

# PRESS RELEASE

Q2 2018 financial information



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## Q2 2018 revenues: robust growth trend

### Revenues up by +8% at constant exchange rates in Q2 2018 at €35.2 million

- Growth of Energy sales at constant exchange rates (+16%): positive pricing effect achieved in Brazil, which more than offsets lower wind conditions in April-May
- Strong growth of Services revenues at constant exchange rates (+57%): sale of development and construction for plants owned by Voltaia

Voltaia (Euronext Paris, ISIN code: FR0011995588), an international player in renewable energies, announces today its Q2 2018 revenues.

"We remained on a solid growth trend in Q2 2018. We have achieved higher power sale prices in Brazil by suspending contracts for some of our plants and selling electricity at attractive prices through short-term contracts. Our Services business continues its growth trend, with teams fully mobilized on numerous projects including our first solar projects in Africa, our largest wind farm in Brazil and an ambitious biomass project in French Guiana. The environment remains very supportive for Voltaia, with contract suspensions in Brazil running until the end of the year and opportunities arising on all continents where we are present", comments Sébastien Clerc, Chief Executive Officer of Voltaia.

### Q2 and H1 2018

In € million	Q2 2018	Q2 2017	Change	Change at constant FX rates <sup>1</sup>	H1 2018	H1 2017	Change	Change at constant FX rates <sup>1</sup>
Energy sales	27.6	27.9 <sup>2</sup>	-1%	+16%	54.4	55.5 <sup>2</sup>	-2%	+14%
Services	20.1	13.2	+52%	+57%	39.1	23.8	+65%	+70%
Development, construction & procurement	15.3	8.0	+91%	+97%	29.3	13.3	x2.2	x2.3
Operation & Maintenance	4.7	5.2	-9%	-5%	9.8	10.5	-6%	-2%
Eliminations <sup>3</sup>	-12.5	-4.3	x2.9	x3.1	-20.4	-6.1	x3.3	x3.5
Consolidated revenues	35.2	36.8	-4%	+8%	73.1	73.2	0%	+12%

<sup>1</sup> 2018 revenues calculated at 2017 exchange rates

<sup>2</sup> 2017 revenues taking into account an extra seasonality effect, with no impact on annual revenues regarding Brazil power sales

<sup>3</sup> Eliminations: services provided by the Services business for Group-owned power plants are eliminated upon financial consolidation

## Energy sales

Q2 2018 revenues totalled €27.6 million, with growth in business activity offset by the impact of a strong appreciation of the euro against most currencies, including the Brazilian real whose value in euros was 18% lower in Q2 2018 versus Q2 2017.

At constant exchange rates, Energy sales revenues are up by 16%, with:

- improved revenues in Brazil driven by: (i) higher power sale prices achieved by suspending contracts for the Areia Branca plant (60 MW, since January 2018) and the Vila Para plant (99 MW, since April 2018) and selling electricity at attractive prices through short-term schemes (ii) increased contribution of the Vila Acre plant (27 MW), which was still in ramp-up phase in Q2 2017, (iii) overall less favourable wind conditions over the quarter; and
- higher Energy sales revenues in France thanks to better production in French Guiana. Metropolitan France was impacted by poor weather conditions and newly commissioned solar plants did not contribute to their full potential yet.

## Services

Q2 2018 revenues from Services grew to €20.1 million, up 57% at constant exchange rates.

- The Development, Construction & Procurement business recorded revenues of €15.3 million, almost doubling compared with Q2 2017 at constant exchange rates, thanks to a strong contribution of Development and Construction services. During the quarter, teams commissioned the Canadel solar plant (10.4 MW), owned by Voltaia in France. They also completed work on two projects for third party clients located in the UK: a solar plant (5 MW) and a battery energy storage system (2 MW).
- Revenues from the Operation & Maintenance business totalled €4.7 million, down 5% at constant exchange rates. This decrease reflected the expiry of contracts, notably in Japan and Italy, partly compensated by market share gains in Greece.

**Eliminations** expanded in the quarter, more than half of the revenues of the Services business line coming from services provided internally. The acquisition of Martifer Solar is proving successful, with the in-house management of many services that were previously outsourced.

## Recent developments

### France: 10.4 MW commissioned in Q2 2018 and 50.3 MW currently under construction

In June 2018, Voltaia announced the commissioning of the **Canadel solar power plant** (10.4 MW). Located in Southern France, the plant benefits from one of the best solar resource of the country. It was won during the CRE III tender at the end of 2015, with Voltaia benefiting from a 20-year sales contract.

