

Paris, November 9, 2020

## Sustained increase in revenue in the first nine months of 2020 and targets confirmed

- Revenue totaled €224.1 million, up 22% compared to the first nine months of 2019
- Neoen commissioned 308 MW, launched the construction of 605 MW and won 409 MW of new projects during the first nine months of 2020
- The secured portfolio<sup>1</sup> stood at 4.5 GW at end-September 2020 versus 4.1 GW at end-2019
- Neoen is confirming its 2020 EBITDA<sup>2</sup> guidance of between €270 million and €285 million at constant exchange rates<sup>3</sup>, with an EBITDA margin<sup>4</sup> of over 85%
- The Group is reiterating its targets for 2022

Neoen (ISIN: FR0011675362, Ticker: NEOEN), one of the world's leading and fastest-growing independent producers of exclusively renewable energy, is reporting unaudited revenue of €224.1 million in the first nine months of 2020, up 22% compared to the first nine months of 2019. At constant exchange rates, revenue was 23% higher.

**Xavier Barbaro, Neoen's Chairman and Chief Executive Officer**, commented: *"Neoen's revenue growth in the first nine months of the year confirms the Group's growth profile. We were awarded 409 MW in new projects during the period, and since the end of September, we have won a 250 MW contract that enables us to build one of the world's largest batteries in the State of Victoria in collaboration with Tesla, plus a 110 MW wind energy project, also in Australia. All in all, we have been awarded more than 800 MW of new projects since the beginning of the year, demonstrating our ability to deliver innovative, distinctive services, in addition to the quality and competitiveness of our projects. These achievements, underpinned by our teams' flawless commitment and despite the sanitary crisis, have heightened our confidence in our ability to reach our targets".*

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<sup>1</sup> Assets in operation, under construction and projects awarded

<sup>2</sup> EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions

<sup>3</sup> Forecasts at constant exchange rates compared to 2019

<sup>4</sup> The EBITDA margin is calculated as the ratio of EBITDA to revenue

## Operational highlights

	September 30, 2020	December 31, 2019	chg.
	(1)	(1)	
<b>Assets in operation (MW)</b>	2,154	1,847	+308

(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 2,154 MW at end-September 2020, up 308 MW compared to end-December 2019. After commissioning the 143 MWp<sup>5</sup> Capella solar facility in El Salvador, the 81 MW Hedet wind farm in Finland and three solar power plants in France with total capacity of 15 MWp during the first half of 2020, the Group completed the 50 MW expansion of the Hornsdale Power Reserve battery in Australia during the third quarter, lifting its total capacity to 150 MW. This extension further enhances its ability to stabilise the grid, curb price volatility in the market and reduce the risks of blackouts. In France, the 10 MW La Garenne wind farm and the Brègues d'Or and Antugnac solar power plants (9 MWp in total) also entered service during the third quarter.

	9m 2020	9m 2019	% chg.
<b>Electricity generated (GWh)</b>	3,130	2,081	+50%

Electricity generation totaled 3,130 GWh in the first nine months of 2020, up 50% compared to the first nine months of 2019. The average availability rate for solar energy and wind energy assets held up at high levels of 98% and 99% respectively (versus 99% for both segments in the first nine months of 2019) illustrating Group's ability to continue to optimize use of its generating assets.

In addition to newly commissioned assets, the El Llano solar power plant (375 MWp) in Mexico has been injecting electricity into the grid since the first quarter of 2020<sup>6</sup>. This facility, which just received the administrative authorization from the CENACE to start commercial operation, should be commissioned by the end of the year. The Bulgana wind farm in Australia (214 MW, including 20 MW/34 MWh in storage) also gradually began injecting electricity into the grid from the end of the first half of the year, starting with a limited capacity.

The average load factor of solar assets stood at 18%, an equivalent level to that recorded in the first nine months of 2019. The contribution from the power plants at Capella in El Salvador and El Llano in Mexico, which have higher load factors than the average for solar assets in operation, helped offset the impact of the unfavorable weather conditions in Australia in the first nine months of the year, and a temporary reduced availability level of a solar asset in Australia in the first half due to upgrading works on the grid.

