PRESS RELEASE

September 25, 2019

H1 2019 results are lower: improved performance of Services partly offsets lower Energy sales, as previously announced

- **Outlook**
    - **Improvement expected in H2 2019:** seasonality of electricity production and sales of Services to third-party already secured
    - **2020** capacity and EBITDA **targets confirmed**
    - 2023 roadmap well underway and financed thanks to **the success of the capital increase**
- **Voltalia acquires Helexia** and becomes a one-stop-shop to reduce the energy bill of corporate clients
    - **A major development opportunity** in a still young market
    - **Numerous synergies and acceleration of the international development of Helexia**

Voltalia (Euronext Paris ISIN code: FR0011995588), international player in renewable energies, announces today its H1 2019 results.

This press release presents consolidated results, prepared in accordance with IFRS standards, which were subject to a limited review by the statutory auditors, then reviewed by the Audit Committee of Voltalia and approved by the Board of Directors.

"*In the first half of the year, the growth in the Services business allowed us to absorb part of the previously announced decline in Energy Sales. Combined with a seasonal improvement of wind conditions in Brazil, the sales of Services to third-party clients should support a strong improvement of the performance in the second half of the year. In 2019, we are hitting important milestones for our future development. We have crossed the 1 GW of capacity in operation and construction mark, enabling us to confirm our objectives for 2020. Furthermore, we are accelerating in high-potential markets, such as the market for corporate clients, with the acquisition of Helexia, finalized on this day.*" comments Sébastien Clerc, CEO of Voltalia.

Key figures

			Change	
In € millions	H1 2019	H1 2018	*At actual rates*	*At constant rates*
Revenue	56.9	74.7	*-24%*	*-22%*
EBITDA	13.9	21.5	*-35%*	*-30%*
EBITDA margin	*24%*	*29%*	*-4 pts*	*-3 pts*
Net profit (loss) (Group share)	(8.7)	(5.9)	n/a	n/a

Business review

Energy sales: slowdown associated with normalisation of pricing in Brazil

In € millions Before eliminations of services provided internally	H1 2019	H1 2018	*Change* *At actual rates*	*Change* *At constant rates*
Revenue	45.5	55.7	*-18%*	*-15%*
EBITDA	27.4	32.5	*-16%*	*-13%*
EBITDA margin	*60%*	*58%*	*+2pts*	*+2pts*
Production (in GWh)	757	804	*-6%*	*-6%*
Installed capacity (in MW, end of period)	534	519	*+3%*	*+3%*

At constant exchange rates, revenues for the first half of 2019 were down 15% on 2018 with a 13% decline in EBITDA at constant exchange rates.

- In Brazil, in addition to a slowdown in production due to record low wind speeds in the first few months of the year, prices returned to their contractual level indexed to inflation. In 2018, Voltalia took advantage of non-recurring opportunities. By temporarily suspending the execution of contracts for some of its wind farms (60 MW at Areia Branca and 99 MW at Vila Para), Voltalia had managed to increase selling prices and generate around €25 million of additional revenues of over the year.

- Revenues and EBITDA in other countries were up overall, due in particular to improved performances in France and the contribution made by new plants.

Services: strong growth in revenues and return to profitability

In € millions Before eliminations of services provided internally	H1 2019	H1 2018	*Change* *At actual rates*	*Change* *At constant rates*
Revenue	73.9	39.2	*+88%*	*+88%*
EBITDA	1.2	(2.7)	n/a	n/a
EBITDA margin	*2%*	*(7)%*	*+8pts*	*+9pts*

At constant exchange rates, Services revenues for the first half of 2019 were up 88% on 2018. EBITDA was positive in each business lines.

- Total revenues (internal and external) from the Development, Construction & Equipment Procurement business continued to grow as a result of i) the acceleration in Construction projects for Voltalia's own plants (472 MW under construction at the end of June 2019) and ii) development project sales in France and Brazil. This increase in business volumes was reflected in positive EBITDA.

- Total revenues (internal and external) from Operation & Maintenance were stable, as was the portfolio of assets operated and maintained by Voltalia which remained at around 1 GW.

With a €14.7 million negative impact on EBITDA, revenues eliminations were up three-fold on the first half of 2018, at €62.5 million. This illustrates the value enhancing strategy of internalizing construction and O&M activities. They reflect high volumes of activity, and notably the construction of 472 MW of Group-owned new power plants as part of the doubling of the installed capacity by 2020.

The audited revenues of the Services business in H1 2019 are lower than the unaudited figures announced in the press release of July 17, 2019. The €11.9 million difference corresponds to revenues from the sale of 60% of a solar plant in, which has been previously repowered by Voltalia (Coco-Banane solar farm in French Guiana). The income will be recognized in the second half of 2019, as the definitive disposal in the sense of the IFRS rules is deemed to have occurred 18 September 2019 and not 28 June 2019, as originally envisaged.

