

NEOEN



Assemblée Générale Annuelle

28 juin 2019

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1. Neoen today

2. 2018 full-year results

3. A robust business model and a distinctive expertise

4. Mid-term perspectives

5. Appendices

Neoen today

A 100% green IPP focused on PV, onshore wind and storage

- 2.6 GW in operation and under construction ⁽¹⁾
- 0.5 GW: awarded projects⁽¹⁾
- > 8 GW: total portfolio of projects⁽¹⁾

A clear positioning

- We design and implement systems generating the most competitive renewable electricity, sustainably, on a large scale and on a local basis in the countries in which we operate
- ≥ 80% in OECD countries

A unique business model

- Develop-to-own
- Lean organization: 191 employees ⁽²⁾

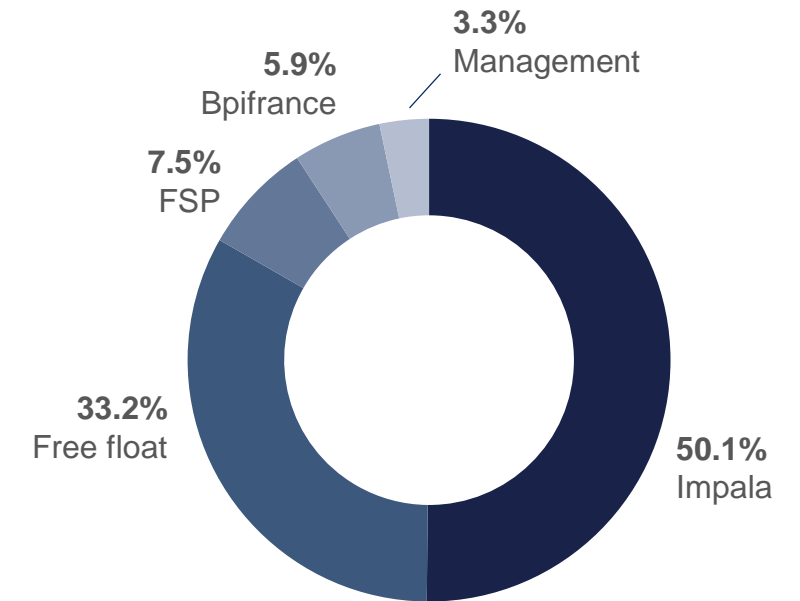
An impressive track record

- Leading IPP in Australia, France and El Salvador
- Developer and operator of the largest lithium-ion battery in the world (HPR 100 MW / 129 MWh)
- Developer of the world's most competitive solar project (375 MWp in Mexico)

Sound financials

- 2018 FY revenue: 228 M€ (+63%)
- 2018 EBITDA margin: 77%
- Total assets at end 2018: 2.6 B€

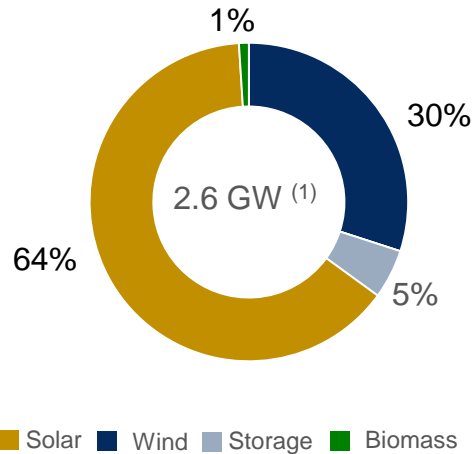
Share capital breakdown ⁽²⁾ ⁽³⁾



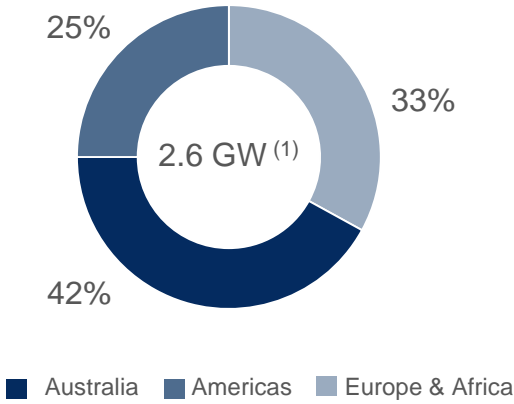
Note:(1): Capacity in operation and under construction as of March 31, 2019 | (2) As of March 31, 2019 | (3) Number of shares: 85,049,998

