



Press release – Paris, 7 September 2021

Danone launches the refinancing of part of its €1.25bn hybrid bond

As part of the active management of its hybrid debt portfolio, and taking advantage of favorable market conditions, Danone announces today its intention to refinance part of its hybrid bond.

Danone (the “**Company**”) is launching a tender offer intended to partially repurchase its €1.25 billion undated deeply subordinated fixed rate resettable notes with a first call date on 23 March 2023 issued by the Company on 30 October 2017 (of which €1.25 billion is currently outstanding) and admitted to trading on the regulated market of Euronext Paris (ISIN: FR0013292828) (the “**Existing Notes**”) for cash, up to a maximum acceptance amount of €500 million (the “**Tender Offer**”).

Danone also announces today its intention to issue new Euro denominated undated non-call 5.25 year deeply subordinated fixed rate resettable notes (the “**New Notes**”), subject to market conditions (the “**New Issue**”). The pricing of the New Notes is expected to be announced later today. The New Notes are intended to be admitted to trading on the regulated market of Euronext Paris. It is also expected that the rating agencies will assign the New Notes a rating of BBB- (S&P) and Baa3 (Moody's) and an equity content of 50%.

A mechanism of priority allocation of the New Notes may be applied at the sole and absolute discretion of the Company for holders of the Existing Notes expressing their intention to tender securities pursuant to the Tender Offer.

The Tender Offer is made under the terms and conditions set out in the tender offer memorandum dated 7 September 2021 (the “**Tender Offer Memorandum**”). The acceptance for purchase by the Company of Existing Notes validly tendered pursuant to the Tender Offer is at the sole discretion of the Company. The completion of the Tender Offer will notably depend on the satisfaction or waiver by the Company of the transaction condition: (i) the pricing of the New Notes to the satisfaction of the Company and (ii) the signing by the Company and the joint bookrunners of a subscription agreement for the purchase of, or subscription for, the New Notes.

The Tender Offer will start on 7 September 2021 and will expire at 4 p.m. on 14 September 2021. The results of the Tender Offer will be announced on 15 September 2021 (subject to changes as a result of any extension, withdrawal, termination or amendment of the Tender Offer).

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as “estimate”, “expect”, “anticipate”, “project”, “plan”, “intend”, “believe”, “forecast”, “foresee”, “likely”, “may”, “should”, “goal”, “target”, “might”, “will”, “could”, “predict”, “continue”, “convinced” and “confident”, the negative or plural of these words and other comparable terminology.

Forward-looking statements in this document include, but are not limited to, statements regarding Danone’s operation of its business and the future operation, direction and success of Danone’s business.

Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the “Risk Factors” section of Danone’s Universal Registration Document (the current version of which is available on www.danone.com).

Subject to regulatory requirements, Danone does not undertake to publicly update or revise any of these forward-looking statements. This document does not constitute an offer of, or an invitation or a solicitation to subscribe or purchase Danone securities.

Danone is a leading multi-local food and beverage company building on health-focused and fast-growing categories in 3 businesses: Essential Dairy & Plant-Based products, Waters and Specialized Nutrition. With its 'One Planet. One Health' frame of action, which considers the health of people and the planet as intimately interconnected, Danone aims to inspire healthier and more sustainable eating and drinking practices. To accelerate this food revolution and create superior, sustainable, profitable value for all its stakeholders, Danone has defined nine 2030 Goals, and paved the way as the first listed company to adopt the “Entreprise à Mission” status in France. With a purpose to bring health through food to as many people as possible, and corresponding social, societal and environmental objectives set out in its articles of association, Danone commits to operating in an efficient, responsible and inclusive manner, in line with the Sustainable Development Goals (SDGs) of the United Nations. By 2025, Danone aims to become one of the first multinational companies to obtain B Corp™ certification. With more than 100,000 employees, and products sold in over 120 markets, Danone generated €23.6billion in sales in 2020. Danone’s portfolio includes leading international brands (Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic, among others) as well as strong local and regional brands (including AQUA, Blédina, Bonafont, Cow& Gate, Horizon Organic, Mizone, Oikos, Prostokvashino, Silk). Listed on Euronext Paris and present on the OTCQX market via an ADR (American Depositary Receipt) program, Danone is a component stock of leading sustainability indexes including the ones managed by Vigeo Eiris and Sustainalytics, as well as the Ethibel Sustainability Index, the MSCI ESG Indexes, the FTSE4Good Index Series, Bloomberg Gender Equality Index, and the Access to Nutrition Index

