatory framework put in place in France, in Europe or in the countries where EDF is present is likely to have a significant impact on the Group's results or its business model.

**Moreover, in terms of the governance or delimitation of its scope of activity** that may be enforced, EDF could be affected by a limitation or loss of control of certain strategic and operational decisions that could have a negative impact on the outlook and profitability of its various activities (see section 1.5 "Legislative and regulatory environment" of the 2019 URD). At the same time, EDF may continue, in its capacity as shareholder, to bear certain risks, potential liabilities towards third parties and factors that may affect the profitability of assets. Finally, the competent authorities or certain States could, in order to preserve or promote competition on certain energy markets, take decisions that are contrary to the Group's economic or financial interests or that impact its integrated operator model.

**Finally, in the renewable energies field**, EDF relies primarily on its EDF Renewables subsidiary (see section 1.4.1.5.4 "EDF Renewables" of the 2019 URD), which does business in numerous countries. The profitability of these developments often depends on the support and tendering policies implemented in the different countries. The Group cannot guarantee that these policies will not change in some of these countries in ways that will be detrimental to the profitability of investments.

## **1B: Evolution of the regulatory framework (ARENH, TRV, environmental regulations and SNBC).**

**A significant portion of the Group's revenues comes from regulated activities. Thus, any change in regulated sales tariffs, the ARENH or the Tariffs for Using the Public Transmission and Distribution Networks (TURPE), or any change in the regulation of greenhouse gas emissions, and its consequences in terms of the price of CO<sub>2</sub> emission quotas, would be likely to affect the Group's profitability and its ability to meet the challenges of energy transition by developing low-carbon energy solutions for the protection of the climate.**

### **Criticality in view of the control actions undertaken: Strong.**

In France, a significant portion of the EDF Group's revenues is based on regulated tariffs set by public authorities or regulatory authorities (Regulated Sales Tariffs – TRVE, Tariffs for Using the Public Transmission and Distribution Networks – TURPE). The law on the New Organisation of the Electricity Market (NOME law or *nouvelle organisation du marché de l'électricité*) has also introduced the Regulated Access to Electricity from the Existing Nuclear Fleet (ARENH), for the benefit of EDF's competing electricity suppliers (See section 1.5 "Legislative and regulatory environment" of the 2019 URD).

Within the framework of the Energy and Climate Act, several provisions have been taken concerning regulated sales tariffs or the ARENH:

- the provisions concerning the ARENH: they are described in §1A above ("Developments in public policies in France and Europe");
- the reduced scope of sites eligible for the Regulated Sales Tariffs (TRVE): as of 1 January 2021, only domestic end consumers, including sole proprietors and co-owners' associations of a single residential building; and non-domestic end consumers employing fewer than ten people and having annual sales, revenue or balance sheet total not exceeding €2 million may benefit from the TRVE for their sites with a subscribed power less than or equal to 36kVA.

In addition, the Multi-Year Energy Programme (PPE) stipulates that "the government will propose the terms of a new regulation for existing nuclear power that will make it possible to guarantee consumer protection against market price increases beyond 2025 by giving them the competitive advantage linked to the investment made in the historic nuclear fleet, while giving EDF the financial capacity to ensure the economic sustainability of the generation facilities to meet the needs of the Multi-Year Energy Programme in low price scenarios".

In order to achieve this objective, the French government plans to introduce economic regulation requiring EDF to provide a general economic interest service (SGEI) covering consumer and climate protection for the benefit of all French consumers in a transparent and non-discriminatory manner. With this in mind, in January 2020, the government launched a call for contributions from market players and stakeholders on the fundamental findings that led to this economic regulation project, as well as on its proposed construction and operating principles.

Any modification of the ARENH system (volume ceiling, prices) or its replacement by a new system is the responsibility of the French government or the legislator and requires prior in-depth discussions with the European Commission, which means that there is a great deal of uncertainty about what changes will ultimately be implemented and the associated deadlines.

In this context, the risks are as follows:

- with regard to the existing ARENH system:
  - Risk of an increase in the ARENH volume without sufficient changes in price;
  - In addition, the optional nature of the mechanism gives suppliers opportunities for arbitrage between the ARENH mechanism and the markets to the detriment of EDF, and exposes EDF to major uncertainties that have a negative impact on the effectiveness of its energy market risk management (see section C "Energy market risks") with no corresponding consideration since the option is free of charge.
- with regard to the mechanism envisaged to replace the ARENH: risk that the price level will be insufficient to ensure a fair return on EDF's nuclear generation assets in France;

- risk of disputes by stakeholders concerning Regulated Sales Tariffs (TRVE).

More generally, in France as in other countries, the Group cannot guarantee that the ARENH, regulated sales tariffs, Tariffs for Using the Public Transmission and Distribution Networks (TURPE) or local tariff regulations will be set at levels that enable it to preserve its short-, medium- and long-term investment capacity and its proprietary interest, by ensuring a fair return on the capital invested by the Group in its generation, service, transmission and distribution assets.

There is also a risk, which could be brought about by inadequate regulation, that CO<sub>2</sub> prices may be too low and not allow sufficient development of low-carbon energy solutions, at the expense of an effective transition in favour of the fight against climate change. This may represent a loss of opportunity to promote the Group's low-carbon energy solutions and call into question the Group's ability to achieve corporate responsibility objective no. 1, committed to climate action (see section 3.2.1.1.1 "EDF group's ambition" of the 2019 URD).

#### **1C: Evolution of the regulatory framework for hydraulic concessions.**

**The Group sometimes carries out its hydropower generation activities under public service concessions and does not always own the assets it operates. Changes in the regulatory framework, particularly with respect to the renewal of concessions, changes in the specifications of concessions and the conditions of implementation could have an impact on the Group's results.**

##### **Criticality in view of the control actions undertaken: Strong.**

In France, hydropower facilities are operated under concessions granted by the French State for facilities with a capacity of 4.5MW or more and under authorisations by the Prefecture for facilities of less than 4.5MW (see Section 1.5.3.3 "Regulations applicable to hydropower and other renewable energy facilities" of the 2019 URD). The challenges associated with the renewal of hydraulic concessions in France are specified in section 1.4.1.5.1.4 "Hydropower generation issues" of the 2019 URD.

The EDF Group cannot guarantee that each of the concessions that it currently operates will be renewed, or that any concession will be renewed under the same financial terms and conditions as the initial concession. Furthermore, the Group cannot guarantee that the compensation paid by the government in the event of early termination of a concession's operation will fully compensate the Group's consequent loss of revenue, or that future regulations regarding the limitation of fees will not change in a way that could negatively affect the Group. These factors could have an adverse impact on its activities and financial position.

The Group also operates under hydroelectric power generation concessions in other countries where it operates, notably in Italy. Depending on the conditions in each country, these concessions may not be continued or may not be renewed in its favour with changes to the financial terms and conditions of the concession specifications, which would have an adverse impact on the Group's activities and financial position.

#### **1D: Evolution of the regulatory framework for electricity distribution concessions.**

**The Group conducts its distribution activities under public service concessions and does not own most of the assets it operates. Changes in the regulatory framework, in concession specifications and implementation conditions could have an impact on the Group's results.**

##### **Criticality in view of the control actions undertaken: Intermediate.**

In France, Enedis does not own all the assets that make up the distribution network, which by law (with the exception of the source stations) is owned by the local authorities. This is why Enedis must also enter into public electricity distribution concession contracts with these local authorities (see section 1.4.4.2.2 "Distribution activities" of the 2019 URD), which grant it, within the limits of contractual stipulations, the exclusive right to carry out the tasks of developing and operating the public electricity distribution system. These public electricity distribution concession agreements, generally concluded for a period of between 25 and 30 years, are tripartite contracts between the licensing authority, the distribution system operator and the supplier at the regulated rates. Under the law, only Enedis and Local Distribution Companies (LDC) in their service areas (and EDF for areas not connected to the continental metropolitan network) may be appointed to operate the public energy distribution networks and only EDF and LDCs in their service areas may be appointed to provide the supply at the regulated rates. Therefore, at this time, when a concession agreement is renewed, Enedis and EDF do not compete with other operators. This is the legal basis for the current process of renewing concession contracts with all of the authorities

in charge of organising electricity distribution, based on a new contract template drawn up in December 2017 by the FNCCR (*Fédération nationale des collectivités concédantes et régies* – National Federation of Licensing Authorities), France Urbaine, EDF and Enedis. However, the Group cannot guarantee that such provisions will not be modified in the future by legislation (see section 1.5.1.3 "Concession contracts for the distribution and supply of electricity in France" of the 2019 URD). Furthermore, the Group may not obtain the renewal of these contracts under the same financial terms and conditions.

#### **1E: Ethics or Compliance Violations.**

**The EDF Group has implemented a robust Ethics and Compliance program to address the risks of prohibited and unethical practices in the conduct of business by employees or third parties.**

**Criticality in view of the control actions undertaken: Moderate.**

The globalisation of the Group's activities and the strengthening of regulatory frameworks repressing unethical practices especially in the conduct of business could expose the Group, its employees, or third parties acting on the Group's behalf to criminal and civil sanctions that could adversely affect EDF's reputation.

In France, Act no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life requires companies to take measures to prevent and identify acts of corruption or trading in influence, under the control of a French Anti-Corruption Agency established under the Act and under penalty of administrative or criminal penalties. This law includes a system to protect whistleblowers from possible criminal or disciplinary proceedings and provides, for companies, an internal warning system (see section 1.5.3 "Regulations applicable to EDF group facilities and activities" of the 2019 URD). These regulations could increase compliance costs. Moreover, any failure to comply in any way with these regulations could lead to prosecutions being brought against EDF, which could have a negative impact on the Group's result and reputation.

The Group has thus implemented all the necessary measures to ensure that its practices comply with the regulations in force. Reporting to the General Secretariat, the Group Ethics and Compliance Department (DECG) is responsible for disseminating knowledge of, and compliance with, the Group's ethical values, as well as the main regulations to which the Group is subject by virtue of its activity and geographical locations, in order to prevent the risk of sanctions. It federates and controls the Group compliance activities and aims to defend and promote the Group's culture of integrity, for the benefit of its image and reputation. It reports to the Executive Committee and the Governance and Corporate Responsibility Committee of the Board of Directors.

#### **1F: Legal Litigation Risk.**

**Proceedings or litigation could have a significant financial or reputational impact on the Group.**

**Criticality in view of the control actions undertaken: Moderate.**

In the course of its day to day activities, the EDF Group is involved in litigation, whose development or outcome could have a material adverse effect on EDF's results or financial position.

In particular, due to its position in certain markets, the EDF Group is subject, in France, to proceedings initiated by its competitors or by administrative authorities. The claims made against EDF may be significant and could lead to the payment of compensation or fine or even the issuance of injunctions that could have an impact on some of its activities. For example, in proceedings before the competition authorities in France or the European Commission, fines can amount to up to 10% of the consolidated revenues of the company concerned (or of the group to which it belongs, as the case may be). The EDF Group may also be involved in litigation proceedings relating to commercial disputes with significant stakes, the outcome of which is by nature unpredictable.

The EDF Group believes that it complies in general and in all countries where it carries on its activities with all specific regulations in force, and in particular those relating to the conditions for carrying on its nuclear activities, but it cannot prejudge on this point the assessment of the supervisory, administrative or judicial authorities to which the matter is referred. These risks are the subject of particular vigilance and the implementation of prevention policies (contractual policies, compliance policies, etc.). A procedure is in place for reporting to the Group's Legal Department on significant actual or potential disputes or other litigation and investigations.

The main procedures in which EDF is involved are described in note 50 of the appendix to the consolidated financial statements and in section 7.1.5 "Litigation" of the 2019 URD.

## **1G: Increased cost caused by energy savings certificates.**

**Changes to regulations concerning energy savings certificates (ESC) could impose additional obligations on EDF and generate costs in relation thereto.**

**Criticality in view of the control actions undertaken: Moderate.**

In France, the energy savings certificates (ESC) measure, which is set out in Articles L. 221-1 et seq. of the French Energy Code, imposes energy savings obligations on energy sellers. It sets a multi-year savings target and financial penalties for non-compliance. The Energy Transition for Green Growth Act of 17 August 2015 amended the ESC scheme as from the third period (2015-2017) of the scheme by adding to the original obligation a supplementary scheme for energy savings for households in situations of fuel poverty. Decree no. 2017-690 of 2 May 2017 set the overall level of obligations for the fourth period (2018-2020), with a doubling of objectives compared to the third period. On 9 October 2019, the French government announced the implementation of the extension of the fourth period until 2021, at the same annual bond rate, as confirmed by Decree no. 2019-1320 of 9 December 2019 (see section 1.5.3 "Regulations applicable to EDF group facilities and activities" of the 2019 URD).

The doubling of the bond, in a market where the activation of new energy-saving deposits generating Energy Saving Certificates takes time and is subject to increased competition between obligors, has led to considerable pressure, resulting in particular in a significant increase in the price paid for trading Energy Saving Certificates over-the-counter. The latter has levelled off relatively well since the beginning of 2019 under the combined effect of the Government's "stimulus package" and the one-year extension of the fourth period. However, as these operations have yet to be completed, there is still a risk that the objective will not be achieved by the end of the period, which may therefore lead to deterioration in the Group's financial position. Such deficit situations would also be likely to call into question the climate protection commitment set out in corporate responsibility objective no. 1 (and the ambition to ensure that each customer consumes more responsibly set out in corporate responsibility), objective no. 4 (ORE 1 and ORE 4 see section 3.2.1.1 "EDF, a company committed to climate issues (CSR Goal (CSRG) no. 1)" and section 3.2.2 "EDF, a company standing shoulder to shoulder its customers (CSR goal (CSRG) no. 4)" of the 2019 URD).

## **1H: Insufficient compensation for missions of general interest.**

**EDF is responsible for certain general interest missions, in particular public service missions, the costs of which are covered by mechanisms that might not fully compensate for the additional costs incurred in connection with these obligations, or which might be called into question.**

**Criticality in view of the control actions undertaken: Moderate.**

The public service contract entered into by the French government and EDF on 24 October 2005 specifies the objectives and terms for performing the public service obligations that EDF is appointed to perform under law (in particular Articles L. 121-1 *et seq.* of the French Energy Code), and also sets out the mechanisms under which EDF is compensated for the performance of these obligations (see section 1.5.1.2 "Public service in France" and section 1.5.2.1.2 "French legislation: Energy Code – Contribution to the Public Electricity Service (CSPE)" of the 2019 URD). The forecast amount of energy public service charges to be offset in France in 2020 for EDF amounts to €7,793.6 million, according to the decision of the French Energy Regulatory Commission (*Commission de régulation de l'énergie*) of 11 July 2019 concerning the assessment of energy public service charges for 2020 (€6,875.4 million in charges excluding financial expenses and before schedule; -€19.1 million in financial expenses and €937.4 million adjustment under the recovery schedule). The amounts of public service charges are set out in the Finance Act of 28 December 2019 for 2020.

The development of renewable energies connected directly to the distribution network may, in certain regions, saturate the reception capacities of the source substations and networks. This situation may possibly generate local imbalances, or disputes if Enedis must disconnect certain producers or connect them with significant delays. New investments may be required in these regions, with the risk that the costs associated therewith may not be taken into account.

More generally, EDF cannot ensure that the compensation mechanisms provided for by the legal and regulatory provisions applicable to it in connection with the performance of these public service missions will fully compensate for the associated additional costs incurred. Furthermore, EDF cannot guarantee that these compensation mechanisms will never be subject to change or that existing mechanisms will fully cover potential additional costs that may be incurred in relation with new duties imposed on EDF in connection with its public

service obligations, in particular when a new public service contract is negotiated.

The occurrence of any of these events may have an adverse impact on EDF's activities and financial position. Such situations could also call into question the Group's ability to meet its ambition to help fragile populations set out in corporate responsibility objective no. 3 (see section 3.3.1.1.3 "Energy poverty (CSRG no. 3)" of the 2019 URD).

## **FINANCIAL AND MARKET RISKS**

The EDF Group, through its varied activities, is exposed to numerous financial and market risks. This section describes these various risks by addressing interest rate risk, financial market risk, energy market risk, foreign exchange risk, counterparty risk and liquidity risk. All of these risks could affect the Group's ability to finance its investments.

### **2A – Interest rate risk.**

**The Group is exposed to risks related to changes in interest rates in the various countries in which it operates. These rates depend partly on the decisions of the central banks.**

**Criticality in view of the control actions undertaken: Strong.**

#### **I. Risk of falling interest rates**

Lower interest rate fluctuations could affect the Group's economic indebtedness, due to changes in the value of the Group's fixed-rate financial assets and liabilities, as well as its discounted liabilities. The discount rates for pension and other specific employee benefit commitments (see note 34 of the appendix to the consolidated financial statements for the year ended 31 December 2019) and the Group's long-term nuclear commitments (see note 32 of the appendix to the consolidated financial statements for the year ended 31 December 2019) are directly or indirectly linked to interest rates over different time horizons.

For the specific case of nuclear provisions in France, given the decline in rates over the past few years, the discount rate could be reduced over the next few years by applying the method used by the Group, in accordance with regulation on the ceiling discount rate. The magnitude of this decline will depend on future interest rate and regulatory developments. An increase in nuclear provisions due to a decrease of the discount rate may require allocations to the dedicated assets and may result in an adverse effect on the Group's results, cash flow generation and net debt.

With regards to the regulations on the ceiling discount rate, the order dated 29 December 2017 establishes the statutory discount rate ceiling.

As the case may be, this increase in provisions, including those covered by dedicated assets, does not mean however a mechanical impact on the amount to be allocated to dedicated assets as of the considered dates, as the former depends on:

- the return on dedicated assets and the resulting hedge rate;
- the period within which the allocation is made, as applicable rules provide for the option to set a maximum time period to proceed with the allocation, subject to approval by the Supervisory Authority.

In a letter dated 12 February 2020, the French Minister for Energy and the French Minister for the Economy informed EDF that they had decided to amend certain regulatory provisions regarding the securing of the financing of nuclear expenses.

- the regulatory ceiling of the discount rate will be expressed in real value and formulated as the ultimate forward rate applicable on the date in question (Ultimate Forward Rate) and published by the European Insurance and Occupational Pensions Authority, increased by one hundred and fifty basis points.
- This change will take place gradually and linearly over 5 years from 1 January 2020, starting from a real rate value of 2.3%;
- the obligation to endow assets between 100 and 110% coverage rate to offset the impact of changes in assumptions on provisions will be eliminated, and the threshold above which withdrawals can be made

will be raised from 110% to 120%. The current obligation under the financial statements at 31 December 2018 (€797 million) will nevertheless continue to apply. No allocation was made for the year 2019;

- the time-limit for the administrative authority to take the necessary measures in the event of insufficient coverage will be extended from 3 to 5 years as from the accounting date on which the insufficient coverage is booked.

As a reminder, changes in estimates of nuclear provisions resulting from a change in the discount rate are booked (see note 1.3 and note 32.1 to the consolidated financial statements for the year ended 31 December 2019):

- as an increase or decrease of the corresponding assets, within the limit of their net book value, when the counterparty to the provision has been initially recorded as an asset;
- as financial income for the period in other cases.

Therefore, any change of the discount rate therefore has a punctual impact on the financial results of the year during which the discount rate change occurred, without equivalence for the following years.

The fall in interest rates since 2014 has had a negative impact on the Group's financial position due to the obligation to allocate to dedicated hedging assets in order to offset, under certain conditions, the effects of the fall in the discount rate on nuclear provisions. Without the decrease in interest rates and the associated discount rate, allocations to hedging assets between 2014 and the end of 2019 would have been reduced by €2,021 million, all other things being equal.

Overall, a 1% decrease in interest rates would have the following impacts:

(i) An impact on pre-tax income of approximately -€580 million for nuclear liabilities, as a result of the impact of this rate cut on the corresponding nuclear discount rate;

(ii) An impact on pre-tax income of approximately -€180 million for provisions for employee benefits in France, as a result of the impact of this rate cut on the corresponding discount rate.

In total, the sensitivity of pre-tax income is approximately -€760 million for a 1% drop in interest rates.

## **II. Risk of higher interest rates**

Upward variations in interest rates could affect the Group's ability to obtain financing on optimal terms, or even its ability to refinance itself if the markets were very strained, this being the risk related to changes in flows linked to variable-rate financial assets and liabilities. Financial securities and derivatives held by the Group, as well as debts issued, may pay or receive coupons directly indexed to variable interest rates.

Thus, a 1% increase in interest rates would have an effect of approximately -€180 million, due to the increase in coupons linked to the debt issued by the Group.

These unfavorable impacts related to a rise in interest rates are in principle more than offset by the favorable impacts related to a rise in interest rates in connection with long-term commitments (see previous point), so that the net sensitivity of pre-tax income is approximately +€580 million for a 1% rise in interest rates.

### **2B – Financial markets risk.**

**As a result of its activities, the EDF Group is exposed to risks related to the financial markets, in particular equity risk.**

**Criticality in view of the control actions undertaken: Intermediate.**

The Group is exposed to equity risk on securities held primarily as dedicated assets constituted to cover the cost of long-term commitments in relation with the nuclear business, in connection with outsourced pension funds and, to a lesser extent, in connection with its cash assets and investments held directly by the Group (see section 5.1.6.1.5 "Management of equity risks" and 5.1.6.1.6 "Management of financial risk on EDF's dedicated asset portfolio" of the 2019 URD).



## **2C – Energy market risk.**

**In order to sell its output, the Group is exposed, directly or indirectly, to the prices of the European wholesale energy markets and capacity markets, the levels of which impact its financial position.**

**Criticality in view of the control actions undertaken: Intermediate.**

In conducting its production and marketing activities, the Group does business in energy markets, primarily in Europe. As such, the Group is exposed to changes in wholesale market prices: electricity – energy prices and prices of capacity guarantees for the countries concerned -, gas, coal, petroleum products, CO<sub>2</sub> emission quotas. A connexion exists between these markets: a fall in the prices of gas, coal, oil products or CO<sub>2</sub> leads to a fall in electricity prices. In view of the dominant position of nuclear generation in the EDF fleet, which requires neither gas nor coal and does not emit CO<sub>2</sub>, the fall in the price of these commodities therefore has a very limited positive impact for the Group compared to the negative impact of the resulting drop in electricity prices.

Various factors, over which the Group has no control, influence these price levels: commodity prices on world markets, the balance between supply and demand, but also pricing and tax policies or subsidies allocated to certain means of production. As a result, these markets can experience significant and unpredictable price increases and decreases, as well as liquidity crises.

This exposure thus impacts the Group's revenue and all of its financial indicators. In particular, persistently low electricity prices may affect the profitability of the Group's generating units and, more broadly, the value of its assets, as well as the conditions for their maintenance, their life expectancy and any renewal projects.

In France, the degree of exposure to market prices for electricity depends on the level of sales under the ARENH system currently applicable until the end of 2025, which in turn depends on the level of market prices and potential regulatory changes:

- this means that exposure is at its maximum when no optional ARENH volume is subscribed and is then estimated at around 75% of EDF's generation under the terms of the ARENH mechanism in force at the beginning of 2020: As a result, EDF is highly exposed to falls in wholesale electricity market prices when their total level (energy + capacity) is below the ARENH price (currently €42/MWh) for the year of delivery in question;
- conversely, the positive impact of wholesale electricity market price increases is limited when their total level (energy + capacity) is above the ARENH price (currently 42 €/MWh) and the ARENH subscription is maximum;
- in addition, the energy-climate act, passed in 2019, provides that the French government may, by decree, raise the "ARENH ceiling", currently set at 100TWh, to 150TWh (see risk 1A – Public policy developments in France and Europe). If this development were implemented, with or without an increase in the price of the ARENH, it would further reduce EDF's ability to benefit from wholesale market prices for electricity when their total level (energy + capacity) is above the ARENH price.

The risks related to possible changes in the ARENH system are described in Risk 1B (Changes in the regulatory framework). The Group manages its exposure to energy markets through a specific energy market risk policy, which is essentially aimed at gradually reducing uncertainties regarding the level of its financial results in the coming years. This policy serves to mitigate the impact of price changes but cannot be used to negate them: the Group remains subject to the structural trends of upward or downward movements in these markets (see note 43 "Market and counterparty risk management" of the appendix to the consolidated financial statements for the year ended 31 December 2019).

In addition, a Group REMIT Directive defines the expectations for ensuring that Group entities comply with the European regulation on the transparency and integrity of wholesale energy markets (see section 1.5.2.3 "Regulation on wholesale energy markets" of the 2019 URD).

## **2D – Exchange rate risk.**

**Due to the diversity of its activities and their geographical distribution, the Group is exposed to the risks of fluctuations in foreign exchange rates, which may impact currency translation adjustments, balance sheet items and the Group's financial expenses, equity and financial position.**

**Criticality in view of the control actions undertaken: Moderate.**

As the Group is involved in long-term contracts, an unfavourable currency fluctuation could have consequences on project profitability. In the absence of hedging, currency fluctuations between the euro and the currencies of the various international markets in which the Group operates can therefore significantly affect the Group's results and make it difficult to compare performance levels from year to year. If the euro appreciates (or depreciates) against another currency, the euro value of the assets, liabilities, income and expenses initially recognised in that other currency will decline (or increase). Moreover, insofar as the Group is likely to incur expenses in a currency other than that in which the corresponding sales are made, fluctuations in exchange rates could result in an increase in expenses, expressed as a percentage of turnover, which could affect the Group's profitability and income (see section 5.1.6.1.3 "Management of foreign exchange risk" of the 2019 URD).

An adverse fluctuation of 10% in exchange rates related to currencies in which the EDF Group's debts are denominated (USD, GBP, other currencies) would have an impact amounting to around 2% on the EDF Group's indebtedness after hedging instruments.

## **2E- Counterparty risk.**

**Like all economic operators, the Group is exposed to possible default by certain counterparties (partners, subcontractors, service providers, suppliers or customers).**

**Criticality in view of the control actions undertaken: Moderate.**

A default by these counterparties may impact the Group financially (loss of receivables, additional costs, in particular if EDF is required to find satisfactory alternatives or take over the relevant activities or pay contractual penalties). The risk may be hedged by the use of margin calls.

## **2F – Access to liquidity risk.**

**The Group must at all times have sufficient financial resources to finance its day-to-day business activities, the investments necessary for its expansion and the appropriations to the dedicated portfolio of assets covering long-term nuclear commitments, as well as to deal with any exceptional events that may arise.**

**Criticality in view of the control actions undertaken: Moderate.**

The Group's ability to raise new debt, refinance its existing indebtedness or, more generally, raise funds in financial markets, and the conditions that can be negotiated to this effect, depend on numerous factors including the rating of the Group's entities by rating agencies. The Group's debt is periodically rated by independent rating agencies (see section 5.1.6.1 "Management and control of financial risks" of the 2019 URD). Any downgrading of EDF's debt rating could increase the cost of refinancing existing loans and have a negative impact on the Group's ability to obtain financing. To meet liquidity needs, the Group has a significant cash reserve. Hybrid emissions may be considered, and could lead to a change in the Group's financial statements, particularly in the event of changes in accounting standards.

## GROUP TRANSFORMATION AND STRATEGIC RISKS

### 3A – Transformation capacity in the face of disruptions.

**The Group's development strategy, changes in the scope of activities and synergies within the integrated Group, risk not being implemented in accordance with the objectives defined by the Group, even though it faces increased competition on European energy markets, particularly on the French electricity market, which is its main market.**

**Criticality in view of the control actions undertaken: Strong.**

In France, since 1 July 1 2007, the electricity market has been totally open to competition. All EDF customers can select their electricity supplier (see section 1.4.2.1 "Presentation of the market in France" of the 2019 URD). In a context of escalating competitive intensity (new customer expectations, new regulations, emergence of new players, mergers between existing operators, changes in market prices, etc.), these changes, at constant consumption and price levels, have had and may have in the future a negative impact on the Group's sales in France. EDF must therefore adjust its marketing expenses; insufficient adjustment could have a negative impact on its profitability.

Elsewhere in Europe, the Group faces different situations, depending on the local competitive conditions (totally or partially open markets, position of competitors, regulations, etc.). The type of competition faced by the Group, the evolution over time of such competition and its effect on the Group's activities and results vary from one country to another. These factors depend in particular on the market depth and its regulations in the country in question and on other factors over which the Group has no control.

In this context, particularly following the development of low-carbon electricity uses and energy services and energy efficiency, the Group may not be able to defend its market share or gain market shares as expected, or it may see its margins decrease, which would have an adverse effect on its activities, its strategy and its financial position.

In addition, the Group, in line with corporate responsibility objective no. 1 aimed at protecting the climate, (see section 3.2.1.1 "EDF, a company committed to climate issues (CSRG no. 1)" of the 2019 URD), and objective no. 4, (see section 3.2.2 "EDF, a company standing shoulder to shoulder its customers (CSRG no. 4)" of the 2019 URD) intends to continue its development as a high-performance and responsible electricity company, championing low-carbon growth in France, in its core countries in Europe (United Kingdom, Italy, Belgium) and in the other countries where the Group operates in accordance with the CAP2030 strategy. This strategy combines the search for growth drivers with the promotion of existing assets.

Weak synergy in the deployment of the Group's integrated model, particularly upstream/downstream or in the enhancement of the complementarity of the divisions and the diversity of the solutions deployed by the Group, (see section 1.4 "Description of the Group's activities" of the 2019 URD), could lead to an increase in risks related to physical and market contingencies, and to a loss of gross margin, to the detriment of customers, subsidiaries and the Group's performance. In addition, insufficient emphasis on geographic diversification, or on the diversification and complementarity of the low-carbon industrial solutions offered by the Group, or a reduction in the cross-functional synergies deployed within the integrated Group could lead to a reduction in the Group's ability to deal with the seasonal nature of the electricity generation and sales business, the diversity of local expectations and the proximity of its customers and stakeholders, and the efficiency and therefore the competitiveness of the low-carbon industrial solutions implemented.