A diverse portfolio of high-quality assets

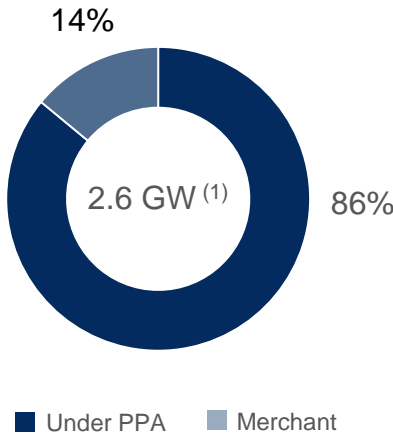
Technology breakdown



Geographic breakdown




Contracted vs merchant breakdown




>80% in OECD and 100% in reliable currencies


Note:(1): Capacity in operation and under construction as of March 31, 2019


Neoen's key figures


3.2 GW
Secured⁽¹⁾


8.6 GW
Total portfolio of projects⁽²⁾


+0.9 GW
Portfolio of projects: change in Q1 2019 ⁽²⁾


191
Employees worldwide⁽³⁾


15
Average remaining PPA life⁽⁴⁾ in years


5.7 B€
Contracted revenues⁽⁵⁾


228 M€
2018 revenues


174 M€
2018 current EBITDA

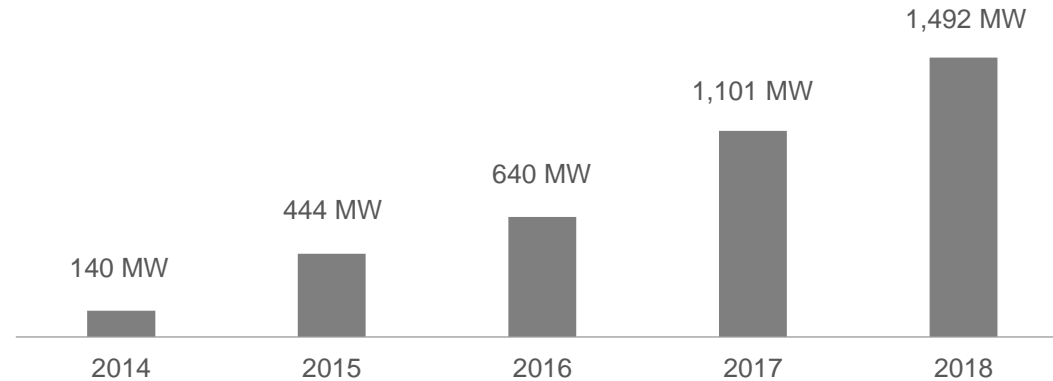

Profitable⁽⁶⁾ since
2011

Notes: (1) In operation, under construction as well as awarded as of March 31, 2019 | (2) Total portfolio of projects in operation, under construction, awarded, tender ready and in advanced development as of March 31, 2019 | (3) As of March 31, 2019 | (4) Weighted average residual PPA duration by MW in operation as of December 31, 2018 | (5) Contracted revenues for assets in operation and under construction, as well as awarded projects, as of December 31, 2018 | (6) At net income level

Strong & profitable growth of recurring cash-flows



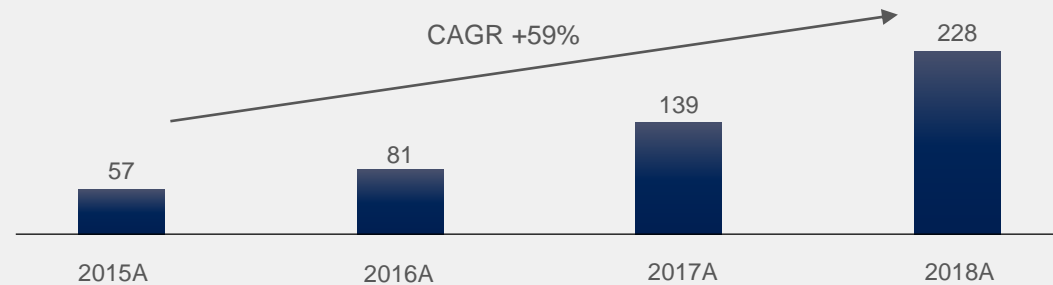
Gross capacity in operation (MW)



Growth of installed capacity fueled by a strong pipeline of projects



Revenues (M€)

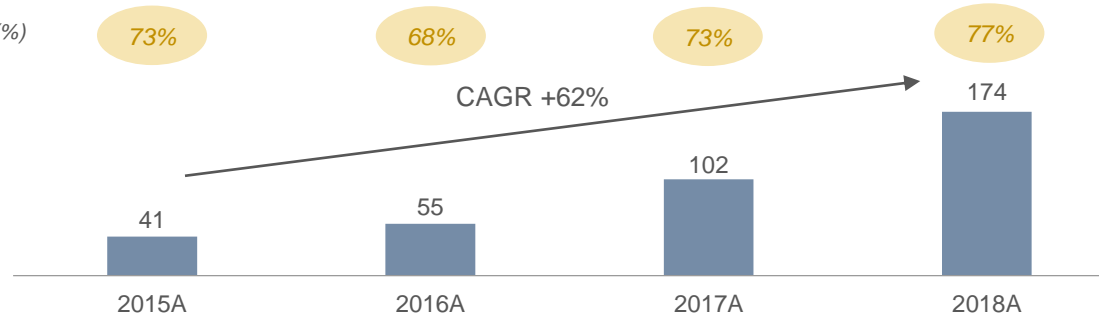


Recurring and secured revenue base (guaranteed tariffs / PPA) increasing with capacity



Current EBITDA (M€) and EBITDA margin (%)

EBITDA margin (%)



