

The NEOEN logo is centered within a large, dark blue circle. The circle is surrounded by a dense, swirling pattern of small, golden-yellow dots and larger, fainter circles, creating a sense of motion and depth. The background of the entire page is a solid dark blue.

NEOEN

UNIVERSAL
REGISTRATION
DOCUMENT

2019, including
the annual financial report

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* This information forms an integral part of the Annual Financial Report as provided in the article L. 451-1-2 of the French Monetary and Financial Code.

2019

UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

Free translation of the French *Document d'Enregistrement Universel incluant le rapport financier* (Universal Registration Document including the annual financial report) of Neoen.



By accepting this document, you acknowledge, and agree to be bound by, the following statements. This document is a translation of Neoen's document d'enregistrement universel dated April 28, 2020, filed with the French Autorité des marchés financiers ("AMF") under number D.20-0386 (the "Document d'Enregistrement Universel" or "Universal Registration Document"). The Document d'Enregistrement Universel, in its original French version, is publicly available at www.amf-france.org. This translation (the "Translation") is provided for your convenience only. This Translation has not been prepared for use in connection with any offering of securities. It does not contain all of the information that an offering document would contain. None of Neoen or any of its respective officers, directors, employees or affiliates, or any person controlling any of them assumes any liability which may be based on this Translation or any omissions therefrom or errors or misstatements therein, and any such liability is hereby expressly disclaimed. This Translation does not constitute or form part of any offer to sell or the solicitation of an offer to purchase securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Persons into whose possession this Translation may come are required by Neoen to inform themselves about and to observe any restrictions as to the distribution of this Translation.

Copies of the French Document d'Enregistrement Universel may be obtained free of charge at Neoen, 6 rue Ménars, 75002 Paris, France, as well as on the websites of Neoen (www.neoen.com) and of the AMF (www.amf-france.org).

Since its creation in 2008, in eleven years Neoen has imposed itself as an independent player of reference for renewable energies worldwide. Our rapid and profitable growth has been founded on the geographical and technological diversification of our assets and project portfolio, allowing more robust performance and development dynamics.

As the leading French independent producer of renewable energy, we develop our own projects, arrange their financing and project management and operate them for the long term. Our business model involves retaining control over our assets and in 2019 we owned more than 89 % of the facilities we operated. This strategy allows us to guarantee the long-term quality and performance of our assets.

At the end of 2019 we are present in 14 countries. We are the leading independent producer of renewable energies in Australia, El Salvador, Mozambique and Zambia and the leading solar power producer in Jamaica.

Our company values form the basis of all our relations with business partners, customers and end- users. Our more than 200-strong workforce embraces more than 30 different nationalities and the values we share underpin our corporate identity and are borne out in the way we conduct our day-to-day business.

OUR VALUES

AUDACITY

We believe we can become a world leader in renewable energy. We have the audacity to operate globally, imagining, designing and implementing competitive, effective energy solutions.

INTEGRITY

We operate with integrity, whatever we do, whenever and wherever we do it. We work with partners who abide by the same rules. Our ethical approach is an asset in our worldwide operations.

COMMITMENT

We uphold all our commitments, internal and external. We believe in hard work and take pleasure in seeing a good job well done.

ESPRIT DE CORPS

We are loyal to each other and form a close-knit team. We are proud of our company, our goals and our accomplishments.

« Neoen is the leading French independent producer of renewable energy and one of the most dynamic worldwide »

XAVIER BARBARO

Chairman and Chief executive officer

Neoen now ranks among the world's largest renewable energies companies. The Company has been listed with Euronext Paris since 2018 and at the end of 2019, with more than 3 GW of capacity in operation or under construction, is one of the leading and fastest-growing independent producers of exclusively renewable energy worldwide.

In 2019, Neoen has been distinguished by its growth in all three of its technologies. During the past year, Neoen has added 369 MW of installed capacity, launched the construction of a further 745 MW and won almost 1 GW of new projects. In parallel, the Group's development has been pursued in 2019 with project launches and the inclusion of two new countries: Ireland and Ecuador. Between 2018 and 2019 our headcount has increased by more than 15 % from 184 to 213 employees.

Year after year, Neoen has confirmed the dynamic of its development and its capacity to renew the pipeline of projects capable of ultimately enriching its portfolio of assets. Our simultaneously robust and profitable growth is the fruit of our develop-to own business model. We cultivate local anchoring, retain our assets for the long term and operate them in-house.

As a pure player on renewable energies, we possess cutting-edge expertise across a full range of technologies (solar, wind and storage), and so we can handle very large-scale projects from start to finish, as we have done in Cestas (France), Hornsdale (Australia) or El Llano (Mexico).



Thanks to the dynamism of our teams and the robustness of our strategy, we continue to offer strong growth potential and clear visibility within a structurally promising industry. In the coming years, we want Neoen to continue to grow with a target of 5 GW in operation or under construction by the end of 2021. That growth will be achieved without compromising our existing business model whilst still proposing innovative new solutions integrating both solar and wind power, storage and energy management.

Entrepreneurial spirit, financial discipline and operating excellence will also be cornerstones for the pursuit of our mission: to design and implement the means to produce the most competitive renewable electricity, sustainably and on a large scale.

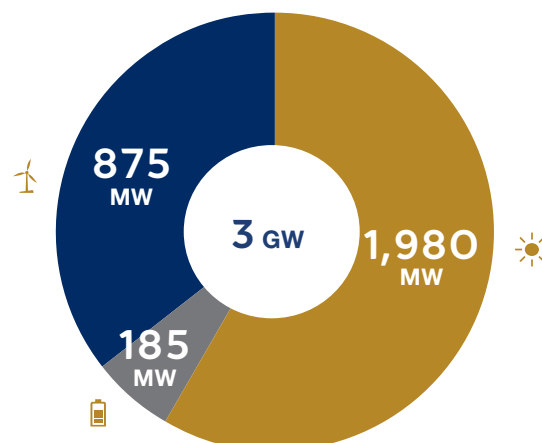
In 2019, Neoen has recorded strong new growth in its annual results and achieved its targets. Its revenue amounted to €253 million, an increase of 22 % over 2018. All the Group's business segments and regions contributed to revenue growth, which is mainly attributable to the full-year contribution of assets commissioned in 2018 and to the contribution of new facilities commissioned in 2019.

Neoen's activity is characterized by a high level of recurrence: 85 % of its revenue are achieved in the framework of power purchase agreements for the electricity it generates. At the end of December 2019, the average residual duration of its agreements exceeded 14 years and the total cumulative amount of revenue guaranteed under such secure purchase agreements stood at €6 billion.

EBITDA amounted to €216 million, an increase of 30 % over 2018 in line with the target announced by the Group. All three of Neoen's activities contributed to the increase which was however particularly attributable to the increase in solar power, which was boosted by the contribution of the numerous assets commissioned in 2018 and 2019 across the Group's three regions. It also reflected the robust expansion in the wind segment within the Europe-Africa region. The EBITDA margin amounted to 85 % of consolidated revenue, compared to 80 % in 2018. The improvement notably reflected the recognition of contractual compensation which partly offset the loss of revenue associated with the delayed completion of certain projects.

The Group has robust liquidity with €460 million of cash and cash equivalents available as of December 31, 2019. Neoen has continued to strengthen its liquidity with the signature in March 2020 of a €200 million syndicated credit facility. Neoen's balance sheet, which has been increased by 32 % to €3.3 billion, is solid and illustrates the growth in the Company's activity.

Neoen has equally achieved excellent operating performance. During the year the Group has added 369 MW of capacity, launched the construction of 745 MW and won almost 1 GW of new projects, thereby possessing €4.1 GW of secured projects at the end of December 2019, in line with the trajectory towards 5 GW in operation or under construction by the end of 2021. The total portfolio has thus continued to grow significantly to reach 10.7 GW at the end of 2019, an increase of almost 3 GW compared to the end of December 2018.



