

## PROSPECTUS DATED 15 JANUARY 2024

### COENTREPRISE DE TRANSPORT D'ÉLECTRICITÉ

(a *société anonyme* incorporated in France)

**€500,000,000 3.750 per cent. Bonds due 17 January 2036**

**Issue Price: 99.336 per cent.**

Coentreprise de Transport d'Électricité, a *société anonyme* organised under the laws of France (the “**Issuer**”), is offering €500,000,000 aggregate principal amount of 3.750 per cent. bonds due 17 January 2036 (the “**Bonds**”) to be issued on 17 January 2024 (the “**Issue Date**”). The Bonds will bear interest at a rate of 3.750 per cent. *per annum* from (and including) the Issue Date, payable annually in arrear on 17 January in each year, commencing on 17 January 2025.

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed in full at their principal amount on 17 January 2036 (the “**Maturity Date**”). The Issuer may, at its option, (i) on any date from and including the date falling three (3) months before the Maturity Date (the “**Residual Maturity Call Option Start Date**”) to but excluding such Maturity Date, redeem the relevant Bonds outstanding on any such date, in whole but not in part, at their principal amount together with accrued interest, as described under “*Terms and Conditions of the Bonds - Residual Maturity Call Option*”, (ii) at any time and from time to time prior to the Residual Maturity Call Option Start Date redeem all or any of the Bonds at their Make-whole Redemption Amount in accordance with the provisions set out in “*Terms and Conditions of the Bonds - Make-whole Redemption*”, and (iii) if 75 per cent. or more in principal amount of the Bonds then outstanding have been redeemed or purchased and cancelled, redeem all such remaining Bonds in accordance with the provisions set out in “*Terms and Conditions of the Bonds – Squeeze-Out Redemption*”. The Issuer may also, at its option, and in certain circumstances shall, redeem all, but not some only, of the Bonds at par plus accrued interest in the event of certain tax changes as described under “*Terms and Conditions of the Bonds – Redemption for Taxation Reasons*”.

Each holder of each Bond will have the option, following a Change of Control (as defined herein), to require the Issuer to redeem or, at the Issuer’s option, purchase that Bond at its principal amount together with any accrued interest thereon as more fully described under “*Terms and Conditions of the Bonds – Early Redemption of the Bonds at the option of the Bondholders following a Change of Control*”.

The Bonds will be issued in dematerialised bearer form in denominations of €100,000 each. Title to the Bonds will be evidenced by book-entries in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. 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 Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. “**Account Holder**” shall mean any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Clearstream Banking, S.A. and Euroclear Bank SA/NV.

This prospectus (including the documents incorporated by reference) constitutes a prospectus (the “**Prospectus**”) for the purposes of Regulation (EU) No. 2017/1129, as amended (the “**Prospectus Regulation**”) in respect of, and for the purposes of giving the necessary information with regard to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole and the Bonds, which is material to an investor for making an informed assessment of the assets and liabilities, profit and losses, financial position and prospects of the Issuer, the rights attaching to the Bonds, the reasons for the issuance and its impact on the Issuer.

Application has been made (i) for the approval of this Prospectus by the *Autorité des marchés financiers* (French financial market authority) (the “**AMF**”) and (ii) to admit the Bonds to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended from time to time.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and, subject to certain exceptions, may not be offered or sold within the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act, as amended (“**Regulation S**”).

The Issuer is rated A- with a stable outlook and the Bonds have been rated BBB+ by S&P Global Ratings Europe Limited (“**S&P**”). S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”). As such, S&P is included in the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation as of the date of this Prospectus. 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.

Printed copies of this Prospectus may be obtained, free of charge, at the registered office of the Issuer during normal business hours. Copies of this Prospectus will also be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the website of the Issuer ([www.ctelectricite.com](http://www.ctelectricite.com)).

**INVESTING IN THE BONDS INVOLVES RISKS. SEE “*RISK FACTORS*” FOR A DISCUSSION OF CERTAIN RISKS THAT INVESTORS SHOULD CONSIDER BEFORE INVESTING IN THE BONDS.**

**Global Coordinators and Joint Lead Managers**

**BARCLAYS**

**NATIXIS**

**Joint Lead Managers**

**BNP PARIBAS**

**CRÉDIT AGRICOLE CIB**

**ING**

*This Prospectus constitutes a prospectus for the purposes of Article 6 of the Prospectus Regulation and has been prepared for the purpose of giving the necessary information with respect to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the “Group”) and the Bonds which is material to enable investors to make an informed assessment of the assets and liabilities, profit and losses, financial position, and prospects of the Issuer, the rights attaching to the Bonds, the reasons for the issuance and its impact on the Issuer.*

*This Prospectus is to be read in conjunction with the pages of the documents which are incorporated herein by reference (see “Documents Incorporated by Reference” below). This Prospectus shall be read and construed on the basis that such pages are incorporated in, and form part of, this Prospectus.*

*The Joint Lead Managers (as defined in “Subscription and Sale” below) have not separately verified the information contained in this Prospectus. The Joint Lead Managers do not make any representation, warranty or undertaking, express or implied, or accept any responsibility or liability (whether fiduciary, in tort or otherwise) as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus. Nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Joint Lead Managers as to the past or future. To the fullest extent permitted by law, the Joint Lead Managers do not accept any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Issuer in connection with the Issuer, RTE (as defined in “Description of CTE” below), the Group or the issue and offering of the Bonds. Each of the Joint Lead Managers accordingly disclaims all and any liability (whether arising in tort or contract or otherwise) which it might otherwise have in respect of this Prospectus or any such statement.*

*No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Bonds not contained in this Prospectus. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Lead Managers. The delivery of this Prospectus or any offering or sale of Bonds at any time does not imply (i) that there has been no change with respect to the Issuer, RTE or the Group, since the date hereof and (ii) that the information contained in it is correct at any time subsequent to its date. None of the Joint Lead Managers undertakes to review the financial or general condition of the Issuer or of RTE during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Bonds of any information coming to its attention.*

*The Prospectus and any other information relating to the Issuer, RTE, the Group or the Bonds should not be considered as an offer, an invitation or a recommendation by any of the Issuer, RTE or the Joint Lead Managers to subscribe or purchase the Bonds. Each prospective investor of the Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of the Bonds should be based upon such investigation as it deems necessary. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, RTE, their respective business, their financial condition and the Bonds and consult their own financial or legal advisers about risks associated with an investment in the Bonds and the suitability of investing in the Bonds in light of their particular circumstances. Potential investors should read carefully the section entitled “Risk Factors” set out in this Prospectus before making a decision to invest in the Bonds.*

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

*The distribution of this Prospectus and the offering or the sale of the Bonds in certain jurisdictions may be restricted by law or regulation. The Issuer, RTE and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any obligation or responsibility for facilitating any such distribution, offering or sale. In particular, no action has been or will be taken by the Issuer, RTE or any of the Joint Lead Managers which is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, Bonds may not 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. Persons*

into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Bonds and distribution of this Prospectus and of any other offering material relating to the Bonds, see “Subscription and Sale” below.

**PRIIPs Regulation / Prohibition of sales to EEA retail investors** – The Bonds 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 (the “**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (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 (“**IMD**”), 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 Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs Regulation / Prohibition of sales to UK retail investors** – The Bonds 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 United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement IMD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK 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 Bonds, taking into account the five (5) categories referred to in item 19 of the Guidelines published by the European Securities and Markets Authority (“**ESMA**”) on 3 August 2023, has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to 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.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Bonds may not be offered or sold within the United States (as defined in Regulation S under the Securities Act).

In addition, until 40 days after the commencement of the offering, an offer or sale of the Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act.

This Prospectus has not been and will not be submitted for approval to any authority other than the AMF in France.

## **IMPORTANT CONSIDERATIONS**

### **Independent Review and Advice**

Each prospective investor of Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Bonds. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bonds or as to the other matters referred to above.

### **Regulatory Restrictions**

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Bonds.

### **Suitability of investment in the Bonds**

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### **Taxation**

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other charges or duties in accordance with the laws and practices of the jurisdiction where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Bonds. In particular, potential investors are warned that the tax laws of the investor's jurisdiction or of France (the Issuer's country of incorporation) might have an impact on the income received from the Bonds. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor.

### **Consideration relating to credit rating of the Bonds and the Issuer**

The Bonds have been rated BBB+ by S&P. The rating assigned to the Bonds by S&P is based on the Issuer's financial situation but takes into account other relevant structural features of the transaction, including, *inter alia*, the terms of the Bonds, and reflects only the views of S&P. The rating assigned by S&P to the Bonds may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, S&P or any other rating agency may change its methodologies or their application for rating securities with features similar to the Bonds in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Bonds, sometimes called "notching". If the rating agencies were to change their practices or their application for rating such securities in the future, the ratings of the Bonds may be subsequently lowered.

As of the date hereof, the Issuer is rated A- with a stable outlook by S&P.

**See "Risk Factors" below for certain information relevant to an investment in the Bonds.**

In this Prospectus, references to "EUR", "€" or "euro" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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## **RISK FACTORS**

*The following are certain risk factors of the offering of the Bonds of which prospective investors should be aware. All of these factors are contingencies which may or may not occur.*

*Prior to making an investment decision, prospective investors should consider carefully the specific risk factors set forth below, as well as the other information contained and/or incorporated by reference in this Prospectus. Prospective investors should make their own independent evaluations of all risk factors and reach their own views prior to making any investment decision.*

*Any of the risks described below could have a material adverse impact on the Group's business, financial condition and results of operations and could therefore have a negative effect on the trading price of the Bonds and the Issuer's ability to pay all or part of the interest or principal on the Bonds, and prospective investors may lose all or part of their investment. Additional risks not currently known to the Group or that it now deems immaterial may also adversely affect the Group's business, financial condition, results of operation or the Issuer's ability to fulfil its obligations under the Bonds.*

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

*Terms used but not defined in this section shall have the same meaning as that set out in the other sections of this Prospectus.*

### **1. RISKS RELATED TO THE ISSUER AND THE GROUP**

#### **1.1 Risks factors relating to the Issuer as a holding company**

##### **(a) *Risks related to the organizational structure of the Issuer***

The Issuer is a holding company which acquired the control of RTE in December 2016. The Issuer conducts no business operations of its own, and has not engaged in, and will not be permitted to engage in, any activities other than the activities of a holding company and its only asset currently is its one hundred per cent. interest in RTE. The Issuer has no independent means of generating revenues.

Consequently, the Issuer will be substantially dependent upon payments from RTE to cover its expenses, and to repay the amount of interest and principal to be paid to the Bondholders pursuant to the terms and conditions of the Bonds.

To the extent that RTE is unable to distribute cash to its shareholders - including by reason of regulatory or administrative constraints (in particular those described in section 1.2 below) applicable to RTE and the vertically integrated undertaking to which it belongs, which could entail costs for RTE, cash distribution constraints and specific shareholder financing obligations for its shareholders - such a situation could have a material adverse effect on the financial condition or prospects of the Issuer.

In addition, RTE has a Euro Medium Term Note programme under which it has issued notes. Investors in notes issued by RTE have a recourse against RTE, which investors in the Bonds do not benefit from. Investors in the Bonds are therefore structurally and economically subordinated to investors in notes issued by RTE, which may reduce the capacity of the Issuer to satisfy its debt obligations.

##### **(b) *No recourse against the shareholders or the subsidiary of the Issuer***

The Bonds are not guaranteed by RTE, nor by the Issuer's shareholders. As a consequence, investors only have recourse against the Issuer, and if the Issuer is not in a position to satisfy its debt obligations, investors do not have any recourse under the Bonds against RTE nor against the Issuer's shareholders.

##### **(c) *Risks Relating to the Issuer's Indebtedness***

The Issuer has a significant amount of indebtedness under the Bonds and under existing notes, which the Issuer has issued for an aggregate principal amount of around EUR 2,920,000,000. As a consequence, the Issuer is, and following the issuance of the Bonds will continue to be, materially leveraged.



The degree to which the Issuer is leveraged and its debt service obligations could have important consequences to holders of the Bonds offered hereby, including, but not limited to:

- (i) making it difficult for it to satisfy its obligations with respect to the Bonds; and
- (ii) limiting its ability to borrow additional funds.

Any of these or other consequences or events could have a material adverse effect on the Issuer's ability to satisfy its debt obligations, including the Bonds. Bondholders are exposed to the credit risk of an issuer with indebtedness, limited assets available and limited financial resources, which may impact its capacity to repay the Bonds.

## 1.2 **Risk factors relating to RTE as the wholly-owned operational subsidiary of the Issuer and its operations**

The Issuer's sole asset currently is one hundred per cent. of the shares of RTE. The Issuer's ability to perform its obligations under the Bonds may be negatively affected by the business and industry of RTE, including its subsidiaries, if one or more of the below risks occur, as such risks may ultimately have a material adverse impact on the income generated by the Issuer.

The risks relating to the business and industry of RTE, and its subsidiaries, are set out below:

### (a) *Legal and regulatory risks*

***RTE's revenue is generated from activities subject to regulated tariffs, the level of which may have an impact on RTE's results***

The primary revenue source of RTE are tariffs charged by RTE for using the public electricity transmission network (*Tarifs d'Utilisation des Réseaux Publics de Transport d'Électricité* or "**TURPE**").