Cost control and lean organization making for a high EBITDA margin



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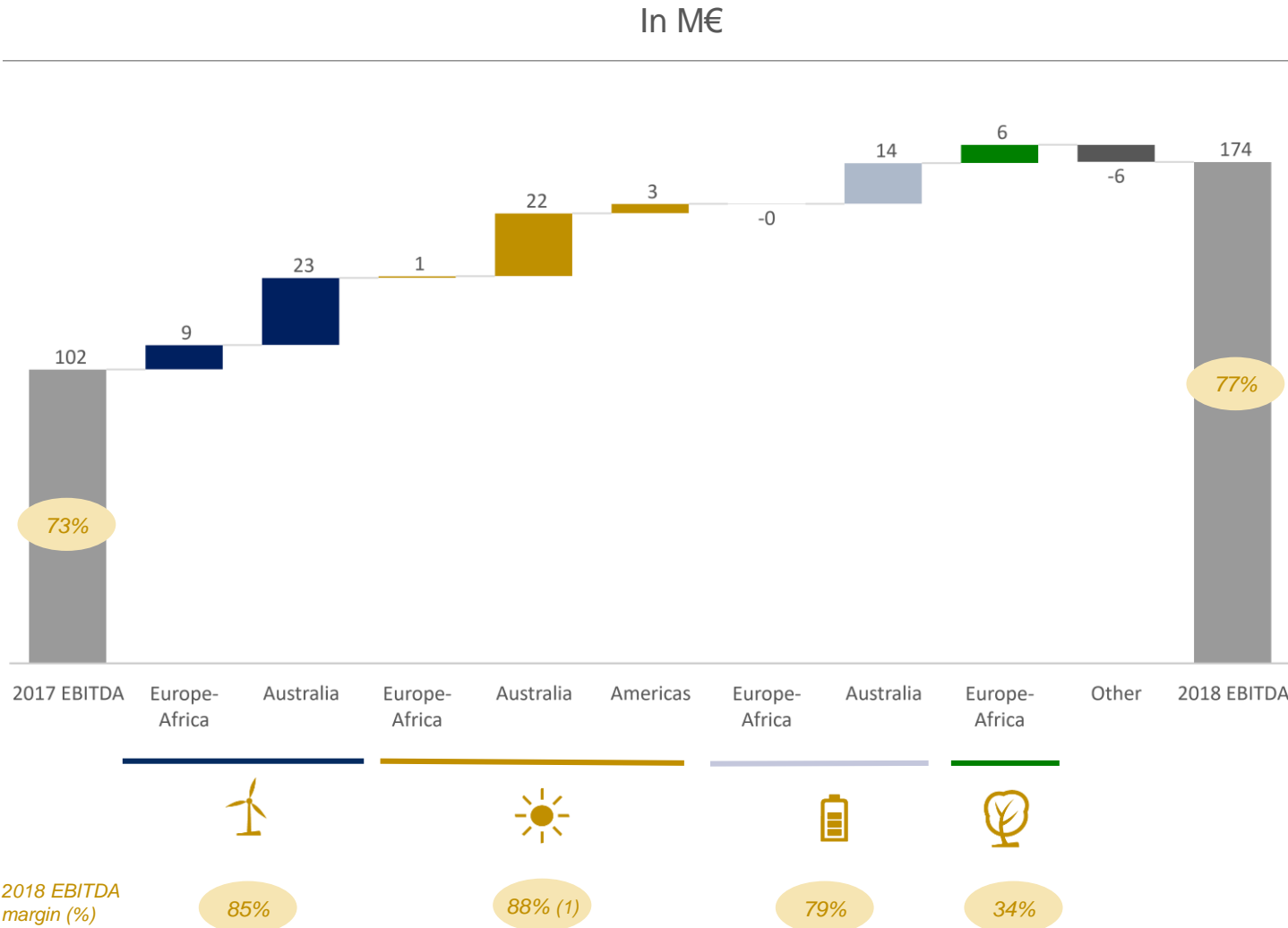
5. Appendices

Profit & loss statement – as of December 31, 2018

<i>In thousands of euros</i>	31.12.2018	31.12.2017	% chg.
Contracted energy revenue	194,564	119,445	
Uncontracted energy revenue	27,810	16,174	
Other income	5,252	3,685	
Revenue	227,626	139,304	63%
Purchase of goods and change in inventories	(9,293)	(4,345)	
External charges and payroll expenses	(49,848)	(38,452)	
Duties, taxes and similar payments	(4,853)	(3,489)	
Share of net income of associates	765	424	
Other current operating income and expenses	9,997	8,741	
EBITDA	174,395	102,183	71%
<i>EBITDA margin</i>	77%	73%	
Depreciation, amortization and current operating provisions	(65,432)	(41,466)	
Other non-current operating income and expenses	(7,316)	(3,987)	
Non-current operating depreciation amortization and provisions	1,524	(3,032)	
EBIT	103,171	53,698	92%
Cost of financial debt	(65,606)	(37,734)	
Other financial income and expenses	(8,305)	1,348	
Net financial expense	(73,910)	(36,386)	
Net income (loss) before income tax	29,261	17,312	
Income tax	(15,738)	(6,879)	
Net income from continuing operations	13,523	10,433	
Net income from discontinued operations	-	-	
Net income of the consolidated group	13,523	10,433	30%
<i>Of which attributable to owners of the company</i>	12,365	12,454	
<i>Of which attributable to holders of non-controlling interests</i>	1,158	(2,021)	

