NEOEN

HALF-YEARLY FINANCIAL REPORT

JUNE 30, 2020

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ATTESTATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

ATTESTATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

"I certify that to my knowledge, the condensed consolidated interim financial statements for the six months ended June 30, 2020 have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the net assets, financial position and financial performance of the Company and of all companies included in the scope of consolidation. I equally certify that to my knowledge, the attached half-yearly activity report faithfully represents the significant events that have occurred during the first six months of the financial year and their impact on the consolidated financial statements, as well as the main transactions that have taken place with related parties, and provide a description of the principal risks and uncertainties associated with the remaining six months of the financial year".

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Xavier BARBARO

Chairman and CEO

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HALF-YEARLY BUSINESS REPORT

2.1 ALTERNATIVE PERFORMANCE INDICATORS AND OPERATING DATA

2.1.1 NON-GAAP INDICATORS

In addition to the elements prescribed by IFRS, the Group presents several additional indicators: EBITDA, net debt and gearing ratio, which are not indicators provided under IFRS and are not the subject to standard definitions. The definitions given by the Group may therefore not correspond with the definitions given to the same terms by other companies. These measures must not be used to exclusion or substitution of IFRS measures. In particular, net debt should not be considered as a substitute to the analysis of gross borrowings and cash and cash equivalents as presented under IFRS. The tables hereafter present these indicators for the periods stated and provide details of their calculation.

EBITDA reconciliation

(In millions of euros)	HY 2020	HY 2019	Change	Change (in %)
Current operating income	**95.9**	**58.1**	**+ 37.8**	**+ 65%**
Current operating depreciation, amortization and provisions	(52.3)	(35.9)	– 16.4	– 46%
EBITDA[(1)]	**148.2**	**94.0**	**+ 54.2**	**+ 58%**

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions.

Net debt

(In millions of euros)	06.30.2020	12.31.2019	Change	Change (in %)
Financial debt [(1)]	**2,744.4**	**2,414.6**	**+ 329.8**	**+ 14%**
Non-controlling investors and others [(2)]	(30.7)	(30.4)	– 0.3	– 1%
Adjusted financial debt	**2,713.7**	**2,384.1**	**+ 329.6**	**+ 14%**
Total cash and cash equivalents	(589.5)	(460.5)	– 129.0	– 28%
Guarantee deposits [(3)]	(84.6)	(111.0)	+ 26.4	+ 24%
Derivative instruments assets – hedging effect [(4)]	(1.3)	(2.0)	+ 0.7	+ 34%
Total net debt	**2,038.3**	**1,810.6**	**+ 227.7**	**+ 13%**

(1) Essentially comprising project financing, the debt component of the convertible bonds issued in 2019 (OCEANE bond) and in 2020 (Green OCEANE bond), interest rate hedging instruments with a negative market value and lease liabilities included in the calculation of net debt under IFRS 16 "Leases" (note that EBITDA therefore excludes lease charges). Borrowings are detailed in note 16.2 to the half-yearly consolidated financial statements.

(2) Notably comprising non-controlling shareholder loans to project companies (or project holding companies).

(3) Mainly comprising deposits in the framework of project financing, in the form of DSRAs (debt service reserve accounts) or for the purposes of project construction. The decrease during the period was mainly due to the repayment of the DSRA of the Hornsdale 1, 2 and 3 project companies, which occurred in connection with the refinancing of these companies.

(4) Interest rate risk hedging derivatives with positive market values. Instruments with negative market values are included in total borrowings (see note 16.2 to the consolidated half-yearly financial statements).

Gearing ratio

The table below presents the gearing ratio at the dates indicated. This is the ratio between net debt and EBITDA (calculated over the last 12 months).

	06.30.2020	12.31.2019
Gearing ratio	8.0x	8.4x

2.1.2 INFORMATION ON KEY OPERATING DATA

	06.30.2020	12.31.2019	Changes
Total MW in operation (1)	**2,085**	**1,847**	**+ 239**
Europe-Africa	909	813	+ 96
Australia	881	881	-
Americas	295	152	+ 143
Total MW under construction (1)	**1,498**	**1,193**	**+ 305**
Europe-Africa	191	203	– 12
Australia	724	264	+ 460
Americas	583	726	– 143
Total MW for projects awarded (1)	**773**	**1,082**	**– 309**
Europe-Africa	773	730	+ 43
Australia	-	352	– 352
Americas	-	-	-
Total MW for the secured portfolio	**4,357**	**4,122**	**+ 235**

Total MW for tender-ready and advanced development projects (1)	06.30.2020	12.31.2019	Changes
Europe-Africa	2,370	2,241	+ 128
Australia	2,949	2,287	+ 662
Americas (2)	1,498	2,001	– 503
Total MW for the advanced pipeline	**6,817**	**6,529**	**+ 287**
Total portfolio	**11,174**	**10,652**	**+ 522**
Early stage projects	> 4 GW	> 4 GW	

(1) For a definition of the various stages of development of the Group's projects, the reader is invited to refer to the "glossary" in the 2019 universal registration document.

(2) The decline in the Americas was mainly due to the abandonment of projects in Mexico, the United States and Colombia.

	HY 2020	HY 2019	Changes
Production (MWh)	**2,067**	**1,330**	**+ 55%**
Average availability of facilities in operation			
solar power (%)	98.3%	99.0%	- 0.7 pt
wind power (%)	98.6%	99.2%	- 0.6 pt
Average load factor (1) for facilities in operation			
solar power (%)	18%	18%	-
wind power (%)	34%	34%	-
Residual duration of electricity supply contracts			
solar power (years, weighted by MW)	14.8	14.9	– 0.1
wind power (2) (years, weighted by MW)	14.0	16.3	– 2.3

(1) The load factor is the equivalent time (as a percentage of the period observed) during which grid injection at maximum power would produce the same quantity of energy as that supplied by the facility.

(2) The reduction in the residual term of wind power purchase agreements is mainly due to the acquisition of Irish wind farms in August 2019 as well as the entry into force of Hedet's PPA in Finland in the second quarter of 2020.

2.2 ANALYSIS OF OPERATIONS AND RESULTS

2.2.1 BUSINESS OVERVIEW

Neoen reports a strong increase in its first-half 2020 results:

- First-half 2020 revenue totaled €157.2 million, up 33 % compared to the first six months of 2019;
- EBITDA[1] came to €148.2 million, up 58 %, with an EBITDA margin[2] of 94 %;
- Net income Group share reached €22 million, up 32 %;
- Neoen has a robust cash position, with €590 million in cash at June 30, 2020 and an undrawn €200 million syndicated loan;
- Assets in operation or under construction stood at 3.6 GW at end-June 2020, compared to 3.0 GW at end-December 2019;
- The Group is narrowing its 2020 EBITDA guidance range to between €270 million and €285 million[3] at constant exchange rates[4], with an EBITDA margin of over 85 %;
- Neoen is reiterating its targets for 2022.

2.2.2 OUTLOOK FOR 2020 AND TRENDS IN 2021

Neoen is narrowing its 2020 EBITDA guidance range to between €270 million and €285 million[5] from its previous guidance of between €270 million and €300 million, with an EBITDA margin of over 85%. This adjustment reflects delayed commissioning of certain projects as well as less favourable irradiation and wind conditions observed respectively in Australia and Europe in the third quarter.

The Group reminds that this EBITDA guidance reflects the best estimate to date of the timetable for the commissioning of power plants currently under construction, as well as the current level of market prices. Neoen also specifies that this guidance is based on the assumption of a normal level of production at the El Llano solar farm in Mexico.

Neoen is also reiterating its target of having more than 5 GW in capacity in operation or under construction by the end of 2021, with this capacity fully operational by year-end 2022. Neoen is also confirming its EBITDA target of over €400 million[5] by 2022. These targets also take into account the best estimate to date of the timetable for the completion of its projects.

[1] EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions.
[2] The EBITDA margin is calculated as the ratio of EBITDA to revenue.
[3] From between €270 million and €300 million initially.
[4] Forecasts at constant exchange rates compared to 2019.
[5] At constant exchange rates compared to 2019.

2.2.3 COMMENT BY XAVIER BARBARO, CHAIRMAN AND CEO OF NEOEN

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer, commented: "Our first-half results showed a strong increase compared to the same period last year. Revenue and EBITDA moved up 33 % and 58 % respectively despite delayed commissioning of several projects. This performance reflects our Group's growth profile that is driven by the continuous expansion of our pipeline. In the first six months, assets in operation or under construction grew by 600 MW to 3.6 GW. In addition, we have secured new wind, solar and storage plants in France, Australia and Finland during the period. Since the end of June, we have also been awarded three solar projects in Ireland with capacity totalling 55 MWp and a 100 MW wind energy project in Australia through government tenders. These latest successes illustrate our ability to design competitive projects and further enhance our growth prospects. Neoen is pushing ahead its development drawing on a healthy financial structure and robust cash position, with close to €600 million at end of June 2020."

2.2.4 KEY EVENTS OF THE PERIOD

2.2.4.1 CONTINUING PORTFOLIO GROWTH

Capacity in operation or under construction stood at 3.6 GW at June 30, 2020 compared to 3.0 GW at December 31, 2019. During the first half of 2020, the Group commissioned the Capella solar power plant (143 MWp[1]) in El Salvador, the Hedet wind farm in Finland (81 MW), which supplies Google's Finnish data center in Hamina, as well as three solar power plants in France with a total capacity of 15 MWp.

Neoen also launched the construction of 544 MW in the first half of 2020, including 460 MWp in the second quarter alone, corresponding to the total capacity of Western Downs. This farm, which will be the largest photovoltaic power plant in Australia, benefits from a 352 MWp[2] power purchase agreement with CleanCo Queensland, a public company producing and supplying clean energy in the state of Queensland. In the first quarter, the Group had previously launched the construction of Yllikkälä Power Reserve (30 MW / 30 MWh) in Finland, the largest battery storage unit in the Nordic countries. This battery is intended to play a key role in ensuring the stability of the national electricity system, managed by Fingrid. In addition to greater reliability and optimisation of grid stabilisation costs, this facility will facilitate the integration of future renewable energy projects. In the first half of 2020, Neoen also launched the construction of the Mont de Malan wind farm (29 MW) and two solar power plants (25 MWp in total) in France.

Assets in operation, under construction or awarded represented 4.4 GW at June 30, 2020 compared with 4.1 GW at December 31, 2019. Neoen had 216 MW[3] of new projects awarded over the first six months of the year: the Yllikkälä Power Reserve battery, already under construction, the La Verte Epine wind farm in France (12 MW), 108 MWp of additional capacity on the Western Downs project (which is in addition to the 352 MWp of capacity already won in 2019 under the aforementioned power purchase agreement) and 66 MWp of solar projects in France, won in the second quarter of 2020 as part of the CRE 4.7 government call for tenders.

The total portfolio amounted to 11.2 GW at June 30, 2020 versus 10.7 GW at December 31, 2019.

2.2.4.2 A FIRST HALF MARKED BY THE COVID-19 HEALTH CRISIS

On January 30, 2020, the World Health Organisation declared a public health emergency of international concern following the spread of the COVID-19 virus and declared it a pandemic on March 11, 2020. In response to this health crisis, governments around the world were forced to adopt restrictive social and economic measures to contain the spread of the virus. These measures triggered significant disruptions for companies, leading to a global economic slowdown.

In this context, the Group's primary responsibility was to protect the health of all its employees while continuing to operate. The Neoen group therefore limited staff travel, massively deployed alternative working methods and used remote working whenever possible, while actively pursuing the development of its portfolio with the commissioning of new assets (239 MW over the period), the launch of the construction of more than 500 MW and the strengthening of its portfolio of secure projects.

The Neoen group thereby managed to continue its development, despite occasional delays in the completion of its projects, and to maintain dynamic growth in its sales, EBITDA and net income (see sections 2.2.5.3 and 2.2.5.4) while maintaining its cash and liquidity throughout the period. As a result, it did not use government support measures. As the Neoen Group's assets operate mainly under long-term power purchase agreements with mainly first-rank counterparties, they were only slightly affected by the fluctuations that impacted the financial and electricity markets during the first half. The Neoen group has therefore not identified any indications of impairment trigger likely to affect these assets.

Furthermore, the Neoen group has not identified any liquidity risk inherent to the health crisis, and in the period completed the issue of its first corporate syndicated loan and a Green OCEANE bond (see section 3.1 - notes 14 and 16.2).

Lastly, the specific costs related to the COVID-19 epidemic remain marginal at Group level and mainly concern health equipment and compliance.

[1] Including a 3 MW / 2 MWh storage battery.
[2] PPA entering the awarded category of the portfolio in Q4 2019.
[3] In addition, 18 MW of power revaluation is added, representing a total increase of 234 MW.

2.2.4.3 REFINANCING OF THE HORNSDALE WIND PROJECTS IN AUSTRALIA

As part of its active financing management, on January 21, 2020 Neoen group completed the refinancing of the debts of the Hornsdale 1, 2 and 3 plants in operation, resulting in a repayment of existing debts of AUD 527.2 million (plus AUD 52.5 million in swap repayments) as well as the issue of new debts of AUD 606.5 million. This transaction enabled the Group to benefit from more advantageous financing conditions, in particular by extending the repayment horizon (up to 22 years from refinancing).

In accordance with the principles set by IFRS 9 "Financial Instruments", as this is a substantial modification of the financing, the Neoen group has recognised issuance costs not yet amortised and early repayment penalties in financial expenses in the amount of €(4.9) million (see section 3.1 - note 16.2).

2.2.4.4 SIGNING OF €200 MILLION SYNDICATED LOAN INCORPORATING ESG CRITERIA

In March 2020, Neoen S.A. entered into an initial syndicated loan of €200 million, indexing its financial conditions to environmental, social and governance (ESG) indicators. This agreement includes an amortisable loan of a total amount of €125 million and a revolving facility of €75 million, both of which mature on July 31, 2024. This transaction was carried out in order to strengthen the financial resources of the Neoen Group as part of its growth strategy. Issuance costs for this syndicated facilities agreement were €2 million. As of June 30, 2020, these two instruments were not yet drawn down.

2.2.4.5 CAPITAL INCREASE RESERVED FOR EMPLOYEES

On April 29, 2020, Neoen S.A. carried out a capital increase reserved for its employees in France. This plan offered each beneficiary to buy 118 new shares at the preferential subscription price of €21.92 per share (benefiting from a 30 % discount compared to the average share price over the last twenty trading sessions preceding the date on which the Board of Directors set the price on March 25, 2020) and an employer contribution on the basis of one share offered for one share subscribed. The Neoen group recorded this transaction in accordance with IFRS 2 "Share-based Payment". This resulted in an impact of €0.7 million in shareholders' equity and €(0.4) million in personnel expenses.

2.2.4.6 ISSUE OF A "GREEN OCEANE" BOND

On June 2, 2020, Neoen S.A. issued bonds convertible and/or exchangeable for new or existing shares for a maximum nominal amount of €170 million, bearing interest at an annual rate of 2.0 % payable semi-annually in arrears on December 2 and June 2 of each year, and for the first time on December 2, 2020.

The unit value of the bonds was set at €46.20, corresponding to a premium of 40 % over Neoen's reference price. Unless they have been converted, exchanged, redeemed or bought back and cancelled, the bonds will be repaid at par on June 2, 2025.

In accordance with the principles set out in IAS 32 "Financial Instruments: Presentation", this issue was treated as a compound instrument, with the debt component (bond without conversion option) amounting, net of costs, to approximately €142.8 million and the equity component (conversion option) to approximately €24.9 million, net of costs (see section 3.1 - notes 16 and 18.2). The effective interest rate of the debt component is 5.80 %.

2.2.4.7 TREASURY SHARES

As part of the Green OCEANE bond issue completed on June 2, 2020, Neoen S.A. acquired 60,606 of its own shares for €2 million. For accounting purposes, these shares are treated as treasury shares in the consolidated financial statements.

2.2.4.8 NEOEN JOINS THE SBF 120 INDEX

On June 11, 2020, Neoen announced its inclusion in the SBF 120 index, which comprises the 120 leading stocks listed on Euronext Paris in terms of liquidity and market capitalisation. As part of the quarterly review of Euronext Paris indices, the Expert Indices Committee decided to include Neoen in the SBF 120 index, as well as in the CAC Mid 60 index. Neoen's inclusion in these indices confirms the quality of its stock market performance since its IPO in October 2018. The company's market capitalisation has since then more than doubled to more than €3 billion. This strong growth has been accompanied by a steady increase in volumes traded.

2.2.4.9 THE GROUP'S EXPOSURE TO ARGENTINA

As of June 30, 2020, the contribution of all the Argentinean entities to the Neoen group's balance sheet amounted to €242.4 million, breaking down as follows:

- intangible assets and property, plant and equipment: €197.8 million;
- cash and cash equivalents: €15.8 million;
- project financing liabilities: €145.7 million.

In addition, to guarantee Neoen's commitments under the Altiplano project, bank guarantees in the form of letters of credit were issued by credit institutions, of which USD 28.8 million were in force on June 30, 2020, covered by cash guarantee deposits made by the Neoen group in the amount of USD 21.6 million. Neoen has also counter-guaranteed, in the amount of USD 55 million, the guarantees issued by an insurer for the proper performance of the project companies' obligations under the Power Purchase Agreement signed with CAMMESA (electricity market administrator).

The depreciation of the Argentine peso - the functional currency of the Argentine entities - against the US dollar generated unrealised foreign exchange losses, mainly relating to VAT credits denominated in Argentine pesos pending reimbursement, affecting the consolidated financial income for an amount of USD 3.7 million for the first half of 2020.

Also, the rules put in place by the Central Bank of the Republic of Argentina during the second half of 2019, aimed at restricting access to foreign currencies for Argentine companies and individuals in order to stem the devaluation of the Argentine peso (ARS) against the US dollar (USD), have the consequence, at the date of publication of the Neoen group's financial statements, of substantially restricting the possibility of buying dollars on the Argentine foreign exchange market for the purposes of i) repayments of shareholders' loans denominated in USD in favour of the Altiplano project (amounting to USD 74.4 million, including accrued interest for USD 6.2 million, as of June 30, 2020) and ii) dividend payments. However, these restrictions do not affect payments in respect of servicing USD denominated debt (repayment of principal or interest), to the foreign lenders on this project.

Despite the country's macroeconomic and financial situation, the group's financial partners have nevertheless continued to support the project by drawing down debt during the first half of 2020.

On May 22, 2020, however, the Argentine government formally exceeded the grace period granted for the payment of a USD 502 million maturity on its sovereign debt. Since then, negotiations between the government and the main creditor groups have led to the conclusion of a sovereign debt restructuring, effective from the beginning of September 2020. This has massively reduced the country's financial burden by reducing the present value of payments by 45 % and granting a grace period before the next scheduled repayments in 2024.

Lastly, although affected by the COVID-19 pandemic and the restrictions imposed by the federal and provincial governments, construction operations have been suspended for a period of time and are still in progress for a gradual commissioning in the last quarter of 2020.

The Argentinean macroeconomic situation has therefore not affected the project, nor, to the best of the Group's knowledge, has it affected the ability of Argentinean public entities to meet their obligations under the Renovar programme.

2.2.4.10 STATUS OF THE EL LLANO PROJECT

At the half-yearly closing date, the start of the commercial operation (COD - Commercial Operation Date) and the provisional technical acceptance (PA - Provisional Acceptance) of the Mexican power plant in El Llano had not been given, due in particular to delays in the completion of the construction operations, inherent in part to the consequences of the COVID-19 epidemic, as well as to delays in the performance of pre-operational tests by the National Energy Control Centre (CENACE), thereby leading to certain documentary non-compliances within the meaning of the financing agreements for this plant. As a result, the financing raised for this project has been presented as current financial debt in the Group's half-yearly financial statements.

On the date of publication of its financial statements, the Neoen group continues to work actively with the EPC (Engineering Procurement Construction) contractor, CENACE and, more generally, the Mexican authorities to be able to start commercial operations as soon as possible and to carry out provisional technical acceptance of the plant, in order to eliminate these documentary non-compliances. The plant, which started production in February, continues to generate electricity at levels close to its nominal capacity, which is sold on the spot market.

2.2.5 COMMENTS ON OPERATIONS

The Group's interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", a standard of the IFRS framework as adopted by the European Union relating to interim financial reporting.

The Group's consolidated financial statements for the six months ended June 30, 2020 have been subject to a limited review by the Company's statutory auditors and are presented in full in section 3.1 of this document.

The presentation and comments relating to the consolidated income statement are broken down into two levels of analysis for revenue, EBITDA and current operating income: one covering the Group and the other covering the different segments (wind, solar, storage, as well as development - investments and eliminations at the operational level; Europe-Africa, Australia and the Americas, at the geographical level).