Capacity in operation or under construction


+ 3 GW

Portfolio growth in 2019


+ 22 %

2019 revenue, compared to 2018

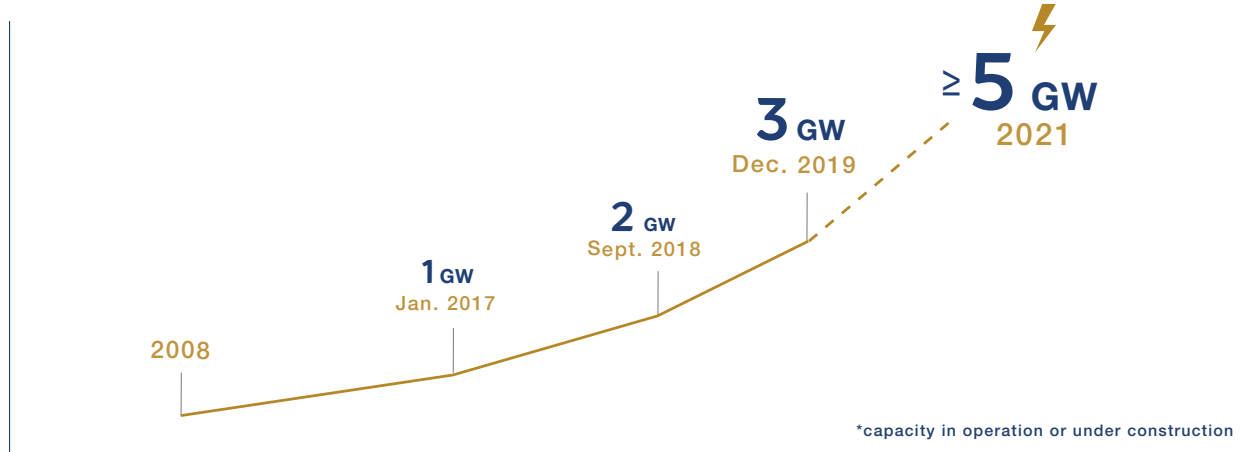

85 %

**2019 EBITDA margin,
compared to 80 % in 2018**

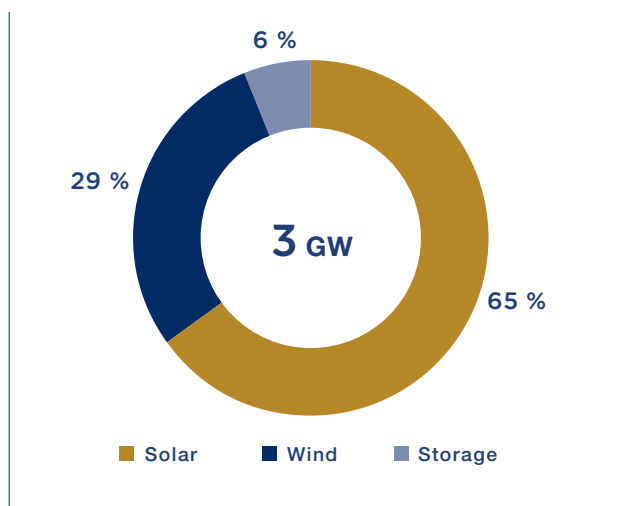

+ 48 %

**Net income growth vs 2018
for continuing operations**

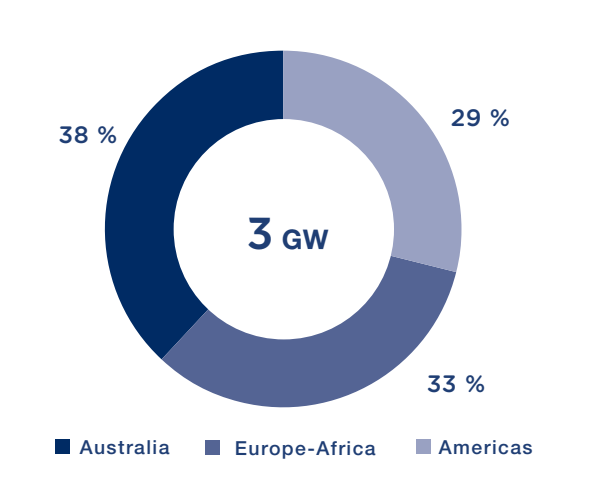
CAPACITY TARGETED BY THE END OF 2021*



CAPACITY BY TECHNOLOGY



CAPACITY BY GEOGRAPHY

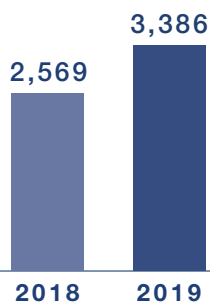


€**253**
million
2019 revenue

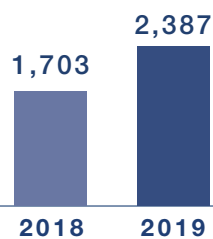
€**216**
million
2019 EBITDA

€**36**
million
2019 Group share of net income

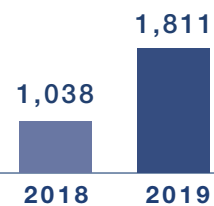
Balance sheet
(€ million) at 31 December



Property, plant and equipment
(€ million) at 31 December



Consolidated net debt
(€ million) at 31 December





MAJOR PROJECTS IN LATIN AMERICA

First half of 2019. Neoen launched the construction of several major projects in Latin America: El Llano, a 375 MWp solar farm in Mexico and one of the most competitive in the world producing electricity at less than 19\$/MWh, and Altiplano, a 208 MWp solar farm in the Salta province of Argentina which has some of the best sunshine in the world.

ACQUISITION OF 8 WIND FARMS IN IRELAND

August 2019. Neoen acquires eight wind farms already operating in Ireland, with cumulative capacity of 53.4 MW. Neoen already possessed a development platform in Ireland, but these eight wind farms are its first assets in operation which thereby materialize its presence in the country.



NEW PPA WITH GOOGLE IN FINLAND

September 2019. Neoen signs a new power purchase agreement with Google in Finland, for a capacity of 130 MW, following the Hedet PPA for 81 MW in 2018. The electricity purchased by Google will be produced by the future Mutkalampi wind farm which is 80 % owned by Neoen.



STEADY GROWTH IN FRANCE

2019. With 146 MW won for solar and wind power projects, Neoen comforts its position as the leading French independent producer of renewable energies. In parallel, during the year 8 projects were commissioned in France, representing a total capacity of 82 MW.

CONVERTIBLE BOND ISSUE

October 2019. Neoen successfully completed an issue of so-called “OCEANE” bonds convertible into and/or exchangeable for new or existing Neoen shares, for a nominal amount of about €200 million. The net amount of the issue has been allocated to the Group’s general requirements and is intended in particular to finance its development.



BUSINESS DEVELOPMENTS IN AUSTRALIA

2019. With more than 1.1 GW of capacity in operation or under construction, Australia represents a major part of Neoen’s activities. In 2019, Neoen notably achieved the commissioning of its Numurkah solar plant with a capacity of 128 MWp, and announced a 50 % extension of its HPR battery (+50 MW / 64.5 MWh).

The Group focuses on organic growth through a “multi-local leadership strategy”, with local teams that actively support the development of new projects.

Development within a new country always follows three stages:

- Firstly, the identification of a high potential market, through the assessment of its energy needs and of the possibility to meet them with renewables. During this first selection stage, the Group uses a list of predetermined and demanding criteria, particularly in terms of opportunities to build assets “at grid parity”, i.e. which are intrinsically competitive, and its capacity to assume a position of market leader and obtain visibility on the part of the local players in development.
- Secondly, the entry into the market through participation in calls for tenders or, from time to time, through bilateral discussions with potential off-takers. This step can be conducted either by France headquarters teams or by local teams.
- Finally, the consolidation and expansion of our local presence by staffing up local teams and hiring the talent necessary to generate and manage development projects on an autonomous basis, enabling Neoen to become a leader in this market. The Group’s objective is to develop a top-tier presence in each of its target markets which are currently divided into three zones: Europe-Africa, Australia and the Americas, with a presence essentially in OECD countries possessing strong currencies.



A MULTI-LOCAL LEADER


14
Countries


4
Continents


213
Employees


1ST
Independent French producer
of renewable energy



70
Plants in operation

19
Plants under construction

1ST
Independent producer of renewable energy in Australia, El Salvador, Mozambique and Zambia

1ST
Producer of solar power in Jamaica

We are an independent producer of electricity from 100 % renewable sources. We develop our own projects, finance them, manage their construction and operate them for the long term.

Our business model involves retaining control over our assets. We own 89 % of our plants and operate them in our own name⁽¹⁾.