- **Revenue** reached 228 M€, an increase of 88 M€ (up 63% compared to 2017):
 - Growth was entirely organic
 - Highly recurrent: over 85% of revenue comes from contracted energy revenue
- Consolidated **EBITDA margin** improved from 73% to 77%, thanks to:
 - Economies of scale with a tight grip on costs
 - Biomass operation now running at nominal capacity
 - Positive impact linked to adoption of IFRS 16 (+4 M€)
- **Other non-current operating income and expenses** include 3 M€ in IPO related expenses
- The **Cost of financial debt** increased with the higher balance of project financing and the impact of the additional mezzanine debt
- **Other financial income and expenses** moved lower because of a one-time IFRS 9 gain in 2017. Also the interest costs on bonds and guarantees required for the development and construction of our projects grew in tandem with the business
- The increase in **Income tax** is primarily the result of the recognition of (i) non-deductible interest charges due to thin-capitalization rules, (ii) the loss of tax credit related to foreign withholding taxes and (iii) the French CVAE tax. The actual income tax payment was 2.7 M€

2018 EBITDA: substantial margin improvement



Comments

- EBITDA increase was balanced between technologies and mainly driven by Australia
- Hornsdale Power Reserve (HPR) has performed better than expected
- The BEC biomass plant has reverted to a nominal operation and achieved an EBITDA margin in line with expectations
- EBITDA was impacted negatively by foreign exchange – 7 M€
- Overall EBITDA margin was improved by one-time liquidated damages (LDs) in the Australian solar segment both in 2017 and 2018
- EBITDA margin improved thanks to economies of scales and cost control, but also with the application of IFRS 16

Note (1): normalized EBITDA margin, i.e excluding LDs received for Australian PV projects

Balance sheet – as of December 31, 2018

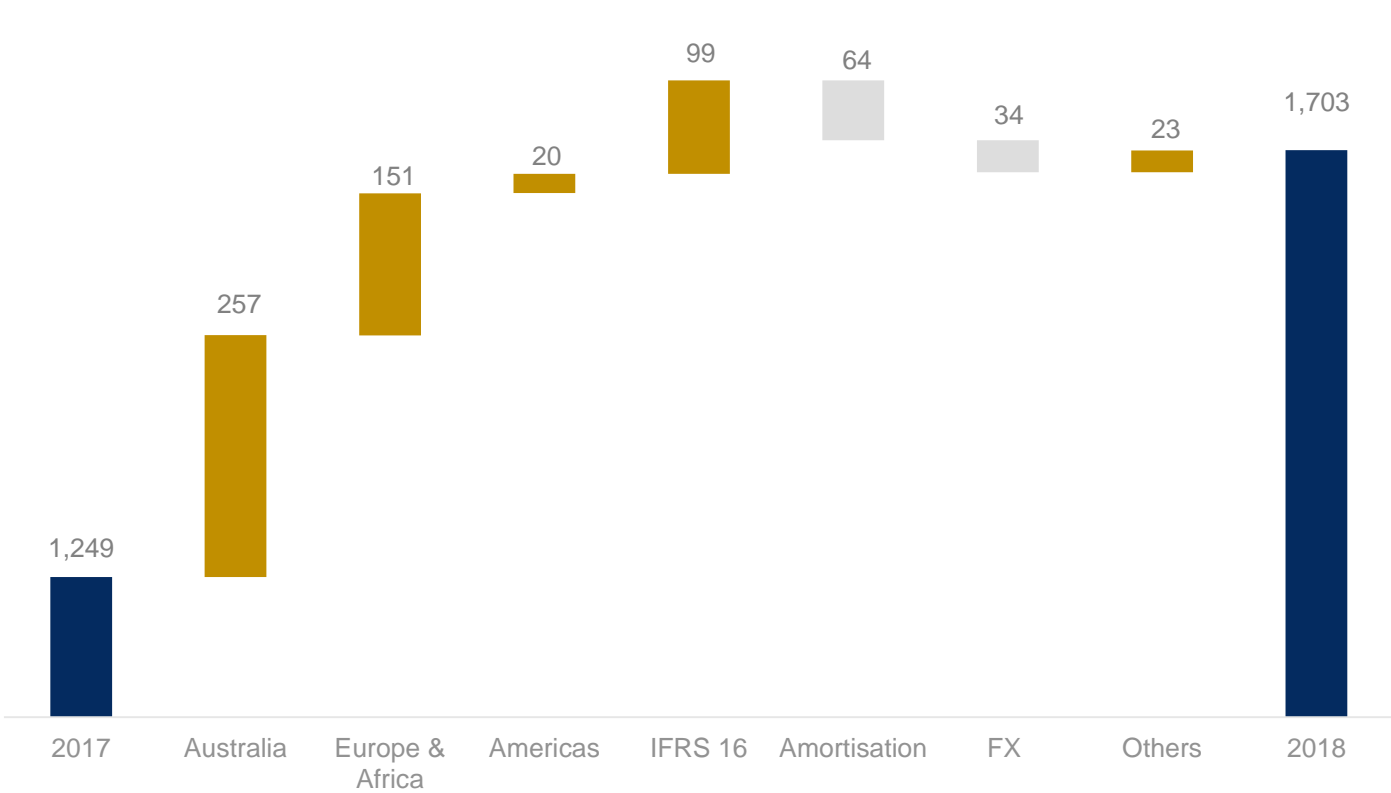
<i>In thousands of euros</i>	31.12.2018	31.12.2017
Goodwill	-	-
Intangible assets	121 672	105 042
Tangible assets	1 702 717	1 249 197
Investments in associates and joint ventures	6 713	7 039
Non-current derivative financial instruments	5 834	6 119
Financial assets	105 968	78 377
Deferred tax assets	39 075	26 264
Total non-current assets	1 981 979	1 472 038
Inventories	349	453
Trade accounts receivable	33 755	29 024
Current derivative financial instruments	-	-
Other current assets	48 946	47 483
Cash and cash equivalent	503 832	260 000
Total current assets	586 882	336 960
Assets held for sale	-	-
Total assets	2 568 861	1 808 998

