



Press release

17 mai 2024

Clariane announces two capital increases totalling c. €328 million, to strengthen its financial structure with the investment of a new major shareholder alongside Credit Agricole Assurances: the group HLD Europe

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The group HLD Europe plans to enter the capital of Clariane with an investment representing a shareholding of 20%, through a reserved capital increase that will be submitted to the vote of the next General Meeting of shareholders on 10th June and subject to the approval of an admission prospectus by the *Autorité des Marchés Financiers*.

HLD Europe will subscribe €74.1 million of the reserved capital increase. The investment funds Flat Footed and Leima Valeurs, presently owning respectively 8.6 % et 5.0% of the Group's capital also plan to participate in this reserved capital increase for c. €15 million for Flat Footed and c. €3 million for Leima Valeurs. The reserved capital increase will therefore be for a total amount of € 92.1 million.

HLD Europe, Flat Footed and Leima Valeurs have committed to invest, together with *Crédit Agricole Assurances*, in the capital increase with preferential subscription rights voted by the General Meeting of the shareholders on 26th March 2024. This capital increase for an maximum amount of c. €236 million, will be launched following the reserved capital increase and on condition that the reserved capital increase is voted by the shareholders and the approval of the *Autorité des Marchés Financiers*.

Following these capital increases, the maximum holding of each of these shareholders will be less than 30% of the capital and voting rights.

These capital increases will be the third part of Clariane's plan to reduce its debt and strengthen its financial structure, as well pursue as its long-term development strategy, its "At your side" corporate project and its commitments as a purpose-driven company.

The asset disposal programme, the fourth part of the Group's plan to strengthen its financial structure, is expected to generate gross proceeds of c. €1 billion of which around 40% has already been secured.

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Jean-Pierre Duprieu, Chairman of the Board of Directors, commented: *"The Board of Directors has expressed its strong support in favour of these major transactions, which are intended to allow the Company to complete the third part of its plan to strengthen its financial position in the best possible conditions. By reinforcing the Company's shareholder structure, these transactions will give Clariane the solid foundation and visibility it needs*

to implement its debt-reduction plan with confidence and to accompany its long term objectives, for the benefit of all its stakeholders”.

Sophie Boissard, Director and Chief Executive Officer of the Group, said: *"The last few months have been focused on the efficient execution of the refinancing plan which is essential for the future of Clariane and for all its stakeholders. I would like to thank Crédit Agricole Assurances as well as HLD Europe, Flat Footed and Leima Valeurs, for their support in the execution of this plan and more widely for their support and commitment to our corporate purpose, our values and strategy, at a time when the assistance and care needs of vulnerable people have never been so great."*

Nicolas Denis, Chief Executive Officer of Crédit Agricole Assurances, said: *"Crédit Agricole Assurance, as a long-standing shareholder of Clariane, has been strongly involved since November 2023 in accompanying the Company in the different parts of its refinancing plan. We are today delighted by the interest and support in the capital increase from these new financial partners. Their support, together with ours, confirms the relevance of the refinancing plan and Clariane's corporate project, aiming to reinforce the value creation and the confidence of all its financial partners."*

Jean-Bernard Lafonta, President of HLD Europe, said: *"Clariane is a European leader playing a major role in public health, particularly in the care of our elderly in nursing homes. Clariane has encountered difficulties in the context of the macro-economic shocks following the pandemic and the very rapid rise in inflation. We became convinced that the quality of care offered by Clariane was an important priority and that this group was perfectly equipped to face the very significant challenges of an ageing population by 2030."*

HLD has a great deal of experience in the healthcare sector, having in particular created a European leader: Santé Cie, which supports more than 200,000 patients at home, particularly those suffering from chronic illnesses. We will put our experience as a shareholder at the disposal of the Clariane group and its management, to support its development in line with its purpose and values."

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Paris, 17 May 2024 - Clariane today announces the proposed structure of the capital increase part of the plan to strengthen its financial structure as announced on 14 November 2023.