This strategy enables us to guarantee the long-term quality and performance of our assets.



1,980 MWp

SOLAR POWER

The sun is the most widely available source of energy on earth and the quickest to be deployed. Solar power has been the focus of technological innovation and has seen spectacular productivity gains. Solar power was Neoen's first sector and remains our main business line.



(1) Assets in operation or under construction (including co-investment), expressed in MW, at December 31, 2019.

**875** MW

WIND POWER

Onshore wind farms are a mature source of renewable energy at competitive rates. We currently focus our wind farm business in Australia, Finland, France and Ireland, where we hold several projects in development.

**185** MW / **237** MWh

STORAGE

Storage is the best response to the intermittent nature of renewable energies. In partnership with Tesla, we have developed the world's largest lithium-ion storage battery facility in Australia (Hornsedale Power Reserve), and since 2019 we have operated metropolitan France's largest battery.



TOTAL STORAGE FACILITIES IN OPERATION OR UNDER CONSTRUCTION


237 MWh
Energy stored


185 MW
Capacity in operation or under construction

We believe that in the future, energy storage will develop to become an essential part of power grids, complementing renewable energy production plants. Some tenders in Australia and Jamaica require candidates to commit to setting up an energy storage facility connected to the main plant. We believe this type of tenders will become more common.

With the evolution of the market for energy storage, we believe that our business model's success in developing and operating solar and wind power facilities can be transposed to the framework of tenders for energy storage facilities.

Significant synergies are common to our energy storage projects and solar and wind power businesses: shared development activities (grid management, administration) and pooling of operations and points of access to the grids (for example, the Hornsdale Power Reserve in Australia).

As of the date of this document, the Group operates two independent energy storage facilities (directly connected to the grid): Hornsdale Power Reserve in Australia and Azur Stockage in France. This is complemented by a storage solution connected to the DeGrussa off-grid solar plant in Australia.

Lastly, the Bulgana wind farm in Australia and the Capella solar farm in El Salvador, which are under construction, will integrate an energy storage facility.

HORNSDALE POWER RESERVE


193.5 MWh
Energy stored


150 MW
Power


In operation


South
AUSTRALIA

AZUR STOCKAGE



6 MWh

Energy stored



6 MW

Power



In operation



FRANCE

Nouvelle Aquitaine region

BULGANA STORAGE



34 MWh

Energy stored



20 MW

Power



Under construction



AUSTRALIA

Victoria state

DEGRUSSA STORAGE



1.4 MWh

Energy stored



6 MW

Power



In operation



Western
AUSTRALIA

ALBIREO POWER RESERVE



2 MWh

Energy stored



3 MW

Power



Under construction



SALVADOR

ENVIRONMENTAL COMMITMENTS

As a responsible player in the area of renewable energies, Neoen participates actively, by the very nature of its activity, in the global challenges of combating greenhouse gas emissions and climate change.

During the phases of construction and operation of its assets, Neoen is particularly aware of environmental protection challenges, and of the way its activities and those of its subcontractors can relate to these. The Group's demanding approach involves systematic environmental impact studies for all of its projects, and the implementation of specific measures which go beyond regulations, when the Group deems it necessary. The Group uses innovative technologies which are respectful of the environment, so as to limit its potential impact on the latter. The Group's commitment to the environment is also reflected in its policy to protect biodiversity and the species present on its various sites.

SOCIAL COMMITMENTS

The Group is attentive, all along its value chain, to its compliance, and that of the persons for whom it is responsible, with the environmental and social principles which it has set itself or to which it is subject. All Neoen employees and partners are committed to complying with the highest standards in terms of business ethics and social matters. Neoen pays particular attention to labour law, and hygiene and safety conditions: HSE issues are taken into account upstream of signing contracts since the selection of subcontractors is notably conditioned by their effective capacity to deliver equipment and service of quality in line with the Group's values. The identification of the risks potentially engendered by the Group's activity has enabled the implementation of strict processes for control and monitoring subject to quarterly review.

SOCIAL AND CULTURAL COMMITMENTS

Neoen's electricity generation business helps provide clean and sustainable energy. It gives local populations the benefit of the positive economic impacts of its facilities via taxes, land leases and job creation. The Group is committed to supporting the development of the territories it invests in and helps achieve projects benefiting local communities by supporting projects in the area of the social and solidarity economy, promoting renewable energies and facilitating access to electricity.

By the very nature of its activity, Neoen is a local player. The Group has committed to an approach of concertation with other local players which extends beyond merely responding to its regulatory obligations. In every country, the decision to locate a facility is taken in concertation with the local authorities and communities. In addition to meeting its regulatory requirements, Neoen undertakes to engage in preliminary discussion with local elected representatives and communities to ensure each project's compatibility with the policy orientations of the applicable territories.

ESG RATING

Consistent with its convictions, from a very early stage the Group has included the environmental dimension in the bases of financing its projects. In that framework, Neoen made an initial €40 million green bond issue in October 2015, followed by a further issue for €245 million in December 2017. Early in 2020, the Group announced the signing of a €200 million syndicated loan linked to ESG criteria.

In September 2018, the Group voluntarily initiated a corporate rating program with Vigeo Eiris which has been renewed in 2019. The achievement of a score of 61/100, one point higher at equal scope than in 2018, has confirmed the Group's presence in the first quartile of the companies rated by Vigeo Eiris and encourages Neoen to continue its policy of ESG development.

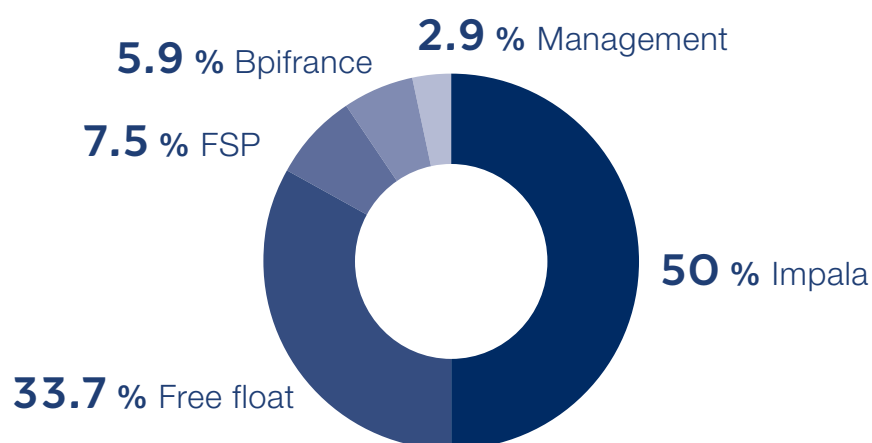


61
100

In 2019, the Group voluntarily committed to the publication of a declaration of extra-financial performance: **see chapter 5 of the present document.**



SHAREHOLDING STRUCTURE



50 %
IMPALA

Impala, a group owned and managed by Jacques Veyrat and his family, invests in projects with strong development potential, mainly in five sectors: energy (interests in Neoen, Castleton Commodities International and Albioma), industry (stakes in Technoplus Industries and Arjo Solutions), cosmetics (interests in P&B Group and Augustinus Bader), brands (holdings in Pull-in and l'Exception) and asset management (stakes in Eiffel Investment Group, high growth projects in China, residential real estate projects in the Paris region and in Spain, a hotel group in Portugal and in Paris and land in Luxembourg). Impala is an investor with a long-term view and a flexible controlling shareholder.

7.5 %
FSP

Le Fonds Stratégique de Participations (FSP) is an investment company with variable share capital registered with the *Autorité des Marchés Financiers* (France's financial market authority) and whose purpose is to encourage long-term equity investment by acquiring "strategic" investments in the share capital of French companies and participating in their governance. The fund is financed by seven major insurance companies wishing to invest in French companies for the long term and support them during phases of development or transition.

5.9 %
bpi**france**

Bpifrance is a subsidiary of *Caisse des Dépôts et Consignations*, and of the French government, which provides loan and equity support for entrepreneurs and companies from launch to stock market listing. Its ETI 2020 fund is a professional private equity fund (FPCI), managed by Bpifrance Investissement, whose objective is to provide long-term support for mid-cap companies with potential so as to accelerate their emergence and development, strengthen their capacity to innovate and promote their international development.

