NEOEN | MEDIA RELEASE

Paris, April 17, 2019

Neoen reports a steep increase in its full-year results and reiterates its growth prospects

- Revenue rose 63% to 227.6 M€ and features a high level of recurring revenue streams;
- Current EBITDA rose by 72 M€ to 174.4 M€, the top end of the guidance range it had announced. The EBITDA margin stood at 77%, up from 73% in 2017;
- Total assets totaled close to 2.6 B€ (up 42%), and Neoen's financial strength is plain to see
- The project portfolio expanded by 2 GW to 7.7 GW;
- Neoen reiterates its forecast of further strong and profitable growth and its objectives for 2021.

Neoen (ISIN: FR0011675362, Ticker: NEOEN), France's leading independent producer of renewable energy, and one of the fastest-growing worldwide, is reporting its audited consolidated full-year results for the financial year ended December 31, 2018. These financial statements were approved by the Board of Directors on April 17, 2019.

Xavier Barbaro, **Chairman and Chief Executive Officer of Neoen**, commented: "We are very proud of Neoen's financial performance. It reflects our ability to combine growth, profitability and strength thanks to our integrated "develop-to-own" model. We develop our own projects, which enables us to maintain the strong pace of growth in our asset base over the long term and its competitiveness in a hotly contested environment. Our agile structure, the breadth and diversity of our project portfolio, our renowned expertise, especially in energy storage, the diversity of our customer mix and balanced geographical positions are the key factors underpinning our success. We are confident in our ability to deliver an EBITDA of between 220 M€ and 235 M€ in 2019 and we are also reiterating our objectives for 2021 of more than 5 GW in capacity in operation or under construction, and close to 400 M€ in EBITDA."

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Strong earnings growth

Sharp rise in current EBITDA (up 71%) and significant improvement in the EBITDA margin

Condensed income statement

In M€	FY 2018	FY 2017	% chg.
Revenue	227.6	139.3	+63%
o/w contracted energy revenue	*194.6*	*119.4*	
o/w merchant energy revenue	*27.8*	*16.2*	
Current EBITDA	174.4	102.2	+71%
EBITDA margin	*77%*	*73%*	
Operating income	103.2	53.7	+92%
Income before tax	29.3	17.3	+69%
Consolidated net income	13.5	10.4	+30%

As stated on February 20, 2019, the steep increase in Neoen's revenue during 2018, up 63% to 227.6 M€, was chiefly driven by the operation over the full year of the assets that were commissioned during 2017 and by the new power plants that started up in 2018. At December 31, 2018, Neoen had 1,492 MW in capacity in operation, with 391 MW in additional capacity connected compared to year-end 2017. All this growth was organic. Neoen's revenue base features a high proportion of recurring revenue streams: over 85% of its revenue comes from "contracted energy revenue", which is generated under power purchase agreements (PPAs). At December 31, 2018, the residual term of these contracts averaged 15.6 years, and the aggregate revenue guaranteed under these secure PPAs was 5.7 B€ at the same date.

Neoen's EBITDA totaled 174.4 M€, up 71% compared to the previous financial year and at the top end of the guidance range announced previously. This strong increase was powered chiefly by growth in the solar and wind segments. Neoen's EBITDA performance was also boosted by its biomass plant, now running at full speed, its tight grip on operating expenses and a positive impact from the adoption of IFRS 16. That paved the way for a substantial improvement in the EBITDA margin to 77% of consolidated revenue, up from 73% in the previous financial year. A breakdown of the EBITDA margin by energy segment shows that the wind EBITDA margin was boosted by a full-year contribution from the Hornsdale 2 and 3 wind farms in Australia to 85% of revenue, up from 82% in 2017. In solar energy, the EBITDA margin (restated for penalty payments, which are not recognized in revenue) stood at 88%. The energy storage EBITDA margin came to 79%. The biomass margin came to 34%, in line with expectations.

Operating income rose 92% to 103.2 M€. Depreciation and amortization moved up close to 58% to 65.4 M€, in tandem with growth in assets in operation. IPO-related costs accounted for 3 M€ of the non-recurring operating expenses.

Income before tax totaled 29.3 M€, after 73.9 M€ in net financial expense. The bulk of net financial expense derived from interest expense related to the asset base, which rose to 65.6 M€ from 37.7 M€ in 2017. The increase was driven mainly by the growth in the number of assets in operation over the financial year, which

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pushed up average debt. The average interest rate paid on senior project debt (i.e., non-mezzanine debt), all geographical regions combined, remained stable compared to 2017 at an average level of 4.31%. The first-time adoption of IFRS 16 gave rise to an additional 2.5 M€ in net financial expense, which also affected income before tax.

Consolidated net income totaled 13.5 M€, up 30% compared to 2017, despite recognition of 15.7 M€ in income tax expense. The increase in tax expense, which stood at just 6.9 M€ in FY 2017, derived mainly from accounting effects. The cash payment made in respect of income tax amounted to just 2.7 M€.

2.6 B€ in total assets (up 42%)

Condensed balance sheet at December 31

In M€	**Dec. 31, 2018**	**Dec. 31, 2017**	**% chg.**
Intangible assets	121.7	105.0	+16%
Tangible assets	1,702.7	1,249.2	+36%
Financial assets	106.0	78.4	+35%
Cash and cash equivalents	503.8	260.0	+94%
Other current and non-current assets	134.7	116.4	+16%
Total assets	**2,568.9**	**1,809.0**	**+42%**
Equity	655.3	177.6	+269%
o/w non-controlling interest	*10.1*	*13.5*	*-25%*
Financial liabilities	1,690.8	1,399.2	+21%
Other current and non-current liabilities	222.8	232.3	-4%
Total liabilities	**2,568.9**	**1,809.0**	**+42%**

Neoen's balance sheet at December 31, 2018 reflects the strong expansion in its business and the significant improvement in its financial position following its IPO.