At the Combined General Meeting on 26 March, 98% of shareholders voted in favour of a capital increase with preferential subscription rights of shareholders for a maximum nominal amount of €300 million, which Predica subsidiary of Crédit Agricole Assurances, the Company's largest shareholder with 24.6% of the capital, has undertaken to underwrite, if necessary, up to a maximum amount of €200 million.

As part of the preparations for this transaction, the Company has received various expressions of interest from both existing shareholders and third-party investors to support the Group's debt reduction strategy and make a long-term commitment, alongside Crédit Agricole Assurances, to work with the Group's management to support its strategy 'At your side', and offering to acquire a significant stake in the company or strengthen their capital position and underwrite the capital increase with preferential subscription rights approved by the General Meeting of shareholders on 26 March 2024.

After examining these expressions of interest during the Board of Directors meeting on 14 May 2024, Clariane agreed to structure the capital increase in two stages, in order to allow the entry of a new long-term investor by ensuring a significant shareholding and to ensure the execution of the total amount of the capital increase and maintaining the preferential subscription rights.



At the next Combined General Meeting of Shareholders, to be held on 10 June 2024, the company will therefore be proposing a reserved capital increase totalling c. €92.1 million, to the benefit of the investment group HLD Europe for €74.1 million, acquiring a 20.0% stake in Clariane. HLD Europe has also undertaken, under the usual conditions, to subscribe to the capital increase with preferential subscription rights.

HLD Europe is a recognised private equity group, backed by leading French entrepreneurs, which supports European companies with high growth potential, particularly in the healthcare and essential services sectors. Through this transaction, HLD Europe would become one of the Group's main shareholders.

The company will also be proposing to the Combined General Meeting of Shareholders that this reserved capital increase should be subscribed, under the usual conditions, by the investment funds Flat Footed for c. € 15 million and Leima Valeurs for c. € 3 million, these investors presently own 8.6% and 5.0% respectively of the company's capital, they have also undertaken to subscribe to the capital increase with preferential subscription rights.

The reserved capital increase, if approved, would be carried out at a price of €2.60 per new share; which represents a discount of 4.3% versus the volume-weighted average trading price (VWAP¹) of the Clariane shares over the period from 26 April 2024, the date of publication of the revenue figures for the 1^{er} quarter, to 14 May 2024 of €2.7179 (including all trading platforms in Europe) and would be launched on 10 June 2024, subject to approval by the *Autorité des Marchés Financiers* ("**AMF**") of the prospectus relating to the reserved capital increase and to the approval of the Combined General Meeting of Shareholders with a majority of two-thirds of the votes of the shareholders present or represented. Following this transaction, HLD Europe, Flat Footed and Leima Valeurs would hold approximately 20%, 10.5% and 4.6% respectively of Clariane's share capital.

The reserved capital increase would result in the issue of 35,423,076 new shares corresponding to 33% of the share capital today. On the basis of the company's current (non-diluted) share capital, a shareholder owning 1% of the share capital before the transaction would be diluted to 0.75% of the share capital after completion of the reserved capital increase.

Crédit Agricole Assurances and Holding Malakoff Humanis have already announced that they will vote in favour of the resolutions necessary to the reserved capital increase.

The reserved capital increase would be followed by a capital increase with preferential subscription rights open to all shareholders, as authorised by the Combined General Meeting of Shareholders on 26 March 2024, for an amount of approximately €236 million. This capital increase is expected to be carried out at a discount of between 40% and 50% to the theoretical ex-rights price based on the closing price of the company's shares on the trading day preceding approval by the *Autorité des Marchés Financiers* of the prospectus relating to the capital increase with preferential subscription rights, in line with market practice for comparable transactions.

The total amount of the planned capital increases would therefore amount to a maximum of approximately €328 million.

¹ Source: Bloomberg



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The company has received commitments from Crédit Agricole Assurances, HLD Europe, Flat Footed and Leima Valeurs covering the full amount of this second capital increase with preferential subscription rights.