The average load factor of wind assets stood at 33% over the first nine months of 2020, versus 30% in the same period of 2019. Neoen's performance was buoyed by excellent wind conditions in Europe in the first quarter and by the commissioning of the Hedet project in Finland, which has a higher-than-average load factor among wind farms in operation. Conversely, it was held back by unfavorable wind conditions in Europe during the third quarter of 2020.

<sup>5</sup> Including a 3 MW/2 MWh storage battery

<sup>6</sup> Except for the period from May 3 to 21, 2020 following a decision by the National Center for the Control of Energy (CENACE)

## Nine-month 2020 revenue up 22%

	9m 2020	9m 2019	% chg.
<b>Revenue (€ m)<sup>(1)</sup></b>			
<b>Solar</b>	112.7	89.8	+26%
<b>Wind</b>	83.7	78.3	+7%
<b>Storage</b>	27.2	13.7	+99%
<b>Other<sup>(2)</sup></b>	0.5	2.4	n/a
<b>Consolidated revenue</b>	<b>224.1</b>	<b>184.2</b>	<b>+22%</b>
<i>o/w contracted energy revenue</i>	173.0	157.5	+10%
<i>o/w merchant energy revenue</i>	47.7	21.9	x2,2
<i>o/w other revenue<sup>(3)</sup></i>	3.5	4.8	n/a

(1) Unaudited financial data

(2) Corresponding to the Development and investment segment

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

Neoen's consolidated revenue totaled €224.1 million in the first nine months of 2020, or an increase of 22% compared to the first nine months of 2019. At constant exchange rates<sup>7</sup>, revenue was up 23%. The key factor driving this growth was the contribution from assets commissioned in 2019 and the first nine months of 2020. Another contributing factor was the strong first-quarter increase in storage as a result of specific non-recurring conditions in Australia.

**Solar revenue** grew 26% compared to the first nine months of 2019 as a result of the contribution from projects commissioned during 2019 in Australia, Zambia, Jamaica and France, and also those commissioned in the first nine months during 2020 in El Salvador and in France. This increase also reflected early generation revenue from the El Llano power plant in Mexico since the beginning of the year. Revenue was held back by unfavorable irradiation conditions in Australia throughout the first nine months and by the reduced availability of an asset in Australia over the first six months of the year as a result of upgrading work on the grid. Revenue was also curbed by the year-on-year downturn in market prices in Australia, especially in the third quarter. Solar's contribution to Neoen's consolidated revenue stood at 50% over the first nine months of 2020, versus 49% in the same period of 2019.

**Wind revenue** rose 7% compared to the first nine months of 2019. This growth was powered by the contribution from the capacity added in Ireland and France during 2019 and also in Finland and France during 2020. Other contributing factors were the early-generation revenue generated in the third quarter of 2020 by the Bulgana power plant in Australia and the excellent wind conditions in Europe in the first quarter of 2020. On the other hand, Neoen's performance was held back by less supportive wind conditions in Europe during the third quarter of 2020, as well as the lower average price recorded by the Hornsdale 3 wind farm in Australia in the first nine months of 2020 compared to the same period 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 revenue over the first nine months of 2020, versus 43% in the same period of 2019.

<sup>7</sup> Based on the average exchange rate over the first nine months of 2019

**Storage** revenue doubled in the first nine months of 2020 to €27.2 million. An exceptional event in Australia during 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 revenue. Conversely, as in the second quarter, Neoen experienced a revenue contraction in the third quarter year-on-year owing to less favorable market conditions in Australia for network services (FCAS). Storage revenue accounted for 12% of consolidated revenue in the first nine months of 2020, up from 7% in the year-earlier period.

During the first nine months of 2020, merchant energy revenue accounted for 21% of consolidated revenue. This high level is temporary as it reflects the non-recurring increase in storage business in Australia in the first quarter. Neoen also benefited from early generation revenue from the Capella<sup>8</sup> (El Salvador) and Hedet<sup>8</sup> (Finland) facilities in the first quarter, from El Llano (Mexico) throughout the period and from Bulgana (Australia) in the third quarter.

### Third-quarter 2020 revenue up 1%

During the third quarter of 2020, Neoen recorded consolidated revenue of €66.9 million, up 1% compared to the third quarter of 2019.

**Solar** revenue rose 12% compared to the third quarter of 2019 as a result of the contribution from the Capella power plant in El Salvador, which entered service during the first quarter of 2020, and from early generation revenue contributed by the El Llano power plant in Mexico. However, it was depressed by unfavorable irradiation conditions in Australia and the decline in Australian market prices compared to the third quarter of 2019.