Operating income, financial income and other net income items are analysed on a global basis.

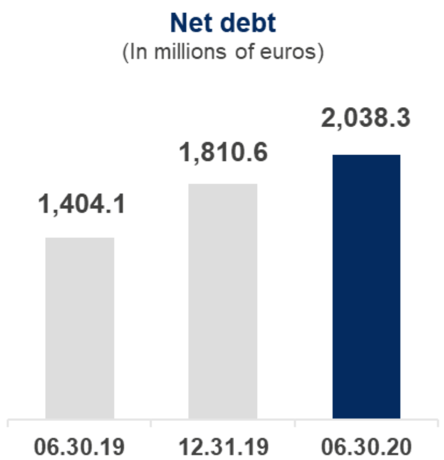
Reference to changes in revenue or EBITDA at constant rates or constant exchange rates means that the impact of changes in exchange rates has been restated by recalculating the various items of the relevant aggregate for the period in question on the basis of the exchange rates recorded in the previous period.

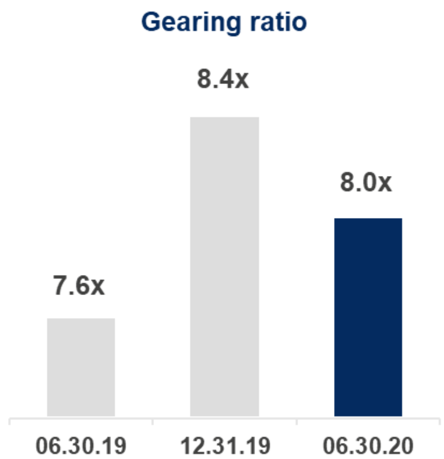
2.2.5.1 KEY FIGURES

(In millions of euros)	HY 2020	HY 2020 (cre)	HY 2019	Change (cre)	Change (cre) (%)	Change	Change (%)
Revenue	**157.2**	**159.9**	**118.1**	**+ 41.8**	**+ 35%**	**+ 39.1**	**+ 33%**
Of which: Energy sales under contract	113.7	115.2	100.1	+ 15.1	+ 15%	+ 13.6	+ 14%
Of which: Energy sales in the market	41.5	42.7	14.3	+ 28.4	+ x2	+ 27.2	+ x1.9
Of which: Other revenues	2.0	2.1	3.8	– 1.7	– 46%	– 1.8	– 47%
EBITDA (1)	**148.2**	**150.0**	**94.0**	**+ 56.0**	**+ 60%**	**+ 54.2**	**+ 58%**
EBITDA margin	94%	94%	80%				
Current operating income	**95.9**	**96.9**	**58.1**	**+ 38.8**	**+ 67%**	**+ 37.8**	**+ 65%**
Operating income	**95.0**	**96.0**	**57.0**	**+ 39.0**	**+ 69%**	**+ 38.0**	**+ 67%**
Net financial result	**(55.5)**	**(56.1)**	**(29.2)**	**– 26.9**	**– 92%**	**– 26.3**	**– 90%**
Net income from continuing operations	20.9	21.1	18.7	+ 2.4	+ 13%	+ 2.2	+ 12%
Net income from discontinued operations	-	-	(0.3)	+ 0.3	N/A	+ 0.3	N/A
Consolidated net income	**20.9**	**21.1**	**18.4**	**+ 2.7**	**+ 15%**	**+ 2.5**	**+ 14%**
Of which: Group share of net income	22.0	22.3	16.7	+ 5.6	+ 34%	+ 5.3	+ 32%

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions.

Net debt and gearing are presented in section 2.1.1 of this document.

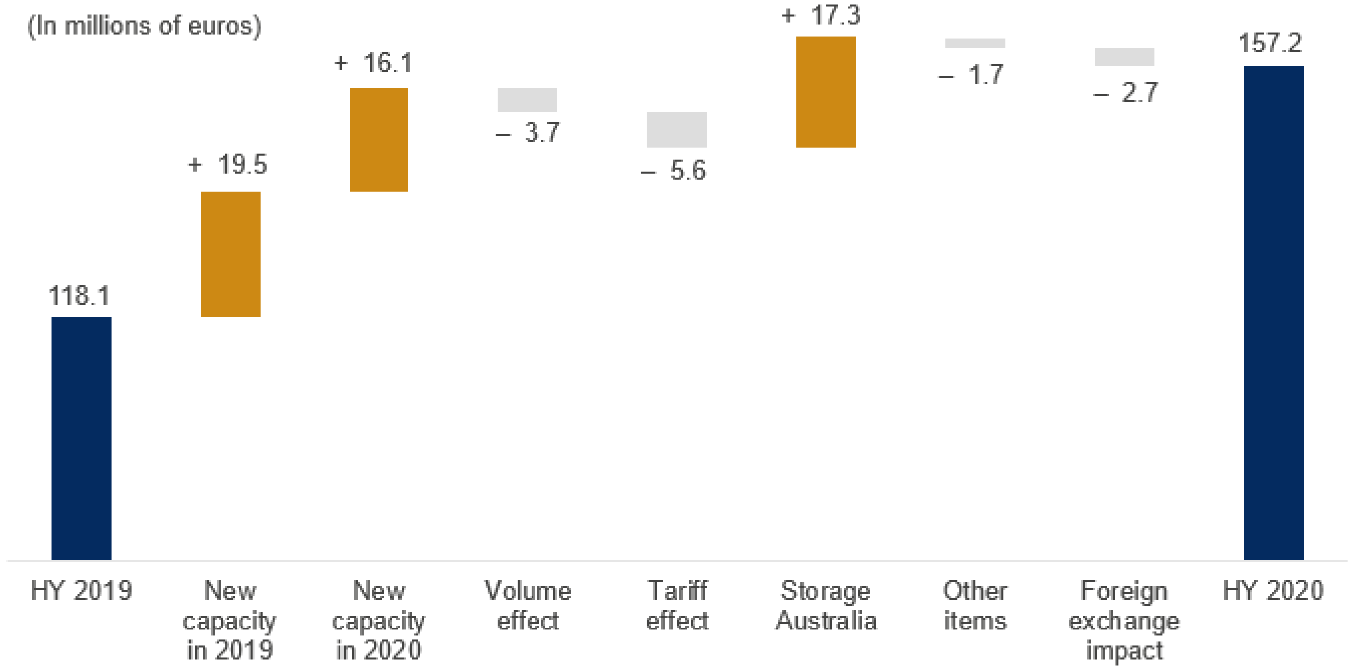




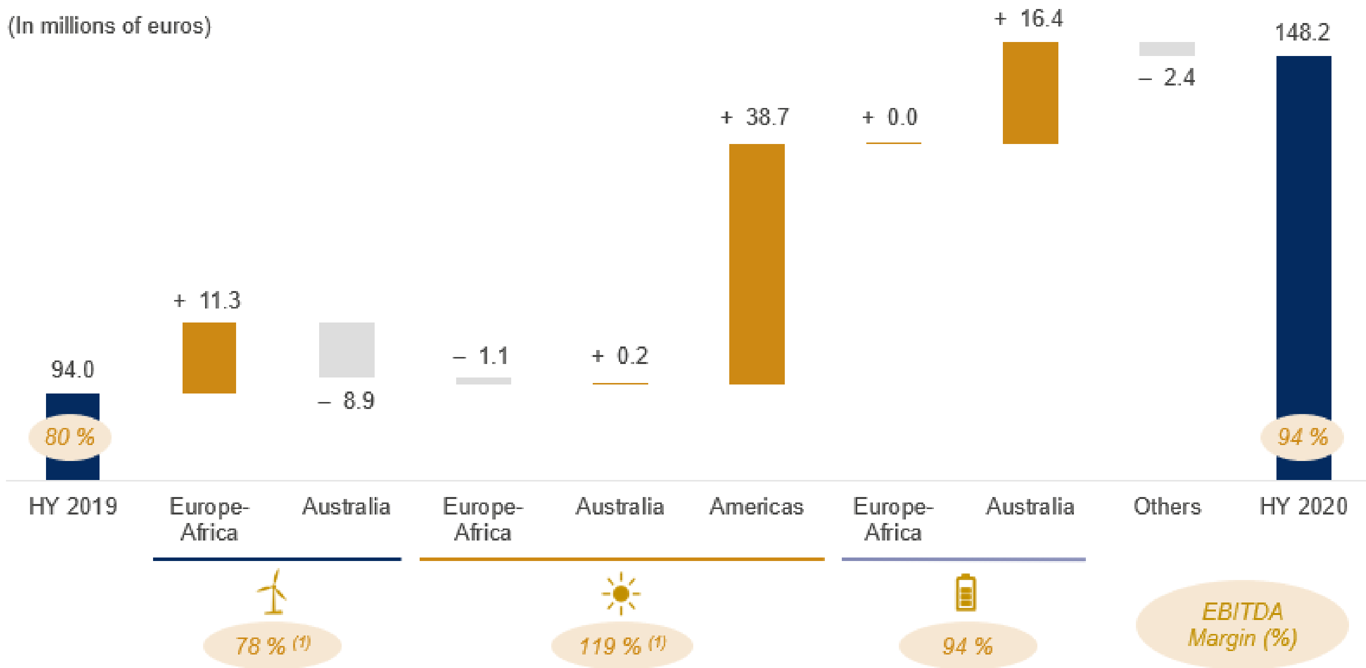
2.2.5.2 EVOLUTION OF REVENUE AND EBITDA

The Group's consolidated revenue and EBITDA have evolved as follows between the first semester 2019 and the first semester 2020 (the data are expressed in millions).

Change in revenue



Change in EBITDA



(1) Restated for the effect of compensations for loss of revenue, EBITDA margins would be 74 % for wind power and 86 % for solar power.

2.2.5.3 SEGMENT RESULTS

Segment results for the first semester 2019 and the first semester 2020 are thus presented for each of the Group's operating segments: wind power, solar power, storage, development-investment and eliminations.

(In millions of euros)	Revenue				EBITDA (1)				Current operating income			
	HY 2020	HY 2019	Change	Change (in %)	HY 2020	HY 2019	Change	Change (in %)	HY 2020	HY 2019	Change	Change (in %)
Europe-Africa												
Wind power	33.6	19.6	+ 14.0	+ 72%	26.6	15.3	+ 11.3	+ 74%	13.3	8.5	+ 4.8	+ 56%
Solar power	28.3	26.6	+ 1.7	+ 6%	24.7	25.8	– 1.1	– 4%	14.6	17.7	– 3.1	– 18%
Storage	0.2	-	+ 0.2	-	0.1	0.0	+ 0.1	N/A	(0.0)	0.0	– 0.0	N/A
Total	**62.1**	**46.3**	**+ 15.8**	**+ 34%**	**51.4**	**41.2**	**+ 10.2**	**+ 25%**	**27.9**	**26.3**	**+ 1.6**	**+ 6%**
As a %	39% (4)	40% (4)			83% (5)	89% (5)			46% (6)	57% (6)		
Australia												
Wind power	25.2	33.1	– 7.9	– 24%	19.3	28.2	– 8.9	– 32%	10.0	19.0	– 9.0	– 47%
Solar power	20.8	19.7	+ 1.1	+ 6%	18.6	18.4	+ 0.2	+ 1%	8.0	10.1	– 2.1	– 20%
Storage	24.4	8.3	+ 16.1	+ x1.9	23.1	6.7	+ 16.4	+ x2.4	20.5	4.1	+ 16.4	+ x4
Total	**70.4**	**61.1**	**+ 9.3**	+ 15%	**61.0**	**53.2**	**+ 7.8**	**+ 15%**	**38.6**	**33.1**	**+ 5.5**	**+ 17%**
As a %	45% (4)	53% (4)			87% (5)	87% (5)			55% (6)	54% (6)		
Americas												
Solar power	24.9	8.5	+ 16.4	+ x1.9	44.8	6.1	+ 38.7	+ x6.3	35.6	3.8	+ 31.8	+ x8.4
Total	**24.9**	**8.5**	**+ 16.4**	**+ X1.9**	**44.8**	**6.1**	**+ 38.7**	**+ x6.3**	**35.6**	**3.8**	**+ 31.8**	**+ x8.4**
As a %	16% (4)	7% (4)			180% (5)	72% (5)			143% (6)	45% (6)		
Development-Investment and Eliminations												
Development-investment (2)	17.3	23.4	– 6.1	– 26%	(13.3)	(8.9)	– 4.4	– 50%	(14.8)	(10.3)	– 4.5	– 44%
Eliminations (3)	(17.5)	(21.2)	+ 3.7	+ 17%	4.5	2.4	+ 2.1	+ 85%	8.6	5.2	+ 3.4	+ 65%
Total	**(0.2)**	**2.2**	**– 2.4**	**– x1.1**	**(8.9)**	**(6.5)**	**– 2.4**	**– 37%**	**(6.2)**	**(5.2)**	**– 1.0**	**– 19%**
TOTAL	**157.2**	**118.1**	**+ 39.1**	**+ 33%**	**148.2**	**94.0**	**+ 54.2**	**+ 58%**	**95.9**	**58.1**	**+ 37.8**	**+ 65%**
Of which: wind power	**58.9**	52.7	+ 6.2	+ 12%	**45.9**	43.5	+ 2.4	+ 6%	**23.3**	27.5	– 4.2	– 15%
Of which: solar power	**74.0**	54.8	+ 19.2	+ 34%	**88.0**	50.2	+ 37.8	+ 75%	**58.2**	31.6	+ 26.6	+ 84%
Of which: storage	**24.6**	8.4	+ 16.2	+ x1.9	**23.2**	6.7	+ 16.5	+ x2.5	**20.5**	4.1	+ 16.4	+ x4

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions.

(2) Revenue for this segment essentially comprises sales of services to other Group entities (eliminated on consolidation with the exception of amounts billed to related parties and other entities not fully consolidated), but also includes sales of services to third parties.

(3) The eliminations mainly relate to services billed by Neoen S.A. to its project companies for the development, supervision and administration of power facilities, as well as development costs capitalized in accordance with IAS 38 "Intangible assets".

(4) The percentages are the contribution of each geographical zone to the Group's revenue (excluding Development - Investment and Eliminations).

(5) The percentages reflect EBITDA margin by geographical zone.

(6) The percentages reflect current operating margin by geographical zone.

Revenue

The Group's consolidated revenue amounted to €157.2 million in the first half of 2020 (€159.9 million at constant exchange rates), a rise of +€39.1 million or +33 % compared to the first half of 2019. This growth was mainly due to the contribution of assets commissioned in 2019 and the first half of 2020. It was also the result of the sharp increase in revenue from the storage activity in the first quarter, linked to specific and non-recurring conditions in Australia.

The solar power segment was the Group's foremost revenue contributor (47 % of the group's consolidated revenue in the first half of 2020, compared to 46 % in the first half of 2019). The segment revenue amounted to €74 million in the first half of 2020, a rise of +€19.2 million or +34 % compared to the first half of 2019, thanks to the contribution of power plants commissioned in 2019 in Australia, Zambia, Jamaica and France as well as those commissioned in the first half of 2020 in El Salvador and France. This growth also stemmed from early generation revenue recorded by the El Llano solar power plant in Mexico[1] since the beginning of the year. Revenue was also negatively affected by less favourable sunshine conditions in Australia and by reduced availability of an Australian asset due to network renovation work, which has now been completed.

The wind power segment accounted for 37 % of the Group's revenue in the first half of 2020 (compared with 45 % in the first half of 2019). Revenue for this segment were €58.9 million, a rise of +€6.2 million or +12 % compared with the first half of 2019. This growth is explained by the contribution of capacity added in 2019 in Ireland and France as well as by the commissioning of the Hedet farm in Finland in the first half of 2020. Revenue also benefited from excellent wind conditions in Europe in the first quarter of 2020. These factors offset the lower availability of Australian assets in the second quarter as well as a reduction in the average price captured by the Hornsdale 3 farm in Australia compared to the first half of 2019. It had temporarily benefited from the sale of short-term energy before the entry into force of its long-term purchase agreement in October 2019.

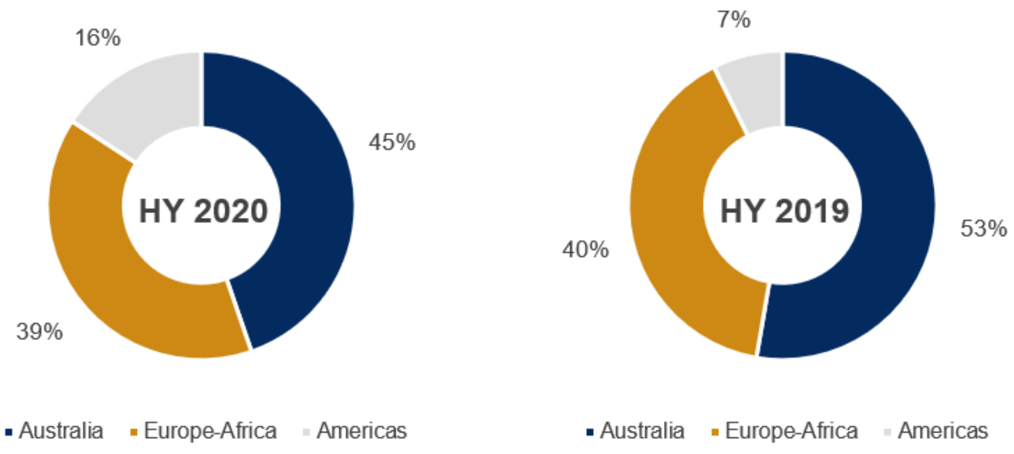
The storage segment contributed €24.6 million to the Group's revenue in the first half of 2020, a rise of +€16.2 million or +193 %. This very strong growth is mainly linked to an exceptional event in the first quarter in Australia. The shutdown of an interconnection line between the states of South Australia and Victoria following a tornado in late January 2020 created specific conditions generating high non-recurring income that cannot be extrapolated for the rest of 2020. The storage activity accounted for 16 % of consolidated revenue in the first half of 2020 (compared to 7 % in the first half of 2019).

The development-investment and eliminations segments represented revenue of €(0.2) million in the first half of 2020 compared to €2.2 million in the first half of 2019, a decrease of -€2.4 million.

Australia was the largest contributor to the Group's revenue in the first half of 2020, but its relative share decreased (45 % in the first half of 2020 versus 53 % in the first half of 2019) under the effect of the strong growth in the Americas region (16 % of Group revenue in the first half of 2020 versus 7 % in the first half of 2019), a direct consequence of a significant increase in capacity commissioned in 2019 and in the first half of 2020 in this region.

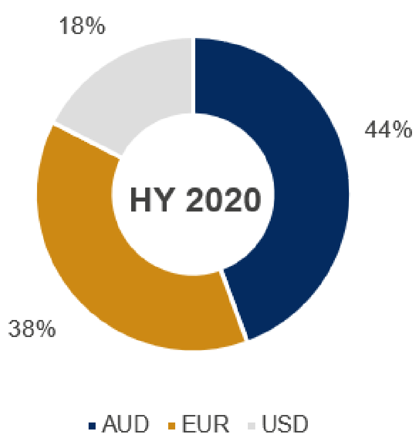
In the first half of 2020, the share of energy sales in the market reached 26 % of consolidated revenue, a temporarily high level which is mainly explained by the non-recurring share of revenue generated by the storage activity in Australia in the first quarter. Neoen also benefited from early generation revenue from the Capella[2] power plants in El Salvador and Hedet[2] in Finland in the first quarter of 2020 and El Llano in Mexico in the first half of 2020.

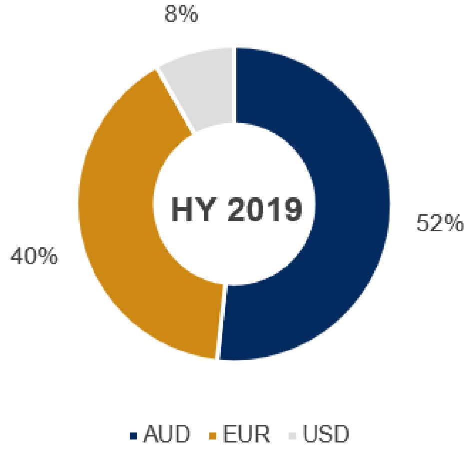
Revenue breakdown by geographic area [3]



[1] Of which commissioning is expected in Q4 2020.
[2] Prior to the entry into force of their PPA in Q2 2020.
[3] Excluding Development - Investment and Eliminations.