<i>In thousands of euros</i>	31.12.2018	31.12.2017
Equity attributable to owners of the Company	645 133	164 086
Non-controlling interests	10 140	13 462
Total equity	655 273	177 548
Non-current provisions	10 573	5 795
Project financing - non-current	1 511 821	1 200 933
Corporate financing - non-current	13 850	15 250
Derivative financial instruments - non-current	33 270	17 475
Deferred tax liabilities	37 782	21 221
Total non-current liabilities	1 607 297	1 260 674
Current provisions	-	-
Project financing - current	122 524	94 974
Corporate financing - current	2 241	63 179
Derivative financial instruments - current	7 056	7 369
Trade accounts payable	136 527	157 355
Other current liabilities	37 943	47 899
Total current liabilities	306 292	370 776
Liabilities associated with assets held for sale	-	-
Total equity and liabilities	2 568 861	1 808 998

- **Intangible assets** (122 M€) increased by 17 M€. They include 77 M€ in capitalized development costs (+ 16 M€), 43 M€ of which are related to projects already in operation or under construction
- **Tangible assets** increased due to new projects under construction during the year and to the recognition of the right of use concerning the land pursuant to IFRS 16 (+ 96 M€)
- **Financial assets** mainly consist of DSRAs and other reserve accounts (98 M€), which grow in line with new financings
- **Cash and cash equivalents:** 504 M€ vs. 260 M€ at year-end 2017
 - Increase in capital in connection with the IPO net of issuance costs: 440 M€
 - Net cash flow from operating activities: 156 M€
- **Total equity** is now 655 M€ (+ 478 M€) mainly attributable to the 440 M€ IPO capital increase, and the 54 M€ shareholder conversion by Impala, less impacts recognized in OCI (FX effects and mark-to-market of interest rate swaps)
- **Project financing** increased from 1,296 M€ to 1,634 M€ in accordance with the build-up in the asset base and the 97 M€ impact of IFRS 16
- **Corporate debt** (current and non-current) decreased to 16 M€ after a 62 M€ repayment using the IPO proceeds
- **Net Debt**, adjusted for loans from minority shareholders, cash and DSRAs, totals 1,038 M€ (vs. 971 M€ at year-end 2017), which represents a net debt to EBITDA ratio of 6.0x

2018 tangible assets: up 36% to 1.7 B€

In M€



• Main projects under construction in 2018:



- Australia: Bulgana (214 MW)
- France: Pays Chaumontais (14 MW), Chassepain (20 MW), Auxois Sud II (16 MW)
- Finland: Hedet (81 MW)

