

# NEOEN



## Neoen Green Bond Framework

*Investor Presentation – May 2020*

# Disclaimer

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1. Neoen today

2. Sustainability at Neoen

3. Neoen's Green Bond framework

# Neoen today

Founded in 2008

A 100% green IPP (PV, onshore wind and storage)

An impressive track record of landmark large-scale projects

A clear positioning

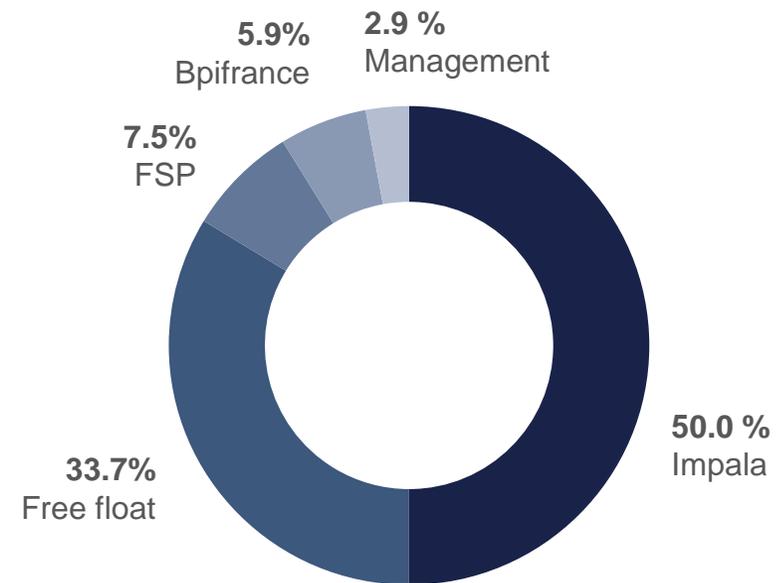
- We design and implement the means to produce the most competitive renewable electricity, sustainably and on a large scale in the countries in which we operate
- > 80% in OECD countries

A unique business model

- Develop-to-own
- Multi-local leadership approach

Profitable since 2011

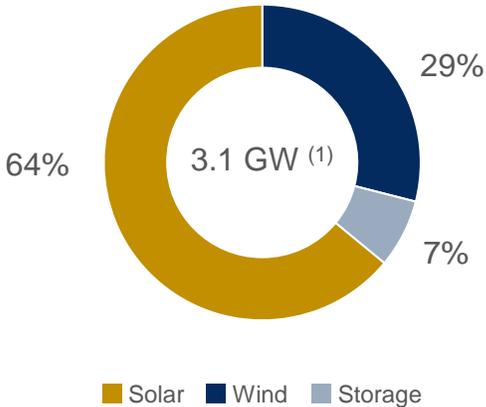
Share capital breakdown (1) (2)



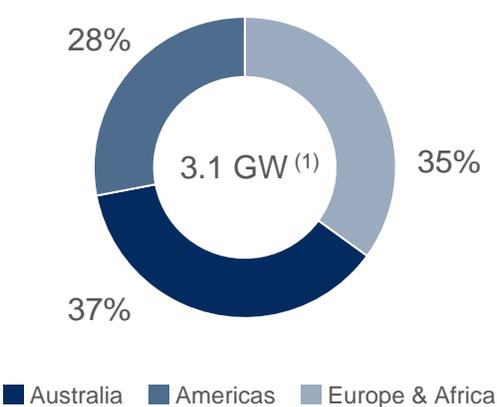
(1) As of December 31, 2019 | (2) Number of shares: 85,088,788

