PRESS RELEASE

H1 2018 results

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H1 2018 results: improved bottom line, strong short and medium-term prospects

- **Revenues growth (+11% at constant exchange rates)** mainly driven by positive pricing effect for Energy sales and higher volume of activity in Services
- **EBITDA growth (+6% at constant exchange rates)** thanks to robust profitability of Energy sales more than compensating higher investment efforts in Development
- **Improved net result** compared with H1 2017
- **Strong short and medium-term prospects:**
    - Profitability in **H2 2018** to benefit from positive seasonality effect, favourable power pricing and acceleration in Services
    - 1 GW target by **2020** is secured and **post-2020** prospects are supported by fast-growing pipeline (x1.5) thanks to the acceleration of the development of new solar projects

Voltalia (Euronext Paris, ISIN code: FR0011995588), an international player in renewable energies, announces today its 2018 interim results.

"*Despite poor wind conditions and a lower Brazilian real, energy sales delivered a solid performance in the first semester, which allowed us to improve the net result compared with last year. The second semester will this year again benefit from favorable seasonality and positive price effect for Energy sales, while Services will enjoy the first revenues generated by our recent partnership with Actis. Looking further ahead, we now concentrate on delivering the 1 GW objective for 2020 that we have recently secured thanks to new contracts. In parallel, we also prepare the post 2020 growth. In line with the strategy we have implemented since the acquisition of Martifer Solar, we managed to increase our pipeline of future projects by over 50% to 5.1 GW, thanks to a 86% growth in solar projects. These new solar projects will be either kept and built by Voltalia or sold together with additional services such as construction and maintenance*", comments Sébastien Clerc, CEO of Voltalia.

Key figures

In € million	H1 2018	H1 2017	Change at actual rates	Change at constant FX rates
Revenues	74.7	78.1	*(4%)*	*+11%*
EBITDA	21.5	25.3	*(15%)*	*+6%*
EBITDA margin	*28.7%*	*32.4%*	*(3.7pts)*	*(1.2pts)*
Net profit (Group share)	(5.9)	(6.8)	*+13%*	*+21%*

Revenues in the first semester of 2018 (H1 2018) recorded an 11% increase at constant exchange rate, but a 4% decrease at actual rates. The appreciation of the euro against most currencies, including the Brazilian real, affected both revenues and EBITDA.

Energy Sales: growth in revenues and EBITDA at constant exchange rates

In € million before eliminations of services provided internally	H1 2018	H1 2017	Change at actual rates	Change at constant FX rates
Revenues	55.7	60.4	-8%	+7%
EBITDA	32.5	35.4	-8%	+7%
EBITDA margin	58.4%	58.6%	*-0.2pts*	*-0.2pts*
Production (in GWh)	804	862	-7%	
Installed capacity (in MW)	519	500	+4%	

As previously announced[1], power generation was down by 7% in H1 2018 compared with H1 2017, with lower wind conditions in Brazil more than offsetting a higher contribution of the new 27 MW Vila Acre plant (still in ramp-up phase in H1 2017) and overall improved performances in the rest of the world, especially in France.

Despite this low power generation, energy revenues were up by 7% at constant exchange rates compared with H1 2017 mainly thanks to price increases coming from Voltalia's active management of its long-term power sale contracts. This performance was achieved by opportunistically suspending contracts for part of the Areia Branca plant (60 MW, since January 2018) and the Vila Para plant (99 MW, since April 2018) and selling electricity in the free market at attractive prices through short-term contracts.

EBITDA was up at constant exchange rates, in line with the growth in revenues.

[1] Press release dated July 18, 2018

Services: EPC close to breakeven, strong Development effort, low contribution of O&M

In € million before eliminations of services provided internally	*Development, Construction & Procurement*			*Operation & Maintenance*		
	H1 2018	H1 2017	*Change*	H1 2018	H1 2017	*Change*
Revenues	29.8	13.3	*x2.2*	9.4	10.5	*(10%)*
EBITDA	(2.9)	(2.7)	*n/a*	0.2	1.0	*(79%)*
EBITDA Margin	(9.6%)	(20.1%)	*+10.5pts*	2.2%	9.1%	*-6.9pts*

Revenues from Services grew to €39.2 million, up by 65% compared with H1 2017, and by 70% at constant exchange rates. EBITDA remained negative at €(2.7) million, as improved performances in EPC was offset by a strong Development effort in the semester.

- The Development, Construction & Procurement business recorded revenues of €29.8 million, more than doubling compared with H1 2017. EBITDA was negative at €(2.9) million, with most of the loss attributable to Development costs for new projects in the semester, while higher activity volume drove EPC close to breakeven at €(0.5) million.
- The O&M business revenues totalled €9.4 million, down by 10% compared with H1 2017. This decrease reflected the expiry of contracts, notably in Japan and Italy, partly compensated by market share gains in Greece. Activity in Voltalia's other main markets remained stable. EBITDA was slightly positive due to the low level of activity and commercial efforts to gain ground in targeted countries.