The Group is implementing development, adaptation and reorganisation programmes and performance plans in order to give itself the means to carry out its strategy. These programmes may be complemented by a strategic analysis of assets which may itself lead to a requirement for additional financial agility, giving rise to disposals or acquisitions.

Focused primarily on its customers and stakeholders, the Group intends to develop and consolidate its offer of integrated service solutions, in particular energy efficiency services, its offer of low-carbon and decentralised power generation solutions, and its offer of diffuse storage solutions, in a sustainable development approach and in close proximity to customers and local communities. This transformation may not be sufficient or rapid enough in the face of technological and societal changes and strong competition.

The Solar Plan, the Electric Storage Plan and the Electric Mobility Plan are three major levers for developing and

expanding the range of low-carbon energy solutions offered by the Group in addition to the industrial solutions already widely available within the Group, particularly wind, hydro and nuclear power.

Even in the event of protective contractual arrangements, the Group cannot guarantee that these various projects relating to its offer or to the various low-carbon industrial solutions deployed to meet them can be implemented according to the forecast schedules and under satisfactory economic, financial, regulatory, partnership or legal conditions or that they will ensure a long-term response to the needs expressed by our customers and stakeholders and the expected profitability at the outset, which could have a negative impact on the Group's financial position, its commitment to the fight against climate change, and its reputation.

Nuclear costs and changes in these costs (new nuclear projects, major "Grand carénage" refurbishment projects, etc.) and the Group's ability to finance them could force the Group to reconsider the rate at which it deploys its strategy.

To achieve its strategic transformation objectives, the adaptation programs implemented by the Group rely largely on individual and collective employee mobilisation. However, this mobilisation may not be sufficient due to an industrial relations environment which has deteriorated as a result of the changes linked to these adaptations affecting in particular the Group's organisation, or linked to more general developments (pension reforms in particular).

### **3B – Adaptation to climate change: physical and transition risks.**

**The Group is exposed to physical effects of climate change that could have consequences on its own industrial and tertiary facilities and more generally on the Group's financial position. The societal, technological and economic context may not be favourable to the Group's low-carbon solutions for the transition to address climate change challenges.**

**Criticality in view of the control actions undertaken: Strong.**

#### **Physical risks**

EDF Group facilities are closely linked to water, wind and solar resources; the overall reliability of the power system depends on the resilience to climatic conditions of generation facilities and distribution and transmission network infrastructures. As a result of this sensitivity to climatic conditions, the EDF Group's activities are likely to be significantly affected by the physical effects of climate change, both in terms of chronic effects and an increase in the frequency and intensity of extreme climatic events. To address these risks, the Group's operating entities must regularly update their climate change adaptation plans, based whenever possible on IPCC scenarios, in order to review the measures taken and to be taken. In addition, periodic reviews are carried out on nuclear and hydraulic installations, incorporating both feedback and climate change projections; this is a key cornerstone of the robustness of the installations. Since the 1990s, the EDF Group has been building up specific R&D expertise on climate change issues, invested in collaborative research projects to support these actions.

However, the effects of climate change present many uncertainties. Despite the actions taken by the EDF Group, they could adversely affect the continuity of the Group's business, its operating results, its cash flows and more generally its operating performance.

#### **Transition risks**

The CAP 2030 strategic project reflects the Group's goal of being the "champion of low-carbon growth". Most of the Group's investments are oriented towards this low-carbon strategy. This strategy reinforces corporate responsibility objective no. 1 in favour of the climate (see section 3.2.1.1 "EDF, a company committed to climate issues (CSRG no. 1)" of the 2019 URD). In 2018, the Group had already made a commitment to significantly reduce its carbon dioxide emissions, with a target of 30 million tonnes in 2030 instead of 51 million tonnes in 2017 (40% reduction). EDF also confirms this goal in 2020 with the "Business Ambition for 1.5 degrees" initiative. EDF keeps stating its ambition of becoming carbon neutral by 2050 and makes new commitments in this regard to reduce its direct emissions by 50% by 2030 (scope 1) and to reduce its indirect emissions (scope 3).

Achieving the objective of reducing emissions and, more generally, ensuring the success of the Group's low-carbon strategy depend primarily on the continued acceptance of nuclear energy by the public, the successful shutdown or adaptation of fossil fuel power plants and the accelerated development of renewable generation resources to complement nuclear and hydroelectric generation. The Group has been particularly active in the

development of solar energy in France, electric storage and low-carbon electric mobility, which will make it possible to develop and promote the Group's low-carbon energy solutions, particularly for the transport sector, which still emits a very high level of carbon dioxide in France and Europe.

Thus, the EDF Group's strategy and energy mix are fully in line with the public low-carbon transition policies, which give EDF the opportunity to enhance the value of all its investments and activities. Nevertheless, this opportunity could be stalled by the external, societal, competitive, social, economic, or industrial context. Nuclear energy may not be recognised at the societal level as a key factor in enabling the low-carbon transition. For example:

- the standards or taxonomies currently being set up to recognise carbon-free energy could include criteria that would effectively exclude nuclear energy. See in particular risk no. 1A above "Changes in public policies in France and Europe";
- In connection with the preparation of the 2019-2028 Multi-Year Energy Programme, the French government wished to review several scenarios between 2030 and 2050, "ranging from a 100% renewable scenario to one in which nuclear power remains a sustainable source of electricity generation integrated into the mix for reasons of production management and competitiveness".

In addition, new low-carbon energy solutions may induce new societal questions (new intrusive technologies, land rights-of-way, new conflicts related to the use of water or scarce resources, etc.). New legislative or regulatory changes brought about by climate change could also have a negative impact on EDF's business and lead to new legal or compliance risks. The Group may also have to deal with the emergence of new technologies or disruptive solutions that are part of the efforts to meet the transition objectives.

Such situations could make it more difficult to carry out these transformations and achieve the desired objectives. They could directly or indirectly affect the Group's business volumes, margins, asset value, financial position, reputation or prospects.

### **Risk summaries and mapping**

In 2019, a summary on climate change and its impacts on EDF was presented to EDF's Scientific Council. In addition, a Group-wide climate risk mapping of all physical and transition risks following the recommendations of the TCFD (Task Force for Climate Financial Disclosures, see section 3.2.1.1.6). Climate risks have been identified and assessed using the Group's general risk mapping method. This mapping of climate risks, based in particular on the adaptation plans of the operating entities and on the report to the Scientific Council, has led to an action plan mobilising the Group at both corporate and entity levels. It was examined by the Audit Committee.

### **3C – Adaptation of employees' skills.**

**Skill adaptation and development may be insufficient in view of the Group's transformation, business line requirements and new organisational and working methods.**

**Criticality in view of the control actions undertaken: Intermediate.**

Human development represents corporate responsibility objective no. 2 (see section 3.3.3.1 "EDF, a company with a responsible attitude to its employees" of the 2019 URD). The Group's scope of activity is evolving in a rapidly changing environment and context of energy and digital transition and, consequently, many new business lines are emerging and new working methods are being adopted (extended company, project platform operation, teleworking, etc.). The historical business lines are themselves undergoing dramatic change yet retaining their very high level of technicality, always with a similarly high requirement for a culture of safety and security, particularly in the hydropower and nuclear power sectors as well as for electricity networks. The human and socio-organisational dimension is a key factor in the Group's performance. The anticipation of emerging needs and requirements related to new business lines, the necessary functional and geographical adjustments required to facilitate the evolution of the scope of activity, induce adaptation and constant development of skills and organisations (see section 3.3.3.1.1 "Employee employability and enhancement of the internal social elevator" and section 3.3.3.1 "EDF, a company with a responsible attitude to its employees" of the 2019 URD). Obtaining qualifications or authorisations may require several years and sufficient coverage for the transfer of knowledge and experience. The rapid evolution of technology and, therefore, of the business lines, requires flexibility and an increased ability to adapt on both an individual and organisational level, as well as in terms of working methods and acquiring and transmitting individual and collective skills.

The EDF Group considers the dynamic matching of skills to needs over time to be a major challenge and therefore implements the appropriate measures to facilitate change. However, it cannot guarantee that the measures taken will always be sufficient, timely or on satisfactory terms, which could have an impact on its business, financial position and reputation as an employer.

### **3D – Ability to ensure long-term social commitments.**

**The Group may be required to meet significant commitments related to pensions and other employee benefits.**

#### **Criticality in view of the control actions undertaken: Intermediate.**

The pension plans applicable in the various countries in which the Group operates involve long-term commitments to pay benefits to the Group's employees (see note 34 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019). In France, in addition to these pension commitments, the Group also owes obligations for post-employment benefits and long-term benefits for employees currently in service. The ongoing pension reform in France may have an impact on the Group's commitments.

To cover these commitments, the Group has set up outsourced funds or pension funds. At the end of 2019, depending on the case, assets only partially covered these commitments, although, for the Group, the maturity dates of the obligations are relatively smoothed over time. At 31 December 2019, the average duration of employee benefits commitments was 19.7 years in France and 19.5 years in the United Kingdom.

The amounts of these commitments, the provisions booked, the outsourced funds or pension funds set up and the additional contributions required to make up insufficient funding are calculated based on certain actuarial assumptions, including a discount rate subject to adjustment depending on market conditions and, in the event of any employee-related commitments in France, on the rules governing retirement benefits paid out by the general retirement scheme, and amounts owed by the Group. These assumptions and rules may be adjusted in the future, which could increase the Group's current commitments for pensions and other employee benefits and, therefore, require a corresponding increase in provisions.

Furthermore, if the value of outsourced funds or pension funds proves insufficient to meet the corresponding commitments, in particular in the United Kingdom or France, primarily due to calculation assumptions or developments in the financial markets, the Group may be obliged to make additional contributions to the relevant funds, which may have an adverse impact on its financial position.

### **OPERATIONAL PERFORMANCE**

The Group implements programmes aimed at continuously improving its operational performance, which determines its financial performance as well as the direct or indirect achievement of the corporate responsibility objectives defined in sections 3.2 and 3.3. The Group's ability to transform also depends on the achievement of operating results, and its reputation.

However, the Group cannot guarantee that the programmes it implements will have the expected results or that such results will be obtained within the planned timetable, nor that they will be sufficient to deal with technical or industrial contingencies or regulatory and economic developments.

Failure to achieve the expected operating results may therefore lead to a direct deterioration in the Group's financial position, reputation and ability to transform.

This section sets out the most significant risks likely to affect the control of the Group's operations and projects.

#### **4A – Management of large and complex industrial projects (including EPR projects)**

**The Group carries out very large-scale projects. These projects represent a major risk for the Group in terms of the potential financial impact on its shareholders' equity and implications for its development strategy. In particular, the success of EPR projects depends on specific industrial, regulatory and financial factors.**

##### **Criticality in view of the control actions undertaken: Strong.**

As part of its activity and in its capacity as project owner or prime contractor, the Group is called upon to carry out projects that are inherently complex, require significant investments and lengthy procedures for construction and regulatory approvals. A very large number of stakeholders can be involved. The implementation of certain projects may lead EDF to set up industrial and/or financial partnerships. Projects may also need to be connected to local development projects or may encounter difficulties with respect to local approval. The control of these projects falls within the scope of corporate responsibility goal no. 5, which consists of developing a worldwide process of dialogue and consultation for projects (see section 3.3.1.2.5 "Dialogue and consultation for projects (CSRG no. 5" of the 2019 URD)). In order to improve this control, the Group has embarked on an overhaul of its project management and has defined a "Commitments" policy that requires an analysis to be carried out of the risks and associated security issues.

Such projects may involve, in France or internationally, offshore facilities for new energies (off-shore wind power in France), the installation of new meters (Linky in France, handled by Enedis) on an entire distribution network concerning tens of millions of customers, in France or the United Kingdom, the implementation of hydraulic projects, or the implementation of large-scale nuclear investments over decades ("Grand Carénage", EPR projects and decommissioning projects, in particular).

These projects are large-scale and long-duration projects; they involve numerous industrial partners and significant investments, for which the financing and pricing conditions may still be subject to confirmation. Given the economic or institutional climate, obtaining such funding may be delayed.

The implementation of these projects may give rise to numerous technical, industrial, operational, economic, regulatory, environmental or acceptability risks that could jeopardize project schedules, associated costs or profitability. There may also be difficulties in terms of relationships with the partners involved with EDF in these projects. Trade tensions between the United States and China could have an impact on the conduct of some of these projects given the technologies and partnerships implemented.

In this regard, in October 2018, the US Department of Energy ("US DoE") issued a decision on civil nuclear cooperation with China which deals in particular with the transfer of US goods and technology, or goods and technology of US origin, to CGN, its subsidiaries and related entities. This decision concerns technologies relating to equipment within or directly attached to the vessel, core power control equipment and equipment that contains or is in direct contact with the primary fluid. On 14 August 2019, the United States Department of Commerce ("US DoC") issued a ruling placing four CGN Group entities on the list of entities subject to restrictions ("Entity List") concerning any transfer of goods and technology, in particular US dual-use goods and technology, or dual-use goods and technology of US origin (or including a certain percentage of US content) subject to the jurisdiction of the US DoC (export administration regulations: covering all goods and technology, in particular dual-use commercial goods and technology, other than those subject to the jurisdiction of the US DoE and the Nuclear Regulatory Agency). As a result of these decisions, the transfer of goods and technology to the entities in question for the technical scope covering them under the decisions, must be specifically authorised in advance by the competent US courts, with the presumption that such authorisation will be refused.

In addition, these projects require administrative authorisations, licenses or permits which may be subject to disputes, withdrawals or delays in obtaining them.

Such situations could, in particular in the event of non-compliance with the Group's contractual commitments or the Group's potential exposure in the event of major contingencies arising from the completion of these projects or the operation of these reactors, have a major impact on the Group's business, results, asset value, financial position, reputation and outlook.

The success of EPR projects determines the performance and reputation of the nuclear industrial sector, and through it, those of the Group.

The Flamanville 3 project is a major industrial, regulatory and financial challenge for the Group. In particular, meeting the timetable and cost objectives is still dependent on:

- implementing the action plan on the 53 welding seams to be reworked on the main secondary circuit piping, as well as those of the 8 crossings for which ASN has requested immediate repair. For these 8 welding seams, the preferred option of reworking by remotely-operated robots could run into difficulties, particularly in view of the innovative nature of this option;
- successfully completing the start-up tests still to be carried out and the transfer to the operator;
- obtaining the various authorisations which have yet to be issued by the ASN. In this context, as a precautionary measure, EDF submitted an application to amend the decree authorising its creation to the French Ministry for Ecological and Solidarity Transition on 11 March 2019 in order to extend the deadline for commissioning the reactor to April 2024;
- the emergence of any other risks or failures.

In view of these considerations, the provisional timetable for implementing the preferred option for the reworking of crossing weld seams would lead, if the objective of ASN validation is met, to a fuel loading date at the end of 2022 and to re-estimating the construction cost at €12.4 billion, i.e. an increase of €1.5 billion. However, the Group could face other potentially significant additional costs and delays, in particular if the preferred option could not be implemented and the fallback scenario studied by EDF and based on extraction and refurbishment in the auxiliary back-up buildings (see section 1.4.1.2.1 “Flamanville 3 EPR project” of the 2019 URD) had to be used.

The construction cost to completion of €12.4 billion is expressed in 2015 euros and does not include interim financial interest. As this is a construction cost, it also does not include other elements necessary for the project such as spare parts for the subsequent operation of the plant.

The financial statements as at 31 December 2019 show in this respect (note 25.1 of the appendix to the consolidated financial statements as at 31/12/2019 – section 6.1 “Financial statements” of the 2019 URD) that:

- the amount of interim interest amounts to €3,028 million;
- the spare parts inventory, pre-operating costs and other tangible assets related to the project amount to €1,033 million.

Furthermore, these amounts correspond to costs incurred as of 31 December 2019, and not to costs anticipated to be incurred as at the fuel loading date scheduled for the end of 2022.

Studies for the EPR 2 Project are underway in order to propose a competitive reactor with a view to renewing the existing nuclear fleet. Failure to meet the competitiveness target, the absence of an appropriate regulatory framework, the failure to obtain or delays in obtaining, the necessary permits to continue the reactor’s development could have an impact on the Group’s financial position (see section 1.4.1.2 “New Nuclear projects – EPR 2” of the 2019 URD). On 25 January 2019, the French government published the main guidelines of the Multi-year Energy Programme. In accordance with these guidelines, the government has asked EDF to prepare a file with the nuclear industry by mid-2021 relating to a programme of renewal of nuclear facilities in France.

In China, the Group has a 30% stake in TNPIVC (Taishan Nuclear Power Joint Venture Company Limited) alongside its Chinese partner CGN. Taishan 1 was the first EPR reactor to be coupled to the grid on 29 June 2018. It was commissioned on 13 December 2018. The Taishan 2 reactor became commercially operational on 7 September 2019. The feed-in tariff for the electricity generated by Taishan has been set at RMB 435/MWh (approximately €56/MWh) for up to 7,500 operating hours per year per reactor, with any surplus being sold at market price. This tariff, which is below EDF’s expectations, will remain in force until the end of 2021. Efforts are still under way with the relevant Chinese authorities to determine its future development.

In the United Kingdom, control of the design and bringing the manufacturing and the major milestones of the construction site under control will determine the profitability of the Hinkley C project and the financing of any future projects in the United Kingdom. The Group has a 66.5% stake in the Hinkley Point C Project, alongside its Chinese partner CGN with 33.5% (see sections 1.4.1.2.2 “Other – New Nuclear projects” and section 1.4.5.1.2.4 “United Kingdom – Nuclear New Build Business” of the 2019 URD). In June 2019, the HPC project achieved milestone J-0 (completion of the unit 1 nuclear island common raft) as planned. Following this major milestone, a review of the costs, schedule and organisation of the HPC project concluded that the risk of delaying the delivery



of units 1 and 2 as previously announced (15 and 9 months respectively) had increased, and that the construction cost to complete the project is now estimated between £201521.5 billion and £201522.5 billion, an increase of £20151.9 billion to £20152.9 billion compared to the previous estimate. The range depends on the effectiveness of action plans to be delivered in partnership with contractors. The additional costs are mainly the result of difficult soil conditions, which made the earthworks more expensive than expected, the revision of the objectives of the operational action plans, and the additional costs related to the implementation of the functional design of a “first of a kind” plant adapted to the British regulatory context.

Given the new cost to completion induced by these changes, the project’s financing requirement will exceed the contractual commitment of the shareholders, which could lead to financing difficulties in the event of a shift in the shareholders’ alignment. Due to its size and complexity, this project, like all similar projects, carries multiple risks of delays and additional costs.

The project’s IRR is sensitive to the exchange rate and could decrease in the event of a significant fall in the pound sterling against the euro, notably as a result of Brexit. The way in which Brexit is implemented may have a more general impact on the conditions under which the project is carried out, in particular on customs duties, the movement of persons and trade in goods and services. Finally, the governance of the project could also be affected in the event of misalignment between shareholders. Changes to these different factors could have a significant impact on the Group’s financial position.

EDF has also signed two other agreements with CGN relating to two nuclear construction projects in the United Kingdom: Sizewell C and Bradwell B (see section 1.4.5.1.2.4 “United Kingdom – Nuclear New Build Division” of the 2019 URD). EDF’s ability to make a final investment decision on Sizewell C and to participate in the financing of this project beyond the development phase could depend on the operational control of the Hinkley Point C project, on the existence of an appropriate regulatory and financing framework, and on the availability of sufficient investors and financiers; such criteria are not met to date. With regard to the Bradwell B project, the assessment by the Office for Nuclear Regulation of the generic design of the UK HPR1000 (UK Hualong) reactor model is underway and the development of this technology at the Bradwell B site in the UK may be impacted by this process. The new environment created by Brexit may lead to a change in the profitability conditions of projects and to reassessing or even discouraging investors associated with the Group’s future projects in the United Kingdom or Europe.

On 10 March 2018, the Chairman and Chief Executive Officer of EDF and the Chairman and Chief Executive Officer of NPCIL (Nuclear Power Corporation of India Limited), which already operates 22 reactors in India, signed an Industrial Way Forward Agreement for the construction of six EPR-type reactors at the Jaitapur site in India. Jaitapur is set to be the biggest nuclear project in the world, with a total power capacity of around 10GW. EDF submitted a non-binding offer on 14 December 2018. As part of this offer, EDF, in association with GE and its subsidiary Framatome, will be the engineering contractor for the entire project and supplier of the EPR technology. EDF will undertake all engineering studies and all component procurement activities for the first two reactors (see section 1.4.1.2.2 “Other New Nuclear projects” and section 1.4.5.3.6.2 “South-East and South Asia” of the 2019 URD). Discussions in view of the submission of a binding offer are being held with NPCIL on this basis.

A fundamental element for the success of an EPR project and for the operating safety of EPR reactors in which the Group is involved is accounting for the needs of the final operator, who is responsible for operating safety, from the beginning of the design phase and throughout the design and implementation of the EPR project.

Framatome is now a Group subsidiary and as such can expose the Group through its activities for other nuclear operators or customers in France and abroad. Exposure may be financial or involve the Group’s reputation. Framatome’s industrial performance remains strategic for EDF Nuclear Operator in France and the United Kingdom. The successful completion of an EPR project depends on quality and compliance with contractual clauses in Framatome’s production of studies, components or services for each EPR Project.

The success and value creation resulting from Framatome’s integration into the EDF Group implies a converging framework for nuclear projects, and the development of resulting synergies. Failure to achieve these objectives could jeopardise the competitiveness of the nuclear sector in France and that of the Group in its international development, and the success of all EPR Projects.

Other issues and risks specific to nuclear activities, whether in terms of nuclear safety, control of operation and maintenance operations, long-term commitments or the fuel cycle, are specified in “Risks specific to nuclear activities” below.

#### **4B – Hydraulic safety risks.**

**The hydroelectric facilities operated by the Group present risks with potentially serious consequences for people, property and the environment that could have a financial and reputational impact on the Group.**

**Criticality in view of the control actions undertaken: Intermediate.**

The Group's hydraulic structures present specific risks with potentially very serious consequences: breakage, overflow during floods, operating manoeuvres. Hydropower safety comprises all the measures taken when designing and operating plants to reduce risks and hazards to people and property associated with water and the presence or operation of facilities. Hydropower safety is the major and permanent concern of the producer. It involves three main activities:

- measures to address the major risk associated with dam or reservoir failures, through the regular monitoring and maintenance of facilities under the supervision of public authorities, mainly the French regional environment, land use and housing authorities (*directions régionales de l'environnement, de l'aménagement et du logement* – DREAL). Of the largest dams, 67 of them are subject to a special administrative procedure implemented by the competent prefect;
- the management of facilities during periods of exceptionally high water levels, in order to ensure safety at the facilities and for the surrounding communities;
- control of operational risks: changes in the level of the water bodies or the flow of watercourses downstream of the works.

EDF regularly monitors and maintains its dams, including through continuous monitoring. The real-time readings and analysis, at each site, of multiple data (settlement, pressure, leakage measurements, combined with the visual inspection of the concrete and an inspection of the mechanical parts, etc.) enable EDF to conduct a regular assessment on the state of its dams. In Grenoble and Toulouse, EDF teams can analyse the largest dams or those dams that are the hardest to access, remotely and in real time, using a series of sensors.

Furthermore, a danger study including a complete technical examination is carried out for each of the large dams every ten years. This examination requires draining or an inspection of the submerged parts with sub-aquatic equipment. These operations are carried out under the supervision of public authorities (the DREAL office at the regional level as well as the *Service technique de l'énergie électrique des grands barrages et de l'hydraulique* – STEEGBH, the central French government agency specifically responsible for large dams and hydropower facilities).

At the organisational level, the Hydropower Safety Inspector prepares an annual report for the Chairman and CEO of EDF, to which he or she reports directly, as well as to those involved in hydropower safety (see section 1.4.1.5.1.2 of the 2019 URD). Issued after analyses, inspections and assessments carried out by the Hydropower Safety Inspector, this report aims to give an opinion on the level of hydropower safety of the Group's installations and provide a basis for reflection and progress to ensure its improvement and consolidation. This report is made public on the Group's website.

#### **4C – Occupational health or safety violations (employees and service providers).**

**The Group is exposed to health and safety risks in the workplace, both in terms of its employees and those of its service providers.**

**Criticality in view of the control actions undertaken: Intermediate.**

Human resources and their related skills are a major challenge for the Group and its service providers. The industrial nature and diversity of the Group's activities reinforce the crucial importance of complying with the rules and taking into account the various risks that may affect people working in the Group's industrial facilities in order to protect health and safety in the workplace.

The risk of work-related accidents or occupational illnesses cannot be excluded in all of the Group's areas of activity. The occurrence of such events may lead to lawsuits against the Group and may result in the payment of damages, which could be significant.

To address this risk, the Group has for many years taken the steps necessary to comply with the health and safety laws and regulations in the various countries in which it operates, and considers that it has taken the measures required to ensure the health and safety of its employees and that of its subcontractors<sup>7</sup>.

Each Group entity has action plans aimed at continuously improving health and safety at work. Actions are also carried out at the level of the Group as a whole: defining and promoting vital rules, the day-long shutdown on 3 October 2019 to jointly discuss the persistence of fatal accidents (see section 3.3.3 “EDF, a company with a responsible attitude with regard to its employees and service providers” of the 2019 URD).

#### **4D – Attacks against assets, including cyberattacks**

**The Group faces the risk of malicious acts against its tangible or intangible assets, particularly its information system.**

**Criticality in view of the control actions undertaken: Intermediate.**

The facilities or assets operated by the Group or its employees may be the target of external attacks or malicious acts of any kind. An attack or malicious act committed on these facilities could have consequences such as injury to persons and/or damage to property, the Group being held liable on the grounds of measures judged to be inadequate and interruptions to operations. The Group would also be forced to make additional investments or incur additional costs if laws and regulations relating to the protection of sensitive sites and critical infrastructures became more stringent.

The Group operates multiple, interconnected and complex information systems (databases, servers, networks, applications, etc.) that are essential to the conduct of its commercial and industrial activity, the preservation of its human, industrial and commercial assets, and the protection of personal data (of customers and employees) which must adapt to a rapidly changing context (digital transition, development of teleworking, new ways to share work in extended companies with suppliers, changes in regulations, etc.).

The frequency and sophistication of information system hacking and data corruption incidents are increasing worldwide. A malicious attack may have a negative impact on the Group’s operational activity, its financial, legal or property position or its reputation.

The EDF Group has defined an Asset Security policy in the face of malicious acts and an Information System Security policy to prevent this risk and limit its impact in the event of an attack. These policies are supplemented by guidelines on the protection of personal data. However, the Group cannot rule out an attack on its information systems that would have consequences on the Group’s operational activity, its finances, its legal position, in particular with regard to the integrity of personal data, or its reputation.

A charter for the use of IT resources is annexed to the Company’s internal regulations. IT security training courses adapted to different profiles (users, project managers, IS security managers, etc.) are offered to employees. The Audit Committee of the Board of Directors receives reports on cyber security risk management. Several dozen security audits are carried out each year by external PASSI qualified IS security audit companies (IS security audit providers) by the ANSSI (French National Agency for Information Systems Security), both on IT infrastructures and on business information systems. In addition, the EDF Group SOC (Security Operational Center) reports on IS security incidents on a monthly basis.

In 2019, the main actions deployed in the field of cyber security and protection of intangible assets were as follows:

- notifying cyber security objectives to the Directors of the main Group Entities;
- defining a security reference framework based on the rules of the French National Agency for Information Systems Security (ANSIS);
- carrying out six campaigns to raise awareness regarding the protection of information at the Group level, and a large number of campaigns led by local management and adapted to the specific nature of the businesses run by the Entities;
- conducting two crisis exercises on EDF’s Datacentres;
- carrying out a cyber security crisis exercise at Group level enabling EDF to test its ability to withstand cyberattacks;

- updating the policy to combat malicious acts targeting intangible assets in order to address new cyber and behavioural risks;
- creating a Group-level incident response function (CERT).

#### **4E – Operational continuity of supply chains and contractual relationships.**

**The Group is exposed to the operational continuity of supply chains and contractual relationships with its suppliers as well as to fluctuations in the price and availability of materials, equipments or services it purchases in the course of its business activities.**

**Criticality in view of the control actions undertaken: Intermediate.**

The Group's needs can arise in markets with limited surface area or increasing tensions, in particular due to the structure and evolution of the industrial offer or the increase in competition from new uses in particular between the growing needs of information systems and the needs of energy players. Climate change-related transition may also introduce new tensions in supply chains. Certain materials, equipment or services could also be subject to increased demand relative to the available industrial supply, which could have an impact on their cost and availability. These market pressures may increase the cost of supplying certain critical products or services and lead to a reduction in supply by some suppliers in response to a contraction in their margins. Fluctuations in the price and availability of certain raw materials or products that play a key role in setting the price of electricity and energy services may affect the Group's supply capacity and results.

The Group uses technologies, mainly in the fields of nuclear, hydraulic or renewable energy generation, electrical storage or mobility, that require materials or elements that may be highly sensitive in terms of access<sup>1</sup>. The scarcity or conditions of access to certain raw materials may be critical for the Group due to geological, geopolitical, industrial, regulatory or competitive limitations, particularly in a context of energy transition. The development of uses, particularly related to storage, the growth of renewable energies and the penetration of low-carbon electricity, could pose problems of access to certain materials: Lithium for batteries, ferromagnetic rare earths for wind power, Indium or Selenium for solar energy... These difficulties could limit the Group's ability to achieve its development objectives. In addition, control of the conditions under which raw or semi-finished materials are extracted, processed, packaged or made available for the Group's needs may be subject to provisions calling for greater control of regulatory requirements and a duty of vigilance.

Moreover, the Group currently depends on a limited number of industrial players with specific skills and the required experience. This situation reduces competition in markets where EDF is a buyer and exposes the Group to the default risk of one or more of these specialised suppliers or service providers. This is particularly the case for Orano (which accounts for more than 34% of EDF's purchases of all types of fuel in 2019), Westinghouse and GE. Changes to the shareholding or governance of these various providers may also have an impact on the cost, the operational continuity of ongoing contracts and the cost of services provided or delivered products. Regular monitoring of the situation of these suppliers is carried out through specific reviews.