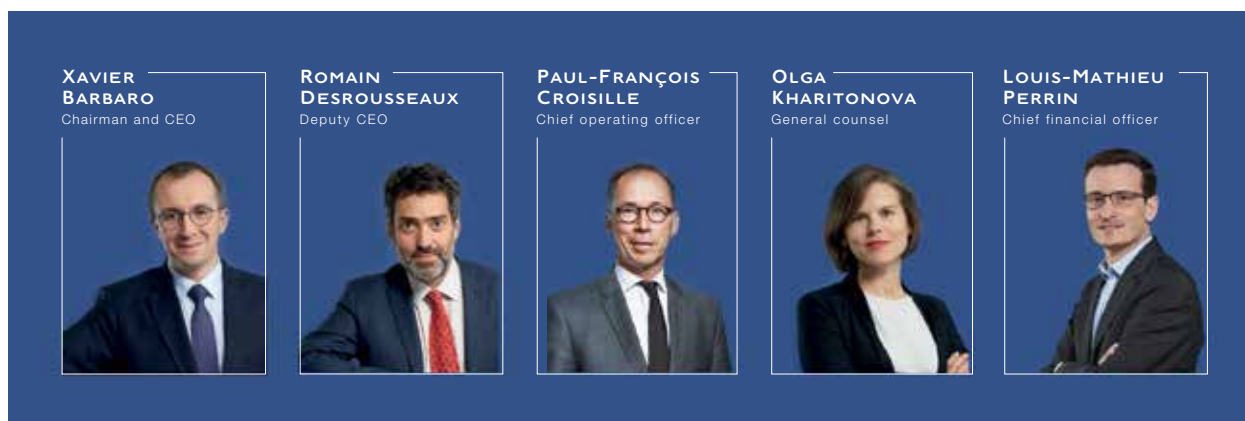
EVOLUTION OF THE COMPANY'S SHARE PRICE



FINANCIAL AGENDA

- 15.05.2020** ○ First-quarter 2020 revenue and operational highlights
- 26.05.2020** ○ Annual general meeting
- 28.07.2020** ○ First-half 2020 revenue and operational highlights
- 23.09.2020** ○ First-half 2020 results
- 09.11.2020** ○ Third-quarter 2020 revenue and operational highlights

