

Paris, November 3, 2022

NINE-MONTH 2022 REVENUE

Neoen reports 46% revenue growth and raises its 2022 adjusted EBITDA target

- Nine-month 2022 revenue totaled €354.6 million, up 46% compared to the first nine months of 2021, with strong growth in each of the Group's three segments:
 - Solar: 20%
 - Wind: 50%
 - Storage: 2.7x
- Third-quarter revenue was 68% higher than in the same quarter of 2021
- The secured portfolio's¹ capacity stood at over 6.3 GW at September 30, 2022
- The total portfolio² was 18.1 GW, up 4.2 GW compared to at December 31, 2021
- The Group raises its 2022 adjusted EBITDA³ target to between €390 million and €410 million⁴
- The adjusted EBITDA margin is expected at between 80% and 85%
- Lastly, the Group is reiterating its adjusted EBITDA growth targets out to 2025 and its target of having over 10 GW in capacity in operation or under construction by year-end 2025

Neoen (ISIN: FR0011675362, Ticker: NEOEN), one of the world's leading independent producers of exclusively renewable energy, is reporting (unaudited) revenue of €354.6 million in the first nine months of 2022, up 46% relative to the first nine months of 2021. At constant exchange rates, revenue moved up 41%.

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer, commented: "*Neoen recorded strong revenue growth over the first nine months of the year, providing another demonstration of its ability to deliver solid performance quarter after quarter. This growth derives first and foremost from the steady expansion in our portfolio of assets in operation. What's more, even though our business model relies heavily on long-term power purchase agreements, we have also reaped the benefit of the high spot prices. Firstly, our model has provided us with an immediate revenue boost via the portion of electricity we sell on the markets. Secondly, it generates additional demand for long-term power purchase agreements, which will be priced at higher levels than in the past. Now more than ever, Neoen is ideally placed to benefit from the acceleration in the development of renewable energies, which provide green, local and competitive electricity.*"

¹ Assets in operation, under construction and projects awarded

² Advanced pipeline and secured portfolio

³ Adjusted EBITDA corresponds to current operating income, which includes net proceeds from the disposal of assets in the secured portfolio resulting from the farm-down activity, restated for:

- Depreciation, amortization and current operating provisions;
- The personnel expense resulting from the application of IFRS 2 "Share-based payments";
- The change in fair value of energy derivative financial instruments.

⁴ From its previous guidance of between €380 and 400 million

Operational highlights

	September 30, 2022	December 31, 2021	chg.
	(1)	(1)	
Assets in operation (MW)	3,589	3,480	+109

(1) Gross capacity including projects in which Neoen is a minority shareholder: Cestas (228 MWp), Seixal (8.8 MWp), Les Beaux Monts (24.2 MW), Le Berger (22.6 MW) and Saint-Sauvant (21 MW) in which Neoen has sold 95% of its shareholding.

Neoen's capacity in operation stood at 3,589 MW at September 30, 2022, up 109 MW from its December 31, 2021 level. In France, the Group brought into operation three solar facilities with capacity totaling 38 MWp, plus the wind farms at Saint-Sauvant (21 MW)⁵ and Madon-Moselle (40 MW), its largest wind facility in France. The Providencia Power Reserve (6 MW) and Albireo Power Reserve (6 MW) in El Salvador also entered operation.

Aside from the new assets brought into operation, several wind and solar facilities under construction began injecting electricity into the grid during the third quarter of 2022 in Finland, Australia, Ireland and France.

	9m 2022	9m 2021	% chg.
Electricity generation (GWh)	4,197	3,491	+20%

Neoen's electricity generation totaled 4.2 TWh in the first nine months of 2022, up 20% relative to the first nine months of 2021. During the third quarter alone, electricity generation totaled 1.4 TWh, up 26% compared to the third quarter of 2021.

The average availability rate of the solar assets was 86% versus 94% in the first nine months of 2021. The key factor responsible was technical difficulties at the El Llano power plant in Mexico during the first half of the year, and the complete shutdown of generating activities for the entire third quarter followed by a gradual resumption from October⁶. Excluding the El Llano plant, the average availability rate of the solar assets was 99%. Meanwhile, the average availability rate of the wind energy assets stood at 97% over the first nine months of 2022, versus 98% in the same period of 2021.

