PRESS RELEASE

Full-year 2017 results

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Full-Year 2017 results

Revenues, EBITDA and net profit grow by more than 40% in 2017

- Revenue growth (+42%) driven by both energy sales and services
- EBITDA growth (+43%) with positive price effect achieved for energy sales in Brazil
- Net profit growth (x6.1) thanks to strong performance in the second semester
- Very good visibility on 90% of the 1 GW of installed capacity targeted by end 2020

Voltalia (Euronext Paris, ISIN code: FR0011995588), an international player in renewable energies, announces today its results for the 2017 fiscal year.

"*As expected, the strong performance of energy sales in the second half of the year compensated for the slow first semester. Services activities also enjoyed good growth, although, at this stage, most of it was related to power plants we own. In 2017, success in the Brazilian and French auctions demonstrated our strength in our historical markets. We also broadened our horizons by winning our first contract in Africa and by successfully setting up our first solar installation for an isolated site. 2018 will be a year of consolidation of our backlog before we accelerate our capacity growth in 2019 and beyond* ", comments Sébastien Clerc, Chief Executive Officer of Voltalia.

FY 2017 key figures

In € million	Energy Sales	Services	Eliminations* and Corporate	2017[1]	2016[2]	*Change*
Revenues[3]	145.6	59.3	(24.8)	180.0	127.0	*+42%*
EBITDA	94.2	(9.8)	(12.8)	71.6	50.0	*+43%*
EBITDA margin	*65%*	*(17)%*	*nm*	*40%*	*39%*	
Net profit				3.5	0.6	*x6.1*

*Eliminations: services provided by the Service business for Group-owned power plants are eliminated during financial consolidation.

[1] 2017 includes a post-closing adjustment on revenues for a Brazilian wind farm, as well as some minor inter-activity reclassification vs. figures published on January 24, 2018

[2] Includes the contribution of Martifer Solar as of August 1, 2016 (5 months)

[3] Revenues include the Group's revenue (or revenues from ordinary activities) and other revenues related to the business

2017 revenues recorded a +42%, increase reaching €180 million. At constant exchange rates[4], consolidated revenues increased by +36% compared to 2016. Growth was profitable, with a 43% EBITDA increase. At constant exchange rates, the increase was 33%.

Revenues and EBITDA

Profitable growth of Energy sales

In € million before eliminations of services provided internally	2017	2016[2]	*Change*
Revenues	145.6	102.1	*+43%*
EBITDA	94.2	60.2	*+57%*
EBITDA margin	*65%*	*59%*	

Growth in energy sales revenues (+43%) was mostly driven by the Brazilian operations and derived from two factors:

- positive price effect, especially during the second half, mainly due to (i) the Group's profitable contract suspension strategy[5] on some of its power plants and (ii) very high spot price levels in the second semester;
- contribution to revenues of the new wind farms of Vila Para and of Vila Acre (whose commissioning was anticipated at the end of June 2017).

The positive price effect in Brazil drove margins higher in the second half of the year.

Services teams mobilized on own projects

In € million before eliminations of services provided internally	*Development, Construction & Procurement*			*Operation & Maintenance*		
	2017	2016[2]	*Change*	2017	2016[2]	*Change*
Revenues	38.0	22.4	*+71%*	21.2	10.4	*x 2.0*
EBITDA	(11.4)	(0.8)	*nm*	1.6	0.6	*x 2.7*
EBITDA Margin	*(30)%*	*(4)%*		*8%*	*6%*	

For its first full year of contribution, the Services activity grew to reach revenues of €59.3 million. Around 40% of revenues came from services provided internally, as teams were mobilized on the design and construction of the Group's own projects, notably in Brazil and France.

- The Development, Construction & Procurement business recorded revenues of €38.0 million in 2017, up by +71% compared to 2016. In 2017, revenues mainly came from Voltalia's own projects including the design and construction of the Group's first solar power plant in Brazil (Oiapoque, 4 MW) and of three solar power plants in France. These were either commissioned at year-end 2017 (Castellet II, 3.8 MW), or to be commissioned in 2018 (Canadel,

[4] 2017 figures rebased at 2016 rates, as published in the 2016 registration document

[5] See press release on half-year results dated September 25, 2017

10.4 MW, and Carrière-des-Plaines, 8.2 MW). EBITDA is negative, in line with the performance of the first semester, due to (i) investment in development of future projects and (ii) construction volume being below breakeven.

