

Paris, July 31, 2019

Neoen reports strong revenue growth in the first half of 2019

- Revenue came to €118.1 million excluding the discontinued biomass business, representing growth of 30% on a comparable basis¹
- Neoen has initiated the divestment process for its one and only biomass unit, inherited from the acquisition of Poweo EnR in 2012
- The project portfolio now stands at close to 9 GW (+1.3 GW during the first half), reflecting Neoen's continued momentum
- Given the ongoing divestment process, Neoen has mechanically adjusted its financial targets for 2019 accordingly, aiming for an EBITDA² of between €212 million and €227 million and an EBITDA margin³ close to 80%

Neoen (ISIN: FR0011675362, Ticker: NEOEN), one of the world's leading and fastest growing independent producers of exclusively renewable energy, is reporting unaudited half year revenue of €118.1 million excluding the biomass business, which is being held for sale. This represents an increase of 30% on a comparable basis¹ compared to the first half of 2018.

Neoen's Board of Directors has decided to sell the Commentry cogeneration unit, inherited from Poweo EnR's project portfolio acquired in 2012, and thus to withdraw from the biomass business. This strategic decision will sharpen Neoen's focus on the solar, wind and storage segments. In 2018, the biomass business accounted for 9.1% of the Group's total revenue, and its EBITDA margin stood at 34%.⁴

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer, commented: *"With a very strong increase in our revenue in the first half of 2019, Neoen confirms the strength of its growth. We have also continued to strongly expand and diversify our project portfolio, which underpins our future growth in all our geographical and business areas. We closed the financing and launched the construction for the Hedet wind farm in Finland, as well as for the solar farms of Altiplano 200 in Argentina and El Llano in Mexico. In addition, we commissioned the Bangweulu solar farm in Zambia, the Corbas photovoltaic shades facility in France and, during July 2019, the Numurkah solar farm in Australia. Lastly, our decision to divest the biomass business shows our resolve to focus on our core business: solar, wind and storage."*

¹ Given the divestment in progress of the biomass business, the Group is presenting a restated H1 2018 revenue figure excluding the contribution from this business, alongside the reported revenue figure

² The EBITDA reported by the Group is based on operating profit restated for depreciation, amortization and additions to provisions for operating items. It does not include the discontinued operations.

³ Ratio of EBITDA to revenue

⁴ Income and expenses related to the Biomass business are now shown under net income from discontinued operations in the Group's financial statements

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Operational highlights

	H1 2019 (1) (2)	FY 2018 restated (1) (2)	Chg.	FY 2018 reported (1)
Capacity in operation (MW)	1,579	1,477	+102	1,492
Capacity in operation or under construction (MW)	2,839	2,241	+598	2,256

(1) Gross capacity including stakes in projects in which Neoen is minority shareholder: Cestas (228 MWp) and Seixal (8.8 MWp),

(2) Capacity excluding the discontinued biomass business

	H1 2019 (3)	H1 2018 restated (3)	% chg.	H1 2018 reported
Electricity generated (GWh)	1,330	932	+43%	980

(3) Electricity generation excluding the discontinued biomass business

Neoen has again reported an upbeat level of growth owing principally to the contribution during the first half of assets commissioned during FY 2018 and, to a lesser extent, of new facilities commissioned in the first half of 2019. At June 30, 2019, Neoen had 1,579 MW capacity in operation, representing an increase of 102 MW relative to the end of December 2018. This rise reflects the commissioning of the Bangweulu solar farm in Zambia, the Corbas photovoltaic shades facility, the Azur Est solar farm and the Auxois Sud II wind farm in France.

Compared to the first half of 2018, electricity production grew by 43% to 1,330 GWh, with the Australia and Europe-Africa regions leading the increase. Average availability rates in excess of 99% for both solar and wind energy (compared to 97.5% and 96.1% in the first half of 2018 respectively) illustrate Neoen's ability to optimize use of its production assets and demonstrate Neoen's industrial excellence. Solar and wind energy load factors stood at close to 18% and 34% respectively (vs. 16% and 33% respectively in the first half of 2018). The key contributors were healthy irradiation levels in Europe, especially during the first quarter of 2019, and the improved uptime of wind energy assets, offsetting the impact of weaker wind resources.