The TURPE is calculated in compliance with Articles L. 341-1 *et seq.* of the French Energy Code (*Code de l'énergie*). In accordance with Article L.341-2 of the French Energy Code, tariffs for using the public transmission network are calculated in a non-discriminatory manner. Such calculation covers the total cost borne by RTE and includes those costs stemming from putting into practice its objectives and public service contracts which in turn guarantees RTE's solvency.

Pursuant to Article L. 341-3 of the French Energy Code, the methodology used to establish the TURPE are set by the *Commission de régulation de l'énergie* (the "**CRE**") which also deliberates on tariff evolutions every four years. The CRE transmits its deliberations to the Ministers in charge of Energy and Economy relating to tariffs evolutions. These deliberations are published in the Official Journal of the French Republic (*Journal officiel de la République française*). In this respect, the deliberation dated 21 January 2021 in relation to TURPE for the period from August 2021 to July 2025 issued by the CRE (*Délibération 2021-12 portant décision sur le tarif d'utilisation des réseaux publics de transport d'électricité* (TURPE 6 HTB)). The deliberations became effective on 1 August 2021 for a period of four years (*i.e.* until end of July 2025).

The level of regulated tariffs and of RTE's revenue will therefore depend on the CRE's decisions relating to tariffs evolutions, taking into account the costs incurred by RTE (as provided under Article L. 341-2 of the French Energy Code), the energy policy guidelines (*orientations de politique énergétique*) indicated by the Ministers in charge of Energy and Economy and various incentive mechanisms (see "The level of regulated tariffs for using the public electricity transmission network may include incentive mechanisms which may have an impact on the results of RTE" below). The TURPE also includes an "account to regulate costs and revenues" (*Compte de Régulation des Charges et des Produits*, or "**CRCP**"), the purpose of which is to adjust for discrepancies observed between the assumptions on which the tariff is based and actual figures for certain income and expense items that are considered to be difficult to forecast and non-controllable. In the annual tariff evolution formula, the regulation account (CRCP) clearance is limited to +/- 2% per year during the relevant period.

If the level of the TURPE, for any specific four-year period, is set at a level which does not allow RTE to finance its obligations relating public service commitments (such as the necessary capital expenditures

to operate, develop and maintain the electricity transmission system), it may have an impact on RTE's profitability margins, rates of return on investments (or other financial ratios) and may affect its long term financial capacity. In addition, if the assumptions used by the CRE in the context of its methodology to set the TURPE for any specific four-years period are not confirmed during such period and therefore RTE incurs more costs than expected at the time the TURPE was set, the CRCP mechanism may be insufficient to cover the total cost borne by RTE for the relevant period (with a regulation account clearance limited to +/- 2% per year in the tariff evolution formula) which could deteriorate temporarily the financial position of RTE (until the TURPE is set for the next relevant period).

The TURPE for the current period from 1 August 2021 to 31 July 2025 (TURPE 6) will be revised each year in such a manner so as to cover the total costs borne by RTE in accordance with Article L.341-2 of the French Energy Code taking into account (i) the annual inflation rate and (ii) +/- 2% increase or decrease relating to the CRCP, and (iii) a fixed rate of 0.49%.

The CRE decreased the annual tariff by 0.01 % (a fixed rate of 0.49% inflation rate of 1.5%, and capped CRCP adjustment of -2%) for the period from 1 August 2022 to 31 July 2023. In addition, in a decision dated 7 June 2023 (Deliberation n°2023-136), the CRE decided to increase the TURPE by +6.69% for the period from 1 August 2023 to 31 July 2024 (fixed rate of 0.49%, inflation rate of 4.2%, and capped CRCP adjustment of +2%).

More generally, general trends in the energy markets and decisions taken by the CRE in reaction to such trends may have an impact on RTE's results. In such case, the Issuer, as the sole shareholder of RTE, may incur a decrease in its income and its financial position may be negatively impacted.

For example, the 2022 supply crisis in the energy markets, reflected in soaring and highly volatile wholesale electricity prices at European level, has led to significant discrepancies between (i) costs and revenues forecasts set out in the TURPE 6 and (ii) costs and revenues of RTE for 2022. These significant differences result in a high surplus to be paid into RTE's income and expenditure adjustment account (CRCP) for 2022, mainly due to particularly high interconnection income, only partially offset by differences in certain specific expense items (congestion, balancing reserves). In this context, the CRE decided to refund such exceptional income to users of the electricity transmission network for a total amount of €1,939,000,000.

***RTE operates its transmission activities within the context of concessions governed by public law***

RTE is the public transmission system operator according to standard concession specifications (*cahier des charges de la concession du réseau public de transport*) which are currently being developed in accordance with a public transmission network concession agreement (*contrat de concession du réseau public de transport*) between the French State and RTE Réseau de transport d'électricité dated 30 October 2008 which contains general obligations of RTE in respect of the development, maintenance and operation of the public electricity transport network.

These concession specifications could change in the future to contain obligations that are more restrictive for RTE, in particular, obligations of a financial nature, than the obligations that are currently applicable.

The public transmission network concession will expire on 31 December 2051. No later than five years before the concession expiration date, RTE Réseau de transport d'électricité will request from the Minister in charge of the Energy sector a renewal of its concession. In addition, the French State could terminate the concession agreement due to a serious breach of the company's contractual obligations (except in case of a *force majeure* event) and in such a situation all the liabilities of the RTE Group may not be covered. Such situation may have a significant negative impact on the financial condition of the Issuer.

***RTE's failure to comply with any applicable environmental, health and safety laws and regulations may cause RTE to incur liability or other damages that it might be required to compensate***

RTE must comply with increasingly restrictive environmental, health and safety laws and regulations that are the sources of costs.

RTE's activities are subject to regulations for the protection of the environment and public health, which are increasingly numerous and restrictive. Most of these regulations apply each time a project is prepared or reviewed and relate for example to public participation within different stages of the decision-making procedure, environmental impact assessment, conservation of protected species and habitats and various environmental authorisations under the French Environmental Code.

Regarding public health, the main concern of RTE's activities relates to the electromagnetic fields caused by the power transmission grid. With more and more research data available, it has become increasingly unlikely that exposure to electromagnetic fields constitutes a serious health hazard. Even though some uncertainty is still addressed, the original scientific discussion about the interpretation of controversial results has shifted to become a societal as well as political issue. This concern is handled at international (*World Health Organization*), European (*Council recommendation of 12 July 1999 on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) – 1999/519/EC*) and national (*arrêté du 17 mai 2001 fixant les conditions techniques auxquelles doivent satisfaire les distributions d'énergie électrique; instruction du 15 avril 2013 relative à l'urbanisme à proximité des lignes de transport d'électricité*) levels.

Regarding safety, the main concern of RTE's activities relates to the practice of certain activities in proximity to the power transmission infrastructure. Water sports, open air leisure, fishing, agriculture, tree trimming, building activities may be restricted through dedicated public easement and public recommendations. Project and work declarations near utilities networks are also submitted to specific rules according to the Environmental Code.

RTE has made and will continue to make significant capital and other expenditures to comply with applicable environmental, health and safety regulations. RTE is continuously required to incur expenditures to ensure that the installations that it operates comply with applicable legal, regulatory and administrative requirements. These expenditures, which are evidenced in the public service contracts, mainly relate to the protection of the land and biodiversity, to the strengthening of cooperation with local authorities, the promotion of research and development activities and towards the ISO 14001 environmental certification which RTE obtained in 2002. Any of RTE's operations, moreover, may, in the future, become subject to stricter laws and regulations, and correspondingly greater compliance expenditures.

Such regulations could lead to potential liabilities if the related costs were not covered by the transmission tariff in spite of the principles resulting from Article L.341-2 of the French Energy Code. Other current and future regulations in the environmental and health areas may also have a material financial impact on RTE and on the Issuer as the sole shareholder of RTE.

***The level of regulated tariffs for using the public electricity transmission network may include incentive mechanisms which may have an impact on the results of RTE***

In accordance with Article L. 341-3 of the French Energy Code, the CRE may include incentive mechanisms for the determination of any tariff evolution, the purpose of which is to encourage RTE to improve its performance in terms of quality of service provided, integrating the domestic and European electricity market, ensuring reliability of supplies and seeking productivity improvements.

The TURPE regulation for the TURPE 6 Period maintains the incentive mechanisms implemented in the context of TURPE 5 (with the exceptions of the bonus / penalty system on quality of supply based on average outage duration and outage frequency, became a penalty-only system, reduction of the neutral zone around the target of the incentive mechanism for investments over €30 million) and introduces the following new mechanisms: (i) an incentive mechanism to control the costs of the electricity network projects outside major projects (i.e. projects for which costs are lower or equal to €30 million), (ii) an incentive mechanism to control and prioritise investment expenses on the regulation period, (iii) an incentive mechanism on asset management expenses, (iv) an incentive regulation for costs of balancing reserves, capped at €15 million/year (v) an incentive regulation for congestion costs, and (vi) an incentive to promote external innovation, capped at €10million/year.

Although RTE has put in place an efficient risk management policy to meet the requirements or objectives set out in the above incentive mechanisms, such mechanisms may have a negative impact on RTE's financial performance if RTE fails to reach such objectives or to comply with the relevant

requirements. Should such situation occur, the Issuer may experience a reduction in its profit and revenue which may lead to negative impact on its financial position.

(b) *Macroeconomic risks*

***RTE's activities fluctuate in accordance with economic cycles and general economic conditions***

RTE's activities fluctuate in accordance with the economic cycles and general economic conditions of the geographical regions in which it operates, particularly in France. Any economic slowdown in these regions would lead to a reduction in energy consumption, and, consequently, would have a negative impact on the demand for electricity. Any significant decrease of the electricity demand could negatively impact the revenues of RTE which could have a temporary adverse effect on RTE's activities and financial position over a specific TURPE period since the CRCP mechanism may be insufficient (with a regulation account clearance limited to +/- 2% per year in the tariff evolution formula) to cover the loss of revenues incurred by RTE (until the TURPE is set for the next relevant period) as a result of such economic slowdown and decrease of electricity demand. Should such situation occur, the Issuer may experience a reduction in its profit and revenue which may lead to negative impact on its financial position.

(c) *Operational risks*

***RTE must attract talent and skills necessary in order to better perform its public service commitments and to contribute to the energy transition by adapting the electricity transmission network to the development of renewable energies***

RTE currently implements its strategic orientations which integrates key priorities such as adaptation measures to better perform its public service commitments and to contribute to the energy transition by adapting the electricity transmission network to the development of renewable energies. The implementation of these strategic orientations requires appropriate and skilled resources. In order to avoid the loss of key skills, the Group must anticipate needs for staff in respect of certain positions. In particular, RTE Réseau de transport d'électricité has identified risks such as staff needs in critical positions (e.g. engineers and large project managers) and difficulties in defining succession plans that could affect the continuity of operations or project management due to an ageing workforce.

RTE's success depends on its ability to map existing skills, recruit, train and retain a sufficient number of employees, including senior managers, engineers and technicians, with the required skills, expertise and knowledge. RTE is also likely to face challenges in recruiting and retaining such employees as a result of intense competition for personnel with relevant experience. An inability to recruit, train or retain necessary personnel could have a material adverse effect on the RTE Group's business, financial condition and results of operations. In such case, the Issuer, as the sole shareholder of RTE, may incur a decrease in its income and its financial position may be negatively impacted.

***Widespread blackouts in France or in some French regions if they are attributable to RTE may have consequences for its activities and profits***

Italy, Great Britain, Denmark, Sweden and a large part of the United States and Canada experienced significant blackouts in 2003. The causes of these blackouts vary: local or regional imbalance between electricity generation and consumption, accidental interruption to the power supply, cascaded interruptions (more difficult to overcome in a market with cross border exchanges), interconnection problems at borders, lack of investment and difficulty in coordinating operators on an open market.

On 4 November 2006, following an incident in the German network, a significant breakdown in the electricity supply involved several European countries. Nevertheless, a European "blackout" was avoided and the electricity supply breakdown lasted less than one hour in France. Prior to this, the most recent event of this kind last occurred in France in 1978 where half of France suffered a power outage for approximately four hours. Several incidents have occurred in the south-east area in the past where RTE had difficulties to obtain authorisations to build new lines, e.g. 3 November 2008 (power outage for 1.2 million consumers due to a thunderstorm), 31 July 2009 (power outage for 1.2 million consumers due to a forest fire), 21 December 2009 (power cut for 2 million consumers due to a technical incident). On 27

and 28 February 2010, about 20 substations and 80 lines were out of service for several hours, as a consequence of the Xynthia storm.

From 30 June to 4 July 2015, a heat wave in the North West of France caused damage to measurement transformers leading to power outages for about 80,000 consumers.

RTE may be, or may be found to be, responsible for a blackout and be required to pay penalties as provided in the public transmission network concession agreement (*contrat de concession du réseau public de transport*) between the French State and RTE Réseau de transport d'électricité dated 30 October 2008. These blackouts would therefore first have an impact on RTE's income and may also result in repair costs incurred by disrupted customers. Nevertheless, in some cases such blackouts may be recognised as being a consequence of a *force majeure* event which would limit RTE's responsibility. If RTE is to be found responsible for a blackout, it may ultimately have a material adverse impact on the income generated by the Issuer.