Other income statement items: drop in net earnings, attributable to the drop in EBITDA

			Change	
In € millions	H1 2019	H1 2018	*At actual rates*	*At constant rates*
EBITDA before eliminations and corporate	**28.6**	**29.9**	***-4%***	***-1%***
Eliminations and corporate	(14.7)	(8.4)	*+75%*	*+75%*
EBITDA	**13.9**	**21.5**	***-35%***	***-30%***
Depreciation, amortisation, and provisions	(9.4)	(12.7)	*-26%*	*-21%*
Other financial income and expenses	(0.2)	0.6	n/a	n/a
Operating revenue (EBIT)	**4.3**	**9.4**	***-54%***	***-50%***
Financial result	(15.3)	(16.6)	*-8%*	*-4%*
Taxes and net income of equity affiliates	(0.9)	(2.3)	*-60%*	*-58%*
Minority interests	3.2	3.6	*-12%*	*-8%*
Net profit (loss) (Group share)	**(8.7)**	**(5.9)**	***-47%***	***-49%***

EBITDA stood at €13.9 million, the drop of €7.6 million compared with 2018 being primarily due to a particularly unfavourable basis of comparison in Brazil.

Depreciation, amortisation and provisions were down €3.3 million, new allocations relating to the commissioning of new plants (+€0.5 million) and the impact of the application of IFRS 16 (+€1.7 million) being more than offset by the reversal of €6.2 million of provisions related to the extinguishment of construction contract guarantees for third-party clients in the United Kingdom and Jordan.

Financial result improved by €1.3 million, mainly due to the combined effects of lower interest rates for plants in Brazil, foreign exchange gains and the remuneration of cash, which more than offset the rise in the cost of debt related to the new financing put in place since July 2018.

Taxes were down by €1.2 million, driven by the drop in Voltalia's taxable profits in Brazil.

Minority interests recorded a loss of €3.2 million. Plants co-owned with minority partners recorded low production levels in the first half and have a slower profitability ramp-up profile than fully-owned plants.

These items limited the net loss attributable to owners of the company to €8.7 million, down €2.8 million from the €5.9 million recorded in the H1 2018.

Simplified consolidated balance sheet

In € millions	30/06/2019	31/12/2018
Goodwill	46,0	46.0
Intangible assets Other intangible assets	137,8	96.4
Property, plant and equipment	694,5	608.2
Tangible and intangible fixed assets	**878,3**	**750.6**
Cash and cash equivalents	130,3	108.6
Other assets	124,7	127.4
Total assets	**1 133,3**	**986.6**
Equity, Group share	303,3	317.6
Minority interests	50,7	54.7
Financial debt	653,7	506.0
Other current and non-current liabilities	125,5	108.3
Total liabilities	**1 133,3**	**986.6**

The increase in assets in the first half of 2019 was mainly due to continued investment in development projects and the construction of new plants over the period.

At 30 June 2019, tangible assets reached €694.5 million; plants in operation or construction accounted for 98% of these tangible assets.

The change since 31 December 2018 was mainly due to the contribution of new power plants, partially offset by the straight-line depreciation of plants in operation (-€13.6 million) and a negative exchange rate impact (-€6.2 million).

At 30 June 2019, intangible assets include for the first time first recognition of a €31.1 million asset related to rights of use under the IFRS 16 norm.

The Group's financial structure is robust, with a gearing of 65%[1]. The Group's total financial debt, contracted in local currency, is largely backed by power production plants.

At 30 June 2019, the Group's net cash position stood at €130.3 million, up by €21.7 million on 31 December 2018.

IFRS 16

IFRS 16 provides for the recognition of all leases on the lessee's balance sheet, with recognition of an asset (representing the right to use the leased asset during the term of the lease) and a liability (under the obligation to pay rent). The right of use (asset) and the lease debt, equal at the beginning of the contract, are calculated as the present value of future lease payments.

For Voltalia, these contracts are mainly (72%, ie €22 million) emphyteutic leases of land where Voltalia will build its plants. The balance is made of office rentals (21%) and motor vehicles or equipment (7%).