- Revenues of the Operation & Maintenance business reached €21.2 million in 2017 up by 104% over the year and broadly stable quarter on quarter. EBITDA margin improved from 6% to 8%. As of the end of 2017, the Group operated a total capacity of 1.2 GW, including 0.7 GW on behalf of third party clients.

Eliminations and corporate

In € million	2017	2016[2]
Revenues	(24.8)	(7.9)
EBITDA	(12.8)	(10.0)

Thanks to the expansion into Services activities, Voltalia now manages many services internally that were previously outsourced. The growth in elimination of revenues reflects this strategy.

EBITDA is affected by the increase in costs, corresponding mainly to the structuring costs incurred in 2017 to support the Group's continued growth in the short and medium term.

Other items from the consolidated statement of profit and loss

Net profit increases sharply

In € million	2017	2016[2]	*Change*
EBITDA	**71.6**	**50.0**	*+43%*
EBITDA margin	*40%*	*39%*	
Depreciation, amortisation and provisions	(27.1)	(13.2)	*x2.0*
Other operating income and expense	1.3	(2.6)	
Operating profit (EBIT)	**45.7**	**34.2**	*+34%*
Financial result	(36.5)	(29.0)	*+26%*
Taxes and net income of equity affiliates	(5.8)	(4.6)	*+27%*
Net profit	**3.5**	**0.6**	*x6.1*
of which minority interests	2.9	(1.1)	
of which Group share	0.6	1.6	*-65%*

- Depreciation, amortisation and provisions double. This progression is driven by the commissioning of new power plants in 2017 and includes, from July 1st, the first contribution of SMG, whose turbines were previously in preservation mode.
- Financial result (mainly financing costs) increases by 26%, less than EBITDA growth, due to improved financing conditions in Brazil.
- The growth in the tax charge is driven by the increase in performance, notably in Brazil.
- Net profit increases (x6.1) with minority interests growing from €(1.1) million to €2.9 million. The Group's contract suspension strategy in Brazil[6] benefited mainly to wind farms located in subsidiaries with minority partners. The net result Group share decreases on a year-to-year basis, with the positive second half of 2017 compensating for the slow start to the year.

Simplified consolidated statement of financial position

Sound financial structure, negative currency impact

In € million	2017	2016[2]
Tangible and intangible assets	734.7	772.4
Cash and cash equivalent	71.2	101.4
Other assets	106.3	93.1
Total assets	**912.2**	**966.9**
Equity, Group share	322.0	349.9
Minority interests	67.2	74.9
Financial debt	417.4	432.2
Other liabilities	105.6	109.9
Total liabilities	**912.2**	**966.9**

The decrease in the Group's tangible and intangible assets is mainly attributable to the depreciation of the Brazilian real, which had a negative impact of €82 million. In fact, the Group maintained its strong investment strategy and invested a total of €80.4 million for the development and construction of new production capacities in 2017.

The Group's financial structure remains robust. All operating power plants are financed to date by long-term project finance debt in local currency, which represented 82% of the total financial debt of Voltalia at the end of the year. At December 31, 2017, Voltalia had a €71.2 million cash balance.

[6] See press release on half-year results dated September 25, 2017

Perspective

New sales organization in O&M and EPC

Voltalia is boosting its commercial effort and speeding up the reorganization of its sales structure. On one hand, the Group will intensify the sale of projects ready-to-build. On the other hand, the services sales organization is moving from two separate teams for EPC and O&M sales, to a transversal organization addressing markets by client type rather than by geography. This will enable better coverage and knowledge of clients needs, and ultimately a better level of service. It will also unlock synergies and cross-selling potential between Development, EPC and O&M.

Reinforcing Voltalia's offering for isolated sites

Innovation in the offering also plays a key role in creating new opportunities for Voltalia. The Group has developed an expertise in developing hybrid solutions in isolated sites, to answer infrastructure and energy access needs. Voltalia's first projects of this kind are located in Brazil and French Guiana. For example, for the Oiapoque project won in 2014, the Group designed and implemented a hybrid solution to provide electricty to the isolated site of Oiapoque, a city of 24 000 inhabitants not connected to the national electricity grid. Since the commissioning of the first tranche in 2015, Voltalia took the initiative to build a solar plant with the energy thereby generated and replacing part of the thermal plant generation.