The average load factor of the solar assets was 19.1%, compared to 19.3% in the first nine months of 2021. The positive impact of the commissioning during the fourth quarter of 2021 of the Altiplano power plant in Argentina, which has a higher load factor than the average for assets in operation, was tempered by the less favorable irradiation conditions in Australia during the first nine months of 2022.

The average load factor of wind energy assets stood at 28.9% over the first nine months of 2022, versus 27.6% in the same period of 2021.

⁵ Neoen completed the disposal of a 95% shareholding in Saint-Sauvant in September 2022

⁶ To date, the El Llano power plant has not yet reached its full generating capacity

Nine-month 2022 revenue up 46%

	9m 2022	9m 2021	% chg.
Revenue (€ m)⁽¹⁾			
Solar	147.5	123.0	+20%
Wind	141.1	94.3	+50%
Storage	65.4	23.8	x2,7
Other⁽²⁾	0.7	1.5	n/a
Consolidated revenue	354.6	242.7	+46%
<i>o/w contracted energy revenue</i>	227.1	179.1	+27%
<i>o/w merchant energy revenue</i>	116.1	57.3	x2.0
<i>o/w other revenue⁽³⁾</i>	11.3	6.2	+82%

(1) Unaudited financial data

(2) Corresponds to the Development and investment segment

(3) Other revenue chiefly derives from the capacity payments earned by certain batteries, the development business, and services to third parties

Neoen's consolidated revenue totaled €354.6 million in the first nine months of 2022, up 46% compared to the first nine months of 2021. At constant exchange rates⁷, revenue moved up 41%. The key factor driving this growth was the contribution from assets that entered operation in Argentina and Australia during 2021 and in France during 2021 and the first six months of 2022. The early generation revenue from several power plants also contributed to growth during the first nine months, in particular during the third quarter, mainly in Finland, but also in Australia, Ireland and France, in a context of very high merchant prices. These market conditions also had a positive impact on the revenue of power plants in operation that sell a portion of the electricity they generate on the market, especially in Australia.

Solar revenue grew 20% compared to the first nine months of 2021 mainly as a result of the contribution from the assets commissioned during 2021, chiefly the Altiplano 200 facility in Argentina, plus various power plants in France during 2021 and the first six months of 2022. In addition, several assets in Australia and Ireland reaped the benefit of early generation revenue before the start of their power purchase agreement. Revenue in Australia was boosted by higher spot prices than in the first nine months of 2021, as well as by positive currency effects. These factors helped to make up for the lower revenue contribution from the El Llano facility in Mexico. Firstly, the first six months of 2021 provided a high base of comparison for revenue, as its power purchase agreement (PPA) took effect from July 1, 2021 rather than late June 2020 as originally anticipated, with the electricity generated over the period valued at market prices. Secondly, after experiencing technical issues during the first half of 2022, its generating activities came to a standstill for the entire third quarter. These factors also helped to make up for the impact of selling four solar farms in operation in France during the second half of 2021 as part of the farm-down business. Solar's contribution to Neoen's consolidated revenue stood at 42% over the first nine months of 2022, versus 51% in the first nine months of 2021.

Wind revenue was 50% above its nine-month 2021 level. The growth was largely powered by the contribution made by the early generation revenue earned by the Mutkalampi facility in Finland during the third quarter of 2022 and, to a lesser extent, by power plants in France during the first nine months of the year amid a very high level of merchant prices. It also reflects a positive price effect at power plants in

⁷ Based on the average exchange rate in the first nine months of 2021

operation, as spot prices were higher in France, Ireland and Australia than they were during the same period last year. Moreover, the Bulgana wind farm in Australia, which saw its PPA start up in December 2021, reaped the benefit of both an increase in its generation (the facility injected electricity into the grid accounting for around 70% of its capacity during the first nine months of 2021) and of a higher average selling price than last year when the electricity it generated was sold on the market in a context of low prices. Finally, revenue growth was also powered by the contribution from assets that entered operation in France during 2021 and the first six months of 2022. Wind contributed 40% of Neoen's consolidated revenue over the first nine months of 2022, versus 39% in the same period of 2021.