Revenue breakdown by currency





EBITDA

In the first half of 2020, the Group's consolidated EBITDA amounted to €148.2 million (€150 million at constant exchange rates), a rise of +€54.2 million or +58 % compared with the first half of 2019. This increase was mainly driven by growth in solar power activities in the Americas, wind power in Europe-Africa and storage in Australia.

The EBITDA margin was 94 % in the first half of 2020 compared to 80 % in the first half of 2019. This increase was mainly due to the recognition of contractual indemnities partly offsetting revenue losses due to delays in the commissioning of certain projects during the first half of 2020 and recognised in other current operating income in the Group's financial statements (see analysis below). It also results from the sharp increase in the EBITDA margin of the storage activity linked to the exceptional increase in this activity in Australia in the first quarter of 2020.

The solar power segment contributed €88 million to the Group's EBITDA, a rise of +€37.8 million or +75 % compared to the first half of 2019. This increase mainly reflects:

- the effect of commissioning of new facilities in 2019 and during the first half of 2020 and the early generation revenue recorded by the El Llano solar power plant in Mexico since the beginning of the year (see revenue analysis above);
- to which was added, in the first half of 2020, the recognition of contractual compensation for revenue losses related to delays in the commissioning of certain projects, recognised in other current operating income in the Group's financial statements;
- less sunshine in Australia and less availability of an Australian asset related to renovation works on the network;
- unfavourable resources in Europe in the first half of 2020 compared to the first half of 2019.

The EBITDA margin for this segment was 119 % in the first half of 2020 compared to 92 % in the first half of 2019.

The wind power segment contributed €45.9 million to the Group's EBITDA, a rise of +€2.4 million or +6 % compared to the first half of 2019, mainly explained by:

- growth in activity in the Europe-Africa region thanks to the capacity added in 2019 and the first half of 2020 and excellent wind conditions in the first quarter, despite the low market prices to which certain assets were exposed;
- and a weaker performance in Australia due to:
  - lower availability of Australian assets in the second quarter;
  - the fall in the average price captured by the Hornsdale 3 farm compared with the first half of 2019, negatively impacting the EBITDA margin in Australia (from 85 % in the first half of 2019 to 76 % in the first half of 2020);
  - the exceptional increase in the network service costs of certain power plants in the first quarter, following the shutdown of an interconnection line.

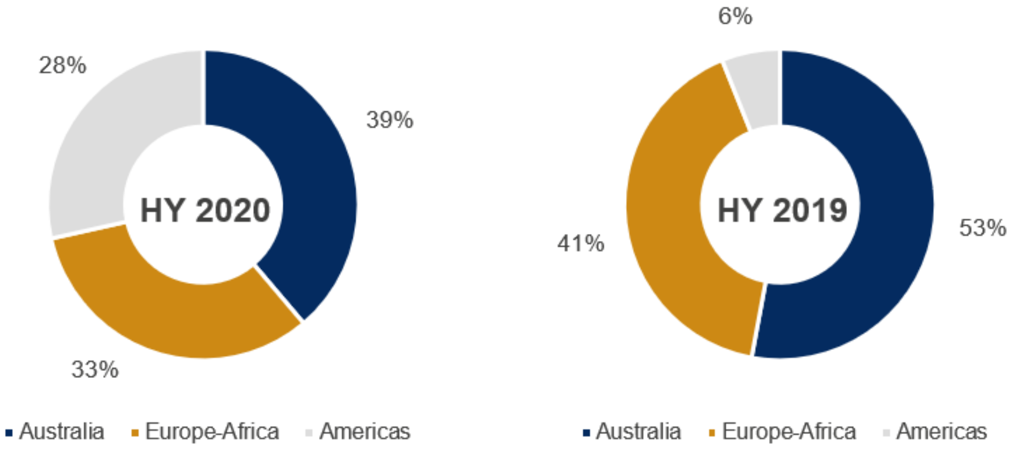
The EBITDA margin for this segment was 78 % in the first half of 2020 compared to 83 % in the first half of 2019.

The storage segment generated EBITDA of €23.2 million in the first half of 2020, a rise of +€16.5 million compared to the first half of 2019, directly linked to the growth in revenue in Australia over the period. As revenue growth enabled better coverage of operating expenses (see revenue analysis above), the EBITDA margin was 94 % over the period compared to 80 % in the first half of 2019.

The development-investment and elimination segments contributed €(8.9) million to the Group's EBITDA in the first half of 2020, compared to €(6.5) million in the first half of 2019, in line with the change in revenue.

As for revenue, Australia remains the largest contributor to the Group's EBITDA in the first half of 2020, but has seen its relative share decrease (39 % in the first half of 2020 compared with 53 % in the first half of 2019) under the effect of strong growth in the Americas region (28 % of the Group's EBITDA in the first half of 2020 compared with 6 % in the first half of 2019), a direct consequence of the increase in activity in this region and the recognition of contractual compensation for revenue losses linked to delays in the commissioning of certain projects. Lastly, the share of the Europe-Africa region fell significantly to 33 % in the first half of 2020 compared to 41 % in the first half of 2019, despite the growth in activity in this region.

EBITDA breakdown by geographic area [1]



Current operating income

The Group's current operating income was €95.9 million in the first half of 2020, a rise of +€37.8 million or +65 %. This increase was largely due to growth in EBITDA (+€54.2 million or +58 %), partially offset by the increase in depreciation and amortisation (+€16.4 million or +46 %) resulting from the growth in the number of assets in operation, as a result of the impact of the commissioning carried out in 2019 and the first half of 2020 (see EBITDA analysis above).

The solar power segment contributed €58.2 million to the Group's current operating income, a rise of +€26.6 million or 84 % compared with the first half of 2019. This is mainly due to the increase in this segment's EBITDA over the period of +€37.8 million or +75 % (see EBITDA analysis above), partially offset by an increase in depreciation and amortisation over the period, a direct consequence of the impact of the commissioning carried out during 2019 and the first half of 2020.

The wind power segment contributed €23.3 million to the Group's current operating income, a decline of -€4.2 million or -15 % compared with the first half of 2019. This is mainly due to the small increase in this segment's EBITDA of +€2.4 million (see EBITDA analysis above), more than offset by the increase in depreciation and amortisation over the period, a direct consequence of the impact of the commissioning carried out during 2019 and the first half of 2020.

The storage segment contributed €20.5 million to the Group's operating income in the first half of 2020, a rise of +€16.4 million, a direct result of the increase in this segment's EBITDA over the period of +€16.5 million (see EBITDA analysis above), in a context of stable depreciation and amortisation (no significant commissioning was recorded during the first half of 2020).

The development-investment and eliminations segments contributed €(6.2) million to the Group's current operating income compared with €(5.2) million in the first half of 2019.

[1] Excluding Development - Investment and Eliminations.

2.2.5.4 ANALYSIS OF THE OTHER CONSOLIDATED INCOME STATEMENT ITEMS

From current operating income to operating income

(In millions of euros)	HY 2020	HY 2019	Change	Change (in %)
Current operating income	**95.9**	**58.1**	**+ 37.8**	**+ 65%**
Other non-current operating income and expenses	(2.2)	(1.1)	– 1.1	– 100%
Impairment of non-current assets	1.3	(0.1)	+ 1.4	+ x14
Operating income	**95.0**	**57.0**	**+ 38.0**	**+ 67%**
Impact of foreign exchange rate fluctuation	1.0	(0.2)	+ 1.2	+ x6
Operating income at constant foreign exchange rate	**96.0**	**57.2**	**+ 38.8**	**+ 68%**

Current operating income

Current operating income is analyzed in paragraph 2.2.5.3 of this document.

Other non-current operating income and expenses

Other non-recurring operating income and expenses amounted to €(2.2) million, down -€1.1 million and break down as follows:

(In millions of euros)	HY 2020	HY 2019	Change	Change (in %)
Prior period development costs (1)	(2.1)	(0.5)	– 1.6	– x2.8
Gains and losses on disposal of assets (2)	(0.0)	(0.6)	+ 0.6	+ 100%
Other non-recurrent items	(0.1)	0.1	– 0.2	– x2
Total other non-current operating income and expenses	**(2.2)**	**(1.1)**	**– 1.1**	**– 100%**

(1) Capitalised development costs for which the Group, following external events beyond its control, considers that the criteria for capitalisation provided for in IAS 38 are no longer met, are recognised in other non-recurring operating expenses for the period. These are mainly linked to the abandonment of projects in Mexico, the United States and Colombia (see section 3.1 - notes 8 and 11.2).

(2) Corresponded mainly to the €(0.5) million impact of the sale of the Montsinery project in the first half of 2019.

Impairment of non-current assets

In the first half of 2020, non-current asset impairment amounted to €1.3 million and mainly corresponded to reversals of impairment of capitalised development costs on abandoned projects that were recorded under other non-current operating expenses in the Group's financial statements (see section 3.1 - note 9).

Operating income

Given the aforementioned factors, the Group's operating income increased by +€38 million or +67 % from €57 million in the first half of 2019 to €95 million in the first half of 2020 (€96 million at constant exchange rates).

Net financial result

(In millions of euros)	HY 2020	HY 2019	Change	Change (in %)
Cost of debt	**(48.2)**	**(35.6)**	**– 12.6**	**– 35%**
Total other financial income and expenses	**(7.4)**	**6.4**	**– 13.7**	**– x2.2**
Shareholder loan interest income and expenses	(0.4)	(0.0)	– 0.4	N/A
Foreign exchange gains and losses	(1.5)	2.8	– 4.3	– x1.5
Other financial income and expenses	(5.5)	3.5	– 9.0	– x2.6
Net financial result	**(55.5)**	**(29.2)**	**– 26.3**	**– 90%**

The -€26.3 million decrease in the net financial result was mainly due to:

- -€12.6 million of increased cost of debt essentially reflecting:
  - -€6.3 million of additional loan interest given higher average borrowings over the period as a result of growth in the number of projects in operation and the issue of OCEANE bonds in October 2019, which contributed €(3.8) million[1] (see section 3.1 - note 16.1 "net financial result");
  - -€5.2 million of additional financial charges on derivatives, corresponding to the recycling to profit or loss of the fair value of derivative financial instruments considered effective and initially recognized in other comprehensive income (see section 3.1 - note 16.1 "net financial result");
  - -€1 million of increased interest expenses on rights of use given the growth in the number of facilities in operation and under construction (see section 3.1 - note 16.1 "net financial result").

  In the first half of 2020, the cost of borrowings breaks down as to €(36.6) million for the financing of production assets (€(30.3) million in the first half of 2019), €(9) million interest charges on derivatives (€(3.8) million in the first half of 2019) and €(2.5) million of interest on rights of use of (€(1.5) million in the first half of 2019).

- -€4.3 million of foreign exchange impact. In the first half of 2020, foreign exchange gains on cash and borrowings denominated in Australian dollars only partially offset foreign exchange losses on current assets denominated in Argentine pesos and Mexican pesos. In the first half of 2019, the currency gain mainly corresponded to currency gains recorded on foreign currency borrowings (mainly in Australian dollars);

- -€9 million of additional other financial income and expenses essentially reflecting:
  - €5.9 million renegotiation gain in the first half of 2019 on the renegotiation of the debt of the Arena Solar scope in accordance with the principle of IFRS 9 "Financial Instruments";
  - €(4.9) million in financial expenses from the refinancing of the Hornsdale 1, 2 and 3 Australian wind projects in the first half of 2020, corresponding to compensation and early repayment costs incurred in connection with the extinguishment of the historical debt (see section 3.1 - note 16.1 "net financial result ");
  - +€1.3 million decrease in guarantee costs incurred by Neoen S.A.

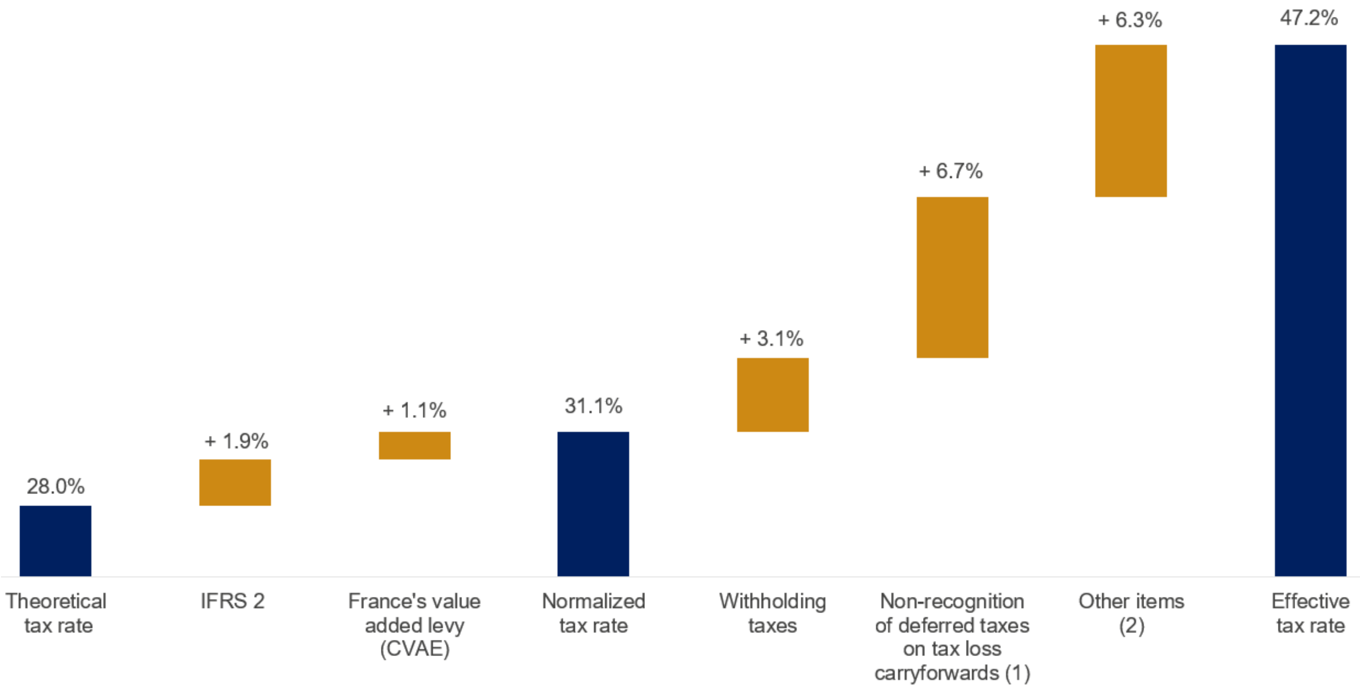
[1] The effective interest rate of the debt component is 4.27 %.

Income tax

The tax charge for the first half of 2020 was €(18.7) million compared to €(9.1) million in the first half of 2019, representing respectively an effective tax rate of 47.2 % and 32.7 % (see section 3.1 - note 10 "income tax").

The +€9.6 million increase in the tax charge was due notably to the +€11.8 million increase in taxable income before tax and the effective tax rate.

The difference of +19.2 percentage points between the theoretical tax rate of 28 % and the effective tax rate of 47.2 % may be broken down as follows:



(1) *Given the earnings outlook for certain regions and time limitations in the use of tax losses, no deferred tax assets were recognised for certain tax losses.*

(2) *This item includes the recognition of deferred tax liabilities for temporary differences arising from the difference between the tax and accounting values, particularly on assets denominated in foreign currencies (mainly in Argentina).*

Net income from continuing operations

Given the factors presented above, net income from the Group's continuing operations increased by +€2.2 million, from €18.7 million in the first half of 2019 to €20.9 million in the first half of 2020.

Net income from discontinued operations

Net income from discontinued operations amounted to €(0.3) million in the first half of 2019 and corresponded to the result of the biomass activity, definitively sold on September 4, 2019.

Group share of net income

Group share of net income thus improved by +€5.3 million, rising from €16.7 million in the first half of 2019 to €22 million in the first half of 2020.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests amounted to €(1.2) million in the first half of 2020 compared to €1.6 million a year earlier. It represents the share of other shareholders in the income generated by companies in which Neoen is not the only shareholder, mainly in Jamaica, Australia and Zambia.

2.2.5.5 SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In millions of euros)	06.30.2020	12.31.2019	Change	Change (in %)
Non-current assets	**2,873.7**	**2,761.0**	**+ 112.7**	**+ 4%**
Of which: property, plant and equipment	2,512.8	2,387.3	+ 125.5	+ 5%
Current assets	**799.5**	**624.7**	**+ 174.8**	**+ 28%**
Of which: cash and cash equivalents	589.5	460.5	+ 129.0	+ 28%
Total assets	**3,673.2**	**3,385.7**	**+ 287.5**	**+ 8%**
Equity (1)	**670.8**	**680.5**	**– 9.7**	**– 1%**
Liabilities (2)	**2,744.4**	**2,414.6**	**+ 329.8**	**+ 14%**
Of which: project financing by banks	1,928.6	1,757.9	+ 170.7	+ 10%
Of which: project financing by bond issues	179.9	199.5	– 19.6	– 10%
Of which: corporate financing	337.8	194.6	+ 143.2	+ 74%
Total equity and liabilities	**3,673.2**	**3,385.7**	**+ 287.5**	**+ 8%**

(1) Movements on the Group's equity during the semester are detailed in the consolidated statement of changes in equity and the associated financial statement note (see paragraph 3.1.4 of this document and section 3.1 – note 16 on equity and dilutive instruments).

(2) Consolidated borrowings are specifically analyzed in paragraph 2.3.2 of this document.

Property, plant and equipment increased by 5 % over the period due to the increase in the volumes of projects in operation and under construction during the first half of 2020 (see section 3.1 - note 11.3 "property, plant and equipment" and paragraph 2.2.4.1). The Group's investment is detailed in paragraph 2.3.4 of this document.

The +€129 million increase in cash and cash equivalents is mainly due to:

- Neoen S.A. (cash and cash equivalents of €288.3 million; up +€102.9 million from December 31, 2019) as a result of the €170 million issue of Green OCEANE bonds in June 2020, cash received from project companies via power plants' net cash flows and the refinancing of the Hornsdale 1, 2 and 3 plants, offset by equity and shareholder loan investments in the new projects;

- project companies and project holding companies (cash and cash equivalents of €271.9 million, up by +€26.8 million) as a result of:

  - the drawdown of senior debt and equity contributions for assets under construction, and;
  - net operating cash flows for assets in operation whose vocation is to repay project financing and remunerate shareholders' contributions;

- holding companies with junior debt (€29.3 million, i.e. -€0.6 million), linked to cash flows generated by cash surpluses from production assets, making it possible to repay maturities of junior debt and remunerate shareholder contributions.

The -€9.7 million decrease in equity essentially reflects:

- +€20.9 million of net income for the period;
- +€24.9 million of equity impact net of costs of the issue in June 2020 of Green OCEANE bonds (qualified as composite Instrument);
- -€47.5 million of reduction in other comprehensive income mainly reflecting the change in the fair value of hedging derivatives, net of deferred tax, occasioned by the fall in market interest rates over the period;
- €(9.8) million of dividend payments to non-controlling shareholders, mainly in Australia.

The Group's financial structure is solid, with 88 % of its total debt at end-June 2020 backed by electricity generation facilities which are for the most part financed by long-term project debt denominated in strong currencies (euro, US dollar and Australian dollar). Financial debts are detailed in section 2.3.2 of this document.

2.3 FINANCING AND INVESTMENTS

2.3.1 INDICATORS MONITORED BY THE GROUP

The average remaining maturity of the financing for all the Group's projects in operation as of June 30, 2020 and December 31, 2019 is as follows:

Weighted average remaining maturity of financing (in years)	**Solar power**	**Wind power**	**Total**
AUD	14.6	17.0	15.9
EUR	17.0	14.2	15.7
USD	16.4	N/A	16.4
TOTAL 06.30.2020	**16.1**	**15.6**	**15.9**
TOTAL 12.31.2019	**16.0**	**15.6**	**15.8**

The weighted average ratio of project debt to investment expenditure for the project's development and construction, for all the Group's projects in operation as of June 30, 2020 and December 31, 2019 is as follows:

Ratio of project debt to investment expenditure	**Solar power**	**Wind power**	**Total**
AUD	65%	74%	69%
EUR	90%	71%	80%
USD	71%	N/A	71%
TOTAL 06.30.2020	**75%**	**72%**	**74%**
TOTAL 12.31.2019	**77%**	**74%**	**75%**

The change between December 31, 2019 and June 30, 2020 reflects a relative fall in the gearing ratios for certain new projects starting operation.

The Group's gearing ratio (as a percentage of capital employed), on an all-in basis including the totality of its debt, whether corporate or associated with project financing, was 91 % as of June 30, 2020.