# A diverse portfolio of high-quality assets

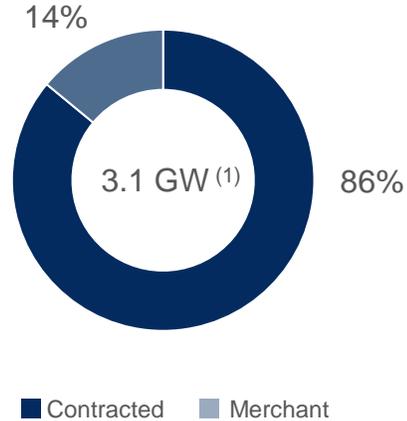
Technology breakdown



Geographic breakdown



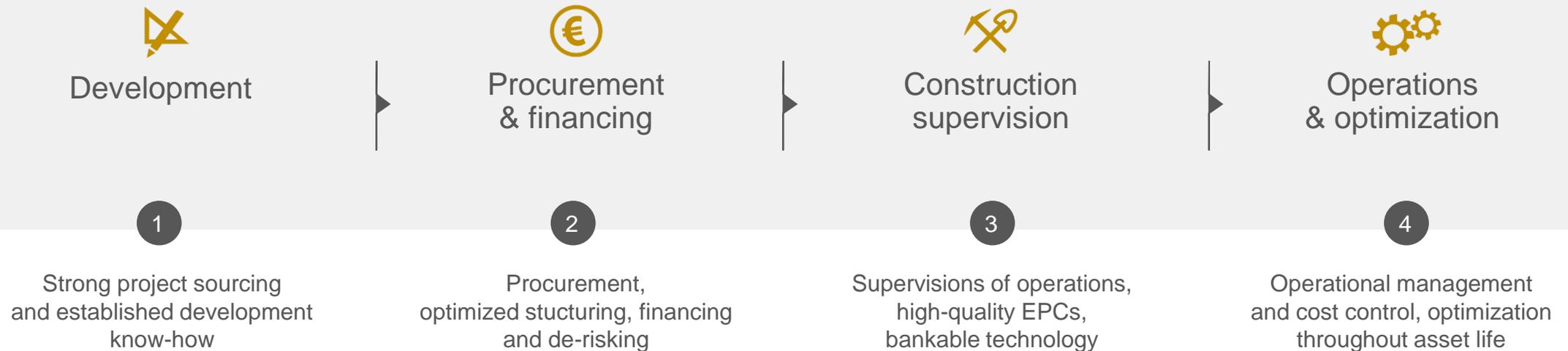
Contracted vs merchant breakdown



**>80% in OECD**

(1) Capacity in operation and under construction as of March 31, 2020

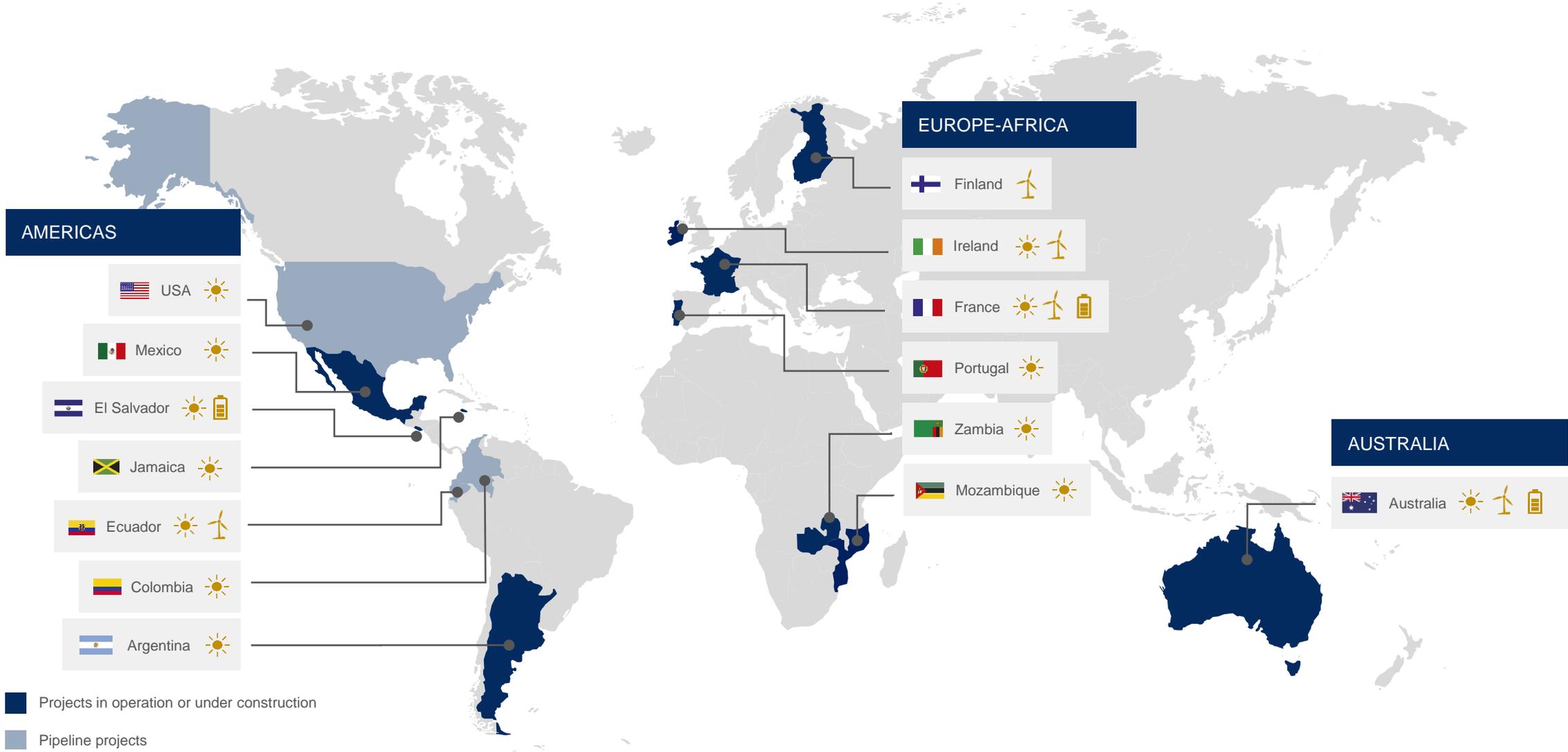
# Neoen's expertise covers the entire project life cycle



**Neoen controls the entire process and pursues a long-term « develop to own » strategy  
Neoen owns on average 89% of its assets<sup>(1)</sup>**

(1) Assets in operation and under construction (when taking into account co-investments) by MW, as of December 31, 2019

# Multi-local leader present across three geographies



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# A responsible company

## Strong ESG credentials



3

Green issuances



- 245 M€ green bond 20 years<sup>(1)(3)</sup> - 2017
- 40 M€ green bond 18 years<sup>(2)(3)</sup> - 2015
- 200 M€ syndicated loan linked to ESG criteria<sup>(4)</sup> - 2020



61/100

ESG score by Vigeo Eiris<sup>(5)</sup>



- Robust integration of ESG factors into its strategy, operations, and risk management
- Neoen achieved Advanced level<sup>(6)</sup> and ranked among best companies worldwide



AFEP-MEDEF code

Compliant



- Neoen complies with the recommendations of the AFEP-MEDEF Code, applying corporate governance best practices

**We believe that green bonds financing our activities will highlight our sustainability objectives very effectively and provide opportunity for investors to participate actively in the global combat against climate change**

(1) Non-recourse bond | (2) Non-recourse bond, fully reimbursed in 2019 | (3) The 2015 and 2017 green bond issuances have been executed under a framework specific to these operations | (4) Corporate debt | (5) Vigeo Eiris – April 2020 | (6) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)

# A responsible company

Some example of our environmental and development initiatives



El Salvador



- Social investment fund for local development
- 3% of Providencia's annual contracted revenues are donated to social development projects
- Funds have been used to develop infrastructure for the community



Zambia



- Community development project to improve food security for 500 rural households
- Plan launched in 2019 with first trainees and demonstration plot established along the roads



Australia



- Promoted the creation of the Renewable Energy Skills Centre of Excellence of the Canberra Institute of Technology
- Supporting community / local social institutions
- Combining sheep grazing with solar on all five of our solar farms as part of our vegetation management

# Neoen's contribution to UN Sustainable Development Goals

**Goal 7**  
Ensure access to affordable, reliable,  
sustainable and modern energy



Neoen has set itself the mission of producing the most competitive renewable electricity, sustainably and on a large scale.