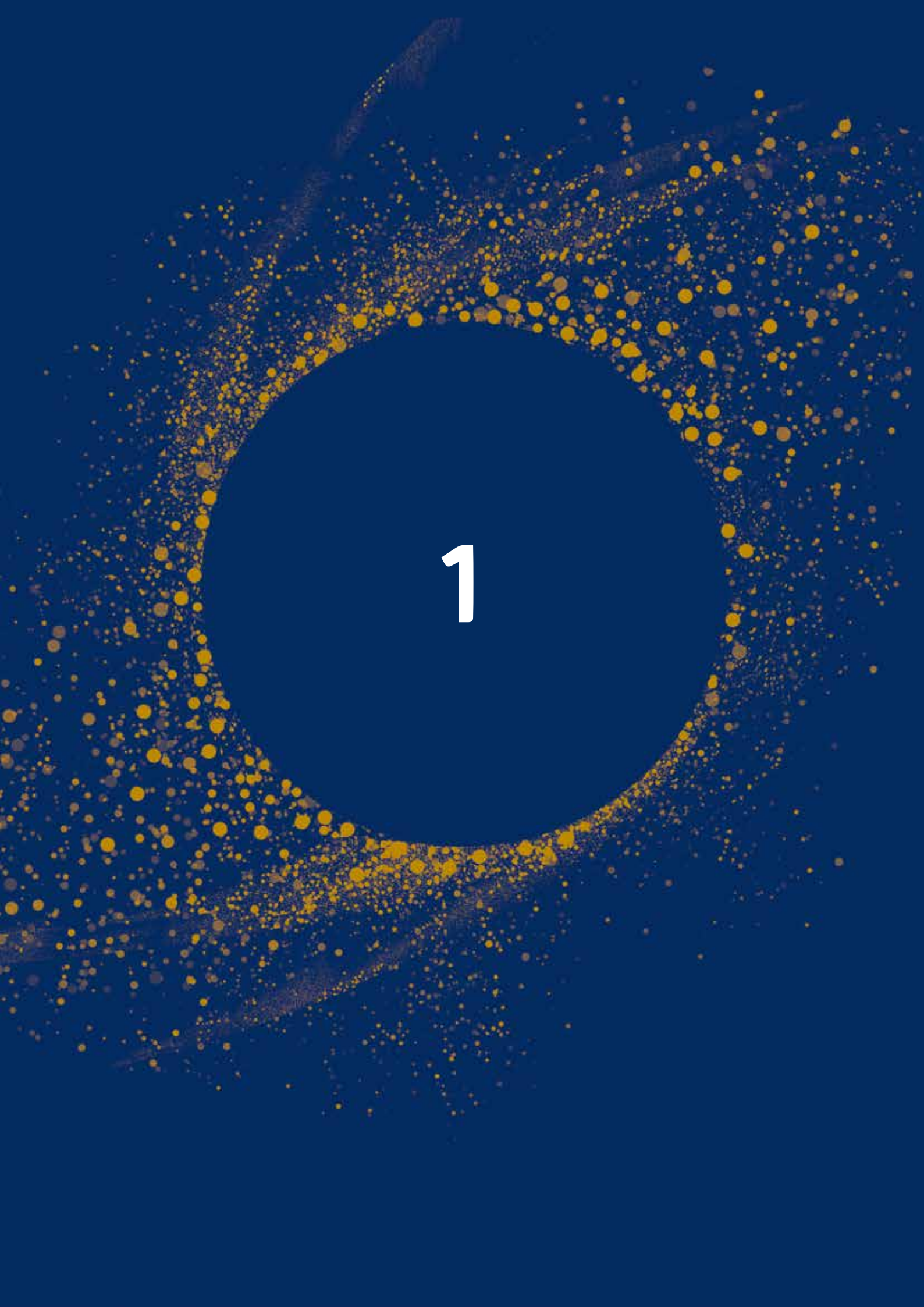
MANAGEMENT



BOARD OF DIRECTORS







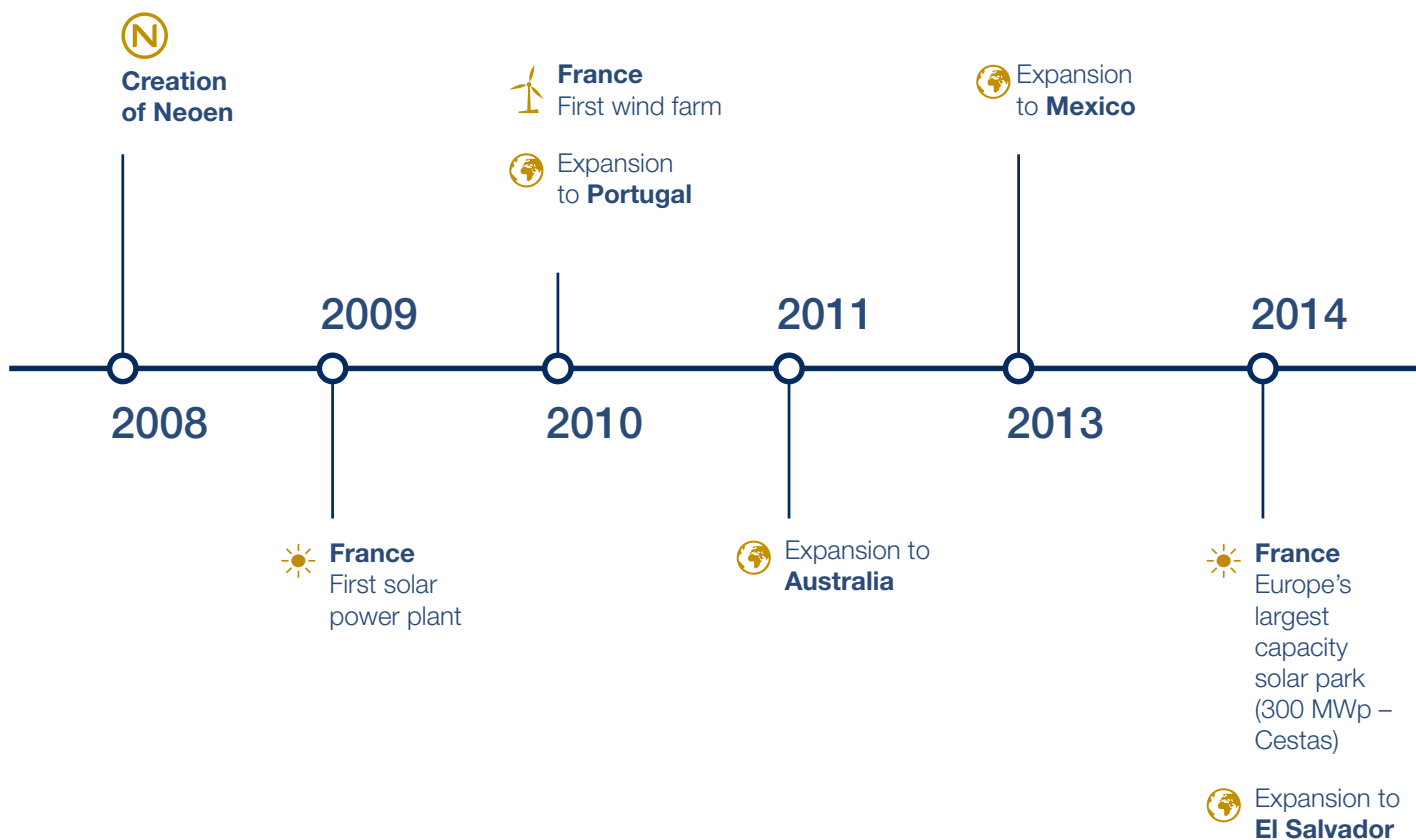
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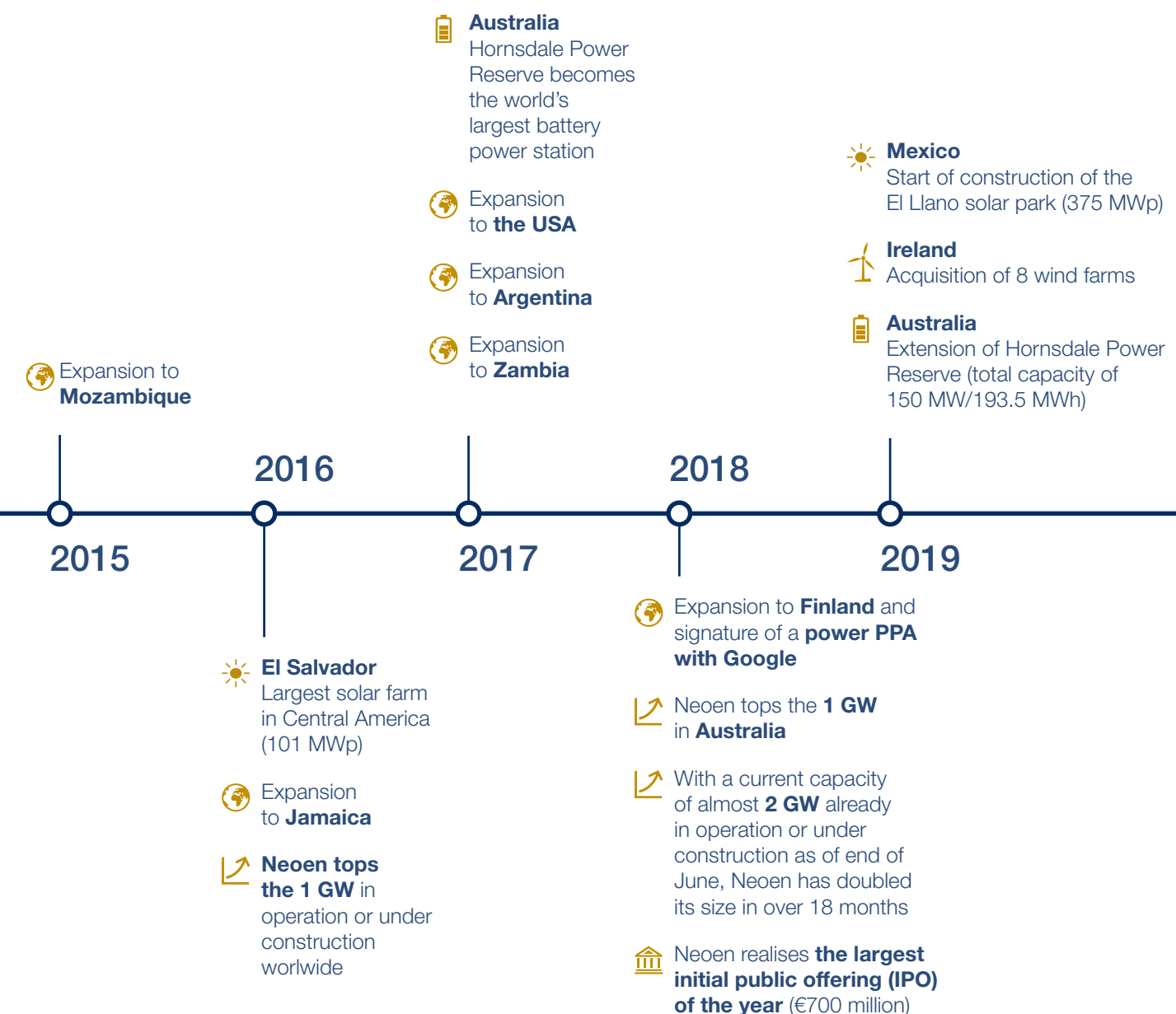
PRESENTATION

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1.1 OVERALL PRESENTATION

1.1.1 HISTORY AND GROUP EVOLUTION





1.1.2 STRATEGY

Our vision

The switch from fossil fuels to renewable energy sources is the revolution of this century, transforming our economies, our societies and our impact on our environment.

Such major change demands sustainable, effective solutions that only an independent, local, financially sound energy specialist can provide.

Our mission

To design and implement the means to produce the most competitive renewable electricity, sustainably and on a large scale on a local basis in the countries in which we operate.

Our strategy

Acting as a multi-local leader

We are geographically diversified and not dependent on a single country or project. We have a real presence on the ground, with offices in each of our countries we operate and local teams.

We are developing by geographical area (cluster strategy), both in neighbouring areas and in countries close to the markets where we are already present. This cluster strategy allows us to benefit from the geographical proximity of existing resources and to leverage a local or regional knowledge base, or that of our local partners.

At the end of 2019, we are present in 14 countries around 3 regional clusters (Europe-Africa, Australia, Americas). We invest at least 80 % in OECD countries (operating or under construction capacity). We choose markets with stable political environments where solar and wind are inherently competitive energies, and contracts denominated in strong currencies.

Growing organically

Our growth is overwhelmingly organic, enabling us to create value throughout project development, from the industrial and financial structuring of projects to their commissioning and beyond.

Keeping our assets long-term

Our model is to maintain control over our assets, and our average ownership rate is over 89 %⁽¹⁾. Thanks to this develop-to-own strategy, we can guarantee the quality and performance of our assets over the long term.

Positioning Neoen as an integrated company in solar, wind and storage

We are an integrated company with a complete technological mix (solar, wind, storage). This presence across all three segments, combined with our geographical diversification, reduces our exposure to weather hazards and stabilises our production. Our approach to storage integration is part of a broader strategy to integrate, right from project design and structuring, elements that improve the projects' overall attractiveness. Storage can then be used to smooth solar and wind power intermittency while providing services to the grid.

Selling our energy through different revenue channels

We continue to seek new sources of revenues, again primarily on a long-term basis, through off-takers other than the historic base that are the public entities and electricity distributors (utilities). Private off-take agreements have already been entered into for some of our plants, such as the Hedet wind farm in Finland, which sells 100 % of the electricity generated to Google, the Numurkah solar power plant in Australia, from which the Melbourne tram network purchases green certificates (LGCs), and the DeGrussa off-grid plant in Australia, which supplies electricity to a copper mine under an off-take contract.

In addition, while continuing to focus on securing stable, long-term revenues through off-take contracts, we are strategically targeting additional market revenues by taking advantage of favourable market prices in countries where spot markets are developed.

Maintaining a diversity of suppliers

We are careful not to rely on a single supplier or subcontractor for our solar panels, wind turbines and other system components.