The Group's performance is also based on the contracts signed with suppliers of equipment or services. Improved management of contracts entered into by EDF is a major issue in controlling operations, deadlines and associated costs. It is the role of the Contract Management function which aims to improve the management of risks and create opportunities in the management of contracts. This function calls upon Contract Managers positioned in the business lines throughout the contractual process. It is an additional line of defence in the management of contracts, in relation to corporate and the divisions. The Contract Management Department, which reports to the General Secretary, is responsible for structuring this function, leading the Contract Management process, measuring its performance and professionalising the players.

#### **4F – Blackout risk.**

**Repeated customer power supply interruptions, or a black out, or a widespread power grid incident, in a territory served by the Group could have consequences for the Group's activities, financial position and reputation, particularly if they were partly attributable to the Group.**

**Criticality in view of the control actions undertaken: Moderate.**

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<sup>1</sup> The topic of Uranium supply is not considered here. It is dealt with in Risk 5D Control of the fuel cycle.

The Group may be faced with repeated power outages or even a black-out, a widespread network incident of considerable scale, or be involved in it, even if the triggering incident occurred on a network not operated by EDF or was attributable to another player.

The causes of power outages can be diverse: local or regional imbalance between electricity generation and consumption, accidental power supply or transmission failure, cascade failures, interconnection problems, delays in investment and the necessary network conversions to meet the needs of energy and ecological transition, difficulty in coordinating players, particularly in a market with insufficient or evolving regulation.

The initial impact of such power failures could be repair costs incurred to re-establish power or restore the network. Power failures may also generate capital expenditures if it were decided, for example, to install additional generation or network capacity. This could also cause a decline in the Group's turnover. Finally, they could have a negative impact on the Group's financial position or reputation with its customers and all its stakeholders, particularly if the power outage were to be partly attributable to it.

#### **4G – Industrial safety and impact on environmental assets, including biodiversity.**

**The Group operates facilities for which accidents could, in the event of a failure in industrial safety, have serious consequences on the human or natural environment, particularly in terms of biodiversity and environmental capital.**

##### **Criticality in view of the control actions undertaken: Moderate.**

The Group operates or has operated facilities which, as part of their day-to-day operations, can, may or may have been the cause of industrial accidents or environmental and health impacts. The Group's facilities may be located in industrial areas where other activities subject to similar risks exist, which means that the Group's own facilities may be impacted by accidents occurring at neighbouring facilities owned by other operators and not under the Group's control.

Biodiversity issues concern all the Group's facilities and projects, particularly in France where EDF is a landowner and a manager of natural resources of great importance. This issue is all the more important as energy transition introduces new or reinforced requirements. The Group is committed to biodiversity through its corporate responsibility objective no. 6 (see section 3.3.2.1 "EDF, a company that is responsible with regard to biodiversity (CSRG no. 6)" of the 2019 URD).

Measures taken for industrial safety and the control of these risks may not be fully effective, which could have consequences for people, property and business continuity. Protective measures may be taken on similar facilities. The Group may be held liable.

Insurance policies for civil liability and damages taken out by the Group could prove to be significantly inadequate, and the Group cannot guarantee that it will always be able to maintain a level of cover at least equal to current cover levels and at the same cost.

Risks specific to nuclear facilities are further developed in section "Risks specific to nuclear activities". Risks specific to hydraulic facilities are set out in 4B above.

The impact of an industrial safety failure may have a negative impact on the Group's operational activity, its financial, legal or property position or its reputation, and may affect the Group's ability to achieve Corporate Responsibility Objective no. 6 with respect to biodiversity.

The Group owns 40 facilities classified as Seveso under the European Directive for the prevention and management of major industrial risks. These are essentially storage or warehousing facilities for oil, gas or chemicals. The regulatory requirements applicable to this type of facility are implemented at all relevant Group sites. In addition, the Group's French Seveso sites have all responded to requests from prefects following the fire that occurred on 26 September 2019 at the Lubrizol plant, a Seveso classified site in Rouen.

## RISKS SPECIFIC TO NUCLEAR ACTIVITIES

The EDF Group is the world's leading nuclear operator in terms of the number of reactors in operation (73 reactors for which the EDF Group is the nuclear operator, out of 447 power reactors in operation in the world on 01/01/2020)<sup>2</sup>.

The Group has basic nuclear fuel cycle facilities and carries out activities in research, equipment manufacture and the supply of services to other nuclear operators, since the integration of the Framatome subsidiary, within the scope of the Group in 2018.

In addition, the Group holds minority stakes in nuclear power plants in operation in China, the United States and in Belgium, which it does not operate.

The Group is investing in new reactor projects in France, the United Kingdom and China and carries out its nuclear industrial activity in other countries, notably India and the United Arab Emirates, countries in which nuclear operators signed agreements with the Group.

The share of nuclear energy, as a low-carbon form of energy and a part of the Group's electricity mix, thus represents a significant industrial asset for the competitiveness and development of the Group.

Given the low impact of fossil carbon dioxide emissions from the nuclear industry over the entire industrial lifecycle, the performance and control of nuclear activities contribute directly to the achievement of Corporate Responsibility Objectives in support of the Climate (see CSRG no. 1), fostering human development (see CSRG no. 2), supporting vulnerable populations (see CSRG no. 3), in particular with regard to the fight against fuel poverty and access to clean, low-carbon and competitive energy, including for the most disadvantaged populations, committing to ensuring that each customer consumes more responsibly (see CSRG no. 4), fostering dialogue and consultation (see CSRG no. 5), and supporting biodiversity (see CSRG no. 6) (see sections 3.2 and 3.3 of the 2019 URD). The control and performance of nuclear activities are at the heart of EDF's sustainable development policy.

The nuclear activities of EDF are associated with the following issues:

- as with any nuclear operator, the latter's obligations means giving ongoing priority to nuclear safety, based on technical and organisational provisions in order to guard against a nuclear accident and, in the hypothetical event of an accident occurring, to limit the consequences of such an accident. The nuclear business is carried out under the control of nuclear safety authorities in countries where the Group exercises nuclear operator responsibility. Failure to take nuclear safety into account as the number one priority could have a significant, even vital impact on the Group;
- the Group's nuclear activity is subject to detailed and demanding regulations with, particularly in France, a system in place that monitors and periodically re-examines basic nuclear facilities, which focuses, firstly on nuclear safety, protection of the environment and public health, but also on security considerations regarding malicious acts. These regulations may be significantly tightened by national or European authorities (see section 1.5.3.2 "Specific regulations applicable to basic nuclear facilities" of the 2019 URD). Furthermore, stricter regulations or possible non-compliance with current or future regulations could result in the temporary or permanent shutdown of one or more of the Group's plants or financial penalties as stated in Article L. 596-4 of the French Environmental Code. Cases of non-compliance with regulations or non-compliance with commitments undertaken, may also be used by third parties against EDF and brought before the courts. The increased number of requests emanating from the French Nuclear Safety Authority (NSA) and enhanced controls may increase EDF's compliance costs and risks;
- although the nuclear business can contribute effectively to the security of energy supply and to combating the greenhouse effect, it must also demonstrate its competitiveness and its acceptance over the different time scales in which it operates. Nuclear activity by its very nature requires substantial and long-term investments, sometimes spanning decades. The robustness and efficiency over time of maintenance and upgrading programmes for the operating fleet, new reactor projects, and the respect of very long-term commitments are inevitably subject to extreme vigilance, with industrial cycles that span a century or even beyond;

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<sup>2</sup> Source: [www.iaea.org/pris](http://www.iaea.org/pris).

- the nuclear fuel cycle is part of this long-term industrial outlook. EDF has a specific responsibility to develop a long-term strategy with the various stakeholders;
- the nuclear business is an industrial activity that brings together a large number of industrial partners in France, Europe and throughout the world. In France, EDF was assigned the role of lead company in the nuclear sector by the public authorities, with the integration of the Framatome subsidiary, which involves specific risks associated with the exercise of this responsibility and the activities of Framatome.

In light of the fact that EDF is the world's largest nuclear operator, exploiting global feedback and making comparisons with best practices internationally<sup>3</sup> represents an ongoing challenge to ensure that the EDF Group is well positioned to be able to sustainably manage the risks associated with being the world leader.

#### **5A – Failure to comply with the objectives (i) in terms of operation and/or (ii) in terms of extending the operating life of nuclear power plants (France and United Kingdom).**

**The Group may not meet its nuclear power plants' operating objectives in terms of safety and availability. It may also not be able to obtain approval to continue operating its reactors beyond the current planned expiry date, or even be authorised to operate them until that date in both France and the United Kingdom. In addition, the Group may not be able to control costs and deadlines for upgrading its operating fleet ("Grand Carénage" refurbishment projects in France).**

#### **Criticality in view of the control actions undertaken: Strong.**

The fleet of nuclear reactors that the Group currently operates in France is highly standardised (see section 1.4.1.1.1 "EDF's nuclear fleet in France" of the 2019 URD). This enables the Group, in particular, to achieve economies of scale, to apply improvements made to its newest reactors to all reactors and, in the event of a reactor malfunction, to anticipate the measures to be taken in other reactors. But this standardisation has a potential parallel risk of the dysfunction being common to several reactors or to a generation or series of reactors (see section 1.4.1.1.2 "Operation and technical performance of the nuclear fleet").

The Group cannot guarantee that it will not be required to make significant or costly repairs or modifications to all or some of its plants, or that events will not occur that may have an impact on the operation of its plants or their output or cause a temporary or permanent shutdown of all or some of its plants. Thus, the deviation related to a steam generator (SG) weld stress relief process which was detected and reported to the Safety Authority in the summer of 2019 concerned SGs installed on 6 reactors of the nuclear fleet in operation in France and the Flamanville 3 EPR. Framatome is expanding the investigation to include other stress relieving processes.

During the periodic reviews carried out during the ten-yearly inspections and following the Fukushima accident in Japan, the Group drew up a major work programme, called "Grand carénage", the principle of which was approved by the Board of Directors (See section 1.4.1.1.2 of the 2019 URD). The potential risks of the latter include a possible delay in the appraisal of the authorisations required to start operations, in particular as regards the authorisations expected from the French Nuclear Safety Authority (ASN). Such uncertainties may also concern the manufacture and delivery on site of new equipment or work carried out on-site in a situation where a large number of industrial operations are being carried out at the same time.

The ASN decides on the measures taken by the operator and may give additional instructions for each reactor and for each authorisation stage. Solutions are being studied to demonstrate the capacity of non-replaceable equipment such as the containment building and reactor vessels, to ensure their operation up to 60 years. These studies, which are based on data available in France but also internationally<sup>4</sup> make it possible to confirm the safety margins available for the operating periods under investigation but may also lead to the need to adopt additional protective measures, if necessary, to be taken on the existing fleet, which could have consequences on its performance.

In order to postpone the construction of new units and related investments, and to continue to benefit from low-carbon generation and cash flows from its existing fleet, the Group has been aiming for several years to extend the operating life of its nuclear fleet in France beyond 40 years, a period already exceeded in France for six reactors. The fourth ten-yearly inspection of the 900MWe reactor series (VD4-900), like the previous ones, includes, on the

<sup>3</sup> *Exploitation of standards and feedback from the International Atomic Energy Agency and the World Association of Nuclear Operators (WANO).*

<sup>4</sup> *Six reactors in the US are being investigated for an extended operating life of 80 years: the Nuclear Regulatory Commission (NRC) staff has defined subsequent license renewal (SLR) to be the period of extended operation from 60 years to 80 years. <https://www.nrc.gov/reactors/operating/licensing/renewal/subsequent-license-renewal.html>.*

one hand, a verification of the compliance of the facilities with the current reference design and, on the other hand, a safety reassessment. This makes it possible to increase the level of safety by taking into account, on the one hand, international best practices and, on the other hand, the condition of the facilities, the experience acquired during operation and the evolution of the knowledge and rules applicable to similar facilities. As part of this process, the ASN could prescribe significant additional amendments.

Concerning the fourth review of the 900 series, the Permanent Group (GP) regarding the V4 closing is scheduled for September 2020. The ASN will present its generic opinion, in particular on the adequacy of the amendments initiated by EDF. Starting in March 2020, EDF is expected to have initial discussions with the ASN on its future opinion. The formal ASN post-Permanent Group opinion is expected in 2021; consultations will be held with the College of Commissioners and the public beforehand. The ASN shall issue authorisations for continued operation on a reactor-by-reactor basis, following the examination of a periodic review report, taking into account the results of the inspections and requalification tests. For Tricastin 1, the VD4 (pilot plant) started on 1 June 2019 and ended with re-coupling on 23 December 2019, after the ASN had given its authorisation to restart. The periodic review report is scheduled for February 2020 and the public inquiry will take place in 2021, after the generic DSA notice on the VD4 has been issued. The ASN opinion on the TN1 periodic review report is expected to be issued in late 2021 or early 2022. It cannot be ruled out that the ASN's generic opinion on the 900MW PWR series includes additional requests that could lead to additional costs and delays.

In 2016, the Board of Directors considered that all the technical, economic and governance conditions necessary to align the depreciation period of the French nuclear fleet with the Group's industrial strategy were met (see notes 1.3.2 "Judgments and estimates of the Group's management" and 1.3.2.1 "Depreciation period for nuclear power plants in France" of the appendix to the financial statements for the financial year ended 31 December 2019). It therefore approved the extension in the consolidated financial statements of the depreciation period for 900MW PWR plants outside Fessenheim from 40 years to 50 years, without anticipating the decisions of the ASN on whether or not to grant a licence to continue operation on a reactor-by-reactor basis after each 10-year inspection. With regard to the Fessenheim nuclear power plant, EDF has sent to the French Minister for Ecological Transition and Solidarity and to the ASN the request to repeal the operating licence and the declaration of permanent shutdown of the two reactors, providing for the shutdown of Reactor no. 1 on 22 February 2020 and Reactor no. 2 on 30 June of the same year.

The accounting period of the other series of France's nuclear fleet (1,300MW and 1,450MW), which are more recent, currently remains at 40 years. The subsequent extension of the depreciation period of these series nevertheless remains an industrial objective for the Group. This objective may not be achieved as the conditions are not in place at this stage.

In the United Kingdom, the ongoing analysis of graphite ageing in the RAG (Advanced Gas Reactor) reactor may lead to prolonged unavailability of the most sensitive reactors. The cracking of graphite subjected to irradiation must be carefully monitored, with inspections carried out regularly, and controlled by the office for nuclear regulation ("ONR"), to ensure that there is sufficient knowledge of the core to justify continued operation. Following this process, the two Hunterston B reactors (R3 and R4 reactors) were shut down for inspections in March and October 2018, respectively. Following further unfavourable findings, the shutdown of Hunterston B R3 had to be extended in order to prepare the grounds for continued operation, which were submitted to the UK regulator (ONR) in June 2019. The ONR approved the restart of R4 at the end of August 2019 for a short period ending in December 2019. The safety case for the R3 reactor is under review by the ONR; approval is expected in early 2020. This approval will affect the restart of Hunterston's R3 and R4 reactors and may also impact the safety case for the operation of Hunterston's twin Hinkley Point B reactors. Such approval may also not be obtained or may lead to early abandonment in the event of an unfavourable ONR decision.

The current planned operating period for the reactors in EDF Energy's existing nuclear fleet ranges from 41 to 47 calendar years for advanced gas reactors (AGRs) and is 40 years for the Sizewell pressurised water reactor (PWR). Since EDF Energy acquired them, the operating lifespan of the AGR power plants has been extended by 10 years on average and the objective is to increase the operating life of the PWR power plant by 20 years after the currently planned 40 years (see section 1.4.5.1.2.1 "Nuclear generation" of the 2019 URD). Nevertheless, given the nuclear safety rules applicable in the United Kingdom and RAG reactor technology in particular, the Group cannot guarantee that EDF Energy will obtain the necessary authorisations from the ONR when the time comes to operate its existing nuclear reactors until the currently planned end of operation date, or that such authorisations will not be obtained under conditions involving significant expenditure or investment by the Group.

For nuclear reactors where EDF is not in charge of operation but has financial interests (United States, Belgium, China), the Group is financially exposed to the same risks. The Group may need to contribute up to the amount of



its share to costly repairs or modifications to be carried out on these units or to events that may have an impact on their operating lifespan, production or availability. As in France and the United Kingdom, the nuclear safety authorities in these countries may take decisions that require additional works or controls, in particular as regards exploiting feedback from international experience and anticipating potentially precursory events.

Furthermore, despite the quality of operations and the changes made by the Group to its nuclear facilities, it cannot be ruled out that some of these facilities will be subject to special operating conditions to reinforce the operating safety margins at the initiative of the nuclear operator responsible for nuclear safety or at the request of the Nuclear Safety Agency.

Finally, a potential serious nuclear accident not involving the Group but with widespread consequences worldwide could lead the Safety Authorities to require new reactor upgrades applicable to the Group's reactors, and to those in which the Group has a stake.

The Group cannot guarantee that it will receive the expected operating lifespan extension from the competent authorities. Furthermore, such extensions could also be obtained under certain conditions, the financial impact of which, in particular in terms of investments, could affect the Group's strategy with respect to extending the operating life of its reactors or the Group's ability to pursue its global investment strategy. These events could have a significant negative impact on the Group's financial position.

#### **5B – Control of radioactive waste treatment and decommissioning of nuclear facilities, and ability to meet related commitments.**

**The provisions set aside by the Group for the decommissioning of nuclear facilities and for the treatment and ultimate disposal of radioactive waste, including long-lived waste from spent fuel treatment and decommissioning, may prove to be insufficient. In particular, decommissioning existing nuclear facilities may present currently unforeseen difficulties or be much costlier than anticipated.**

**The amount of dedicated assets in France allocated by the Group to cover the costs of its long-term nuclear business commitments (radioactive waste and decommissioning) might need to be revised upwards or require additional expenditures.**

**Criticality in view of the control actions undertaken: Strong.**

#### **Decommissioning**

The decommissioning operations underway in France (see section 1.4.1.1.6 "Decommissioning of nuclear power plants" of the 2019 URD) concern plants that were built and operated before the current nuclear fleet, including the Superphenix plant ("first generation" plants). These operations cover four different reactor technologies: heavy water reactor (Brennilis), sodium-cooled fast reactor (Superphenix at Creys-Malville), graphite-moderated and gas-cooled reactor (UNGG reactors at Chinon, Saint Laurent and Bugey) and the "PWR" at Chooz. Each of them is a first for EDF, and apart from the PWR, they concern reactor technologies for which there is little or no international experience. They therefore require development of new methods and technologies that are riskier than technologies for which feedback already exists. The decommissioning of the PWR at Chooz A does benefit from some feedback (essentially American and of a limited nature) but it has the innovative specific feature of being located in a cave, which also makes it an unusual operation for which experience is not immediately transferable and which includes specific risks.

The Chooz A PWR decommissioning operations are continuing with the cutting and removal of the vessel internals according to schedule, after the reactor pool was filled with water in 2018 and the vessel was opened in March 2017.

The feedback from the PWR at Chooz will enable consolidation, as far as possible, of the studies and estimates on the future costs of decommissioning the nuclear fleet currently in operation ("second generation" power plants). The first reactor of the Fessenheim power plant was definitively shut down on 22 February. The shutdown of the second reactor is scheduled for 30 June 2020, making these two reactors the first of the nuclear fleet currently in operation to benefit from this feedback for their decommissioning. Nevertheless, neither EDF, nor any other operator, has yet undertaken a decommissioning programme on a scale comparable to that of the Group's current PWR fleet and the estimates therefore involve risks that are associated in particular with this scale effect.

The timing and cost of the work is also dependent on administrative authorisations and the availability, at the

necessary time, of radioactive waste storage centres or other facilities necessary for the conditioning, treatment or storage of waste containers.

In addition to these technical and industrial sensitivity factors, the amount of provisions currently set aside may change in the coming years. Indeed, the assessment of the need for these provisions is sensitive to the assumptions used for costs, planning, inflation rates and long-term discount rates, and to any change in the regulations, in particular those relating to the scope of expenses to be covered. The amount of these provisions, in accordance with the French Environmental Code, is subject to control by the administrative authority, which verifies in particular the adequacy of the provisioned expenses and imposes a cap on the discount rate for the provisions.

Given these sensitivity factors, changes in certain parameters may require significant adjustments of the provisions booked and, therefore, the Group cannot guarantee that the provisions booked will equal the costs actually incurred at the relevant time, which would have an adverse impact on the Group's financial position (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019). The Group regularly conducts an update of the key assumptions underlying the provisions (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019).

With regard to the provision for decommissioning of nuclear power generation facilities in France, the amount of expenses under economic conditions at the end of 2019 is estimated at €27,562 million, the corresponding provision is €16,937 million. As for the last core provision, costs based on year-end economic conditions are estimated at €4,331 million and provision at present value amounts are valued €2,624 million, as the discounting effect is very significant due to distant waste storage maturities. Note 32 "Analyses of sensitivity to macro-economic assumptions" of the appendix to the consolidated financial statements for the fiscal year ended on 31 December 2019 indicates the analyses of sensitivity of provisions and Group's results to a discount rate change, for the different types of provisions.

The provisions of Framatome and Cyclife France (formerly SOCODEI) relating to basic nuclear facilities in France amounted to €83 million and €48 million respectively (see note 33 "Other provisions for decommissioning" of the appendix to the consolidated financial statements for the year ended 31 December 2019).

In the United Kingdom, under the agreements concluded in connection with the restructuring of British Energy, the costs of decommissioning EDF Energy Nuclear Generation Group Ltd.'s existing nuclear power plants will be paid by the Nuclear Liabilities Fund. If the assets of this Fund prove insufficient, these costs will be borne by the UK Government (see section 1.4.5.1.2.1 "Nuclear Generation" of the 2019 URD). In 2019, EDF Energy and the UK Government (BEIS) began discussions with a view to clarifying the conditions for implementing the above-mentioned agreements, in particular as regards determining the decommissioning costs to be recovered by EDF Energy from the Nuclear Liabilities Fund and the conditions under which the UK authorities may exercise their option to acquire the nuclear power plants at the end of the fuel unloading phase. A set of principles was agreed in 2019 as a result of these discussions, which are continuing with a view to achieving comprehensive binding agreements.

For nuclear power plants which EDF does not operate, but has financial interests in (China, United States, Belgium), the Group is exposed financially in proportion to its contribution to future decommissioning costs.

Failure to control the costs, the time-frame for completion and the associated provisions with respect to the decommissioning of nuclear facilities for which the Group is liable would have a negative impact on the Group's financial position and reputation.

## **Waste Management**

As a nuclear operator or producer of radioactive waste, within the meaning of the legislation applicable to waste, the Group could be held liable, in particular in the event of an accident involving damage to third parties or to the environment in connection with spent fuel or waste. The Group may be held liable even if these products are handled, transported, held, stored or warehoused by parties other than the Group, in particular, in France, the Orano Group and the French National Agency for Radioactive Waste Management (ANDRA), particularly in the event of any failure by any of the latter.

In France, EDF is liable for all radioactive waste produced during:

- the operation of the nuclear facilities operated by the Group;

- processing operations for spent fuel from reactors operated by EDF;
- decommissioning operations at the nuclear facilities operated by the Group. (See section 1.4.1.1.4 “The nuclear fuel cycle and related issues” – Storing conditioned ultimate waste).

The long-term management of radioactive waste has been the subject of various studies under programme laws no. 91-1381 of 30 December 1991 on research on radioactive waste management and no. 2006-739 of 28 June 2006 on the sustainable management of radioactive materials and waste. All of the Group’s Long-Lived High-Level and Intermediate-Level waste may not constitute “ultimate radioactive waste” within the meaning of Article L. 542-1-1 of the French Environmental Code. In this case, it may not be possible to store this waste directly in a deep geological repository, especially since the Nuclear Order of 10 February 2016 issued pursuant to Act no. 2015-992 relating to the energy transition for green growth allows for the reclassification of radioactive materials as radioactive waste and vice-versa by the administrative authority. Moreover, the Group has no control over the time taken by the public authorities to issue permits for such ultimate storage, nor over the technical guidelines that are set forth. This is likely to create uncertainties regarding the fate of the waste, the liability and the resulting costs for EDF.

EDF has allocated provisions for the long-term management of waste, assessed on the assumption of geological storage, which is the international solution of reference for the ultimate storage of long-lived high-level radioactive waste and on the basis of a reasonable version of the work carried out in 2006 by a working group comprising ANDRA, the public authorities and radioactive waste producers (see note 32 of the appendix to the consolidated financial statements for the year ended 31 December 2019). Following new calculations of the costs of deep storage under the supervision of the DGEC in conjunction with EDF, the Minister of Ecology, Sustainable Development and Energy, in an order of 15 January 2016, set the new reference cost at €25 billion under the economic conditions of 31 December 2011. This cost was taken into account in the Group’s financial statements at the end of 2015 (see note 32 of the appendix to the consolidated financial statements for the year ended 31 December 2019). The current estimate is based on the preliminary design assumptions and will be regularly revised based on the progress of the project, as stated in the Ministerial order. Opinion no. 2018-AV-0300 from the French Nuclear Safety Authority dated 11 January 2018 relative to the safety options file presented by Andra for the Cigeo project to store radioactive waste in a deep geological layer specifies that the project has achieved satisfactory overall technological maturity at the stage of the safety options file. The reservations that remain and the supplementary investigation being carried out for Andra to obtain approval for the construction of the geological storage area starting in 2022 could lead to a revision of the provisions for long-term radioactive waste management.

Act no. 2006-739 dated 28 June 2006 provided for a dedicated storage centre for Low-Level Long-Life waste (FAVL), such as graphite. ANDRA submitted a progress report in July 2015 under the national plan for the management of radioactive materials and radioactive waste (PNGMDR). This report assesses several storage concepts and allows for the possibility of storage of graphite waste on the Soulaïnes site. The overall industrial scheme for the management of all LLW-LL is being defined within the framework of the PNGMDR (see section 1.4.1.1.4 “The nuclear fuel cycle and associated issues” of the 2019 URD). Provisions may have to be adjusted accordingly.

In the United Kingdom, when British Energy was restructured, agreements were entered into with the authorities concerning the management of certain radioactive waste from existing nuclear power plants (see section 1.4.5.1.2.1 “Nuclear generation” of the 2019 URD). Under the terms of these agreements, the liability and certain costs associated with the management of certain radioactive waste are transferred to the British government. However, EDF Energy Nuclear Generation Ltd. remains financially, technically and legally liable for the management, storage and processing of waste that does not come within the scope of the aforementioned agreements.

For nuclear power plants which EDF does not operate, but in which it has financial interests (United States, Belgium, China), the Group is exposed financially in proportion to its shareholding to contributing to future expenditures related to the management of spent fuel and waste.

In addition to these sensitive technical and industrial factors, the amount of provisions currently recorded could also change in the coming years depending on the assumptions used in terms of costs, inflation rate, long-term discount rate and disbursement schedules, as well as to any change in the regulations. The amount of these provisions, in accordance with the French Environmental Code, is subject in France to control by the administrative authority, composed jointly of the ministers in charge of the economy and energy, with said control verifying in particular the adequacy of the amounts provided for and imposing a ceiling on the discount rate of the provisions. Given these sensitivity factors, changes in certain parameters may require significant adjustments of the provisions booked. In such case, any insufficiency of provisions for long-term nuclear commitments may have a material

adverse impact on the Group's financial position (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019).

Note 32 "Analyses of sensitivity to macro-economic assumptions" of note 32 "Nuclear provisions in France" of the appendix to the consolidated financial statements as of 31 December 2019 shows the connection between "costs based on year-end economic conditions", which represent estimated amounts as at 31 December 2019, and provisions made at present value. Concerning the long-term management of waste and the recovery and packaging of waste, the expenses at year-end economic conditions are evaluated at €33,615 million and the corresponding provision is €11,336 million, as the discounting effect is very significant due to distant waste storage maturities. Note 32 "Analyses of sensitivity to macro-economic assumptions" indicates the analyses of sensitivity of provisions and Group's results to a discount rate change, for the different types of provisions.

Failure to control the costs and time-frames for completion with respect to the solutions for the treatment and ultimate storage of waste for which the Group is liable would have a negative impact on the Group's financial position and reputation.

### **Dedicated asset management**

In France, the market value of EDF's portfolio of dedicated assets to cover the costs of long-term nuclear commitments (radioactive waste and decommissioning), amounted to €31.6 billion as of 31 December 2019, compared to €27.7 billion as of 31 December 2018 (see sections 1.4.1.1.7 "Assets available to cover long-term nuclear commitment (outside the operating cycle)" and 1.5.3.2 "Specific regulations applicable to basic nuclear facilities" of the 2019 URD and note 48.3 of the appendix to the consolidated financial statements for the year ended 31 December 2019).

In the event of a significant change in the provisions determining the reference base of the dedicated assets, it might prove necessary to make additional allocations to adjust the value of these assets, which could have a material adverse impact on EDF's financial position. Moreover, stricter regulations at the national level, in particular those that impact the base for determining the dedicated assets to be constituted by EDF (1) or European level may lead to more stringent requirements regarding the constitution of dedicated assets and have a significant impact on EDF's financial position.

Lastly, although these assets are constituted and managed in accordance with strict prudential rules, the Group cannot guarantee that price fluctuations in the financial markets or changes in valuation will not have a material adverse impact on the value of these assets (see section 5.1.6.1.6 "Management of financial risk on EDF's dedicated asset portfolio" of the 2019 URD for a sensitivity analysis), which could require EDF to allocate additional amounts to restore the value of these assets; such events could have a material adverse effect on the Group's financial position.

In the United Kingdom, the funds for nuclear liabilities are managed by a body independent of EDF set up by the British government (Nuclear Liabilities Fund – NLF) for the existing nuclear fleet. For HPC-related liabilities, the funds will be managed by FundCo, a body (Trust) independent of HPC's shareholders (EDF Energy and CGN) and the UK government. Operators therefore have no assets to manage for this purpose (see section 1.4.5.1.2.1 "Nuclear generation" of the 2019 URD).