### ***Risks relating to information systems***

RTE relies heavily on its telecommunications network and computer systems for the management of the electricity transmission network. Hardware and software used by RTE may be damaged by human error, natural disaster, power loss and other events. Depending on the nature of these events, safeguard measures (such as back-up systems and disaster recovery plan) may be insufficient or inadequate to prevent any IT system failures which could, in turn, potentially lead to long supply electricity interruption (more than three minutes) and blackouts. This may have a material adverse effect on RTE's business, financial condition and results of operations, including increased expenses and decreased revenues.

Although RTE cyber security policy is implemented in close coordination with the national cyber security agency (i.e. the *Agence nationale de sécurité des systèmes d'information*), RTE's information systems may also be the target of external attacks or malicious acts of any kind which can have negative effects on the integrity of its IT systems. From 20 to 25 November 2012, the corporate web sites and mail servers hosted by the service providers of one of the German Transmission System Operators experienced a cyber-attack, although this did not create a threat to the security of supply. Although RTE has not experienced such type of kind of cyber-attack, they have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to RTE and can have negative effects on the integrity of its IT systems, with possible material adverse effect on its business, such as long supply electricity interruption on the transmission network (i.e. more than three minutes) and blackouts.

Finally, RTE is subject to the regulations governing the protection, collection and processing of personal data in the jurisdictions in which it operates. Such data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorised by the customer, including by unauthorised parties (such as third parties or employees). The possible destruction, damage or loss of customer, employee or third party data, as well as its removal, unauthorised processing or disclosure, could have a negative impact on RTE's reputation, and could subject RTE to liabilities, with consequent material adverse effect on its financial condition which may lead to have a negative impact on the Issuer's income.

### ***Risks associated with climatic conditions***

Electricity consumption, and thus the volume of electricity transported by RTE, depends to some extent on climatic conditions. Accordingly, mild winters (where less heating is required) or cool summers (where there is reduced demand for air conditioning) result in decreased demand for electricity. RTE's annual results may therefore be temporarily affected by significant climatic variations. RTE's operating profits also reflect the seasonal character of demand for electricity, which is typically higher during the coldest months and when the nights are longer.

In addition, RTE's activities could be significantly affected by the physical effects of climate change in terms of chronic effects, i.e. if climate change becomes more pronounced with a series of mild winter periods, RTE's results could be affected by the corresponding decrease for electricity.

Any significant decrease of the electricity demand resulting from climatic conditions could negatively impact the revenues of RTE which could have a temporary adverse effect on RTE's activities and financial position over a specific TURPE period since the CRCP mechanism may be insufficient (with a regulation account clearance limited to +/- 2% per year in the tariff evolution formula) to cover the loss of revenues incurred by RTE (until the TURPE is set for the next relevant period) as a result of such decrease of electricity demand. Should such situation occur, the Issuer may experience a reduction in its profit and revenue which may lead to negative impact on its financial position.

***The occurrence of work-related illnesses and accidents cannot be excluded***

Although RTE considers that it is substantially compliant with the laws and regulations concerning health and safety in the different countries in which it operates, and has taken measures intended to ensure the health and safety of its employees and those of its subcontractors, the risk of work-related illnesses and accidents cannot be excluded. RTE's activities require repair work intervention on the high and very high voltage network with potentially significant risks for employees and service providers (risk of electric shock in particular).

The occurrence of work-related illnesses or accidents may lead to lawsuits against RTE and the payment of damages, which may prove material and therefore may lead to have a negative impact on the Issuer's income.

***RTE faces risks associated with increases in costs, disruptions of supply or shortages of raw materials***

RTE uses a variety of raw materials in its business and the prices for such raw materials fluctuate, and market conditions can affect RTE's ability to manage its costs.

Substantial increases in the prices for raw materials would increase RTE's operating costs. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. From time to time these may lead to supply shortages or disruptions. In addition, RTE's industrial efficiency will depend in part on the optimization of raw materials and components used in the manufacturing processes. If RTE fails to optimize these processes, it may face increased operating costs. RTE is also exposed to the risk of price fluctuations and supply disruptions or shortages. Inflationary pressures continued in 2022 at historically high levels in several markets and there is no certainty that the monetary policy response will effectively reduce inflation on a timely basis. Inflation has resulted in increased wages, fuel, freight, energy and other costs and this trend may continue. To the extent such inflation continues, increases, or both, it may reduce RTE's margins and have a material adverse effect on its financial performance and in the financial performance of the Issuer as the sole shareholder of RTE.

(d) ***Financial risks***

In the course of its activities, the RTE Group is potentially exposed to financial risks:

- **interest rate risk:** some of the indebtedness of RTE bears interest at variable rates, generally linked to market benchmarks (although as of 31 December 2022, 98.10% of the gross financial indebtedness of RTE bears interest at fixed rate). In addition, any increase in interest rates would increase its finance costs and increase the cost of refinancing existing indebtedness or obtaining new financing. Although RTE uses derivatives/hedges to actively manage the interest rate risk, these hedges could be insufficient to cover its risk in certain interest rate market conditions. If RTE cannot successfully minimise this risk, they could have a material adverse effect on business, financial condition and results of operations of RTE. Finally, any decrease of interest rates would increase the assessment of long-term commitments in relation to pension;
- **liquidity risk:** RTE must at all times have sufficient financial resources to finance its day-to-day business activities, the investments necessary for the expansion of its activities as well as dealing with any exceptional events that may arise. RTE's ability to raise new debt, refinance its existing indebtedness or, more generally and raise funds in financial markets depend on numerous factors including its credit rating which is key element to guarantee RTE's ability to obtain financing under the best possible conditions. Any downgrading of RTE's credit rating could increase the cost of refinancing its existing bonds and have a negative impact on RTE's ability to obtain financing. If

RTE is unable to access the capital markets or other sources of finance at competitive rates for a prolonged period, its cost of financing may increase and/or become excessive, and its strategy may need to be reassessed which could have a material adverse effect on its financial condition and long term strategy.

Should such financial risks occur, the Issuer, as the sole shareholder of RTE, may incur a decrease in its income and its financial position may be negatively impacted.

## 2. **RISKS RELATED TO THE BONDS**

### 2.1 **Risks for the Bondholders as creditors of the Issuer**

#### (a) *French Insolvency Law*

The Issuer is a *société anonyme* with its corporate seat in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the “centre of main interests” (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The 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 has been transposed into French law by the *Ordonnance* 2021-1193 dated 15 September 2021. Such *ordonnance*, applicable as from 1st October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this *ordonnance*, “affected parties” (including notably creditors, and therefore the Bondholders) 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 reflect a sufficient commonality of interest based on verifiable criteria. Bondholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Bondholders 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 decision of each class is taken by a simple majority of the voting rights of the participating members, no quorum being required.

If the restructuring plan is not approved by all classes of affected parties, it can still be ratified by the court at the request of the Issuer or the receiver with the Issuer's consent and be imposed on dissenting classes through a cross-class cram down, under certain conditions.

For the avoidance of doubt, the provisions relating to the representation of Bondholders described in Condition 8 (*Representation of the Bondholders*) will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Bonds issued by the Issuer. As a consequence, any decisions taken by a class of affected parties could negatively and significantly impact the Bondholders 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.

#### (b) *Credit Risk of the Issuer*

As contemplated in Condition 2 (*Status and Negative Pledge*), the obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. Bondholders are exposed to a higher credit risk than creditors benefiting from security interests from the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Bonds. If the creditworthiness of the Issuer deteriorates and notwithstanding Condition 7 (*Events of Default*) which enable any Bondholder to request the redemption of the Bonds, it may not be able to fulfil all or part of its payment obligations under the Bonds. In such a case, the market value and liquidity of

the Bonds may decrease, which could materially and negatively impact the Bondholders which may lose all or part of their investment.

## 2.2 Risks relating to the particular structure of the Bonds

### (a) *The Bonds may be redeemed or purchased by the Issuer prior to maturity*

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in “*Terms and Conditions of the Bonds – Taxation*”, the Issuer may and, in certain circumstances shall, redeem all of the Bonds then outstanding in accordance with such Terms and Conditions.

In addition, the Issuer may choose to redeem (i) all, but not some only, of the outstanding Bonds on any date from and including the date falling three (3) months before the relevant Maturity Date (the “**Residual Maturity Call Option Start Date**”) but excluding such Maturity Date on any such date under a residual maturity call option as provided in Condition 4.6 (*Residual Maturity Call Option*), and (ii) all or any of the outstanding Bonds at any time before the Residual Maturity Call Option Start Date at their applicable Make-Whole Redemption Amount as provided in Condition 4.3 (*Make-Whole Redemption*), at times when prevailing interest rates may be relatively low. Furthermore, the exercise of the Make-Whole Redemption option by the Issuer may be subject to the satisfaction of certain refinancing conditions referred to in the notice published by the Issuer in connection thereto.

Furthermore, if 75 per cent. or more in principal amount of the Bonds (including any bonds assimilated to such Bonds issued pursuant to Condition 11 (*Further issues*)) have been redeemed or purchased and cancelled, the Issuer will have the option to redeem all (but not some only) of the remaining Bonds outstanding at their principal amount together with any accrued interest as provided in Condition 4.5 (*Squeeze-Out Redemption*). However, such option shall only be exercised at least twelve (12) months after any make-whole call option described above.

With respect to the Issuer's squeeze-out call option provided in Condition 4.5 (*Squeeze-Out Redemption*), there is no obligation on the Issuer to inform investors if and when 75 per cent. or more of the aggregate principal amount of the Bonds have been redeemed or are about to be redeemed, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of such option by the Issuer, the Bonds may have been trading significantly above par, thus potentially resulting in a loss of potential profit in connection with the Bonds.

The early redemption at the option of the Issuer may affect negatively the market value of the Bonds. During any period when the Issuer may (or may be expected to) elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

The Issuer may choose to redeem the Bonds at times when prevailing interest rates may be relatively low. In such circumstances a Bondholder may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Bonds and may only be able to reinvest at a significantly lower rate. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. Potential investors should consider reinvestment risk in light of other investments available at that time.

All of the above may cause the investment in the Bonds to be less profitable than expected for Bondholders. In such case, Bondholders carry no risk of capital loss, but a decrease in the gain that the Bonds could have brought them.

### (b) *The Make-Whole Redemption is exercisable in whole or in part and exercise of the Make Whole Redemption option by the Issuer may affect the liquidity of the Bonds*

The Make-Whole Redemption provided in Condition 4.3 (*Make-Whole Redemption*) is exercisable in whole or in part. In the event that the Issuer chooses to redeem some only of the outstanding Bonds under the make-whole call option described above, any trading market in respect of such Bonds in respect of which such call option is not exercised may become illiquid.



If the Issuer decides to redeem the Bonds in part, such partial redemption shall be done by application of a pool factor (corresponding to a reduction of the principal amount of all the Bonds in proportion to the aggregate principal amount redeemed).

Depending on the aggregate principal amount of the Bonds so redeemed, any trading market in respect of the Bonds may become illiquid. As a result, a Bondholder may not be able to resell its Bonds without incurring a significant discount from the nominal value of the Bonds.

- (c) *Purchases by the Issuer in the open market or otherwise (including by tender offer) in respect of certain Bonds may affect the liquidity of the Bonds which have not been so purchased*

Depending on the number of Bonds purchased by the Issuer as provided in Condition 4.7 (*Purchases*), any trading market in respect of those Bonds that have not been so purchased may become illiquid. As a result, a Bondholder may not be able to resell its Bonds without incurring a significant discount from the nominal value of the Bonds.

- (d) *Exercise of put option or notice of Event of Default in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such put option is not exercised or a notice of Event of Default is not given*

The exercise of the put option is dependent on the credit rating assigned to the Issuer following the occurrence of a Change of Control (as more fully described in Condition 4.4 (*Early Redemption of the Bonds at the option of the Bondholders following a Change of Control*)) and that even if a withdrawal, downgrade or reduction of such credit rating occurs in respect of such Change of Control, such put option could not be exercised if, within the Change of Control Period (as defined in Condition 4.4 (*Early Redemption of the Bonds at the option of the Bondholders following a Change of Control*)), the credit rating previously assigned to the Issuer is reinstated or upgraded.

Depending on the number of Bonds in respect of which the put option pursuant to a Change of Control (as more fully described in Condition 4.4 (*Early Redemption of the Bonds at the option of the Bondholders following a Change of Control*)) is exercised or in respect of which notice of an Event of Default is given (as provided in Condition 7 (*Events of Default*)), any trading market in respect of the remaining Bonds for which such put option is not exercised or for which notice of an Event of Default is not given may become illiquid. Therefore, investors in the Bonds not having exercised their put option may not be able to sell their Bonds on the market and may have to wait until the Maturity Date to obtain redemption of their investments in the Bonds, which may have a negative impact on the Bondholders and reduce the profits anticipated by the investors at the time of the issue. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

Further, if an Event of Default occurred and has not been cured, as provided in "*Terms and Conditions of the Bonds – Events of Default*", the Representative (as defined in Condition 8 (*Representation of the bondholders*)) of the Terms and Conditions, upon request of any Bondholder, may cause all the Bonds (but not some only) held by such Bondholder to become immediately due and payable in accordance with such Terms and Conditions.

