

Paris, July 28, 2020

Neoen reports strong revenue growth in the first half of 2020 and confirms its targets

- Increase in revenue to €157m, up 33% compared with the first half of 2019
- Commissioning of 239 MW in the first half of the year and construction launched of 544 MW, including 460 MW in the second quarter alone
- Growth in the secured portfolio¹ at 4.4 GW at end-June 2020 vs. 4.1 GW at end-2019
- Confirmation of the 2020 EBITDA target² of €270-300m³, with an EBITDA margin⁴ of over 80%
- Reiteration of the 2021 and 2022 targets

Neoen (ISIN code: FR0011675362, ticker: NEOEN), one of the world's leading and fastest-growing independent producers of exclusively renewable energy and one of the fastest-growing in the world, reports (unaudited) revenue of €157 million for the first half of 2020, up 33% compared with the first half of 2019. At constant exchange rates, revenue was up 35%.

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer, comments: *"We achieved further strong revenue growth in the first half of the year. In this challenging environment marked by the public health crisis, we commissioned new assets, notably the Capella solar plant in El Salvador and the Hedet wind farm in Finland. We also launched the construction of over 500 MW and strengthened our portfolio of secured projects with new solar, wind and energy storage plants in Australia, France and Finland. We are therefore confident about achieving capacity of at least 5 GW in operation or under construction at the end of 2021. In the first half of the year Neoen further reinforced its role as a pioneer in sustainable finance, with the signing of a syndicated loan integrating ESG criteria and the issue of the first ever green convertible bond in Europe. Lastly, we are proud to have joined the SBF 120 index, less than two years after our IPO: our share price reflects our performance and investors' confidence in our outlook."*

¹ Assets in operation, under construction or projects awarded

² EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

³ Forecasts at constant exchange rates compared to 2019

⁴ EBITDA margin is calculated as the ratio of EBITDA to revenue

Operating information

	Jun 30, 2020	Dec 31, 2019	Chg.
	(1)	(1)	
Assets in operation (MW)	2,085	1,847	+239

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

Neoen's capacity in operation stood at 2,085 MW at June 30, 2020, up 239 MW compared to end-December 2019. During the first half of 2020, the Group commissioned the Capella solar plant (143 MWp)⁵ in El Salvador, the Hedet wind farm in Finland (81 MW), supplying Google's Finnish data center in Hamina, as well as three solar plants in France with total capacity of 15 MWp.

	H1 2020	H1 2019	% chg.
Electricity generated (GWh)	2,067	1,330	+55%

Electricity generation totaled 2,067 GWh in the first half of 2020, up 55% on the first half of 2019. The average solar and wind energy availability rate held up at high levels of 99% and 98% respectively (compared with 99% for both segments in the first half of 2019), illustrating the Group's ability to continue to optimize use of its assets in operation.

In addition to newly commissioned assets, the El Llano solar power plant (375 MWp) in Mexico, which had to suspend its production on May 3, 2020 following a decision by the National Center for the Control of Energy (CENACE), was able to resume pre-operational testing and restart injecting electricity into the Mexican electricity grid as of May 21.

Furthermore, the Bulgana wind farm in Australia, due to be commissioned in the fourth quarter, also began to gradually inject electricity into the grid at a limited capacity at the end of the first half of the year.

In the first half of 2020, the average load factor of wind assets stood at 34.4%, compared with 33.9% in the first half of 2019. The excellent level of wind resources in Europe in the first quarter made up for the lower availability of Australian assets in the second quarter. The average load factor of solar assets was 17.6% compared with 18.2% in the first half of 2019. This slight reduction was due to lower irradiation levels in Australia and upgrading works on the grid in the first half of the year curtailing production at an Australian facility.

⁵ Including a 3 MW / 2 MWh battery storage facility

First-half 2020 revenue: +33% compared with the first half of 2019

	H1 2020	H1 2019	% Chg.
Revenue (€m)⁽¹⁾			
Solar	73.4	54.9	+34%
Wind	58.8	52.7	+12%
Storage	24.6	8.4	x2.9
Other⁽²⁾	0.3	2.2	n/s
Consolidated revenue	157.2	118.1	+33%
<i>O/w contracted energy revenue</i>	<i>113.7</i>	<i>100.1</i>	<i>+14%</i>
<i>O/w merchant energy revenue</i>	<i>41.5</i>	<i>14.3</i>	<i>x2.9</i>
<i>O/w other revenue⁽³⁾</i>	<i>2.0</i>	<i>3.8</i>	<i>n/s</i>

(1) Unaudited financial data

(2) Corresponding to Development and investment segment

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

Neoen's consolidated revenue for the first half of 2020 totaled €157.2 million, an increase of 33% compared with the first half of 2019. At constant exchange rates⁶, revenue was up 35%. The key factor behind this growth was the contribution from assets commissioned in 2019 and the first half of 2020. Another contributing factor was the substantial increase in storage revenue in the first quarter as a result of specific non-recurring conditions in Australia.