The unavailability or insufficient amount of the dedicated assets to hedge the expenditure schedules of the Group's long-term commitments could have a negative impact on the Group's financial position and reputation.

### **5C – Nuclear safety risks during operation resulting from nuclear civil liability.**

**In addition to the control of industrial performance, and given the place of nuclear generation within the EDF Group and with nuclear safety as the number one priority, our responsibility as a nuclear operator determines the Group's overall performance. As a result of its nuclear activities, the Group is exposed to nuclear civil liability risks.**

### **Criticality in view of the control actions undertaken: Intermediate.**

The primary responsibility for nuclear safety lies with the nuclear operator throughout the operating cycle of nuclear reactors. This principle along with the principle of control are reaffirmed in the EDF Group's nuclear safety policy. The Chairman and CEO delegate this nuclear operator liability to the Group Executive Director for the Nuclear and Thermal Fleet Department and the Group Executive Director for the New Nuclear Engineering and

Projects Department, who then sub-delegate it to the Directors of the Divisions involved, who in turn sub-delegate it to unit managers.

The no. 1 priority given to nuclear safety drives the industrial performance of the nuclear activity as a whole. Nuclear safety takes into account the design by the nuclear operator and the operation by the designer. Failure to control operating safety could have major or even vital consequences on the value of the Group's industrial assets, its financial position and its development outlook or even on the continuation of its industrial activity.

Any serious event related to the Group's nuclear activities, with a potential or proven impact on the population or on a territory, could lead to a significant increase in the operating constraints of the Group's industrial sites, or even the partial or total interruption of the Group's nuclear activities. Such an event could have a significant negative impact on the Group's activities, financial position, strategy and reputation.

The nuclear civil liability scheme that applies to nuclear facility operators of States parties to the Paris Convention, and the insurance applicable thereto, are described in section 1.5.3.2 ("Regulations applicable to basic nuclear facilities") and section 2.1.2.6 ("Insurance") of the 2019 URD. This scheme is based on the principle of the operator's strict liability. Accordingly, if an event occurs that causes nuclear damage, the Group would be automatically liable up to a monetary maximum set by the law applicable in the country, regardless of the source of the event that caused the damage and any safety measures that may have been taken.

The Group cannot guarantee that in countries where it operates nuclear facilities the maximum liability set by law will not be increased or cancelled. For example, the protocols amending the Paris Convention and the Brussels Convention, not yet in force (see section 1.5.3.2 "Specific regulations applicable to basic nuclear facilities" of the 2019 URD), provide for these maximum amounts to be increased and a substantial expansion of the damage to be covered. With regard to the new amounts, act no. 2015-992 of 17 August 2015 on the energy transition for green growth made them applicable as from 18 February 2016. The operator's liability in France now amounts to €700 million in the event of a nuclear accident in a facility and €70 million in the event of a nuclear accident during transport. The entry into force of the other changes laid out in these protocols is likely to increase yet again the cost of insurance and the Group cannot guarantee that insurance covering this liability will always be available or that it will always be able to maintain such insurance. Insurance coverage for the Group's nuclear operator's civil liability and for the transport of nuclear substances is described in section 2.1.2.6 "Insurance" of the 2019 URD.

Property damage to EDF's nuclear facilities is covered by insurance programmes (see section 2.1.2.6 "Insurance" of the 2019 URD). Despite this cover, any event that may cause significant damage to a nuclear facility of the Group could have an adverse impact on the Group's business and financial position.

Lastly, the Group cannot guarantee that the insurers that cover both its liability as a nuclear plant operator and property damage to its facilities will always have available capacity or that the costs of cover will not significantly increase, particularly in light of the impacts on the insurance market of events such as the nuclear accident in Japan that occurred in March 2011.

In view of these risks, and in application of Group policy, each Group company operating nuclear facilities acts within the framework of legal and regulatory requirements specific to the country in which it operates and is obliged to comply with them. Each one ensures the nuclear safety of its facilities and constantly improves the level, based on its methods, skills and values. The Group develops common principles aiming to obtain the best level of prevention of incidents and protection of workers, the public and the environment. These principles apply to all stages of the activity, both for new projects and for the existing fleets. The Group closely involves its industrial partners with the achievement of these objectives.

Each company is responsible for the proper conduct of its nuclear activities and sets the appropriate delegations at each decision and action level. The Group guarantees the allocation of the necessary resources for nuclear safety.

An internal entity in charge of an independent safety evaluation is put in place at the level of each site, each company and of the Group. Each one reports to the manager concerned, independently of other managerial functions; furthermore, each one has the duty to alert the superior hierarchical level if the reaction of the level directly involved is not what is expected.

The Group's nuclear operating companies regularly receive international evaluation teams (WANO Peer Review (1) and OSART from the IAEA (2)).

Clear and honest communication on the events and their possible impacts are promoted within the Group. This

high-quality dialogue is sought and maintained with the salaried personnel and its representatives, subcontractors, the supervisory authorities (Nuclear Safety Authority in France, Office for Nuclear Regulation in the United Kingdom), local communities and all other stakeholders in nuclear safety.

The Nuclear Safety Council, which the Chairman and CEO of EDF chairs, meets several times a year and, periodically reviews the annual assessment of nuclear safety for the EDF Group. A General Inspector for nuclear safety and radiation protection (IGSNR) is appointed by the Chairman and CEO to whom he/she reports. He/she carries out inspection missions on all of the nuclear activities of the EDF Group. Each year, it gives an opinion on safety within EDF. Its report is presented and debated in the Nuclear Safety Council. It is then made public (see section 1.4.1.1.3).

## **5D – Control of the fuel cycle.**

**In addition to the control of nuclear safety (risk 5C), the operation of existing nuclear facilities (risk 5A) and new nuclear projects (risk 4A), the Group is exposed, in the context of nuclear activities, to the control of the nuclear fuel cycle.**

**Criticality in view of the control actions undertaken: Intermediate.**

The Group's operating costs include nuclear fuel purchases.

EDF is supplied with uranium, conversion and enrichment services, fuel assembly supplies and spent fuel reprocessing operations for its nuclear fleet in France and the United Kingdom.

Prices and volumes are subject to fluctuations that depend on factors beyond the Group's control, including political and economic factors (in particular, profitability outlook for mining investments, supply/demand imbalance or tension on the supply side, associated, for example, with the occurrence of an operating incident in a uranium mine or cycle plant, a delay in the commissioning of a new mine or an event leading to institutional instability in a producing country, or restrictions / sanctions / embargos).

The storage and transport of new or spent nuclear fuel is an industrial activity that requires specific safety and security measures. These requirements could become more stringent, generating additional difficulties and costs for the Group.

In the event of the collapse of this industrial logistics system, the Group could reduce or even interrupt all or part of the electricity generation at the affected sites, either due to the non-delivery of new assemblies or to the saturation of intermediate storage facilities, which could have a negative impact on the Group's financial position (see section 1.4.1.1.4 "The nuclear fuel cycle and related issues" of the 2019 URD).

Despite the project to build a large-capacity spent fuel storage pool (see section 1.4.1.1.4 "The nuclear fuel cycle and associated issues" of the 2019 URD), the risk of the impossibility, in the long term, of implementing multi-recycling in its 3rd generation pressurised water reactors or recycling in fourth generation reactors known as "GEN IV" (abandonment of the ASTRID fast neutron reactor project), could call into question the fuel cycle, with consequences both in terms of operation and in financial terms.

In France, EDF has booked provisions for spent nuclear fuel management operations (transport, processing, conditioning for recycling) (see note 32 of the appendix to the consolidated financial statements for the financial year ended 31 December 2019) based on the price and volume conditions of the master agreement signed with Orano in December 2008 and broken down in the successive implementation agreements. The implementation agreement for the period from 2016-2023 was signed in February 2016 (see section 1.4.1.1.4 "The nuclear fuel cycle and related issues" of the 2019 URD). The amount of provisions currently booked to cover the period not covered by the current agreement should be reassessed if the terms under which this agreement is renewed prove more onerous than those currently applicable.

Note 32 "Analyses of sensitivity to macro-economic assumptions" and note 32 "Nuclear provisions in France" of the appendix to the consolidated financial statements as of 31 December 2019 shows the connection between "costs based on year-end economic conditions", which represent estimated amounts as at 31 December 2019, and "provisions made at present value". As regards spent fuel management, the costs based on year-end economic conditions are estimated at €19,455 million and the corresponding provision is €10,823 million.

However, the Group cannot guarantee that its contracts, in France and abroad, will completely protect it from sudden or significant price increases. The Group cannot guarantee that when these long-term contracts expire, it

will be able to renew them, in particular at an equivalent price. This could have an adverse impact on the Group's financial position.

### **Impacts of the coronavirus on risk factors**

The coronavirus epidemic that appeared in China in December 2019 is likely to affect the health of employees and service providers, the Group's operations and projects, as well as its financial position. Even if the impacts are difficult to quantify at this stage, the main risk factors of this epidemic have been identified.

Although all these impacts are difficult to quantify, the pandemic has had and could still have an impact on certain risk factors presented above, particularly the following:

#### **1. Interest rate risk (risk 2A)**

The impact of a fall in interest rates on calculation of nuclear provisions and employee benefit provisions.

#### **2. Financial markets risk (risk 2B)**

The potential impact of a second wave of the Covid-19 pandemic causing renewed disturbances on the financial markets, via a decrease in the value of the dedicated assets portfolio or pension fund assets affecting the Group's financial result and the coverage rate of nuclear provisions.

#### **3. Energy market risk (risk 2C)**

The impact of an economic slowdown and disruptions in power generation on the wholesale commodity and electricity markets on the level of demand for electricity, affecting both prices and volumes.

#### **4. Operational continuity of supply chains and contractual relationships (risk 4E) and Management of large and complex industrial projects (including EPR projects) (risk 4A)**

Despite the support measures put in place by the Group and other government measures, the risks of default at all levels of the supply chains could remain significant. These risks are not easily quantified but, particularly if restrictions were reintroduced as a result of the Covid-19 pandemic, they could cause disruption to the Group's operations, building work and major projects both in France and internationally.

As regards Flamanville 3, in the context of health crisis, all construction activities have been temporarily interrupted between mid-March and early May, which could result in further delays and additional costs. The instruction of the upgrading of the main secondary system welds and other technical issues is ongoing and remains subject to ASN approval.

As regards Hinkley Point C, the risk of delays in the commissioning schedule is high. In September 2019, it has been estimated at 15 months for Unit 1 (planned for the end of 2025) and at 9 months for Unit 2. These postponements would lead to an additional cost of approximately £20150.7bn. The impacts of Covid 19 on the schedule and costs are currently being assessed (including impacts on supplier production conditions and associated delivery times) and increase the risk of postponement of planned commissioning dates. A comprehensive study to assess the need for an updated schedule and costs is currently underway and will be completed in the coming months.

#### **5. Occupational health or safety violations (employees and service providers) (risk 4C)**

The health impacts on the Group's employees and contractors are continuing and could be more problematic in the event of a second wave or cluster outbreaks of the Covid-19 pandemic.

#### **6. Attacks against assets, including cyberattacks (risk 4D)**

The spread of working from home, the slowdown in the economy as it focuses on essential activities, and the disturbances caused by the Covid-19 pandemic more generally are conducive to a rising threat of attacks on corporate assets, and cyberattacks in particular.

## **7. Failure to comply with the objectives in terms of operation and/or in terms of extending the operating life of nuclear power plants (France and United Kingdom) (risk 5A)**

### Impact on future generation output due to impacts on nuclear reactor outages:

Some outages could not take place in the context of the health crisis and should be rescheduled. EDF made adjustments to all its activities in order to protect personnel working at its nuclear power plants. Work on the industrial maintenance programme, particularly scheduled operations during maintenance outages, was significantly affected, with a resulting reduction in the electricity generation capacity.

While guaranteeing the absence of any impact on safety issues, EDF adjusted its schedule of reactor outages for maintenance, principally by deferring certain outages to future years, so as to contribute alongside the transmission operator RTE to ensuring a secure power supply throughout the winter of 2020-2021. Reactor outages are also lasting longer under the combined constraints of lower employee availability and restrictions due to the Covid-19 pandemic. The deferral of outages has a knock-on effect on the maintenance programme in subsequent years and therefore on the expected future power output.

At 29 July 2020, the estimated annual nuclear power output in France is 315-325TWh for 2020.

The Covid-19 crisis also affected the generation-consumption balance for EDF in France, and the management of that balance.

- Thus, although France will face an “unprecedented” situation in terms of electricity generation during the winter of 2020- 2021 due to the impact of the pandemic, RTE has announced that any large-scale unintended power cut is unlikely.
- Following revision of the estimate for 2020 nuclear power output, the Group will have to purchase volumes on the market to fulfil its responsibility for balance, and could be confronted with a price risk or called upon to settle payments under the capacity mechanism.

### *Grand Carénage* programme:

The postponement of planned unit outages in 2020 will also affect the maintenance programme in 2021 and 2022 (for which the nuclear output forecast is estimated at between 330TWh and 360TWh each year). As regards *Grand Carénage*, the feedback from the VD4 900MW, as well as ongoing discussions with the ASN, could lead to additional investments in the coming years under this programme, which is currently under review.

Analysis of the impacts of the Covid-19 pandemic does not affect the criticality of the risks above. However, certain estimates based on the Group’s best knowledge as at 30 June 2020 may have to be reconsidered in the second half of the year, depending on the end of the crisis and more generally the economic conditions, and any measures the Group may take in response to the consequences of the crisis.



## 2. RISK FACTORS RELATED TO THE NOTES

*The following paragraphs describe some of the risks that the Issuer believes are material to the Notes in order to assess the market risk associated thereto. They do not describe all the risks of an investment in the Notes.*

### 2.1 Risks for the Noteholders as creditors of the Issuer

#### ***French insolvency law.***

The Issuer is a *société anonyme* incorporated in France and has its corporate seat in France. As a result, in the event that the Issuer becomes insolvent, insolvency proceedings will be principally governed by the French insolvency laws. Under French insolvency law, holders of debt securities issued by a French company (such as the Noteholders) are automatically grouped into a single assembly of holders (the “**Assembly**”) in the event of the opening in France of safeguarding proceedings (*procédure de sauvegarde*), accelerated financial safeguarding proceedings (*procédure de sauvegarde financière accélérée*), accelerated safeguarding proceedings (*procédure de sauvegarde accélérée*) regarding, or a judicial restructuring (*procédure de redressement judiciaire*) of, the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as the Euro Medium Term Note Programme of the Issuer) and regardless of their governing law.

The Assembly deliberates on the draft safeguarding plan (*projet de plan de sauvegarde*), draft accelerated financial safeguarding plan (*projet de plan de sauvegarde financière accélérée*), draft accelerated safeguarding proceedings plan (*projet de plan de procédure de sauvegarde accélérée*), or draft restructuring plan (*projet de plan de redressement*) applicable to the Issuer, once and if the relevant creditors’ committees have adopted the aforementioned draft, and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or writing-off receivables in the form of debt securities, partially or totally;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- convert debt securities (including the Notes) into securities that give, or may give rights, to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to hold the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on the Noteholders seeking repayment in the event that the Issuer were to be subject to French insolvency proceedings.

The provisions relating to the representation of the Noteholders described in Condition 10 (*Representation of the Noteholders*) of the Terms and Conditions of the Notes will not be applicable in these circumstances.

A receiver (*administrateur judiciaire*) is permitted to take into account the existence of voting or subordination agreements entered into by a holder of notes, or the existence of an arrangement providing that a third party will pay the holder’s claims, in full or in part, in order to reduce such holder’s voting rights within the Assembly. The receiver must disclose the method used to compute such voting rights and the holder, or, as the case may be, the receiver, may dispute such computation before the president of the competent commercial court (*tribunal de commerce*). These provisions could apply to a Noteholder who has entered into a hedging arrangement in relation to the Notes.

It should be noted that Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt and amending Directive (EU) 2017/1132 dated 20 June 2019 (the “**Restructuring Directive**”) shall be transposed by the Member States before 17 July 2021. Depending on how it will be transposed into French law, it may modify French insolvency law described above and impact the situation of Noteholders in the event that the Issuer or its Subsidiaries were to be subject to the relevant French insolvency proceedings.

More specifically, the Restructuring Directive is expected to impact the process of adoption of restructuring plans under insolvency proceedings. Creditors (including the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% in the amount of claims or interests in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram-down. Therefore, when the Restructuring Directive is transposed into French law, it is expected that holders of notes (including the Noteholders) will no longer deliberate on the proposed restructuring plan in a separate assembly and accordingly they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, holders of notes (including the Noteholders) will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer, or one or several of the Issuer's subsidiaries, could have a material adverse effect on the market value of Notes issued by the Issuer. Any decisions taken by the Assembly or a class of creditor, as the case may be, could negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

#### ***Modification of the Terms and Conditions of the Notes.***

Noteholders will be grouped automatically for the defence of their interests in a Masse, as defined in Condition 10 (*Representation of the Noteholders*) which contains provisions regarding Collective Decisions of Noteholders to consider matters affecting their interests generally, which may be adopted either through a general meeting (the “**General Meeting**”) or by consent following a written consultation (the “**Written Resolution**”). These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend, were not represented at the relevant meeting or did not consent or respond to the Written Resolution, and Noteholders who voted in a manner contrary to the majority. The Masse, through Collective Decisions, may deliberate on proposals relating to the modification of the conditions of the Notes subject to the limitation provided by French law and the Terms and Conditions of the Notes. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

## **2.2 Risks related to the trading markets of the Notes**

#### ***Liquidity risks/trading market/market value for the Notes.***

Application will be made to Euronext Paris for the Notes to be admitted to trading on the regulated market of Euronext Paris. However, the Notes may not have an established trading market when issued and admitted to trading. The market for the Notes may not develop or continue and, if one does develop, it may not be maintained. The market for the Notes may not be liquid and Noteholders may not be able to sell their Notes when desired, or at all, or at prices they find acceptable. The liquidity of, and trading market for, the Notes may also be adversely affected by general declines in the market for similar securities. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

EDF, and EDF's debt, have credit ratings which are the subject of review from time to time by the independent credit rating agencies which assign such credit ratings. In particular, since the publication of a press release by Moody's on 24 April 2020, S&P on 22 June 2020 and Fitch on 3 September 2020, EDF's long-term and short-term ratings have been respectively set at “A3” (negative outlook) and “P-2” by Moody's, “BBB+” (stable outlook) and “A-2” by S&P and “A-” (negative outlook) and “F2” by Fitch.

The development or continued liquidity of any secondary market for the Notes and their market value will be affected by a number of factors such as general economic conditions, the financial condition, the creditworthiness of the Issuer and/or the Group, and the value of Relevant Reset Rate (i.e. the five year mid swap rate for Euro swap transactions), as well as other factors such as the complexity and volatility of the Relevant Reset Rate, the method of calculating the return to be paid in respect of such Notes, the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors may adversely

affect the market value of the Notes. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder and accordingly such Noteholder may suffer a significant financial loss.

The absence of liquidity may have a significant material adverse effect on the market value of the Notes. In addition, Noteholders may not be able to sell Notes readily or at prices that will enable Noteholders to realize their anticipated yield, and in extreme circumstances such Noteholders could suffer loss of their entire investment.

#### ***Exchange rates risks and exchange controls.***

The Issuer will pay principal and interest on the Notes in Euro. This may result in certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the "**Investor's Currency**") other than Euro. Such risks include, without limitation, (i) significant exchange rate fluctuations between Euro and the Investor's Currency (including changes due to devaluation of the Euro, or reevaluation of the Investor's Currency) and (ii) the imposition or modification of exchange controls by authorities with jurisdiction over the Investor's Currency, as such authorities have imposed from time to time, and may in the future impose, which could adversely affect an applicable exchange rate and result in investors receiving less interest or principal than expected, or no interest or principal at all. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes. This may result in a significant loss on any capital invested from the perspective of an investor whose domestic currency is not the Euro.

### **2.3 Risks relating to the structure of the Notes**

#### ***The Notes are deeply (i.e., lowest ranking) subordinated obligations of the Issuer.***

Pursuant to Condition 3.1 (*Deeply Subordinated Notes*), the principal and interest on the Notes constitute direct, unconditional, unsecured and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and rank and will rank (i) subordinated to present and future *prêts participatifs* granted to the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer, (ii) *pari passu* among themselves and *pari passu* with all other present and future deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer (including the Parity Securities) and (iii) senior only to the Equity Securities. As of 30 June 2020, the Group current and non-current financial liabilities represented €77,856 million and was unsecured, ranking senior to the Notes. At 30 June 2020, the Issuer's perpetual subordinated bonds carried in equity amounted to €9,209 million, ranking *pari passu* with the Notes.

Condition 3.2 (*Payment on the Notes in the event of the liquidation of the Issuer*) provides that in the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors under the Issuer's Unsubordinated Obligations, of the ordinary subordinated creditors under the Issuer's Ordinary Subordinated Obligations and, of lenders in relation to *prêts participatifs* granted to or to be granted to the Issuer, if and to the extent that there is still cash available for those payments.

Thus, the Noteholders face a significantly higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer which could result in (i) a loss of all or a part of a Noteholder's investment in the event of a liquidation and (ii) more volatility in the market value of the Notes as compared to senior obligations issued by the Issuer. In the event of liquidation of the Issuer, the Notes shall rank in priority only to any payment to holders of Equity Securities. In the event of incomplete payment of creditors ranking senior to the Noteholders, the obligations of the Issuer and the respective Noteholders' interests will be terminated which could result in a loss of all or a part of a Noteholder's investment.

#### ***No limitation on issuing or guaranteeing debt ranking senior to, or pari passu with, the Notes.***

Condition 4 (*No Negative Pledge*) provides that there will be no negative pledge in respect of the Notes, as a result there are no restrictions in the Terms and Conditions of the Notes on the amount of debt which the Issuer may issue or guarantee, nor any negative pledge provisions. The Issuer, and its subsidiaries and affiliates, may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness

or guarantees that rank *pari passu* with, or senior in priority of payment to, the Notes. An increase of the outstanding amount of such securities or other liabilities may if such outstanding amount were to exceed the assets of the Issuer materially reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer and Noteholders could suffer loss of their entire investment if the Issuer were to be liquidated (whether voluntarily or not). If the amount of interests due under such securities or other liabilities increases it significantly increase the likelihood of a deferral of interest payments under the Notes and as a result Noteholders could suffer a significant reduction in the return of the Notes.

***The Notes are undated securities.***

Pursuant to Condition 6.1 (*No Fixed Maturity Date*), the Notes are undated securities, with no specified maturity date. Subject to any early redemption described in this Prospectus, the Issuer is under no obligation to redeem or repurchase the Notes at any time, and the Noteholders have no right to require redemption of the Notes. Therefore, Noteholders may be bear a material financial risks of an investment in the Notes for an indefinite period of time and may not recover their investment in a foreseeable future. The only means through which a Noteholder can realise value from the Notes prior to an early redemption is to sell them at their then market value in an available secondary market. As a result, in the absence of a secondary market for the Notes, a Noteholder may not recover all or part of their investment in the foreseeable future. Therefore the principal amount of the Notes may not be repaid and Noteholders may lose the value of their capital investment in the Notes.

***The Issuer can defer interest payments on the Notes.***

As provided by Condition 5.5(a) (*Optional Interest Payment*), on any applicable Interest Payment Date, the Issuer may elect to defer payment of all or part of the interest accrued on the Notes to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. Any interest not paid on an Interest Payment Date and deferred shall, so long as the same remains outstanding, constitute Arrears of Interest and shall be payable as provided in Condition 5.5(b) (*Compulsory Payment of Arrears of Interest*).

Any deferral of interest payments or the perception that the Issuer will exercise its optional deferral right would have a significant adverse effect on the market value of the Notes. In addition, as a result of such interest deferral provisions, the market value of the Notes may be more volatile than the market value of other debt securities on which interest accrues that are not subject to such interest deferral provisions. As a result, the market value of the Notes may be more sensitive generally to adverse changes in the Issuer and/or the Group's financial condition and Noteholders may receive less interest than initially anticipated or at a later date than initially anticipated. As a result, the market value of the Notes or liquidity on the secondary market may be materially and negatively affected.

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If one or several interest payments are deferred, a purchaser of Notes in the secondary market may not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes, which would cause the relevant Noteholders to lose all or part of the value of their investment in the Notes.

***There are no events of default or cross default under the Notes.***

Unlike unsubordinated debt securities, the Terms and Conditions of the Notes do not provide for events of default or cross default allowing acceleration of the Notes upon occurrence of certain events (as provided by Condition 9 (*Enforcement events, no events of default and no cross default*)). Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, or default on other of its outstanding indebtedness, Noteholders will have no right to cause the acceleration of the principal of the Notes. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, Noteholders may lose all or part of their investment. As a result, the market value of the Notes or liquidity on the secondary market may be negatively affected.

### ***Early right of redemption of the Issuer.***

Condition 6.2 (*Optional Redemption from the First Call Date*) provides that the Issuer may redeem the Notes in whole, but not in part, at their Specified Denomination, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption (i) on any date during the period commencing on (and including) (a) 15 December 2026 (with respect to the 6.5 Year Non-Call Notes) or (b) 15 June 2030 (with respect to the 10 Year Non-Call Notes) and ending on (and including) the relevant First Reset Date, or (ii) on any Interest Payment Date falling thereafter.

The Issuer may also, at its option, redeem the Notes in whole, but not in part, upon the occurrence of a Tax Gross-up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, a Rating Methodology Event and a Substantial Repurchase Event, as further described in Conditions 6.4 (*Redemption for Taxation Reasons*), 6.5 (*Optional Redemption due to Accounting Event*), 6.6 (*Optional Redemption due to Rating Methodology Event*) and 6.7 (*Optional Redemption on Substantial Repurchase Event*).

In the event of an early redemption at the option of the Issuer, such early redemption of the Notes will be made at (i) 101 per cent. of the Specified Denomination of the Notes in the case where the redemption of such Notes occurs before (a) 15 December 2026 (with respect to the 6.5 Year Non-Call Notes) or (b) 15 June 2030 (with respect to the 10 Year Non-Call Notes), as a result of an Accounting Event, Rating Methodology Event or a Tax Deductibility Event; or (ii) the Specified Denomination in case of (a) an Accounting Event, Rating Methodology Event or a Tax Deductibility Event where such redemption occurs on or after (x) 15 December 2026 (with respect to the 6.5 Year Non-Call Notes) or (y) 15 June 2030 (with respect to the 10 Year Non-Call Notes) or (b) a Substantial Repurchase Event, a Tax Gross-up Event or a Withholding Tax Event, in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date.

The Issuer may also, at its option, redeem the Notes in whole, but not in part, at any time at a Make-whole Redemption Amount (in accordance with Condition 6.3 (*Make-whole Redemption by the Issuer*)) (other than during the period from and including the First Call Date to and including the First Reset Date or upon any subsequent Interest Payment Date).

The optional redemption feature may negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant. The Issuer may also be expected to redeem the Notes when prevailing market interest rates are lower than the interest rates on the Notes. At the relevant time, Noteholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that could have been received on the Notes had they not been redeemed. Potential investors should consider reinvestment risk as they may not be able to reinvest the redemption proceeds in a comparable investment at an effective interest rate as high as that of the Notes.

For a description of certain risks which may result in the occurrence of an Accounting Event, see the risk factor entitled "*The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event*" below.

### ***Changes in equity credit criteria may lead to the early redemption of the Notes.***

Credit ratings have been assigned to the Notes. Each of S&P, Moody's and Fitch or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and/or ratings assigned to an issuer on a standalone basis (which reflect the Issuer's credit profile without factoring in any potential support from the State) and ratings assigned to securities with features similar to the Notes, sometimes called "notching." If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

If an amendment, clarification or change in the equity credit criteria of S&P, Moody's and Fitch or any other rating agency of equivalent international standing solicited by the Issuer to grant a corporate credit rating to the Issuer or to the Notes, results in a lower equity credit for the Notes than the then respective equity credit assigned to the Notes on the Issue Date, or (i) if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time, or (ii) if the Notes have been partially or fully refinanced since the Issue Date

and are no longer eligible for “equity credit” from such Rating Agency in part or in full as a result, any or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed, the Issuer may, at its option, redeem all of the Notes (but not some only), as set forth under Condition 6.6 (*Optional Redemption due to Rating Methodology Event*). The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

***The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event.***

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on “Financial Instruments with Characteristics of Equity,” (the “**DP/2018/1 Paper**”). The Discussion Paper was open for comment until 7 January 2019. The IASB Board met on 21-23 April 2020 to discuss the direction of the project. While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper (as may be amended) are implemented, the current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change and this may result in the occurrence of an Accounting Event. In such an event, the Issuer will have the option to redeem, in whole but not in part, the Notes (pursuant to Condition 6.5 (*Optional Redemption due to Accounting Event*)).

The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, the future classification of the Notes may vary from an accounting perspective and such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes pursuant to the Terms and Conditions of the Notes.

The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

***Risk relating to the change in the Interest Rate.***

Interest on the Notes before the relevant First Reset Date, which are calculated at a fixed rate of (i) 2.875 per cent. *per annum*, in relation to the 6.5 Year Non-Call Notes and (ii) 3.375 per cent. *per annum*, in relation to the 10 Year Non-Call Notes, involve the risk that subsequent changes in market interest rates may adversely affect the market value of the Notes. In particular, a Noteholder, which pays interest at a fixed rate, is exposed to the risk that the market value of such Note could fall as a result of changes in the market interest rate. While the nominal interest rate of the Notes specified herein is fixed until the relevant First Reset Date (as specified in Condition 5 (*Interest*)), the current interest rate on the capital markets (“**market interest rate**”) typically varies on a daily basis. As the market interest rate changes, the market value of the Notes would typically change in the opposite direction. If the market interest rate increases, the market value of the Notes would typically fall, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the market value of the Notes would typically increase, until the yield of such Notes is approximately equal to the market interest rate. The degree to which the market interest rate may vary is uncertain and presents a significant risk to the market value of the Notes if a Noteholder were to dispose of the Notes.

