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## MEDIA RELEASE

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Paris & San Salvador, November 27, 2018

# Neoen closes financing for Capella Solar, a 140 MWp solar photovoltaic power plant in El Salvador

- Capella Solar is the second project that Neoen will soon operate in El Salvador after Neoen's teams capitalized on the experience gained in the 101 MWp Providencia Solar project commissioned in 2017
- FMO, IDB Invest and Proparco are providing the project's senior debt
- The power plant will be connected to a 3 MW/1.5 MWh lithium-ion battery system, making it the largest energy storage installation to be rolled out in Central America to date
- 3% of the power plant's annual revenues will go to FUSAL, a not-for-profit foundation that runs social projects in El Salvador

Neoen (ISIN Code: FR0011675362, Ticker: NEOEN), France's leading independent producer of renewable energy, and one of the fastest-growing worldwide, is today announcing that it has sealed financing for Capella, a 140 MWp solar photovoltaic project in El Salvador. The facility is wholly-owned by Neoen and is due to be commissioned in early 2020.

FMO, the Dutch Development Bank, and IDB Invest, acting as co-lead arrangers, and Proparco are providing the senior debt for the project, representing a total investment of 133 million USD. The figure includes the cost of a 3 MW/1.5 MWh LG Chem lithium-ion battery system, which will be installed by Nidec separately and connected to deliver grid services in order to smooth the integration of the renewable plant. The project will be built by a consortium consisting of TSK and Gensun.

Neoen won the project through a competitive public-tender held in 2016 and organized by Delsur, one of El Salvador's largest electricity distributors. Capella Solar was awarded a 20-year power purchase agreement denominated in US Dollars with local distributors Delsur, AES, EDESAL and B&D at the below-grid-parity price of US\$49.6/MWh. The contractually supplied electricity will thus be the most competitively priced ever in the Salvadoran energy market.

Paolo Cartagena, Neoen's Managing Director in El Salvador, commented: "Capella is a fantastic project with excellent irradiation levels and very attractive interconnection conditions. By harnessing the experience gained from Providencia Solar, our first project in the country we have been able to propose an extremely competitive price thanks to our deep understanding of the local market, structuring improvements and enhanced reputation. Capella Solar perfectly fulfills the regional development goals we set for ourselves - it is a project able to generate green electricity for the local population at a highly competitive tariff and to

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contribute to local social development through our partner FUSAL. I am tremendously grateful to the Salvadoran Government, the National Energy Council (Consejo Nacional de Energía) and Gustavo Simán, our local partner, for their unstinting support throughout the development of our project.”

Xavier Barbaro, Neoen’s Chairman and CEO, added: “Arranging financing for Capella represents another major step forward for Neoen. It underlines our status as the country’s number one independent producer of green energy, with a total of 244 MW in service and under construction in El Salvador. It also demonstrates the benefit of our effective strategy of geographical expansion, which consists in establishing leadership positions in target regions and countries. Our ability to innovate also sets us apart. Capella Solar will provide a reliable stream of electricity to the power grid with its integrated battery system. That will help clear the way for additional renewable capacity to be added to the Salvadoran market. I would like to sincerely thank our teams, FMO, IDB, Proparco, and all our partners for supporting us throughout this project.”

“We are pleased and honoured to expand our solar investments in El Salvador with Neoen, a producer well-known to FMO”, said Ewout van der Molen, FMO manager Energy Latin America & Caribbean. “As Capella Solar combines a 100% renewable energy project with strong positive climate impacts and benefits for the local community, it fully aligns with our strategic ambitions.”

“The financing of Capella represents a key milestone for El Salvador as the project will have the most competitive PPA price in the market, setting a positive precedent for the upcoming energy auctions and by contributing to the diversification of the energy matrix by adding renewable energy sources”, added Javier Rodriguez de Colmenares, Chief of the Infrastructure and Energy Division at IDB Invest. “IDB Invest is proud to support Neoen, one of our key clients in the region, in the financing of its second large scale PV project in El Salvador. Back in 2016, Neoen and IDB Invest worked together for the development of Providencia, the first large scale PV project in the country, establishing the benchmark PPA for the projects to come”.

“We are very happy to support Neoen, a French company with a worldwide reputation in the field of renewable energies, for the third time in Latin America. Their contribution to the fight against climate change and their commitment to supporting local communities make them a key partner of Proparco for the development of the region”, concluded Grégory Clemente, Chief Executive Officer of Proparco.

Astris Finance served as financial advisor to Neoen and the Capella Solar project company from the bid stage in 2016 through the closing of the financing. Before that, Astris Finance served also as financial advisor to Neoen and Providencia Solar.

### About Neoen

Founded in 2008, Neoen is France’s leading and one of the world’s most dynamic independent producers (IPP) of renewable energy. With a current capacity of more than 2 GW already in operation or under construction, and a further

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1 GW of projects formally awarded and secured, Neoen has doubled its size in over just 18 months. Neoen is active in France, Australia, El Salvador, Zambia, Jamaica, Portugal, Mexico, Mozambique, Finland and Argentina and has assets in more than 15 countries. It operates Europe's most powerful solar PV farm (300 MW in Cestas, France) and the world's largest lithium-ion power reserve in Hornsdale, Australia (100 MW/129 MWh storage capacity). At the end of 2017, Neoen won one of the largest (375 MW) and the most competitive solar project in Mexico. Neoen is targeting 5 GW capacity in operation and under construction by 2021. Neoen (ISIN Code: FR0011675362, ticker: NEOEN) is listed since October 2018 on the Compartment A of the regulated market of Euronext Paris.

For more information: [www.neoen.com](http://www.neoen.com)

### About IDB Invest

IDB Invest, the private sector institution of the Inter-American Development Bank (IDB) Group, is a multilateral development bank committed to supporting Latin America and the Caribbean businesses. It finances sustainable enterprises and projects to achieve financial results that maximize economic, social and environmental development for the region. With a current portfolio of over US\$11.2 billion under management and over 330 clients in 25 countries, IDB Invest works across sectors to provide innovative financial solutions and advisory services that meet the evolving demands of its clients. As of November 2017, IDB Invest is the trade name of the Inter-American Investment Corporation.

For further information, please visit: [www.idbinvest.org](http://www.idbinvest.org)

### About Proparco

Proparco is a subsidiary of Agence Française de Développement (AFD) focused on private sector development. It has been promoting sustainable economic, social and environmental development practices for the past 40 years. Proparco provides funding and support to both businesses and financial institutions across Africa, Asia, Latin America and the Middle-East. It seeks to partner projects in key development sectors – infrastructure (with a specific focus on renewable energies), agribusiness, financial institutions, healthcare and education, etc. – and to boost the contribution of the private sector to achieving the sustainable development goals adopted by the international community in 2015. As a means to this end, Proparco finances businesses that are instrumental in creating decent jobs that pay decent wages, in supplying essential goods and services and in battling climate change.

For more information, please visit: [www.proparco.fr/en](http://www.proparco.fr/en) or follow us on Twitter: @Proparco

### About FMO

FMO is the Dutch development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO believes that a strong private sector leads to economic and social development, and has a more than 45-year proven track-record of empowering people to employ their skills and improve their quality of life. FMO focuses on three sectors that have high development impact: financial institutions, energy, and agribusiness, food & water. With a committed portfolio of EUR 9.2 billion spanning over 90 countries, FMO is one of the larger bilateral private sector developments banks globally. For more information: please visit [www.fmo.nl](http://www.fmo.nl)

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