Solar revenue grew 34% compared with the first half of 2019 as a result of the contribution from projects commissioned during 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 is also due to the early generation revenue recorded by the El Llano power plant in Mexico since the start of the year. Revenue was however penalized by less favorable irradiation conditions in Australia as well as lower availability of an Australian facility due to renovation works on the grid, which are now complete. Solar revenue accounted for 47% of Neoen's consolidated revenue in the first half of 2020, compared with 46% in the first half of 2019.

Wind revenue rose 12% compared with the first half of 2019. This increase resulted from the capacity added during 2019 in Ireland and France, plus the commissioning of the Hedet wind farm in Finland in the first half of 2020. Revenue also benefited from excellent wind conditions in Europe during the first quarter of 2020. These factors more than offset the lower availability of Australian assets in the second quarter, as well as a lower average price earned by the Hornsdale 3 wind farm in Australia compared with the first half of 2019. This asset had temporarily benefited from early generation revenue prior to the entry into force of its long-term power purchase agreement in October 2019. Wind contributed 37% of Neoen's consolidated first-half 2020 revenue, compared with 45% in the first half of 2019.

Storage revenue came to €24.6 million in the first half of 2020, compared with €8.4 million in the first half of 2019. An exceptional non-recurring event in Australia in the first quarter was the key factor behind this very hefty increase. Following a tornado in late January, a power interconnection line between the state of South Australia and Victoria was down, creating specific conditions generating a high level of non-recurring

⁶ Based on the H1 2019 average exchange rate

revenue that cannot be extrapolated to the rest of 2020. Storage revenue accounted for 16% of consolidated revenue in the first half of 2020, up from 7% in the first half of 2019.

Merchant energy revenue accounted for 26% of consolidated revenue in the first half of 2020. This high level is temporary as it reflects the non-recurring increase in storage revenue in Australia during the first quarter. Neoen also benefited from early generation revenue recorded by the Capella⁷ and Hedet⁸ plants in the first quarter and by El Llano in the first half of the year.

Neoen recorded consolidated revenue of €61.5 million in the second quarter of 2020, an increase of 5% compared with the second quarter of 2019. This performance reflects primarily growth of 23% in solar revenue, as well as a 3% decline in wind revenue which was a result of lower availability of assets in Australia and lower average price earned by the Hornsdale 3 wind farm in Australia following the entry into force of its long-term power purchase agreement. Lastly, storage revenue came to €3 million (compared with €4.2 million in the second quarter of 2019), due to less favorable market conditions in Australia for sales of network services (FCAS).

Portfolio at end-June 2020: 11.2 GW vs. 10.7 GW at end-December 2019

In MW	June 30, 2020	Dec 31, 2019	chg.
Assets in operation	2,085	1,847	+239
Assets under construction	1,498	1,193	+305
Sub-total, assets in operation or under construction	3,584	3,040	+544
Projects awarded	773	1,082	-309
Total MW – secured portfolio	4,357	4,122	+234
Tender-ready projects	1,435	1,563	-128
Advanced development projects	5,381	4,966	+415
Total MW – advanced pipeline	6,817	6,529	+287
Total portfolio	11,174	10,652	+522
Early stage projects	> 4 GW	> 4 GW	

Capacity in operation or under construction totaled 3.6 GW at end-June 2020 compared with 3.0 GW at end-December 2019. During the first half of 2020, Neoen launched construction of 544 MW, including 460 MWp in the second quarter alone corresponding to the total capacity of Western Downs, the largest solar farm in Australia. This farm is subject to a 352 MWp power purchase agreement⁸ with CleanCo Queensland, a publicly owned company generating and supplying clean energy in the state of Queensland. Located near Chinchilla in south-west Queensland, it will supply the Powerlink Queensland transmission network.

In the first quarter, Neoen launched construction of the Yliskälä Power Reserve (30 MW / 30 MWh) in Finland, the Nordics' largest battery storage unit. The facility is set to play a key role in stabilizing the national electricity system managed by Fingrid. Aside from greater reliability and lower electricity grid stabilization costs, the plant will facilitate the integration of future renewable energy projects.

⁷ Before their PPAs came into force in Q2 2020

⁸ PPA included in the awarded projects category of the portfolio in Q4 2019

During the first quarter of 2020, Neoen also launched 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 stood at 4.4 GW at June 30, 2020, compared with 4.1 GW at December 31, 2019. Neoen had 216 MW⁹ of new projects awarded over the first six months of the year: the Yllikkälä Power Reserve battery storage unit already under construction, the La Verte Epine wind farm in France (12 MW), 108 MWp of additional capacity relating to the Western Downs project (on top of the 352 MWp of capacity already added in 2019 within the framework of a power purchase agreement) and 66 MWp of solar projects in France won in the second quarter of 2020 in the CRE 4.7 government call for tenders.

The portfolio's capacity totaled 11.2 GW at end-June 2020 compared with 10.7 GW at end-December 2019.