These commitments in connection with this second capital increase are as follows:

- Crédit Agricole Assurance via its subsidiary Predica: up to a maximum shareholding of 29.9% of Clariane's capital and voting rights following the capital increases²,
- HLD Europe: for a maximum of €83.2 million, up to a maximum shareholding of 29.9% of Clariane's capital and voting rights following the capital increases,
- Flat Footed: for a maximum of c. €65 million,
- Leima Valeurs: for a maximum of c. €27 million.

The fulfilment of these undertakings, which have been the subject of firm agreements between the company and each of the parties concerned, remains subject to a favourable vote of the necessary resolutions at the Combined General Meeting of Clariane shareholders convened for 10 June 2024, to the approval of the prospectuses corresponding to these transaction and the preparation of a fairness opinion by Finexsi. The company's Board of Directors has voluntarily appointed Finexsi, acting as an independent expert, to provide a fairness opinion on the reserved capital increase, which will be made available to shareholders prior to the General Meeting. A fairness opinion will also be delivered for the capital increase with preferential subscription rights, and will be available in the prospectus relating to this operation.

Flat Footed is expected to apply for prior authorisation under Article L. 151-3 of the French Monetary and Financial Code to subscribe to capital increases, due to the crossing of the threshold of 10% of the votes in the company.

Shareholders are reminded that this second capital increase provides for the maintenance of their preferential subscription rights and that they may therefore subscribe to this capital increase in order to maintain their shareholding by benefiting from the discount. Otherwise, shareholders who do not wish to exercise their preferential subscription rights will be subject to significant dilution, which may be offset in whole or in part by the sale of their preferential subscription rights.

In addition, and in accordance with the undertakings it gave when it became a purpose driven company (*Société à Mission*) in 2023 and the resolutions adopted by the Combined General Meeting of 26 March 2024, the company plans to launch, depending on market conditions, in the coming months, a capital increase reserved for its employees, which will enable them to be fully involved in the Group's refinancing and development plan.

The capital increases announced today are the third part of the plan announced by the Group on 14 November 2023 to strengthen its financial structure and reduce its debt.

This plan, totalling €1.5 billion, has been put in place to resolve the difficulties in accessing the financing markets.

In December 2023, the Company completed the first two parts of this plan:

² The final amount of Predica's commitment will be calculated on the basis of the final terms of the capital increase, subject to the maximum commitment granted by Predica under the plan announced by Clariane on 14 November 2023.



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- The completion of the "Gingko" real-estate partnership for €140 million on 15 December 2023, followed by the completion of the "Juniper" real-estate partnership for €90 million on 28 December 2023 with Credit Agricole Assurances via its subsidiary Predica; Crédit Agricole Assurances was reimbursed €90 million following the sale of the UK assets by Clariane in March 2024;
- The arrangement and drawdown of a €200 million term loan with Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile de France (CADIF), LCL and Crédit Agricole Corporate and Investment Bank (CACIB).

At the same time, the Group has also embarked on the fourth part of the plan, a programme of disposals of operating and real-estate assets, as well as capital partnerships, with expected gross proceeds of approximately €1 billion. With the disposals in the United Kingdom and the Netherlands and the planned sale of its Hospitalisation à Domicile (HAD) business in France announced on 6 May 2024, which received a favourable opinion from employee representative bodies on 14 May 2024, the Group has already completed around 40% of this total disposal programme.

Crédit Agricole Assurances, aiming to maintain its present shareholding in Clariane following the two capital increases at least the level of 24.6% it holds presently, has signed an agreement with Holding Malakoff Humanis to acquire in the context of the capital increase with preferential subscription rights, part or all of the subscription rights depending on the final terms of the capital of the capital increase, with the intention to exercise the rights acquired.

Clariane specifies that, in accordance with the separate agreements signed with HLD, Flat Footed and Leima Valeurs, the transactions described in this press release, namely a capital increase of approximately €92.1 million reserved for HLD, Flat Footed LLC and Leima Valeur followed by a capital increase with shareholders' preferential subscription rights for a maximum amount of approximately €236 million, with the individual subscription commitments from these three investors and Credit Agricole Assurances, form an indissociable whole.