In accordance with Condition 5 (*Interest*), following the relevant First Reset Date, the interest rate on the Notes will be reset as from the relevant First Reset Date and then every five year period thereafter and shall be calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years plus the Relevant Margin. These mid swap rates are not pre-defined for the lifespan of the Notes. Higher mid swap rates for Euro swap transactions mean a higher interest under the Notes and lower mid swap rates for Euro swap transactions with a maturity of five years mean a lower interest under the Notes. The degree to which the mid swap rates for Euro swap transactions with a maturity of five years may vary is uncertain. Each reset Interest Rate may be different from the initial Interest Rate and may negatively impact the return under the Notes and result in a reduced market value of the Notes if a Noteholder were to dispose of the Notes.

***The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks.”***

Interest on the Notes before the relevant First Reset Date is calculated at a fixed rate. Following the First Reset Date, interest on the Notes for each relevant Reset Period shall be calculated on the basis of the five-year mid swap rate for Euro swap transactions plus the applicable Relevant Margin. The five-year mid swap rate for Euro swap transactions and the 6 month EURIBOR rate (on which the floating leg of the five-year mid swap rate for Euro swap transactions is based) constitute benchmarks for the purposes of Regulation (EU) 2016/1011 of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (as amended, the “**Benchmarks Regulation**”).

The Benchmarks Regulation applies to “contributors”, “administrators” and “users” of “benchmarks” in the EU, and will, among other things, (i) require benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and to comply with extensive requirements in relation to the administration of “benchmarks” (or, if non EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of “benchmarks” of administrators that are not authorized/registered (or, if non EU based, deemed equivalent or recognized or endorsed).

Notwithstanding the provisions of Condition 5.6 (*Benchmark discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have an adverse effect on the market value and return of the Notes if the methodology or other terms of five-year mid swap rate for Euro swap transactions or the EURIBOR as “benchmarks” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of such “benchmarks”.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may discourage market participants from continuing to administer or contribute to certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks.” Any of the foregoing changes and their potential consequences, as a result of international, national or other reforms, or investigations, could have a material adverse effect on the market value of, and return on, the Notes.

***If the Screen Page is discontinued and it is not possible to obtain the Relevant Reset Rate by determining the Reference Bank Rate, the Issuer will appoint a Rate Determination Agent to determine whether a Replacement Rate is available.***

Pursuant to Condition 5.6 (*Benchmark discontinuation*), if a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 5.6 (*Benchmark discontinuation*)). The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate (to be used in place of the Original Reference Rate) with or without the application of an Adjustment Spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the Successor Rate or Alternative Rate, all as determined by an Independent Adviser and without consent of the Noteholders.

An Adjustment Spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders arising out of the replacement of the Original Reference Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an adjustment is applied, such Adjustment Spread may not effectively reduce or eliminate economic prejudice to Noteholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Interest Rate.

The Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the Successor Rate or Alternative Rate may perform differently from the discontinued benchmark. This could significantly affect the performance of an alternative rate compared to the historical and expected performance the relevant benchmark. Any Adjustment Spread applied to the Notes may not adequately compensate for this impact. This could in turn impact the Interest Rate on, and market value of, the Notes and Noteholders may receive lower return on the Notes than anticipated at the time of the issue of the Notes.

Finally, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser is unable to determine a Successor Rate or Alternative Rate for any Reset Rate Determination Date, no Successor Rate or Alternative Rate will be adopted and the Relevant Reset Rate will be equal to the last Relevant Reset Rate available on the Screen Page as determined by the Calculation Agent, or, in the case of the first Relevant Reset Rate, the rate of (i) 2.875 per cent. per annum, in relation to the 6.5 Year Non-Call Notes and (ii) 3.375 per cent. per annum, in relation to the 10 Year Non-Call Notes. This could result in the effective application of a fixed rate to the Notes. As a consequence, the Noteholders may receive less than they would have received in the absence of a Benchmark Event.



## GENERAL DESCRIPTION OF THE NOTES

*This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. It does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 7 of the Prospectus Regulation or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalized terms used but not defined in this Section, please see “Terms and Conditions of the Notes”.*

<b>Issuer</b>	Electricité de France
<b>Notes</b>	EUR 850,000,000 6.5 Year Non-Call Reset Perpetual Subordinated Notes (the “ <b>6.5 Year Non-Call Notes</b> ”); and  EUR 1,250,000,000 10 Year Non-Call Reset Perpetual Subordinated Notes (the “ <b>10 Year Non-Call Notes</b> ” and together with the 6.5 Year Non-Call Notes, the “ <b>Notes</b> ”).
<b>Maturity</b>	Subject to any early redemption described below, the Notes are undated obligations of the Issuer and have no fixed maturity date, but may be redeemed at the option of the Issuer under certain circumstances.
<b>Form of the Notes and Specified Denomination</b>	The Notes will be issued in dematerialized bearer form ( <i>au porteur</i> ) in the denomination of €200,000 (the “ <b>Specified Denomination</b> ”).
<b>Issue Date</b>	15 September 2020.
<b>Status / Ranking</b>	<p>The Notes are deeply (<i>i.e.</i>, lowest ranking) subordinated notes (“<b>Deeply Subordinated Notes</b>”) issued pursuant to the provisions of Article L. 228-97 of the French <i>Code de commerce</i>. The principal and interest on the Notes constitute direct, unconditional, unsecured and deeply subordinated obligations (<i>titres subordonnés de dernier rang</i>) of the Issuer and rank and will rank:</p> <ul style="list-style-type: none"> <li>- subordinated to present and future <i>prêts participatifs</i> granted to the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer;</li> <li>- <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future deeply subordinated obligations (<i>engagements subordonnés de dernier rang</i>) of the Issuer (including the Parity Securities); and</li> <li>- senior only to the Equity Securities.</li> </ul> <p>“<b>Equity Securities</b>” means (a) the ordinary shares (<i>actions ordinaires</i>) of the Issuer and (b) any other class of the Issuer’s share capital (including preference shares (<i>actions de préférence</i>)).</p> <p>“<b>Ordinary Subordinated Obligations</b>” means obligations of the Issuer, whether in the form of notes or otherwise, the principal and interest of which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to <i>prêts participatifs</i>, if any, and deeply subordinated obligations.</p> <p>“<b>Parity Securities</b>” means, at any time, any Deeply Subordinated Notes of the Issuer and any securities which rank and will rank or are expressed to rank <i>pari passu</i> with the Notes (including the notes with the following ISIN Codes: FR0011401751, FR0011401728, US268317AF12/USF2893TAF33, FR0011697010, FR0011697028, FR0011700293, US268317AM62/USF2893TAM83, FR0013367612 and FR0013464922).</p>

“**Unsubordinated Obligations**” means obligations of the Issuer, whether in the form of notes or otherwise, the principal and interest of which constitute direct, unconditional and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsubordinated obligations of the Issuer.

**Payment on the Notes in the event of the liquidation of the Issuer**

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall be made in the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) on the Notes may be made until all holders of other indebtedness (other than Parity Securities) have been paid in full.

This means that:

- unsubordinated creditors under the Issuer’s Unsubordinated Obligations;
- ordinary subordinated creditors under the Issuer’s Ordinary Subordinated Obligations; and
- lenders in relation to any *prêts participatifs* granted to the Issuer,

will be paid in priority to deeply subordinated creditors (including Noteholders).

**Interest**

(i) Interest on the 6.5 Year Non-Call Notes

Each 6.5 Year Non-Call Note will bear interest on its principal amount at a fixed rate of 2.875 per cent. *per annum* from (and including) 15 September 2020 (the “**Issue Date**”) to (but excluding) 15 March 2027 (the “**First Reset Date**”), payable annually in arrear on 15 March in each year, with the first interest payment date on 15 March 2021. There will be a first short coupon in respect of the interest period from, and including, the Issue Date to, but excluding, 15 March 2021.

Thereafter, in respect of each successive five year period each 6.5 Year Non-Call Note will bear interest on its principal amount at a reset rate calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years displayed on Reuters screen “ICESWAP2” (or such other screen as may replace that screen), plus the Relevant Margin *per annum*, subject to a minimum of zero (0) per cent. *per annum*, payable annually, in arrear on or about 15 March in each year, with the first such interest payment date on 15 March 2028.

“**Relevant Margin**” means, (i) from and including the First Reset Date, to but excluding 15 March 2031 (the “**First Step-up Date**”), 3.373 per cent, (ii) from and including the First Step-up Date to but excluding 15 March 2047 (the “**Second Step-up Date**”), 3.623 per cent or (iii) from and including the Second Step-up Date, 4.373 per cent.

(ii) Interest on the 10 Year Non-Call Notes

Each 10 Year Non-Call Note will bear interest on its principal amount at a fixed rate of 3.375 per cent. *per annum* from (and including) 15 September 2020 (the “**Issue Date**”) to (but excluding) 15 September 2030 (the “**First Reset Date**”), payable

annually in arrear on 15 September in each year, with the first interest payment date on 15 September 2021.

Thereafter, in respect of each successive five year period each 10 Year Non-Call Note will bear interest on its principal amount at a reset rate calculated on the basis of the mid swap rates for Euro swap transactions with a maturity of five years displayed on Reuters screen “ICESWAP2” (or such other screen as may replace that screen), plus the Relevant Margin *per annum*, subject to a minimum of zero (0) per cent. *per annum*, payable annually, in arrear on or about 15 September in each year, with the first such interest payment date on 15 September 2031.

“**Relevant Margin**” means, (i) from and including the First Reset Date, to but excluding 15 September 2050 (the “**Step-up Date**”), 3.970 per cent or (ii) from and including the Step-up Date, 4.720 per cent.

In the event that a Benchmark Event occurs in relation to the Original Reference Rate at any time when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Independent Adviser may be permitted to substitute the Original Reference Rate with a Successor Rate or an Alternative rate (with consequent amendment to the Terms and Conditions of the Notes and, potentially, the application of an Adjustment Spread (which may be positive or negative)).

## Interest Deferral

On any interest payment date, in relation to the Notes (the “**Interest Payment Date**”), the Issuer may, at its option, elect to defer payment of all or part of the interest accrued to that date and any failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest not paid on an applicable Interest Payment Date shall constitute “**Arrears of Interest**.” Arrears of Interest (including any Additional Interest Amount as defined below) on all outstanding Notes shall become due and payable in full on whichever is the earliest of:

- (A) the tenth Business Day following the occurrence of a Compulsory Arrears of Interest Payment Event; or
- (B) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (C) the date upon which a judgment is made by a competent court for the voluntary or judicial liquidation of the Issuer (*liquidation amiable* or *liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the Interest Rate from time to time applicable to the Notes and the amount of such interest (the “**Additional Interest Amount**”) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Interest Rate to the amount of the Arrear of Interest and otherwise *mutatis mutandis*.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1343-2 of the French *Code civil*, for the purpose

only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

**“Compulsory Arrears of Interest Payment Event”** means:

- (i) a payment in any form (including dividend or other payments as applicable) on any Equity Securities (other than in the form of the issuance (or transfer from treasury) of any Equity Securities) or any Parity Securities having been resolved upon by the shareholders or other competent body of the Issuer or having been made by the Issuer; or
- (ii) the acquisition, repurchase or redemption, either directly or indirectly, of any Equity Securities or any Parity Securities of the Issuer except in cases where, with respect to Equity Securities, such acquisition, repurchase or redemption was:
  - (a) resulting from the hedging of convertible securities of the Issuer, stock options or other employee benefit plans; or
  - (b) made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities; and in the case of Parity Securities, any repurchase or other acquisition in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Security below its par value.

## **Taxation**

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If applicable law should require that payments of principal or interest be subject to such withholding or deduction, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required except that no such Additional Amounts will be payable in certain circumstances.

## **Redemption**

Subject to any optional redemption described below, the Notes are undated securities with no specified maturity date.

### **Optional Redemption from the First Call Date**

The Issuer may, subject to having given not more than 45 nor less than 30 calendar days’ prior notice to the Noteholders, redeem the Notes in whole, but not in part, at their Specified Denomination, together with all interest accrued (including any Arrears of Interest together with any Additional Interest Amount) to the date fixed for redemption, (i) on any date during the period commencing on (and including) (a) 15 December 2026 (with respect to the 6.5 Year Non-Call Notes) or (b) 15 June 2030 (with respect to the 10 Year Non-Call Notes) and ending on (and including) the relevant First Reset Date, or (ii) on any Interest Payment Date falling thereafter.

**Make-whole  
Redemption at the  
option of the Issuer**

The Issuer may, subject to having given not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders, redeem all (but not some only) of the Notes then outstanding at any time (other than during the period from and including the First Call Date to and including the First Reset Date or upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount, together with accrued interest (if any) on the date specified in such notice upon giving the appropriate notice.

**Other Optional  
Redemption Events**

The Issuer may, subject to having given not more than 45 (or 60 in case of the Tax Gross-up Event described below) nor less than 30 calendar days' prior notice to the Noteholders, redeem the Notes in whole, but not in part, at the Early Redemption Price if:

- at any time, by reason of a change in any French law or published regulation the Issuer would, on the occasion of the next payment of principal or interest, not be able to make such payment without having to pay Additional Amounts (a **"Tax Gross-up Event"**);
- the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amounts then due and payable, notwithstanding the undertaking to pay Additional Amounts (such event, together with a Tax Gross-Up Event, being a **"Withholding Tax Event"**);
- at any time, the French tax regime of any payment under the Notes is modified and results in payments of interest being no longer deductible in whole or in part (unless reasonably avoidable by the Issuer) (a **"Tax Deductibility Event"**);
- at any time, a recognized accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) which have been officially adopted on or after the Issue Date (such date, the **"Accounting Event Adoption Date"**), but not otherwise, the obligations of the Issuer under the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the annual audited consolidated financial statements of the Issuer (an **"Accounting Event"**). The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date;
- at any time, the Issuer has received written confirmation from any rating agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such rating agency, which amendment, clarification or change results in a lower equity credit for the Notes than the then respective equity credit assigned on the Issue Date, or (i) if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time, or (ii) if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, any or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed (a **"Rating Methodology Event"**); or

- at any time the Issuer and/or any subsidiary of the Issuer has, severally or jointly, purchased more than 75 per cent. of the initial aggregate principal amount of the Notes (a “**Substantial Repurchase Event**”).

“**Early Redemption Price**” means:

- 101 per cent. of the Specified Denomination of the Notes in the case where the redemption of such Notes occurs before (a) 15 December 2026 (with respect to the 6.5 Year Non-Call Notes) or (b) 15 June 2030 (with respect to the 10 Year Non-Call Notes) in relation to the Notes as a result of an Accounting Event, Rating Methodology Event or a Tax Deductibility Event; or
- the Specified Denomination in case of:
  - an Accounting Event, Rating Methodology Event or a Tax Deductibility Event where such redemption occurs on or after (a) 15 December 2026 (with respect to the 6.5 Year Non-Call Notes) or (b) 15 June 2030 (with respect to the 10 Year Non-Call Notes) in relation to the Notes; or
  - a Substantial Repurchase Event, a Tax Gross-up Event or a Withholding Tax Event,

in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date.

#### **Purchases and cancellation**

The Issuer shall have the right at all times to purchase the Notes in the open market or otherwise (including by way of tender or exchange offers) at any price, subject to the applicable laws and/or regulations. The Notes purchased by the Issuer may be held and resold in such amount as may be permitted by and in accordance with applicable laws and regulations. All Notes purchased by or on behalf of the Issuer, to the extent that the Issuer is not permitted to hold and resell such Notes in accordance with applicable laws and regulations, and all Notes cancelled at the option the Issuer, shall be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France.

#### **No Negative Pledge**

There will be no negative pledge in respect of the Notes.

#### **Enforcement Events, no Events of Default and no Cross Default**

There will be no events of default in respect of the Notes. There will be no cross default under the Notes.

However, each Note shall become immediately due and payable at its Specified Denomination, together with accrued interest thereon, if any, up to the date of payment, and together with any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is made by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes).

#### **Representation of Noteholders**

The Noteholders will be grouped automatically for the defense of their respective common interests in a masse governed by the provisions of the French *Code de commerce* subject to certain exceptions and provisions (the “**Masse**”). The Masse will be a separate legal entity and will act in part through a representative and in part through a general meeting of the Noteholders. The Issuer is entitled in lieu of holding

a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.

**Admission to trading**

Application has been made for the Notes to be admitted to trading on the regulated market of Euronext Paris. Such admission to trading is expected to occur as of the Issue Date or as soon as practicable thereafter.

**Selling Restrictions**

There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom, France and to EEA and UK retail investors.

**Governing law**

The Notes will be governed by, and construed in accordance with French law.

**Settlement**

Euroclear France

**Fiscal Agent, Principal  
Paying Agent and  
Calculation Agent**

Société Générale

## DOCUMENTS INCORPORATED BY REFERENCE

The sections referred to in the table below included in the following documents (in the French language only) are hereby incorporated by reference in, and form part of, this Prospectus, with the exception of the items mentioned below as being excluded from this Prospectus:

- (a) the Issuer's [half-year management report as at June 30, 2020](#) (*rapport financier semestriel au 30 juin 2020*) in French language (the “**2020 Half-Year Management Report**”), which contains the condensed consolidated half-year financial statements of the Issuer as at, and for the period ending on June 30, 2020 (the “**2020 Half-Year Financial Statements**”) and the statutory auditors’ review report on the 2020 interim condensed consolidated financial statements;
- (b) the [2019 universal registration document](#) (the “**2019 URD**”) in French language filed with the AMF under no. D.20-0128 on March 13, 2020 prepared by the Issuer, which contains the audited consolidated financial statements of the Issuer for the year ended December 31, 2019 and the statutory auditors report on such financial statements; and
- (c) the [2018 Document de Référence](#) of the Issuer in French language filed with the AMF under no. D.19-0157 on March 15, 2019 prepared by the Issuer (hereafter the “**2018 Document de Référence**”) which contains, *inter alia*, the audited consolidated financial statements of the Issuer for the year ended December 31, 2018 and the statutory auditors report on such financial statements.

Any statement contained in the documents incorporated by reference herein will be modified or superseded for all purposes to the extent that a statement contained in this Prospectus modifies or is contrary to that previous statement (whether expressly, by implication or otherwise). Any statement so modified or superseded will not be deemed a part of this Prospectus, except as so modified or superseded.

The documents incorporated by reference herein are available on EDF’s website ([www.edf.com](http://www.edf.com)) and may be obtained free of charge during normal business hours at EDF’s registered office (22-30 avenue de Wagram, 75008, Paris, France, +33 (0)1 40 42 22 22). The 2019 URD and the 2018 Document de Référence are also available on the AMF’s website ([www.amf-france.org](http://www.amf-france.org)).

Free English translations of the 2019 URD, the 2018 Document de Référence, the 2020 Half-Year Management Report and the 2020 Half-Year Financial Statements are available on the website of the Issuer for information purposes only. No materials from EDF’s website or any other source other than those specifically identified above are incorporated by reference into this Prospectus and have not been scrutinised or approved by the AMF.

The information incorporated by reference that is not included in the cross-reference table below is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation. The non incorporated parts of the documents incorporated by reference in this Prospectus shall not form part of this Prospectus and are either not relevant for the investors or covered by elsewhere in this Prospectus.



The cross-reference tables below set out the relevant page references for the information incorporated herein by reference:

**Annex 7 of Commission Delegated Regulation no. 2019/980**

<b>Rule</b>		<b>2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)</b>
<b>1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL</b>		
1.1.	Names of persons responsible for the information given in the registration document	N/A
1.2.	A declaration by those responsible for the registration document that the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import	N/A
1.3	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the statement or report has been produced at the issuer's request, provide a statement that such statement or report has been included in the registration statement with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.	N/A
1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.	N/A
<b>2. STATUTORY AUDITORS</b>		
2.1.	Names and addresses of the Issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	Chapter 8, Section 8.2 (page 484) (URD)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.	N/A
<b>3. RISK FACTORS</b>		
3.1	A description of the material risks that are specific to the Issuer and that may affect the Issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.	Chapter 2, Section 21.2.6 (pages 107-110) (URD)  Chapter 5, Section 5.1.6.1 (pages 266-274) (URD)

<b>Rule</b>		<b>2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)</b>
	In each category the most material risks, in the assessment of the Issuer, offeror or person asking for admission to trading on a Regulated Market, taking into account the negative impact on the Issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.	Section 6 (pages 26-33) (HYMR)
<b>4. INFORMATION ABOUT THE ISSUER</b>		
<b>4.1.</b>	<b><u>History and development of the Issuer:</u></b>	Chapter 1, Section 1.2 (pages 8-11) (URD).
4.1.1	Legal and commercial name of the Issuer	Chapter 7, Section 7.1.1 (page 466) (URD)
4.1.2	Place of registration of the Issuer, its registration number and legal entity identifier (LEI)	Chapter 7, Section 7.1.2 (page 466) (URD) Chapter 8, Section 8.3 (page 485) (URD)
4.1.3	Date of incorporation and the length of life of the Issuer	Chapter 7, Section 7.1.3 (page 466) (URD)
4.1.4	Domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office and website of the Issuer.	Chapter 7, Section 7.1.1 and Section 7.1.4 (page 466) (URD)
4.1.5	Details of any recent events	Chapter 5, Section 5.2 (page 275), Chapter 6, Section 6.1, note 52 (page 389) and Section 6.3, note 41 (page 453) (URD), Section 10 (page 35) (HYMR)
4.1.6	Credit ratings assigned to the Issuer at the request or with the cooperation of the Issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.	Section 6.1.2 (page 27) (HYMR)
<b>5. BUSINESS OVERVIEW</b>		
<b>5.1.</b>	<b><u>Principal activities:</u></b>	
5.1.1	A description of the Issuer's principal activities, including (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products or activities; (c) the principal markets in which the Issuer competes.	Chapter 1, Section 1.4 (pages 18-81), Section 1.5 (pages 82-97), Chapter 3, Section 3.2 (pages 136-145), Section 3.3 (pages 146-178) (URD)
5.1.2	Basis for any statements made by the Issuer regarding its competitive position	Chapter 1, Section 1.4.2.1.2 (page 43), Section 1.4.4.2.2

<b>Rule</b>		<b>2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)</b>
		(pages 51-52) and Section 1.4.5.1.2.3 (page 61) (URD)
<b>6. ORGANISATIONAL STRUCTURE</b>		
6.1	Brief description of the group and of the Issuer's position within it. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	Chapter 1, Section 1.2.2 (pages 10-11) (URD)
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	N/A
<b>7. TREND INFORMATION</b>		
7.1	A description of (a) any material adverse change in the prospects of the Issuer since the date of its last published audited financial statements; (b) any significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the registration document.  If neither of the above are applicable, include an appropriate statement to the effect that no such changes exist.	Chapter 5, Section 5.2 (page 275), Chapter 6, Section 6.1, note 52 (page 389) and Section 6.6.2 (page 459) (URD)  Section 2 (pages 7-12) and Section 3 (pages 12-14) (HYMR)
<b>8. PROFIT FORECASTS OR ESTIMATES</b>		
8.1.	Where the Issuer includes on a voluntary basis a profit forecast or a profit estimate, a statement setting out the principal assumptions upon which the Issuer has based its forecast, or estimate and a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies.  If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, a statement to that effect and an explanation of why such profit forecast or estimate is no longer valid.	Section 11 (page 35) (HYMR)
8.2	A statement that the profit forecast or estimate has been compiled and prepared on a basis which is both (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies.	N/A
<b>9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES</b>		
9.1	Names, business addresses and functions in the Issuer of members of the administrative, management or supervisory bodies	Chapter 4, Section 4.2.1 (pages 208-223), Section 4.2.3 (pages 229-235) and Section 4.3 (pages 235-236) (URD)

<b>Rule</b>		<b>2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)</b>
		Section 3.5 (page 13) (HYMR)
9.2	Administrative, Management and Supervisory bodies' conflicts of interests	Chapter 4, Section 4.4.1 (page 237) (URD)
<b>10. MAJOR SHAREHOLDERS</b>		
10.1	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused	Chapter 7, Section 7.3.8 (page 476) (URD)
10.2	A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer	Chapter 7, Section 7.3.9 (page 476) (URD)
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>		
<b>11.1.</b>	<b><u>Historical Financial Information:</u></b>	
11.1.1	Audited historical financial information covering the latest two financial years (or such shorter period as the Issuer has been in operation) and the audit report in respect of each year.	Chapter 6, Section 6.1 (pages 278-393) and Section 6.2 (pages 394-398) for the year ended 31 December 2019 (URD)  Chapter 6, Section 6.1 (pages 314-429) and Section 6.2 (pages 430-432) for the year ended 31 December 2018 (DR)
11.1.2	If the Issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical financial information shall cover at least 24 months, or the entire period for which the Issuer has been in operation, whichever is shorter.	N/A
11.1.3	The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.  If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with either: (a) a Member State's national accounting standards for issuers from the EEA, as required by the Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the	Chapter 6, Section 6.1 (pages 278-393) for the year ended 30 December 2019 (URD)  Chapter 6, Section 6.1 (pages 314-429) for the year ended 31 December 2018 (DR)  Pages 1-69 at 30 June 2020 (HYFS) and Chapter 4 (pages 105-107) (HYMR)

<b>Rule</b>		<b>2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)</b>
	financial statements shall be restated in compliance with that Regulation.	
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:	
	(a) balance sheet	Chapter 6, Section 6.1 (page 280) and Section 6.3 (pages 400-401) for the year ended 31 December 2019 (URD)  Chapter 6, Section 6.1 (page 316) and Section 6.3 (pages 434-435) for the year ended 31 December 2018 (DR)  Page 4 at 30 June 2020 (HYFS)
	(b) the income statement	Chapter 6, Section 6.1 (page 278) and Section 6.3 (page 399) for the year ended 31 December 2019 (URD)  Chapter 6, Section 6.1 (page 314) and Section 6.3 (page 433) for the year ended 31 December 2018 (DR)  Page 2 at 30 June 2020 (HYFS)
	(c) cash flow statement; and	Chapter 6, Section 6.1 (page 281) and Section 6.3 (page 402) for the year ended 31 December 2019 (URD)  Chapter 6, Section 6.1 (page 317) and Section 6.3 (page 436) for the year ended 31 December 2018 (DR)  Page 5 at 30 June 2020 (HYFS)
	(d) the accounting policies and explanatory notes.	Chapter 6, Section 6.1 (pages 283-393) and Section 6.3 (pages 403-453) for the year ended 31 December 2019 (URD)  Chapter 6, Section 6.1 (pages 323-429) and Section 6.3 (pages

<b>Rule</b>		<b>2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)</b>
		439-489) for the year ended 31 December 2018 (DR)  Pages 8-69 at 30 June 2020 (HYFS)
11.1.5	If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	Chapter 6 (pages 277-464) for the year ended 31 December 2019 (URD)  Chapter 6 (pages 313-500) for the year ended 31 December 2018 (DR)  Pages 1-69 at 30 June 2020 (HYFS)
11.1.6	The balance sheet date of the last year of audited financial information statements may not be older than 18 months from the date of the registration document	N/A
<b><u>11.2.</u></b>	<b><u>Auditing of historical annual financial information:</u></b>	
11.2.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	Chapter 6, Section 6.2 (pages 394-397) (URD)  Chapter 6, Section 6.2 (pages 430-432) for the year ended 31 December 2018 (DR)
11.2.2	Indication of other information in the registration document which has been audited by the auditors.	N/A
11.2.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is not audited.	N/A
<b><u>11.3</u></b>	<b><u>Legal and arbitration proceedings:</u></b>	

Rule		2018 Document de Référence (DR) / 2019 Universal Registration Document (URD) / 2020 Half-Year Management Report (HYMR) / 2020 Half-Year Financial Statements (HYFS)
	Information on any governmental, legal or arbitration proceedings	Chapter 6, Section 6.1, Note 50 (pages 386-387) and Chapter 7, Section 7.1.5 (page 466) (URD)  Section 9 (pages 35) (HYMR)
<b>11.4</b>	<b><u>Significant change in the Issuer's financial or trading position:</u></b>	
<b>11.4.1</b>	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	Chapter 5, Section 5.2 (page 275), Chapter 6, Section 6.1, note 52 (page 389) and Chapter 6, Section 6.6.2 (page 459) (URD)  Section 3 (pages 12-14), Section 8 (pages 33-34) (HYMR), Note 22.2.1 (pages 53-55) to the HYFS
<b>12. MATERIAL CONTRACTS</b>		
12.1	A brief summary of all material contracts	Chapter 7, Section 7.6 (page 482) (URD)
<b>13. DOCUMENTS AVAILABLE</b>		
13.1	A statement that for the term of the registration document the documents can be inspected	Chapter 8, Section 8.3 (page 485) (URD)

When reading the information incorporated by reference herein, investors should take into account the information set forth under “*Recent Events*” in this Prospectus, which may modify or supersede the information incorporated by reference.

## TERMS AND CONDITIONS OF THE 6.5 YEAR NON-CALL NOTES

*The terms and conditions of the Notes will be as follows:*

The issue of the €850,000,000 6.5 Year Non-Call Reset Perpetual Subordinated Notes (the “**Notes**”) of Electricité de France (the “**Issuer**”) has been authorized by the resolutions of the Board of Directors (*Conseil d’administration*) of the Issuer held on 18 December 2019 and a decision of Jean-Bernard Lévy, *Président-Directeur Général* of the Issuer, dated 9 September 2020. The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated 11 September 2020 with Société Générale as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agent** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agent. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1. DEFINITIONS

For the purpose of these Conditions, the following definitions shall apply:

**Account Holder(s)** has the meaning ascribed to such term in Condition 2 below.

**Accounting Event** means that a recognized accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in the accounting principles (or the application thereof) which have been officially adopted on or after the Issue Date (such date, the **Accounting Event Adoption Date**), but not otherwise, the obligations of the Issuer under the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the annual audited consolidated financial statements of the Issuer. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date.