**Wind** revenue dropped 3% below its third-quarter 2019 level despite the start-up of generating activities at the Bulgana facility. This decline is due to a low level of wind resources in Europe and the decrease in the average price earned by the Hornsdale 3 wind farm in Australia following the entry into force of its long-term power purchase agreement in October 2019.

Lastly, **Storage** revenue totaled €2.6 million versus €5.3 million in the third quarter of 2019 as a result of unfavorable market conditions in Australia for the sale of network services (FCAS). Revenue was also held back by the shutdown of the Hornsdale Power Reserve battery for 14 days during testing of its extension, which entered service in September.

In the third quarter of 2020, merchant energy revenue accounted for 9% of consolidated revenue.

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<sup>8</sup> Prior to the entry into force of their PPA in Q2 2020

## Portfolio at September 30, 2020: 11.8 GW compared to 10.7 GW at December 31, 2019

In MW	September 30, 2020	December 31, 2019	Chg.
Assets in operation	2,154	1,847	+308
Assets under construction	1,490	1,193	+297
<b>Sub-total, assets in operation or under construction</b>	<b>3,644</b>	<b>3,040</b>	<b>+604</b>
Projects awarded	903	1,082	-179
<b>Total MW – secured portfolio</b>	<b>4,548</b>	<b>4,122</b>	<b>+425</b>
Tender-ready projects	1,972	1,563	+409
Advanced development projects	5,278	4,966	+311
<b>Total MW – advanced pipeline</b>	<b>7,250</b>	<b>6,529</b>	<b>+721</b>
<b>Total portfolio</b>	<b>11,798</b>	<b>10,652</b>	<b>+1,146</b>
<b>Early-stage projects</b>	<b>&gt; 4 GW</b>	<b>&gt; 4 GW</b>	

Capacity in operation or under construction totaled 3.6 GW at end-September 2020, compared to 3.0 GW at end-December 2019.

During the first nine months of 2020, Neoen launched construction of 605 MW, including 61 MW during the third quarter in France - four solar farms with total capacity of 30 MWp and three wind farms with total capacity of 31 MW. Neoen had previously launched construction of the 460 MWp Western Downs project in Australia, the 30 MW/30 MWh Yliskälä Power Reserve project in Finland, and the 29 MW Mont de Malan wind farm and two solar facilities (25 MWp in total) in France.

Of the 1.5 GW in assets under construction, the El Llano solar plant in Mexico and the Bulgana wind farm in Australia, which are already generating electricity, should enter operation by the end of the year and in the first half of 2021, respectively. Operations are due to start up at the Yliskälä Power Reserve storage facility in Finland by the end of the year, as well as at the solar power plants at Altiplano (208 MWp) in Argentina and at Metoro (41 MWp) in Mozambique during the first six months of 2021.

Assets in operation, under construction and awarded projects represented 4.5 GW in capacity at end-September 2020, compared to 4.1 GW at end-December 2019. Neoen was awarded 409 MW<sup>9</sup> in projects during the first nine months, including 193 MW during the third quarter alone:

- a 100 MW wind energy project in Australia for which Neoen signed a 14-year PPA with the Australian Capital Territory (ACT). This energy will be supplied by Phase 1 of the Goyder Renewables Zone project in South Australia. In addition, Neoen has committed to build a battery storage facility with capacity of at least 50 MW in Australia's capital to support and stabilize ACT's electricity grid;
- three solar projects with 58 MWp in total capacity awarded to Neoen and its partner BNRG, a Dublin-based solar developer, via the first government photovoltaic call for tenders in Ireland;
- and three French wind energy projects with 35 MW in combined capacity.

The portfolio's capacity came to 11.8 GW at end-September 2020, compared to 10.7 GW at end-December 2019.

<sup>9</sup> Plus 16 MW in power upgrades, representing a total increase of 425 MW

## Recent events

In addition to the 409 MW in new projects awarded in the first nine months of the year, Neoen has won several new projects since the third quarter ended, lifting to more than 800 MW the total capacity of the projects awarded since the beginning of the year.

