



SAFRAN

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PRESS RELEASE

This press release does not constitute or form a part of an offer of or solicitation to purchase or subscribe securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"). The securities mentioned herein have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States of America except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Bonds (as defined below) and the shares of the Company to be issued or granted upon conversion of the Bonds will be offered or sold only in offshore transactions outside of the United States of America, in accordance with Regulation S of the Securities Act. Safran does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America. Neither this press release nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

The Bonds will only be offered or sold to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). The Bonds may not be offered or sold or otherwise made available to retail investors (as defined below). No key information document under regulation 1286/2014 (as amended, the "PRIIPs Regulation") has been and will be prepared.

This press release is an advertisement and not a prospectus within the meaning of the Prospectus Regulation.

Safran launches an offering of bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) due 15 May 2027 of approximately €800 million

Paris, 12 May 2020

Safran (the "**Company**") announces today the launch of an offering of bonds convertible into new shares and/or exchangeable for existing shares (OCEANEs) due 15 May 2027 (the "**Bonds**") of a nominal amount of approximately €800 million to qualified investors only within the meaning of the Prospectus Regulation (the "**Offering**").

The net proceeds of the Offering will be used for general corporate purposes.

The Bonds will be issued at par and will bear interest at an annual rate comprised between 0.375% and 0.875%, payable annually in arrears on 15 May of each year, starting on 15 May 2021.

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The nominal unit value of the Bonds will be set at a premium between 40% and 45% above the reference price of Safran's ordinary shares¹ (the "**Shares**") on the regulated market of Euronext Paris.

The final terms and conditions of the Bonds are expected to be determined today and settlement is expected to take place on 15 May 2020 (the "**Issue Date**").

Unless previously converted or exchanged, redeemed or repurchased and cancelled, the Bonds will be redeemed at par on 15 May 2027 (or on the following business day if this date is not a business day).

The Bonds may be redeemed prior to maturity at the discretion of the Company, under certain conditions, and at the discretion of bondholders in case of Change of Control (as defined in the terms and conditions of the Bonds).

An application for the admission of the Bonds to trading on the non-regulated open market of Euronext Paris (Euronext AccessTM) will be made. Such admission to trading is expected no later than one month after the Issue Date.

This Offering is managed by BNP Paribas and Crédit Agricole Corporate and Investment Bank acting as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**") and HSBC, Natixis and Société Générale, as joint bookrunners (together with the Joint Global Coordinators, the "**Joint Bookrunners**") in relation to the Offering.

BNP Paribas will be in charge of the settlement of the Offering, BNP Paribas Securities Services will be the Centralising Agent (as defined in the terms and conditions of the Bonds) and Aether Financial Services will be the Calculation Agent (as defined in the terms and conditions of the Bonds).

Intention of the French State

The French State, who currently holds 11.23% of the Company's share capital, has informed the Company of its intention to place a subscription order in the Offering in the same proportion as its shareholding in the Company.

Conversion Right

Bondholders may exercise their conversion right (the "**Conversion Right**") at any time from the Issue Date until the 7th trading day (excluded) preceding the maturity date or the early redemption date.

The conversion ratio is set at one Share per Bond subject to subsequent adjustments (as set out in the terms and conditions of the Bonds).

Upon exercise of their Conversion Right, bondholders will receive at the option of the Company new and/or existing Shares of the Company. The new and/or existing Shares then delivered shall carry current dividend rights.

¹ The reference Share price is equal to the volume-weighted average price of the Shares recorded on the regulated market of Euronext Paris between the opening of trading today until the determination of the final terms and conditions of the Bonds.

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Lock-up

In the context of the Offering, the Company will agree to a lock-up undertaking of 90 calendar days as of the Issue Date, subject to certain customary exceptions or waiver by the Joint Global Coordinators.