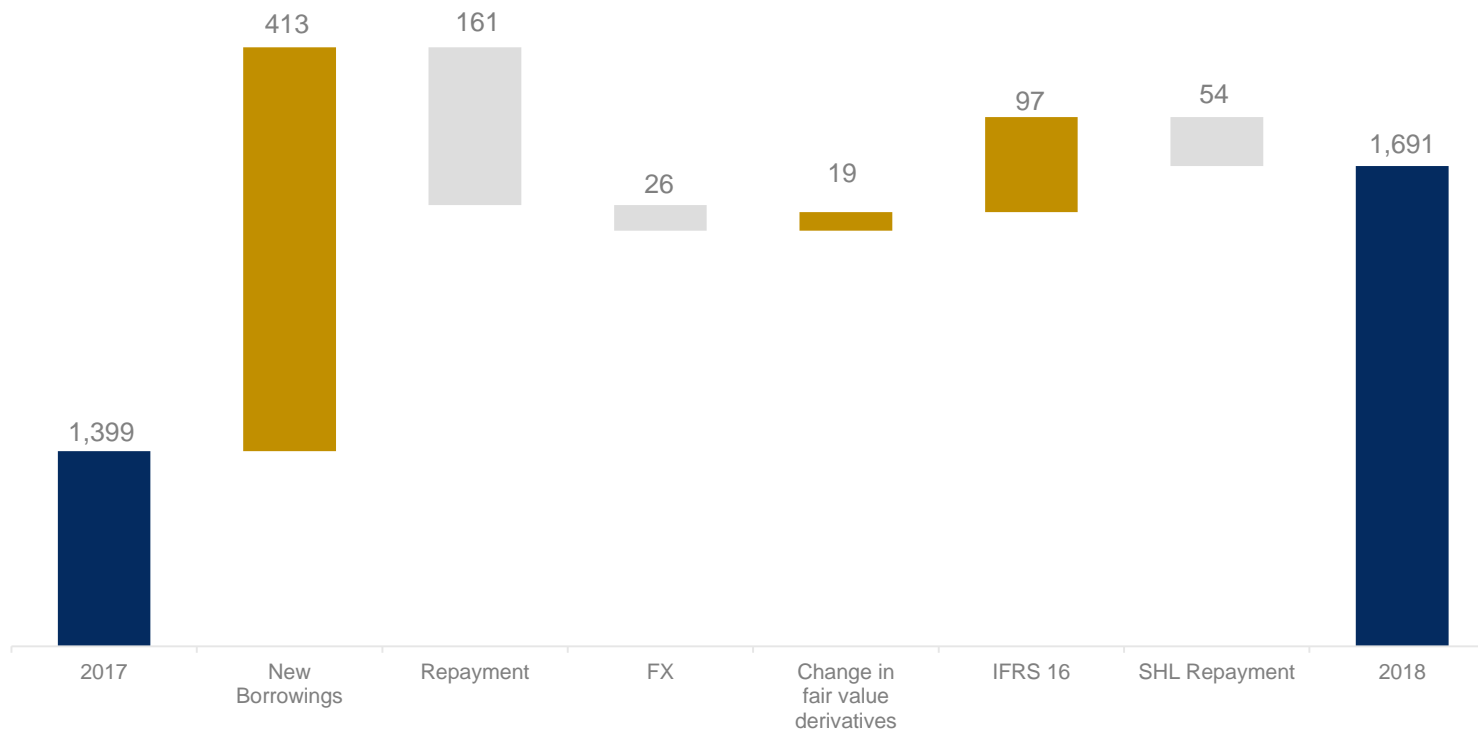


- Australia: Coleambally (189 MWp) / Parkes (66 MWp) / Dubbo (29 MWp) / Griffith (36 MWp)
- Jamaica: Sunny Park (51 MWp)
- France: Lagarde (7 MWp), Le Camp (12 MWp), Orion 4 (5 MWp), Cap Découverte 4 bis (5 MWp), Corbas (16 MWp), Azur (14 MWp)
- Zambia: Bangweulu (54 MWp)

Strong increase powered by business expansion

Debt: modest increase and leverage ratio improves

In M€



- Limited increase despite the adoption of IFRS 16 (97 M€, non-cash impact) thanks to the IPO proceeds and cash from operations
- Assets have repaid 99 M€ in project financing principal
- Most of the corporate credit lines have been repaid (62 M€)
- Net Debt is at 1,038 M€ with available and restricted cash and amounts held in debt reserve accounts.

2018 Net Debt / EBITDA: 6.0x (vs 9.6x in 2017)

Cash flow statement – as of December 31, 2018

<i>In thousands of euros</i>	31.12.2018	31.12.2017
Net income for the year	13 523	10 433
Elim. depreciation, amortisation and provisions	63 527	42 945
Elim. cost of net financial debt	65 606	33 728
Others eliminations and working capital variations	13 827	(11 742)
Net cash flow from operating activities	156 483	75 364
Acquisitions / (disposals) of subsidiaries, net of cash acquired / (disposed)	(18 037)	(5 337)
Impact of change in control	-	-
Acquisitions (disposals) of tangible and intangible assets	(483 512)	(466 913)
Acquisitions / (disposals) of financial assets	(31 361)	(11 396)
Dividends and investment grants received	822	426
Cash flow from investment activities - discontinued operations	-	-
Net cash flows used in investment activities	(532 087)	(483 220)
Capital increase	439 570	11 811
Proceeds (repayments) from borrowings	251 554	601 760
Net interest paid	(62 599)	(37 632)
Dividends received	(3 758)	(2 079)
Cash flow from financing activities - discontinued operations	-	-
Net cash flows from financing activities	624 767	573 860
Effect of exchange rate fluctuations	(5 051)	(5 032)
Effect of changes in accounting principles	-	-
Effect of the reclassification of net cash of assets held for sale	-	-
Change in cash	244 111	160 972
Opening cash balance	259 721	98 749
Closing cash balance	503 832	259 721
Net cash flow as shown in the balance sheet	244 111	160 972

- **Net cash flow from operating activities** amounted to 156 M€ versus 75 M€ in 2017, or an increase of 81 M€ resulting chiefly from
 - the EBITDA increase (72 M€)
 - a reduction in the net working capital requirement in 2018 as some customer payment periods were shortened and fewer advance payments were made to suppliers
- **Net cash flows used in investing activities** increased from 483 M€ to 532 M€, in part driven by the acquisition of tangible, intangible and financial assets, as well as from a reduction in Trade accounts payable
- **Net cash flows from financing activities** reached 625 M€ as a result of the net proceeds from borrowings of 252 M€ and the IPO net proceeds of 440 M€