**Actual/Actual (ICMA)** means:

- if interest is required to be calculated for a period that is equal to or shorter than the Interest Rate Accrual Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Rate Accrual Period in which the relevant period falls;
- if interest is required to be calculated for a period of more than one year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Rate Accrual Period in which it begins divided by the total number of calendar days in such Interest Rate Accrual Period and (b) the number of calendar days of the relevant period falling in the next Interest Rate Accrual Period divided by the total number of calendar days in such next Interest Rate Accrual Period (including the first such day but excluding the last).

**Business Day** means a day on which TARGET 2 System is operating.

**Compulsory Arrears of Interest Payment Event** means that:

- (i) a payment in any form (including dividend or other payments as applicable) on any Equity Securities (other than in the form of the issuance (or transfer from treasury) of any Equity Securities) or any Parity Securities having been resolved upon by the shareholders or other competent body of the Issuer or having been made by the Issuer; or
- (ii) the acquisition, repurchase or redemption, either directly or indirectly, of any Equity Securities or any Parity Securities of the Issuer except in cases where, with respect to Equity Securities, such acquisition, repurchase or redemption was:



- 1) resulting from the hedging of convertible securities of the Issuer, stock options or other employee benefit plans; or
- 2) made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities; and in the case of Parity Securities, any repurchase or other acquisition in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Security below its par value.

**Deeply Subordinated Notes** has the meaning ascribed to such term in Condition 3.1 below.

**Early Redemption Date** means the effective date of redemption of the Notes made in accordance with Condition 6.

**Early Redemption Price** means:

- (i) 101 per cent. of the Specified Denomination of the Notes in the case where the redemption of such Notes occurs before 15 December 2026 as a result of an Accounting Event, Rating Methodology Event or a Tax Deductibility Event; or
- (ii) the Specified Denomination in case of:
  - (a) an Accounting Event, Rating Methodology Event or a Tax Deductibility Event where such redemption occurs on or after 15 December 2026; or
  - (b) a Substantial Repurchase Event, a Tax Gross-up Event or a Withholding Tax Event,

in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date.

**Equity Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

**First Call Date** means 15 December 2026.

**First Reset Date** means 15 March 2027.

**Fitch** means Fitch Ratings Ltd (or any of its successors).

**Fixed Coupon Amount** means EUR 5,750 per EUR 200,000 Specified Denomination until the First Reset Date, save for the Interest Amount payable on the first Interest Payment Date which shall be EUR 2,851.370 per EUR 200,000 Specified Denomination.

**IFRS** means the International Financial Reporting Standards as adopted in the European Union, as amended from time to time.

**Interest Amount** has the meaning ascribed to such term in Condition 5.2 below.

**Interest Payment Date** means 15 March in each year from and including 15 March 2021, subject to any interest deferral.

**Interest Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date. There will be a first short coupon in respect of the interest period from, and including, the Issue Date to, but excluding, 15 March 2021.

**Interest Rate Accrual Period** means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date.

**Issue Date** has the meaning ascribed to such term in Condition 2 below.

**Moody's** means Moody's Investors Service Ltd. (or any of its successors).

**Noteholder** means, on a given date, the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

**Ordinary Subordinated Obligations** means obligations of the Issuer, whether in the form of notes or otherwise, the principal and interest of which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and *pari passu* with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, and deeply subordinated obligations.

**Parity Securities** means, at any time, any Deeply Subordinated Notes of the Issuer and any securities which rank and will rank or are expressed to rank *pari passu* with the Notes (including the (i) €1,250,000,000 reset perpetual subordinated notes with a first call date on 29 January 2025 (ISIN: FR0011401751) issued on 29 January 2013, (ii) GBP1,250,000,000 reset perpetual subordinated notes with a first call date on 29 January 2026 (ISIN: FR0011401728) issued on 29 January 2013, (iii) \$3,000,000,000 Reset Perpetual Subordinated Notes with a first call date on 29 January 2023 (ISIN: US268317AF12 (Rule 144A) / USF2893TAF33 (Reg S)) issued on 29 January 2013, (iv) €1,000,000,000 reset perpetual subordinated notes with a first call date on 22 January 2022 (ISIN: FR0011697010) on 22 January 2014, (v) €1,000,000,000 reset perpetual subordinated notes with a first call date on 22 January 2026 (ISIN: FR0011697028) issued on 22 January 2014, (vi) GBP750,000,000 reset perpetual subordinated notes with a first call date on 22 January 2029 (ISIN: FR0011700293) issued on 22 January 2014, (vii) \$1,500,000,000 Reset Perpetual Subordinated Notes with a first call date on 22 January 2024 (ISIN: US268317AM62 (Rule 144A) / USF2893TAM83 (Reg S)) issued on 22 January 2014, (viii) €1,250,000,000 Reset Perpetual Subordinated Notes with a first call date on 4 October 2024 (ISIN: FR0013367612) issued on 4 October 2018, (ix) €500,000,000 8 Year Non-Call Reset Perpetual Subordinated Notes with a first call date on 3 September 2027 (ISIN: FR0013464922) issued on 3 December 2019) and (x) the €1,250,000,000 10 Year Non-Call Reset Perpetual Subordinated Notes to be issued on the same day as the Notes.

**Rating Agency** means any of the following: Moody's, S&P, Fitch or any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof.

**Rating Methodology Event** means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency, which amendment, clarification or change results in a lower equity credit for the Notes than the then respective equity credit assigned on the Issue Date, or (i) if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time, or (ii) if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, any or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed.

**Reference Bank Rate** means the percentage rate determined on the basis of the five year mid swap rate for Euro swap transactions provided by at least four leading swap dealers in the interbank market selected by the Issuer to the Calculation Agent at its request at approximately 11:00 a.m. (London time), on the Reset Rate Determination Date. If at least three quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If two quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations. If one quotation is provided, the Reference Bank Rate will be such quotation. If the Reference Bank Rate is unavailable or the Calculation Agent determines that no Reference Bank is providing offered quotations, the Relevant Reset Rate will be equal to the last Relevant Reset Rate available on the Screen Page as determined by

the Calculation Agent, or, in the case of the first Relevant Reset Rate, the rate of -0.373 per cent. *per annum*.

**Relevant Margin** means, (i) from and including the First Reset Date, to but excluding 15 March 2031 (the **First Step-up Date**), 3.373 per cent, (ii) from and including the First Step-up Date to but excluding 15 March 2047 (the **Second Step-up Date**), 3.623 per cent or (iii) from and including the Second Step-up Date, 4.373 per cent.

**Relevant Period** means each successive five year period from (and including) the First Reset Date (where the first Relevant Period commences on (and includes) the First Reset Date and ends on (but excludes) the fifth anniversary of the First Reset Date).

**Relevant Reset Rate** means:

- (i) the five year mid swap rate for Euro swap transactions displayed on Reuters screen ICESWAP2 (or such other screen as may replace that screen on Reuters, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at or around 11.00 a.m. (London time) on the Reset Rate Determination Date (the **Screen Page**); and
- (ii) if the correct mid swap rate does not appear on the Screen Page, the five year Euro mid swap rate shall instead be the Reference Bank Rate.

**Reset Rate** means the applicable Relevant Reset Rate plus the Relevant Margin.

**Reset Rate Determination Date** means, in respect of the first Relevant Period, the second Business Day prior to the First Reset Date and, in respect of each Relevant Period thereafter, the second Business Day prior to the first day of each such Relevant Period.

**Specified Denomination** has the meaning ascribed to such term in Condition 2 below.

**S&P** means S&P Global Ratings Europe Limited (or any of its successors).

**Substantial Repurchase Event** means that the Issuer and/or any subsidiary of the Issuer has, severally or jointly, purchased more than 75 per cent. of the initial aggregate principal amount of the Notes.

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System, or any successor thereto.

**Unsubordinated Obligations** means obligations of the Issuer, whether in the form of notes or otherwise, the principal and interest of which constitute direct, unconditional and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsubordinated obligations of the Issuer.

## 2. FORM, DENOMINATION AND TITLE

The Notes are issued on 15 September 2020 (the **Issue Date**) in dematerialized bearer form (*au porteur*) in the denomination of €200,000 each (the **Specified Denomination**). Title to the Notes will be evidenced in accordance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 3. STATUS OF THE NOTES

#### 3.1 Deeply Subordinated Notes

The Notes are deeply (*i.e.*, lowest ranking) subordinated notes (**Deeply Subordinated Notes**) issued pursuant to the provisions of Article L. 228-97 of the French *Code de commerce*. The principal and interest on the Notes constitute direct, unconditional, unsecured and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and rank and will rank:

- subordinated to present and future *prêts participatifs* granted to the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer;
- *pari passu* among themselves and *pari passu* with all other present and future deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer (including the Parity Securities); and
- senior only to the Equity Securities.

#### 3.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall be made in the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) on the Notes may be made until all holders of other indebtedness (other than Parity Securities) have been paid in full.

This means that:

- (a) unsubordinated creditors under the Issuer's Unsubordinated Obligations;
- (b) ordinary subordinated creditors under the Issuer's Ordinary Subordinated Obligations; and
- (c) lenders in relation to any *prêts participatifs* granted to the Issuer;

will be paid in priority to deeply subordinated creditors (including Noteholders).

In the event of liquidation of the Issuer, the Notes shall rank in priority only to any payment to holders of Equity Securities. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Notes shall be terminated.

### 4. NO NEGATIVE PLEDGE

There will be no negative pledge in respect of the Notes.

## 5. INTEREST

### 5.1 General

Unless previously redeemed in accordance with Condition 6 and subject to the further provisions of this Condition (in particular, but not limited to Condition 5.5), the Notes shall bear interest on their principal amount at a rate described in (a) and (b) below (such rate of interest, the **Interest Rate**):

- (a) from and including the Issue Date to but excluding the First Reset Date, at a rate of 2.875 per cent. *per annum*, payable annually in arrear on each Interest Payment Date up to, and including, the First Reset Date. The Fixed Coupon Amount payable in respect of each Note on each Interest Payment Date up to and including the First Reset Date shall be EUR 5,750 per Note, save for the Interest Amount payable on the first Interest Payment Date which shall be EUR 2,851.370 per Note; and
- (b) from and including the First Reset Date, the rate of interest for each Note for each Relevant Period shall be a reset rate equal to the Relevant Reset Rate plus the Relevant Margin *per annum*, subject to a minimum of zero (0) per cent. *per annum*, payable annually in arrear on each Interest Payment Date from and including 15 March 2028;

provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant payment will be postponed to the next Business Day and no interest shall accrue nor be payable as a result of such postponement.

Promptly after the determination of the Relevant Reset Rate, the Calculation Agent shall determine the Interest Rate for each Note and calculate the relevant Interest Amount (as defined below).

The Calculation Agent will cause the relevant Interest Rate and the relevant Interest Amount (as defined below) payable per Note to be notified to the Issuer, the Fiscal Agent and Principal Paying Agent and, if required by the rules of Euronext Paris or any other stock exchange on which the Notes are listed from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 11 without undue delay, but, in any case, not later than on the fifth (5th) Business Day after its determination.

### 5.2 Calculation of the Interest Amount

The amount of interest (the **Interest Amount**) payable on each Note on each Interest Payment Date following the First Reset Date shall be calculated by multiplying the product of the applicable Reset Rate and the Specified Denomination of such Note by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

### 5.3 Notifications, etc. to be binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

### 5.4 Calculation Agent

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine any Interest Rate or Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11 and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## 5.5 Interest Deferral

### (a) Optional Interest Payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due and payable on that Interest Payment Date unless the Issuer, by notice to (x) the Noteholders in accordance with Condition 11 and (y) the Fiscal Agent pursuant to Condition 5.5(c) below elects to defer payment of all or part of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any other purpose.

Any interest not paid on a Notes and deferred in accordance with this Condition 5.5(a) shall so long as the same remains outstanding constitute **Arrears of Interest** and shall be payable as outlined below.

### (b) Compulsory Payment of Arrears of Interest

Arrears of Interest (together with any Additional Interest Amount) may, at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the tenth Business Day following the occurrence of a Compulsory Arrears of Interest Payment Event; or
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made by a competent court for the voluntary or judicial liquidation of the Issuer (*liquidation amiable* or *liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the Nominal Amount of the Notes at a rate which corresponds to the Interest Rate from time to time applicable to the Notes and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Calculation Agent applying the Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added, in accordance with Article 1343-2 of the French *Code civil*, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

### (c) Notice of Deferral and Payment of Arrears of Interest

The Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 11 and to the Fiscal Agent:

- (i) of any Interest Payment Date on which the Issuer elects to defer interest as provided in Condition 5.5(a) above; and
- (ii) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable as provided in Condition 5.5(b) above.

So long as the Notes are admitted to trading on the regulated market of Euronext Paris and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

(d) **Partial Payment of Arrears of Interest and Additional Interest Amount**

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

## **5.6 Benchmark discontinuation**

If a Benchmark Event occurs in relation to the Original Reference Rate at any time when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over the other fallbacks specified in the definition of “*Relevant Reset Rate*” in Condition 1.

(a) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.6(b)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.6(c)) and any Benchmark Amendments (in accordance with Condition 5.6(d)).

An Independent Adviser appointed pursuant to this Condition 5.6 shall act in good faith as an expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or the Noteholders for any determination made by it pursuant to this Condition 5.6.

(b) **Successor Rate or Alternative Rate**

If the Independent Adviser determines in good faith that:

- (I) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.6(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.6); or
- (II) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.6(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate (or the

relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.6).

(c) Adjustment Spread

If the Independent Adviser determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.6 and the Independent Adviser determines in good faith (A) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are strictly necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.6(e), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.6(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative and, in accordance with Condition 11, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 5.6. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Interest Rate on the immediately following Reset Rate Determination Date, no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purpose of determining such Interest Rate on such Reset Rate Determination Date, with the effect that the fallback provisions provided in Condition 1 will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5.6, *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5.6 (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions, including, for the avoidance of doubt, the fallbacks specified in Condition 1 will continue to apply).



(g) Definitions

In this Condition 5.6:

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate.

**"Alternative Rate"** means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5.6 and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period (if there is such a customary market usage at such time) and in the same Specified Currency as the Notes.

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- a) the Original Reference Rate ceasing to exist or be published;
- b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the specified date referred to in (b)(i);
- c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in (d)(i);
- e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;
- f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the

Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payment due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”), if applicable);

- g) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted; or
- h) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is no longer representative of an underlying market or its methodology has materially changed.

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 5.6(a).

**"Original Reference Rate"** means the Relevant Reset Rate.

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine, among those successor or replacement rates, the one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Notes.

## **6. REDEMPTION AND PURCHASE**

### **6.1 No Fixed Maturity Date**

Subject to any early redemption described below, the Notes have no fixed maturity date on which they will be redeemed.

### **6.2 Optional Redemption from the First Call Date**

The Issuer may, at its option, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at their Specified Denomination, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption (i) on any date during the period commencing on (and including) First Call Date and ending on (and including) the First Reset Date, or (ii) on any Interest Payment Date falling thereafter.

### 6.3 Make-whole Redemption by the Issuer

The Issuer may, subject to having given not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders in accordance with Condition 11 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (such date, the "**Make-whole Redemption Date**") (redeem all (but not some only) of the Notes then outstanding at any time other than during the period from and including the First Call Date to and including the First Reset Date or upon any subsequent Interest Payment Date at the Make-whole Redemption Amount (the "**Make-whole Redemption Option**").

The Issuer shall, not less than fifteen (15) calendar days before the giving of any notice referred to above, notify the Fiscal Agent, the Calculation Agent of its decision to exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Amount. The Make-whole Redemption Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 11 (*Notices*).

All Notes shall be redeemed on the Make-whole Redemption Date in accordance with this Condition.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Benchmark Rate"** means the amount displayed on the Reference Screen Rate or, if the Reference Screen Rate is not available, the average of the four quotations given by Reference Dealers on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Security. If the Reference Security is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Security, a Similar Security will be chosen by the Calculation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and published in accordance with Condition 11.

**"Calculation Date"** means the third Business Day prior to the Make-whole Redemption Date.

**"Make-whole Redemption Margin"** means:

- (i) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs prior to the First Step-up Date;
- (ii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the First Step-up Date but prior to the Second Step-up Date; or
- (iii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the Second Step-up Date.

**"Make-whole Redemption Amount"** means, in respect of each Note, an amount in Euro, determined by the Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (excluding any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) discounted from: (A) the First Call Date, if the Make-whole Redemption Date occurs prior to the First Call Date or (B) thereafter on the next succeeding Interest Payment Date, if the Make-whole Redemption Date occurs after the First

Reset Date to such Make-whole Redemption Date, in each case on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate; and

- (ii) any interest accrued and any Arrears of Interest (and Additional Interest Amount thereon) but not paid on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date, to, but excluding, the Make-whole Redemption Date.

**“Make-whole Redemption Rate”** means the sum, as calculated by the Calculation Agent, of the Benchmark Rate and the Make-whole Redemption Margin.

**“Reference Security”** means the German government bond bearing interest at a rate of 0.25 per cent. *per annum* due 15 February 2027, with ISIN DE0001102416.

**“Reference Dealers”** means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

**“Reference Screen Rate”** means Bloomberg HP page for the Reference Security (using the settings “Mid YTM” and “Daily”).

**“Similar Security”** means the German government treasury bond(s) selected by the Calculation Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature: (A) if the Make-whole Redemption Date occurs prior to the First Call Date, the First Call Date or (B) on the next succeeding Interest Payment Date if the Make-whole Redemption Date occurs after the First Reset Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

#### 6.4 Redemption for Taxation Reasons

- (a) If by reason of a change in French law or published regulation becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 8 below (a **Tax Gross-up Event**), the Issuer may, at its option, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days’ notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11, redeem all, but not some only, of the Notes (but not some only) at the Early Redemption Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (b) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below (a **Withholding Tax Event**), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may, at its option, upon giving not less than seven (7) calendar days’ prior notice to the Noteholders in accordance with Condition 11, redeem all, but not some only, of the Notes then outstanding, at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, or, if that date is passed, as soon as practicable thereafter.
- (c) If an opinion of a recognized law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payment under the Notes is modified and such modification results in payments of interest payable by the Issuer in respect of the Notes being no longer deductible in whole or in part (a **Tax Deductibility Event**), so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may redeem the Notes in whole, but not in part, at the Early Redemption Price, on the latest practicable date on which the Issuer

could make such payment with interest payable being tax deductible in France or, if such date is past, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent notice of any such redemption not less than thirty (30) nor more than forty-five (45) calendar days before the date fixed for redemption and the Fiscal Agent shall promptly thereafter publish a notice of redemption in accordance with Condition 15 (*Notices*).

## **6.5 Optional Redemption due to Accounting Event**

If an Accounting Event has occurred, then the Issuer may, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) redeem all, but not some only, of the Notes at any time, at the Early Redemption Price. Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent in order to be made available to the Noteholders (i) a certificate signed by two duly authorized representatives of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) a copy of the letter or report referred to in the definition of "Accounting Event".

## **6.6 Optional Redemption due to Rating Methodology Event**

If a Rating Methodology Event has occurred, then the Issuer may, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) redeem all, but not some only, of the Notes at any time, at the Early Redemption Price. Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent in order to be made available to the Noteholders (i) a certificate signed by two duly authorized representatives of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) evidence of the written confirmation referred to in the definition of "Rating Methodology Event".

## **6.7 Optional Redemption on Substantial Repurchase Event**

If a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) redeem all, but not some only, of the Notes at any time, at the Early Redemption Price.

## **6.8 Purchases**

The Issuer shall have the right at all times to purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price, subject to the applicable laws and/or regulations. The Notes purchased by the Issuer may be held and resold in such amount as may be permitted by and in accordance with applicable laws and regulations.

## **6.9 Cancellation**

All Notes purchased by or on behalf of the Issuer, to the extent that the Issuer is not permitted to hold and resell such Notes in accordance with applicable laws and regulations, and all Notes cancelled at the option of the Issuer, shall be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France, together with all rights relating to payment of interest and other amounts relating to the Notes. Any Notes so cancelled may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

# **7. PAYMENTS**

## **7.1 Method of Payment**

Payments of principal and interest in respect of the Notes shall be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders.

All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) withholding or deduction imposed or required pursuant to FATCA, which refers to (1) sections 1471 to 1474 of the United States Internal Revenue Code or any associated regulations or other official guidance; (2) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (1) above; or (3) any agreement pursuant to the implementation of (1) or (2) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction (“**FATCA**”).

## **7.2 Payments on Business Days**

If any due date for payment in respect of any Note is not a Business Day, the Noteholders shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

## **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

The names of the initial Agents and their specified offices are set out below:

### **Fiscal Agent, Principal Paying Agent and Calculation Agent**

Société Générale  
CS30812  
32, rue du Champ de Tir  
44308 Nantes Cedex 3

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11 and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## **8. TAXATION**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax unless such withholding or deduction is required by law.

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or governmental charges whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

In addition, as stated in paragraph 7.1 above, payments of principal or interest in respect of any Note will be paid net of any withholding or deduction imposed or required pursuant to FATCA.

References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all redemption amounts and all other amounts in the nature of principal payable pursuant to

Condition 6 or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

## 9. ENFORCEMENT EVENTS, NO EVENTS OF DEFAULT AND NO CROSS DEFAULT

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its Specified Denomination, together with accrued interest thereon, if any, up to the date of payment, and together with any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is made by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes).

## 10. REPRESENTATION OF THE NOTEHOLDERS

Noteholders will be grouped automatically for the defense of their common interests in a *masse* (in each case, the **Masse**) which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 10.

### 10.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

### 10.2 Representative

The names and addresses of the initial Representative of the Masse are the following:

**Association de représentation des masses de titulaires de valeurs mobilières (ARM)**

Centre Jacques Ferronnière  
32 rue Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

In connection with its functions or duties, the Representative will be entitled to a remuneration of €500 *per annum* payable on the Issue Date and on the anniversary of the Issue Date in each year.

In the event of death, liquidation, dissolution, retirement, resignation or revocation of the Representative, such Representative will be replaced by the Alternate Representative or another Representative may be appointed. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 11.3.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the registered office of the Issuer.

### 10.3 Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

### 10.4 Collective Decisions

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**, as further described in Condition 10.4(a) below) or (ii) by consent of one or more Noteholders holding together at least seventy-five (75) per cent. of the principal amount of the Notes outstanding, following a written consultation (the **Written Resolutions**, as further described in Condition 10.4(b) below).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2<sup>nd</sup>) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 11.3.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes.

#### (a) General Meeting

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for the General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a simple majority of votes cast by Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 11.3 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by visioconference or by any other means of telecommunications allowing the identification of participating Noteholders.

Each Noteholder or Representative thereof will have the right, during the fifteen (15) calendar day period on the first convocation and five (5) calendar day period on the second convocation preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting.



The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

(b) Written resolution and electronic consent

Pursuant to Article L. 228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.

Notices seeking the approval of a Written Resolution, which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 10.4(a) no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Resolution (the **Written Resolution Date**). Notices seeking the approval of a Written Resolution will contain the conditions of form and time limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

Written Resolutions shall be signed by one or more Noteholders holding together at least seventy-five (75) per cent. of the nominal amount of the Notes outstanding. Approval of a Written Resolution may also be given by Electronic Consent. Any Written Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 11.3.

(c) Exclusion of certain provisions of the French Code de commerce

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69.

The provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall apply to the Notes only to the extent that such proposal does not relate to a merger or demerger with another entity of the EDF Group.

## 10.5 Expenses

The Issuer shall pay all the reasonable and duly documented expenses relating to the operations of the Masse, including the reasonable and duly documented expenses relating to the calling and holding of Collective Decisions and, more generally, all reasonable and duly documented administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

## 10.6 Single Masse

The holders of Notes of the same series, and the holders of Notes of any other series which have been assimilated with the Notes in accordance with Condition 13, shall, for the defense of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the Notes will be the single Representative of the single Masse.

For the avoidance of doubt, in this Condition 10 the term "**outstanding**" shall not include those Notes purchased by the Issuer, or on its behalf, or by any of its subsidiaries pursuant to applicable laws and regulations.

## **11. NOTICES**

- 11.1 So long as such Notes are admitted to trading on Euronext Paris, notice by the Issuer to the Noteholders will be valid if published at the option of the Issuer (i) in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (ii) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*).
- 11.2 If any such publication is not practicable, notice shall be validly given if published by the Issuer in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.
- 11.3 Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the publication of a notice required by Conditions 11.1 and 11.2 above; except that (i) so long as the Notes are admitted to trading on Euronext Paris and the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published in a leading daily newspaper of general circulation in Europe.

## **12. PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed and become void unless made within five years (in the case of both principal and interest) from the due date for payment thereof.

## **13. FURTHER ISSUES**

The Issuer may, from time to time without the consent of the Noteholders, issue further Notes to be assimilated (*assimilables*) and form a single series with the Notes, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defense of their common interests, be grouped in a single Masse having legal personality.

## **14. GOVERNING LAW AND JURISDICTION**

### **14.1 Governing Law**

The Notes are governed by, and shall be construed in accordance with, French law.

### **14.2 Jurisdiction**

Any claim against the Issuer in connection with any Notes may be brought before the Paris Commercial Court (*Tribunal de commerce de Paris*).

The following paragraph in italics does not form part of the Conditions.

***Considerations regarding redemption and repurchase of the Notes:***

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Notes only to the extent the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless*

- (i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase or a redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of ten consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*
- (iv) the Notes are redeemed pursuant to a Rating Methodology Event, Accounting Event, Withholding Tax Event, Tax Gross-up Event or a Tax Deductibility Event, or*
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology, or*
- (vi) any such redemption or repurchase occurs on or after 15 March 2047.*

*Terms used but not defined in the above paragraphs shall have the same meaning as that in the Conditions.*

## TERMS AND CONDITIONS OF THE 10 YEAR NON-CALL NOTES

*The terms and conditions of the Notes will be as follows:*

The issue of the €1,250,000,000 10 Year Non-Call Reset Perpetual Subordinated Notes (the “**Notes**”) of Electricité de France (the “**Issuer**”) has been authorized by the resolutions of the Board of Directors (*Conseil d’administration*) of the Issuer held on 18 December 2019 and a decision of Jean-Bernard Lévy, *Président-Directeur Général* of the Issuer, dated 9 September 2020. The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated 11 September 2020 with Société Générale as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agent** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agent. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1. DEFINITIONS

For the purpose of these Conditions, the following definitions shall apply:

**Account Holder(s)** has the meaning ascribed to such term in Condition 2 below.

**Accounting Event** means that a recognized accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in the accounting principles (or the application thereof) which have been officially adopted on or after the Issue Date (such date, the **Accounting Event Adoption Date**), but not otherwise, the obligations of the Issuer under the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the annual audited consolidated financial statements of the Issuer. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date.

**Actual/Actual (ICMA)** means:

- if interest is required to be calculated for a period that is equal to or shorter than the Interest Rate Accrual Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Rate Accrual Period in which the relevant period falls;
- if interest is required to be calculated for a period of more than one year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Rate Accrual Period in which it begins divided by the total number of calendar days in such Interest Rate Accrual Period and (b) the number of calendar days of the relevant period falling in the next Interest Rate Accrual Period divided by the total number of calendar days in such next Interest Rate Accrual Period (including the first such day but excluding the last).

**Business Day** means a day on which TARGET 2 System is operating.

**Compulsory Arrears of Interest Payment Event** means that:

- (i) a payment in any form (including dividend or other payments as applicable) on any Equity Securities (other than in the form of the issuance (or transfer from treasury) of any Equity Securities) or any Parity Securities having been resolved upon by the shareholders or other competent body of the Issuer or having been made by the Issuer; or
- (ii) the acquisition, repurchase or redemption, either directly or indirectly, of any Equity Securities or any Parity Securities of the Issuer except in cases where, with respect to Equity Securities, such acquisition, repurchase or redemption was:

- 1) resulting from the hedging of convertible securities of the Issuer, stock options or other employee benefit plans; or
- 2) made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities; and in the case of Parity Securities, any repurchase or other acquisition in whole or in part in a public tender offer or public exchange offer at a consideration per Parity Security below its par value.

**Deeply Subordinated Notes** has the meaning ascribed to such term in Condition 3.1 below.

**Early Redemption Date** means the effective date of redemption of the Notes made in accordance with Condition 6.

**Early Redemption Price** means:

- (i) 101 per cent. of the Specified Denomination of the Notes in the case where the redemption of such Notes occurs before 15 June 2030 as a result of an Accounting Event, Rating Methodology Event or a Tax Deductibility Event; or
- (ii) the Specified Denomination in case of:
  - (a) an Accounting Event, Rating Methodology Event or a Tax Deductibility Event where such redemption occurs on or after 15 June 2030; or
  - (b) a Substantial Repurchase Event, a Tax Gross-up Event or a Withholding Tax Event,

in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date.

**Equity Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

**First Call Date** means 15 June 2030.

**First Reset Date** means 15 September 2030.

**Fitch** means Fitch Ratings Ltd (or any of its successors).

**Fixed Coupon Amount** means EUR 6,750 per EUR 200,000 Specified Denomination until the First Reset Date.

**IFRS** means the International Financial Reporting Standards as adopted in the European Union, as amended from time to time.

**Interest Amount** has the meaning ascribed to such term in Condition 5.2 below.

**Interest Payment Date** means 15 September in each year from and including 15 September 2021, subject to any interest deferral.

**Interest Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**Interest Rate Accrual Period** means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date.

**Issue Date** has the meaning ascribed to such term in Condition 2 below.

**Moody's** means Moody's Investors Service Ltd. (or any of its successors).

**Noteholder** means, on a given date, the person whose name appears in the account of the relevant Account Holder as being entitled to such Notes.

**Ordinary Subordinated Obligations** means obligations of the Issuer, whether in the form of notes or otherwise, the principal and interest of which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and *pari passu* with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, and deeply subordinated obligations.