Legal Framework of the Issue and Placement

The Bonds will be offered to qualified investors only within the meaning of Article 2(e) of the Prospectus Regulation and as per the 19th resolution approved by the Company's extraordinary general meeting held on 23 May 2019, in France, in the European Economic Area (EEA) and outside the EEA (excluding in particular the United States of America, South Africa, Canada, Australia or Japan and any other jurisdiction where a registration process or an approval would be required by applicable laws and regulations).

Other financing transaction contemplated by the Company

The Company is also considering, subject to market conditions, a benchmark size offering in the coming weeks on the US private placement market.

Available Information

The Offering and the admission to trading on Euronext AccessTM is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the "**AMF**"). No key information document the PRIIPs Regulation has been and will be prepared.

Detailed information on the Company, including its business, results and risk factors it faces are described in the Company's universal registration document filed with the AMF on 31 March 2020 under number D. 20-0224, in the detailed slideshow presented on the occasion of its first quarter 2020 revenue publication, press releases and regulated information about the Company, the whole being available on the Company's website (<http://www.safran-group.com>).

DISCLAIMER

Important Information

This press release may not be published, distributed or released directly or indirectly in the United States of America, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the Offering of the Bonds is an offer to qualified investors only within the meaning of the Prospectus Regulation and is not an offer to retail investors as such term is defined below. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering 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

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be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Safran and the Joint Bookrunners assumes any liability in connection with the breach by any person of such restrictions.

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The Bonds will only be offered to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in France, within the EEA and outside the EEA (excluding in particular the United States of America, Australia, Canada, South Africa and Japan and any other jurisdiction where a registration process or an approval would be required by applicable laws and regulations). This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the Shares 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 (EU) 2016/97 on insurance distribution (recast) 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.
- (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 the PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.

France

The Bonds have only been and will only be offered or sold or caused to be offered or sold, directly or indirectly, in France to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation. Any distribution of any offering material relating to the Bonds have been and will be made in France only to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation.

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 (the "**Order**"), (iii) high net worth entities falling within Article

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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 Bonds and the new shares or the existing shares of the Company to be delivered upon exercise of the Conversion Right are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Bonds 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.

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 for securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act). The securities mentioned herein have not been, and will not be, registered under 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 pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or the law of the above states. The Bonds and the shares of the Company to be issued or granted upon conversion of the Bonds will be offered or sold only in offshore transactions outside of the United States of America, in accordance with Regulation S of the Securities Act. Safran does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America.

Australia, Canada, South Africa and Japan

The Bonds and the new shares or the existing shares of the Company to be delivered upon exercise of the Conversion Right may not and will not be offered, sold or purchased in Australia, Canada, South Africa or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada, South Africa or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law. The Joint Bookrunners are acting exclusively on behalf of Safran and no-one else in connection with the Offering. They will not regard any other person as their respective client in relation to the Offering and will not be responsible to anyone other than Safran for providing the same protections as to any of their clients or to provide advice in connection with the offering, the Bonds, the contents of this press release or any other transaction, arrangement or other matter described in this press release. In connection with the Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of Safran or related investments in connection with the Offering, the Bonds, Safran or otherwise.

Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by the Joint Bookrunners and any of their affiliates acting as investors for their own account. The Joint Bookrunners do not intend to disclose the extent of any such above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

None of the Joint Bookrunners or any of their respective affiliates accept any responsibility whatsoever which could result from the use of this press release with respect to its inaccuracy or completeness.

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MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY_TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process in respect of the Bonds, the target market assessment in respect of the Bonds, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Market Authority (ESMA) on 5 February 2018, 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.

Safran is an international high-technology group, operating in the aircraft propulsion and equipment, space and defense markets. Safran has a global presence, with more than 95,000 employees and sales of 24.6 billion euros in 2019. Working alone or in partnership, Safran holds world or European leadership positions in its core markets. Safran undertakes Research & Development programs to meet fast-changing market requirements, with total R&D expenditures of around 1.7 billion euros in 2019. Safran is listed on the Euronext Paris stock exchange and is part of the CAC 40 and Euro Stoxx 50 indices.

For more information: www.safran-group.com / Follow @Safran on Twitter 

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