

PRESS RELEASE



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THE BONDS HAVE BEEN OFFERED ONLY BY WAY OF A PLACEMENT TO QUALIFIED INVESTORS ONLY WHICH INCLUDE, FOR THE PURPOSES OF THIS PRESS RELEASE, PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES (AS DEFINED HEREAFTER). NO KEY INFORMATION DOCUMENT UNDER PRIIPS REGULATION HAS BEEN NOR WILL BE PREPARED.

Paris, March 3rd, 2020

Korian announces today the success of its offering of bonds convertible into new shares and/or exchangeable for existing shares (OCEANES) due 2027 for a nominal amount of approximately €400 million

Korian (the "**Company**"), the leading European Care and Support Services Group for the elderly and fragile, announces today the success of its offering of bonds convertible into new shares and/or exchangeable for existing shares (OCEANES) due 2027 (the "**Bonds**"), by way of a placement to qualified investors only, as defined under article 2 point (e) of the regulation (UE) n°2017/1129, in accordance with Article L.411-2 of the French monetary and financial Code (*Code monétaire et financier*), for a nominal amount of approximately 400 million euros (the "**Offering**").

The net proceeds of the Offering will be used by the Company to finance its general corporate needs and its growth, including real estate investments and acquisitions, along with the refinancing of the acquisitions carried out during the first quarter.

The Bonds will be issued at par and their nominal unit value has been set at 61.53 euros, corresponding to a premium of 55% above the Company's share reference price¹.

The conversion/exchange ratio is set at one share per Bond (subject to standard adjustments in certain cases, as described in the conditions of the Bonds).

The settlement date of the Bonds is expected to take place on 6 March 2020 (the "**Issue Date**").

¹ The share reference price is equal to the volume-weighted average trading price (VWAP) of Korian's shares on the regulated market of Euronext in Paris ("**Euronext Paris**") from the time of launch of the transaction until the pricing of the Bonds is determined on the same day, i.e. 39.70 euros.

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From the Issue Date until the Maturity Date, the Bonds will bear interest at a nominal annual rate of 0.875% payable annually in arrears on 6 March of each year.

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 6 March 2027 (the "**Maturity Date**") (or on the following business day if this date is not a business day).

The Bonds may be redeemed prior to maturity at the option of the Company, under certain conditions. In particular, the Bonds may be fully redeemed earlier at par plus accrued interest, at the Company's option at any time from 28 March 2024 until the Maturity Date of the Bonds, subject to a prior notice of at least 30 calendar days (and no longer than 60 calendar days), if the arithmetic average, calculated over a period of 20 consecutive trading days chosen by the Company from amongst the 40 consecutive trading days preceding the publication of the early redemption notice, of the products of Korian's volume weighted average price on Euronext Paris on each trading day of the considered period and the applicable conversion/exchange ratio on each such trading day exceeds 130% of the nominal value of the Bonds.

Upon a change of control or a delisting, as these terms are defined in the conditions of the Bonds, all bondholders will have at its discretion an option to request an early repayment of their Bonds, at a price equal to par value.

Conversion/Exchange Right

Bondholders will be granted the right to convert or exchange the Bonds into new and/or existing shares of the Company (the "**Conversion/Exchange Right**") that they may exercise at any time from the Issue Date until the 7th business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The initial conversion/exchange ratio is set at one share per Bond, subject to potential future adjustments. Upon exercise of their conversion/exchange right, bondholders will receive at the option of the Company new and/or existing shares of the Company. The new and/or existing shares potentially received will carry in all cases all rights attached to existing shares as from the date of delivery.

Company lock-up

In the context of the Offering, the Company will agree to a lock-up for a period starting from the announcement of the final terms of the Bonds and ending 90 calendar days after the issue date of the Bonds, subject to certain customary exceptions or waiver from the Global Coordinators.

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Dilution

As a result of the issuance of 6,500,894 Bonds each with a par value of €61.53 for a total amount of approximately 400 million euros, the maximum dilution would represent approximately 7.86% of the outstanding share capital, should the Company decide to deliver only new shares upon exercise of the Conversion/Exchange Right.