The weighted average interest rate associated with project financing for all the Group's projects in operation, on an all-in basis i.e. inclusive of the spread applied by the applicable bank and of the impact of any interest rate swaps or other interest rate derivatives, may be summarized as follows:

All-in weighted average interest rate for project financing	**Solar power**	**Wind power**	**Total**
AUD	4.8%	3.4%	4.0%
EUR	1.8%	2.0%	1.9%
USD	6.3%	N/A	6.3%
TOTAL 06.30.2020	**4.0%**	**2.7%**	**3.5%**
TOTAL 12.31.2019	**3.9%**	**3.4%**	**3.7%**

The interest rate reduction observed between 2019 and 2020 essentially reflects the pursuit of a context of relatively low interest rates and the refinancing of Hornsdale 1, 2 and 3 projects in Australia (see section 2.2.4 "key events of the period" of this document).

By currency, as of June 30, 2020 the weighted average interest rate for the Group's project, mezzanine and corporate debt was about 2.2 % in euros, 4.4 % in Australian dollars and 6.0 % in US dollars. The weighted average interest rate is (i) calculated on the basis of all outstanding financing (signed, drawn down, under repayment or consolidated), (ii) weighted on the basis of total debt outstanding as of June 30, 2020, (iii) calculated on an all-in basis i.e. inclusive of the spread applied by the applicable bank and of the impact of any interest rate swaps or other interest rate derivatives and (iv) calculated excluding the costs of debt structuring.

As of December 31, 2019, the weighted average interest rate for the Group's project, mezzanine and corporate debt was about 2.3 % in euros, 5.1 % in Australian dollars and 6.8 % in US dollars.

As of June 30, 2020, the Group's overall debt interest rate was about 3.7 % compared with about 4.2 % as of December 31, 2019, due in particular to the issue of Green OCEANE bonds in June 2020 at an annual interest rate of 2 %[1].

The Group's borrowing terms and conditions and financing structure are detailed in note 16 "financing and financial instruments" of the half-yearly consolidated financial statements.

2.3.2 RECONCILIATION OF FINANCIAL INDEBTNESS AND NET DEBT

In the framework of the analysis and management of its liabilities, the Group assesses both the overall level of its gross financial indebtness and its net debt which is not an IFRS indicator.

(In millions of euros)	06.30.2020	12.31.2019	Change	Change (in %)
Financial debt (1)	**2,744.4**	**2,414.6**	**+ 329.8**	**+ 14%**
Non-controlling investors and others (2)	(30.7)	(30.4)	– 0.3	– 1%
Adjusted financial debt	**2,713.7**	**2,384.1**	**+ 329.6**	**+ 14%**
Total cash and cash equivalents	(589.5)	(460.5)	– 129.0	– 28%
Guarantee deposits (3)	(84.6)	(111.0)	+ 26.4	+ 24%
Derivative instruments assets – hedging effect (4)	(1.3)	(2.0)	+ 0.7	+ 34%
Total net debt	**2,038.3**	**1,810.6**	**+ 227.7**	**+ 13%**

(1) *Essentially comprising project financing, the debt component of the convertible bonds issued in 2019 (OCEANE bond) and in 2020 (Green OCEANE bond), interest rate hedging instruments with a negative market value and lease liabilities included in the calculation of net debt under IFRS 16 "Leases" (note that EBITDA therefore excludes lease charges). Borrowings are detailed in note 16.2 to the half-yearly consolidated financial statements.*

(2) *Notably comprising non-controlling shareholder loans to project companies (or project holding companies).*

(3) *Mainly comprising deposits in the framework of project financing, in the form of DSRAs (debt service reserve accounts) or for the purposes of project construction. The decrease during the period was mainly due to the repayment of the DSRA of the Hornsdale 1, 2 and 3 project companies, which occurred in connection with the refinancing of these companies.*

(4) *Interest rate risk hedging derivatives with positive market values. Instruments with negative market values are included in total borrowings (see note 16.2 to the consolidated half-yearly financial statements).*

Analysis of financial debt by type

(In millions of euros)	Non-current	Current	06.30.2020	Non-current	Current	12.31.2019	Change
Bank loans - project finance	1,669.6	259.0	1,928.6	1,648.4	109.5	1,757.9	+ 170.7
Bond financing for projects	154.2	25.8	179.9	173.0	26.6	199.5	– 19.6
Lease liabilities	138.4	8.0	146.4	130.5	6.2	136.7	+ 9.7
Corporate financing	332.9	4.8	337.8	190.6	4.0	194.6	+ 143.2
Non-controlling investors and others	28.9	1.8	30.7	28.0	2.5	30.4	+ 0.3
Derivative instruments – impact of hedging	106.2	14.8	121.0	83.8	11.6	95.4	+ 25.6
Total financial liabilities	**2,430.2**	**314.2**	**2,744.4**	**2,254.2**	**160.4**	**2,414.6**	**+ 329.8**

Bank loans – project finance (+€170.7 million)

In the first half of 2020, the Group issued an additional €169 million of new project financing, mainly for the following facilities: the El Llano power plants (€75.2 million) in Mexico, Capella (€30 million) in El Salvador, Altiplano (€12.3 million) in Argentina, Hedet (€11.2 million) in Finland, Metoro (€3.6 million) in Mozambique and two wind power plants (€31.1 million) and a solar power plant (€2.9 million) in France.

In addition to this:

- the refinancing of the Hornsdale 1, 2 and 3 projects in Australia for an amount net of expenses of €356.5 million (resulting in €(291.1) million in repayments of previous project financing debts);
- other loan repayments in the first half of 2020 amounted to €(57.8) million;
- foreign exchange impact €(13.7) million;
- the change in the amortised cost of borrowings for +€6.2 million and in accrued interest for +€1.6 million.

[1] The effective interest rate of the debt component is 5.8 %.

Bond financing for projects (-€19.6 million)

Bond financing mainly comprises junior debt on projects. The decrease in the first half of 2020 mainly represents repayments in connection with the refinancing of the Hornsdale 1, 2 and 3 power plants in a total amount of €(23.2) million.

Lease liabilities (+€9.7 million)

The lease liability is initially measured at the present value of lease payments that are not settled at the effective date, discounted at the marginal borrowing rate of the lessee. It is then repaid and discounted at the rate of rent payments. The number of leases falling within the scope of IFRS 16 "Leases" amounted to 575 at the end of June 2020.

Corporate financing (+€143.2 million)

At December 31, 2019, corporate financing mainly corresponded to the OCEANE bonds issued in 2019 for an amount of about €200 million. In accordance with IFRS, the issue has been accounted for as a composite instrument with a debt component amounting to €180.5 million (€179 million net of expenses) and an equity component amounting to €19.5 million (€19.4 million net of expenses).

The increase in this item in the first half of 2020 is due to the €170 million Green OCEANE issue. In accordance with IAS 32 "Financial Instruments: Presentation", the issue has been accounted for as a composite instrument with a debt component amounting to €144.8 million (€142.8 million net of expenses) and an equity component amounting to €25.2 million (€24.9 million net of expenses)

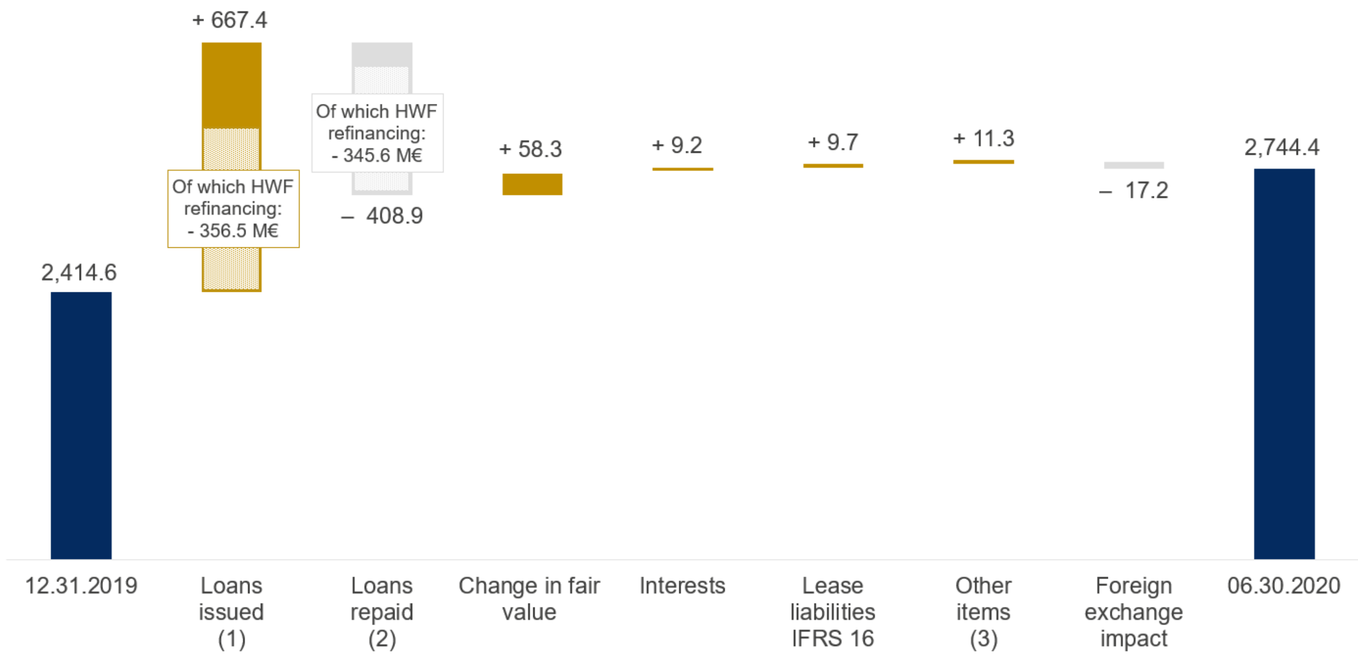
Derivative instruments - impact of hedging (+€25.6 million)

The increase in derivative financial instruments with negative values mainly reflects the +€58.3 million negative change in fair value in turn reflecting the combined impact of new instruments contracted during the period and of the substantial fall in interest rates observed in most of the geographical zones in which the Group operates and the impact of the refinancing of the Hornsdale 1, 2 and 3 power plants of €(31.3) million corresponding to the change in fair value associated with the unwinding of historical swaps.

Evolution of the Group's financial debt

The evolution of the Group's financial debt in the first semester 2020 may be summarized as follows (the amounts are expressed in millions).

(In millions of euros)



(1) *New borrowings essentially comprise the +€169 million of financing for new projects (see above the analysis of liabilities by type), the issue of a Green OCEANE for an amount of +€142.8 million (net of expenses) and the refinancing of Hornsdale 1, 2 and 3 projects in Australia for an amount net of expenses of €356.5 million.*

(2) *The repayment of borrowings includes -€63.3 million of loan repayments (including -€57.8 million in bank loans), -€345.6 million of repayment associated with the refinancing of Hornsdale 1, 2 and 3 projects in Australia (including -€291.1 million in bank loans, -€23.2 million in bond financing and -€31.3 million in the unwinding of historical swaps).*

(3) *Including a +€7.4 million increase in the amortised cost of borrowings.*

Financial covenants

At June 30, 2020, there was no indication that the various companies financed by project and mezzanine debt were not in compliance with their covenants on minimum DSCR financial ratios or minimum shareholders' equity.

2.3.3 CASH POSITION AND CASH FLOWS

(In millions of euros)	HY 2020	HY 2019	Change
Net cash flows from operating activities	91.7	81.6	+ 10.0
Net cash flows from investing activities	(205.2)	(405.1)	+ 199.9
Net cash flows from financing activities	245.2	158.5	+ 86.7
Impact of foreign exchange rate fluctuation	(2.7)	0.6	– 3.3
Impact of reclassification of the treasury held by operations in process of sale	-	(1.7)	+ 1.7
Change in cash and cash equivalents	**129.0**	**(166.1)**	**+ 295.1**

2.3.3.1 NET CASH FLOWS FROM OPERATING ACTIVITIES

(In millions of euros)	HY 2020	HY 2019	Change
Consolidated net income	20.9	18.4	+ 2.5
Eliminations (1)	124.1	86.6	+ 37.5
Impact of changes in working capital (2)	(38.6)	(19.8)	– 18.9
Tax received (paid) (3)	(14.6)	(3.6)	– 11.1
Net cash flows from operating activities	**91.7**	**81.6**	**+ 10.1**
Of which: operating cash flows associated with discontinued operations (4)	-	0.4	– 0.4

(1) Comprising non-cash movements notably including depreciation, amortization, impairment and provisions, the recycling to profit or loss of derivative financial instruments, gains and losses on sale, the cost of debt and the deferred and current tax charge or (credit). The increase for the period is mainly attributable to growth in the number of operating companies.

(2) The change in working capital requirements is attributable to an increase in trade receivables and in VAT credits pending reimbursement related in particular to projects under construction.

(3) The -€11.1 million change in taxes paid between the first half of 2019 and the first half of 2020 is due in particular to the payment during the first half of 2020 of the 2019 tax balance of certain entities and, as a result, the 2020 instalments, in a context of an increase in the tax base, as well as withholding taxes that could not be used as tax credits.

(4) These flows corresponded to the biomass activity sold on September 4, 2019.

The +€10.1 million increase in cash flows from operating activities essentially reflects the increase in EBITDA (detailed in section 2.2.2.3 of this document), partially offset by the increase in the working capital requirement and the increase in tax paid (these effects are detailed in the table above).

2.3.3.2 NET CASH FLOWS FROM INVESTING ACTIVITIES

(In millions of euros)	HY 2020	HY 2019	Change
Acquisitions of subsidiaries net of treasury acquired	(0.0)	(0.7)	+ 0.7
Sales of subsidiaries net of the cash transferred	-	0.3	– 0.3
Acquisition of intangible and tangible fixed assets (1)	(233.8)	(377.5)	+ 143.7
Sale of intangible and tangible fixed assets	0.0	0.0	– 0.0
Change in financial assets (2)	28.4	(27.2)	+ 55.6
Dividends received	0.2	(0.0)	+ 0.2
Net cash flows from investing activities	**(205.2)**	**(405.1)**	**+ 199.9**
Of which: Investing cash flows associated with discontinued operations (3)	-	(0.4)	+ 0.4

(1) These flows are detailed in section 2.3.4.1 "main investment performed" of this document.

(2) The change in financial assets was mainly due to the repayment of deposits linked to the financing of production assets during the first half of 2020.

(3) These flows corresponded to the biomass activity sold on September 4, 2019.

The +€199.9 million decrease in investment-related expenditure was mainly due to a temporary slowdown in purchases of property, plant and equipment and intangible assets during the period as a direct result of the Group's project completion timetable and, to a lesser extent, one-off delays inherent in particular the COVID-19 epidemic, which slowed the timing of the completion of certain assets under construction, and, to a lesser extent, a positive change in financial assets, associated mainly with the repayment, in the first half of 2020, of deposits historically made in connection with the financing of the Group's projects.

During the first half of 2019, project investments resulted in the acquisition of property, plant and equipment and intangible assets in the amount of €377.5 million, mainly in the Bulgana (€90.7 million), Numurkah (€50.4 million) and Hornsdale Power Reserve (€32.6 million) projects in Australia, El Llano in Mexico (€46.2 million), Paradise Park (€23.7 million) in Jamaica, Altiplano (€23.4 million) in Argentina, Bangweulu (€19.6 million) in Zambia, Hedet (€15.9 million) in Finland, Capella (€11.7 million) in El Salvador, and wind (€9.8 million) and solar (€22.1 million) projects in France.

During the first half of 2020, the €233.8 million in acquisition of property, plant and equipment and intangible assets mainly concerned the Altiplano (€52.9 million) in Argentina, El Llano (€25.5 million) and Itzoteno (€10.8 million) in Mexico, Hornsdale Power Reserve (€23.7 million) in Australia, Capella (€23.5 million) in El Salvador, Hedet (€11.1 million) in Finland, as well as wind (€25.6 million) and solar (€17.4 million) projects in France.

2.3.3.3 NET CASH FLOW FROM FINANCING ACTIVITIES

(In millions of euros)	HY 2020	HY 2019	Change
Share capital increase by the parent company (1)	26.4	0.4	+26.0
Contribution of non-controlling interests to share capital increases	0.1	0.8	- 0.7
Net sale (acquisition) of treasury shares	(2.0)	(3.1)	+ 1.1
Issue of loans (2)	667.4	242.2	+ 425.2
Dividends paid	(9.8)	(1.5)	- 8.4
Repayment of loans (2)	(408.9)	(50.6)	- 358.3
Interests paid	(27.9)	(29.7)	+ 1.7
Net cash flows from financing activities	**245.2**	**158.5**	**+ 86.7**
Of which: Financing cash flows associated with discontinued operations (3)	-	(0.9)	+ 0.9

(1) In June 2020, convertible bonds in the form of Green OCEANE bonds were issued for an amount of about €170 million. As this is a composite instrument within the meaning of IFRS, €143.2 million (€142.8 million net of expenses) was recognised under the "debt" component and €25.2 million (€24.9 million net of expenses) was recognised under the "equity" component, before deduction of expenses (see section 2.2.4 "key events of the period").

(2) In the first half of 2020, the Group refinanced the Hornsdale 1.2 and 3 power plants, which resulted in the repayment of €(314.3) million of debt, with a corresponding issue of new debt amounting to €356.5 million (net of expenses). In addition, €(31.3) million was disbursed for the unwinding of historical swaps.

(3) These flows corresponded to the biomass activity sold on September 4, 2019.

The +€86.7 million increase in net cash from financing activities is mainly attributable to:

- the issue of a Green OCEANE bond during the period (€167.7 million net of expenses), and;
- the impact of the refinancing of the Hornsdale 1, 2 and 3 power plants in Australia (€10.9 million net of expenses and after the disbursement of €(31.3) million for the unwinding of historical swaps), offsetting the decrease in project finance debt issues (€170.1 million in the first half of 2020 compared to €241.8 million in the first half of 2019).

In the case of the external financing, the changes observed also reflect the impact of the timing of project construction which in turn conditions the extent of the drawdown of the available project financing facilities.