If the reserved capital increase is not approved by the General Meeting of Shareholders on 10 June 2024, neither of these two capital increases will be carried out.

In this case, Clariane would not be in a position to carry out a capital increase of €300 million in June or July 2024, as provided for in its capital strengthening plan. Clariane would therefore have to examine ways of carrying out this capital increase in September 2024 on the basis of the resolution passed by the General Meeting of Shareholders on 26 March 2024. This would involve identifying investors or banks capable of guaranteeing the portion not guaranteed by Predica, and satisfying the conditions precedent to Crédit Agricole Assurances' guarantee commitment of €200 million specified in the press release of 14 November 2023 still outstanding, namely (i) obtaining authorisations from the relevant competition authorities for the possible takeover of Clariane by Crédit Agricole Assurances, (ii) obtaining an amendment to the terms and conditions of the contract for the issue of Oceanes maturing in 2027 (0.875% - FR 0013489739) in order to exclude early redemption in the event that Crédit Agricole Assurances crosses the 40% threshold in terms of voting rights, (iii) the independent expert Finexsi delivers a fairness opinion and (iv) the *Autorité des Marchés Financiers* approval of the prospectus relating to the capital increase.

There is no guarantee that Clariane will succeed in carrying out a capital increase of €300 million within the required timeframe. Failing to do so, Clariane would have to place itself under a protection regime adapted to renegotiate its debt with its creditors.

The Board of Directors has decided to propose to the Combined General Meeting to be held on 10 June 2024 the appointment of three directors, subject to the approval by this meeting



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of the resolutions relating to the reserved capital increase. One of whom will replace the representative of Malakoff Humanis whose mandate is expiring. The appointment of these new directors would take effect after completion of the reserved capital increase.

Two of these candidates, whose appointment would take effect after the completion of the reserved capital increase, would be nominated by HLD Europe. In this case HLD Europe has given the Company an undertaking that in case the shareholding of HLD were to fall below 20% one of the Directors would have to resign and both in the case the shareholding were to fall and remain below 10% for 24 months.

A third candidate would be nominated by Leima Valeurs, who has given the Company an undertaking that this director would have to resign if, within 24 months of his appointment, the shareholding did not reach at least 10% of the share capital, or at a later date if the shareholding were to fall below 10%.

The composition of Clariane's Board of Directors would remain balanced and in line with the AFEP-MEDEF Code.

The Board would have 16 members, including 8 independent members, 2 representatives for both Crédit Agricole Assurances and HLD Europe, one representative for Leima Valeurs, the CEO who also has a mandate as a Director, and 2 members representing the employees, chaired by Mr. Jean-Pierre Duprieu, one of the independent members.

The composition of the committees would also be modified, with in particular the presence of a member proposed by HLD Europe on the Audit Committee, the Remuneration and Appointments Committee, the Investment Committee and the Ethics, Quality and CSR Committee.

Crédit Agricole Assurances, HLD Europe, Flat Footed and Leima Valeurs have each undertaken not to acquire shares of Clariane following the transactions as far as the acquisition of these shares could lead them (including the shares held by any entity of their group) to cross the threshold of 30% of the capital or the voting rights of Clariane, these undertakings are for a period of 12 months for Crédit Agricole Assurances and 36 months for HLD Europe, Flat Footed and Leima Valeurs. HLD Europe, Flat Footed and Leima Valeurs have also undertaken to hold the shares subscribed under the reserved capital increase for a period of 18 months following the completion of the transactions.

Finally, Credit Agricole Assurances, HLD Europe, Flat Footed and Leima Valeurs are not acting in concert and have indicated having no intention to act in concert.

Due to the calendar of the transactions described in this press release, the Company announces that it will postpone the publication date of its first half results to 5 August 2024.