- (e) *The Bonds are not protected by restrictive covenants and do not prevent the Issuer from incurring additional indebtedness including indebtedness that would rank equally with the Bonds.*

The Terms and Conditions of the Bonds contain a negative pledge that prohibits the Issuer in certain circumstances from creating security over assets but only to the extent that such is used to secure other bonds or similar debt instruments which are listed or capable of being listed. However, the Terms and Conditions of the Bonds do not contain any other covenants restricting the operations of the Issuer.

Subject to this negative pledge, the Issuer and its subsidiary may incur significant additional debt that could be considered before or rank equally with the Bonds. Accordingly, if the Issuer incurs significant additional debt ranking equally with the Bonds, it will increase the number of claims that would be entitled to share rateably with the Bondholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

(f) *Modification and waivers*

Condition 8 (*Representation of the Bondholders*) contains provisions for Bondholders to consider matters affecting their interests generally to be adopted either through a General Meeting or following a Written Consultation. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant General Meeting or did not consent to the Written Consultation or Bondholders who voted in a manner contrary to the majority.

General Meetings or Written Consultations may deliberate on any proposal relating to the modification of the conditions of the Bonds subject to the limitations provided by French law. If a decision is adopted by a majority of Bondholders and such modifications were to impair or limit the rights of the Bondholders, this may have a negative impact on the market value of the Bonds.

By exception to the above provisions, Condition 8.4 provides that the provisions of Article L.228-65 I. 1°, 3° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Bondholders (i) of any change in corporate purpose or form of the Issuer, (ii) of any proposal of the merger (*fusion*) or demerger (*scission*), in the context of an intragroup reorganisation, or (iii) 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 Bonds. As a result of these exclusions, the prior approval of the Bondholders will not have to be obtained on any such matters which may affect their interests generally.

(g) *Interest rate risks*

As the Bonds bear interest at a rate of 3.750 per cent. *per annum*, as described in Condition 3 (*Interest*), investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value and the yield of the Bonds and Bondholders may receive lower return on the Bonds than anticipated at the time of the issue. While the nominal interest rate of a fixed interest rate bond is fixed during the life of such Bonds or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of the Bonds will change in the opposite direction. If the market interest rate increases, the price of the Bonds will typically fall, until the yield of such Bond is approximately equal to the market interest rate. If the market interest rate decreases, the price of the Bonds will typically increase, until the yield of such Bonds is approximately equal to the market interest rate. Such movements of the market interest rate can adversely affect the market value and liquidity of the Bonds and can lead to losses for the Bondholders if they sell Bonds during the period in which the market interest rate exceeds the fixed rate of the Bonds.

## 2.3 **Risks related to the market of the Bonds**

(a) *Market value and trading market of the Bonds*

The Bonds have been rated BBB+ by S&P. The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates and any decline in the credit rating of the Bonds assigned by S&P.

Application has been made for the Bonds to be admitted to trading on Euronext Paris with effect from the Issue Date. The value of the Bonds on Euronext Paris also depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. Accordingly, all or part of the capital invested by the Bondholder may be lost upon any transfer of the Bonds, so that the Bondholder in such case would receive significantly less than the total amount of capital invested.

(b) *An active trading market for the Bonds may not develop*

Application has been made for the Bonds to be admitted to trading on Euronext Paris with effect from the Issue Date.

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. Future trading prices of the Bonds will depend on many factors, including, among other things, prevailing interest rates, the Group's operating results and the market for similar securities. The liquidity of a trading market for the Bonds may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. Any such disruption may have a negative effect on Bondholders, regardless of the Group's prospects and financial performance. As a result, there may not be an active trading market for the Bonds. If no active trading market develops, Bondholders may not be able to resell Bonds at a fair value, if at all. Although application has been made for the Bonds to be admitted to trading on Euronext Paris, an active trading market may not develop and Bondholders could lose a significant part of their investment in the Bonds.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents and the information referred to in the cross-reference list below which are incorporated in, and shall be deemed to form part of, this Prospectus (together, the “**Documents Incorporated by Reference**”):

- (a) the sections referred to in the table below included in the Issuer’s audited consolidated annual financial statements of the Group for the financial year ended 31 December 2021 (the “[2021 Consolidated Financial Statements](#)”) and the Issuer’s audited statutory financial statements for the financial year ended 31 December 2021 (the “[2021 Statutory Financial Statements](#)”);
- (b) the sections referred to in the table below included in the Issuer’s audited consolidated annual financial statements of the Group for the financial year ended 31 December 2022 (the “[2022 Consolidated Financial Statements](#)”) and the Issuer’s audited statutory financial statements for the financial year ended 31 December 2022 (the “[2022 Statutory Financial Statements](#)”); and
- (c) the sections referred to in the table below included in the 2022 *Rapport de gestion* of RTE (the “[2022 Management Report of RTE](#)”).

Any Document Incorporated by Reference may be obtained, free of charge, at the registered office of the Issuer during normal business hours so long as any of the Bonds is outstanding, as described in “General Information” below. Such documents will be published on the website of the Issuer ([www.ctelectricite.com](http://www.ctelectricite.com)) save for the 2022 Management Report of RTE that will be published on the website of RTE ([www.rte-france.com](http://www.rte-france.com)).

Any statement contained in this Prospectus or in a Document Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any reference in the Prospectus to any of the Documents Incorporated by Reference shall be deemed to include only the sections mentioned in the table below.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus (including for the avoidance of doubt any information on the websites which appear in the Documents Incorporated by Reference) refers does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

Any information contained in the Documents Incorporated by Reference that is not cross-referenced in the following table is for information purposes only shall not be incorporated in, and form part of, this Prospectus. The non-incorporated parts of the Documents Incorporated by Reference herein are either not relevant for investors or covered elsewhere in this Prospectus.

For the purpose of the Prospectus Regulation, the information incorporated by reference in this Prospectus is set out in the cross-reference table below. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation (as amended, the “**Commission Delegated Regulation**”) and not referred to in the cross-reference table below is either contained in the relevant sections of this Prospectus or is not relevant to the Issuer.

The Issuer is a holding company and its only asset currently is its one hundred per cent. interest in RTE. The Issuer does not conduct its own business operations, such operations pertain to RTE, and therefore the sections referred to in items 5 and 6 of the cross-reference table below have been extracted from the 2022 Management Report of RTE.

Annex 7 of the Commission Delegated Regulation		2021	2022
<b>5 BUSINESS OVERVIEW</b>			
5.1	<b><u>Principal activities</u></b>		
5.1.1	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed.		Pages 10-11, 14-16, 30-38 and 104 of the 2022 Management Report of RTE
<b>6 ORGANISATIONAL STRUCTURE</b>			
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.		Page 11 of the 2022 Management Report of RTE
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.		Pages 10-11 of the 2022 Management Report of RTE
<b>11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>			
11.1	<b><u>Historical financial information</u></b>		
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	Pages 1 to 43 of the 2021 Consolidated Financial Statements  Pages 1 to 21 of the 2021 Statutory Financial Statements	Pages 1 to 45 of the 2022 Consolidated Financial Statements  Pages 1 to 21 of the 2022 Statutory Financial Statements
11.1.3	Accounting Standards  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 statements must be prepared according to: (a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers.  Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information; (b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.	Page 11 of the 2021 Consolidated Financial Statements  Page 13 of the 2021 Statutory Financial Statements	Page 11 of the 2022 Consolidated Financial Statements  Page 13 of the 2022 Statutory Financial Statements

<b>Annex 7 of the Commission Delegated Regulation</b>	<b>2021</b>	<b>2022</b>
<p>11.1.4 Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:</p> <p>(a) the balance sheet;</p> <p>(b) the income statement;</p> <p>(c) the accounting policies and explanatory notes.</p>	<p>Pages</p> <p>4 and 5</p> <p>7 and 8</p> <p>12 to 21</p> <p>of the 2021 Statutory Financial Statements</p>	<p>Pages</p> <p>4 and 5</p> <p>7 and 8</p> <p>12 to 21</p> <p>of the 2022 Statutory Financial Statements</p>
<p>11.1.5 Consolidated financial statements</p> <p>If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>Pages 2 to 43</p> <p>of the 2021 Consolidated Financial Statements</p>	<p>Pages 2 to 45</p> <p>of the 2022 Consolidated Financial Statements</p>
<p>11.1.6 Age of financial information</p> <p>The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document.</p>	<p>Page 4</p> <p>of the 2021 Consolidated Financial Statements</p> <p>Pages 4 and 5</p> <p>of the 2021 Statutory Financial Statements</p>	<p>Page 4</p> <p>of the 2022 Consolidated Financial Statements</p> <p>Pages 4 and 5</p> <p>of the 2022 Statutory Financial Statements</p>
<b><u>11.2 Auditing of Historical financial information</u></b>		
<p>11.2.1 The historical financial information must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.</p>	<p>Pages 1 to 8</p> <p>of the 2021 Consolidated Financial Statements (audit report)</p> <p>Pages 1 to 8</p> <p>of the 2021 Statutory Financial Statements (audit report)</p>	<p>Pages 1 to 6</p> <p>of the 2022 Consolidated Financial Statements (audit report)</p> <p>Pages 1 to 6</p> <p>of the 2022 Statutory Financial Statements (audit report)</p>
<b><u>11.3 Legal and arbitration proceedings</u></b>		
<p>11.3.1 Information on 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 issuer and/or group's financial position or profitability, or provide an appropriate negative statement.</p>		<p>Page 39 (note 24.3) of the 2022 Consolidated Financial Statements</p>

## TERMS AND CONDITIONS OF THE BONDS

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

The issue of €500,000,000 3.750 per cent. Bonds due 17 January 2036 (the “**Bonds**”) by Coentreprise de Transport d'Électricité (“**CTE**” or the “**Issuer**”) was authorised by the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 26 September 2023 and decided pursuant to a decision of Pierre Casano, Dimitri Spoliansky and Louise Vilain, as members of the Board of Directors (*Conseil d'administration*) of the Issuer dated 12 January 2024.

The Issuer will enter into an agency agreement (the “**Agency Agreement**”) to be dated 15 January 2024 with Société Générale as fiscal agent, principal paying agent, paying agents and calculation agent. The fiscal agent, principal paying agent, paying agents and calculation agent for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**” and the “**Paying Agents**” (which expression shall include the Principal Paying Agent) and the “**Calculation Agent**”, respectively. Each of such expressions 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 during normal business hours at the specified offices of the Paying Agents.

References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs contained in the terms and conditions set forth herein. In these Conditions, “**holder of Bonds**”, “**holder of any Bond**” or “**Bondholder**” means the person whose name appears in the account of the relevant Account Holder as being entitled to such Bonds.

### 1. **FORM, DENOMINATION AND TITLE**

The Bonds will be issued on 17 January 2024 (the “**Issue Date**”) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 per Bond. Title to the Bonds will be established and evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* 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 Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”) which shall credit the accounts of the Account Holders. For the purposes of these Conditions, “**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 Clearstream Banking S.A. (“**Clearstream**”).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and transfer of Bonds may only be effected through registration of the transfer in such books and in denominations of €100,000.

### 2. **STATUS AND NEGATIVE PLEDGE**

#### 2.1 **Status of the Bonds**

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsecured (subject as provided in “Negative Pledge” below) and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

#### 2.2 **Negative Pledge**

So long as any of the Bonds remains outstanding (as defined below), the Issuer will not create or permit to subsist any Security Interest upon the whole or any part of the Issuer's present or future undertaking, assets or revenues to secure any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are (a) equally and rateably secured therewith or (b) have the benefit of such other security or other arrangement in substantially comparable terms thereto.

For the purpose of this Condition 2:

**“Relevant Indebtedness”** means any monies borrowed and any indebtedness of the Issuer and/or RTE which, in each case, is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

**“outstanding”** means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 3 after such date) have been duly paid to the Fiscal Agent and (c) those which have been purchased and cancelled as provided in Condition 4.

**“Security Interest”** means any mortgage, charge, pledge or other security interest (*sûreté réelle*) securing any obligation of any person.

### 3. **INTEREST**

The Bonds will bear interest from, and including, 17 January 2024 (the **“Interest Commencement Date”**) to, but excluding, the Maturity Date (as defined in Condition 4.1), at the rate of 3.750 per cent. per annum (calculated on the principal amount of the Bonds), payable in arrear on 17 January in each year (each an **“Interest Payment Date”**), commencing on 17 January 2025. The period commencing on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period commencing on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **“Interest Period”**. There will be a first long Interest Period from and including the Interest Commencement Date to but excluding the first Interest Payment Date.

Where interest is to be calculated in respect of any period (the **“Calculation Period”**), the day-count fraction used will be the Actual/Actual-ICMA method as follows:

- (a) if such Calculation Period falls within a single Regular Interest Period, the actual number of calendar days in such Calculation Period divided by the number of calendar days in the Regular Interest Period in which it falls; and
- (b) if such Calculation Period does not fall within a single Regular Interest Period, the sum of (x) the actual number of calendar days in such Calculation Period falling in the Regular Interest Period in which it begins divided by the actual number of calendar days in that Regular Interest Period and (y) the actual number of calendar days in such Calculation Period falling in the subsequent Regular Interest Period divided by the actual number of calendar days in the subsequent Regular Interest Period.

where:

**“Regular Interest Period”** means the period from (and including) 17 January in any year to (but excluding) 17 January in the following year.