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First-half 2019 revenue

	H1 2019 (4)	H1 2018 restated (4)	% chg.	H1 2018 reported
Revenue (€ million) (5)				
Solar	54.9	30.1	+82%	30.1
Wind	52.7	52.2	+1%	52.2
Biomass	-	-	n/a	10.8
Storage	8.4	8.1	+4%	8.1
Development and investment	2.2	0.6	n/a	0.6
Consolidated revenue	118.1	90.9	+30%	101.8
<i>o/w contracted revenue</i>	100.1	81.5	+23%	92.3
<i>o/w merchant revenue</i>	14.3	6.9	+106%	6.9
<i>o/w other revenue (6)</i>	3.8	2.5	+51%	2.5

(4) Revenue excluding the discontinued biomass business

(5) Unaudited financial data

(6) Other revenue chiefly comprises the development business and services to third parties

In the first half of the year, the Group's revenue growth reached 30% on a comparable basis. It was largely driven by the very strong increase in solar energy sales (up 82% compared to the first half of 2018). The large number of new facilities commissioned in FY 2018, particularly in Australia where the Dubbo, Parkes, Griffith and Coleambally projects all entered service, was a crucial factor. The solar segment became the leading contributor to Neoen's consolidated revenue (46% vs. 33% in the first half of 2018).

The wind energy segment contributed 45% of revenue (compared to 57% in the first half of 2018). The contribution from facilities commissioned in France since January 1, 2018 (Chassepain, Pays Chaumontais, Champs d'Amour, Auxois Sud) was partially offset by a decrease, as the Group had anticipated, in the weighted average price earned by certain wind energy assets in Australia. This is essentially due to the transition from *early generation revenues* (short-term energy sales prior to the entry into force of a long-term contract) to PPAs (Power Purchase Agreements), which, by definition, offer a more competitive tariff. That confirms the Group's ability to develop and operate intrinsically competitive assets (i.e., "at grid parity") and to deliver the benefits to its long-term customers, while harnessing additional revenue during these assets' first few months in operation as and when opportunities arise.

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Lastly, the storage segment posted revenue of close to €8.4 million. This represents a small increase of 4% which was powered by still favorable conditions for the sale of network services (FCAS) as well as for arbitrage activities. The slower pace of growth compared to the 21% increase recorded during the first quarter of 2019 (vs. Q1 2018) was primarily attributable to the high base effect related to specific market conditions observed in the second quarter of 2018 in Australia, which were highly propitious for the sale of network services.

Merchant revenue during the first half of 2019 accounted for 12% of consolidated revenue.

Contributions from Neoen's regional units varied only very slightly, with Australia and Europe-Africa contributing 52% and 41% respectively of its revenue (vs. 53% and 38% respectively in the first half of 2018). The relative share of the Americas region declined slightly, contributing 7% of the Group's revenue compared to 9% in the first half of 2018, pending the commissioning of new farms being currently built in this region.

Currency fluctuations had a non-material impact on first-half revenue.

First-half 2019 highlights

- **Rapid portfolio expansion:** Neoen is actively pushing ahead with its development. At June 30, 2019, the project portfolio stood at close to 9 GW, representing an increase of over 1.3 GW during the period.
- **Continuing ramp-up in the Americas region:** Following the launch of construction on its first solar project in Mexico (El Llano 375 MWp) in March 2019, Neoen also started construction in April of its 208 MWp Altiplano 200 project in Argentina, which is due to enter service in the first quarter of 2020. Neoen is building up its presence in the region, with capacity in operation or under construction totaling 875 MWp at June 30, 2019, up 723 MWp compared to June 30, 2018.

Subsequent event

In July 2019, the Group commissioned the Numurkah solar photovoltaic power plant in Australia. With this latest 128 MWp project, Neoen is cementing its status as Australia's number one independent producer of renewable energy.