[1] Financial Debt / (Equity + Financial Debt)

The application of IFRS 16 has the following effects on the income statement and balance sheet as at June 30, 2019:

In € millions	30/06/2019
IFRS 16 EBITDA impact	+2.2
Asset depreciation	(1.7)
EBIT	0.5
Interest expense	(0.7)
Net Result	(0.2)

	30/06/2019
intangible assets	31.1
net debt	31.3

Recent developments

Success of the €376 million capital increase in July 2019

On 11 July 2018, Voltalia announced that its €376 million capital increase with preferential subscription rights for shareholders had been a great success. When the subscription period ended on 8 July 2019, total demand stood at €411.2 million, or a 109.5% subscription rate. This gives Voltalia additional resources with which to achieve a consolidated capacity of at least 2.6 GW in operation or under construction by 2023: €300 million of the funds raised are to construct 1.6 GW of new production capacity, in addition to the 1 GW installed in 2020, the balance being used to finance targeted acquisitions in its new regions or to develop the services business.

New advances in Brazil

In early September, Voltalia announced the completion of a 2 GW transmission line for its Serra Branca wind farm cluster, a series of projects in North-Eastern Brazil, resulting in a six-fold increase in the injection capacity on the wind farm cluster's network. The rapid development and construction of this new line will enable the VSM 1&2 wind farms (totalling 291 MW) to be brought into service between November 2019 and mid-2020, ahead of Voltalia's initial forecasts.

Repowering and sale of 60% of the Coco-Banane solar plant in French Guiana

Voltalia has ensured the repowering of the Coco-Banana solar power plant, improving its production and capacity. Voltalia then sold a 60% stake in the plant to a financial investor. Commissioned in 2010, Coco-Banane is Voltalia’s oldest solar park in operation, but also the most subsidized. This sale, illustrating Voltalia's strategy of minimizing its exposure to public subsidies, generates revenues of € 11.7 million in H2 2019. The transaction illustrates the high quality of Voltalia's assets and its ability to create operational value.

Increased presence on the corporate market

With the emergence of competitive renewable energies, direct supply to companies was identified as one of Voltalia's main development opportunities. The Group is a pioneer on this market, with the signings of two contracts in a row: the first (Boulanger, 5 MW) and then the largest Corporate PPAs (SNCF, 143 MW) in France. Since January 2019, a total of 211 MW of contracts with corporate clients has been signed. With the integration of Helexia[2], whose acquisition was finalised on 25 September, Voltalia is now in a position to offer companies differentiating, global solutions, ranging from

[2] see press release published today

green electricity supply to energy efficiency services. The Group is aiming for a rapid rollout of Helexia in countries, notably emerging, where Voltalia is already established, such as Brazil and Morocco.

Outlook

Improvement expected in H2 compared with H1

In terms of Energy sales, Voltalia expects the usual seasonality of production to result in higher production in H2 than in H1. In the absence of prices increase in Brazil, these will remain within the regular long-term power sales framework of set tariff fully indexed to inflation, as in H1 2019. The contribution from new plants in France, Egypt and Brazil, will have a positive effect on volumes, mostly in Q4.

With regard to Services, Voltalia will benefit from the repowering and the sale, already closed, of 60% of the Coco-Banane wind farm (4.7 MW) in French Guiana, as well as from progresses made on the construction of the Group owned plants as well as for third-party clients in Kenya, Burundi, Italy, Albania and Greece.

2020 and 2023 targets confirmed supported by a growing pipeline of projects

At the end of June 2019, Voltalia has generating capacity in operation and under construction of more than 1 GW and a portfolio of projects under development of 7.1 GW, up by 16% compared to end December 2018, and of which 0.6 GW is secured. The Group is in a position to confirm its mid- and long- term objectives:

	2020	2023
Capacity	1 GW in operation	>2.6 GW in operation or construction
EBITDA	€160-€180 million[3]	€275-€300 million

Next on the agenda: Q3 2019 revenues on October 23, 2019

About Voltalia (www.voltalia.com)

Voltalia is an international player in the renewable energy sector. The Group produces and sells electricity generated from wind, solar, hydraulic, biomass and storage facilities that it owns and operates.

Voltalia is also a service provider and supports its investor clients in renewable energy projects during all phases, from design to operation and maintenance.

Voltalia has generating capacity in operation and under construction of more than 1 GW and a portfolio of projects under development representing total capacity of 7.1 GW, of which 0.6 GW is secured.

The Group has 697 employees and is present in 18 countries on 4 continents and is able to act worldwide on behalf of its clients.

Voltalia is listed on the regulated market of Euronext Paris, compartment B (FR0011995588 – VLTSA) and is part of the Enternext Tech 40 and CAC Mid & Small indices. The Group is also included in the Gaïa-Index, an index for socially responsible midcaps.