**Parity Securities** means, at any time, any Deeply Subordinated Notes of the Issuer and any securities which rank and will rank or are expressed to rank *pari passu* with the Notes (including the (i) €1,250,000,000 reset perpetual subordinated notes with a first call date on 29 January 2025 (ISIN: FR0011401751) issued on 29 January 2013, (ii) GBP1,250,000,000 reset perpetual subordinated notes with a first call date on 29 January 2026 (ISIN: FR0011401728) issued on 29 January 2013, (iii) \$3,000,000,000 Reset Perpetual Subordinated Notes with a first call date on 29 January 2023 (ISIN: US268317AF12 (Rule 144A) / USF2893TAF33 (Reg S)) issued on 29 January 2013, (iv) €1,000,000,000 reset perpetual subordinated notes with a first call date on 22 January 2022 (ISIN: FR0011697010) on 22 January 2014, (v) €1,000,000,000 reset perpetual subordinated notes with a first call date on 22 January 2026 (ISIN: FR0011697028) issued on 22 January 2014, (vi) GBP750,000,000 reset perpetual subordinated notes with a first call date on 22 January 2029 (ISIN: FR0011700293) issued on 22 January 2014, (vii) \$1,500,000,000 Reset Perpetual Subordinated Notes with a first call date on 22 January 2024 (ISIN: US268317AM62 (Rule 144A) / USF2893TAM83 (Reg S)) issued on 22 January 2014, (viii) €1,250,000,000 Reset Perpetual Subordinated Notes with a first call date on 4 October 2024 (ISIN: FR0013367612) issued on 4 October 2018, (ix) €500,000,000 8 Year Non-Call Reset Perpetual Subordinated Notes with a first call date on 3 September 2027 (ISIN: FR0013464922) issued on 3 December 2019) and (x) the €850,000,000 6.5 Year Non-Call Reset Perpetual Subordinated Notes to be issued on the same day as the Notes.

**Rating Agency** means any of the following: Moody's, S&P, Fitch or any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof.

**Rating Methodology Event** means that the Issuer has received written confirmation from any Rating Agency from whom the Issuer is assigned solicited ratings either directly or via a publication by such agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency, which amendment, clarification or change results in a lower equity credit for the Notes than the then respective equity credit assigned on the Issue Date, or (i) if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time, or (ii) if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, any or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed.

**Reference Bank Rate** means the percentage rate determined on the basis of the five year mid swap rate for Euro swap transactions provided by at least four leading swap dealers in the interbank market selected by the Issuer to the Calculation Agent at its request at approximately 11:00 a.m. (London time), on the Reset Rate Determination Date. If at least three quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If two quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations. If one quotation is provided, the Reference Bank Rate will be such quotation. If the Reference Bank Rate is unavailable or the Calculation Agent determines that no Reference Bank is providing offered quotations, the Relevant Reset Rate will be equal to the last Relevant Reset Rate available on the Screen Page as determined by the Calculation Agent, or, in the case of the first Relevant Reset Rate, the rate of -0.220 per cent. *per annum*.

**Relevant Margin** means, (i) from and including the First Reset Date to but excluding 15 September 2050 (the **Step-up Date**), 3.970 per cent or (ii) from and including the Step-up Date, 4.720 per cent.

**Relevant Period** means each successive five year period from (and including) the First Reset Date (where the first Relevant Period commences on (and includes) the First Reset Date and ends on (but excludes) the fifth anniversary of the First Reset Date).

**Relevant Reset Rate** means:

- (i) the five year mid swap rate for Euro swap transactions displayed on Reuters screen ICESWAP2 (or such other screen as may replace that screen on Reuters, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at or around 11.00 a.m. (London time) on the Reset Rate Determination Date (the **Screen Page**); and
- (ii) if the correct mid swap rate does not appear on the Screen Page, the five year Euro mid swap rate shall instead be the Reference Bank Rate.

**Reset Rate** means the applicable Relevant Reset Rate plus the Relevant Margin.

**Reset Rate Determination Date** means, in respect of the first Relevant Period, the second Business Day prior to the First Reset Date and, in respect of each Relevant Period thereafter, the second Business Day prior to the first day of each such Relevant Period.

**Specified Denomination** has the meaning ascribed to such term in Condition 2 below.

**S&P** means S&P Global Ratings Europe Limited (or any of its successors).

**Substantial Repurchase Event** means that the Issuer and/or any subsidiary of the Issuer has, severally or jointly, purchased more than 75 per cent. of the initial aggregate principal amount of the Notes.

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System, or any successor thereto.

**Unsubordinated Obligations** means obligations of the Issuer, whether in the form of notes or otherwise, the principal and interest of which constitute direct, unconditional and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsubordinated obligations of the Issuer.

## 2. FORM, DENOMINATION AND TITLE

The Notes are issued on 15 September 2020 (the **Issue Date**) in dematerialized bearer form (*au porteur*) in the denomination of €200,000 each (the **Specified Denomination**). Title to the Notes will be evidenced in accordance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depository bank for Clearstream Banking, S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 3. STATUS OF THE NOTES

#### 3.1 Deeply Subordinated Notes

The Notes are deeply (*i.e.*, lowest ranking) subordinated notes (**Deeply Subordinated Notes**) issued pursuant to the provisions of Article L. 228-97 of the French *Code de commerce*. The principal and interest on the Notes constitute direct, unconditional, unsecured and deeply subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer and rank and will rank:

- subordinated to present and future *prêts participatifs* granted to the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations of the Issuer;
- *pari passu* among themselves and *pari passu* with all other present and future deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer (including the Parity Securities); and
- senior only to the Equity Securities.

#### 3.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall be made in the order of priority set out below (in each case subject to the payment in full of priority creditors) and no payment of principal and interest (including any outstanding Arrears of Interest and/or Additional Interest Amount) on the Notes may be made until all holders of other indebtedness (other than Parity Securities) have been paid in full.

This means that:

- (a) unsubordinated creditors under the Issuer's Unsubordinated Obligations;
- (b) ordinary subordinated creditors under the Issuer's Ordinary Subordinated Obligations; and
- (c) lenders in relation to any *prêts participatifs* granted to the Issuer;

will be paid in priority to deeply subordinated creditors (including Noteholders).

In the event of liquidation of the Issuer, the Notes shall rank in priority only to any payment to holders of Equity Securities. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Notes shall be terminated.

### 4. NO NEGATIVE PLEDGE

There will be no negative pledge in respect of the Notes.



## **5. INTEREST**

### **5.1 General**

Unless previously redeemed in accordance with Condition 6 and subject to the further provisions of this Condition (in particular, but not limited to Condition 5.5), the Notes shall bear interest on their principal amount at a rate described in (a) and (b) below (such rate of interest, the **Interest Rate**):

- (a) from and including the Issue Date to but excluding the First Reset Date, at a rate of 3.375 per cent. *per annum*, payable annually in arrear on each Interest Payment Date up to, and including, the First Reset Date. The Fixed Coupon Amount payable in respect of each Note on each Interest Payment Date up to and including the First Reset Date shall be EUR 6,750 per Note; and
- (b) from and including the First Reset Date, the rate of interest for each Note for each Relevant Period shall be a reset rate equal to the Relevant Reset Rate plus the Relevant Margin *per annum*, subject to a minimum of zero (0) per cent. *per annum*, payable annually in arrear on each Interest Payment Date from and including 15 September 2031;

provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant payment will be postponed to the next Business Day and no interest shall accrue nor be payable as a result of such postponement.

Promptly after the determination of the Relevant Reset Rate, the Calculation Agent shall determine the Interest Rate for each Note and calculate the relevant Interest Amount (as defined below).

The Calculation Agent will cause the relevant Interest Rate and the relevant Interest Amount (as defined below) payable per Note to be notified to the Issuer, the Fiscal Agent and Principal Paying Agent and, if required by the rules of Euronext Paris or any other stock exchange on which the Notes are listed from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 11 without undue delay, but, in any case, not later than on the fifth (5th) Business Day after its determination.

### **5.2 Calculation of the Interest Amount**

The amount of interest (the **Interest Amount**) payable on each Note on each Interest Payment Date following the First Reset Date shall be calculated by multiplying the product of the applicable Reset Rate and the Specified Denomination of such Note by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

### **5.3 Notifications, etc. to be binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

### **5.4 Calculation Agent**

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine any Interest Rate or Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11 and, so long as the

Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## 5.5 Interest Deferral

### (a) Optional Interest Payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due and payable on that Interest Payment Date unless the Issuer, by notice to (x) the Noteholders in accordance with Condition 11 and (y) the Fiscal Agent pursuant to Condition 5.5(c) below elects to defer payment of all or part of the interest accrued to that date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any other purpose.

Any interest not paid on a Notes and deferred in accordance with this Condition 5.5(a) shall so long as the same remains outstanding constitute **Arrears of Interest** and shall be payable as outlined below.

### (b) Compulsory Payment of Arrears of Interest

Arrears of Interest (together with any Additional Interest Amount) may, at the option of the Issuer be paid in whole or in part at any time but all Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) the tenth Business Day following the occurrence of a Compulsory Arrears of Interest Payment Event; or
- (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes; or
- (iii) the date upon which a judgment is made by a competent court for the voluntary or judicial liquidation of the Issuer (*liquidation amiable* or *liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1343-2 of the French *Code civil*, as if it constituted the Nominal Amount of the Notes at a rate which corresponds to the Interest Rate from time to time applicable to the Notes and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this provision and shall be calculated by the Calculation Agent applying the Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions hereof.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added, in accordance with Article 1343-2 of the French *Code civil*, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

### (c) Notice of Deferral and Payment of Arrears of Interest

The Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Noteholders in accordance with Condition 11 and to the Fiscal Agent:

- (i) of any Interest Payment Date on which the Issuer elects to defer interest as provided in Condition 5.5(a) above; and

- (ii) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable as provided in Condition 5.5(b) above.

So long as the Notes are admitted to trading on the regulated market of Euronext Paris and the rules of such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

(d) Partial Payment of Arrears of Interest and Additional Interest Amount

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

## 5.6 Benchmark discontinuation

If a Benchmark Event occurs in relation to the Original Reference Rate at any time when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over the other fallbacks specified in the definition of “*Relevant Reset Rate*” in Condition 1.

(a) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.6(b)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5.6(c)) and any Benchmark Amendments (in accordance with Condition 5.6(d)).

An Independent Adviser appointed pursuant to this Condition 5.6 shall act in good faith as an expert and (in the absence of manifest error or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or the Noteholders for any determination made by it pursuant to this Condition 5.6.

(b) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith that:

- (I) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.6(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.6); or
- (II) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.6(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.6).

(c) Adjustment Spread

If the Independent Adviser determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.6 and the Independent Adviser determines in good faith (A) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are strictly necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.6(e), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5.6(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative and, in accordance with Condition 11, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and of the specific terms of any Benchmark Amendments, determined under this Condition 5.6. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Interest Rate on the immediately following Reset Rate Determination Date, no Independent Adviser has been appointed or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purpose of determining such Interest Rate on such Reset Rate Determination Date, with the effect that the fallback provisions provided in Condition 1 will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5.6, *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5.6 (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions, including, for the avoidance of doubt, the fallbacks specified in Condition 1 will continue to apply).

(g) Definitions

In this Condition 5.6:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate

(as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate.

**"Alternative Rate"** means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5.6 and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period (if there is such a customary market usage at such time) and in the same Specified Currency as the Notes.

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- a) the Original Reference Rate ceasing to exist or be published;
- b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the specified date referred to in (b)(i);
- c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in (d)(i);
- e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;
- f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payment due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011 (the **"Benchmarks Regulation"**), if applicable);

- g) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted; or
- h) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is no longer representative of an underlying market or its methodology has materially changed.

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 5.6(a).

**"Original Reference Rate"** means the Relevant Reset Rate.

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine, among those successor or replacement rates, the one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Notes.

## **6. REDEMPTION AND PURCHASE**

### **6.1 No Fixed Maturity Date**

Subject to any early redemption described below, the Notes have no fixed maturity date on which they will be redeemed.

### **6.2 Optional Redemption from the First Call Date**

The Issuer may, at its option, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at their Specified Denomination, together with all interest accrued (including Arrears of Interest and any Additional Interest Amount) to the date fixed for redemption (i) at any time from and including the First Call Date to and including the First Reset Date, or (ii) on any Interest Payment Date falling thereafter.

### **6.3 Make-whole Redemption by the Issuer**

The Issuer may, having given not less than fifteen (15) nor more than thirty (30) calendar days' notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption (such date, the **"Make-whole Redemption Date"**)) redeem all (but not some only) of the Notes then outstanding at any time other than during the period from and including the First

Call Date to and including the First Reset Date or upon any subsequent Interest Payment Date at the Make-whole Redemption Amount (the “**Make-whole Redemption Option**”).

The Issuer shall, not less than fifteen (15) calendar days before the giving of any notice referred to above, notify the Fiscal Agent, the Calculation Agent of its decision to exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Amount. The Make-whole Redemption Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 11 (*Notices*).

All Notes shall be redeemed on the Make-whole Redemption Date in accordance with this Condition.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Benchmark Rate**” means the amount displayed on the Reference Screen Rate or, if the Reference Screen Rate is not available, the average of the four quotations given by Reference Dealers on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Security. If the Reference Security is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Security, a Similar Security will be chosen by the Calculation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and published in accordance with Condition 11.

“**Calculation Date**” means the third Business Day prior to the Make-whole Redemption Date.

“**Make-whole Redemption Margin**” means:

- (i) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs prior to the First Reset Date;
- (ii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the First Reset Date but prior to the Step-up Date; or
- (iii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the Step-up Date.

“**Make-whole Redemption Amount**” means, in respect of each Note, an amount in Euro, determined by the Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (excluding any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) discounted from: (A) the First Call Date, if the Make-whole Redemption Date occurs prior to the First Call Date or (B) thereafter on the next succeeding Interest Payment Date, if the Make-whole Redemption Date occurs after the First Reset Date to such Make-whole Redemption Date, in each case on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued and any Arrears of Interest (and Additional Interest Amount thereon) but not paid on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date, to, but excluding, the Make-whole Redemption Date.

“**Make-whole Redemption Rate**” means the sum, as calculated by the Calculation Agent, of the Benchmark Rate and the Make-whole Redemption Margin.

“**Reference Security**” means the German government bond bearing interest at a rate of 0.00 per cent. *per annum* due 15 August 2030, with ISIN DE0001030708.

“**Reference Dealers**” means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

“**Reference Screen Rate**” means Bloomberg HP page for the Reference Security (using the settings “Mid YTM” and “Daily”).

“**Similar Security**” means the German government treasury bond(s) selected by the Calculation Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature: (A) if the Make-whole Redemption Date occurs prior to the First Call Date, the First Call Date or (B) on the next succeeding Interest Payment Date if the Make-whole Redemption Date occurs after the First Reset Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

#### 6.4 Redemption for Taxation Reasons

- (a) If by reason of a change in French law or published regulation becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 8 below (a **Tax Gross-up Event**), the Issuer may, at its option, at any time, subject to having given not more than sixty (60) nor less than thirty (30) calendar days’ notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11, redeem all, but not some only, of the Notes (but not some only) at the Early Redemption Price provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (b) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below (a **Withholding Tax Event**), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer may, at its option, upon giving not less than seven (7) calendar days’ prior notice to the Noteholders in accordance with Condition 11, redeem all, but not some only, of the Notes then outstanding, at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, or, if that date is passed, as soon as practicable thereafter.
- (c) If an opinion of a recognized law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payment under the Notes is modified and such modification results in payments of interest payable by the Issuer in respect of the Notes being no longer deductible in whole or in part (a **Tax Deductibility Event**), so long as this cannot be avoided by the Issuer taking reasonable measures available to it at the time, the Issuer may redeem the Notes in whole, but not in part, at the Early Redemption Price, on the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible in France or, if such date is past, as soon as practicable thereafter. The Issuer shall give the Fiscal Agent notice of any such redemption not less than thirty (30) nor more than forty-five (45) calendar days before the date fixed for redemption and the Fiscal Agent shall promptly thereafter publish a notice of redemption in accordance with Condition 15 (*Notices*).



## **6.5 Optional Redemption due to Accounting Event**

If an Accounting Event has occurred, then the Issuer may, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) redeem all, but not some only, of the Notes at any time, at the Early Redemption Price. Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent in order to be made available to the Noteholders (i) a certificate signed by two duly authorized representatives of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) a copy of the letter or report referred to in the definition of "Accounting Event".

## **6.6 Optional Redemption due to Rating Methodology Event**

If a Rating Methodology Event has occurred, then the Issuer may, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) redeem all, but not some only, of the Notes at any time, at the Early Redemption Price. Prior to the giving of any such notice of redemption, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent in order to be made available to the Noteholders (i) a certificate signed by two duly authorized representatives of the Issuer confirming that the Issuer is entitled to effect such redemption and setting out the facts showing that the conditions precedent to the right to effect such redemption have been met and (ii) evidence of the written confirmation referred to in the definition of "Rating Methodology Event".

## **6.7 Optional Redemption on Substantial Repurchase Event**

If a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not less than thirty (30) nor more than forty-five (45) calendar days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) redeem all, but not some only, of the Notes at any time, at the Early Redemption Price.

## **6.8 Purchases**

The Issuer shall have the right at all times to purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price, subject to the applicable laws and/or regulations. The Notes purchased by the Issuer may be held and resold in such amount as may be permitted by and in accordance with applicable laws and regulations.

## **6.9 Cancellation**

All Notes purchased by or on behalf of the Issuer, to the extent that the Issuer is not permitted to hold and resell such Notes in accordance with applicable laws and regulations, and all Notes cancelled at the option of the Issuer, shall be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France, together with all rights relating to payment of interest and other amounts relating to the Notes. Any Notes so cancelled may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

# **7. PAYMENTS**

## **7.1 Method of Payment**

Payments of principal and interest in respect of the Notes shall be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) withholding or deduction imposed or required pursuant to FATCA, which refers to (1) sections 1471 to 1474 of the United States Internal Revenue Code or any associated regulations or other official guidance; (2) any

treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (1) above; or (3) any agreement pursuant to the implementation of (1) or (2) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction (“**FATCA**”).

## **7.2 Payments on Business Days**

If any due date for payment in respect of any Note is not a Business Day, the Noteholders shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

## **7.3 Fiscal Agent, Paying Agent and Calculation Agent**

The names of the initial Agents and their specified offices are set out below:

### **Fiscal Agent, Principal Paying Agent and Calculation Agent**

Société Générale  
CS 30812  
32, rue du Champ de Tir  
44308 Nantes Cedex 3

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 11 and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## **8. TAXATION**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax unless such withholding or deduction is required by law.

If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or governmental charges whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

In addition, as stated in paragraph 7.1 above, payments of principal or interest in respect of any Note will be paid net of any withholding or deduction imposed or required pursuant to FATCA.

References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all redemption amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

## 9. ENFORCEMENT EVENTS, NO EVENTS OF DEFAULT AND NO CROSS DEFAULT

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its Specified Denomination, together with accrued interest thereon, if any, up to the date of payment, and together with any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgment is made by a competent court for the judicial liquidation of the Issuer (*liquidation judiciaire*) or for the sale of the whole of the business (*cession totale de l'entreprise*) following an order of judicial reorganization (*redressement judiciaire*) in respect of the Issuer or in the event of the liquidation of the Issuer for any other reason (other than pursuant to a consolidation, amalgamation or merger or other reorganization outside the context of an insolvency and where the successor, absorbing or resulting entity acquires all the assets and liabilities of the Issuer and assumes all the obligations of the Issuer under the Notes).

## 10. REPRESENTATION OF THE NOTEHOLDERS

Noteholders will be grouped automatically for the defense of their common interests in a *masse* (in each case, the **Masse**) which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 10.

### 10.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

### 10.2 Representative

The names and addresses of the initial Representative of the Masse are the following:

**Association de représentation des masses de titulaires de valeurs mobilières (ARM)**

Centre Jacques Ferronnière  
32 rue Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

In connection with its functions or duties, the Representative will be entitled to a remuneration of €500 *per annum* payable on the Issue Date and on the anniversary of the Issue Date in each year.

In the event of death, liquidation, dissolution, retirement, resignation or revocation of the Representative, such Representative will be replaced by the Alternate Representative or another Representative may be appointed. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 11.3.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the registered office of the Issuer.

### 10.3 Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

## 10.4 Collective Decisions

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**, as further described in Condition 10.4(a) below) or (ii) by consent of one or more Noteholders holding together at least seventy-five (75) per cent. of the principal amount of the Notes outstanding, following a written consultation (the **Written Resolutions**, as further described in Condition 10.4(b) below).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2<sup>nd</sup>) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 11.3.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes.

### (a) General Meeting

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for the General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a simple majority of votes cast by Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 11.3 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by visioconference or by any other means of telecommunications allowing the identification of participating Noteholders.

Each Noteholder or Representative thereof will have the right, during the fifteen (15) calendar day period on the first convocation and five (5) calendar day period on the second convocation preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

(b) Written resolution and electronic consent

Pursuant to Article L. 228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution.

Notices seeking the approval of a Written Resolution, which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 10.4(a) no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Resolution (the **Written Resolution Date**). Notices seeking the approval of a Written Resolution will contain the conditions of form and time limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

Written Resolutions shall be signed by one or more Noteholders holding together at least seventy-five (75) per cent. of the nominal amount of the Notes outstanding. Approval of a Written Resolution may also be given by Electronic Consent. Any Written Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 11.3.

(c) Exclusion of certain provisions of the French Code de commerce

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69.

The provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall apply to the Notes only to the extent that such proposal does not relate to a merger or demerger with another entity of the EDF Group.

## 10.5 Expenses

The Issuer shall pay all the reasonable and duly documented expenses relating to the operations of the Masse, including the reasonable and duly documented expenses relating to the calling and holding of Collective Decisions and, more generally, all reasonable and duly documented administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

## 10.6 Single Masse

The holders of Notes of the same series, and the holders of Notes of any other series which have been assimilated with the Notes in accordance with Condition 13, shall, for the defense of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the Notes will be the single Representative of the single Masse.

For the avoidance of doubt, in this Condition 10 the term "**outstanding**" shall not include those Notes purchased by the Issuer, or on its behalf, or by any of its subsidiaries pursuant to applicable laws and regulations.

## **11. NOTICES**

- 11.1 So long as such Notes are admitted to trading on Euronext Paris, notice by the Issuer to the Noteholders will be valid if published at the option of the Issuer (i) in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (ii) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*).
- 11.2 If any such publication is not practicable, notice shall be validly given if published by the Issuer in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.
- 11.3 Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the publication of a notice required by Conditions 11.1 and 11.2 above; except that (i) so long as the Notes are admitted to trading on Euronext Paris and the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published in a leading daily newspaper of general circulation in Europe.

## **12. PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed and become void unless made within five years (in the case of both principal and interest) from the due date for payment thereof.

## **13. FURTHER ISSUES**

The Issuer may, from time to time without the consent of the Noteholders, issue further Notes to be assimilated (*assimilables*) and form a single series with the Notes, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defense of their common interests, be grouped in a single Masse having legal personality.

## **14. GOVERNING LAW AND JURISDICTION**

### **14.1 Governing Law**

The Notes are governed by, and shall be construed in accordance with, French law.

### **14.2 Jurisdiction**

Any claim against the Issuer in connection with any Notes may be brought before the Paris Commercial Court (*Tribunal de commerce de Paris*).

The following paragraph in italics does not form part of the Conditions.

***Considerations regarding redemption and repurchase of the Notes:***

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Notes only to the extent the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless*

- (i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase or a redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of ten consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*
- (iv) the Notes are redeemed pursuant to a Rating Methodology Event, Accounting Event, Withholding Tax Event, Tax Gross-up Event or a Tax Deductibility Event, or*
- (v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology, or*
- (vi) any such redemption or repurchase occurs on or after 15 September 2050.*

*Terms used but not defined in the above paragraphs shall have the same meaning as that in the Conditions.*

## **DESCRIPTION OF THE ISSUER**

For a general description of the Issuer and the EDF Group, please refer to the documents incorporated by reference and the cross-reference table of the section "*Documents Incorporated by Reference*" of this Prospectus.

The profit forecast and estimates set forth in Section 11 (*Financial Outlook*) of the 2020 Half-Year Management Report have been prepared and consolidated on a basis which is comparable with the 2020 financial information and consistent with EDF group's accounting policies, as described in the consolidated financial statements of the Issuer for the year ended on 31 December 2019 and updated in the 2020 Half-Year Financial Statements.



## RECENT EVENTS

On 8 September 2020, the Issuer published the following press releases:

### **EDF launches an inaugural landmark offering of green bonds convertible into new shares and/or exchangeable for existing shares (*OCEANEs Vertes*) due 2024 for a maximum nominal amount of €2.4 billion and announces its intention to issue two new tranches of Euro-denominated Hybrid Notes**

Paris, France, 8 September 2020 - EDF (ISIN Code: FR0010242511, Vigeo ESG Rating 66/100, Sustainalytics Rating 86/100) (the “**Company**”) announces today the launch of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANEs Vertes*) due 2024 (the “**Bonds**”), by way of a placement to qualified investors (within the meaning of the Prospectus Regulation) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, for a maximum nominal amount of approximately €2.4 billion (the “**Offering**”).

As a core component of its Cap 2030 strategy, EDF has set itself the goal in 2015 of doubling its net installed renewables capacity to more than 50GW in 2030. With this Offering, the first convertible bond issued by EDF and the first green convertible bond of a jumbo size ever issued, the Company reaffirms its ambitions in renewable energy and its commitment “*to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development*” as stated in its *raison d’être*.

An amount equal to the net proceeds of the Offering will be allocated, directly or indirectly, to the financing and/or refinancing, in whole or in part, of new and/or existing Eligible Projects, as defined in EDF’s Green Bond Framework. Existing Eligible Projects that may be refinanced with the present Offering with a maximum three-year look-back period before the issuance year of the Bonds amount to approximately €1.5 billion in line with EDF’s Green Bond Framework.

#### **Main terms of the Bonds**

The Bonds will not bear interest (zero-coupon) and will be issued at an issue price ranging between 105.75% and 108.00% of their nominal value, resulting in an annual gross yield-to-maturity of (1.91)% to (1.39)%. The nominal value of the Bonds will be set at a premium of 30% to 35% above the Company’s reference share price on the regulated market of Euronext in Paris (“**Euronext Paris**”)<sup>5</sup>.

The final terms and conditions of the Bonds are expected to be announced later today and the settlement-delivery of the Bonds is expected to take place on 14 September 2020 (the “**Issue Date**”).

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 14 September 2024 (or on the following business day if this date is not a business day) (the “**Maturity Date**”).

The Bonds may be redeemed prior to maturity at the option of the Company, under certain conditions.

In particular, the Bonds may be fully redeemed earlier at par, at the Company’s option at any time from 14 September 2022 (inclusive) until the Maturity Date (excluded), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic mean, calculated over a period of 20 consecutive trading days, chosen by the Company from among the 40 consecutive trading days ending on the trading day immediately preceding the day of the publication of the early redemption notice, of the daily products on each of such 20 consecutive trading days of the volume weighted average price of the Company’s shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 130% of the nominal value of the Bonds.

Bondholders will be granted the right to convert or exchange the Bonds into new and/or existing shares of the Company (the “**Conversion/Exchange Right**”) which they may exercise at any time from the day (inclusive) following the 90<sup>th</sup> day after the Issue Date (*i.e.*, 14 December 2020) up to the 7<sup>th</sup> business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

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<sup>5</sup> The reference share price will be equal to the volume-weighted average price (VWAP) of EDF’s shares recorded on Euronext Paris from the launch of the Offering today until the determination of the final terms (pricing) of the Bonds on the same day.

The conversion/exchange ratio is set at one share per Bond, subject to standard adjustments, including anti-dilution and dividend protections, as described in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing shares of the Company carrying in all cases all rights attached to existing shares of the Company as from the date of delivery.

Application will be made for the admission of the Bonds to trading on Euronext Access<sup>TM</sup> of Euronext in Paris to occur within 30 calendar days from the Issue Date.

### **EDF Green Bond Framework**

Green bonds are fully integrated in the financing policy of the EDF group (the “**Group**”), making the Group a frequent Green issuer and participant in the development and liquidity of the green bond market.

In this context, the Company released in January 2020 on its website the third version of its Green Bond Framework (as amended or supplemented from time to time, the “**Framework**”), established in accordance with the Green Bond Principles 2018 published by the International Capital Markets Association (ICMA). The external review of the Framework was conducted by Vigeo Eiris, who issued a second party opinion on 8 January 2020. The Bonds are issued on the basis of this same Framework and second party opinion. Both the Framework and Vigeo Eiris’s external review are available on the “Green Bonds” Section of the Company’s website ([www.edf.fr](http://www.edf.fr)).

In the third version of its Framework, the Company extended the scope of eligible investments to include the broader Group, and aligned the scope to current market practices and investor demand.

In line with its Green Bond Framework, the Company will provide information on the types of biodiversity projects receiving green bond funding. This will include descriptions of these project types, project examples and qualitative information on associated benefits and/or impacts. At its discretion, the Company will communicate on quantitative indicators for certain projects. Annex I provides a list of these indicators, as well as illustrative examples of project types by project category.

The Company’s approach to biodiversity reporting shall continue to evolve. Other biodiversity indicators may eventually be used to communicate biodiversity impact as the Company deems appropriate or desirable. Any additional information on biodiversity project reporting shall be communicated as specified in Annex I to this press release.

### **Legal framework of the Offering and placement**

The Bonds will be issued by way of a placement to qualified investors (within the meaning of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”)) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, as per the authorization granted by the Company’s extraordinary general meeting held on 7 May 2020 (24<sup>th</sup> resolution), in France and outside of France (excluding, in particular, the United States of America, Australia, Japan or South Africa), without an offer to the public (other than to qualified investors) in any country (including France).

Existing shareholders of the Company shall have no preferential subscription rights, and there will be no priority subscription period, in connection with the issuance of the Bonds or the underlying new shares of the Company issued upon conversion.