Tangible assets rose by 454 M€ or 36% to 1,702.7 M€. The main factor behind the increase was the start of construction on new projects during 2018: 731 MW in capacity progressed to the construction stage during 2018 alone. Tangible assets also include 96 M€ in net rights of use recognized as a result of the first-time adoption of IFRS 16.

Cash and cash equivalents recorded a very strong increase of 244 M€ to 504 M€ as a result of the higher net cash flow from operating activities (EBITDA up 72 M€) and the capital increase that accompanied the IPO part of which was used to repay corporate credit lines. In addition to this cash position, Neoen also has 98 M€ in debt reserve accounts required by lenders under project financing arrangements, which are recognized in non-current financial assets. The group's overall available and non-available cash position thus stands at over 600 M€.

On the liabilities side of the balance sheet, Neoen's equity now totals 655 M€. Its gross debt of 1,690.8 M€ moved higher in tandem with its continued expansion (252 M€ in issues of new borrowings net of repayments) and also reflected the recognition of 97 M€ in lease liabilities as a result of the introduction of

IFRS 16. The debt almost totally represents financing for power plants since Neoen's corporate borrowings (16.1 M€) are equivalent to just 1% of the aggregate amount. Adjusted for advances from minority shareholders, and after cash, cash equivalents and debt service reserve accounts, Neoen's net debt totaled 1,037.9 M€ (compared to 970.9 M€ at December 31, 2017). Accordingly, Neoen's leverage ratio (net debt divided by EBITDA) decreased to 6.0x at December 31, 2018 from 9.6x at December 31, 2017.

Even brighter growth prospects

Project portfolio at year-end 2018: up 2 GW

Neoen's asset base under construction and in operation grew rapidly in 2018 (730 MW increase) across each of its three geographical clusters: Australia, Europe and Africa & the Americas. This growth is powered by the gradual progression of its pipeline of projects from advanced development to tender-ready, then to awarded and to under construction and, lastly, to in operation. At the same time, the company pressed ahead rapidly with the development of new projects and had over 3.3 GW in new projects at the advanced development stage at December 31, 2018, representing a significant increase of over 1.8 GW. At December 31, 2018, Neoen's project portfolio stood at 7.7 GW, up 2 GW compared to its level at December 31, 2017.

In MW[1]	**Dec. 31, 2018**	**Dec. 31, 2017**	**Net change**
Projects in operation	1,492	1,101	+391
Projects under construction	764	425	+339
Projects awarded	899	1,328	-429
Total MW, secured portfolio	**3,155**	**2,853**	**+303**
Tender-ready projects	1,204	1,305	-101
Advanced development projects	3,321	1,495	+1,826
Total MW, advanced pipeline	**4,525**	**2,800**	**+1,725**
Total project portfolio	**7,680**	**5,653**	**+2,027**
Early stage projects	**> 4 GW**	**> 2.5 GW**	

2019 guidance and year-end 2021 objectives reiterated

Since the beginning of 2019, Neoen has demonstrated its ability to bring its projects through to fruition. It recently commissioned the Bangweulu solar power plant (54 MWp, Zambia) and launched construction of the El Llano solar power plant (375 MWp, Mexico)), the wind farm La Garenne (10 MW in France) and the solar power plant Fossat (5 MWp in France). These additional 390 MW complements the 764 MW already under construction at year-end 2018, increasing Neoen's capacity under construction to 1,154 MW at the end of February. Neoen estimates that close to the half of the 1,154 MW under construction is due to be commissioned in 2019, with the remainder due to enter service in the first quarter of 2020.

Based on this progress, Neoen expects to generate EBITDA of between 220 M€ and 235 M€ in 2019 with an EBITDA margin on a par with its 2018 level, assuming constant exchange rates compared to 2018.

1 For detailed explanations of the project classification, please refer to section 6.5.1.2.4 of the registration document

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Neoen is also reiterating its objective of capacity of more than 5 GW in operation and under construction by year-end 2021(all of which is to be in operation by year-end 2022) and EBITDA of approximately 400 M€ in 2021.

Webcast: *Neoen will comment on its full-year 2018 results and outlook in a live webcast at 8:30am CET on Thursday, April 18.*
To join the webcast live or hear a playback, please click HERE or paste the following URL into your browser:
https://channel.royalcast.com/webcast/neoen/20190417_1/

Next report:
First-quarter 2019 revenue and operational highlights
May 14, 2019 after market close

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 2.6 GW in operation or under construction, Neoen is a high-growth company. Neoen is active in France, Australia, Mexico, El Salvador, Argentina, Zambia, Jamaica, Portugal, and Finland. 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 MWp) and the most competitive solar project in Mexico. Neoen is targeting more than 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

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Appendix

Profit & Loss statement

In thousands of euros	31.12.2018	31.12.2017
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**
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**
EBITDA margin	*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**
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**
Of which attributable to owners of the company	*12,365*	*12,454*
Of which attributable to holders of non-controlling interests	*1,158*	*(2,021)*

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Balance sheet

In thousands of euros	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**

In thousands of euros	31.12.2018	31.12.2017
Equity attibutable 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**

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Cash-Flow statement

In thousands of euros	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)
Acquistions / (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**

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