**Goal 12**  
Ensure sustainable consumption  
and production patterns



Sustainability is at the heart of Neoen's development strategy, enabling it to dispose of sustainable assets of quality. As an independent producer, as much as possible Neoen retains control over its assets and operates them directly, thereby ensuring their long-term quality.

**Goal 13**  
Take urgent action to combat  
climate change and its impacts



Neoen gives preference to the production of green energy from renewable sources such as solar and wind power. In parallel, energy storage has an important place within the Group, both complementing its existing installations as a means of facilitating their grid integration and providing a basis for the provision of additional services generating independent revenues.

**Goal 17**  
Revitalize the global partnership  
for sustainable development



Present in 14 countries and conscious of its role for local development, Neoen favors recourse to local enterprises. The Group also supports initiatives for developing the social economy by promoting renewable energies, facilitating access to electricity and supporting local projects for economic development.



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# Neoen's green bond framework following best market practices

We have developed our inaugural Green Bond Framework to be aligned with the ICMA Green Bond Principles as well as with EU Green Bond Standards and the EU Taxonomy.



## Use of proceeds

- Neoen has decided to only use the proceeds to finance or refinance renewable energy projects, including:
  - Renewable Energy: construction and operation of electricity generation facilities that produce electricity from solar PV and wind power
  - Storage Activities: construction and operation of facilities that store electricity and return it later in time



## Project Evaluation and Selection Process

- The project eligible for a green bond financing will be selected by Neoen's Green Bond Committee
- The Committee is composed of members of the executive committee as well as the head of financing and a representative of the CSR function



## Management of proceeds

- Neoen has set up a register to track the allocation of outstanding Green Bond proceeds to projects identified as Eligible Green Projects
- The unallocated balance will be placed in liquidity reserves and managed in accordance with our cash management policy



## Reporting

- For all green issuances, Neoen intends to produce an allocation report as well as an impact report annually until full allocation of the Green Bond proceeds, these reports will include:
  - A list of Eligible Green Projects financed including a description of the projects, allocated amounts and their main environmental impacts

**Neoen's Green Bond Framework has received a Second Party Opinion by Vigeo Eiris**

# Green Eligible projects examples - Western Downs

- Australia's largest solar farm in Queensland, Australia
- Signing of a 352 MWp power purchase agreement, with CleanCo Queensland, one of Australia's most substantial renewable energy agreements to date
- Contributing to achieving Queensland's 50% renewable energy target by 2030 and creating new investment and jobs in regional Queensland
- €344 million investment by Neoen expected to create up to 400 jobs for the local and South West Queensland area when construction begins in July 2020



**460 MWp**  
total capacity



**1080 GWh**  
forecasted annual renewable  
energy generation



**649,000**  
ton of CO2 avoided  
per year



**344 M€**  
total project cost



# Green Eligible projects examples - Mutkalampi

- Neoen's second wind farm developed in Finland, after Hedet (81 MW)
- Located in Central and Northern Ostrobothnia, Finland
- Green electricity bought by Google through a green power purchase agreement for 130 MW, to provide green electricity to its Finnish data center
- Contributing to achieving Finland's target of being carbon neutral in 2035



**250 MW<sup>(1)</sup>**  
total capacity



**812 GWh**  
forecasted annual  
renewable energy  
generation



**176,000**  
ton of CO2 avoided  
per year



**Around 300 M€**  
total project cost



(1) The project could reach a higher total capacity if additional permits are obtained and PPAs signed

*Thank you*



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