### **Intentions of existing shareholders**

The French State – represented by the French Government Shareholding Agency (*Agence des participations de l’État* – APE) –, which currently holds, together with EPIC Bpifrance, 83.6% of the Company’s share capital, has informed the Company of its intention to place a subscription order in the Offering for a total nominal amount of up to €960 million corresponding to approximately 40% of the Offering<sup>6</sup>, at a price equal to the final price resulting from the bookbuilding process.

The Company is not aware of the intention of any of its other main shareholders to participate in the Offering.

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<sup>6</sup> The final amount subscribed by the French State will depend on the final allocations following the bookbuilding process.

## Lock-up undertakings

In the context of the Offering, each of the Company and the French State will agree to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital for a period starting from the announcement of the transaction and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Bookrunners.

## Dilution

For illustrative purposes, considering a €2.4 billion principal amount and a par value of €11.49<sup>7</sup> per Bond, and based on the initial conversion/exchange ratio, the potential dilution would represent approximately 6.7% of the Company's outstanding share capital, if the Conversion/Exchange Right was exercised for all the Bonds and the Company decided to only deliver new shares upon exercise of the Conversion/Exchange Right.

## Available information

Neither the offering of the Bonds, nor the admission of the Bonds to trading on Euronext Access<sup>TM</sup> is subject to a prospectus approved by the French *Autorité des marchés financiers* (the “AMF”). No key information document required by the PRIIPs Regulation has been or will be prepared. Detailed information about EDF, including its business, results, prospects and the risk factors to which EDF is exposed are described in the Company's universal registration document (*Document d'enregistrement universel*) for the financial year ended December 31, 2019, filed by the Company with the AMF on 13 March 2020 under No. D.20-0128; the Company's half-year financial report as at 30 June 2020; the slideshow (including its appendices) made available in connection with the Company's 2020 half-year results announcement; and the Company's press releases and other regulated information about the Company; which are all available on the Company's website ([www.edf.fr](http://www.edf.fr)).

## New issue of two tranches of Euro-denominated Hybrid Notes

The Company is also announcing today its intention to issue a new Euro-denominated tranche of perpetual 6.5 years non-call hybrid notes with a first redemption at the option of the Company on 15 March 2027 (the “**6.5-Year Non-Call Hybrid Notes**”), and a new Euro-denominated tranche of perpetual 10 years non-call hybrid notes with a first redemption at the option of the Company on 15 September 2030 (the “**10-Year Non-Call Hybrid Notes**” and, together with the 6.5-Year Non-Call Hybrid Notes, the “**Hybrid Notes**”).

The Company can redeem the Hybrid Notes for cash at any time during the 90 days before the first interest reset date, which is expected to be in 6.5 years (with a first reset date of March 2027) for the 6.5-Year Non-Call Hybrid Notes, and in 10 years (with a first reset date of September 2030) for the 10-Year Non-Call Hybrid Notes, and on every coupon payment date thereafter. Although the proposed Hybrid Notes are perpetual, they include a make whole call at the option of the Company and can be called at any time for withholding tax, tax deductibility, tax gross-up, rating methodology, accounting, or substantial repurchase event.

The Hybrid Notes are scheduled to be admitted to trading on Euronext Paris. It is also expected that the rating agencies will assign the Hybrid Notes a rating of Baa3/BB-/BBB (Moody's/S&P/Fitch) and an equity content of 50%.

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<sup>7</sup> Calculated on the basis of a reference share price equal to €8.836 at close of trading on 7 September 2020, and a 30% conversion premium.

## Annex I

Biodiversity project category	Illustrative project types <sup>8</sup>	Indicator
a. Projects and/or facilities that integrate a “mitigation hierarchy” related to attenuating the impact of Group activities on biodiversity.	Projects to ensure fish continuity both upstream and downstream, and sediment continuity on a dam or factory.	Number of protected species impacted by the project.
b. Restoration and/or “renaturing” of sites	Measures intended to compensate for a residual loss of biodiversity generated by a project after avoidance and reduction of impacts, measures to create a supply of compensation units, works to improve the biodiversity of an area ( <i>e.g.</i> a watercourse, or parcel) by earthworks and revegetation, restoration, management or inventories and monitoring of various areas, whether regulatory or voluntary.	Project surface area in hectares.
	Actions in favor of the development of biodiversity ( <i>e.g.</i> creation of habitats, combating invasive species, use of local seeds) and/or awareness of internal and/or external stakeholders on biodiversity issues ( <i>e.g.</i> creation of training / awareness raising with external stakeholders, development of educational tools).	Number of actions taken.
c. Research and Development	Research programs related to biodiversity.	Number of publications resulting from the research, including but not limited to peer-reviewed papers, scientific posters, conferences, etc.

<sup>8</sup> Project types may include these examples but are not limited to them. In the event that EDF does not report on a quantitative indicator for a given project type, other pertinent information may be provided including qualitative information on project impact.

## Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States, Australia, Japan or South Africa or in any jurisdiction to whom or in which such offer is unlawful, and neither the Offering of the Bonds, nor the offering of the Hybrid Notes, is an offer to the public in any jurisdiction including France, other than to qualified investors within the meaning of the Prospectus Regulation, or an offer to retail investors as such term is defined below.

*Note: The English version of this press release may differ from the French version for regulatory reasons.*

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### About EDF

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 38.9 million customers<sup>(1)</sup>, 28.8 million of which are in France. It generated consolidated sales of €71.3 billion in 2019. EDF is listed on the Paris Stock Exchange.

<sup>(1)</sup> Customers are counted since 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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### Disclaimer

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

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

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

*The Bonds and the Hybrid Notes will be offered only by way of a placement in France and outside France (excluding the United States of America, Australia, Japan, South Africa and any other jurisdiction where a registration process or an approval would be required by applicable laws and regulations) solely to qualified investors as defined in Article 2 point (e) of the Prospectus Regulation and in accordance with Article L. 411-2(1) of the French Code monétaire et financier. There will be no offer to the public in any country (including France) in connection with the Bonds or the Hybrid Notes, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds or the Hybrid Notes. The value of the Bonds, the Hybrid Notes and EDF's shares can decrease as well as increase for a wide variety of reasons. Potential investors should consult a professional adviser as to the suitability of the Bonds or the Hybrid Notes for the person concerned.*

Prohibition of sales to European Economic Area and United Kingdom retail investors

The Bonds and the Hybrid Notes referred to (and as defined) herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Bonds or Hybrid Notes, to any retail investor in the European Economic Area (EEA) or in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a "qualified investor" as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds or the Hybrid Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds or the Hybrid Notes, as applicable.

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

MIFID II product governance / French Retail investors, professional investors and ECPs only target market

Bonds – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes French retail investors, the Bonds will be offered only to eligible counterparties and professional clients.

Hybrid Notes - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Hybrid Notes has led to the conclusion that: (i) the target market for the Hybrid Notes is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Hybrid Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Hybrid Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Hybrid Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "**Relevant Persons**")). The Bonds and, as the case may be, the shares to be delivered upon exercise of the conversion rights under the terms and conditions of the Bonds and the Hybrid Notes (the "**Financial Instruments**"), are intended only for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

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

#### United States of America

*This press release may not be released, published or distributed in or into the United States. The Bonds, the shares deliverable upon conversion or exchange of the Bonds, and the Hybrid Notes, as described in this press release, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any State of the United States, and such securities may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons, absent registration under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state or local securities laws. The securities of EDF have not been and will not be registered under the Securities Act and EDF does not intend to register any portion of the proposed offering in the United States, nor to make a public offer of its securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.*

#### Canada

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

*The Bonds and the Hybrid Notes may only be distributed to investors in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. Only prospective investors in Ontario, Québec, British Columbia, Alberta and Manitoba purchasing, or deemed to be purchasing, as principal that are “accredited investors”, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are “permitted clients”, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations that are not individuals will be eligible to purchase the Bonds. Each prospective investor in Canada may be required to accept a representation letter confirming its eligibility and providing certain additional acknowledgements, representations and warranties. Any resale of the Bonds and the Hybrid Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.*

#### Australia, Japan and South Africa

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

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

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

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

*Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by the Joint Bookrunners and any of their affiliates acting as investors for their own account. The Joint Bookrunners do not intend to disclose the extent of any such*

*above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.*

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

#### Forward-looking statements

*The Company considers portions of this announcement to be a forward-looking statement. Forward-looking statements can be identified typically by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes”, “predicts” or “anticipates”, as well as the negatives of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, these assumptions are inherently uncertain and involve a number of risks and uncertainties that are beyond the Company’s control; therefore, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the transactions described therein.*

*You are cautioned not to place any undue reliance on the forward-looking statements contained in this announcement, which speak only as at their respective dates. Neither the Company nor any of its affiliates undertakes any obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by any applicable laws and regulations.*

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

Paris, France, 8 September 2020 - EDF announces today the success of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANEs Vertes*) due 2024.

This landmark transaction marks a key milestone in EDF’s Cap 2030 strategy. In 2015, EDF has set itself the goal of doubling its net installed renewables capacity to more than 50GW in 2030. Since 2013 the Company has issued five Green Bonds for a total amount of circa €4.5 billion in order to foster its development in renewable energies and has dedicated over the past few years approximately €2.5 billion per year of gross operational investments in renewables. This inaugural jumbo Offering, the first of its kind, not only strengthens EDF’s leading position in renewable energy in Europe and demonstrates its commitment “*to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development*” as stated in its *raison d’être*, but also confirms the Company’s position at the forefront of Green Bond innovation.

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

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

#### **Main terms of the transaction**

EDF (ISIN Code: FR0010242511, Vigeo ESG Rating 66/100, Sustainalytics Rating 86/100) (the “**Company**”) announces today the success of its inaugural landmark offering of green senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of the Company (*OCEANEs Vertes*) due 2024 (the “**Bonds**”), by way of a placement to qualified investors (within the meaning of the Prospectus Regulation) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, for a nominal amount of approximately €2.4 billion (the “**Offering**”).

An amount equal to the net proceeds of the Offering will be allocated, directly or indirectly, to the financing and/or refinancing, in whole or in part, of new and/or existing Eligible Projects, as defined in EDF’s Green Bond Framework. Existing Eligible Projects



that may be refinanced with the present Offering with a maximum three-year look-back period before the issuance year of the Bonds amount to approximately €1.5 billion in line with EDF's Green Bond Framework.

The Bonds will not bear interest (zero-coupon) and will be issued at an issue price of €11.70, *i.e.* 107.00% of their nominal value, resulting in an annual gross yield-to-maturity of (1.68)%. The nominal value of the Bonds has been set at €10.93, corresponding to a premium of 32.5% above the Company's reference share price on the regulated market of Euronext in Paris ("**Euronext Paris**")<sup>9</sup>.

Settlement-delivery of the Bonds is expected to take place on 14 September 2020 (the "**Issue Date**").

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 14 September 2024 (or on the following business day if this date is not a business day) (the "**Maturity Date**").

The Bonds may be redeemed prior to maturity at the option of the Company, under certain conditions.

In particular, the Bonds may be fully redeemed earlier at par, at the Company's option at any time from 14 September 2022 (inclusive) until the Maturity Date (excluded), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic mean, calculated over a period of 20 consecutive trading days, chosen by the Company from among the 40 consecutive trading days ending on the trading day immediately preceding the day of the publication of the early redemption notice, of the daily products on each of such 20 consecutive trading days of the volume weighted average price of the Company's shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 130% of the nominal value of the Bonds.

Bondholders will be granted the right to convert or exchange the Bonds into new and/or existing shares of the Company (the "**Conversion/Exchange Right**") which they may exercise at any time from the day (inclusive) following the 90<sup>th</sup> day after the Issue Date (*i.e.*, 14 December 2020) up to the 7<sup>th</sup> business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond, subject to standard adjustments, including anti-dilution and dividend protections, as described in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing shares of the Company carrying in all cases all rights attached to existing shares of the Company as from the date of delivery.

Application will be made for the admission of the Bonds to trading on Euronext Access<sup>TM</sup> of Euronext in Paris to occur within 30 calendar days from the Issue Date.

### **Legal framework of the Offering and placement**

The Bonds are being issued by way of a placement to qualified investors (within the meaning of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")) only, in accordance with Article L. 411-2(1) of the French *Code monétaire et financier*, as per the authorization granted by the Company's extraordinary general meeting held on 7 May 2020 (24<sup>th</sup> resolution), in France and outside of France (excluding, in particular, the United States of America, Australia, Japan or South Africa), without an offer to the public (other than to qualified investors) in any country (including France).

Existing shareholders of the Company shall have no preferential subscription rights, and there will be no priority subscription period, in connection with the issuance of the Bonds or the underlying new shares of the Company issued upon conversion.

### **Subscription by the French State**

The French State – represented by the French Government Shareholding Agency (*Agence des participations de l'État* – APE) –, which currently holds, together with EPIC Bpifrance, 83.6% of the Company's share capital, has subscribed to the Offering for a total nominal amount of €960 million, corresponding to 40% of the Offering, at a price equal to the final price resulting from the bookbuilding process.

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<sup>9</sup> The reference share price is equal to the volume-weighted average price (VWAP) of EDF's shares recorded on Euronext Paris from the launch of the Offering today until the determination of the final terms (pricing) of the Bonds on the same day, *i.e.* €8.2465.

## Lock-up undertakings

In the context of the Offering, each of the Company and the French State agreed to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital for a period starting from the announcement of the transaction and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Bookrunners.

## Dilution

As a result of the Offering, considering an aggregate principal amount of €2,399,999,989.27 represented by 219,579,139 Bonds each with a nominal value of €10.93, based on the initial conversion/exchange ratio, the potential dilution would represent approximately 7.1% of the Company's outstanding share capital, if the Conversion/Exchange Right was exercised for all the Bonds and the Company decided to only deliver new shares upon exercise of the Conversion/Exchange Right.

## Available information

Neither the offering of the Bonds, nor the admission of the Bonds to trading on Euronext Access<sup>TM</sup> is subject to a prospectus approved by the French *Autorité des marchés financiers* (the "AMF"). No key information document required by the PRIIPs Regulation has been or will be prepared. Detailed information about EDF, including its business, results, prospects and the risk factors to which EDF is exposed are described in the Company's universal registration document (*Document d'enregistrement universel*) for the financial year ended December 31, 2019, filed by the Company with the AMF on 13 March 2020 under No. D.20-0128; the Company's half-year financial report as at 30 June 2020; the slideshow (including its appendices) made available in connection with the Company's 2020 half-year results announcement; and the Company's press releases and other regulated information about the Company; which are all available on the Company's website ([www.edf.fr](http://www.edf.fr)).

## Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States, Australia, Japan or South Africa or in any jurisdiction to whom or in which such offer is unlawful, and the Offering of the Bonds is not an offer to the public in any jurisdiction including France, other than to qualified investors within the meaning of the Prospectus Regulation, or an offer to retail investors as such term is defined below.

*Note: The English version of this press release may differ from the French version for regulatory reasons.*

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### About EDF

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 38.9 million customers<sup>(1)</sup>, 28.8 million of which are in France. It generated consolidated sales of €71.3 billion in 2019. EDF is listed on the Paris Stock Exchange.

<sup>(1)</sup> Customers are counted since 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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Only print what you need

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### Disclaimer

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

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

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

*The Bonds will be offered only by way of a placement in France and outside France (excluding the United States of America, Australia, Japan, South Africa and any other jurisdiction where a registration process or an approval would be required by applicable laws and regulations) solely to qualified investors as defined in Article 2 point (e) of the Prospectus Regulation and in accordance with Article L. 411-2(1) of the French Code monétaire et financier. There will be no offer to the public in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and EDF's shares can decrease as well as increase for a wide variety of reasons. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.*

#### Prohibition of sales to European Economic Area and United Kingdom retail investors

*The Bonds referred to (and as defined) herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area (EEA) or in the United Kingdom. For the purposes of this provision:*

*(c) the expression "retail investor" means a person who is one (or more) of the following:*

- (iv) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or*
- (v) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or*
- (vi) not a "qualified investor" as defined in the Prospectus Regulation; and*

*(d) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as applicable.*

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

#### MIFID II product governance / French Retail investors, professional investors and ECPs only target market

*Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes French retail investors, the Bonds will be offered only to eligible counterparties and professional clients.*

### United Kingdom

*This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the “**Relevant Persons**”). The Bonds and, as the case may be, the shares to be delivered upon exercise of the conversion rights under the terms and conditions of the Bonds (the “**Financial Instruments**”), are intended only for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.*

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

### United States of America

*This press release may not be released, published or distributed in or into the United States. The Bonds, the shares deliverable upon conversion or exchange of the Bonds, as described in this press release, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any State of the United States, and such securities may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons, absent registration under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state or local securities laws. The securities of EDF have not been and will not be registered under the Securities Act and EDF does not intend to register any portion of the proposed offering in the United States, nor to make a public offer of its securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.*

### Canada

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

*The Bonds may only be distributed to investors in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. Only prospective investors in Ontario, Québec, British Columbia, Alberta and Manitoba purchasing, or deemed to be purchasing, as principal that are “accredited investors”, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are “permitted clients”, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations that are not individuals will be eligible to purchase the Bonds. Each prospective investor in Canada may be required to accept a representation letter confirming its eligibility and providing certain additional acknowledgements, representations and warranties. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.*

### Australia, Japan and South Africa

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

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

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

*In connection with the Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate*

*for their own account such Bonds and other securities of EDF or related investments in connection with the Offering, the Bonds, EDF or otherwise.*

*Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by the Joint Bookrunners and any of their affiliates acting as investors for their own account. The Joint Bookrunners do not intend to disclose the extent of any such above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.*

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

*Forward-looking statements*

*The Company considers portions of this announcement to be a forward-looking statement. Forward-looking statements can be identified typically by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes”, “predicts” or “anticipates”, as well as the negatives of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, these assumptions are inherently uncertain and involve a number of risks and uncertainties that are beyond the Company’s control; therefore, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the transactions described therein.*

*You are cautioned not to place any undue reliance on the forward-looking statements contained in this announcement, which speak only as at their respective dates. Neither the Company nor any of its affiliates undertakes any obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by any applicable laws and regulations.*

#### **REASONS FOR THE OFFER AND USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used for general corporate purposes of the Issuer.

## SUBSCRIPTION AND SALE

BNP Paribas (the “**Structuring Advisor**”), Barclays Bank PLC, Citigroup Global Markets Limited, Natixis, Société Générale and UniCredit Bank AG (together with the Structuring Advisor, the “**6.5 Year Non-Call Notes Active Joint Bookrunners**”), Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank Aktiengesellschaft and La Banque Postale (the “**6.5 Year Non-Call Notes Passive Joint Bookrunners**”), together with the 6.5 Year Non-Call Notes Active Joint Bookrunners, the “**6.5 Year Non-Call Notes Managers**”) have, pursuant to a subscription agreement dated 11 September 2020 (the “**Subscription Agreement**”), each jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the 6.5 Year Non-Call Notes at an issue price equal to 99.283 per cent. of the principal amount of the 6.5 Year Non-Call Notes, less any applicable commission.

The Structuring Advisor, Barclays Bank PLC, Citigroup Global Markets Limited, Intesa Sanpaolo S.p.A., Natixis and Société Générale (together, the “**10 Year Non-Call Notes Active Joint Bookrunners**”), Banco Bilbao Vizcaya Argentaria, S.A., ING Bank N.V., Belgian Branch and La Banque Postale (the “**10 Year Non-Call Notes Passive Joint Bookrunners**”), together with the 10 Year Non-Call Notes Active Joint Bookrunners, the “**10 Year Non-Call Notes Managers**” and together with the 6.5 Year Non-Call Notes Managers, the “**Managers**”) have, pursuant to the Subscription Agreement, each jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the 10 Year Non-Call Notes at an issue price equal to 98.960 per cent. of the principal amount of the 10 Year Non-Call Notes, less any applicable commission.

In addition, the Issuer will pay certain costs incurred by it and the Managers in connection with the issue of the Notes.

### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes, as determined, and certified to the Issuer and each Manager, by the Fiscal Agent, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the later of commencement of the offering and the date of closing of the offering of any identifiable Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorized and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### Prohibition of Sales to EEA and UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA or in the UK. For the purposes of this provision: a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

### United Kingdom

Each Manager has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### France

Each Manager has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes to the public in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and Article L. 411-2 1° of the French *Code monétaire et financier* and that the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*) (with the exception of individuals) as defined in Article 2(e) of the Prospectus Regulation.

### Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### Singapore

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for



subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - (ii) where no consideration is or will be given for the transfer;
  - (iii) where the transfer is by operation of law;
  - (iv) as specified in Section 276(7) of the SFA; or
  - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **General**

Save as stated herein, no action has been taken in any jurisdiction that would permit an offer of any of the Notes to retail investors, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Manager has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material and neither any of the Issuer nor any other Manager shall have responsibility therefor.

## GENERAL INFORMATION

### 1. Admission to trading

For the purpose of the admission to trading of the Notes on Euronext Paris, and pursuant to articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the Prospectus Regulation, the AMF has approved this Prospectus under approval number no. 20-453 on 11 September 2020.

The Prospectus has been approved by the AMF, as competent authority under the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

**This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris, which is expected to occur on or about 15 September 2020.** The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Application has been made for the Notes to be admitted to trading on Euronext Paris as of 15 September 2020.

The estimated costs for the admission to trading of the 6.5 Year Non-Call Notes are €18,750 (including AMF fees).

The estimated costs for the admission to trading of the 10 Year Non-Call Notes are €18,750 (including AMF fees).

### 2. Corporate authorizations

The Issuer has obtained all necessary corporate and other consents, approvals and authorizations in the Republic of France in connection with the issue of the Notes. The issue of the Notes has been authorized by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 18 December 2019, and decisions of Jean-Bernard Lévy, *Président-Directeur Général* of the Issuer, to issue the Notes, dated 9 September 2020.

### 3. Legal and arbitration proceedings

Save as disclosed in this Prospectus, neither the Issuer nor any of its fully consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or any of its fully consolidated subsidiaries.

### 4. No material adverse change and no significant change in the financial or trading position

Since December 31, 2019, and save as disclosed in this Prospectus including the potential impact of the health crisis resulting from the coronavirus (Covid-19), there has been no material adverse change in the prospects of the Issuer.

Since June 30, 2020, and save as disclosed in this Prospectus including the potential impact of the health crisis resulting from the coronavirus (Covid-19), there has been no significant change in the financial position or financial performance of the Issuer and the Group.

### 5. Statutory auditors

The 2018 Consolidated Financial Statements and the 2019 Consolidated Financial Statements have been audited by Deloitte & Associés and KPMG SA, independent auditors of the Issuer, as set forth, respectively, in the 2018 Statutory Auditors' Report and the 2019 Statutory Auditors' Report. The 2020 Half-Year Financial Statements have been subject to a limited review by Deloitte & Associés and KPMG SA, as set forth in the 2020

statutory auditors' limited review report. Both Deloitte & Associés and KPMG SA, are members of the *Compagnie nationale des commissaires aux comptes*.

## **6. No conflict of interest**

As far as the Issuer is aware and save for the commission payable to the Managers, no person involved in the issue of the Notes has an interest material to the issue.

At the date of this Prospectus, as far as the Issuer is aware, there are no conflicts of interest material to the issue or offer of the Notes between the duties of the members of the Board of Directors (*Conseil d'administration*) of Electricité de France and their private interests and/or their other duties.

## **7. Clearing**

The Notes have been accepted for clearance through Euroclear France (acting as central depository), Euroclear and Clearstream.

The International Securities Identification Number ("ISIN") for the 6.5 Year Non-Call Notes is FR0013534351 and the Common Code for the 6.5 Year Non-Call Notes is 223063764.

The ISIN for the 10 Year Non-Call Notes is FR0013534336 and the Common Code for the 10 Year Non-Call Notes is 223063829.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream is Clearstream Banking, 42 avenue John Fitzgerald Kennedy, L-1855, Grand Duchy of Luxembourg.

## **8. Legal Entity Identifier**

The Legal Entity Identifier (LEI) of the Issuer is 549300X3UK4GG3FNMO06.

## **9. Documents available**

So long as any of the Notes are outstanding, the following documents can be inspected on the website of EDF ([www.edf.com](http://www.edf.com)):

- (i) the articles of association (*statuts*) of the Issuer;
- (ii) a copy of this Prospectus and any document incorporated by reference therein; and
- (iii) any reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus.

In addition, for as long as any Notes remain outstanding, copies of this Prospectus and any document incorporated by reference therein will be available for viewing on the Issuer's website ([www.edf.com](http://www.edf.com)) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France.

For so long as any Notes remain outstanding, this Prospectus, the 2019 URD and the 2018 Document de Référence will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

## **10. Websites**

Any websites mentioned or referred to in this Prospectus are for information purposes only and the information to such websites does not form any part of this Prospectus unless that information is incorporated by reference into the Prospectus.

## 11. Credit Ratings

The Notes have been assigned a rating of BB- by S&P Global Ratings Europe Limited (“**S&P**”), Baa3 by Moody’s France SAS (“**Moody’s**”) and BBB by Fitch Ratings Ireland Limited (“**Fitch**”).

As of the date of this Prospectus, the Issuer’s long-term and short-term debt has been respectively rated (i) “A3” and “P-2” with negative outlook by Moody’s, (ii) “BBB+” and “A-2” with stable outlook by S&P and (iii) “A-” and F2 with negative outlook by Fitch.

Each of S&P, Moody’s and Fitch is a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of September 16, 2009 (as amended, the “**CRA Regulation**”) and is included in the list of registered credit rating agencies published by ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organization. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

## 12. Yield

Being undated securities, there is no explicit yield to maturity for the Notes.

The yield in respect of the 6.5 Year Non-Call Notes from the Issue Date to the First Reset Date is 3.000 per cent. *per annum* and is calculated on the Issue Date on the basis of the issue price of the 6.5 Year Non-Call Notes.

The yield in respect of the 10 Year Non-Call Notes from the Issue Date to the First Reset Date is 3.500 per cent. *per annum* and is calculated on the Issue Date on the basis of the issue price of the 10 Year Non-Call Notes.

It is not an indication of any future yield.

## 13. Net proceeds

The estimated net amount of proceeds of the 6.5 Year Non-Call Notes amounts to €841,138,000.

The estimated net amount of proceeds of the 10 Year Non-Call Notes amounts to €1,233,082,500.

## 14. Forward-looking statements

This Prospectus, including the document incorporated by reference therein, contains certain forward-looking statements and information relating to the Issuer that are based on beliefs of its management, as well as assumptions made by and information currently available to the Issuer on the date of this Prospectus or, if included in any document incorporated by reference herein, on the date of such document. When used in this Prospectus, words such as “anticipate,” “believe,” “could,” “should,” “seeks,” “estimate,” “expect,” “intend,” “might,” “plan,” “project,” “outlook,” “target,” “objective” and similar expressions, as they relate to the Issuer and/or its management, and the Group’s strategy, plans or intentions, are intended to identify forward-looking statements. Such statements reflect the current views of the Issuer with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors, a number of which are outside of our control, could cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks relating to the regulation of energy markets; changes in the economic and commercial environment; risks relating to the transformation of the Group; risks relating to the overall performance of the Group; risks relating to the nuclear activities of the Group; changes in applicable laws and regulations; as well as changes with respect to the factors set forth under “*Risk Factors*” in this Prospectus. Any forward-looking statements are qualified in their entirety by reference to these factors. Should one or more of these or other risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated, expected, intended, planned or projected, and therefore the Issuer cautions you against relying on any of these forward-looking statements. The Issuer does not intend or assume any obligation to update or revise these forward-looking statements after the date of this Prospectus in light of developments which differ from those anticipated. The Issuer does not undertake any obligation to update or revise the forward-looking statements included in this Prospectus or incorporated by reference herein, whether as a result of new information, future events or otherwise. The Issuer cautions you that the foregoing list of important factors

may not contain all of the material factors that are important to you. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.

## **15. Stabilization**

In connection with the issue of the Notes, BNP Paribas (the “**Stabilizing Manager**”) (or any person acting on behalf of the Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date and sixty (60) calendar days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager (or any person acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and regulations.

## **16. Benchmarks Regulation**

Amounts payable under the Notes from and including the First Reset Date (in respect of the Notes) are calculated by reference to the five year mid swap rate for Euro swap transactions displayed on Reuters screen ICESWAP2, which are provided by ICE Benchmark Administration Limited (the “**Administrator**”). As at the date of this Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulation.

## **17. Potential conflicts of interest**

The Managers and their affiliates (including their parent companies) have and/or may in the future engage, in the ordinary course of business, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by the Issuer or any entity of the Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, the Managers have or may hold shares or other securities issued by entities of the Group. Where applicable, it has or will receive customary fees and commissions for these transactions.

The Managers or their affiliates may have a lending relationship with the Issuer and routinely hedge their credit exposure to the Issuer in a manner consistent with their customary risk management policies. Typically, the Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Each of the Issuer, the Managers and their affiliates may from time to time be engaged in transactions involving an index or related derivatives.

Potential conflicts of interest may arise between the Calculation Agent and the Noteholders, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes. In particular, whilst the Calculation Agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives.

## PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

The Issuer hereby certifies that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Électricité de France

22-30 avenue de Wagram

75008 Paris

France

Duly represented by

Mr. Jean-Bernard Lévy

Chief Executive Officer

Signed in Paris, on 11 September 2020



*This Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.*

*The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.*

*This approval should not be construed as a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.*

*The Prospectus has been approved on 11 September 2020 and is valid until the date of admission of the Notes to trading on Euronext Paris, which is expected to occur on or about 15 September 2020 and shall, during this period and in accordance with the provisions of Article 23 of Regulation (EU) 2017/1129, be completed until such date by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies. The Prospectus obtained the following approval number: 20-453.*

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**ACTIVE JOINT BOOKRUNNERS WITH RESPECT TO THE 6.5 YEAR NON-CALL NOTES**

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**Citigroup Global Markets Limited**

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**Fiscal Agent, Principal Paying Agent, Paris Paying Agent and Calculation Agent**

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