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THE NEW BONDS WERE OFFERED ONLY BY WAY OF A PRIVATE PLACEMENT TO INSTITUTIONAL INVESTORS. THE NEW BONDS MAY NOT BE OFFERED OR SOLD OR OTHERWISE MADE AVAILABLE TO RETAIL INVESTORS (AS DEFINED HEREAFTER). NO KEY INFORMATION DOCUMENT UNDER PRIIPS REGULATION HAS BEEN AND WILL BE PREPARED.



Paris, September 18<sup>th</sup>, 2018

**Korian successfully placed a tap issue of ODIRNANE for a nominal amount of approximately € 60 million**

Korian (the "**Company**"), the European leader in care and support services for the elderly, announced today the successful placement of a tap issue of undated unsubordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares (*Obligations à Durée Indéterminée à option de Remboursement en Numéraire et/ou en Actions Nouvelles et/ou Existantes - ODIRNANE*) (the "**New Bonds**"), without preferential subscription rights, for a nominal amount of approximately € 60 million.

The issue of the New Bonds aims at refinancing the non-listed hybrid bonds issued in June 2017 for an amount of € 60 million.

The New Bonds are to be issued on the same terms (save for the issue price) as the approximately € 240 million undated unsubordinated unsecured bonds convertible into new shares and/or exchangeable for existing shares (ODIRNANE) issued by Korian on July 3<sup>rd</sup>, 2017 (the "**Existing Bonds**") and, as soon as the settlement date of the New Bonds, shall be fully assimilated to the Existing Bonds and fungible (together, the "**Bonds**").

The New Bonds shall be issued at a price of € 40.90 (including accrued interests which are equal to € 0.22 per Bond for the period from July 1<sup>st</sup>, 2018 to September 21<sup>st</sup>, 2018).

The settlement and delivery date of the New Bonds is expected to take place on September 21<sup>st</sup>, 2018.

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## Conversion/Exchange rights

The holders of the Bonds (the "**Bondholders**") are granted a conversion/exchange right of the Bonds into new and/or existing Korian's shares with an initial conversion/exchange ratio of one share per Bond, subject to future potential adjustments (current ratio of 1.021 share per Bond since June 21<sup>st</sup>, 2018).

The Bondholders may exercise their conversion/exchange right at any time from the issue date (inclusive) until the 18<sup>th</sup> trading day (exclusive) preceding the first of the two following dates: January 1<sup>st</sup>, 2023, or, as the case may be, the date set for any early redemption.

Upon exercise of their conversion/exchange right, the Bondholders will receive, at the option of the Company, either an amount in cash, or a combination of cash and new and/or existing Korian shares, or only new and/or existing shares.

The number of new and/or existing shares to be delivered to the Bondholders, as the case may be, will depend on the conversion/exchange ratio of the Bonds, which will be adjusted in certain customary cases for this type of securities, including in case of any dividend payment by the Company.

For illustrative purpose, considering a total nominal amount of the tap issue of approximately € 60 million represented by 1,492,167 New Bonds and a nominal value of € 40.21 per Bond, maximum dilution resulting from the tap issue would represent 1.9% of the outstanding share capital, should the Company decide to exclusively deliver new shares upon conversion of the New Bonds.

## Placement and offer

The New Bonds have been offered via an accelerated bookbuilding process through a private placement in France and/or outside France (excluding the United States of America, Canada, Australia and Japan). This placement has been conducted in accordance with Article L.411-2 II 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 June 14<sup>th</sup>, 2018 (17<sup>th</sup> resolution).

An application will be made for admission of the New Bonds to trading on the open market ("*Euronext Access*") of Euronext in Paris with effect as from the settlement date.

In connection with the offering, the Company has agreed to a lock-up undertaking ending 90 calendar days following the issue date of the New Bonds, subject to certain exceptions.

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Crédit Agricole Corporate and Investment Bank acted as Sole Global Coordinator, Joint Lead Manager and Joint Bookrunner. Société Générale acted as Joint Lead Manager and Joint Bookrunner.

## **Public information**

The offering of the New 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 reference document filed with the AMF on April 26<sup>th</sup>, 2018 under number D.18-0411, which is available together with all the press releases and other regulated information about the Company, on the Company's website ([www.korian.com](http://www.korian.com)).