2.3.4 INVESTMENT

2.3.4.1 MAIN INVESTMENT PERFORMED

(In millions of euros)	HY 2020	HY 2019	Change	Change (in %)
Acquisitions of intangible and tangible fixed assets: [1]	**233.8**	**377.5**	**- 143.7**	**– 38%**
- Of which: Intangible assets [2]	18.3	14.5	+ 3.8	+ 26%
- Of which: Property, plant and equipment	215.5	363.0	- 147.5	– 41%
Financial investments: [3]	**(28.4)**	**27.9**	**- 56.3**	**– x2**
- Of which: Acquisitions/disposals of financial assets [4]	(28.4)	27.2	- 55.6	– x2
- Of which: Acquisitions of subsidiaries net of treasury acquired	0.0	0.7	- 0.7	– 100%

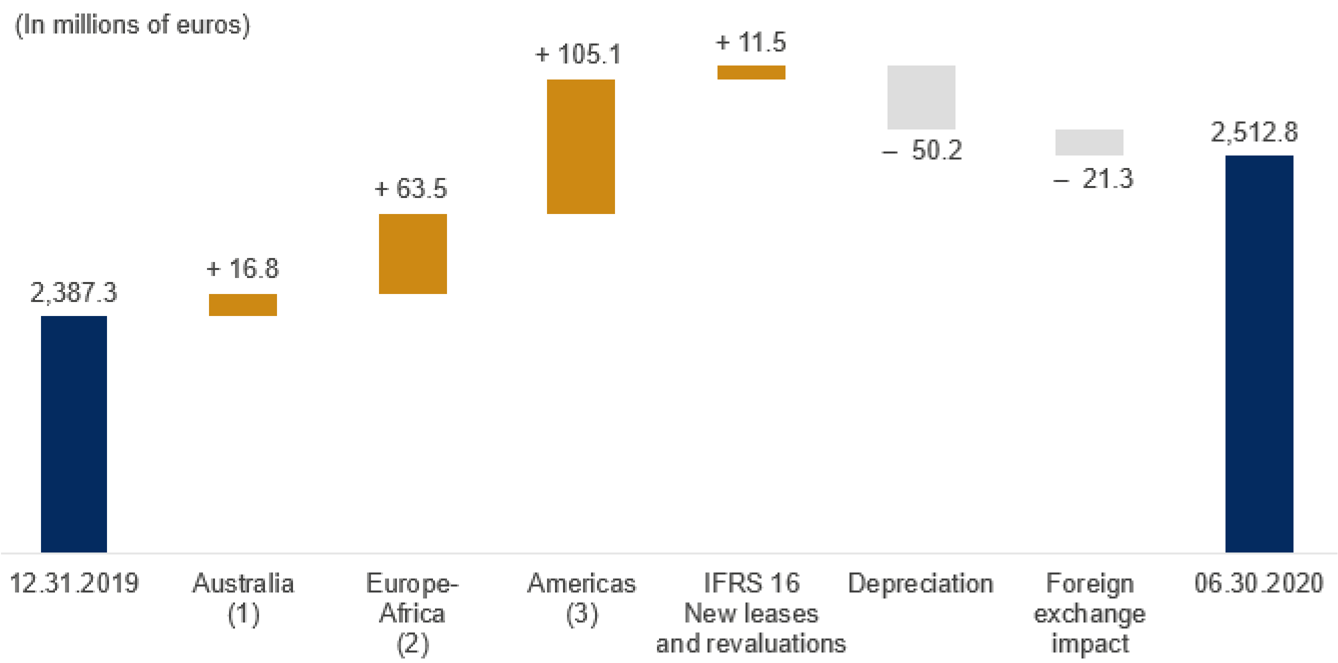
(1) *The gross amounts of acquisitions presented above include any change in the applicable supplier payables thereby facilitating reconciliation of their amounts with the corresponding cash payments. The gross amounts of acquisitions without that adjustment amounted respectively to €196.9 million and €313.5 million for June 30, 2020 and June 30, 2019.*

(2) *The increase of the period is exclusively attributable to the increase in capitalized development costs.*

(3) *Financial investments are analysed in section 2.3.3.2 of this document.*

(4) *Acquisitions of financial assets correspond to the funding of DSRA and other guarantees. Disposals of financial assets correspond to decreases in DSRA (reallocated on availability) and other blocked accounts.*

The change between December 31, 2019 and June 30, 2020 in the Group’s property, plant and equipment may be broken down as follows (the amounts are expressed in millions):



The acquisitions of the period comprise facilities under construction mainly including:

(1) *In Australia: Bulgana (€6.7 million); extension of Hornsdale Power Reserve (€7 million);*

(2) *In the Americas: El Llano (€40 million) in Mexico; Altiplano (€34.1 million) in Argentina and Capella (€11.4 million) in El Salvador;*

(3) *In Europe: Hedet (€12.6 million) in Finland, five wind projects in France (€27.4 million) and five solar projects in France (€15.2 million).*

2.3.4.2 MAIN INVESTMENT IN PROGRESS

The Group's main investment in progress equates with projects under construction and as yet uncompleted as of June 30, 2020 and amounts to €465.4 million for the period (mainly Altiplano in Argentina for €191.9 million, and Bulgana in Australia for €169.9 million) compared to €610.2 million at December 31, 2019 (see note 11 "goodwill, intangible assets and property, plant and equipment" of the half-yearly consolidated financial statements).

2.3.4.3 MAIN INVESTMENT ENVISAGED

The Group pursues a strategy of develop-to-own under which it develops its projects with the intention of controlling and operating its production assets. In that framework, its future envisaged investment will mainly consist in adding new projects to its portfolio and pursuing its existing projects until their entry into operation. The latter represent a total volume of 773.4 MW of projects awarded but whose construction launch has not yet taken place. The Group also continues to develop its advanced development and tender ready[1] projects with a total volume of 6,816.8 MW.

2.4 MAIN TRANSACTIONS WITH RELATED PARTIES

The main transactions with related parties are detailed in note 19 to the half-yearly consolidated financial statements. They are of the same nature as those commented on in the financial statements as of December 31, 2019.

They concern any transactions with the Impala, Eiffel Investissements Groupe and BPI entities.

2.5 SUBSEQUENT EVENTS

Free share plan

On July 2, 2020, the Board of Directors decided to grant 140,000 free Neoen S.A. shares to certain group employees. The granting of shares will only be final, subject to meeting the conditions set out in the award plan, at the end of a vesting period of 3 years.

Share buyback plan

On July 6, 2020, Neoen signed a mandate to buy back a maximum of 100,000 shares over the period from July 7 to September 25, 2020, for a maximum purchase price of €40 per share. The purpose of this transaction is to acquire shares for delivery under expiring free share plan. On the date of publication of the half-yearly financial statements, more than forty thousand shares had been acquired at an average price close to €38.50.

2.6 MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties to which the Group believes it is exposed as of the date of this half-yearly financial report are detailed in chapter 3 "Risk factors" of the 2019 universal registration document, filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on April 28, 2020. The Group does not anticipate any changes in its risks that may have an impact on the rest of the 2020 financial year.

The evolution of the health crisis related to COVID-19 remains uncertain at this stage, despite the management and remediation measures implemented. The impacts on the first half of 2020 are detailed in parts 2.2.2 "Outlook for 2020 and trends in 2021", 2.2.4.2 "COVID-19 epidemic" and in notes 1.2 and 2 to the consolidated financial statements as of June 30, 2020.

The amounts relating to financial and market risks as of June 30, 2020 are set out in note 17.1 to the condensed half-yearly consolidated financial statements of this report.

The risks and uncertainties relating to the carrying amount of goodwill, intangible assets and property, plant and equipment are presented in note 11 to the consolidated financial statements as of June 30, 2020.

[1] For a definition of the various stages of development of the Group's projects, the reader is invited to refer to the "glossary" in the 2019 universal registration document.

3

FINANCIAL STATEMENTS AND STATUTORY AUDITORS' REPORT

3.1 NEOEN GROUP CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020

The financial statements have been the subject of a limited review and an unqualified report by the statutory auditors.

3.1.1 CONSOLIDATED INCOME STATEMENT

(In millions of euros)	Notes	HY 2020	HY 2019
Energy sales under contract		113.7	100.1
Energy sales in the market		41.5	14.3
Other revenues		2.0	3.8
Total Revenue	5	**157.2**	**118.1**
Purchases net of changes in inventories	6.1	0.4	(0.2)
External expenses and payroll costs	6.3 and 7.1	(36.9)	(26.0)
Duties, taxes and similar payments		(5.8)	(4.2)
Other current operating income and expenses	8	33.0	5.8
Share of net income of associates		0.4	0.5
Current operating depreciation, amortization and provisions	11.2 and 11.3	(52.3)	(35.9)
Current operating income		**95.9**	**58.1**
Other non-current operating income and expenses	9	(2.2)	(1.1)
Impairment of non-current assets	9	1.3	(0.1)
Operating income		**95.0**	**57.0**
Cost of debt		(48.2)	(35.6)
Other financial income and expenses		(7.4)	6.4
Net financial result	16.1	**(55.5)**	**(29.2)**
Profit before tax		**39.5**	**27.7**
Income tax	10	(18.7)	(9.1)
Net income from continuing operations		**20.9**	**18.7**
Net income from discontinued operations		**-**	**(0.3)**
Consolidated net income		**20.9**	**18.4**
Group share of net income		22.0	16.7
of which: for continuing operations – Group share		22.0	16.5
of which: for discontinued operations – Group share		-	0.3
Net income attributable to non-controlling interests		(1.2)	1.6
of which: for continuing operations – attributable to non-controlling interests		(1.2)	2.2
of which: for discontinued operations – attributable to non-controlling interests		-	(0.6)
Basis earnings per share (in euros)		0.25	0.22
of which: for continuing operations (in euros)		0.25	0.22
of which: for discontinued operations (in euros)		-	(0.0)
Diluted earnings per share (in euros)		0.22	0.21
of which: for continuing operations (in euros)		0.22	0.22
of which: for discontinued operations (in euros)		-	(0.0)

3.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	Notes	HY 2020	HY 2019
Consolidated net income		**20.9**	**18.4**
Foreign exchange differences (1)		(8.4)	0.1
Cash flow hedging (interest rate swaps) (2)	16.3	(55.4)	(71.0)
Deferred tax for cash flow hedging (2)	10	16.3	20.4
Items recyclable through profit or loss		**(47.5)**	**(50.5)**
Total comprehensive income		**(26.6)**	**(32.2)**
of which: Net Income - Group share		(21.3)	(29.6)
of which: Net Income - attributable to non-controlling interests		(5.3)	(2.6)

(1) The change in translation differences is due to the adverse change in Australian dollar exchange rate.

(2) Cash flow hedges represent changes in the fair value of derivative financial instruments considered effective within the meaning of IFRS 9. As these instruments are effective, the change is recognised in "other comprehensive income" in the financial statements together with the corresponding deferred tax.

3.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In millions of euros)	Notes	06.30.2020	12.31.2019
Goodwill	11.1	0.7	0.7
Intangible assets	11.2	197.5	183.3
Property, plant and equipment	11.3	2,512.8	2,387.3
Investments in associates and joint ventures		7.0	6.9
Non-current derivative financial instruments	16.4	1.3	2.0
Non-current financial assets	12	99.1	125.2
Deferred tax assets		55.4	55.6
Total non-current assets		**2,873.7**	**2,761.0**
Inventories	6.2	1.6	0.7
Trade receivables		74.2	52.2
Other current assets [(1)]		134.2	111.2
Cash and cash equivalents	13	589.5	460.5
Total current assets		**799.5**	**624.7**
Total assets		**3,673.2**	**3,385.7**

(In millions of euros)	Notes	06.30.2020	12.31.2019
Share capital		170.5	170.2
Share premium		501.8	501.0
Reserves		(22.2)	(42.4)
Treasury shares		(5.8)	(3.8)
Group share of net income		22.0	36.0
Group share of equity	14	**666.3**	**661.0**
Non-controlling interests	14	4.4	19.5
Total equity	14	**670.8**	**680.5**
Non-current provisions	15	20.7	13.8
Non-current project finance	16.2	1,991.1	1,979.8
Non-current corporate finance	16.2	332.9	190.6
Non-current derivative financial instruments	16.3	106.2	83.8
Other non-current liabilities[(2)]		34.0	34.1
Deferred tax liabilities		42.3	49.6
Total non-current liabilities		**2,527.3**	**2,351.7**
Current project finance	16.2	294.6	144.8
Current corporate finance	16.2	4.8	4.0
Current derivative financial instruments	16.2	14.8	11.6
Trade payables		98.5	126.3
Other current liabilities		62.5	66.8
Total current liabilities		**475.2**	**353.5**
Total equity and liabilities		**3,673.2**	**3,385.7**

(1) This item consists mainly of taxes receivables and advances and down payments paid to fixed asset suppliers (in connection with the construction of power generation facilities).

(2) Other non-recurring liabilities correspond exclusively to payments deferred for more than one year related to the acquisition of assets under development in Europe and Australia.

3.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In millions of euros)	Share capital	Share premium	Reserves and retained earnings	Own shares	Other elements of comprehensive income (1)	**Group share of equity**	Non-controlling interests	**Total equity**
Total equity as of January 1st, 2019	**169.9**	**500.8**	**30.1**	**(2.7)**	**(52.9)**	**164.1**	**10.1**	**655.3**
Comprehensive income for the period	**-**	**-**	**16.8**	**-**	**(46.4)**	**(14.7)**	**(2.6)**	**(32.2)**
Distribution of dividends	-	-	(0.0)	-	-	0.0	(1.5)	(1.5)
Share capital increase	0.2	0.2	0.1	-	-	441.7	0.8	1.3
Share-based payments	-	-	1.3	-	-	2.5	-	1.3
Other transactions with non-controlling interests	0.0	0.0	(0.0)	-	0.0	(2.8)	(0.0)	(0.0)
Change in treasury shares	-	-	-	(3.1)	-	(2.7)	-	(3.1)
Changes in consolidation scope and other changes	0.0	(0.0)	(0.0)	-	0.0	57.0	(0.0)	(0.0)
Total equity as of June 30th, 2019	**170.1**	**501.0**	**48.2**	**(5.9)**	**(99.2)**	**645.1**	**6.9**	**621.1**
Comprehensive income for the period	**-**	**-**	**8.8**	**-**	**9.7**	**(0.3)**	**0.1**	**18.6**
Distribution of dividends	-	-	0.0	-	-	0.0	(2.6)	(2.6)
Share capital increase	0.1	0.1	19.3	-	-	19.9	1.1	20.6
Share-based payments	-	-	2.5	-	-	3.8	-	2.5
Other transactions with non-controlling interests	(0.0)	(0.0)	6.4	-	0.0	(4.4)	14.0	20.4
Change in treasury shares	-	-	-	2.1	(2.0)	(3.1)	-	0.1
Changes in consolidation scope and other changes	(0.0)	0.0	0.0	-	0.0	(0.0)	0.0	0.0
Total equity as of January 1st, 2020	**170.2**	**501.0**	**85.2**	**(3.8)**	**(91.6)**	**661.0**	**19.5**	**680.5**
Comprehensive income for the period	**-**	**-**	**22.0**	**-**	**(43.4)**	**(0.3)**	**(5.3)**	**(26.6)**
Distribution of dividends	-	-	0.0	-	-	0.0	(9.8)	(9.8)
Share capital increase (2)	0.3	0.8	25.3	-	-	19.9	(0.0)	26.4
Share-based payments	-	-	2.3	-	-	3.8	-	2.3
Other transactions with non-controlling interests	(0.0)	-	0.0	-	0.0	(4.4)	(0.0)	0.0
Change in treasury shares(3)	-	-	-	(2.0)	-	(3.1)	-	(2.0)
Changes in consolidation scope and other changes	0.0	-	(0.0)	-	0.0	(0.0)	(0.0)	(0.0)
Total equity as of June 30th, 2020	**170.5**	**501.8**	**134.8**	**(5.8)**	**(134.9)**	**661.0**	**4.4**	**670.8**

(1) "Other comprehensive income" impacting the comprehensive income for the period mainly includes the fair value of derivative financial instruments (see note 16.4).

(2) Refer to notes 14 and 16.2.

(3) Neoen S.A. acquired treasury shares for €2 million in connection with the issue of the Green OCEANE on June 2, 2020.

3.1.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of euros)	Notes	HY 2020	HY 2019
Consolidated net income		**20.9**	**18.4**
Eliminations:			
of the share of net income of associates		(0.4)	(0.5)
of depreciation and provisions	11.2 and 11.3	51.0	38.7
of the change in fair value to derivatives through profit or loss		(0.0)	0.8
of gains and losses on sale	9	2.1	1.1
of calculated income and expense related to share-based payments	7.2	2.3	1.3
of other income and expense without cash impact		2.2	0.4
of income tax	10	18.7	9.1
of the cost of net borrowings	16.1	48.2	35.7
Impact of changes in working capital (1)		(38.6)	(19.8)
Taxes paid (received)		(14.6)	(3.6)
Net cash flows from operating activities		**91.7**	**81.6**
Of which: Operating cash flows associated with discontinued operations (2)		-	*0.4*
Acquisitions of subsidiaries net of treasury acquired		(0.0)	(0.7)
Sales of subsidiaries net of cash transferred		-	0.3
Acquisition of intangible and tangible fixed assets (3)		(233.8)	(377.5)
Sale of intangible and tangible fixed assets		0.0	0.0
Change in financial assets (4)		28.4	(27.2)
Dividends received		0.1	0.0
Net cash flows from investing activities		**(205.2)**	**(405.1)**
Of which: Investing cash flows associated with discontinued operations (2)		-	*(0.4)*
Share capital increase by the parent company	1.4 and 14	26.4	0.4
Contribution of non-controlling interests to share capital increases		0.1	0.8
Net sale (acquisition) of treasury shares		(2.0)	(3.1)
Issue of loans	16.2	667.4	242.2
Dividends paid		(9.8)	(1.5)
Repayment of loans	16.2	(408.9)	(50.6)
Interests paid		(27.9)	(29.7)
Net cash flows from financing activities		**245.2**	**158.5**
Of which: Financing cash flows associated with discontinued operations (2)		-	*(0.9)*
Impact of foreign exchange rate fluctuation		(2.7)	0.6
Impact of reclassification of cash related to discontinued operations		-	(1.7)
Change in cash and cash equivalents		**129.0**	**(166.1)**
Opening cash and cash equivalents	13	460.5	503.8
Closing cash and cash equivalents	13	589.5	337.8
Change in net cash and cash equivalents		**129.0**	**(166.1)**

(1) The impact of the change in working capital requirements in the first half of 2020 is mainly due to an increase in trade receivables and an increase in VAT credits pending reimbursement, particularly in connection with projects under construction.

(2) The cash flows for the first half of 2019 relate to the biomass activity sold on September 4, 2019.

(3) The Neoen group acquired intangible assets and property, plant and equipment for +€18.3 million (see note 11.2) and +€178.5 million (see note 11.3) respectively over the period. In addition, debt payments and advance payments on fixed asset suppliers amount to €37 million in 2020.

(4) The decrease in investments made over the period is mainly due to the repayment of deposits linked to the financing of generation assets.

3.1.6 SEGMENT REPORTING

Accounting principles

In accordance with IFRS 8 "Operating segments", segment information is presented based on the internal organisation and reporting used by the Group's management. Neoen uses the following breakdown for its operating segments:

- **Wind**: this segment includes wind turbine production;

- **Solar power**: this segment includes photovoltaic energy production;

- **Storage**: this segment includes the activity related to independent batteries, directly connected to the grid;

- **Development and Investments**: this segment includes mainly development and investments activities;

- **Eliminations**: intra-group flows mainly concerning the cancellation of invoices for services rendered by Neoen S.A. to its project companies for the development, supervision and administrative management of power plants, as well as the capitalisation of development costs in accordance with IAS 38 “Intangible assets”.

The main indicators published are those used by the Group's management. EBITDA corresponds to recurring operating income restated for current depreciation, amortisation and operating provisions.

For additional information, the main indicators published are broken down by geographical region. These are defined below:

- **Europe - Africa**: this region includes production operations in Europe and Africa;

- **Americas**: this region includes production operations in North America, Central America, South America and the Caribbean;

- **Australia**: this region includes production operations in Australia.

Segment results for the first semester 2019 and the first semester 2020 are thus presented for each of the Group's operating segments: wind, solar, storage, and development and investments (including eliminations).

Segment reporting

	In millions of euros	Wind power	Solar power	Storage	Developement & Investment [2]	Eliminations [3]	HY 2020
EUROPE-AFRICA	**Income statement**						
	Revenue	33.6	28.3	0.2			62.1
	EBITDA [1]	26.6	24.7	0.1			51.4
	Current operating income	13.3	14.6	(0.0)			27.9
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	49.4	28.1	4.2			81.7
AMERICAS	**Income statement**						
	Revenue		24.9				24.9
	EBITDA [1]		44.8				44.8
	Current operating income		35.6				35.6
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets		119.3				119.3
AUSTRALIA	**Income statement**						
	Revenue	25.2	20.8	24.4			70.4
	EBITDA [1]	19.3	18.6	23.1			61.0
	Current operating income	10.0	8.0	20.5			38.6
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	6.8	5.1	23.8			35.7
TOTAL	**Income statement**						
	Revenue	58.9	74.0	24.6	17.3	(17.5)	157.2
	EBITDA [1]	45.9	88.0	23.2	(13.3)	4.5	148.2
	Current operating income	23.3	58.2	20.5	(14.8)	8.6	95.9
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	56.2	152.5	28.0	(1.2)	(1.8)	233.8

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

(2) Revenue in this sector is mainly generated by the sales of services by Neoen S.A. to other Group entities (eliminated on consolidation, with the exception of amounts invoiced to related companies and other entities that are not fully consolidated) but also by sales of services to third parties.

(3) The eliminations mainly concern the cancellation of invoices for services rendered by Neoen S.A. to its project companies for the development, supervision and administrative management of production assets as well as the activation of development costs in accordance with IAS 38 "Intangible assets".

(En millions d'euros)		Wind power	Solar power	Storage	Developement & Investment(2)	Eliminations (3)	HY 2019
EUROPE-AFRICA	**Income statement**						
	Revenue	19.6	26.6	0.0			46.3
	EBITDA (1)	15.3	25.8	0.0			41.2
	Current operating profit	8.5	17.7	0.0			26.3
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	37.1	45.1	2.4			84.6
AMERICAS	**Income statement**						
	Revenue		8.5				8.5
	EBITDA (1)		6.1				6.1
	Current operating profit		3.8				3.8
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets		138.3				138.3
AUSTRALIA	**Income statement**						
	Revenue	33.1	19.7	8.3			61.1
	EBITDA (1)	28.2	18.4	6.7			53.2
	Current operating profit	19.0	10.1	4.1			33.1
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	94.8	51.0	5.6			151.3
TOTAL	**Income statement**						
	Revenue	52.7	54.8	8.4	23.4	(21.2)	118.1
	EBITDA (1)	43.5	50.2	6.7	(8.9)	2.4	94.0
	Current operating profit	27.5	31.6	4.1	(10.3)	5.2	58.1
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	131.8	234.4	8.0	0.8	2.0	377.1

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

(2) Revenue in this sector is mainly generated by the sales of services by Neoen S.A. to other Group entities (eliminated on consolidation, with the exception of amounts invoiced to related companies and other entities that are not fully consolidated) but also by sales of services to third parties.