1. Neoen today

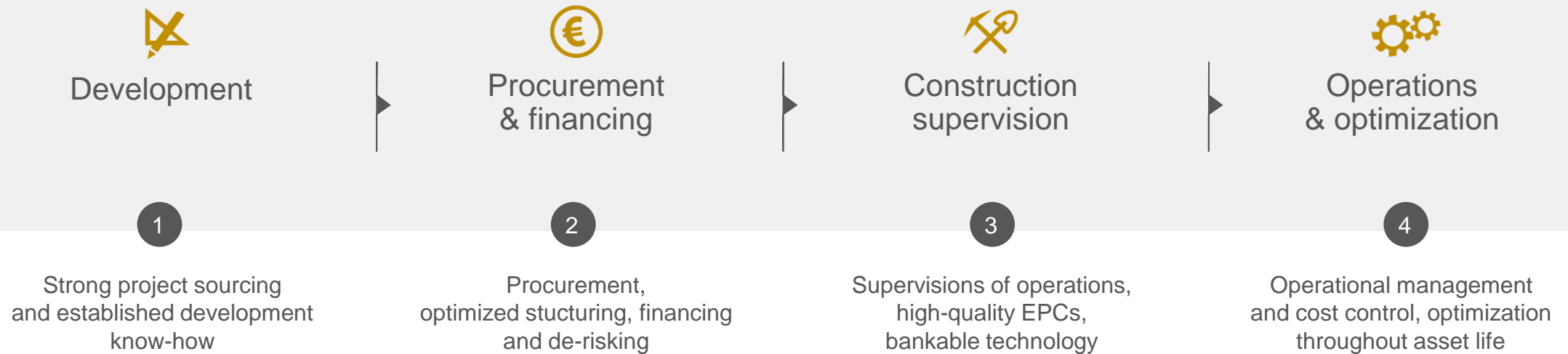
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4. Q1 2019 and mid-term perspectives

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Neoen's expertise covers the entire project life cycle



**Neoen controls the entire process and pursues a long-term « develop to own » strategy
Neoen owns on average 86% of its assets⁽¹⁾**

Proven ability to capture diverse revenue channels

Pays Chaumontais



14 MW
capacity



Feed-in Tariff



Governmental
PPA

Providencia



101 MW
capacity



Renewable auctions
+ Bilateral negotiation



Governmental PPA
+ Utility PPA



Dubbo



29 MW
capacity



Renewable
auctions



Merchant
+ Governmental PPA⁽¹⁾

Hedet



81 MW
capacity



Bilateral negotiation



Corporate PPA



Neoen is actively addressing all types of customers

Note: (1) LGCs

Leader in storage integration

 **DeGrussa**

2015 - Hybrid solar + storage power plant



6 MW / 1.4 MWh

SAMSUNG

 **Hornsedale Power Reserve**

2017 - Largest lithium-ion battery worldwide



100 MW / 129 MWh

TESLA

 **Azur stockage**


2018 - Grid battery storage facility






6 MW / 6 MWh

Nidec

Neoen is at the forefront of storage integration in Australia, expanding it to Europe and the Americas

- 
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Outlook: further strong and profitable growth

	2019	2021 target
 Capacity		More than 5.0 GW of capacity under construction or in operation by the end of 2021, fully operational by end of 2022
 Current EBITDA	Between 220 M€ and 235 M€ at constant exchange rates EBITDA margin on a par with its 2018 level	Close to 400 M€
 Leverage		Around 8.0x at year-end 2021 80-85% leverage (incl. junior and senior project debt)

Guidance confirmed upon release of Q1 2019 results

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Comptes sociaux – Bilan

BILAN	31.12.18	31.12.17	var N-1
Immobilisations incorporelles	1,4	1,2	+ 0,2
Immobilisations corporelles	0,6	0,3	+ 0,3
Immobilisations financières	479,3	287,4	+ 191,8
ACTIF IMMOBILISE	481,3	288,9	+ 192,4
Stocks et En-cours	0,0	0,0	+ 0,0
Créances	16,7	21,9	- 5,3
Disponibilité et divers	250,2	21,2	+ 229,0
Charges constatées d'avance	0,3	0,2	+ 0,1
Ecart de conversion actif	1,1	0,4	+ 0,7
ACTIF CIRCULANT	268,3	43,8	+ 224,6
TOTAL ACTIF	749,6	332,7	+ 416,9
Capital social	169,9	108,0	+ 62,0
Prime d'émission	500,8	64,0	+ 436,8
Report à nouveau / Reserves légales	9,9	1,4	+ 8,5
Résultat de l'exercice	9,4	8,5	+ 0,9
Amortissements dérogatoires	0,0	0,0	- 0,0
CAPITAUX PROPRES	690,0	181,9	+ 508,1
Provisions pour risques et charges	2,8	1,3	+ 1,4
Dettes financières	33,5	132,8	- 99,3
Dettes courantes	22,9	16,7	+ 6,2
DETTES	56,4	149,4	- 93,1
Charges constatées d'avance	0,0	0,0	- 0,0
Ecart de conversion Passif	0,5	0,0	+ 0,5
TOTAL PASSIF	749,6	332,7	+ 416,9