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About HLD Europe

Founded in 2010 by a group of entrepreneurs, HLD is a permanent European investment group with operations in Luxembourg, France, Switzerland, the Netherlands and Italy. HLD's mission is to support management teams in building companies that are leaders in their field. As such, HLD invests in companies with strong potential and gives them the human and financial resources to grow over the long term. In particular, HLD has supported companies in the essential services sector, and has a good knowledge of the health services sector.



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Its approach is based on an entrepreneurial partnership and prioritises responsible operational development over financial leverage. With 3 billion in assets under management, HLD supports 22 companies that employ over 36,000 people and enjoy average annual growth of over 10%. Press contacts : Contact presse : Michel Calzaroni (m.calza@dgm-conseil.fr ; mob. 06 07 34 20 14), Christian d'Oleon (chrisdo@dgm-conseil.fr ; mob. 06 08 49 89 07) et Etienne Gautier (etienneg@dgm-conseil.fr ; mob. 07 48 15 22 35)

About Flat Footed

Flat Footed LLC, owning 8.6% of Clariane's shares, is based in the United States and founded in 2016, is a value-oriented investment firm that manages funds investing across public equities, credit, derivatives, and private investments in asset-heavy companies.

About Leima Valeurs

Leima Valeurs, owning 5.0% of Clariane's shares, is a investment funds of Mr. René Holeček, Czech industrialist, investor, and philanthropist. Outside of his main enterprise, the Prague-listed Colt CZ Group SE, where he is a majority shareholder, Mr. Holeček invests in healthcare, including early stage pharmaceutical/biotech research.

Indicative timetable:

The dates below are indicative and subject to change:

By end of May 2024	Approval by the Autorité des Marchés Financiers of the Listing Prospectus related to the reserved capital increase
10 June 2024	Clariane's Combined General Meeting of Shareholders
10 June 2024	Launch of the reserved capital increase
12 June 2024	Completion of the reserved capital increase
Mid June of 2024 subject to market conditions	Launch of the capital increase with preferential subscription rights

Next events:

Clariane will hold a Capital Market Day on 21 May 2024 at 2pm CET.

Clariane Annual General Meeting on 10 June 2024 at 10am CET

Publication Half Year Results on 5 August 2024

Disclaimer:

This press release does not constitute, and shall not be deemed to constitute, an offer to the public or an offer to purchase or the solicitation of public interest in a transaction by way of public offer, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful absent registration or approval under the securities laws of such state or jurisdiction. The distribution of this document may be subject to specific restrictions in certain countries. Persons in possession of this document are required to inform themselves of and to observe any such local restrictions. The shares of Clariane S.E. (the "Company") (and any rights to subscribe for shares of the Company) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities.



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A prospectus relating to the capital increase will be submitted by Clariane S.E. to the Autorité des marchés financiers for approval before the effective launch of the capital increase.

All forward-looking statements included in this document speak only as of the date of this press release. Clariane S.E. undertakes no obligation and assumes no responsibility to update the information contained herein beyond what is required by applicable regulations.

In this press release, unless otherwise indicated, all changes are expressed on an annual basis (2024/2023), and at constant scope of consolidation and exchange rates.

The main alternative performance indicators (APIs), such as EBITDA, EBIT, net debt and financial leverage, are defined in the Universal Registration Document available on the company's website at www.clariane.com.



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About Clariane

Clariane is the leading European community for care in times of vulnerability. It has operations in six countries: Belgium, France, Germany, Italy, the Netherlands, and Spain.

Relying on their diverse expertise, each year the Group's 60,000 professionals provide services to over 800,000 patients and residents in three main areas of activity: long-term care nursing home (Korian, Seniors Residencias, Berkley, etc.), specialized care facilities and services (Inicea, Ita, Grupo 5, Lebenswert, etc.), and alternative living solutions (Petits-fils, Ages et Vie, etc.).

In June 2023, Clariane became a purpose-driven company and added to its bylaws a new corporate purpose, common to all its activities: "To take care of each person's humanity in times of vulnerability".

Clariane has been listed on Euronext Paris since November 2006, In compartment B

Euronext ticker: CLARI - ISIN: FR0010386334

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