Eliminations and corporate

In € million	H1 2018	H1 2017
Revenues	(20.3)	(6.1)
EBITDA	(8.4)	(8.3)

Eliminations more than tripled in H1 2018 driven by the in-house performance of many services that were outsourced, previous to the acquisition of Martifer Solar. EBITDA was broadly in line with H1 2017, thanks to good discipline in cost management.

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Other items from the P&L: improved net result vs. H1 2017

In € million	H1 2018	H1 2017	Change (€m) at actual rates	Change (€m) at constant FX rates
EBITDA	21.5	25.3	*-3.9*	*+1.6*
Depreciation, amortisation and provision	(12.7)	(11.1)	*-1.6*	*-3.6*
Other operating income and expense	0.6	(0.6)	*+1.3*	*+1.2*
Operating profit (EBIT)	9.4	13.6	*-4.3*	*-0.8*
Financial result	(16.6)	(19.2)	*+2.5*	*-0.6*
Taxes and net income of equity affiliates	(2.3)	(1.6)	*-0.7*	*-1.2*
Minority interests	3.6	0.4	*+3.2*	*+4.0*
Net profit (Group Share)	**(5.9)**	**(6.8)**	*+0.9*	*+1.4*

Depreciation, amortisation and provisions increased by €1.6 million at €12.7 million in H1 2018. This is due to the commissioning of new power plants and the start of operation of the existing SMG power plant, which turbines were in preservation mode until June 2017, partly offset by a positive FX impact.

EBIT was down by €4.3 million, including the impact of the first depreciation charge for SMG (€2.4 million) and of the drop in the Brazilian real (€3.4 million). Adjusted for these two items, EBIT stands at €15.2 million, up by 11% compared with H1 2017.

The financial result (mainly financing costs) improved by €2.5 million at €(16.6) million in H1 2018, driven by the drop in the Brazilian real (55% of total debt is real-denominated).

Net loss in H1 2018 improved by €0.9 million when compared to H1 2017.

Simplified consolidated balance sheet

In € million	H1 2018	FY 2017
Tangible & intangible assets	683.6	734.7
Cash and cash equivalent	76.7	71.2
Other current and non-current assets	109.7	106.3
Total assets	**869.9**	**912.2**
Total Equity	357.0	389.2
Total financial debt	425.2	417.4
Other current and non-current liabilities	87.7	105.7
Total liabilities	**869.9**	**912.2**

In H1 2018, the decrease in tangible and intangible assets was attributable to the impact of the depreciation of the Brazilian real by 12% compared with the closing rate of December 2017. 70% of tangible and intangible assets are real-denominated.

Intangible assets grew by 21% in the semester reflecting the strong development momentum. In the semester, Voltalia invested a total of €29.3 million for the development and construction of new production capacities.

The Group's financial structure is robust. 80% of the total financial debt of Voltalia at the end of June 2018 was contracted for power plants, financed by long-term project finance debt in local currency. At June 30, 2018, Voltalia had €76.7 million in cash and cash equivalent, a €5.4 million increase compared with December 31, 2017.

Recent developments

Since June, Voltalia maintained a strong commercial momentum by securing a number of new projects:

- Early August, Voltalia won 20-year power sale contracts for two solar projects in France: Laspeyres (5 MW) and Jonquières (3.9 MW). They are expected to be commissioned by 2020 and 2019, respectively. While the project of Laspeyres is a classical ground-mounted solar plant, Jonquières is a solar shelter project, which will cover both the local market and its dedicated parking lot. This is Voltalia's first solar shelter project as power producer; it benefits from Martifer Solar's long-term track record for this type of projects as service provider.
- Later that same month, Voltalia won two hydroelectric projects in France: Croix et Jorasse (2.4 MW), in the Haute-Savoie department, and Merderel (2 MW), located in the Savoie department. Both will benefit from a 20-year electricity sales contract effective from the commissioning, expected end of 2022 at the latest.
- Early September, and eight months after winning the VSM project (163 MW), Voltalia secured a new 60 MW wind project, named VSM 2 (Ventos da Serra do Mel 2) during the auctions organized by the Brazilian regulator ANEEL. As for most of Voltalia's projects in Brazil, construction will be accelerated. Between start of operations, which will occur during the second semester of 2020, and until the long-term power sales contracts begin in 2024, production will be sold on the free market mainly through short-term private power sales agreements already secured at a price which is more than 60% higher than the 20-year contract price.
- Mid-September, Voltalia announced it had sold a ready-to-build 197 MW portfolio of future Brazilian wind farms to international investor Actis (through its Echoenergia fund). This first sale is part of an up to 500 MW partnership. Voltalia will generate services revenues from the sale of the sites and from other local services during construction and operation of its plants. The partnership is also a way for Voltalia to share the cost of a new transmission line which will be available to all future Voltalia-owned projects in the area.

Short-term outlook

A number of positive trends are expected to lift profitability in the second half of the year compared with the first half.