In order to build a long-term relationship, we work with suppliers of major or critical components that are all third parties and meet the most demanding health, safety, environment and quality standards. Regardless of the country where the project is located, we only work with first-tier EPC contractors that can only be selected after a rigorous pre-selection process.

Implementing protective financing

We are mainly financed by debt at the asset level. The majority of our debt is non-recourse, long-term, fixed-rate debt where possible and in the same reliable currencies as project revenues, in order to preserve the stability of the capital structure and, in the future, to minimise related risks.

(1) Assets in operation or under construction (taking into account co-investments) per MW, as at December 31, 2019.

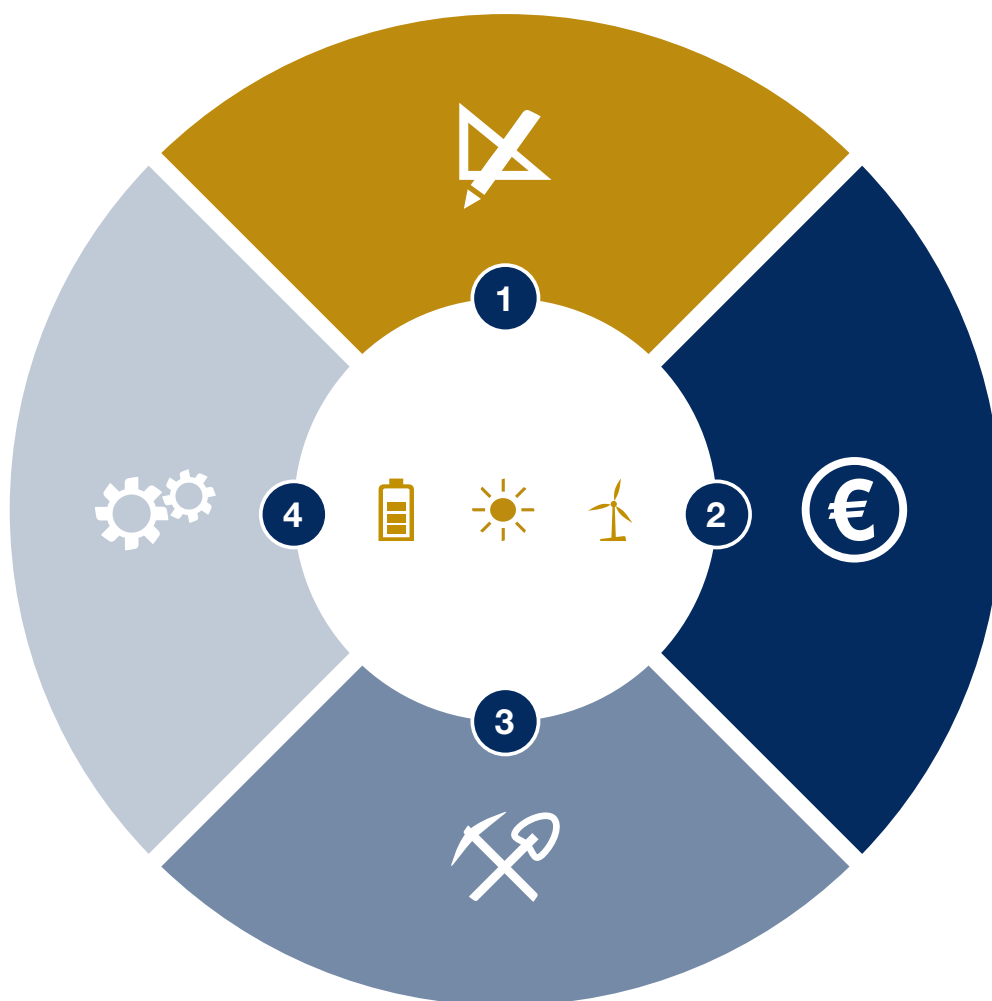


1.1.3 OPERATING MODEL

We are an independent producer of electricity from 100% renewable sources. We develop our own projects, finance and construct them and operate them for the long term.

Our “develop to own” business model is unique. We own 89%⁽¹⁾ of our plants and operate them in our own name.

This strategy allows us to guarantee the long-term quality and performance of our assets.



(1) Assets in operation or under construction (including co-investment) expressed in MW as of December 31, 2019.

A DEVELOP-TO-OWN STRATEGY

 Development and Design	Project development know-how The development phase involves validating the technical, economic, societal and environmental feasibility of each project (assessment of potential, land survey, evaluation of impacts for the environment and biodiversity). The design phase involves the configuration of each project depending on the site's characteristics and the available resource. During this phase, consultations are held with the parties concerned, including residents, communities, local politicians and authorities.
 Financing	Project financing expertise The vast majority of our projects are financed by a combination of equity contributions and long-term borrowings. We essentially make use of non-recourse financing involving the constitution of a separate company for each project developed. Our equity regularly increases, thereby providing us with a solid and sustainable financial base and thus a growing investment capacity.
 Construction	Close supervision of construction work As project owner, we are closely involved in supervising the construction of our power plants. We ensure that the criteria are met to enable each of our plants to become a reliable, sustainable and competitive asset. We deal with first-class builders and other suppliers and have extensive recourse to local industrialists for the construction work required.
 Operations	Active management of our power plants in operation As an energy producer, we are particularly attentive to the functioning of our power plants worldwide. They are monitored in real time by our team of specialists and their maintenance is performed by our subcontractors in the framework of O&M contracts. The sale of electricity in certain markets is also performed by Neoen.

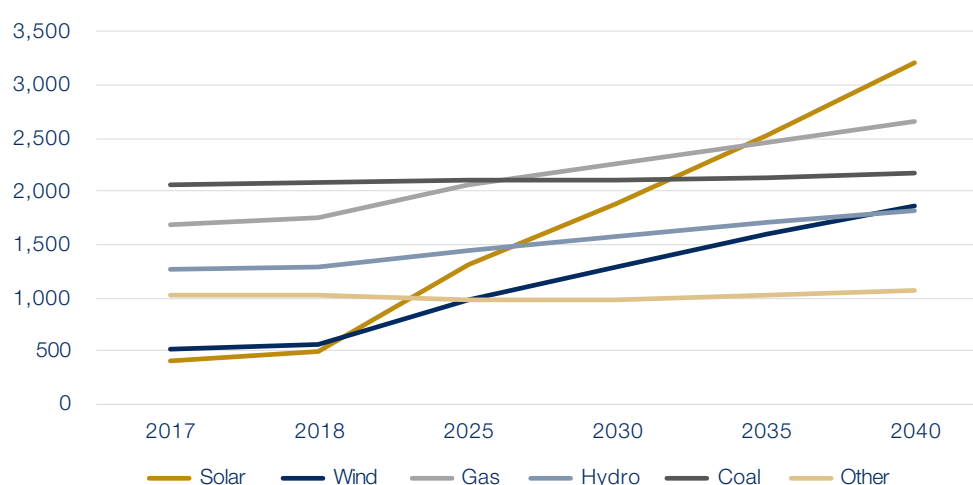
1.2 DESCRIPTION OF THE RENEWABLE ENERGY MARKET

1.2.1 A RAPIDLY GROWING GLOBAL RENEWABLE ENERGY MARKET

Growth in renewable energies is driven by underlying growth in energy needs from all sources coupled with an increasing desire to provide production facilities and populations with green energy at competitive prices.

In its latest World Energy Outlook (2019), the International Energy Agency (IEA) estimates that energy generation capacity from all sources is likely to increase from 7.2 TW in 2018 to 13.1 TW in 2040, or almost a doubling. Among these energy sources, solar is growing fastest with an average annual growth rate of 9 % over the period, followed by wind at nearly 6 %. Within this generation capacity, the share of solar and wind power is expected to increase from about 15 % in 2018 to 39 % in 2040.

Projected global operational capacity (in GW)



Source: International Energy Agency (2019), World Energy Outlook 2019, IEA, Paris

This expected increase in solar and wind in the energy mix is the result of several positive dynamics, including:

- greening of the energy mix requested by electricity distributors, and with growing interest from power-intensive private off-takers;

Neoen expects that a substantial market for corporate off-take agreements for renewable energy will develop in the coming years, as the grid parity extends and these parties become increasingly sophisticated energy consumers. The use of renewable energies enables these companies to reduce their costs and the risk related to the prices for their electricity requirements. This also allows them to be recognised as “green” companies committed to clean energy policies. In 2019, the corporate PPA market represented a volume of 19.4 GW, with more than 100 companies in 23 different countries. This represents a 70 % increase over the 13.6 GW in 2018, and more than triple the activity observed in 2017 (Source: BNEF's 1H 2020 Corporate Energy Market Outlook).