(3) The eliminations mainly concern the cancellation of invoices for services rendered by Neoen S.A. to its project companies for the development, supervision and administrative management of production assets as well as the activation of development costs in accordance with IAS 38 "Intangible assets".

3.1.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

NOTE 1.1. IDENTIFICATION OF THE ISSUER

Neoen is a public limited company incorporated and domiciled in France and listed on Compartment A of the regulated market of Euronext Paris. Its registered office is located at 6 rue Ménars, 75002 Paris The Neoen Group develops and operates power plants to generate electricity from renewable energies (wind, solar), as well as energy storage facilities.

With more than 3.6 GW of projects in operation and construction (including 228 MW under management) and 0.7 GW of projects awarded[1] as of June 30, 2020 (secured[1] portfolio of more than 4.4 GW), Neoen is the leading independent producer of renewable energies in France.

The Group also has an advanced pipeline[1] of 6.8 GW and more than 4.6 GW of early stage projects[1].

The Group operates in the geographic regions of Europe - Africa, Australia and the Americas.

NOTE 1.2. EVENTS DURING THE PERIOD

A first half marked by the COVID-19 health crisis

On January 30, 2020, the World Health Organisation declared a public health emergency of international concern following the spread of the COVID-19 virus and declared it a pandemic on March 11, 2020. In response to this health crisis, governments around the world were forced to adopt restrictive social and economic measures to contain the spread of the virus. These measures triggered significant disruptions for companies, leading to a global economic slowdown.

In this context, the Neoen group's primary responsibility was to preserve the health of all its employees while continuing to operate. The Neoen group therefore limited staff travel, massively deployed alternative working methods and used remote working whenever possible, while actively pursuing the development of its portfolio with the commissioning of new assets (239 MW over the period), the launch of the construction of more than 500 MW and the strengthening of its portfolio of secure projects.

The Neoen group thereby managed to continue its development, despite occasional delays in the completion of its projects, and to maintain dynamic growth in its sales, EBITDA and net income while maintaining its cash and liquidity throughout the period. As a result, it did not use government support measures. As the Group's assets operate mainly under long-term power purchase agreements with mainly first-rate counterparties, they were only slightly affected by the fluctuations that impacted the financial and electricity markets during the first half. The Neoen group has therefore not identified any indications of impairment likely to affect these assets.

Furthermore, the Neoen group has not identified any liquidity risk inherent to the health crisis, and in the period completed the issue of its first corporate syndicated loan and a Green OCEANE bond (see notes 14 and 16.2).

Lastly, the specific costs related to the COVID-19 epidemic remain marginal at Group level and mainly concern health equipment and compliance.

Refinancing of the Hornsdale wind projects in Australia

As part of its active financing management, on January 21, 2020 the Neoen group completed the refinancing of the debts of the Hornsdale 1, 2 and 3 plants in operation, resulting in a repayment of existing debts of AUD 527.2 million (plus AUD 52.5 million in swap repayments) as well as the issue of new debts of AUD 606.5 million. This transaction enabled the Group to benefit from more advantageous financing conditions, in particular by extending the repayment horizon (up to 22 years from refinancing).

In accordance with the principles set by IFRS 9 "Financial Instruments", as this is a substantial modification of the financing, the Neoen group has recognised issuance costs not yet amortised and early repayment penalties in financial expenses in the amount of €(4.9) million (see note 16.2).

Signing of €200 million syndicated loan incorporating ESG criteria

In March 2020, Neoen S.A. entered into an initial syndicated loan of €200 million, indexing its financial conditions to environmental, social and governance (ESG) indicators. This agreement includes an amortisable loan of a total amount of €125 million and a revolving facility of €75 million, both of which mature on July 31, 2024. This transaction was carried out in order to strengthen the financial resources of the Neoen Group as part of its growth strategy. Issuance costs for this syndicated facilities agreement were €2 million. As of June 30, 2020, these two instruments were not yet drawn down.

[1]For a definition of the various stages of development of the Group's projects, the reader is invited to refer to the "glossary" in the 2019 universal registration document.

Capital increase reserved for employees

On April 29, 2020, Neoen S.A. carried out a capital increase reserved for its employees in France. This plan offered each beneficiary to buy 118 new shares at the preferential subscription price of €21.92 per share (benefiting from a 30 % discount compared to the average share price over the last twenty trading sessions preceding the date on which the Board of Directors set the price on March 25, 2020) and an employer contribution on the basis of one share offered for one share subscribed. The Neoen group recorded this transaction in accordance with IFRS 2 "Share-based Payment". This resulted in an impact of €0.7 million in shareholders' equity and €(0.4) million in personnel expenses.

Issue of a "Green OCEANE" bond

On June 2, 2020, Neoen S.A. issued bonds convertible and/or exchangeable for new or existing shares for a maximum nominal amount of €170 million, bearing interest at an annual rate of 2.0 % payable semi-annually in arrears on December 2 and June 2 of each year, and for the first time on December 2, 2020.

The unit value of the bonds was set at €46.20, corresponding to a premium of 40 % over Neoen's reference price. Unless they have been converted, exchanged, redeemed or bought back and cancelled, the bonds will be repaid at par on June 2, 2025.

In accordance with the principles set out in IAS 32, this issue was treated as a compound instrument, with the debt component (bond without conversion option) amounting, excluding costs, to approximately €142.8 million and the equity component (conversion option) to approximately €24.9 million (see notes 16 and 18.2). The effective interest rate of the debt component is 5.80 %.

Treasury shares

As part of the Green OCEANE bond issue completed on June 2, 2020, Neoen S.A. acquired 60,606 of its own shares for €2 million. For accounting purposes, these shares are treated as treasury shares in the consolidated financial statements.

The Group's exposure to Argentina

As of June 30, 2020, the contribution of all the Argentinean entities to the Neoen group's balance sheet amounted to €242.4 million, breaking down as follows:

- intangible assets and property, plant and equipment: €197.8 million;
- cash and cash equivalents: €15.8 million;
- project financing liabilities: €145.7 million.

In addition, to guarantee Neoen's commitments under the Altiplano project, bank guarantees in the form of letters of credit were issued by credit institutions, of which USD 28.8 million were in force on June 30, 2020, covered by cash guarantee deposits made by the Neoen group in the amount of USD 21.6 million. Neoen has also counter-guaranteed, in the amount of USD 55 million, the guarantees issued by an insurer for the proper performance of the project companies' obligations under the Power Purchase Agreement signed with CAMMESA (electricity market administrator).

The depreciation of the Argentine peso - the functional currency of the Argentine entities - against the US dollar generated unrealised foreign exchange losses, mainly relating to VAT credits denominated in Argentine pesos pending reimbursement, affecting the consolidated financial income for an amount of USD 3.7 million for the first half of 2020.

Lastly, the rules put in place by the Central Bank of the Republic of Argentina during the second half of 2019, aimed at restricting access to foreign currencies for Argentine companies and individuals in order to stem the devaluation of the Argentine peso (ARS) against the US dollar (USD), have the consequence, at the date of publication of the Group's financial statements, of substantially restricting the possibility of buying dollars on the Argentine foreign exchange market for the purposes of i) repayments of shareholders' loans denominated in USD in favour of the Altiplano project (amounting to USD 74.4 million, including accrued interest for USD 6.2 million, at June 30, 2020) and ii) dividend payments. However, these restrictions do not affect payments in respect of servicing USD denominated debt (repayment of principal or interest), to the foreign lenders on this project.

Despite the country's macroeconomic and financial situation, the group's financial partners have nevertheless continued to support the project by drawing down debt during the first half of 2020.

On May 22, 2020, however, the Argentine government formally exceeded the grace period granted for the payment of a USD 502 million maturity on its sovereign debt. Since then, negotiations between the government and the main creditor groups have led to the conclusion of a sovereign debt restructuring, effective from the beginning of September 2020. This has massively reduced the country's financial burden by reducing the present value of payments by 45 % and granting a grace period before the next scheduled repayments in 2024.

Lastly, although affected by the COVID-19 pandemic and the restrictions imposed by the federal and provincial governments, construction operations have been suspended for a period of time and are still in progress for a gradual commissioning in the last quarter of 2020.

The Argentinean macroeconomic situation has therefore not affected the project, nor, to the best of the Group's knowledge, has it affected the ability of Argentinean public entities to meet their obligations under the Renovar programme.

Status of the El Llano project

At the half-yearly closing date, the start of the commercial operation (COD - Commercial Operation Date) and the provisional technical acceptance (PA - Provisional Acceptance) of the Mexican power plant in El Llano had not been announced, due in particular to delays in the completion of the construction operations, inherent in part to the consequences of the COVID-19 epidemic, as well as to delays in the performance of pre-operational tests by the National Energy Control Centre (CENACE), thereby leading to certain documentary non-compliances within the meaning of the financing agreements for this plant. As a result, the financing raised for this project has been presented as current financial debt in the Group's half-yearly financial statements.

On the date of publication of its financial statements, the Neoen group continues to work actively with the manufacturer, CENACE and, more generally, the Mexican authorities to be able to start commercial operations as soon as possible and to carry out provisional technical acceptance of the plant, in order to eliminate these documentary non-compliances. The plant, which started production in February, continues to generate electricity at levels close to its nominal capacity, which is sold on the spot market.

NOTE 1.3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared under the responsibility of the Board of Directors on September 23, 2020.

The condensed consolidated interim financial statements of the Neoen group ("the Group") as of June 30, 2020 were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting", as published by the IASB and adopted in the European Union. They present key information as defined by IAS 34 and must therefore be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019 as set out in the 2019 universal registration document filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on April 28, 2020 under number D.20-0386.

NOTE 1.4. ACCOUNTING PRINCIPLES

In preparing its condensed interim financial statements for the six months ended June 30, 2020, the Group has applied the same accounting standards, interpretations and methods as in its financial statements for the year ended December 31, 2019, with the exception of the texts that came into force on January 1, 2020, mentioned in the paragraph below.

Standards, amendments and interpretations that are mandatory for application from January 1, 2020

New texts or amendments as adopted by the EU and whose application is mandatory as at January 1, 2020 came into force on January 1, 2020:

- Amendments to references to the conceptual framework in IFRS;
- Amendments to IAS 1 and IAS 8: "definition of material".
- Amendment to IFRS 3 - Definition of an activity - Business combinations
- Amendments to IFRS 9, IAS 39 and IFRS 7 relating to the reform of benchmark interbank rates

These amendments had no material impact on the Group's financial statements as of June 30, 2020.

Standards, amendments and interpretations of optional application from financial years starting on or after January 1, 2020

The standards, amendments and interpretations published by the IASB and not yet adopted by the EU are listed below:

- Amendments to IAS 1: "Classification of liabilities as current or non-current";
- Amendments to IFRS 3: "References to the IFRS conceptual framework";
- Amendments to IFRS 4: "Extension of the temporary exemption from applying IFRS 9";
- Amendments to IAS 37: "Onerous contracts - Cost of fulfilling a contract";
- Amendments to IAS 16: "Property, plant and equipment - Proceeds before intended use";
- Annual improvements to IFRS 2018-2020.
- Amendments to IFRS 16: Rent reductions related to COVID-19

NOTE 1.5. ESTIMATES AND ASSUMPTIONS

To prepare the Neoen Group's financial statements, management makes estimates whenever items included in the financial statements cannot be accurately measured. Management reviews its estimates and assessments regularly to take into account past experience and other factors deemed relevant in light of economic conditions. Accordingly, the amounts in future financial statements may differ from current estimates.

The main items impacted by estimates and assumptions at June 30, 2020 are the following:

- estimates of the recoverable amount of property, plant and equipment and intangible assets (notes 11.1, 11.2 and 11.3);
- useful lives of production assets (note 11.3);
- the tax charge, calculated, for the half-yearly consolidated financial statements, by applying to the accounting result for the period the average annual tax rate estimated for the current tax year for each tax entity or group (note 10);
- recognition of a deferred tax asset when it is probable that sufficient future taxable income will exist against which tax losses can be utilised (note 10);
- estimates of the lease term and discount rate to be applied to the lease payments, in connection with the application of IFRS 16 "Leases" (note 11.3);
- capitalisation of development costs (note 11.2);
- provision amounts (note 15).

NOTE 2. CONSIDERATION OF THE COVID-19 IMPACT IN THE PREPARATION OF THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020

Changes in the economic and financial environment resulting from the COVID-19 health crisis have led the Group to strengthen risk monitoring procedures, particularly in the valuation of financial instruments and the recoverable amount of its assets.

The Group has taken into account this environment and the significant market volatility in the estimates used, inter alia, for impairment tests and provision calculations.

The Group has also exercised its judgement to assess:

- the existence of a triggering event that could lead to an impairment loss on goodwills and property, plant and equipment or intangible assets;
- default probabilities in a context of uncertainty;
- impacts on the risks relating to financial instruments, in particular liquidity risk and changes in the interest rate and foreign exchange markets;
- the prospect for the use of recognised deferred tax assets;
- hedging consequences, particularly with regard to the maintaining the highly probable nature of the hedged item.

Lastly, the Group has paid particular attention to the treatment in the financial statements of the main challenges and effects of the health crisis for which the IFRS accounting principles used in previous financial statements have been applied on a consistent basis.

As the Group's assets are mainly backed by long-term contracts with mainly first-rate counterparties, they were only slightly affected by the fluctuations inherent in the COVID-19 epidemic that affected the financial and electricity markets during the half year. Consequently, the Group has not identified any indications of impairment that may affect these assets.

With regard more particularly to its assets in Latin America, a region particularly affected by the COVID-19 epidemic, the Group has continued to build its Altiplano power plant in Argentina, with the support of its lenders, in a context of reduced sovereign risk, resulting in the conclusion of an agreement between the Argentine State and its creditors in August 2020, (see note 1.2), and began production of its El Llano power plant in Mexico, for which it is currently actively working with the manufacturer and the Mexican authorities in order to be able to start commercial operations as soon as possible and to obtain provisional technical approval for the plant (see note 1.2).

Lastly, the specific costs related to the COVID-19 epidemic remain marginal at Group level and mainly concern equipment and health compliance.

NOTE 3. SEASONALITY

The Group's photovoltaic and wind power generation facilities are locally affected by seasonal variations, inherent in sunshine and wind levels. However, given the technological mix, the diversity of the geographical locations and the rate of commissioning of additional production capacity resulting from the Group's strong growth rate, this seasonal effect has not yet had a significant impact on the business.

NOTE 4. CONSOLIDATION SCOPE

NOTE 4.1. CONSOLIDATED COMPANIES

As of June 30, 2020, the Group consisted of 309 consolidated companies, 305 of which were fully consolidated and 4 of which were consolidated using the equity method.

As a reminder, as of December 31, 2019, Neoen Group consisted of 304 consolidated companies, of which 300 were fully consolidated and 4 were consolidated using the equity method.

NOTE 4.2. NON-CONSOLIDATED COMPANIES

The Group consolidates all of its subsidiaries over which it has control or over which it exercises significant influence, even if they could be considered non-significant.

Non-controlling interests in the Cestas groups are recognised as non-consolidated investments and measured at fair value through other comprehensive income.

NOTE 4.3. CHANGES IN SCOPE

As part of its development, Neoen regularly creates companies, and may be required to acquire companies in a relatively advanced development phase or offering growth or repowering prospects. During the first half of 2020, the Group did not carry out any acquisitions, disposals or liquidations.

NOTE 5. REVENUE

Accounting principles

Revenue represents the fair value of the consideration received or receivable in exchange for goods or services sold in the course of the Group's ordinary activities. Revenue is shown net of any discounts and rebates and less any intra-group sales. No revenue is recognised when there is material uncertainty as to the recoverable nature of the consideration due.

The Group mainly distinguishes between contract revenue, which is predominantly long-term, from that from sales on the market (classified as non-contract revenue). Revenue consists mainly of sales of electricity and green certificates.

Energy sales correspond to electricity sales at the level of the generation units as well as the associated green certificates, and to revenue from arbitrage and the provision of services to the networks for storage activities.

Energy is sold either in accordance with the various contracts whose selling prices are set by decree or as part of calls for tender, or on the market.

Revenue is recognised in accordance with the quantities produced and/or injected during the period or during the production of the energy giving right to the certificates.

Breakdown of revenue

Revenue breaks down as follows:

(In millions of euros)	Solar	Wind	Storage	Other (1)	HY 2020
Electricity	51.8	43.4	0.2	-	95.4
Green certificates	5.9	12.3	-	-	18.3
Energy sales under contract	**57.7**	**55.8**	**0.2**	**-**	**113.7**
Electricity	15.4	2.8	23.3	-	41.5
Green certificates	0.0	(0.0)	-	-	0.0
Energy sales in the market	**15.5**	**2.8**	**23.3**	**-**	**41.5**
Services rendered	-	-	-	0.3	0.3
Other items	0.3	0.3	1.1	0.0	1.7
Other revenues	**0.3**	**0.3**	**1.1**	**0.3**	**2.0**
As of June 30th, 2020	**73.4**	**58.8**	**24.6**	**0.3**	**157.2**

(In millions of euros)	Solar	Wind	Storage	Other (1)	HY 2019
Electricity	43.6	42.0	0.0	-	85.7
Green certificates	3.9	10.6	-	-	14.4
Energy sales under contract	**47.5**	**52.5**	**0.0**	**-**	**100.1**
Electricity	5.7	0.1	7.0	-	12.8
Green certificates	1.5	(0.1)	-	-	1.5
Energy sales in the market	**7.2**	**(0.0)**	**7.0**	**-**	**14.3**
Services rendered	-	-	-	0.4	0.4
Other items	0.1	0.1	1.3	1.8	3.4
Other revenues	**0.1**	**0.1**	**1.3**	**2.2**	**3.8**
As of June 30th, 2019	**54.9**	**52.7**	**8.4**	**2.2**	**118.1**

(1) This mainly concerns administrative management, supervision and development services for non-group entities.

NOTE 6. PURCHASES AND INVENTORIES

NOTE 6.1. PURCHASES NET OF CHANGES IN INVENTORIES

Accounting principles

The Australian project companies operating solar and wind power plants generate green certificates at the rate of their production which, for the portion exceeding the commitments provided for in their Power Purchase Agreement with their counterparties, are intended to be sold on the market.

With the aim of hedging price risk in order to limit its exposure to spot market volatility, Neoen created the company Neoen Energy Management Australia (NEMA) in the first half of 2020. This company now acquires quarterly from project companies (as long as their financing contracts allow them to do so) the green certificates that exceed the commitments made under the Power Purchase Agreements. Furthermore, in accordance with a risk policy subject to prior approval by the management bodies, it hedges the price risk over the accessible liquidity horizon (up to and including year n+2), through forward sales to external counterparties, giving rise to physical delivery in the year following the production of these green certificates.

As part of this new organisation, green certificates, which are the subject of this price risk hedging, are recognised in inventories at fair value in accordance with the principles set out in IAS 2 "Inventories", until they are physically transferred to external counterparties in year n+1 following their production, which triggers recognition of the associated proceeds in revenue. These green certificates are recognised under "Purchases net of changes in inventories" in the income statement and under "Inventories" in the balance sheet.

In the first half of 2020, this item mainly comprises the green certificates generated by the project companies in Australia and pending their forward sale for €0.8 million and expenses relating to electricity purchases for power plants in operation for €(0.4) million.

In the first half of 2019, this item consisted exclusively of purchases of small items of equipment for €(0.2) million.

NOTE 6.2. INVENTORY

(In millions of euros)	06.30.2020	12.31.2019
Stocks - Gross value	1.6	0.7
Stocks - Impairment	-	-
Total stocks	**1.6**	**0.7**

NOTE 6.3. EXTERNAL EXPENSES

(In millions of euros)	HY 2020	HY 2019
Maintenance and repair expenses	(11.3)	(7.6)
Other external expenses	(19.0)	(12.6)
Total of external expenses	**(30.3)**	**(20.1)**

Maintenance and repair expenses mainly correspond to maintenance costs of the plants in operation.

Other external expenses mainly include:

- operating expenses for power plants in operation (costs associated with managing network frequency, operating insurance, electricity purchases);
- structural costs (fees, consulting, subcontracting, IT, insurance);
- travel expenses;
- non-capitalised development costs because they do not meet the Group's capitalisation criteria.