[3] Exchange rate: 1 EUR = 4.3 BRL

Voltalia
Investor Relations: invest@voltalia.com
+33 (0)1 81 70 37 00

Actifin
Press Contact: Jennifer Jullia
jjullia@actifin.fr
+33 (0)1 56 88 11 11

Installed capacity at 30 June 2019

In MW	Wind	Solar	Biomass	Hydro	Hybrid	30 June 2019
Brazil	417.3				16.0*	433.3
France	52.2	23.7				75.9
French Guiana**		4.5	1.7	5.4		11.6
United Kingdom		7.3				7.3
Greece		4.7				4.7
Portugal		1.0				1.0
Total	**469.5**	**41.2**	**1.7**	**5.4**	**16.0**	**533.8**

* 4 MW of solar and 12 MW thermal

Electricity production report

(in GWh)	Wind	Solar	Biomass	Hydro	Hybrid	Total H1 2019
Brazil	634.6				20.5	655.1
France	55.5	21.0				76.6
French Guiana		2.1	4.8	9.8		16.6
United Kingdom		4.0				4.0
Greece		3.6				3.6
Portugal		0.7				0.7
Total	**690.1**	**31.4**	**4.8**	**9.8**	**20.5**	**756.6**

Includes the production of Oiapoque solar

Consolidated income statement (unaudited)

In € thousands	At 30 June 2019	At 30 June 2018	Change %
Revenue	**56 882**	**74 657**	**(24)%**
Purchases and sub-contracting	(2 806)	(17 192)	(84)%
External expenses	(24 401)	(23 874)	2%
Payroll expenses	(13 530)	(11 822)	14%
Other operating income and expenses	(2 222)	(308)	x 7,2
Total operating expenses	**(42 959)**	**(53 195)**	**(19)%**
EBITDA	**13 923**	**21 463**	**(35)%**
% EBITDA	*24%*	*29%*	
Other financial income and expenses	(206)	640	x (0,3)
Allocations and reversals of depreciation, amortisation and provisions	(9 419)	(12 742)	(26)%
Operating revenue (EBIT)	**4 298**	**9 360**	**(54)%**
% EBIT	*8%*	*13%*	
Borrowing costs	(17 765)	(15 287)	16%
Other financial income and expenses	2 480	(1 324)	x (1,9)
Income tax and other taxes	(1 147)	(2 309)	(50)%
Income from companies at equity	237	24	x 9,9
Net profit (loss)	**(11 897)**	**(9 536)**	**25%**
% Net profit (loss)	n/a	n/a	
Group Share	**(8 739)**	**(5 938)**	**47%**
Minority interests	(3 159)	(3 599)	(12)%
Earnings per share (in euros):			
Before dilution	(0,179)	(0,121)	n/a
After dilution	(0,178)	(0,118)	n/a

Consolidated balance sheet (unaudited)

In € thousands	At 30 June 2019	At 31 December 2018	Change	%
Goodwill	46 033	46 033	-	n/a
Intangible assets in progress	137 783	96 418	41 365	43%
Property, plant and equipment	694 450	608 228	86 222	14%
Equity affiliates	2 635	2 303	332	14%
Non-current financial assets	22 766	22 012	755	3%
Deferred tax assets	1 020	367	653	x 2,8
Other non-current assets	156	226	(70)	(31)%
Non-current assets	**904 844**	**775 588**	**129 256**	**17%**
Inventories and work in progress	48 966	30 868	18 099	59%
Trade receivables	29 636	41 439	(11 803)	(28)%
Other current financial assets	1 953	3 055	(1 102)	(36)%
Other current assets	15 806	25 706	(9 900)	(39)%
Current tax assets	1 721	1 359	362	27%
Cash and net cash equivalents	130 346	108 608	21 738	20%
Current assets	**228 429**	**211 034**	**17 395**	**8%**
Total Assets	**1 133 274**	**986 622**	**146 651**	**15%**
Group equity	303 326	317 624	(14 298)	(5)%
Non-controlling interests	50 723	54 747	(4 025)	(7)%
Equity	**354 049**	**372 371**	**(18 323)**	**(5)%**
Non-current provisions	2 791	5 308	(2 517)	(47)%
Provisions for post-employment benefits	962	805	157	20%
Deferred tax liabilities	1 397	1 658	(261)	(16)%
Long-term borrowings	509 188	435 342	73 846	17%
Other non-current financial liabilities	7 309	3 665	3 644	99%
Non-current liabilities	877	1 464	(587)	(40)%
Non-current liabilities	**522 524**	**448 242**	**74 282**	**17%**
Current provisions	8 112	12 876	(4 764)	(37)%
Short-term borrowings	144 519	70 654	73 865	x 2
Trade and other payables	73 715	48 677	25 038	51%
Other tax liabilities	7 681	11 427	(3 746)	(33)%
Other current liabilities	22 674	22 375	299	n/a
Current liabilities	**256 701**	**166 009**	**90 692**	**55%**
Total Liabilities	**1 133 274**	**986 622**	**146 652**	**15%**