In the quarter, Voltaia also launched the construction of the **Echauffour wind power plant** (10 MW). This plant is located in a region which benefits from the second best wind potential of the country. Commissioning is expected during H1 2019. This new project brings the total capacity under construction to 50.3<sup>4</sup> MW for Voltaia in France.

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<sup>4</sup> Including the plants of Cacao (5.1 MW), Carrière des plaines (8.2 MW), Echauffour (10 MW), PAGAP (5 MW), Sarry (22 MW)

### **Brazil: contract suspension strategy successfully implemented and 163 MW currently under construction**

Following a first round that took place in the second semester of 2017, Voltalia has started a second round of contract suspensions regarding some of its Brazilian assets. By temporarily suspending long-term power sale contracts, Voltalia can sell electricity through short-term contracts, at very attractive prices. The full effect of this strategy is to be felt in the second semester of 2018.

In June, Voltalia announced the launch of the construction of its **largest wind project** in Brazil. The **Ventos da Serra do Mel project** (VSM, 163 MW) is located in Voltalia's Serra Branca cluster in the State of Rio Grande do Norte, a region known for its exceptional wind conditions. Progressive commissioning of turbines in the first three quarters of 2020 is expected, with production sold on the free market, mainly through private short-term contracts before the start of the 20-year power sale contracts.

### **Africa : entering new markets**

After Rabat in Morocco and Dar es Salaam in Tanzania, Voltalia is opening a third office in Africa. Located in Cairo, Egypt, this office will host a local team, which will get the support of Voltalia's international development teams as well as in-house wind and solar experts. After winning a first 32 MW project in 2017, the Group aims at developing up to 800 MW in Egypt over the next 5 to 8 years, for itself but also for third-party clients.

In May 2018, Voltalia announced the signing of a 20-year sales contract for a solar project in Kenya, initiated by Martifer Solar and finalized by joint teams. Voltalia's **Kopere power plant** (50 MW) will be constructed and operated by the Group and should contribute to 2020 targets.

### **Confirmed outlook**

In 2018, total installed capacity is expected to increase slightly. The global environment remains very supportive for Voltalia in Brazil, with high spot prices, a positive impact of contract suspensions, and a strong interest in renewable investments shown by investors worldwide. However, it is widely expected that the Brazilian currency will remain weak over the coming quarters.

In Services, teams will continue to be mainly mobilized on the Group's own projects, with the launch of construction of a series of new projects, while third-party clients' sales are to build-up progressively.

Along with the recent developments in Africa, the launch of the VSM project in Brazil gives a good visibility on the achievement of Voltalia's 2020 targets.

Report on electricity production

Total energy production in H1 2018 by area and by energy in GWh	Wind	Solar	Biomass	Hydro	Hybrid	Total H1 2018
Brazil	703.6	1.9			16.4	721,9
France	51.5	4.6				56,1
French Guiana		2.1	5.6	10.8		18,5
United Kingdom		3.9				3,9
Greece		3.4				3,4
Portugal		0.6				0,6
<b>Total</b>	<b>755.1</b>	<b>16.5</b>	<b>5.6</b>	<b>10.8</b>	<b>16.4</b>	<b>804.4</b>

Installed capacity as of June 30 2018 by area and by energy In MW	Wind	Solar	Biomass	Hydro	Hybrid	06/30/2018
Brazil	417.3	4.0			12.0	433.3
France	42.2	18.7				60.9
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
<b>Total</b>	<b>459.5</b>	<b>40.2</b>	<b>1.7</b>	<b>5.4</b>	<b>12.0</b>	<b>518.8</b>

Next on the agenda: half-year results on September 26, 2018

**About Votalia ([www.votalia.com](http://www.votalia.com))**

- Votalia is an international player in the renewable energy sector. The Company produces and sells electricity generated from wind, solar, hydro and biomass power plants; it owns a total installed capacity of 519 MW.
- Votalia is also a service provider, assisting its investor clients active in renewables at each project stages, from conception to operation and maintenance.
- With more than 460 employees in 18 countries, over 4 continents. Votalia is able to act worldwide on behalf of its clients.
- Votalia has been listed on the Euronext regulated market in Paris since July 2014 (FR0011995588 – VLTSA) and is a component stock of the Euronext Tech 40 index and the CAC Mid&Small index.

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