### **Neoen sign a new PPA for 110 MW of wind energy in Australia**

On October 5, 2020, Neoen announced it has signed a power purchase agreement with CleanCo Queensland for 110 MW of wind energy. This is the second agreement contracted this year between the two companies after the signature of 352 MWp power purchase agreement for Western Downs Green Power Hub, Australia's largest solar farm, actually under construction. The contract will enable Neoen to build the 157 MW Kaban wind farm near the town of Ravenshoe, 80 km south west of Cairns, Australia, delivering clean energy into Powerlink Queensland's transmission network.

### **Neoen wins 14 MW of solar and wind in France**

On October 23, 2020, Neoen announced it has been awarded projects with combined capacity of 14 MW in the invitation to bid for ground-based photovoltaic plants (« CRE 4.8 - Commission de Régulation de l'Énergie ») held by the government and in the sixth call of tenders for onshore wind power capacity. The two successful projects are located in the French départements of Aude (11) and Yonne (89), in line with Neoen's strategy to develop projects throughout France. They are due to enter service early 2023.

### **Neoen completes financing for Western Downs, Australia's largest solar farm**

On October 26, Neoen announced it has completed financial close on Western Downs, a 460 MWp solar farm located near Chinchilla in South West Queensland. This financing was completed five months after Neoen concluded a 352 MWp power purchase agreement with CleanCo Queensland, in one of Australia's most substantial renewable contracts to date. Total project costs will amount to approximately A\$600 million, with debt provided by a syndicate of seven lenders: Natixis, Société Générale, Sumitomo Mitsui Banking Corporation, MUFG Bank, NORDBANK, HSBC and Commonwealth Bank of Australia.

### **Neoen to build one of the world's largest batteries in Australia**

On November 5, 2020, Neoen announced it has been awarded a 250 MW grid services contract by the Australian Energy Market Operator (AEMO). The services will be provided by Neoen's future 300 MW Victorian Big Battery, set to become one of the largest batteries in the world. The battery storage facility will be located next to Moorabool Terminal Station in Geelong, Victoria. To be delivered together with Tesla, using its Megapack technology, and network partner AusNet Services, the Victorian Big Battery will build on a number of technological innovations that will enable the State of Victoria's power grid to operate more efficiently and significantly increase its capacity.

## Outlook

Neoen is reiterating its 2020 EBITDA target of between €270 million and €285 million (at constant exchange rates compared to 2019) with an EBITDA margin over 85%. 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<sup>10</sup>, as well as the current level of market prices.

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<sup>11</sup> by 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](http://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.*

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<sup>10</sup> Given the proximity of the end of the year, the timing-related uncertainties are now limited

<sup>11</sup> At constant exchange rates compared to 2019

## Next financial reports

**Full year 2020 revenue and operational data:** February 18, 2021

**Full year 2020 results:** March 10, 2021 (analysts and investors presentation on March 11, 2021)

**Capital Markets Day:** March 11, 2021

**First-quarter 2021 revenue and operational data:** May 11, 2021

**First-half 2021 revenue, operational data and results:** August 2, 2021

**Nine-month 2021 revenue and operational data:** November 9, 2021

## 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 3.6 GW in operation or under construction, Neoen is a high-growth company. Neoen is notably active in Australia, Argentina, El Salvador, Finland, France, Ireland, Jamaica, Mexico, Mozambique, Portugal and Zambia. In particular, Neoen operates France's most powerful solar farm (300 MWp) in Cestas, and the world's first big battery (150 MW 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](http://www.neoen.com)

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## Appendix

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

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

	Q3 2020	Q3 2019	% chg.
<b>Revenue (M€)<sup>(2)</sup></b>			
Solar	39.2	34.9	+12%
Wind	24.9	25.7	-3%
Storage	2.6	5.3	-52%
Other <sup>(3)</sup>	0.2	0.2	n/a
<b>Consolidated revenue</b>	<b>66.9</b>	<b>66.0</b>	<b>+1%</b>
<i>O/w contracted energy revenue</i>	<i>59.3</i>	<i>57.4</i>	<i>+3%</i>
<i>O/w merchant energy revenue</i>	<i>6.1</i>	<i>7.6</i>	<i>-19%</i>
<i>O/w other revenue<sup>(4)</sup></i>	<i>1.5</i>	<i>1.0</i>	<i>n/a</i>

(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