Korian draws the public's attention to the risk factors presented on pages 46 to 54 of the French version of the Company's reference document.

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 New Bonds is not a public offering in any jurisdiction including France.

## **ABOUT KORIAN**

**Korian, the expert in providing care and support services for seniors**, with 740 facilities, operates Europe's largest network of long-term care nursing homes, specialised clinics, assisted-living facilities, home care and hospital home care services. The Korian group has the capacity to accommodate around 75,000 beds in four countries (France, Germany, Belgium and Italy) and employs around 49,000 people.

For more information, please visit our website at [www.korian.com](http://www.korian.com)

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**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**

**Bonds ticker: KORAE - ISIN: FR0013266087 – Bloomberg: AO1537189 Corp**

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## CONTACTS

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## DISCLAIMER

This press release and the information contains herein do not, and shall not, in any circumstances, constitute an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public in any jurisdiction, including France.

The distribution of this press release in certain countries may constitute a breach of applicable law. Accordingly, persons physically located in those countries, in which this press release is distributed or published, must inform themselves about and comply with such laws or regulations.

No communication or information relating to the issuance by Korian of the New Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the New Bonds may be subject to specific legal and regulatory restrictions in certain jurisdictions; none of Korian and Crédit Agricole Corporate and Investment Bank or Société Générale 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 Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 as amended, as implemented in each member state of the European Economic Area (the "**Prospectus Directive**").

The New Bonds will be offered only by way of a private placement in France and outside France (excluding the United States of America, Canada, Australia and Japan) to persons referred to in Article L.411-2-II of the French monetary and financial code (*Code Monétaire et Financier*), without an offer to the public in any country (including France).

This press release does not constitute a recommendation on the issuance of the New Bonds. The value of the New Bonds is subject to fluctuation. Potential investors are advised to seek their own financial advisors to evaluate if buying the New Bonds is adequate with their needs.

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

No action has been undertaken or will be undertaken to make available any New Bonds to any Retail Investor in the European Economic Area (**EEA**).

For these purposes:

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(a) the expression "**Retail Investor**" means a person who belongs to one (or several) of the following categories:

(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 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) a person other than a qualified investor as defined in the Prospectus Directive (as amended).

(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 New Bonds.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the New Bonds or otherwise making them available to Retail Investors in the EEA has been prepared and therefore offering or selling the New Bonds or otherwise making them available to any Retail Investor in the EEA may be unlawful under the PRIIPS Regulation.

### **France**

The New 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. Any offer or sale of the New Bonds and distribution of any offering material relating to the New Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) or a limited circle of investors provided that such investors act for their own account, as defined in, and in accordance with, Articles L. 411-2 and D.411-1 of the French monetary and financial code (*Code Monétaire et Financier*).

### **United Kingdom**

This press release is addressed 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 (the "**Order**"), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release could be addressed pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons ("**Relevant Persons**"). The New Bonds and, if applicable, the Korian's shares to be delivered

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upon exercise of the conversion/exchange right (the "**Securities**") are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Securities 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 Order.

### ***United States of America***

This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the district of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase the New Bonds or any other financial securities in the United States of America. The New Bonds and, if applicable, the Korian's shares to be delivered upon exercise of the conversion/exchange right, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the law of any state of the United States of America and may not be offered or sold in the United States of America, except in accordance with an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or the law of the above states. The New Bonds will be offered or sold only outside of the United States of America in offshore transactions, in accordance with Regulation S of the Securities Act. Korian does not intend to register all or any portion of the proposed offering in the United States of America or to conduct a public offering in the United States of America.

### ***Canada, Australia and Japan***

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

Crédit Agricole Corporate and Investment Bank and Société Générale are acting on behalf of Korian exclusively in connection with the issuance of the New Bonds and will not regard any other person as their client nor will they be responsible to any other person for providing the protections afforded to any of their clients or for providing advice in connection with any other share of bond offering or regarding the content of this press release or any transaction, arrangement or other matters referred to herein.

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Target market of ODIRNANE for the purposes of MIFID II: professional clients, eligible counterparties ("ECPs") and Retail Investors are targeted (all channels for distribution included).

However, the New Bonds were not offered or sold to Retail Investors for the purposes of this offering.