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Portfolio at June 30, 2019

In MW	June 30, 2019	Dec. 31, 2018	Chg.
Assets in operation (1)	1,579	1,477	+102
Assets under construction (2)	1,260	764	+496
Projects awarded	397	899	-502
Total MW – secured portfolio	3,236	3,141	+96
Tender-ready projects	1,587	1,203	+384
Advanced development projects	4,163	3,321	+842
Total MW – advanced pipeline	5,750	4,525	+1,226
Total portfolio	8,987	7,665	+1,321
Early-stage projects	> 4 GW	> 4 GW	

(1) Capacity restated for the discontinued biomass business

(2) The Numurkah solar photovoltaic power plant was commissioned in July 2019 and still counted as an "Asset under construction" at June 30, 2019

Growth prospects reiterated

The Group's accomplishments during the first six months of 2019 have underpinned its growth outlook. Given the ongoing divestment process of the biomass business, which is now accounted for in the Group's financial statements as a discontinued operation, and, as such, does not contribute to revenue or EBITDA, the Group is mechanically adjusting its prospects for FY 2019 accordingly, with a forecasted EBITDA of between €212 million and €227 million and an EBITDA margin close to 80% at constant exchange rates compared to FY 2018.

Neoen is also reiterating its objective of capacity of over 5 GW in operation or under construction by year-end 2021—all of which is to be in operation by year-end 2022—and EBITDA of approximately €400 million in 2021.

Next financial report:

Interim 2019 results, September 25, 2019 after the market close

About Neoen

Neoen is one of the world's leading and fastest growing independent producers (IPP) of exclusively renewable energy. With a capacity close to 3 GW in operation or under construction, Neoen is a high-growth company. Neoen is notably active in France, Australia, Mexico, El Salvador, Argentina, Finland, Zambia, Jamaica and Portugal. In particular, Neoen operates Europe's most powerful solar PV farm (300 MWp) in Cestas, France, and the world's largest lithium-ion power reserve (100 MW/129 MWh storage capacity) in Hornsdale, Australia. Neoen is targeting more than 5 GW capacity in operation or under construction by 2021. Neoen (ISIN Code: FR0011675362, ticker: NEOEN) is listed on the Compartment A of the regulated market of Euronext Paris.

For more information: www.neoen.com

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Appendix

	Q1 2019 Restated (1)	Q1 2018 Restated (1)	% chg.	Q1 2019 Reported	Q1 2018 Reported
Revenue (€ million) (2)					
Solar	26.1	11.8	+122%	26.1	11.8
Wind	28.9	28.5	+1%	28.9	28.5
Biomass	-	-	n/a	5.8	5.5
Storage	4.2	3.5	+21%	4.2	3.5
Development and investment	0.3	0.0	n/a	0.3	0.0
Consolidated revenue	59.4	43.8	+36%	65.2	49.3
<i>o/w contracted revenue</i>	50.3	42.8	n/a	56.1	48.3
<i>o/w merchant revenue</i>	7.8			7.8	
<i>o/w other revenue (3)</i>	1.3	1.0	+38%	1.3	1.0

	Q2 2019 (1)	Q2 2018 Restated (1)	% chg.	Q2 2018 Reported
Revenue (€ million) (2)				
Solar	28.8	18.3	+57%	18.3
Wind	23.8	23.6	+0%	23.7
Biomass	-	-	n/a	5.3
Storage	4.2	4.6	-9%	4.6
Development and investment	2.0	0.6	+262%	0.6
Consolidated revenue	58.7	47.1	+25%	52.5
<i>o/w contracted revenue</i>	49.7	45.5	n/a	50.9
<i>o/w merchant revenue</i>	6.5			
<i>o/w other revenue (3)</i>	2.5	1.6	+58%	1.5

(1) Revenue excluding the discontinued biomass business

(2) Unaudited financial data

(3) Other revenue chiefly comprises the development business and services to third parties

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