In Energy sales, the Group should benefit from:

- the usual seasonality in revenues, with H2 revenues statistically higher by 12%[2] on average compared with H1;
- satisfactory power generation in July and August at 208 GWh per month versus 135 GWh per month during H1;
- growing impact of contract suspensions, since one of the contracts, effective since April, had only a limited effect on H1; and
- very high electricity spot price in Brazil since July, at approximately 500 BRL/MWh.

Services will also benefit from positive trends in the second half with EPC teams continuously mobilized on the Group's own projects and a new revenue stream coming from the sale of ready-to-build projects to Actis.

2020: securing the gigawatt objective based on an ever more diverse portfolio

Recent wins in France, Brazil and on the African continent brought Voltalia's portfolio of secured projects to just above 1 GW, securing one of three targets set in 2016[3]. This major achievement will strongly back the achievement of the Group's 2020 EBITDA target.

Between the announcement (in September 2016) and the achievement of this 1 GW target, Voltalia's capacity will have more than doubled (x 2.2) and will also be more diverse.

Thanks to the potential brought by Martifer Solar's acquisition in 2016, Voltalia-owned solar capacity will have been multiplied by more than 10 to represent 19% of the 1 GW capacity.

The growth in solar comes along with more geographic diversification, also accelerated by Martifer Solar's acquisition. When Voltalia's installed capacity will pass the 1 GW milestone, the capacity will be 69% Brazil (compared to 84% in 2016), 19% Europe (16% in 2016) and 12% Africa (0% in 2016).

Delivering on the strategy beyond 2020: sharp increase of the pipeline of solar projects

Over the first half-year, Voltalia's pipeline of projects under development was multiplied by 1.5 to reach 5.1 GW.

Most of the increase is attributable to solar projects, which grew by 86% to reach 2.9 GW, or 58% of the total pipeline.

This is the result of the strategy initiated with the acquisition of Martifer Solar which involved acceleration in the solar sector both in new countries and in countries where Voltalia was already established with other technologies, such as Brazil. With this expanded pipeline of projects, Voltalia has more options: it can either choose to keep projects to fuel its own installed capacity as power producer or sell ready-to-build projects to third-party investors together with construction and maintenance services.

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[2] Change calculated on the basis of the assets under production at 1 January

[3] Press release of September 19, 2016

Consolidated statement of profit and loss

In € million	30/06/2018	30/06/2017	*at actual rates*	*at constant FX rates*
Revenues	74.7	78.1	*-3.4*	*+8.2*
Operating expenses	(53.2)	(52.8)	*-0.5*	*-6.6*
EBITDA	21.5	25.3	*-3.9*	*+1.6*
EBITDA margin	*28.7%*	*32.4%*	*(3.7pts)*	*(1.2pts)*
Depreciation, amortisation and provisions	(12.7)	(11.1)	*-1.6*	*-3.6*
Other operating income and expense	0.6	(0.6)	*+1.3*	*+1.2*
Operating profit (EBIT)	9.4	13.6	*-4.3*	*-0.8*
Financial result	(16.6)	(19.2)	*+2.5*	*-0.6*
Taxes and net income of equity affiliates	(2.3)	(1.6)	*-0.7*	*-1.2*
Minority interests	3.6	0.4	*+3.2*	*+4.0*
Net profit (Group share)	(5.9)	(6.8)	*+0.9*	*+1.4*

Simplified consolidated statement of financial position

In € million IFRS – non-audited data	30/06/2018	31/12/2017
Tangible assets	552.6	618.6
Intangible assets (incl. Goodwill)	130.9	116.1
Other non-current assets	27.0	20.3
Cash and cash equivalent	76.7	71.2
Other current assets	82.7	86.0
Total assets	**869.9**	**912.2**
Equity, Group share	294.4	322.0
Equity, Minority interests	62.4	67.2
Short-term financial debt	45.9	78.2
Long-term financial debt	379.3	339.2
Other current and non-current liabilities	87.9	105.6
Total liabilities	**869.9**	**912.2**

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				18.3	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
Total	755.1	14.6	5.6	10.8	18.3	804.4

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				16.0	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
Total	459.5	36.2	1.7	5.4	16.0	518.8

This press release presents the consolidated results prepared in accordance with IFRS, approved by the Board of Directors of Voltalia on September 26, 2018 and audited by the Statutory Auditors.

Next on the agenda: 9M 2018 revenues on October 17, 2018

About Voltalia (www.voltalia.com)

- Voltalia 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 524 MW as of today.
- Voltalia is also a service provider, assisting its investor clients active in renewables at each project stages, from conception to operation and maintenance.
- With 490 employees in 18 countries, over 4 continents. Voltalia is able to act worldwide on behalf of its clients.
- Voltalia has been listed on the Euronext regulated market in Paris since July 2014 (FR0011995588 – VLTSA) and is a component stock of the Enternext Tech 40 index and the CAC Mid&Small index.

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