Storage revenue almost tripled to €65.4 million in the first nine months of 2022. This hefty increase was largely driven by the contribution from the Victorian Big Battery, which entered operation in December 2021. In the first quarter, it earned revenue under its capacity reserve contract with the Australian regulator, which provides for the unlock of additional peak capacity on the existing Victoria to New South Wales Interconnector (VNI) during Australian summers. It also generated sales from network services (FCAS) and arbitrage revenue amid highly volatile market conditions, especially during the second and third quarters. The Storage segment was also underpinned by the promising performance of the Hornsdale Power Reserve in Australia and the Ylikkälä battery in Finland, which expanded its grid service sales to several markets during the first nine months of 2022 and benefited from favorable market conditions. Storage revenue accounted for 18% of consolidated revenue in the first nine months of 2022, versus 10% in the first nine months of 2021.

Merchant energy sales accounted for 33% of consolidated revenue in the first nine months of 2022, versus 24% in the first nine months of 2021. This percentage notably reflects the Victorian Big Battery's contribution, the early generation revenue earned by the Mutkalampi facility in Finland and, to a lesser extent, by several wind and solar farms in Australia and France, the Ylikkälä battery's healthy performance in Finland and, lastly, the high level of spot prices in Australia, Ireland and France.

Merchant proportion of wind and solar revenue (excluding storage revenue) accounted for 21% of consolidated revenue in the first nine months of 2022, versus 17% in the first nine months of 2021.

Third-quarter revenue up 68%

During the third quarter of 2022 alone, Neoen recorded revenue of €130.5 million, up 68% compared to the third quarter of 2021. **Solar** revenue rose 26%, with the contribution from assets that had entered operation since the third quarter of 2021 offsetting the revenue contraction recorded by the El Llano facility in Mexico, where generating activities were at a standstill for the entire quarter. This performance also reflects a doubling in **Wind** revenue, deriving mainly from the early generation revenue at the Mutkalampi facility and the stronger contribution from the Bulgana power plant in Australia. Lastly, **Storage** revenue **more than doubled** as a result of the Victorian Big Battery commissioned in late 2021, which actively supported the Australian grid amid highly volatile conditions during the third quarter of 2022.

Portfolio at September 30, 2022: 18.1 GW, up 4.2 GW compared to at December 31, 2021

In MW	September 30, 2022	December 31, 2021	% chg.
Assets in operation	3,589	3,480	+109
Assets under construction	1,973	1,954	+19
Sub-total, assets in operation or under construction	5,563	5,434	+128
Projects awarded	779	582	+197
Total MW – secured portfolio	6,342	6,016	+326
Tender-ready projects	2,775	1,731	+1,044
Advanced development projects	8,996	6,184	+2,812
Total MW – advanced pipeline	11,770	7,914	+3,856
Total portfolio	18,112	13,930	+4,182
Early-stage projects	> 5 GW	> 5 GW	

Capacity in operation or under construction stood at 5.6 GW at September 30, 2022, compared to 5.4 GW at December 31, 2021. Neoen launched construction of 128 MW⁸ in the first nine months of 2022 including the Largeasse (17 MW) wind farm and the Châteaurenard (12 MWp) solar farm in France, as well as the Storbrännkullen (57 MW) wind farm in Sweden and the Björkliden (40 MW) wind farm in Finland.

The secured portfolio (assets in operation, under construction and awarded projects) totaled 6.3 GW at September 30, 2022, versus 6.0 GW at December 31, 2021. During the first nine months of the year, 326 MW in new projects were awarded⁹:

- 124 MWp awarded in France under the latest government call for tenders for ground-based power plants (“PPE2”);
- 80 MWp awarded in the RESS 2 solar power government auction in Ireland;
- 57 MW corresponding to the Storbrännkullen wind farm, Neoen’s first asset in Sweden and currently under construction;
- 42 MW awarded under the PPA with Equinix in Finland covering the Lumivaara wind farm;
- 10 MW corresponding to the Les Granges wind farm in France, and
- 5 MW in additional capacity at the Björkliden wind farm in Finland where construction was launched recently.

During the third quarter, Neoen also clinched a 40 MW PPA with Flow Power covering its Goyder South Stage 1 wind farm, construction of which had already begun.

The portfolio’s total capacity came to 18.1 GW at September 30, 2022, versus 13.9 GW at December 31, 2021.

⁸ Includes a 2 MW repowering.

⁹ Includes a 7 MW repowering.