Non-capitalised development expenses in the period totaled €(0.7) million.

NOTE 7. EMPLOYEE EXPENSES AND BENEFITS

NOTE 7.1. PAYROLL COSTS

In the first half of 2020, payroll costs amounted to €(6.6) million compared with €(5.9) million in the first half of 2019.

NOTE 7.2. SHARE-BASED PAYMENTS

The expense related to the allocation of free shares and stock options amounted to €(2.7) million in the first semester of 2020 compared with €(1.2) million in the first semester of 2019.

Details of share subscription plans

Date of allocation	Number of options allocated	Date vested	Date of expiry	Exercise price	Number of options outstanding
01/10/2016	127,500	01/11/2019	01/10/2021	4.00 €	35,000
05/16/2016	25,000	05/17/2019	05/16/2021	4.00 €	25,000
12/23/2016	235,000	12/24/2019	12/23/2021	6.00 €	91,666
05/30/2018	45,000	05/31/2021	05/30/2023	10.00 €	40,000
07/05/2018	65,000	10/06/2020	07/05/2023	10.00 €	60,000
Total	**497,500**				**251,666**

To value these plans, the Group used the Black & Scholes formula with the following assumptions:

- a volatility rate of 23 % since the May 30, 2018 plan versus 18 % previously (taking into account the volatility of comparable companies);
- a risk-free interest rate corresponding to the 5-year French government bond (OAT) yield on the allocation date;
- an average maturity between the exercise start date and the expiry date of the 1-year plans beyond the vesting period.

Details of free share allocation plans

Date of allocation	Number of shares allocated	Date of share acquisition	Date of end of period of conservation	Number of shares outstanding
05/03/2018	107,500	05/31/2021	-	105,000
07/05/2018	570,644	10/06/2020	-	493,644
07/10/2019	297,000	07/11/2022	-	292,000
Total	**975,144**			**890,644**

NOTE 8. OTHER CURRENT OPERATING INCOME AND EXPENSES

(In millions of euros)	HY 2020	HY 2019
Other current operating income	35.1	5.9
Other current operating expenses	(2.1)	(0.2)
Other current operating income and expenses	**33.0**	**5.8**

Other recurring operating income consists mainly of contractual compensation resulting mainly from losses of income due to delays in the commissioning of certain power plants by contractors responsible for their construction and depreciation relating to the non-repayable portion of operating subsidies.

Other current operating expenses mainly correspond to penalties paid for delays in commissioning power plants (obligation under the Power Purchase Agreement), and foreign exchange losses on operational transactions.

NOTE 9. NON-CURRENT OPERATING ITEMS

(In millions of euros)	HY 2020	HY 2019
Prior period development costs (1)	(2.1)	(0.5)
Gains and losses on disposal of assets (2)	(0.0)	(0.6)
Other income	0.0	0.2
Other non-current items	(0.1)	(0.1)
Other non-current operating income and expenses	**(2.2)**	**(1.1)**
Impairment of capitalised development costs	(0.6)	(0.5)
Reversal of impairment of capitalised development costs (3)	1.9	0.4
Other non-current provisions	0.0	-
Impairment of non-current assets	**1.3**	**(0.1)**
Non-current operating profit	**(0.9)**	**(1.2)**

(1) Capitalised development costs for which the Group, following external events beyond its control, considers that the criteria for capitalisation provided for in IAS 38 "Intangible Assets" are no longer met, are recognised in other non-recurring operating expenses for the period.

(2) The income from asset disposals in the first half of 2019 was due mainly to the sale of the Montsinery project.

(3) Reversals of impairment of capitalised development costs related to abandoned projects.

NOTE 10. TAXES

Accounting principles

For interim financial statements, the tax charge is calculated for each tax entity by applying the annual effective rate estimated on the basis of forecasts made for the Group's main entities to the taxable income for the period.

(In millions of euros)	HY 2020	HY 2019
Profit before tax	39.5	27.7
Income tax	**(18.7)**	**(9.1)**
Effective tax rate	**47.2%**	**32.7%**

The tax charge was €(18.7) million in the first half of 2020 compared with €(9.1) million in the first half of 2019, representing an effective tax rate of 47.2 % compared to 32.7 %, respectively.

The +€9.6 million increase in the tax charge was due mainly to the +€11.8 million increase in taxable income before tax and the effective tax rate applied.

The difference between the theoretical tax rate of 28 % and the effective tax rate of 47.2 % (+19.2 percentage points) is mainly explained by:

- earnings outlook for certain regions and time limitations in the use of tax losses, which led the Group to not recognise deferred tax assets in respect of certain tax losses.
- the recognition of deferred tax liabilities for temporary differences arising from the difference between the tax and book values, particularly assets denominated in foreign currencies (mainly in Argentina), as well as other exceptional items such as taxes without base.

NOTE 11. GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

NOTE 11.1. GOODWILL

Accounting principles

Business combination

In accordance with revised IFRS 3 "Business Combinations", business combinations are accounted for using the acquisition method. Under this method, the assets acquired, liabilities and contingent liabilities assumed are measured at fair value. Goodwill is the difference between the fair value of the consideration transferred in the business combination and the amount of identifiable assets acquired net of liabilities and contingent liabilities assumed. It is provisionally determined on acquisition and reviewed within a period of 12 months from the acquisition date. Goodwill is not amortised. It is tested for impairment as soon as indications of impairment appear and at least once a year.

Pursuant to IFRS 3 (revised) "Business combinations":
- acquisition costs are recognised in other non-recurring operating income and expenses when they are incurred;
- contingent earn-outs are estimated at fair value and included, where applicable, in the acquisition cost of the securities.

For each business combination, the Group may value non-controlling interests either at fair value or on the basis of their share of the identifiable net assets of the acquiree measured at fair value at the acquisition date. The Group decides on the method it will use to account for non-controlling interests on a case-by-case basis.

Impairment of assets

Refer to accounting principles in note 11.2 - Impairment of assets.

At June 30, 2020, this item solely included goodwill from the acquisition of Irish wind power plants in operation in 2019.

Impairment losses on goodwill

In the absence of any indication of impairment in the first half of 2020, no impairment was recognised as at June 30, 2020.

NOTE 11.2. INTANGIBLE ASSETS

Accounting principles

Intangible assets

The main intangible assets recognised by the Group relate to expenses related to project development.

Direct and indirect, external or internal development costs are capitalised as soon as the corresponding projects are likely to be successful.

Projects are capitalised in accordance with IAS 38 - Intangible Assets.

The capitalisation criteria are as follows:
- the technical feasibility of the project;
- the intention to complete the intangible asset and use or sell it;
- the ability to use the intangible asset;
- the probability of generating future economic benefits;
- the availability of technical and financial resources to complete the development of the project;
- the ability to reliably measure expenses attributable to the asset during its development.

The Group considers that these criteria are met when a project enters the development portfolio, i.e. when the contractual elements and technical studies indicate that the feasibility of a project is likely (from the early stage). When the conditions for recognition of an internally generated asset are not met, project development expenses are expensed in the period in which they are incurred.

The expenses associated with these projects cease to be capitalised upon industrial commissioning.

As soon as the Group considers that the probability of success is reduced as a result of unusual external factors, development-related expenses are written down and recorded under "Non-recurring operating depreciation, amortisation and provisions".

When a project is abandoned, the development expenses related to this project are expensed within "Other non-recurring operating income and expenses" (see note 9).

The Group distinguishes between "Studies" and "Operation" development costs depending on the state of progress of the project at the end of the year. The term "Operation" covers the construction and operation phases of power plants.

Amortisation is calculated from the commissioning of the project on a straight-line basis over the useful life of the underlying asset.

Other intangible assets are amortised on a straight-line basis according to their estimated useful life.

The main categories of intangible assets and their amortisation period used by the Group are as follows:
- software: 1 to 3 years;
- development costs: 6 to 25 years, in line with the estimated useful life of power generation plants and storage facilities.

Impairment of assets

In accordance with IAS 36 "Impairment of Assets", the Group regularly reviews, and at least once a year, the existence of indications of impairment of intangible assets and property, plant and equipment with finite and indefinite useful lives (goodwill) and intangible assets in progress. If such evidence exists, the Group performs an impairment test to assess whether the carrying amount of the asset exceeds its recoverable amount, defined as the higher of fair value less transaction costs and value in use.

Most of the fixed assets on the balance sheet relate to production assets (plants under development, under construction or in operation). These assets, which have a finite life, are tested for impairment whenever impairment indicators appear.

In the Group's business, only projects with sufficient profitability at the outset are built and operated. To the extent that, without production incidents, the resources generated by the project are predictable, the risk of not generating the expected level of cash flow is low.

The value in use of an asset is generally measured by discounting the future cash flows generated by the asset. Assets that do not generate largely independent cash flows are grouped together in Cash Generating Units (CGUs). The Group has identified each project as a CGU.

The data used to implement the tests using the discounted cash flow method are derived from the projects' business plans covering the term of the power sales contracts (up to 24 years), and a sales period on the markets running from the end of the sales contracts until the end of the useful life of the underlying assets. The underlying assumptions are systematically updated at the test date.

Changes in intangible assets break down as follows:

	(In millions of euros)	Capitalized development costs - Operation	Capitalized development costs - Studies [2]	Other intangible assets	**Total**
Gross amounts	**As of December 31st, 2019**	**68.0**	**46.5**	**81.3**	**195.8**
	Acquisitions [1]	4.1	14.0	0.2	18.3
	Diminutions	-	(2.1)	-	(2.1)
	Other movements and reclassifications	3.3	(3.7)	(0.9)	(1.2)
	As of June 30th, 2020	**75.5**	**54.7**	**80.6**	**210.7**
Amortization and impairment	**As of December 31st, 2019**	**(7.2)**	**(3.2)**	**(2.2)**	**(12.5)**
	Charge for amortization	(1.2)	-	(0.9)	(2.1)
	Impairment loss	-	(0.6)	-	(0.6)
	Reversal of impairment loss	-	1.9	-	1.9
	Other movements and reclassifications	0.0	(0.0)	0.0	0.0
	As of June 30th, 2020	**(8.4)**	**(1.9)**	**(3.0)**	**(13.3)**
Net amounts	**As of December 31st, 2019**	**60.9**	**43.3**	**79.2**	**183.3**
	As of June 30th, 2020	**67.2**	**52.8**	**77.5**	**197.5**

(1) During the first half of 2020, the Group capitalised expenses directly attributable to project development amounting to €18.1 million. These investments mainly concern projects located in Australia, France, Mexico, Finland, Argentina, Ireland, Mozambique, the USA and Portugal.

(2) At June 30, 2020, "Capitalised development costs - Studies" amounted to €52.8 million in net value, and included €11.6 million in capitalised expenses relating to projects for which the tariff is secured at June 30, 2020.

NOTE 11.3. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment are as follows:

	(In millions of euros)	Production assets	Production assets in progress	Lease rights of use [3]	Other property, plant and equipment	Total
Gross amounts	**As of December 31st, 2019**	**1,890.1**	**611.2**	**139.4**	**20.4**	**2,661.1**
	Acquisitions [1]	(0.0)	177.2	-	1.3	178.5
	Disposals	-	(0.0)	(0.1)	(0.0)	(0.1)
	Impact of fluctuation in foreign exchange rates	(23.2)	1.3	(0.9)	(0.0)	(22.8)
	Other movements and reclassifications [2]	330.0	(323.3)	11.6	0.2	18.5
	As of June 30th, 2020	**2,196.8**	**466.4**	**150.1**	**21.8**	**2,835.2**
Amortization and impairment	**As of December 31st, 2019**	**(265.0)**	**(1.0)**	**(6.4)**	**(1.4)**	**(273.7)**
	Charge for amortization	(47.3)	-	(2.6)	(0.3)	(50.2)
	Disposals	-	-	0.0	0.0	0.1
	Impact of fluctuation in foreign exchange rates	1.4	(0.0)	0.0	0.0	1.5
	Other movements and reclassifications	(0.0)	-	(0.0)	0.0	(0.0)
	As of June 30th, 2020	**(310.8)**	**(1.0)**	**(8.9)**	**(1.7)**	**(322.4)**
Net amounts	**As of December 31st, 2019**	**1,625.2**	**610.2**	**133.1**	**18.9**	**2,387.3**
	As of June 30th, 2020	**1,886.0**	**465.4**	**141.2**	**20.2**	**2,512.8**

(1) Acquisitions over the period correspond to plants under construction in the first half of 2020, and in particular projects:
- In Australia: Bulgana (€6.7 million); extension of Hornsdale Power Reserve (€7 million);
- In the Americas: El Llano (€40 million) in Mexico; Altiplano (€34.1 million) in Argentina and Capella (€11.4 million) in El Salvador;
- In Europe: Hedet (€12.6 million) in Finland, five wind projects in France (€27.4 million) and five solar projects in France (€15.2 million).

(2) Reclassifications on rights-of-use (€11.6 million) correspond to new leases entered as fixed assets under IFRS 16 "Leases".

(3) This mainly concerns land use rights (for power plants under construction and operation, for an amount of €138.9 million), as well as usage rights relating to offices, for an amount of €2.3 million.

There is no indication of impairment requiring the implementation of impairment tests on property, plant and equipment and intangible assets in the Group's balance sheet at the date of publication of its consolidated financial statements.

NOTE 12. NON-CURRENT FINANCIAL ASSETS

(In millions of euros)	06.30.2020	12.31.2019
Security deposits	84.6	111.0
Available-for-sale (AFS) financial assets	2.4	2.5
Loans due in more than one year	12.1	11.6
Total other non-current financial assets	**99.1**	**125.2**

Security deposits

Security deposits mainly correspond to:

- The financing reserve accounts set up in connection with project financing relating to production assets;
- Deposits made in response to calls for tenders.

The decrease during the period is mainly due to the repayment of security deposits related to the financing of production assets.

NOTE 13. CASH AND CASH EQUIVALENTS

(In millions of euros)	06.30.2020	12.31.2019
Cash equivalents	0.7	11.6
Cash	588.8	448.9
Total cash and cash equivalents	**589.5**	**460.5**

Cash at June 30, 2020 corresponds mainly to cash:

- held by Neoen S.A. (€288.3 million), the change in the first half of 2020 (+€102.9 million) is mainly due to the issue of Green OCEANE bonds for €170 million in June 2020 and cash transfers from project companies linked to the net cash flows generated by the operation of the power plants and the refinancing of the Hornsdale 1, 2 and 3 power plants, offset by investments in the form of equity contributions and shareholder loans in the new projects;
- located in the project companies and associated holding companies (€271.9 million), of which the change over the first half of 2020 (+€26.8 million) results, for assets under construction, from the drawdown of senior debt and equity contributions to finance investments in production assets, and, for assets in operation, from cash flow generated by the business, intended in particular to ensure the repayment of project financing and the remuneration of contributions made by shareholders;
- located in holding companies with junior debt (€29.3 million, i.e. -€0.6 million), and linked to cash flows generated by cash surpluses from production assets, making it possible to repay maturities of junior debt and remunerate shareholder contributions.

Short-term investments concern only limited sums benefiting from strong liquidity conditions.

NOTE 14. SHAREHOLDERS' EQUITY AND DETAILS OF DILUTIVE INSTRUMENTS

Equity

Movements affecting the Group's equity during financial years 2019 and 2020 are detailed in the consolidated statement of changes in shareholders' equity.

Share capital

During the half-year, 2,500 stock options at an exercise price of €4 and 133,334 stock options at an exercise price of €6 were exercised for a total amount of €810,004, of which €538,336 in share premium.

On April 10, 2020, 2,500 free shares were definitively granted.

The employee investment plan resulted in the creation of 25,556 shares (including the portion subscribed by the company), increasing the share capital by €305,649.76, including a share premium of €254,537.76 (see note 1.2).

The impact of all these transactions was to increase the share capital by €327,780 to €170,505,276 and the share premium by €792,873.76, to €501,839,279.76.

Treasury shares

In connection with the issue of Green OCEANE bonds, Neoen S.A. acquired 60,606 of its own shares for €2 million. At June 30, 2020, Neoen S.A. held directly or indirectly 260,052 of its own shares, mainly as a result of a share buyback program with a view to granting them, representing €5.8 million based on the book value.

Reserves

The issue of Green OCEANE bonds in the amount of around €170 million (see note 1.2) was treated as a compound instrument split between an equity component of €25.2 million (recognised under "reserves" for €24.9 million, net of expenses) and a debt component of €144.8 million (recognised under "non-current corporate financing" for €142.8 million, net of expenses - see note 16.2).

Dividends

The Group did not distribute any dividends.

Non-controlling interest

(In millions of euros)		Percentage of interest uncontrolled		Net profit from investments not giving not control	Investments not giving not control	Net profit from investments not giving not control	Investments not giving not control
Entity	**Country**	**06.30.2020**	**12.31.2019**	**HY 2020**	**06.30.2020**	**HY 2019**	**12.31.2019**
HWF 1 & Holdco	Australie	30%	30%	(0.4)	0.8	0.4	9.8
HWF 2 & Holdco	Australie	20%	20%	(0.1)	0.9	0.2	3.1
HWF 3 & Holdco	Australie	20%	20%	(0.3)	1.5	1.0	4.4
Hedet	Finlande	20%	20%	0.1	(1.1)	(0.7)	(1.1)
Bangweulu Power Company	Zambie	41%	41%	0.8	0.1	1.4	(0.2)
EREC	Jamaïque	50%	50%	(1.0)	(0.6)	(0.0)	0.4
Metoro	Mozambique	25%	25%	(0.1)	0.3	(0.0)	0.4
Mutkalampi	Finlande	20%	20%	(0.0)	2.8	-	2.8
Autres	-			(0.1)	(0.1)	(0.1)	(0.1)
Total continued operations				**(1.2)**	**4.4**	**2.2**	**19.5**
Biomasse Energie de Commentry	France	-	-	-	-	(0.6)	-
Total discontinued operations				**-**	**-**	**(0.6)**	**-**
Total				**(1.2)**	**4.4**	**1.6**	**19.5**

Dilutive instruments

(In number of shares)		06.30.2020	12.31.2019	06.30.2019	12.31.2018
Before dilution					
Number of shares		85,252,638	85,088,748	85,049,998	84,957,498
Number of treasury shares		260,052	198,948	201,376	150,658
Number of other shares		84,992,586	84,889,800	84,848,622	84,806,840
Average number of shares before dilution (1)		**84,941,193**		**84,827,731**	
Dilutive instruments	Free shares	890,644	898,144	604,644	786,698
	Stocks Options	251,666	387,500	426,250	528,750
	OCEANE 2019	6,629,101	6,629,101	-	-
	OCEANE 2020	3,679,653	-	-	-
	TOTAL	**11,451,064**	**7,914,745**	**1,030,894**	**1,315,448**
After dilution					
Number of shares		96,703,702	93,003,493	86,080,892	86,272,946
Number of treasury shares		260,052	198,948	201,376	150,658
Number of other shares		96,443,650	92,804,545	85,879,516	86,122,288
Average number of shares after dilution (1)		**94,624,098**		**86,000,902**	

(1) Average number of shares over the period, excluding treasury shares.

NOTE 15. CURRENT AND NON-CURRENT PROVISIONS

The main movements affecting provisions in 2020 were as follows:

(In millions of euros)	Non-current provisions	Current provisions
Amount as of December 31st, 2019	**13.8**	**-**
Charges	-	-
Discounting	0.3	-
Other movements (1)	6.6	-
Amount as of June 30th, 2020	**20.7**	**-**

(1) Other movements correspond exclusively to provisions for decommissioning recognised on production assets that entered into operation during the period.

Dismantling provisions recognised for production assets in operation amounted to €20.4 million at June 30, 2020 compared with €13.5 million at December 31, 2019.

NOTE 16. FINANCING AND FINANCIAL INSTRUMENTS

NOTE 16.1. NET FINANCIAL RESULT

(In millions of euros)	HY 2020	HY 2019
Loan interest	(36.6)	(30.3)
Interest associated with derivatives	(9.0)	(3.8)
Interest associated with rights of use	(2.5)	(1.5)
Cost of debt	**(48.2)**	**(35.6)**
Shareholder loan interest income and expenses	(0.4)	(0.0)
Foreign exchange gains and losses	(1.5)	2.8
Other financial income and expenses	(5.5)	3.5
Total other financial income and expenses	**(7.4)**	**6.4**
Net financial result	**(55.5)**	**(29.2)**

The increase in the cost of financial debt is explained by the increase in the number of power plants under financing and by the use of corporate financing (mainly linked to the issue of OCEANE bonds in October 2019).