Each Bond will cease to bear interest from the date on which it is to be redeemed, unless payment of the full amount due in respect of the Bond is improperly withheld or refused on such due date. In such event, such Bond shall continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day after the Fiscal Agent has notified Bondholders in accordance with Condition 9 of receipt of all sums due in respect of all Bonds up to that day (except if and to the extent the subsequent payment to the relevant Bondholders is not made in accordance with these Conditions).

Interest payments will be made subject to, and in accordance with, the provisions of Condition 5.



#### 4. **REDEMPTION AND PURCHASE**

The Bonds may not be redeemed other than in accordance with this Condition 4 or Condition 7.

##### 4.1 **Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer at their principal amount (i.e. €100,000 per Bond) on the Interest Payment Date falling on 17 January 2036 (the "**Maturity Date**").

##### 4.2 **Redemption for Taxation Reasons**

- (a) If, by reason of change in French law or regulation, or any change in the official application or interpretation of such law or 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 Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 6, the Issuer may, on any date, subject to having given not more than 60 nor less than 30 calendar days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 9, redeem all, but, not some only, of the Bonds at their principal amount together with accrued interest (if any) to the date set for redemption, 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 or deduction for French taxes or, if such date has passed, as soon as practicable thereafter.
- (b) If the Issuer would on the next payment of principal or interest in respect of the Bonds, notwithstanding the undertaking to pay additional amounts contained in Condition 6, be prevented by French law from making payment to the Bondholders of the full amount then due and payable, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven calendar days' prior notice to the Bondholders in accordance with Condition 9, redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest to the date set for redemption provided that the due date for redemption shall be a date on which the Issuer could make payment of the full amount of principal and interest payable without withholding or deduction for French taxes or if such date has passed, as soon as practicable thereafter.

##### 4.3 **Make-Whole Redemption**

- (a) The Issuer may, subject to the satisfaction of any refinancing conditions, on giving not less than 15 nor more than 30 calendar days' notice in accordance with Condition 9 to the Bondholders, redeem the Bonds, in whole or in part, at any time or from time to time, prior to the Residual Maturity Call Option Start Date (a "**Make-Whole Redemption Date**") (which notice shall (i) specify the Make-Whole Redemption Date and the Calculation Date (ii) specify the refinancing conditions to which the redemption is subject (if any) and (ii) be otherwise irrevocable). Any such redemption of Bonds shall be made on the Make-Whole Redemption Date at their Make-Whole Redemption Amount (as defined below).
- (b) In the case of a partial redemption of the Bonds pursuant to this Condition 4.3, the redemption will be effected by application of a pool factor (corresponding to a reduction of the principal amount of the Bonds in proportion to the aggregate principal amount redeemed), subject to compliance with any applicable laws and, so long as the Bonds are admitted to trading on Euronext Paris, the requirements of Euronext Paris.
- (c) So long as the Bonds are listed and admitted to trading on any stock exchange and the rules of that stock exchange so require, the Issuer shall, each year in which there has been a partial redemption of the Bonds, cause to be published in accordance with the relevant rules of such stock exchange, a notice specifying the aggregate principal amount of Bonds outstanding and, as the case may be, the principal amount of each Bond outstanding.

- (d) For the purposes of this Condition 4.3:

**“Make-Whole Redemption Amount”** means an amount in Euro determined by the Calculation Agent, equal to the greater of (x) 100 per cent. of the principal amount of such Bond and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Bond from the Make-Whole Redemption Date until (and including) the Residual Maturity Call Option Start Date (determined as described below (excluding any interest accruing on such Bond from and including the Issue Date or, as the case may be, the scheduled Interest Payment Date immediately preceding such Make-Whole Redemption Date to, but excluding, the Make-Whole Redemption Date) discounted to the Make-Whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate plus the Make-Whole Redemption Margin, plus, in each case (x) or (y) above, any interest accrued on the Bond to, but excluding, the Make-Whole Redemption Date.

If the Reference Benchmark Security is no longer outstanding on the Calculation Date (as defined below), a Similar Security will be chosen by the Calculation Agent in its reasonable judgment at 11.00 a.m. (CET) on the third business day in Paris preceding the Make-Whole Redemption Date, quoted in writing by the Calculation Agent in accordance with Condition 9. The Reference Rate will also be promptly notified to the Issuer by the Calculation Agent.

**“Make-Whole Redemption Margin”** means 0.250 per cent.

**“Reference Banks”** means each of the four banks (that may include Barclays Bank Ireland PLC, Natixis, BNP Paribas, Crédit Agricole Corporate and Investment Bank or ING Bank N.V., Belgian Branch) 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 Benchmark Security”** means the German Federal government bond bearing interest at a rate of 0.000 per cent. due 15 May 2035, with ISIN DE0001102515.

**“Reference Rate”** is the average of the four quotations given by the Reference Banks of the mid-market annual yield of the Reference Benchmark Security on the fourth (4<sup>th</sup>) business day in Paris preceding the Make-Whole Redemption Date at 11.00 a.m. (Central European Time (“CET”)) (the **“Calculation Date”**).

**“Similar Security”** means the then outstanding benchmark bond issued by the German Federal Government that (i) to the extent there is any relevant market for new issues of corporate debt securities of comparable maturity to the Residual Maturity Call Option Start Date would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Residual Maturity Call Option Start Date, or (ii) (where (i) does not apply) has the maturity date falling nearest to the Residual Maturity Call Option Start Date, all as determined by the Calculation Agent.

The Issuer will procure that, so long as any Bond is outstanding, there shall at all times be a Calculation Agent for the purposes of the Bonds. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails duly to establish the amount due in relation to this Condition 4.3, the Issuer shall appoint some other leading bank or financial institution engaged in the Euro interbank market (acting through its principal Euro-zone office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

The Agent shall act as an independent expert and not as agent for the Issuer or the Bondholders. All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4.3 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

#### 4.4 Early Redemption of the Bonds at the option of the Bondholders following a Change of Control

If at any time while any of the Bonds remains outstanding (A) a Change of Control occurs and (B) within the Restructuring Period, a Rating Downgrade in respect of that Change of Control occurs (such Change of Control and Rating Downgrade not having been cured prior to the expiry of the Restructuring Period, together called a **“Put Event”**), each Bondholder will have the option (the **“Put Option”**) (unless, prior to the giving of the Put Event Notice referred to below, the Issuer has given notice of any early redemption in respect of the Bonds) to require the Issuer to redeem or, at the Issuer's option, procure the purchase of that Bondholder's Bonds on the Optional Redemption Date (as defined below). Each Bond shall be redeemed or purchased at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **“Put Event Notice”**) to the Bondholders in accordance with Condition 9, with a copy to the Fiscal Agent, specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, a Bondholder must give notice to the relevant Account Holder, with a copy to the Fiscal Agent in or substantially in the form set out in the Agency Agreement, duly completed and signed on its behalf (the **“Put Notice”**), on any Business Day falling within the period of 30 calendar days after a Put Event Notice is given (the **“Put Period”**).

The form of the Put Notice shall be available from the Fiscal Agent. Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Notice. A Put Notice once given shall be irrevocable. The Issuer shall redeem or, at its option, procure the purchase of the relevant Bonds on the Optional Redemption Date unless previously redeemed or purchased. For the avoidance of doubt, the Issuer shall have no responsibility for any breakage costs which the Bondholder may incur as a result of or in connection with such Bondholder's exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise). The Issuer shall be responsible for any administrative costs *e.g.* notices etc. arising as a result of in connection with any Bondholder's exercise or purported exercise of, or otherwise in connection with, any Put Option.

For the purposes of this Condition 4:

A **“Change of Control”** shall be deemed to have occurred, each time the following events occurs: (i) 50% or more of the share capital and/or voting rights of the Issuer is owned by one or more persons other than EDF and/or CDC and/or CNP Assurances, and/or (ii) the Issuer ceases to own directly 100% of the share capital and/or voting rights of RTE (except in the case where the Issuer and RTE are merged).

**“CDC”** means la Caisse des Dépôts et Consignations, a special public institution (*établissement spécial*) created by the Act of 28 April 1816, codified at Articles L. 518-2 *et seq.* of the French *Code monétaire et financier*, and located at 56, rue de Lille, 75007 Paris, France.

**“CNP Assurances”** means a *société anonyme* having its registered office at 4 Promenade Coeur de Ville - 92130 Issy-les-Moulineaux, France, registered with the *Registre du Commerce et des Sociétés* of Nanterre under reference number 341 737 062.

**“EDF”** means Electricité de France, a *société anonyme*, having its registered office at 22-30, avenue de Wagram 75382 Paris cedex 08, France, registered with the *Registre du Commerce et des Sociétés* of Paris under reference number 552 081 317.

**“Optional Redemption Date”** means the fifth (5th) Business Day after the expiry of the Put Period.

**“Rating Agency”** means S&P Global Ratings Europe Limited and its successors, or any other rating agency of equivalent standing notified by the Issuer to the Bondholders in accordance with Condition 9.

**“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control (A) if (within the Restructuring Period) the rating previously assigned to the Bonds or to the Issuer by any Rating

Agency solicited by the Issuer is (x) withdrawn or (y) changed from an investment grade rating (BBB- or its equivalent for the time being, or better) to a non-investment grade rating (BB+ or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the Bonds or to the Issuer by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents), and (B) such rating is not within the Restructuring Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency, provided that the Rating Agency making the reduction or withdrawal in rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer and the Fiscal Agent in writing, that the lowering or withdrawal was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Rating Downgrade).

**“Restructuring Period”** means the period beginning ninety (90) calendar days prior to, and ending ninety (90) calendar days after, the date of the public announcement by the entity concerned of the completion of the relevant Change of Control.

For the purposes of these Conditions, **“RTE”** means RTE Réseau de transport d’électricité, a *société anonyme à directoire et conseil de surveillance* incorporated and existing under the laws of France, having its registered office at Immeuble Window, 7C place du Dôme, 92073 La Défense Cedex, France, and registered under number 444 619 258 at the *Registre du Commerce et des Sociétés* of Nanterre.

#### 4.5 **Squeeze-Out Redemption**

If 75 per cent. or more in principal amount of the Bonds then outstanding have been redeemed or purchased and cancelled, the Issuer may, subject to having given not less than 15 nor more than 30 calendar days’ prior notice to the Bondholders (such notice being irrevocable) in accordance with Condition 9, redeem on a date to be specified in such notice (the **“Squeeze Out Redemption Date”**), at its option, all (but not some only) of the remaining Bonds at their principal amount, together with interest accrued to but excluding the Squeeze Out Redemption Date. However, such option shall only be exercised at least twelve (12) months after a redemption at the option of the Issuer in accordance with Condition 4.3 has occurred.

#### 4.6 **Residual Maturity Call Option**

The Issuer may, on giving not less than 15 nor more than 30 calendar days’ irrevocable notice in accordance with Condition 9 (which notice shall be irrevocable), redeem, at any time, as from (and including) 17 October 2035 (the **“Residual Maturity Call Option Start Date”**) to (but excluding) the Maturity Date, in whole but not in part, the then outstanding Bonds at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

All Bonds in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

#### 4.7 **Purchases**

The Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise (including, without limitation, by means of a tender and/or exchange offer) at any price. Any Bonds so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the Bonds in accordance with applicable laws and regulations.

#### 4.8 **Cancellation**

All Bonds which are redeemed pursuant to Conditions 4.1, 4.2(a), 4.2(b), 4.3, 4.4, 4.5, 4.6 or purchased by the Issuer for cancellation pursuant to Condition 4.7 will be promptly cancelled and accordingly may not be reissued or resold.

## 5. PAYMENTS

### 5.1 Method of Payment

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the T2 (as defined below).

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal, interest and other amounts on the Bonds will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 6. No commission or expenses shall be charged by the Issuer or the Agents to the Bondholders in respect of such payments.

### 5.2 Payments on Business Days

If any due date for payment of principal, interest or any other amount in respect of any Bond is not a T2 business day, then the Bondholder shall not be entitled to payment of the amount due until the next following day which is a T2 business day and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment.

“T2” means the real time gross settlement system operated by the Eurosystem or any successor or replacement for that system.

“T2 business day” means a day (other than a Saturday or a Sunday) on which the T2 is operating.

### 5.3 Fiscal Agent, Paying Agents and Calculation Agent

The name of the initial Fiscal Agent, the Principal Paying Agent and the Calculation Agent and its specified office are set out below:

**Société Générale**  
32, rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 03  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Agents 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, a Calculation Agent and a Principal Paying Agent having a specified office in a European city (including without limitation a city in the United Kingdom). Notice of any such change or any change of specified office shall promptly be given to the Bondholders in accordance with Condition 9.