Third-quarter 2022 highlights

Neoen and Prokon sign a second PPA with Equinix in Finland for at least 42 MW of wind energy

On July 21, 2022, Neoen and Prokon, announced the signing of a new power purchase agreement (PPA) with Equinix, the world's digital infrastructure company, to provide at least 42 MW of green energy in Finland. This is the second PPA signed by Neoen and Prokon with Equinix, and it will provide renewable energy for the firm's locations in all five of the company's International Business Exchange (IBX) data centers in Finland. Under the 10-year agreement, Equinix will purchase 80% of the green energy and guarantees of origin to be produced by the new Lumivaara wind farm (53 MW). Construction is scheduled to begin in 2023, with commissioning to follow in early 2025. Neoen owns an 80% stake in the project, the remaining 20% being owned by Prokon, the original developer of the project.

Neoen has sold one further wind farm in France

On July 26, 2022, the Group has signed an agreement to sell 95% of its shares in the Saint-Sauvant wind farm to Sergies, a long-standing partner in the development of the project, a local player and an integrated energy provider, on the basis of an enterprise value of €65.5 million. The transaction has been completed in September 2022. The 20.6 MW plant, located in the Vienne department, has been commissioned in the first half of 2022. Neoen retains a minority stake, supervision of the power plant for the next two years, a local presence through a community management contract and a buyback option allowing it to take control of the project company in 30 years. The net proceeds of the sale amounts to €16 million.

Neoen and Tesla deliver innovative inertia services at Hornsdale Power Reserve big battery in Australia

On July 27, 2022, Neoen announced it had successfully tested and implemented Tesla's Virtual Machine Mode (VMM) at its 150 MW / 193.5 MWh Hornsdale Power Reserve (HPR), Australia's second largest lithium-ion battery. HPR has secured approval from AEMO for its grid-forming inverters to start delivering inertia services into the South Australian grid. The arrival of this capability paves the way for AEMO's stated vision of 100% instantaneous renewable penetration by 2025.

Neoen signs a 40 MW PPA with Flow Power for Goyder wind farm in South Australia

On August 2, 2022 Neoen announced it had signed a power purchase agreement with Flow Power, one of Australia's fastest growing electricity retailers, for 40 MW of energy from its Goyder South Stage 1 wind farm in South Australia. Construction of Goyder South Stage 1, with a total capacity of 412 MW, is currently underway with operations expected to commence in 2024. It is the first stage of Neoen's flagship project known as Goyder Renewables Zone, a hybrid wind, solar and storage project located near Burra in South Australia. Under the 10-year agreement, Flow Power will purchase close to 10% of the generation capacity of the Goyder South Stage 1 wind farm.

Neoen announces the success of its offering of green bonds convertible into new shares and/or exchangeable for existing shares due 2027 for a nominal amount of €300 million

On September 7, 2022, Neoen announced the success of its offering of senior unsecured green bonds convertible into new shares and/or exchangeable for existing shares due 2027 for a nominal amount of €300 million. The net proceeds of the offering will be allocated to finance or refinance renewable energy production and storage projects in consistency with Neoen's green bond framework dated May 27th, 2020, and reviewed by Moody's ESG Solutions (formerly known as Vigeo Eiris). Concurrently with the offering,

Neoen announced the exercise of its option to redeem its outstanding c.€200 million convertible bonds due 2024 issued on October 7th, 2019, which led to their conversion at 99.78 %.

Recent events

Neoen to sell one solar farm in operation in Portugal

On October 28, 2022, the Group has signed an agreement to sell 100% of its shares in the Cabrela solar farm to Cubico Sustainable Investments, one of the world's largest privately-owned renewable energy companies, on the basis of an enterprise value of €51.1 million. The 13.2 MWp solar plant located in Portugal has been commissioned in 2014 and holds a 20-year power purchase agreement. The net proceeds of the sale are expected to be in the order of €25 million. The transaction remains subject to the usual conditions precedent, with a longstop date for completion on February 1st 2023.

Neoen and BHP sign a 70 MW renewable energy baseload contract in South Australia

On November 3, 2022, Neoen has announced it had signed a 70 MW renewable energy baseload contract with BHP, a world-leading resources company. The contract will supply power to BHP's Olympic Dam operations in South Australia, one of the world's most significant deposits of copper, gold and uranium. It is expected to meet half of Olympic Dam's overall electricity needs from July 2025. Under the contract, Neoen will deliver a green energy solution 24/7 to the mine, along with the associated large-scale certificates (LGC). Neoen will dedicate to this contract half of the output of Goyder South Stage 1 wind farm. Neoen will firm the intermittent wind energy combining the storage capacity of Blyth Battery and its energy management expertise. Blyth Battery is a utility scale battery project located in Blyth, South Australia. The project has been developed by Neoen over the last two years and received planning consent for up to 300 MW in April 2022.

