

SCHNEIDER ELECTRIC SE

A European Company with a Board of Directors and capital of 2,291,343,536 Euros

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**ADDITIONAL REPORT BY THE BOARD OF DIRECTORS
OF DECEMBER 13, 2023**

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**Issue of bonds convertible and/or exchangeable for new and/or existing shares
(OCEANES)**

Madam, Sir,

We present to you the additional report referred to in Articles L.225-129-5 and R.225-116 of the French Commercial Code on the use by the Board of Directors of the authorization granted to it under the twenty-first resolution of the combined general meeting of shareholders of May 4, 2023.

Legal framework of the issuance of the OCEANES

The Shareholders' Meeting of Schneider Electric SE (the “**Company**”) held on 4 May 2023 (the “**Shareholders' Meeting**”) has, pursuant to its twenty-first resolution and acting in accordance with the quorum and majority requirements for extraordinary shareholders' meetings, in accordance with the provisions of the French Commercial Code, in particular in Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.228-91 to L.228-93, L. 22-10-49, L. 22-10-52 and of Article L.411-2 1° of the French Monetary and Financial Code delegated to the Board of Directors, with the power to subdelegate, in compliance with applicable laws and regulations, the authority to decide through an offer referred to in Article L.411-2 1° of the French Monetary and Financial Code, on one or more occasions, in the proportion and at the times it deems appropriate, in France and/or abroad, in Euros or in any other currency or unit of account set by reference to several currencies, the capital increase without the shareholders' preferential subscription right, through the issue of ordinary shares and/or securities, governed by Articles L.228-91 et seq. of the French Commercial Code granting access by any means, immediately and/or in the future, to ordinary shares of the Company or of a company in which it directly or indirectly owns more than half of the share capital (the “equity-linked securities”), it being specified that (a) the subscription of shares and other securities may be performed either in cash or by offsetting debts, and (b) the shares to be issued will grant the same rights as the existing shares; it being specified that the issuance of any shares or securities giving access to preferred shares is excluded. The Shareholders' Meeting set the validity period of this delegation at 26 months granted within a maximum nominal amount of capital increase of €120 million being deducted from the capital increase ceiling of €224 million provided for in the twentieth resolution and from the capital increase ceiling of €800 million provided for in the nineteenth resolution of said Shareholders' Meeting.

At its meeting of August 28, 29 and 30 , 2023, the Board of Directors decided to use the powers granted to it by the Shareholders' Meeting in its twenty-first resolution, and to approve the principle of an issuance, by the Company, on one or more transactions, of securities giving access to the share capital, represented by OCEANES, in the context of a public offering referred to in Article L.411-2, 1° of the French Monetary and Financial Code to qualified investors in France and outside France (as the case may be, except in the United States, Canada, Japan and/or Australia), without the shareholders' preferential subscription right within the limits of a total nominal amount of €750 million and a maximum total nominal amount of the corresponding capital increase(s) resulting from the potential conversion of the OCEANES into new ordinary shares of €30 million (excluding any adjustments to preserve the rights of holders of OCEANES). The Board of Directors subdelegated until August 30, 2024 to the Chief Executive

Officer all powers to carry out the issuance of OCEANEs and to set its conditions. The Chief Executive Officer using this subdelegation decided on November 20, 2023 to issue 6,500 OCEANEs with a nominal value of €100,000 and a per-unit issue price of €100,000.

Main features of the issuance of the OCEANEs

In pursuance of the above-mentioned Board's decision, OCEANEs has been issued under the main terms and conditions as follows:

- **date of announcement and launching of the issuance:** November 20, 2023
- **settlement-delivery of the OCEANEs:** November 27, 2023
- **terms of issue of the OCEANEs:** by way of a placement to qualified investors only (within the meaning of Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation")), in accordance with Article L. 411-2-1° of the French Monetary and Financial Code, in France and outside of France (excluding, in particular, the United States of America, Australia, Japan, Canada or South Africa)
- **number and nominal value of the OCEANEs to be issued:** 6,500 OCEANEs with a nominal value of €100,000
- **corresponding nominal amount of the issuance:** €650,000,000
- **issue price of the OCEANEs:** €100,000
- **redemption price of the OCEANEs:** €100,000
- **reference share price:** €164.4762 per share
- **interest rate:** 1.97% per annum, payable semi-annually in arrear on 27 May and 27 November of each year (or on the following business day if this date is not a business day), and for the first time on 27 May 2024
- **initial conversion/exchange premium:** 42.5% above the Company's reference share price on the regulated market of Euronext in Paris. The conversion premium of 42.5% was set in view of the Schneider Electric SE share price at €166.2 on November 17, 2023, increasing of 27% since January 1, 2023 and the duration of the transaction. Over 7 years, this premium corresponds to a compound annual growth rate composed of the share price of 5.2% to reach the conversion price. This premium was set in consideration of the coupon and the market practices observed for the recent issuance of convertible bond. In accordance with the provisions of Article R. 22-10-32 of the French commercial code, the price of the share to be issued is at least equal to the weighted average of the prices of the last three trading sessions preceding the start of the offer, possibly reduced by a maximum discount of 10%
- **initial conversion/exchange price:** €234.3786
- **maturity of the OCEANEs:** November 27, 2030
- **conditions for redemption:** redemption at nominal value
- **conditions for early redemption:** at par plus any accrued interest at the Company's option at any time from 18 December 2028 (inclusive), subject to a prior notice of at least 30 (but not more than 60) calendar days, if the arithmetic average, calculated over a period of 10 consecutive trading days chosen by the Company from among the 20 consecutive trading days preceding the day of the publication of the early redemption notice, of the daily products on each of such 10 consecutive trading days of the volume weighted average price of the Company's shares on Euronext Paris and the applicable conversion/exchange ratio on each such trading day, exceeds 150% of the nominal value of each bond
- **dates, deadlines and conditions of conversion/exchange:** right to convert or exchange the bonds into new and/or existing shares of the Company exercisable at any time from January 7, 2024 up to the 7th business day (inclusive) preceding November 27, 2030 or, as the case may be, the relevant early redemption date
- **initial conversion/exchange ratio:** 426.6601 shares per bond (adjustments: French standard protection against dilution and dividend protection).

Impact on the holder of securities of the Company

- **Impact of the issuance on the share in equity of the Company**

For information purpose, on the assumption that the Company decides to issue new shares only in case of exercise of the right to convert or exchange the bonds into shares of the Company, the impact of the issuance of these new shares on the share in equity of the Company (on the basis of the Company's equity

resulting from an interim financial situation and the number of shares making up the share capital as of June 30, 2023) would be as follows:

	Equity (in euros)	
	Non diluted basis	Diluted basis ^(*)
Before issuance of OCEANEs	13.21	14.22
After issuance of OCEANEs and exercise of the right to attribution of shares	14.28	15.27

(*) In the event that all performance shares not yet qualified are delivered from shares to be issued (*i.e.*, as of June 30, 2023: 1,472,669 new shares to be issued).

- Impact of the issuance on the shareholder's situation

For information purpose, on the assumption that the Company decides to issue new shares only in case of exercise of the right to convert or exchange the bonds into shares of the Company, the impact of the issuance of these new shares on the shareholder's ownership holding 1% of the Company's share capital prior to the issuance and who does not subscribe to it (on the basis of the number of shares making up the share capital as of June 30, 2023) would be as follows:

	Shareholder's ownership (in %)	
	Non diluted basis	Diluted basis ^(*)
Before issuance of OCEANEs	1%	0.991%
After issuance of OCEANEs and exercise of the right to attribution of shares	0.995%	0.986%

(*) In the event that all performance shares not yet qualified are delivered from shares to be issued (*i.e.*, as of June 30, 2023: 1,472,669 new shares to be issued).

Theoretical impact of the issuance on the current market value of the SCHNEIDER ELECTRIC SE share

The theoretical impact of the issuance on the current market value of the Schneider Electric share is 0.48%.

This theoretical impact was calculated based on the number of shares making up the share capital as of June 30, 2023 and the average of the twenty trading sessions preceding the issue as follows:

Average value of the twenty trading sessions preceding the issue (A)	151.1595 euros
Number of shares making up the share capital as of June 30, 2023 (B)	571,092,921 actions
Theoretical market capitalization before the issuance of OCEANEs calculated on the basis of the average value of the twenty trading sessions preceding the issue (C=A*B)	86,326,120,391.90 euros
Potential number of shares to be issued in case of exercise of the right to convert or exchange the bonds into shares of the Company on the basis of a conversion/exchange ratio of 426.6601 shares per bond (D)	2,773,291 actions
Number of shares making up the share capital after conversion or exchange of all the OCEANEs into Company shares (E=B+D)	573,866,212 actions
Theoretical share price after conversion or exchange of all the OCEANEs into Company shares (F=C/E)	150.43 euros
Theoretical impact of the issuance on the current market value of the Company share (A-F)/A	0.48%