Disclaimer

Offering of the New Notes

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 New Issue will not be an offer to the public (other than to qualified investors) in any jurisdiction, including France.

Important Information

This press release may not be published, distributed or released, directly or indirectly, in the United States of America or in any jurisdiction in which the offer of the New Notes is unlawful. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering of the New Notes may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the New Notes may be subject to legal and regulatory restrictions in certain jurisdictions; Danone assumes no liability in connection with the breach by any person of such restrictions.

The New Notes will be offered only by way of a placement in France and/or outside France (excluding the United States of America), solely to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of the Prospectus Regulation. There will be no public offering in any country (including France) in connection with the New Notes, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the New Notes. The value of the New Notes can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the investment in the New Notes for the person concerned.

Prohibition of sales to European Economic Area retail investors

No action has been undertaken or will be undertaken to offer, sell or otherwise make available any New Notes to any retail investor in the European Economic Area ("**EEA**"). 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 Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (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 New Notes to be offered so as to enable an investor to decide to purchase or subscribe the New Notes.

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

Prohibition of sales to UK retail investors

The New Notes which are the subject of the offering contemplated by this press release have not been offered, sold or otherwise made available and will not be offered, sold or otherwise made available in relation thereto to any retail investor 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 (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 Directive (EU) 2016/97, 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; or
 - (iii) not a qualified investor as defined in Article 2(e) of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; 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 New Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes.

Consequently, no key information document required by the PRIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIPs Regulation**”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.

France

The New Notes will only be offered or sold, directly or indirectly, in France and this press release, the terms and conditions of the New Notes or any other offering material relating to the New Notes will only be distributed or caused to be distributed in France to qualified investors as defined in Article 2(e) of the Prospectus Regulation.

United Kingdom

This press release is addressed and directed only to persons who are (i) outside the United Kingdom or (ii) Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) High Net Worth Entities falling within

Article 49(2)(a) to (d) of the Order or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) may otherwise be lawfully communicated or cause to be communicated (all such persons in (i), (ii), (iii) and (iv) above together being referred to as “**UK Relevant Persons**”).

The New Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the New Notes will be engaged in only with, UK Relevant Persons. Any person who is not a UK Relevant Person should not act or rely on this press release or any of its contents.

United States of America

The New Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any State or other jurisdiction in the United States of America, and may not be offered or sold, directly or indirectly, in the United States of America except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws.

The New Notes are being offered and sold only outside of the United States of America in reliance on Regulation S under the Securities Act (“**Regulation S**”).

Terms used in this paragraph and not otherwise defined have the meanings given to them in Regulation S.

Tender Offer

The Tender Offer is addressed to the Qualifying Holders (as defined in the Tender Offer Memorandum) of the Existing Notes, excluding U.S. Persons, the United States of America and any other jurisdiction where the Tender Offer would be prohibited by applicable law.

No communication and no information in respect of the repurchase of the Existing Notes may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken outside of France in any jurisdiction where such steps would be required.

This press release does not constitute an invitation to participate in the Tender Offer or an offer to purchase the Existing Notes in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such repurchase or offer under applicable securities laws. The release, publication or distribution of this press release in certain jurisdictions may be restricted by law. Consequently, any persons in such jurisdiction in which this press release is released, published or distributed are required by Danone to inform themselves about, and to observe, any such restrictions.

None of Danone and the financial intermediaries makes any recommendation as to whether or not the holders of the Existing Notes should participate in the Tender Offer.