## 6. TAXATION

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds 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 any French law or regulation should require that any payment of principal, interest or other revenues in respect of the Bonds be subject to withholding or deduction with respect to any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Bondholders, after such withholding or deduction, receive the full amount provided in such Bonds to be then due and

payable thereon in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond to a holder (or beneficial owner (*ayant droit*)) who is subject to such taxes, duties, assessments or governmental charges, in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 6.

## 7. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs, the Representative (as defined in Condition 8), upon request of any Bondholder, may, upon written notice to the Fiscal Agent (with a copy to the Issuer) given before all defaults shall have been cured, cause all the Bonds (but not some only) held by such Bondholder to become due and payable, at their principal amount together with accrued interest thereon, as of the date on which such demand for payment is received by the Fiscal Agent:

- (a) the Issuer defaults in any payment when due on any amount on any Bond (including any additional amounts as specified in Condition 6), if such default continues for a period of more than 15 calendar days from such due date; or
- (b) the Issuer defaults in the performance of, or compliance with, any other provision of the Conditions, if such default shall not have been cured within 30 calendar days after receipt by the Fiscal Agent of written notice of such default; or
- (c) (i) any Indebtedness (as defined below) of the Issuer or RTE (being Indebtedness having an outstanding aggregate principal amount in excess of €50,000,000 or its equivalent in any other currency) is not paid when due or (as the case may be) within any original applicable grace period, (ii) any Indebtedness of the Issuer or RTE (being Indebtedness having an outstanding aggregate principal amount in excess of €50,000,000 or its equivalent in any other currency) becomes due and payable prior to its stated maturity as a result of a default thereunder which is not remedied within the relevant grace period or (iii) the Issuer or RTE fails to pay when due any amount payable by it under any guarantee of Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of €50,000,000 or its equivalent in any other currency) unless, in each case, the Issuer or RTE is contesting in good faith its obligations to make payment or repayment of such amount; or
- (d) a judgment is issued for judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business of the Issuer or RTE (*cession totale de l'entreprise à la suite d'un plan de cession*), or the Issuer or of RTE is subject to proceedings to the same effect, or in the absence of legal proceedings the Issuer or RTE makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.

The occurrence of any Event of Default must be notified to the Bondholders by a publication in accordance with the provisions of Condition 9.

For the purpose of this Condition 7, “**Indebtedness**” means (i) any monies borrowed and any indebtedness which, in each case, is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), and (ii) any indebtedness which is in the form of or represented by any bank loan.

## 8. REPRESENTATION OF THE BONDHOLDERS

Bondholders will be grouped automatically for the defence of their common interests in a masse (the “**Masse**”). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of the second sentence of paragraph 4 of Article L. 228-61, Article L.228-65 I. 1°, 3° and 4°,

Article L.228-71 and Article R.228-69 of the French *Code de commerce* subject to the following provisions:

#### 8.1 **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 Bondholders (the “**Collective Decisions**”).

#### 8.2 **Representative**

The following person is designated as Representative of the Masse:

MASSQUOTE S.A.S.U.  
RCS 529 065 880 Nanterre  
33, rue Anna Jacquin  
92100 Boulogne Billancourt  
France

In the event of liquidation, dissolution, death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the Alternate Representative. In the event of liquidation, dissolution, death, retirement or revocation of appointment of the Alternate Representative, another Representative will be elected by a Collective Decision.

The Representative shall be paid, in relation to the Bonds, a fee of four hundred euros (400 €) (excluding taxes) *per annum*, payable for the first time on the Issue Date then on each Interest Payment Date up to 17 January 2035 (inclusive), unless the Bonds have been previously redeemed in full by the Issuer. No additional remuneration is payable in relation to any subsequent issue pursuant to Condition 11.

#### 8.3 **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 Bondholders, with the capacity to delegate its powers.

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

#### 8.4 **Collective Decisions**

Collective Decisions are adopted either (i) in a general meeting (the “**General Meeting**”), or (ii) by the consent of one or more Bondholders holding together at least seventy (70) per cent. of the principal amount of the Bonds outstanding, following a Written Resolution (as defined below).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Bondholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer of the name of such Bondholder 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 8.7.

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 Bonds.

(i) General Meetings

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

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

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 8.7 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 Bondholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Bondholder or Representative thereof will have the right 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 Bondholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

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 Bondholder 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.

(ii) Written Resolutions 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 Bondholders by way of a Written Resolution. Subject to the following sentence, a 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 the Bondholders. Pursuant to Articles L. 228-46-1 and R. 225-97 of the French *Code de commerce*, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Bondholders (**Electronic Consent**).

Written Resolutions shall not have to comply with formalities and time limits referred to in Condition 8.4(i) above. Any Written Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting.

For the purpose hereof, a **Written Resolution** means a resolution in writing signed by the Bondholders of not less than 70 per cent. in nominal amount of the Bonds outstanding.



(iii) Exclusion of certain provisions of the French *Code de commerce*

- (A) The provisions of the second sentence of paragraph 4 of Article L. 228-61 of the French *Code de commerce* (providing that, in the context of a Collective Decision, Bondholders' participation forms giving no indication of a vote or expressing an abstention are considered as negative votes) shall not apply to the Bonds. As a result, Bondholders' participation forms giving no indication of a vote or expressing an abstention will not be considered as votes cast.
- (B) The provisions of Article L. 228-65 I. 1° (providing for the prior approval of the General Meeting of the Bondholders for any change in corporate object or corporate form of an issuer) and the related provisions of the French *Code de commerce* shall not apply to the Bonds.
- (C) The provisions of Article L. 228-65 I. 3° (providing for the prior approval of the General Meeting of the Bondholders in relation to any proposal within the legal perimeter of the merger (*fusion*) or demerger (*scission*) of an issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) and the related provisions of the French Code de commerce shall not apply to the Bonds, and will not require a prior approval by a Collective Decision, in the context of an intragroup reorganisation within the current perimeter of the Issuer and its consolidated subsidiaries.
- (D) The provisions of Article L. 228-65 I. 4° (providing for the prior approval of the General Meeting of the Bondholders for an issue of bonds benefiting from a security interest (*sûreté réelle*)) shall not apply to the Bonds.

8.5 **Expenses**

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

8.6 **Sole Bondholder**

If and for so long as the Bonds are held by a sole Bondholder and unless a Representative has been appointed, such Bondholder shall exercise all powers, rights and obligations entrusted to the Masse by the provisions of the French *Code de commerce*. The Issuer shall hold a register of the decisions taken by the sole Bondholder in this capacity and shall make it available, upon request, to any subsequent holder of any of the Bonds.

8.7 **Notice of decisions**

Any notice to be given to Bondholders in accordance with this Condition 8 shall be given in accordance with Condition 9 (*Notices*). For the avoidance of doubt, any notice to be given to Bondholders in accordance with Article R.228-79 of the French Code de commerce shall be given in accordance with Condition 9 (*Notices*).

9. **NOTICES**

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, for so long as the Bonds are cleared through such clearing systems and published on the website of the Issuer ([www.ctelectricite.com](http://www.ctelectricite.com)); and so long as the Bonds are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.fr](http://www.euronext.fr)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

10. **PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

11. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Bondholder issue further Bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further Bonds and the Bonds 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 Bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated Bonds may, for the defence of their common interests, be grouped in a single *masse* having legal personality.

12. **GOVERNING LAW AND JURISDICTION**

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

Any dispute arising out of or in connection with the Bonds will be submitted to the competent courts within the jurisdiction of the *Cour d'appel de Paris*.

#### **USE AND ESTIMATED NET AMOUNT OF PROCEEDS**

The estimated net proceeds of the issue of the Bonds, which will be EUR 495,130,000 will be used for the Issuer's general corporate purposes, including the refinancing of the EUR 500,000,000 0.875 per cent. Bonds due 29 September 2024.

## DESCRIPTION OF CTE

### 1. General Information about the Issuer

- (a) Legal and commercial name, place of registration, registration number and governing law of the Issuer's operations

The legal and commercial name of the issuer is Coentreprise de Transport d'Électricité. Coentreprise de Transport d'Électricité (formerly known as Société C25 before 1 June 2017) ("**CTE**" or the "**Issuer**") is a French *société anonyme*, the operations of which are governed by French law, registered with the *Registre du Commerce et des Sociétés* of Paris under number 529 313 652.

- (b) Registered office

The Issuer's registered office is currently located at 4 rue Floréal, 75017 Paris, France. Its registered office telephone number is 0147652739.

- (c) Date of incorporation and term

The Issuer was established on 15 April 2011 for a period of 99 years expiring (unless renewed) on 14 April 2110. The Issuer did not have any activity nor any assets prior to the acquisition of RTE, as described in paragraph 2 (*Business Overview*) below.

- (d) Share capital of the Issuer

As at 11 January 2024, the share capital of the Issuer is EUR 2,700,009,247.50.

### 2. Business Overview

- (a) Corporate Purpose

The purpose of CTE is, in France and abroad:

- the acquisition and holding of the share capital of RTE Réseau de transport d'électricité, a French *société anonyme* having its registered office at Immeuble WINDOW, 7C place du Dôme, 92073 Paris, La Défense Cedex, France, registered with the *Registre du Commerce et des Sociétés* of Nanterre under number 444 619 258 ("**RTE**"), and
- generally any operation of a commercial or financial nature or in relation to movable or immovable properties, either directly or indirectly related to the above defined purpose or to the activities of the group or otherwise facilitating the above and fostering its development.

- (b) Principal activities

CTE is a holding company which conducts no business operations of its own and has no independent means of generating revenues. It has not engaged in, and will not be permitted to engage in, any activities outside the purpose described above. CTE's only asset is currently its one hundred per cent. (100%) interest in RTE valued at EUR 8.2 billion as at 31 December 2022.

The Issuer acquired its one hundred per cent. (100%) interest in the share capital and voting rights in RTE on 14 December 2016, following the execution of the Contribution Agreement and the Acquisition Agreement (as defined below).

As at 31 December 2022, the total assets and total equity accounted for in the statutory financial accounts of CTE amounted to EUR 8,338,105,065 and EUR 5,350,126,561 respectively.

(c) Shareholding of RTE

Electricité de France ("**EDF**") transferred its one hundred per cent. (100%) interest in RTE to CTE by way of a contribution in kind by EDF to CTE of 65.85% of RTE's share capital (the "**Contribution**"), which was effected through the execution of an in-kind contribution agreement entered into between EDF and CTE on 14 December 2016 (the "**Contribution Agreement**"), combined with the acquisition of 34.15% of RTE's share capital by CTE (the "**Acquisition**"), which was effected through the execution of a share purchase agreement dated 14 December 2016 entered into between EDF and CTE (the "**Acquisition Agreement**") and which was conditional upon the completion of the Contribution.

(d) Financings

In order to finance the payment of the purchase price for the Acquisition (including any purchase price adjustments), the payment of costs and expenses incurred in connection with the Acquisition and the funding of its balance sheet for the purpose of providing for its general corporate purposes, CTE has entered into a bridge loan acquisition facilities agreement (the "**Bridge Loan**") on 14 December 2016, with several banks for a total amount of EUR 2,820,000,000.

(e) Organisational Structure

For information about the organisational structure of the Issuer, please refer to the section "*Documents Incorporated by Reference*" of this Prospectus.

3. **Administrative and Management Bodies**

CTE is managed by a *Conseil d'administration* (Board of Directors) which sets the guidelines for the conduct of the Company's business and oversees their implementation, and a *Président – Directeur Général* (Chairman – Chief Executive Officer), vested by operation of law with the broadest powers to act on behalf of the company in all circumstances.

The decisions of the *Conseil d'administration* are taken by simple majority of the members present or represented.