Placing and Listing

The Bonds have been issued by way of a placement to qualified investors only, in accordance with Article L. 411-2 of the French monetary and financial code (*Code monétaire et financier*), as per the authorization granted by the Company's extraordinary general meeting held on 14 June 2018 (17th resolution), in France and/or outside of France (excluding in particular the United States of America, Canada, Australia or Japan).

An application will be made for admission of the Bonds to trading on the Euronext Access™ of Euronext Paris within 30 calendar days from the Issue Date.

Existing shareholders of the Company shall have neither preferential subscription rights nor priority subscription period in connection with the issue of the Bonds (nor the underlying new shares of the Company issued upon conversion as the case may be).

BNP Paribas and Morgan Stanley acted as Joint Global Coordinators and Joint Bookrunners (the "**Global Coordinators**") and Crédit Agricole Corporate and Investment Bank acted as co-Bookrunner (together with the Joint Global Coordinators, the "**Managers**").

Available Information

The offering of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the "**AMF**"). Detailed information about Korian, including its business, results, perspectives and related risk factors are described in the Company's registration document filed with the AMF on April 26th, 2019 under number D. 19-0400, which is available together with the 2019 Half-Year Report as at June 30th, 2019 and all the press releases and other regulated information about the Company, on the Company's website (www.korian.com).

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities and the offering of the Bonds is not a public offering in any jurisdiction including France, other than to qualified investors.

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About Korian

Korian, the leading European Care Services Group for the elderly and fragile

www.korian.com

Korian has been listed on Euronext Paris Compartment A since November 2006 and is a component of the following indices: SBF 120, CAC Health Care, CAC Mid 60, CAC Mid & Small and MSCI Global Small Cap

Euronext Ticker: KORI – ISIN: FR0010386334 – Reuters: KORI.PA – Bloomberg: KORI FP

Investor Relations

Sarah Mingham
VP Investor Relations & Financing
sarah.mingham@korian.com
Tél. : +33 (0)1 55 37 53 55

Carole Alexandre
Deputy Head of Investor Relations
carole.alexandre@korian.com
Tél. : +33 (0)7 64 65 22 44

Press Contact

Marjorie Castoriadis
Head of Media Relations
marjorie.castoriadis@korian.fr
Tél. : +33 (0)7 63 59 88 81

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No communication or information relating to the offering of the Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which

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such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Korian and the financial intermediaries assumes any liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This press release is not an offer to the public other than to qualified investors in any jurisdiction, including France.

The Bonds have been offered only by way of a placement in France and/or outside France (excluding the United States of America, Australia, Canada and Japan), solely to qualified investors as defined in article 2 point (e) of the Prospectus Regulation and pursuant to articles L. 411-1 and L. 411-2 of the French monetary and financial code (*Code monétaire et financier*). There will be no public offering in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the shares of Korian can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.

Prohibition of sales to European Economic Area and United Kingdom retail investors

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area and in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a "qualified investor" as defined in the Prospectus Regulation; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or

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otherwise making them available to retail investors in the European Economic Area and in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the European Economic Area and in the United Kingdom may be unlawful under the PRIIPS Regulation.

MIFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes retail investors, the manufacturers have decided that the Bonds will be offered, as part of the initial offering, only to eligible counterparties and professional clients.

France

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France other than to qualified investors. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to qualified investors (*investisseurs qualifiés*), as defined in article 2 point (e) of the Prospectus Regulation, and in accordance with, Articles L.411-1 and L.411-2 of the French monetary and financial code (*Code monétaire et financier*).

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "**Relevant Persons**")). The Bonds and, as the case may be, the shares to be delivered upon exercise of the conversion rights (the "**Financial Instruments**"), are intended only

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for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

This press release may not be released, published or distributed in or into the United States (as defined by Regulation S under the Securities Act). The Bonds and the shares deliverable upon conversion or exchange of the Bonds described in this press release have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any State of the United States, and such securities may not be offered, sold, pledged or otherwise transferred in the United States absent registration under the Securities Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements thereof and applicable state or local securities laws.

The securities of Korian have not been and will not be registered under the Securities Act and Korian does not intend to make a public offer of its securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Australia, Canada and Japan

The Bonds may not and will not be offered, sold or purchased in Australia, Canada or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.