- increasing competitiveness of renewable energies due to technological and operational factors;

Lower costs per technology since 2010



85 %



49 %



85 %

Source: BNEF, New Energy Outlook 2019

- accelerated deregulation of the renewable energy market;
- the impact of electricity storage solutions.

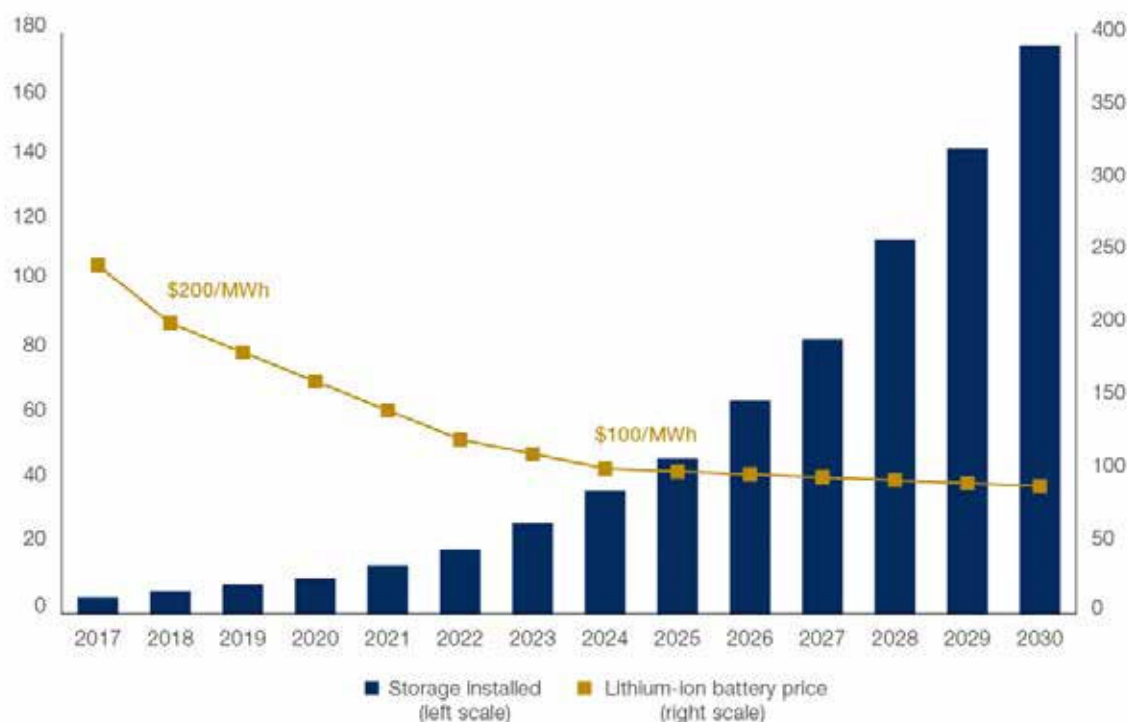
1.2.2 THE GROWING IMPACT OF STORAGE SOLUTIONS

Traditionally, the major disadvantage associated with renewable energy sources has been their intermittency. A grid with a large proportion of solar or wind resources was exposed to potential problems of stability and maintaining the balance between supply and demand. To cope with the imperfectly predictable hazards of renewable energy production, grid operators had to resort to other means of production: hydropower or conventional power plants. Storage technology is designed to replace these thermal power plants. They have the double advantage of being able to respond to imbalances between supply and demand more quickly than a combined cycle gas plant, and to use the energy produced by solar and wind plants after having stored the energy produced in excess of demand on the grid, which would have normally been “lost” (curtailment).

Storage capacity is therefore an important factor for the development of renewable energies, which in turn contribute to the very strong growth of storage capacity in the coming years.

Forecast of global evolution of storage capacities (in GW and USD/MWh)

The global energy storage market is expected to multiply by twenty-six between 2017 and 2030 and reach a total capacity of approximately 180 GW.



Source : BNEF, New Energy Outlook 2018

Depending on whether they are directly connected to the grid or linked to a renewable energy project, storage solutions will be configured according to different business models and generate different types of revenue. Neoen estimates that there are now four revenue models for storage solutions (spare capacity, frequency regulation services, load shifting and arbitrage). For further details, refer to section 1.3.2.3 “energy storage”.

1.2.3 MARKET STRUCTURES

1.2.3.1 TERMS OF ELECTRICITY SALE

Renewable energy producers may sell the electricity generated by their plants under different types of long-term contracts with one or more purchasers which may be public or private electricity distribution companies (utilities), public authorities or private off-takers. These contracts are described in more detail in sections 1.3.4.1 “customers” and 1.3.4.2 “electricity sales contracts” of this document.

This categorisation can be summarised as follows:

- PPAs entered through tenders, for a period of 10, 15, 20 or 25 years, and for a specific electricity capacity at a given price.
- over-the-counter contracts with sophisticated purchasers, such as energy companies or other private companies with specific energy needs. These contracts are usually for a specified amount of electricity, at contractually defined prices, which is delivered directly or indirectly to the counterparty. They have a shorter duration than contracts with public or para-public purchasers or private electricity distribution companies, usually from 5 to 12 years.

The vast majority of contracts are take-or-pay contracts and do not present any volume risk since the commitment is for a price per MWh, regardless of the volume discharged into the grid.

Off-take agreements are not indexed to electricity, oil or gas prices, but may be fully or partially indexed to inflation. They may also contain protection against exchange rate fluctuations in emerging countries: for example, in the form of a direct payment in a stable currency, or in the form of a payment in local currency, but with an adjustment clause depending on the evolution of the exchange rate with a strong reference currency.

Generators can complement revenues from the above contracts by selling electricity on the spot market (section 1.3.4.1 (iv) “Spot market sales and short-term contracts” of this document). These sales can be made through short-term contracts and can be used strategically to exploit the capacity that is not intended to be sold through long-term contracts such as PPAs.

These sales may take place in the following ways:

- between the commissioning of the power plant and before the entry into force of the PPA;
- at the term of PPAs, whether corporate or public, for all or part of the production volumes;
- for the production volumes that exceed the maximum amount contracted or won through tenders.

These situations are becoming more and more common. They are facilitated by the arrival of aggregators or route-to-market off-takers which make it easier for independent renewable producers to access and sell on the open market. In addition, these sales are increasingly taken into account by lenders when making an analysis of the financial profile of a project.

In addition to revenue generated by electricity sales, operators of solar or wind power plants and storage facilities may receive additional revenue from:

- capacity premiums, in the case of capacity markets (generally proportional to capacity available);
- the sale of green certificates proportional to production, in accordance with the applicable regulations, for example the Large-scale Generation Certificate in Australia;
- capacity reserve remuneration, when the power plant is connected to storage capacity: this is generally a contractual remuneration to a grid operator or a state, which takes the form of an availability payment;
- frequency regulation remuneration: this involves paying stabilisation services sold to the system operators;
- a remuneration related to the postponement of production: the electricity produced is stored during off-peak hours and resold during peak periods during periods of high prices;
- an exemption from the payment of a penalty: in certain markets, the network operator may charge penalties or grid balancing costs. Insofar as a plant connected to a storage facility will contribute to balancing the grid, it does not have to pay this penalty.

It should be noted that the first three remuneration categories mentioned above can also be carried out by independent storage facilities (directly connected to the grid).

1.2.3.2 TENDENCIES HAVING AN IMPACT ON MARKET STRUCTURE

Evolution towards a combination of several business models for the same asset. Assets include increasingly complex remuneration methods. There may be PPAs with different purchasers, on different terms and for different durations. In particular, part of the electricity can be sold to private actors. In addition, spot market sales, even if they are opportunistic, allow for the possibility of upsides in comparison to the contractual feed-in tariffs fixed in tenders. This is particularly the case in Mexico and Australia, which present an intrinsic situation of high spot prices compared to contractual prices fixed in tenders. They can also improve the financial profile of the project in the period between a plant's commissioning and the entry into force of a take-off agreement. In addition, the integration with storage facilities provides revenue for capacity reserves and frequency regulation and enhances the opportunities to make sales on the spot markets through deferral of production.