The *Conseil d'administration* is currently composed of the following eight members:

<b>Name</b>	<b>Position</b>	<b>Other functions within the Group</b>	<b>Other functions outside the Group</b>	<b>Professional address</b>
<b>Ms. Louise Vilain</b>	Chairman of the Board – Chief Executive Officer of the Issuer	Chairman of the Board – Chief Executive Officer of the Issuer	<p>Member of the Supervisory Board, and Chair of the RTE Economic Supervision and Audit Committee</p> <p>Member of the management committee of Hynamics, and Exaion</p> <p>President of the Metroscope management committee</p> <p>Managing Director of EDF Pulse Holding</p> <p>President of the Metroscope management committee</p> <p>Managing Director of EDF Pulse Holding</p> <p>President of Perfesco</p> <p>Member of the Seclab Supervisory Board</p> <p>Member of the board of directors of G2S</p>	20 Place De La Défense, TOUR PB6, 92800 Puteaux, France
<b>Ms. Corinne Delaye</b>	Director	Director of the Financial and Investment Risk Department of the EDF Group	<p>Member of the Supervisory Board of Framatome and member of the audit committee</p> <p>Member of the Executive Committee of EDF Pulse Holding</p> <p>Member of the Supervisory Committee of EDF Assurances</p>	22 Avenue de Wagram, 75008 Paris, France
<b>Mr. Pierre Casano</b>	Director	Infrastructure Investment Manager at CNP Assurances	<p>Member of the presidency council of GIE GEOMETHANE</p> <p>Member of the presidency Council of SAS GEOSUD</p>	4, promenade cœur de ville - 92130 Issy-les-Moulineaux France

Name	Position	Other functions within the Group	Other functions outside the Group	Professional address
<b>Ms. Virginie Tant</b>	Director	Head of unlisted Real Estate, Infrastructure and Forestry asset management at CNP Assurances	<p>Member of the Board of Directors of the following entities:</p> <ul style="list-style-type: none"> <li>- SPPICAV HEART MEDITERRANEAN</li> <li>- SPPICAV MTP INVEST</li> <li>- SPPICAV OREA</li> <li>- SPPICAV SUNLIGHT</li> </ul> <p>Member of the Supervisory Board of the following entities:</p> <ul style="list-style-type: none"> <li>- SPPICAV FARMORIC</li> <li>- SCI FLI</li> <li>- SPPICAV IMMAUCOM</li> <li>- SAS PISTO</li> </ul> <p>Member of the Supervisory Committee of SPPICAV.SAS OPCI RASPAIL</p> <p>Member of the Strategic Committee of SCI LAMARTINE</p> <p>Permanent representative of SCI CNP IMMOBILIER</p>	4, promenade cœur de ville - 92130 Issy-les-Moulineaux France
<b>Mr. Dimitri Spoliansky</b>	Director	Head of the infrastructure division at CDC	<p>Director of GRTgaz</p> <p>Director of the Gas Infrastructure Company (SIG)</p> <p>Director of the Gas Infrastructure Holding (HIG)</p> <p>Director of Egis Environmental Investments</p> <p>Member of the strategic committee of Novethic and Bidco SAS (Coriance)</p> <p>Permanent representative of the CDC on the STOA Board of Directors</p>	56, rue de Lille 75007 Paris France

Name	Position	Other functions within the Group	Other functions outside the Group	Professional address
<b>Mr. Grégory Trannoy</b>	Director	Director of the EDF Group University of Management	Member of the Supervisory Board, and member of the RTE CSR and Remuneration Committee  Administrator of the EPMI association	4, rue Floréal, 75 017 Paris France
<b>Ms. Anne-Laure Schnabele</b>	Director	Management of Strategic Participations at CDC	Director of:  -STOA (SA) -Elengy (SA) -HIG (SAS) -GIS (SAS)	56, rue de Lille 75007 Paris France
<b>Mr. Alexandre Pieyre</b>	Director	Director of EDF Invest, (Infrastructure and real estate investment division of the EDF Group)	Director of: -Orange concessions holding infrastructures numériques -Norlys infrastructure holding -Norlys Pantone  -Porterbrook Holding I Ltd -Porterbrook Holdings II Ltd -The Porterbrook Partnership -The Porterbrook Rail Finance BV -The Porterbrook Leasing Mid Company Ltd -Porterbrook Leasing Company Ltd -Elisandra Spain IV SL -Elisandra Spain V SAU -Aliara Energia SAU -Madrileña Red de Gas SAU -C81 Investimento Eólico 1 Unipessoal  President of:  -Solar Invest 1 Corp. -Wind Invest 1 Corp. -Renewables Portfolio 1 Corp.	22 Avenue de Wagram, 75008 Paris, France

The *Président – Directeur Général* of the Issuer is Ms. Louise Vilain. Her professional address is 20 Place De La Défense, TOUR PB6, 92800 Puteaux, France.



#### 4. Ownership and control

Until 31 March 2017, the Issuer was owned as follows: (i) 1,080,003,698 shares owned by EDF and (ii) 1 share owned by Société C3, which is itself a subsidiary of EDF.

On 14 December 2016, EDF, Caisse des Dépôts et Consignations and CNP Assurances entered into a binding agreement setting the terms and conditions of the acquisition by Caisse des Dépôts et Consignations and CNP Assurances of a 49.9% indirect stake in RTE, an equity stake of 29.9% by Caisse des Dépôts et Consignations and of 20% by CNP Assurances, as well as the terms of a long-term partnership to foster the development of RTE and strengthen RTE's public service remit (the "**Acquisition and Partnership Agreement**").

The Acquisition and Partnership Agreement was entered into in the context of the joint press release dated 22 April 2016 of the French Minister of Finance and Public Accounts and the Minister of Economy, Industry and Digital, requesting that the chairmen of RTE and EDF define a capital opening scheme to be implemented before the end of 2016 in order to give RTE the means to develop a new and ambitious business strategy for energy transport projects in France and in Europe, in line with its public service requirements, and for EDF to finance its development projects.

In accordance with the Acquisition and Partnership Agreement, the final agreed value of RTE equity was set at EUR 8.2 billion and EDF will potentially benefit from a value complement of up to EUR 100 million.

On 31 March 2017, Caisse des Dépôts et Consignations and CNP Assurances became shareholders of the Issuer alongside EDF, and thus indirect shareholders of RTE, pursuant to a share purchase agreement dated 31 March 2017 under the terms of which EDF sold to Caisse des Dépôts et Consignations and CNP Assurances respectively 29.9% and 20% of the share capital of the Issuer.

The Issuer is therefore currently owned as follows:

- (i) 50.1% owned by EDF, a French *société anonyme* registered with the *Registre du Commerce et des Sociétés* of Paris under number 552 081 317 and with a registered office located at 22-30, avenue de Wagram, 75008 Paris, France,
- (ii) 29.9% owned by Caisse des Dépôts et Consignations, a special public institution (*établissement spécial*) created by the Act of 28 April 1816, codified at Articles L. 518-2 *et seq.* of the French *Code monétaire et financier*, and located at 56, rue de Lille, 75007 Paris, France, and
- (iii) 20% owned by CNP Assurances (including 0.96% by its subsidiary CNP Retraite), a *société anonyme* having its registered office at 4 promenade Cœur de Ville - 92130 Issy-les-Moulineaux, France, registered with the *Registre du Commerce et des Sociétés* of Nanterre under reference number 341 737 062.

Each of EDF, Caisse des Dépôts et Consignations and CNP Assurances is directly or indirectly owned by the French State.

EDF, Caisse des Dépôts et Consignations and CNP Assurances entered into a shareholders' agreement on 31 March 2017 (the "**Shareholders' Agreement**"). The Shareholders' Agreement governs the parties' respective rights, duties and obligations with respect to the direct ownership of the shares of RTE and indirect ownership of the shares of RTE. The Shareholders' Agreement was concluded for a period of twenty (20) years, renewable once for a period of ten (10) years at the initiative of either party to such Shareholders' Agreement subject to a six (6) month notice period.

Pursuant to the terms of the Shareholders' Agreement, EDF, Caisse des Dépôts et Consignations and CNP Assurances agreed to the following distribution policies:

- annual distributions from RTE of (i) an agreed percentage of 60% of RTE's consolidated net income (as determined under IFRS) to its shareholders, and (ii) if possible, an additional

exceptional dividend in order to maintain a targeted indebtedness ratio of 60%<sup>1</sup>, subject to the limits of RTE's distributable reserves and to applicable laws and regulations;

- in addition, the Shareholders' Agreement provides that CTE will distribute 100% of its cash available in the form of advance dividends or reserves distributions, subject to its contractual obligations under its financings and to having enough liquidity to cover its operating expenses.

The Shareholders' Agreement also provides the right for EDF to designate four out of eight members composing the *Conseil d'administration* (Board of Directors) of CTE and the rights of Caisse des Dépôts et Consignations together with CNP Assurances to designate the other four members of the *Conseil d'administration* (Board of Directors) of CTE. The chairman of the *Conseil d'administration* (Board of Directors) is appointed on the proposal of the largest shareholder. Furthermore, the Shareholders' Agreement details the matters requiring the approval of a qualified majority of the members of the *Conseil d'administration* (Board of Directors) of CTE (including, among other things, a change in the dividend policy of CTE).

Each of EDF and Caisse des Dépôts et Consignations together with CNP Assurances has undertaken to maintain a minimum holding of 25% plus one share in the share capital of CTE until the term of the Shareholders' Agreement. The sale of shares in CTE are subject to first refusal rights and to tag-along rights. EDF also benefits from a priority right conferring it the right to sell, under certain conditions, up to 25% of the share capital of CTE in advance of the other investors. Further, EDF, CDC and CNP Assurances have the right to oppose in advance, for reasonable reasons and to the extent they hold at least 25% of the share capital, certain third parties who might be approached by shareholders with a view to a sale.

- RTE

The legal and commercial name of RTE is "RTE Réseau de transport d'électricité". RTE Réseau de transport d'électricité is also commercially known as "Réseau de Transport d'Electricité" and "RTE".

RTE was originally registered under the name "RTE EDF Transport" at the Trade and Companies Registry of Nanterre (*Registre du Commerce et des Sociétés de Nanterre*) under reference number 444 619 258 RCS Nanterre. By a resolution of the general shareholders' extraordinary meeting held on 24 January 2012, RTE was renamed "RTE Réseau de transport d'électricité".

RTE is a limited liability company (*société anonyme*) with an Executive Board (*directoire*) and a Supervisory Board (*conseil de surveillance*) governed by the laws and regulations applicable to commercial companies in France, in particular, the French *Code de commerce*, unless these are not applicable because of more specific laws, such as the French Energy Code (*Code de l'énergie*), French law no. 83-675 dated 26 July 1983 and the French order no. 2014-948 dated 20 August 2014 relating to the governance and capital transactions of companies with State interests (*relative à la gouvernance et aux opérations sur le capital des sociétés à participation publique*) and by the RTE's by-laws (*statuts*) approved by Decree no. 2005- 1069 dated 30 August 2005 (as amended from time to time and for the last time in the RTE shareholders' meeting on 27 September 2018). In accordance with Article 7 of French law no. 2004-803 dated 9 August 2004, all of RTE's share capital must be held by EDF, the French State, or other public-sector companies or organisations.

The registered office of RTE is Immeuble WINDOW, 7C place du Dôme, 92073 Paris La Défense Cedex.

For a general description of RTE, its activities and financial condition, please refer to the section "*Documents Incorporated by Reference*" of this Prospectus.

- EDF

As a major player in energy transition, the EDF Group is an integrated energy company active in all businesses: generation, transmission, distribution, energy trading, energy sales and energy services. EDF

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<sup>1</sup> Defined as the ratio of net financial debt adjusted for the exceptional dividend over the regulated asset base as defined by the *Commission de Régulation de l'Energie*.

group is a world leader in low-carbon energy, having developed a diverse production mix based mainly on nuclear and renewable energy (including hydropower). It is also investing in new technologies to support energy transition. EDF's *raison d'être* is to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive well-being and economic development. The EDF Group is involved in supplying energy and services to approximately 40.3 million customers<sup>2</sup>, of whom 30.3 million in France<sup>3</sup>. It generated consolidated sales of €143.5 billion in 2022.

- Caisse des Dépôts et Consignations

Present in 19 countries around the world, the CNP Assurances group is a leading player in the insurance industry with more than 6,500 employees and net profit of €1,939 million in 2022 (IFRS 4). A subsidiary of La Banque Postale, CNP Assurances is a member of the major public financial group. In France, CNP Assurances is No. 1 in property loan insurance, No. 2 in life insurance and, in 2023, will have integrated the property insurance activities of La Banque Postale, making it a comprehensive insurer of property and persons. It is the fifth largest insurer in Europe, particularly in Italy, which is now its second largest market after that of France. In Brazil, the Group's solid growth has enabled it to reach third place. Based on a multi-partnership or "open" model, its solutions are distributed through long-term strategic partnerships. In total, more than 32 million people worldwide are insured by CNP Assurances for personal risk/protection and 14 million for savings and pensions. CNP Assurances is a responsible insurer and investor (€400 billion invested in all sectors of the economy). It works to promote an inclusive and sustainable society by providing solutions that protect and facilitate all life journeys for as many people as possible.

- CNP Assurances

CNP Assurances Group, present in 19 countries around the world, is a leading insurance player with more than 6,500 employees and net income of EUR 1,939 million in 2022 (IFRS 4). A subsidiary of La Banque Postale, CNP Assurances is a member of the major public financial center. In France, CNP Assurances is number 1 in Real Estate Borrower Insurance, number 2 in Life Insurance and, in 2023, became part of La Banque Postale's property insurance business, making it a full insurer of goods and persons. It is the 5th largest insurer in Europe, especially in Italy, which is now its second largest market after France. In Brazil, its strong development puts the Group in third place. According to its multi-stakeholder model, its solutions are distributed as part of long-term strategic partnerships, or in an "open" model. In total, more than 32 million people worldwide are insured by CNP Assurances in pension / personal protection and 14 million in savings/retirement. Insurer and responsible investor (EUR 400 billion invested in all sectors of the economy) CNP Assurances acts according to its corporate purpose for an inclusive and sustainable society, providing as many solutions as possible that protect and facilitate all life courses.

Below is a diagram describing the shareholding of CTE:



<sup>2</sup> Customers are counted per delivery site. A customer can have two delivery points: one for electricity and another one for gas.

<sup>3</sup> Including ES (Electricité de Strasbourg) and SEI.

As a consequence of the above and of the fact that the Issuer's sole asset is the shares of RTE, the Issuer is dependent upon its shareholders and RTE.

## RECENT DEVELOPMENTS

### **RTE has issued €500 million under its EMTN programme**

On 7 December 2023, RTE, Réseau de Transport d'Electricité, successfully issued its second green bond issue for 500 million euros, with a maturity of 8 years and a coupon of 3.5 %.