1. Le **total bilan** de Neoen à fin 2018 s'établit à 749,6 M€ contre 332,7 M€ à fin 2017, en progression de +416,9 M€ (+125%).
2. Les **immobilisations incorporelles** sont composées principalement des dépenses réalisées dans le cadre du projet « reporting mensuel » (IT, conseil, ...).
3. Les **immobilisations financières**, composées principalement des apports vers les sociétés projets, augmentent de +191,8 M€ à 479,3 M€ contre 287,4 M€ un an plus tôt. Cette hausse provient essentiellement des projets australiens, français, salvadorien, argentin, et finlandais.
4. Les **créances** de 16,7 M€ s'expliquent principalement par la facturation de conventions d'assistance intragroupes (développement, supervision et gestion administrative) et la refacturation de frais de développement également au sein du groupe.
5. La **situation nette** de Neoen s'apprécie de +508,1 M€ (690,0 M€ contre 181,9 M€ en 2017) du fait de l'augmentation de capital réalisée lors de l'introduction en bourse d'octobre 2018. De nouveau profitable cette année, la société a dégagé un **résultat positif** de 9,4 M€, en hausse de +0,9 M€.
6. A fin 2018, les **dettes financières** de la société s'établissent à 33,5 M€ en diminution de +99,3 M€ par rapport à 2017 avec le remboursement des lignes corporate court-terme rendu possible grâce aux fonds reçus lors de l'IPO. Le prêt d'actionnaire envers Impala a été incorporé au capital dans le cadre de l'introduction en bourse.
7. Les **dettes courantes** augmentent de +6,2M€ à 22,9 M€ et sont composées de dettes fournisseurs pour 16,5 M€ (dont 10M€ de dettes intragroupes) ainsi que des dettes sociales et fiscales stables sur les deux exercices autour de 6 M€.

Comptes sociaux – Compte de résultat

COMPTE DE RESULTAT	31.12.18	31.12.17	var N-1
Chiffres d'affaires	50,7	36,1	+ 14,7
Autres produits	0,9	(0,1)	+ 0,9
PRODUITS D'EXPLOITATION	51,6	36,0	+ 15,6
Charges externes	(28,0)	(17,2)	- 10,8
Charges de personnel	(12,2)	(10,5)	- 1,7
Impôts, taxes et versements assimilés	(1,1)	(1,5)	+ 0,4
Dotation d'exploitation	(1,5)	(0,2)	- 1,3
Autres charges	(0,4)	(0,1)	- 0,3
CHARGES D'EXPLOITATION	(43,0)	(29,4)	- 13,7
RESULTAT D'EXPLOITATION	8,6	6,6	+ 2,0
Produits financiers	16,0	11,7	+ 4,3
Charges financières	(11,7)	(11,4)	- 0,4
RESULTAT FINANCIER	4,3	0,4	+ 3,9
Produits exceptionnels	0,3	9,2	- 9,0
Charges exceptionnelles	(0,6)	(7,8)	+ 7,2
RESULTAT EXCEPTIONNEL	(0,3)	1,4	- 1,8
Impôts	(3,1)	0,1	- 3,2
RESULTAT NET	9,4	8,5	+ 0,9

1. Le **résultat net 2018** s'établit à 9,4 M€, en hausse de +0,9 M€ par rapport à 2017, en progression de +11%.
2. Le **chiffre d'affaires** est en forte croissance entre les deux exercices (+14,7 M€), principalement du fait des prestations de développement sur de nouveaux projets en Australie, en France, et au Salvador.
3. Les **charges d'exploitation** sont en augmentation de +13,7 M€ par rapport à 2017, du fait de la poursuite du développement de la société en France et à l'international, et de la hausse des honoraires dans le cadre notamment de l'introduction en bourse. L'augmentation des frais de personnel est liée à l'augmentation des effectifs.
4. Le **résultat d'exploitation** est de 8,6 M€ en hausse de +2,0 M€ soit +30%.
5. Le **résultat financier** est en augmentation de 3,9 M€ du fait de la hausse des produits financiers, liés à la poursuite des investissements dans les sociétés projets, et de la stabilisation des charges financières.
6. Le **résultat exceptionnel** est en recul de 1,8 M€ du fait de la cession en 2017 de Gensun.
7. La **charge d'impôts** de 2018 s'explique par la comptabilisation des frais IPO en prime d'émission et en franchise d'impôts. Au niveau de l'intégration fiscale, aucun impôt n'a été constaté pour 2018.
8. Le conseil d'administration propose à l'assemblée générale d'**affecter le bénéfice** de l'exercice de **9 376 196€** comme suit :
 - affectation à la réserve légale d'un montant égal à 468 810€ (5% du bénéfice) ;
 - constatation que le solde du bénéfice de l'exercice 2018 est de 8 907 386€ ;
 - affectation du solde du bénéfice, soit la somme de 8 907 386€, au poste « Autres réserves ».