Early 2018, Voltalia announced the signing of a 10-year contract to provide solutions for the energy supply of telecom towers in Myanmar, 80% of which are not connected to the national electricity grid. In this case, Voltalia is running another type of hybrid solution, including batteries.

These solutions allow the Company to offer not only access to electricity for the population but also an access to cleaner power production infrastructure in order to tackle both socio economic development and GHG emissions reduction.

Expertise for isolated site is key in many countries where Voltalia is willing to expand.

Africa: Voltalia well positioned to address the continent's fast-growing needs

Africa has much untapped potential and excellent resources for renewable energy. For example, in Sub-saharan Africa, more than 588 [7] million people live with no access to electricity, and the rate of electrification continues to be too slow to keep pace with rapid population growth.

Leveraging its multi-energy strategy and its expertise in offgrid installations, Voltalia is expanding its presence on the continent. 2017 saw the first successes, with a solar projet signed in Egypt for 32 MW. Early in 2018, Voltalia also obtained permits for two hydropower plants of 9.8 MW and 7.2 MW in Morocco. Many other new opportunities should materialize on the continent in the coming quarters.

[7] IEA

Confirmed ambition for 2020

In 2018, total installed capacity is expected to increase slightly. Pricing should remain key in Brazil, with another positive impact from contract suspensions, yet on a lower number of power plants. 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 the third-party clients' sales are to build up progressively.

In the medium run, the Group has a very good visibility over 90% of the 1 GW of installed capacity targeted by end 2020. In addition to the 508 MW reached at the end of the year 2017, 411 MW are either in construction or in advanced development. Projects are located in Latin America (45%), Europe (24%), and Africa (31%).

The remainder will come from the pipeline of projects, which stands at 3.4 GW compared to 2.7 GW as of end 2016 (+26%).

Detailed data

Simplified consolidated statement of profit and loss

In € million	2017	2016[2]	*Change*
Revenues	180.0	127.0	*+42%*
Operating expenses	(108.4)	(76.9)	*+41%*
EBITDA	71.6	50.0	*+43%*
EBITDA margin	40%	39%	
Depreciation, amortisation and provisions	(27.1)	(13.2)	*106%*
Other operating income and expense	1.3	(2.6)	*nm*
Operating profit (EBIT)	45.7	34.2	*+34%*
Financial result	(36.5)	(29.0)	*+26%*
Taxes and net income of equity affiliates	(5.8)	(4.6)	*+27%*
Net profit	3.5	0.6	*x6.1*
of which minority interests	2.9	(1.1)	*nm*
of which Group share	0.6	1.6	*-65%*

Simplified consolidated statement of financial position

In € million IFRS – non-audited data	2017	2016[2]	*Change*
Fixed assets	734.7	772.4	-5%
Current assets excluding cash	106.3	93.1	14%
Cash and cash equivalent	71.2	101.4	-30%
Total assets	**912.2**	**966.9**	-6%
Equity, Group share	322.0	349.8	-8%
Equity, Minority interests	67.2	74.9	-10%
Short-term financial debt	78.2	109.7	-29%
Long-term financial debt	339.2	322.4	5%
Other current and non-current liabilities	105.6	109.9	-4%
Total liabilities	**912.2**	**966.9**	-6%

Report on electricity production

Total energy production in 2017 by area and by energy in GWh	Wind	Solar	Biomass	Hydro	Hybrid	Total 2017
Brazil	1,937.6				40.4*	1,977.9
France	87.3	7.2				94.5
French Guiana		4.6	10.3	19.4		34.4
United Kingdom		8.0				8.0
Greece		7.4				7.4
Portugal		1.3				1.3
Total	2,024.8	28.5	10.3	19.4	40.4	2,123.5

*includes Oiapoque solar power production

Installed capacity by area and by energy In MW	Wind	Solar	Biomass	Hydro	Hybrid	12/31/2017
Brazil	417.3				16.0*	433.3
France	42.2	8.3				50.5
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	25.8	1.7	5.4	16.0	508.4

*4 MW in solar power and 12 MW in thermal power

This press release presents the consolidated results prepared in accordance with IFRS, approved by the Board of Directors of Voltalia on 28 March 2018 and now being audited by the Statutory Auditors.

Next on the agenda: Q1 2018 revenues on April 18, 2018

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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 508 MW.
- Voltalia 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, 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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