Second quarter 2020 highlights

In addition to the winning of new secured projects, construction launches and commissioning of new projects mentioned above, the main highlights of the second quarter of 2020 are as follows:

Success of the first ever green convertible bonds issue in Europe for €170m

On May 28, 2020, Neoen announced the successful placing of the first ever European senior unsecured green bonds convertible into new shares and/or exchangeable for existing shares of the Company (OCEANE Verte) due June 2, 2025. The proceeds of the issue will be allocated to finance or refinance renewable energy production (solar PV, wind power) or storage projects in consistency with EU taxonomy requirements and the Green Bond Framework¹⁰. This follows the signing of a €200 million syndicated loan integrating ESG criteria in March 2020, comprising a €125 million amortizing loan and a €75 million revolving credit facility.

Neoen joins the SBF 120 index

On June 11, 2020, Neoen announced that it was joining the SBF 120 index consisting of the top 120 stocks listed on Euronext Paris in terms of liquidity and market capitalization. As part of its quarterly review of the Euronext Paris indices, the Index Committee decided to include Neoen in both the SBF 120 and the CAC Mid 60 indices. Neoen's inclusion in these indices is testament to its strong share price performance since its October 2018 IPO. Since then, the Company's market capitalization has more than doubled to over €3 billion. This sharp rise was accompanied by a steady increase in trading volumes.

Outlook

Neoen confirms its 2020 EBITDA target of between €270 million and €300 million (at constant exchange rates compared with 2019) and now expects an EBITDA margin of over 80%. This guidance takes into account 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. The Group specifies that this guidance also takes into account the sharp increase in storage revenue during the first quarter of 2020 and is based on the assumption that generation will continue at a normal level at the El Llano plant in Mexico until the end of the year.

⁹ Plus 18 MW of capacity reassessment, representing a total increase of 235 MW

¹⁰ Available on the Neoen website

Neoen also reiterates its target of having more than 5 GW of capacity in operation or under construction by the end of 2021, with this capacity fully operational by year-end 2022. Neoen also confirms its EBITDA target of over €400 million¹¹ in 2022. These targets also take into account the best estimate to date of the timetable for the completion of its projects.

This presentation contains forward-looking statements regarding the prospects and growth strategies of Neoen and its subsidiaries (the "Group"). These statements include statements relating to the Group's intentions, strategies, growth prospects, and trends in its results of operations, financial situation and liquidity. Although such statements are based on data, assumptions and estimates that the Company considers reasonable, they are subject to numerous risks and uncertainties and actual results could differ from those anticipated in such statements due to a variety of factors, including those discussed in the Group's filings with the French Autorité des marchés financiers (AMF) which are available on the website of Neoen (www.neoen.com). Prospective information contained in this presentation is given only as of the date hereof. Other than as required by law, the Group expressly disclaims any obligation to update its forward looking statements in light of new information or future developments.

Next financial reports

First-half 2020 results: September 23, 2020

Nine-month 2020 revenue and operational highlights: November 9, 2020

About Neoen

Neoen is one of the world's leading and fastest growing independent producers of exclusively renewable energy. With a capacity of more than 3 GW in operation or under construction, Neoen is a high-growth company. Neoen is notably active in Argentina, Australia, El Salvador, Finland, France, Ireland, Jamaica, Mexico, Mozambique, Portugal and Zambia. In particular, Neoen operates France's most powerful solar PV farm (300 MWp) in Cestas, and the world's largest lithium-ion power reserve (150 MW/193.5 MWh storage capacity) in Hornsdale, Australia. Neoen is targeting at least 5 GW capacity in operation or under construction by end of 2021. Neoen (ISIN Code: FR0011675362, ticker: NEOEN) is listed in Compartment A of the regulated market of Euronext Paris.

For more information: www.neoen.com

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¹¹ At constant exchange rates relative to 2019

Appendix

	Q1 2020	Q1 2019 restated ⁽¹⁾	% chg.
Revenue (M€)⁽²⁾			
Solar	38.2	26.1	+46%
Wind	35.8	28.9	+24%
Storage	21.6	4.2	x5,2
Other⁽³⁾	0.2	0.3	n/a
Consolidated revenue	95.8	59.4	+61%
<i>O/w contracted energy revenue</i>	59.2	50.3	+18%
<i>O/w merchant energy revenue</i>	35.7	7.8	x4,6
<i>O/w other revenue⁽⁴⁾</i>	0.9	1.3	n/s

	Q2 2020	Q2 2019	% chg.
Revenue (M€)⁽²⁾			
Solar	35.3	28.8	+23%
Wind	23.0	23.8	-3%
Storage	3.0	4.2	-29%
Other⁽³⁾	0.2	2.0	n/a
Consolidated revenue	61.5	58.7	+5%
<i>O/w contracted energy revenue</i>	54.5	49.7	+10%
<i>O/w merchant energy revenue</i>	5.9	6.5	-10%
<i>O/w other revenue⁽⁴⁾</i>	1.1	2.5	n/s

(1) Revenue excluding the biomass business sold in September 2019

(2) Unaudited financial data

(3) Corresponding to Development and investment segment

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