Outlook

Neoen is revising up its 2022 adjusted EBITDA target range to between €390 million and €410 million from its previous guidance of between €380 million and €400 million. This upward revision reflects the performance recorded in the third quarter, especially the early generation revenue in Europe. The adjusted EBITDA target takes into account €16 million in net proceeds from asset disposals as part of the farm-down business from the sale of a 95% interest in the Saint Sauvant facility, the equivalent of around 4% of adjusted EBITDA. The adjusted EBITDA margin is expected at between 80% and 85%.

Neoen is reiterating its target of generating double-digit annual growth in adjusted EBITDA between 2022 and 2025.

Lastly, the Group is restating its goal of having over 5 GW in operation during 2023 and its aim of reaching at least 10 GW in capacity in operation or under construction¹⁰ by year-end 2025.

All the Group's objectives include the best estimate to date of the likely completion dates of its projects and its current view of merchant prices trends.

¹⁰ Consolidated capacity on a post-farm-down basis

This press release 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

Full year 2022 results: February 28, 2023

First-quarter 2023 revenue and operational data: May 2, 2023

First-half 2023 results: July 27, 2023

Nine-month 2023 revenue and operational data: November 2, 2023

About Neoen

Founded in 2008, Neoen is one of the world’s leading independent producers of exclusively renewable energy. With expertise in solar power, wind power and storage, the company plays an active role in the energy transition by producing competitive, green, local energy on four continents. After a five-fold increase in the last five years, its capacity in operation and under construction stands at 5.6 GW. Neoen’s flagship operations are France’s most powerful solar farm (300 MWp) in Cestas, Finland’s largest wind farm (404 MW) in Mutkalampi, one of the world’s most competitive solar plants in Mexico (El Llano, 375 MWp) and two of the world’s most powerful large-scale storage plants, both in Australia: Hornsdale Power Reserve (150 MW/193.5 MWh storage capacity) and the Victorian Big Battery (300 MW/450 MWh). A high-growth company, Neoen is targeting 10 GW in operation or under construction by the end of 2025. Neoen is listed in Compartment A of Euronext’s regulated market in Paris (ISIN code: FR0011675362, Ticker: NEOEN) on the SBF 120 and CAC Mid 60 indexes.

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Appendix

Quarterly revenue

	Q1 2022	Q1 2021	Var.
Revenue (€ m)			
Solar	49.6	38.0	+31%
Wind	45.2	36.7	+23%
Storage	14.0	5.3	x2.6
Other ⁽¹⁾	0.2	0.2	n/a
Consolidated revenue	109.1	80.2	+36%
<i>o/w contracted energy revenue</i>	82.7	63.8	+30%
<i>o/w merchant energy revenue</i>	19.1	14.7	+30%
<i>o/w other revenue⁽²⁾</i>	7.3	1.7	x4.2

	Q2 2022	Q2 2021	Var.
Revenue (€ m)			
Solar	49.8	46.9	+6%
Wind	39.6	29.5	+34%
Storage	25.4	8.0	x3.2
Other ⁽¹⁾	0.2	0.2	n/a
Consolidated revenue	115.0	84.7	+36%
<i>o/w contracted energy revenue</i>	76.4	56.2	+36%
<i>o/w merchant energy revenue</i>	36.8	26.8	+37%
<i>o/w other revenue⁽²⁾</i>	1.8	1.7	+5%

	Q3 2022	Q3 2021	Var.
Revenue (€ m)			
Solar	48.0	38.1	+26%
Wind	56.2	28.1	x2.0
Storage	26.0	10.5	x2.5
Other ⁽¹⁾	0.3	1.0	n/a
Consolidated revenue	130.5	77.7	+68%
<i>o/w contracted energy revenue</i>	68.0	59.1	+15%
<i>o/w merchant energy revenue</i>	60.3	15.8	x3.8
<i>o/w other revenue⁽²⁾</i>	2.3	2.8	n/a

(1) Corresponds to the Development and investment segment

(2) Other revenue chiefly derives from capacity payments earned by certain batteries, the development business and services to third parties