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Neoen to sell two wind farm projects in France

- Neoen is to sell a 95% stake in two wind farms projects – Le Berger (Meuse) and Les Beaux Monts (Yonne) – that represent total capacity of 46.8 MW
- The enterprise value for these two assets stands at close to €29 million
- The deal will generate a net capital gain of around €28 million

Neoen (ISIN: FR0011675362, ticker: NEOEN), a leading independent producer of exclusively renewable energy, has signed an agreement to sell a 95% stake in the Le Berger and Les Beaux Monts wind farms in France¹. The transaction will be based on an enterprise value of close to €29 million for 100% of the projects, or €0.7 million per MW. The net capital gain will be around €28 million, which will be recognized in 2021 EBITDA².

Construction of the two wind farms – Le Berger in the Meuse *département* and Les Beaux Monts in the Yonne *département* – has just started and they are expected to come into service in 2023. Both will benefit from power sales tariffs that are fixed for 20 years.

Neoen will retain a 5% stake in these assets, oversee their construction and maintenance, and continue to manage relations with local communities. Neoen will also be able to buy back the project companies after 31 years of operation, with the current buyer also having an option to sell them at the same point. This buy back would provide Neoen with the opportunity to lead the subsequent repowering of these projects, in line with its strategy.

The transaction remains subject to the customary conditions precedent and is expected to close by the end of 2021.

This is the third farm-down transaction completed by Neoen following the sale of its entire interests in four operating solar power plants in France: Grabels (Hérault) and Lagarde (Vaucluse), completed in early November 2021, and Lugos (Gironde) and Miremont (Haute-Garonne), signed in early December. In 2021 as a whole, Neoen will therefore have sold four solar and two wind farms with total capacity of almost 80 MW, for an enterprise value of close to €89 million. The net proceeds from these total or partial disposals will be around €47 million.

¹ Since Neoen will retain a 5% stake in the Berger and Les Beaux Monts wind farms, and since it will have an option to buy the project companies after 31 years of operation, these assets will remain within the Group's secured portfolio (gross MW)

² As indicated at the Capital Markets Day in March 2021, the sale by the Group of all of, or a majority stake in, projects or assets in its secured portfolio will be carried out within the following two limits in 2021:

- the volume of projects sold will not exceed 20% of the gross annual growth of its secured portfolio,
- the contribution to consolidated full-year EBITDA will be less than 20%.

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These deals are aligned with Neoen's farm-down policy of selectively selling all of, or a majority stake, in projects or assets from its secured portfolio. By increasing the Group's financial capacity, these farm-down transactions will help to fund the construction of new assets.

As previously announced, the contribution made by net gains on these farm-down transactions will not exceed 20% of 2021 EBITDA. Neoen is reiterating its 2021 EBITDA target of between €295 million and €310 million. It is also restating that the volume of projects sold as part of its farm-down policy under the plan out to 2025 will not exceed 20% of the gross annual growth of its secured portfolio.

Xavier Barbaro, Chairman and CEO of Neoen, said: *"This transaction successfully concludes our first round of project Farm-Down transactions. In 2021, these sales have given us new financial resources that will help to fund our strong growth. We have also shown that it is possible to crystallize the value Neoen adds in its capacity as a developer while maintaining a long-term commitment to its projects and local stakeholders. The option to regain ownership of these projects means we have the opportunity to repower them ourselves, a core part of our strategy."*

About Neoen

Neoen is one of the world's leading independent producers of exclusively renewable energy. Neoen has over 4.8 GW of solar, wind and storage capacity in operation or under construction in Australia, France, Finland, Mexico, El Salvador, Argentina, Ireland, Portugal, Jamaica, Mozambique, and Zambia. The company is also active in Croatia, Ecuador, Sweden, and the USA. Neoen's flagship assets include France's most powerful solar farm in Cestas (300 MWp), and two of the world's largest lithium-ion batteries: Hornsdale Power Reserve (150 MW / 193.5 MWh) and Victorian Big Battery (300 MW / 450 MWh), in Australia. Neoen is targeting more than 10 GW capacity in operation or under construction by the end of 2025. Neoen (ISIN Code: FR0011675362, ticker: NEOEN) is listed in Compartment A of the regulated market of Euronext Paris.

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