### **Approval of distribution of dividend of RTE**

The general meeting of RTE Réseau de transport d'électricité's shareholders held on 7 June 2023 proposed to distribute a dividend of €291,179,009 for the financial year ended 31 December 2022. Such decision was approved by the Supervisory Board (*Conseil de Surveillance*) of RTE Réseau de transport d'électricité on 7 June 2023.

On 7 June 2023, the Executive Board (*Directoire*) decided to make a payment on 15 June 2023 of a dividend of €291,179,009 for the financial year ended 31 December 2022 to CTE (as sole shareholder of RTE Réseau de transport d'électricité).

### **Approval of distribution of dividend of CTE**

The general meeting of CTE's shareholders held on 6 June 2023, decided to distribute reserves amounting to €286,800,776.79. The payment of such amount was made on 3 July 2023.

### **Implementation of an exceptional advance payment of part of the balance of RTE's income and expense adjustment account**

By a decision entitled Deliberation no. 2022-323 of 8 December 2022 relating to the implementation of an exceptional advance payment of part of the balance of RTE's income and expense adjustment account (*Délibération n° 2022-323 du 8 décembre 2022 portant décision relative à la mise en oeuvre d'un versement anticipé exceptionnel d'une partie du solde du compte de régularisation des charges et produits (CRCP) de RTE*), the *Commission de régulation de l'énergie* (the "**CRE**") decided that RTE Réseau de transport d'électricité must make an exceptional payment of a portion of the balance of RTE Réseau de transport d'électricité's income and expenses adjustment account (*Compte de Régularisation des Charges et des Produits*, or "**CRCP**") to users of the public electricity transmission system before 15 March 2023, because of exceptional revenues.

These exceptional revenues relate to (most importantly) interconnection revenues generated from volumes exchanged with neighbouring countries and electricity price differentials between France and neighbouring countries. The very high level of electricity prices has given rise to additional costs for RTE (e.g. electricity purchases to compensate for transmission losses) but, at the same time, it has led to an important increase of cross-border interconnection revenues. When RTE Réseau de transport d'électricité's revenues exceed forecast amounts approved by CRE, the exceeded amount must be returned to users of the electricity transmission network, in accordance electricity transmission network tariffs ("**TURPE**") rules. However, if the current rules had been applied, the payment of such exceeded amount would have been spread over more than six years.

In the context of high energy prices, the CRE therefore decided to anticipate such payment so that users of the electricity transmission network, in particular those operating large industrial sites, benefit from this support. By a decision entitled Deliberation no. 2023-50 of 31 January 2023 relating to the determination of the total amount of the exceptional advance payment of part of the balance of RTE's income and expense adjustment account (CRCP) (*Délibération n° 2023-50 de la Commission de régulation de l'énergie du 31 janvier 2023 portant décision relative à la fixation du montant total du versement anticipé exceptionnel d'une partie du solde du compte de régularisation des charges et produits (CRCP) de RTE*), the total amount of the exceptional advance payment was fixed at €1,939,000,000.

### **Network infrastructure user tariff has increased on 1st August 2023**

The network infrastructure user tariff (*Tarifs d'Utilisation des Réseaux Publics de Transport d'électricité* or "**TURPE**") has increased on 1st August 2023 by 6.69 % (compared with 2022).

## SUBSCRIPTION AND SALE

Barclays Bank Ireland PLC and Natixis (the “**Global Coordinators and Joint Lead Managers**”) and BNP Paribas, Crédit Agricole Corporate and Investment Bank and ING Bank N.V., Belgian Branch (together with the Global Coordinators and Joint Lead Managers, the “**Joint Lead Managers**”) have, pursuant to a subscription agreement dated 15 January 2024 (the “**Subscription Agreement**”), agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment or, failing which, to subscribe and pay for the Bonds at an issue price equal to 99.336 per cent. of the principal amount of the Bonds, less any applicable commission. In addition, the Issuer will also pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Bonds.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds.

### **Selling Restrictions**

#### *General*

No action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would, or is intended to, permit an offer of the Bonds, or possession or distribution of the Prospectus (in proof or final form) or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, each of the Joint Lead Managers has agreed that it will, to the best of its knowledge and belief, not, directly or indirectly, offer, sell or deliver any Bonds or distribute or publish any prospectus, form of application, advertisement or other document or information relating to the Bonds in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Neither the Issuer, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

#### *Prohibition of Sales to European Economic Area Retail Investors*

Each Joint Lead Manager has represented, warranted and agreed, severally but not jointly, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA.

For the purposes of this provision:

- the expression “**retail investor**” means a person who is one (or both) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or/and
  - (ii) a customer within the meaning of IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- 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 the Bonds.

#### *Prohibition of Sales to UK Retail Investors*

Each Joint Lead Manager has represented, warranted and agreed, severally but not jointly, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the UK.

For the purposes of this provision:

the expression “**retail investor**” means a person who is one (or both) of the following:

- (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or/and
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement IMD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

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 the Bonds.

#### *Republic of France*

Each Joint Lead Manager has represented and agreed to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Bonds and the distribution in France of the Prospectus or any other offering material relating to the Bonds.

#### *United States*

The Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and 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 (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. Each Joint Lead Manager has agreed that it will not offer, sell or deliver the Bonds, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offer and the Issue Date (the “Resale Restriction Termination Date”), 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 Bonds prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S.

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for any Bonds in the United States. The Bonds offered hereby are being offered and sold only to non-U.S. persons outside the United States in “offshore transactions” as defined in Regulation S. Any person who subscribes or acquires Bonds will be deemed to have represented, warranted and agreed, by accepting delivery of this Prospectus or delivery of Bonds, that it has not received this document or any information related to the Bonds in the United States, is not located in the United States and is subscribing for or acquiring Bonds in compliance with Rule 903 of Regulation S in an “offshore transaction” as defined in Regulation S.

#### *United Kingdom*

Each Joint Lead Manager has represented, warranted and agreed, severally but not jointly, that:

- (a) 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 Financial Services and Markets Act 2000, as amended (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.



## GENERAL INFORMATION

### Approval

This Prospectus has been approved by the AMF in its capacity as competent authority in France pursuant to the Prospectus Regulation and received the approval number 24-004 dated 15 January 2024. 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 either the Issuer or the quality of the Bonds that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

This Prospectus will be valid until the date of admission of the Bonds to trading on Euronext Paris (i.e. on 17 January 2024). Upon any significant new factor, material mistake or material inaccuracy relating to the information included (including information incorporated by reference) in this Prospectus which may affect the assessment of the Bonds occurring before such date, this Prospectus must be completed by a supplement, pursuant to Article 23 of the Prospectus Regulation. On the Issue Date, this Prospectus, as supplemented (as the case may be), will expire and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

### Corporate Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 26 September 2023 and decided pursuant to a decision of Pierre Casano, Dimitri Spoliansky and Louise Vilain, as members of the Board of Directors (*Conseil d'administration*) of the Issuer dated 12 January 2024.

### Admission to trading of the Bonds

Application has been made for the Bonds to be admitted to trading on Euronext Paris with effect from the Issue Date.

The estimated costs for the admission to trading of the Bonds on Euronext Paris are €14,140. The total estimated costs for the admission to trading of the Bonds are €19,140 (including AMF fees).

### Clearing of the Bonds

The Bonds have been accepted for clearance through Clearstream (42 avenue John Fitzgerald Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66, rue de la Victoire, 75009 Paris, France) under the following reference numbers:

ISIN: FR001400N8H6

Common Code: 274949406

### Yield of the Bonds

The yield in respect of the Bonds is 3.820 per cent. *per annum*, as calculated at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

### Material Adverse Change

Except as disclosed on page 45 of this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2022.

### Significant Change in the financial position or financial performance

Except as disclosed on page 45 of this Prospectus, there has been no significant change in the financial position and financial performance of the Group since 31 December 2022.

## **Litigation**

Neither the Issuer nor any other member of the Group 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 Issuer and/or the Group's financial position or profitability.

## **Material Contracts**

The Issuer has not entered into contracts outside the ordinary course of its business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Bonds in respect of the Bonds.

## **Conflicts of Interests**

At the date of this Prospectus, to the Issuer's knowledge, there are no conflicts of interest which are material to the issue of the Bonds between the duties of the members of the *Conseil d'administration* (Board of Directors), and the *Président-Directeur Général* (Chairman – Chief Executive Officer) of the Issuer, respectively, and their private interests and/or their other duties.

## **Material Interests**

Save for any fees payable to the Joint Lead Managers as referred to in "Subscription and Sale" and except as disclosed on page 41 of this Prospectus with respect to the shareholders of the Issuer and the Joint Lead Managers and their affiliates, as far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the issue.

## **Auditors**

KPMG SA (Tour EQHO, 2, avenue Gambetta, CS 60055, 92066 Paris la Défense Cedex, France) and Mazars (Tour Exaltis, 61 rue Henri Regnault, 92400 Courbevoie, France) are the statutory auditors of the Issuer.

They have audited and rendered audit reports on the financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2022. KPMG SA and Mazars are independent statutory auditors with respect to the Issuer as required by the laws of the Republic of France and under the applicable rules of the *Compagnie Nationale des Commissaires aux Comptes*. Their audit on these accounts were issued with unqualified opinions.

## **Documents Available**

So long as any of the Bonds remain outstanding, copies of this Prospectus with any Supplement to this Prospectus, the Documents Incorporated by Reference in this Prospectus, the Agency Agreement and the *statuts* (by-laws) of the Issuer and all reports, letters and other documents, historical financial statements, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus, will be available for inspection and copies of the annual financial statements for the financial years ended 31 December 2021 and 31 December 2022 of the Issuer will be made available or obtainable, free of charge, at the registered office of the Issuer during normal business hours on any week day (except Saturdays, Sundays and public holidays). This Prospectus is also available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.ctelectricite.com](http://www.ctelectricite.com)).

## **Potential conflicts of Interest**

The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative

securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead 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 Bonds. The Joint Lead 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.

## **Ratings**

The Bonds have been BBB+ by S&P Global Ratings Europe Limited ("**S&P**"). According to S&P, an obligation rated BBB+ exhibits adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

The Issuer is rated A- with a stable outlook by S&P.

S&P is established in the European Union, registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. 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.

## **Stabilisation**

In connection with the issue of the Bonds, Natixis (the "**Stabilisation Manager**") (or any person acting on behalf of such Stabilisation Manager) may (but will not be required to) over-allot the relevant Bonds or effect transactions within a specified period, with a view to supporting the market price of the relevant Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds 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 of the Bonds and sixty (60) calendar days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager in accordance with all applicable laws and rules.

## **Legal Entity Identifier**

The Legal Entity Identifier (LEI) of the Issuer is 969500BH61SHYYBTJQ29.

## **Issuer's website**

The website of the Issuer is [www.ctelectricite.com](http://www.ctelectricite.com). The information on such website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus and has not been scrutinised or approved by the AMF.

## PERSONS RESPONSIBLE FOR THE PROSPECTUS

I hereby certify, to the best of my knowledge, that the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

### COENTREPRISE DE TRANSPORT D'ÉLECTRICITÉ

4, rue Floréal  
75017 Paris  
France

Duly represented by:

Louise Vilain  
*Président - Directeur Général*  
dated 15 January 2024



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 is not a favourable opinion on the Issuer and on the quality of the Bonds described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Bonds.

This Prospectus has been approved on 15 January 2024 and is valid until the date of admission of the Bonds to trading on Euronext Paris and shall, during this period and in accordance with the provisions of article 23 of the Regulation (EU) 2017/1129, be completed by a supplement to the Prospectus in the event of new material facts or substantial errors or inaccuracies.

This Prospectus obtained the following approval number: 24-004.

**REGISTERED OFFICE OF THE ISSUER**  
**COENTREPRISE DE TRANSPORT D'ÉLECTRICITÉ**  
4, rue Floréal  
75017 Paris  
France

**GLOBAL COORDINATORS AND JOINT LEAD MANAGERS**

**Barclays Bank Ireland PLC**  
One Molesworth Street  
Dublin 2 - D02 RF29  
Ireland

**Natixis**  
7, promenade Germaine Sablon  
75013 Paris  
France

**JOINT LEAD MANAGERS**

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75009 Paris  
France

**Crédit Agricole Corporate and Investment Bank**  
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CS70052  
92547 Montrouge Cedex  
France

**ING Bank N.V., Belgian Branch**  
Avenue Marnix 24  
1000 Brussels  
Belgium

**STATUTORY AUDITORS OF THE ISSUER**

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Tour EQHO  
2, avenue Gambetta  
CS 60055  
92066 Paris la Défense Cedex  
France

**Mazars**  
Tour Exaltis, 61 Henri Regnault  
92400 Courbevoie  
France

**LEGAL ADVISERS**

*To the Issuer*  
**Clifford Chance Europe LLP**  
1, rue d'Astorg  
CS 60058  
75377 Paris Cedex 08  
France

*To the Joint Lead Managers*  
**Allen & Overy LLP**  
32, rue François 1er  
75008 Paris  
France

**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

**Société Générale**  
32, rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 03  
France