Financial expenses on derivative instruments correspond to the recycling through profit or loss of the fair value of the derivative financial instruments considered as effective, recognised in other comprehensive income.

Foreign exchange gains and losses arise from translation differences on current assets and liabilities and non-current liabilities denominated in foreign currencies. In the first half of 2020, foreign exchange gains on cash and borrowings denominated in foreign currencies partially offset the foreign exchange losses on current assets denominated in Argentine pesos and Mexican pesos.

Other financial income and expenses were mainly affected by the following items during the first half of 2020:

- The refinancing of the Australian power plants Hornsdale 1, 2 and 3 led to the immediate recognition in financial expenses of former upfront fees for €(4.7) million and €(0.2) million in penalties;
- Neoen S.A. has taken out a syndicated loan for which non-utilisation fees amount to €(0.5) million;

NOTE 16.2. NET DEBT

(In millions of euros)	06.30.2020	12.31.2019
Bank loans - project finance	1,928.6	1,757.9
Bond financing of projects	179.9	199.5
Lease liabilities	146.4	136.7
Corporate financing	337.8	194.6
Non-controlling investors and others	30.7	30.4
Derivative instruments liabilities – hedging effect	121.0	95.4
Financial debt	**2,744.4**	**2,414.6**
Non-controlling investors and others	(30.7)	(30.4)
Adjusted financial debt	**2,713.7**	**2,384.1**
Cash equivalents	(0.7)	(11.6)
Cash	(588.8)	(448.9)
Total cash and cash equivalents	**(589.5)**	**(460.5)**
Guarantee deposits	(84.6)	(111.0)
Derivative instruments assets – hedging effect	(1.3)	(2.0)
Other receivables	(0.0)	(0.0)
Total other assets	**(85.9)**	**(113.0)**
Total net debt	**2,038.3**	**1,810.6**

Net debt increased by €227.7 million in the first half of 2020. This is mainly due to the implementation of new project financing, without recourse to the parent company, and the Green OCEANE bond issue (see notes 1.2 and 14).

Analysis by type

(In millions of euros)	Non-current	Current	06.30.2020	Non-current	Current	12.31.2019
Bank loans - project finance	1,669.6	259.0	1,928.6	1,648.4	109.5	1,757.9
Bond financing for projects	154.2	25.8	179.9	173.0	26.6	199.5
Lease liabilities	138.4	8.0	146.4	130.5	6.2	136.7
Corporate financing	332.9	4.8	337.8	190.6	4.0	194.6
Non-controlling investors and others	28.9	1.8	30.7	28.0	2.5	30.4
Derivative instruments – impact of hedging	106.2	14.8	121.0	83.8	11.6	95.4
Total financial liabilities	**2,430.2**	**314.2**	**2,744.4**	**2,254.2**	**160.4**	**2,414.6**

Bank loans - project financing

In the first half of 2020, the Group issued an additional €169 million of new project financing, mainly for the following facilities: the El Llano power plants (€75.2 million) in Mexico, Capella (€30 million) in El Salvador, Altiplano (€12.3 million) in Argentina, Hedet (€11.2 million) in Finland, Metoro (€3.6 million) in Mozambique and two wind power plants (€31.1 million) and a solar power plant (€2.9 million) in France.

In addition to this:

- the refinancing of the Hornsdale 1, 2 and 3 projects in Australia for an amount net of expenses of €356.5 million (resulting in €(291.1) million in repayments of previous project financing debts);
- the repayment of loans made in the first half of 2020 for €(57.8) million, and;
- foreign exchange impact €(13.7) million;
- the change in the amortised cost of borrowings for +€6.2 million and in accrued interest for +€1.6 million.

At June 30, 2020, there was no indication that the various companies financed by project and mezzanine debt were not in compliance with their covenants on minimum DSCR financial ratios or minimum shareholders' equity.

Project bond financing

Bond financing mainly comprises junior debt on projects. The reduction recorded in the first half of 2020 corresponds to the repayments made as part of the refinancing of the Hornsdale 1, 2 and 3 power plants (€23.2 million).

Corporate financing

Convertible bonds in the form of Green OCEANE bonds were issued in 2020 for an amount of €170 million. As this is a compound instrument within the meaning of IAS 32 "Financial Instruments: Presentation", €144.8 million (€142.8 million net of expenses) was recognised for the debt component and €25.2 million (€24.9 million net of expenses) recorded for the equity component (refer to notes 1.2 and 14).

Lease liabilities

The lease liability is initially measured at the present value of lease payments that are not settled at the effective date, discounted at the marginal borrowing rate of the lessee. It is then repaid and discounted at the rate of rent payments. The number of leases falling within the scope of IFRS 16 "Leases" was 575 at the end of June 2020 compared with 473 at the end of 2019.

Minority and other investments

This item consists essentially of the shareholder contributions of the co-shareholders to finance the projects of the co-owned entities. The changes in 2020 concern the power plants Hedet and Mutkalampi in Finland and Paradise Park in Jamaica.

Derivative financial instruments

Given the impact of the new instruments contracted over the period and the significant fall in interest rates observed in most of the geographical areas where the Group operates, the negative fair value of these instruments increased by €58.3 million. The refinancing of the Hornsdale 1, 2 and 3 power plants also resulted in a disbursement of €(31.3) million, corresponding to the change in the fair value associated with the unwinding of historical swaps.

Breakdown of financial debt by currency (excluding lease liability and minority investments)

(Counter value in millions of euros at closing price)	EUR	USD	AUD	Others (1)	06.30.2020
Bank loans - project finance	685.9	508.5	713.5	20.8	1,928.6
Bond financing for projects	179.9	-	-	-	179.9
Corporate financing	337.8	-	-	-	337.8
Derivative instruments – impact of hedging	30.1	26.6	64.3	-	121.0
Total financial liabilities	**1,233.7**	**535.0**	**777.8**	**20.8**	**2,567.3**

(Counter value in millions of euros at closing price)	EUR	USD	AUD	Others (1)	12.31.2019
Bank loans - project finance	669.0	397.6	676.1	15.2	1,757.9
Bond financing for projects	72.4	22.3	104.9	-	199.5
Corporate financing	194.6	-	-	-	194.6
Derivative instruments – impact of hedging	19.7	12.8	62.9	-	95.4
Total financial liabilities	**955.7**	**432.6**	**843.9**	**15.2**	**2,247.5**

(1) The debt denominated in other currencies corresponds to VAT financing pending repayment, denominated in Mexican pesos, and relating to the El Llano project in Mexico.

Breakdown of financial debt by interest rate type

(In millions of euros)	06.30.2020	12.31.2019
Fixed rate	1,035.8	856.2
Floating rate	1,587.7	1,463.0
Impact of hedging	121.0	95.4
Total financial liabilities after hedging	**2,744.4**	**2,414.6**

The financing of projects generally subscribed at variable rates and the flow of variable interest are covered, which generally represents 75 % or more of the amount financed at variable rates. These hedging instruments are valued at their fair value.

Breakdown of total financial debt by maturity

(In millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total financial liabilities**
Bank loans - project finance	259.0	325.5	1,344.2	1,928.6
Bond financing for projects	25.8	46.4	107.8	179.9
Lease liabilities	8.0	6.9	131.5	146.4
Corporate financing	4.8	4.3	328.6	337.8
Non-controlling investors and others	1.8	0.4	28.6	30.7
Derivative instruments – impact of hedging	14.8	61.4	44.8	121.0
Total as of June 30th, 2020	**314.2**	**444.8**	**1,985.5**	**2,744.4**

(In millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total financial liabilities**
Bank loans - project finance	109.5	306.3	1,342.1	1,757.9
Bond financing for projects	26.6	53.8	119.2	199.5
Lease liabilities	6.2	6.5	124.0	136.7
Corporate financing	4.0	7.5	183.0	194.6
Non-controlling investors and others	2.5	0.4	27.5	30.4
Derivative instruments – impact of hedging	11.6	39.1	44.7	95.4
Total as of December 31st, 2019	**160.4**	**413.6**	**1,840.6**	**2,414.6**

Breakdown of financial debt by movements

			Change without cash impact					
(In millions of euros)	**12.31.2019**	**Cash flows**	Impact of fluctuation in foreign exchange rates	Change in consolidation scope	Changes in fair value and amortized cost	Accrued interest	Other changes (1)	**06.30.2020**
Bank loans - project finance	1,757.9	176.5	(13.7)	-	6.2	1.6	(0.0)	1,928.6
Bond financing for projects	199.5	(24.8)	(1.1)	-	0.9	5.4	0.0	179.9
Lease liabilities	136.7	(2.8)	(0.9)	-	-	1.9	11.6	146.4
Corporate financing	194.6	140.5	-	-	0.3	0.3	2.1	337.8
Non-controlling investors and others	30.4	0.4	(0.1)	0.0	-	-	0.0	30.7
Derivative instruments – impact of hedging	95.4	(31.3)	(1.5)	-	58.3	-	-	121.0
Total financial liabilities	**2,414.6**	**258.5**	**(17.2)**	**0.0**	**65.7**	**9.2**	**13.7**	**2,744.4**

(1) Other changes in liabilities rentals correspond to "non-cash" changes to new leases in application of IFRS 16.

NOTE 16.3. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting principles

Neoen uses interest rate swaps to hedge against changes in interest rates associated with the financing the Group's investments (see note 17.1).

At June 30, 2020, cash flow hedge accounting is applied for these derivative financial instruments in accordance with IFRS 9 "Financial Instruments". The effects relating to these interest rate swaps are recognised in profit or loss symmetrically with the highly probable hedged interest flows from the Group's financing.

During the first half of 2020, an amount of €(59) million was recognised in other comprehensive income in respect of the change in fair value of cash flow hedging derivatives and €3.7 million was recycled through profit or loss.

During the first half of 2019, an amount of €(71.8) million was recognised in other comprehensive income in respect of the change in fair value of cash flow hedging derivatives, and €0.8 million was recycled to profit or loss.

NOTE 16.4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Accounting principles

The fair value of an asset and liability is the price that would be agreed between parties who are free to contract and operate under market conditions. The determination of fair value must be based on observable market data that provides the most reliable indication of the fair value of a financial instrument.

For derivative financial instruments, see notes 16.2 and 16.3.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the balance sheet, as the effect of discounting future cash flows is immaterial.

As of June 30th, 2020 (In millions of euros)	Level	**Carrying amount**	**Fair value**	Amortized cost	Fair Value through profit or loss	Fair Value through non-recyclable profit or loss	Debts measured at amortized cost	Cash-flow hedge derivatives
Derivative financial instruments	2	1.3	1.3		1.3			
Trade receivables	-	74.2	74.2	74.2				
Cash and cash equivalents	1	589.5	589.5		589.5			
Total financial assets		**665.1**	**665.1**	**74.2**	**590.8**	**-**	**-**	**-**
Non-current financial liabilities	3	2,324.1	2,372.6				2,324.1	
Other non-current liabilities	3	34.0	34.0				34.0	
Derivative financial instruments	2	121.0	121.0					121.0
Current financial liabilities	3	299.4	299.4				299.4	
Trade payables	-	98.5	98.5				98.5	
Total financial liabilities		**2,877.0**	**2,925.5**	**-**	**-**	**-**	**2,756.0**	**121.0**

As of December 31st, 2019 (In millions of euros)	Level	**Carrying amount**	**Fair value**	Amortized cost	Fair Value through profit or loss	Fair Value through non-recyclable profit or loss	Debts measured at amortized cost	Cash-flow hedge derivatives
Derivative financial instruments	2	5.8	5.8		5.8			
Trade receivables	-	33.8	33.8	33.8				
Cash and cash equivalents	1	503.8	503.8		503.8			
Total financial assets		**543.4**	**543.4**	**33.8**	**509.7**	**-**	**-**	**-**
Non-current financial liabilities	3	2,170.4	2,186.6				2,170.4	
Other non-current liabilities	3	34.1	34.1				34.1	
Derivative financial instruments	2	95.4	95.4					95.4
Current financial liabilities	3	148.8	148.8				148.8	
Trade payables	-	126.3	126.3				126.3	
Total financial liabilities		**2,575.0**	**2,591.2**	**-**	**-**	**-**	**2,479.5**	**95.4**

The classification levels are defined as follows:

- level 1: prices quoted on an active market;
- level 2: prices quoted on an active market for a similar instrument, or another valuation technique based on observable parameters;
- level 3: valuation method incorporating unobservable parameters.

NOTE 17. RISK MANAGEMENT

The risk management policy is described in note 20 to the consolidated financial statements as of December 31, 2019.

NOTE 17.1. INTEREST RATE RISKS

Neoen Group is exposed to market risks as a result of its investment activities. This exposure is mainly linked to fluctuations in variable interest rates relating to the financing of its projects.

The Group's interest rate risk management objective is therefore to secure and preserve the economic balance of projects by limiting the future variability of the financial burden associated with their financing. This is based on the use of hedging instruments.

Interest rate risk hedges are carried out using over-the-counter instruments with first-rate counterparties. The Group contracts financial instruments to hedge its variable-rate financing, with the aim of setting a minimum of 75 % of the variable-rate financing requirements for projects. In this respect, the Group has entered into interest rate swaps and caps that qualify as cash flow hedges.

The Group's risk management policy aims to limit and control changes in interest rates and their impact on income and future cash flows.

	Notional value by maturity					
As of June 30th, 2020 (In millions of euros)	Less than 5 years	More than 5 years	**Total**	Fair value	Recorded as equity	Recorded as income
Interest rate swaps - Solar	(129.5)	(315.2)	(444.7)	(61.7)	68.4	-
Interest rate swaps - Wind	(157.9)	(419.2)	(577.2)	(59.3)	90.0	-
Interest rate caps	(143.3)	(89.1)	(232.4)	1.3	4.4	-
Total	**(430.8)**	**(823.5)**	**(1,254.3)**	**(119.7)**	**162.8**	**-**

NOTE 17.2. FOREIGN EXCHANGE RISKS

Foreign exchange risks relate to operational transactions in foreign currencies (mainly US dollars and Australian dollars) which tend to increase with the Group's sustained international deployment. In order to avoid any foreign exchange risk on the assets in operation, the Group systematically finances each of its assets in its functional currency.

NOTE 17.3. COUNTERPARTY RISKS

Given the large number of suppliers and subcontractors available in the markets where the Group operates, the Group considers that the insolvency of one or a small number of them would not have any material impact on the Group's ongoing operations.

Insofar as electricity sales contracts or contracts for difference are concluded with State counterparties (States or companies controlled by a State), electricity distribution companies and with a limited number of private buyers, the Group considers that the counterparty risk relating to trade receivables is not material at this time.

The Group invests its cash and cash equivalents with leading financial institutions.

The Group enters into over-the-counter interest rate derivatives with leading banks under agreements that provide for the offsetting of amounts due and receivable in the event of default by one of the contracting parties. These conditional netting arrangements do not meet the criteria of IAS 32 "Financial Instruments: Presentation" to allow for the offsetting of asset and liability derivatives on the balance sheet. However, they fall within the scope of the disclosures required under IFRS 7 "Financial Instruments: Disclosures" on offsetting.

NOTE 17.4. LIQUIDITY RISKS

Liquidity risk is the Group's inability to meet its immediate or short-term financial commitments.

To prevent this risk, the Group analyses its liquidity requirements several times a year over a rolling 12-month horizon.

At the reporting date, the Group had the necessary cash to finance its current business and development, as well as to deal with exceptional events.

Cash held by holding and development companies at June 30, 2020 amounted to €304.6 million, compared with €285 million for project companies (assets in operation and under construction).

(In millions of euros)	**06.30.2020**	**12.31.2019**
Cash and cash equivalents	589.5	460.5
Overdrafts available	237.0	130.0
Total	**826.5**	**590.5**

Available corporate credit lines

The Group has short-term credit lines totaling €237 million, including a syndicated loan of €200 million, composed of a corporate loan of €125 million that was not drawn down to date and a revolving credit line of €75 million that was also not drawn down, to meet the working capital requirements of the parent company.

Credit lines granted to projects

At June 30, 2020, the Group benefited from commitments received in respect of its project and operating financing for an amount of €186.6 million that had not been used at that date.

NOTE 17.5. RISKS RELATED TO REGULATORY CHANGES

The Group sells electricity under long-term agreements with firm commitments from its counterparties, including many States. In certain countries where Neoen does not operate currently (in particular, Spain), States have occasionally introduced retroactive cuts to favourable feed-in tariffs. Any changes in these tariffs could have a material impact on the Group's financial statements.

The Group's multi-sector and multi-country strategy minimises this risk by reducing its exposure to a particular technology or country. The particularly competitive price of electricity produced by Neoen in the vast majority of its agreements also constitutes a natural hedge against this risk.

NOTE 18. OFF-BALANCE SHEET COMMITMENTS

NOTE 18.1. OFF-BALANCE SHEET COMMITMENTS GIVEN

(In millions of euros)	06.30.2020	12.31.2019
Guarantees provided to suppliers	196.7	111.1
Maintenance commitments	779.6	650.4
Other commitments provided	200.0	242.0
Commitments provided associated with operating activities	**1,176.3**	**1,003.5**
Assets provided as surety	2,804.4	2,786.3
Commitments provided associated with financing activities	**2,804.4**	**2,786.3**
Total commitments provided	**3,980.8**	**3,789.8**

Guarantees given to suppliers

The Group may temporarily give guarantees to its suppliers in connection with the construction of its production assets.

Maintenance

In the context of operating its production assets, the Group enters into maintenance agreements that may span several years. The related services are expensed in the year in which they are provided.

Other commitments given

Other commitments are mainly guarantees given by the Group as part of the project development process, such as tendering guarantees, and performance and decommissioning guarantees.

Assets pledged as collateral

In most cases, the Group pledges shares and advances on shareholder loans in connection with debt incurred to finance projects. Some assets are also pledged as collateral to guarantee the repayment of bank debt until it is extinguished.

NOTE 18.2. OFF-BALANCE SHEET COMMITMENTS RECEIVED

(In millions of euros)	06.30.2020	12.31.2019
Energy purchase commitments received	6,010.7	5,999.6
Other commitments received	1,300.6	1,099.0
Commitments received associated with operating activities	**7,311.3**	**7,098.6**
Amounts payable to related parties	186.6	264.5
Corporate credit lines available	237.0	130.0
Commitments received in connection with financing activities	**423.6**	**394.5**
Total off-balance sheet commitments received	**7,734.9**	**7,493.1**

Energy purchase commitments received

In most cases, when an electricity production unit is built, the company carries out the project, and which will operate the plant enters into a long-term energy supply contract. The Group generally receives purchase commitments for periods of 10 to 20 years. For each underlying asset, the commitment was valued on the basis of production volumes estimated by the Group over the term of the purchase agreement and on sales prices excluding inflation.

Other commitments received

These consist mainly of guarantees received by construction companies for the successful construction of plants and by suppliers in connection with maintenance.

NOTE 19. RELATED PARTY TRANSACTIONS

The purpose of this note is to present the transactions that exist between the Group and its related parties, within the meaning of IAS 24 "Related Party Disclosures". As this is an interim financial statement, transactions with key management personnel are not detailed

During the first half of 2020, no transactions had a material effect on the amounts of related party transactions reported as of December 31, 2019.

NOTE 20. SUBSEQUENT EVENTS

Free share plan

On July 2, 2020, the Board of Directors decided to grant 140,000 free Neoen S.A. shares to certain group employees. The granting of shares will only be final, subject to meeting the conditions set out in the award plan, at the end of a vesting period of 3 years.

Share buyback plan

On July 6, 2020, Neoen signed a mandate to buy back a maximum of 100,000 shares over the period from July 7 to September 25, 2020, for a maximum purchase price of €40 per share. The purpose of this transaction is to acquire shares for delivery under expiring free share plan. On the date of publication of the half-yearly financial statements, more than forty thousand shares had been acquired at an average price close to €38.50.

3.2 STATUTORY AUDITORS' REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF NEOEN GROUP AS OF JUNE 30, 2020

This is a free translation into English of the Statutory Auditors' Review Report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This Report includes information relating to the specific verification of information given in the Group's Half-yearly Business Report. This Report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from January 1 to June 30, 2020

To the shareholders of Neoen,

In compliance with the assignment entrusted to us by Annual General Meetings and in accordance with the requirements of Article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Neoen, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These half-years condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on September 23rd, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34– standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-year management report commenting the condensed half-yearly consolidated financial statements subject to our review prepared on September 23rd, 2020.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

In Paris-la Défense and Paris, September 23rd, 2020

The Statutory Auditors

Deloitte & Associés	RSM Paris
Benoit PIMONT	Etienne de BRYAS

HALF-YEARLY FINANCIAL REPORT 2020

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