Development of storage activity. Technological progress and falling production costs for electricity storage equipment have enabled producers to develop storage facilities in response to the imbalances linked to the intermittency of renewable energies. In addition, grid operators are expected to rely increasingly on batteries to provide production balancing and regulation services.

Development of multi-technology projects. In addition to batteries installed independently of any other asset, more and more wind or solar projects are coupled with a storage solution, making it possible to counter the negative impacts linked to the intermittency of renewable energies. In this context, a player like Neoen, which has several technologies, is naturally at an advantage in comparison to a producer that is specialised in only one energy source.

Improvement of project competitiveness. Renewable energies are increasingly competitive, with the number of countries with grid parity constantly increasing. This competitiveness is the result of lower capex and financing costs, combined with two dynamics with positive effects on project competitiveness. First, there is a tendency to move towards larger-scale projects, generating scale effects. Second, the residential solar penetration in many countries, with consumption as close as possible to production.

1.2.4 COMPETITIVE ENVIRONMENT

The renewable energy market is still very open and fragmented, with players of all sizes in many countries. Growing barriers to entry and the desire of incumbent operators in the electricity sector - but also more broadly in the energy sector - to rapidly change their energy mix are likely to contribute to a concentration trend. In addition, investors are increasingly interested in holding portfolios of renewable assets.

National incumbent utilities, which were already regional or global leaders in electricity and have long since emerged from their domestic market, have developed know-how in renewable energies and have dedicated subsidiaries abroad (EDP Renewables, EDF Renewables, Enel, Engie). In addition to these are international players specialised in the field of renewables, such as Neoen or Scatec, Voltalia and Boralex, and small players operating locally, whose proportion is tending to decrease. Also, leading energy companies such as Engie and Total have strengthened their positions in the renewable energy market through recent acquisitions of independent solar and wind power developers and producers. Other competitors have also sought to increase their market share through mergers and combinations of companies that have given rise to larger players with significant financial resources.

Neoen is the leading French independent producer of renewable energy, the leading independent producer of exclusively renewable energy in Australia, El Salvador and Zambia and the leading independent producer of solar energy in Jamaica.

The award of projects remains competitive. However, while the authorities in charge of tenders are pushing actors to adopt more competitive prices, they are also increasingly taking into account the experience and the history of the operator, especially with regard to the record of having carried out important projects on time and without cost overrun. The ability to pre-qualify projects (obtaining land, environmental studies, technical studies, obtaining building permits), that is, to submit an offer with as little uncertainty as possible regarding its technical and legal fulfilment is also key, which is a plus for Neoen. Lastly, access to financing on acceptable terms and financial soundness testify to the ability to cope with the hazards of construction and operation, and represent, with the elements above, growing barriers to entry in the sector.

Main players in the Group's most important national markets

Pays	Market	Players	Capacity of assets in operation (in MW)
Argentina	Wind and solar power 2019	Genneia S.A.	364
		Pampa Energy	206
		Central Puerto	205
		360 Energy	114
		Energia y Minerai Sociedad del Estado	100
Australia	Wind and solar power 2019	Neoen	856
		Infigen	726
		FRV Australia	534
		CWP Renewables	518
		Pacific Hydro	485
El Salvador	Wind and solar power 2019	Neoen	244
		AES	143
		Ventus	50
		Real Infrastructure	50
		Grupo Borja	39
Finland	Wind power 2019	Tuuliwatti Oy	423
		Taaleri Pääomarahastot Oy	290
		EPV Tuulivoima Oy	233
		Suomen Hyötytuuli Oy	187
France	Wind and solar power 2019	Engie	3 700
		EDF Renewables	1 987
		Boralex	1 811
		Neoen	675
		Total Quadran	560
Mexico	Wind and solar power 2019	Enel	1 422
		Acciona Energia	860
		Sempra Energy	679
		EDF Renewables	511
Portugal	Wind and solar power 2019	EDP Renewables	1 164
		Finerge	1 040
		Iberwind	726
		Trustenergy	489
		Generg	454



1.3 NEOEN'S BUSINESS

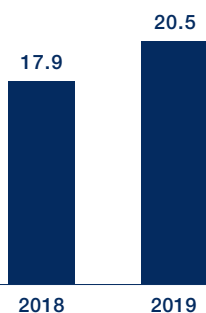
1.3.1 BUSINESS ACTIVITIES AND KEY FIGURES

The Group's activity is centered on the production of solar and wind energy and on the development of energy storage solutions. As of December 31, 2019 the Group had 213 employees and was active in 14 countries spanning 4 continents. The main geographical zones in which the Group operates are as follows: Europe-Africa, Australia and the Americas.

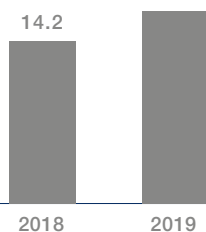


This operating segment solely, as reported in our financial statements, comprises independent storage facilities directly connected to the electricity grid, as opposed to behind the meter storage solutions whose action is coupled upstream with the production of energy by solar or wind power plants. As of December 31, 2019 the Group's portfolio comprised 6 storage facilities under operation or construction, with a cumulative capacity of 185 MWh for 237 MWh of storage capacity, of which 3 are directly connected to the network.

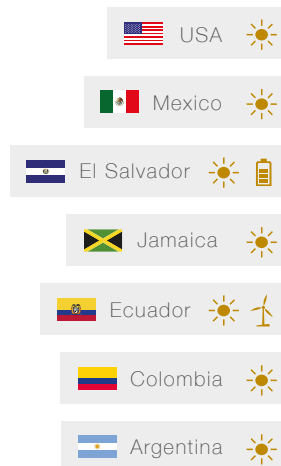
Revenues
(millions of euros)



EBITDA
(millions of euros)



AMERICAS

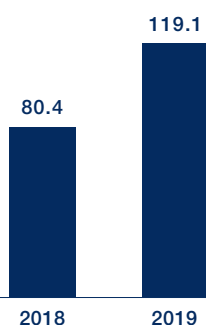


■ Projects in operation or under construction
■ Pipeline projects

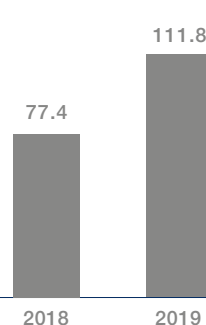


The Group develops and operates solar power facilities in numerous countries, including the Cestas solar park which is France's most powerful solar power plant. As of December 31, 2019 the Group's portfolio comprised 50 solar parks under operation or construction with cumulative capacity of 1,980 MW.

Revenues
(millions of euros)

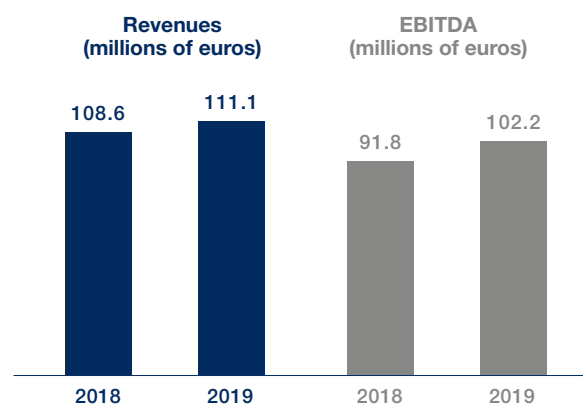


EBITDA
(millions of euros)





The Group develops and operates wind farms currently located in Australia, Ireland, Finland and France. As of December 31, 2019 the Group's portfolio comprised 33 wind farms under operation or construction with cumulative capacity of 875 MW.



1.3.2 OPERATING SEGMENTS

1.3.2.1 KEY FINANCIAL AND OPERATIONAL INFORMATION

The table below sets forth key financial and operating data for the Group's solar, wind and storage segments by geography as of December 31, 2019:

Activity	Region	Number of assets in operation as of 12.31.2019	Peak capacity of assets in operation (in MW)	Average availability of assets in operation in 2019	Production of assets in operation in 2019 (in GWh)	Number of assets under construction as of 12.31.2019	Peak capacity of assets under construction (in MW)
Solar	Europe - Africa	28	552	99.5%	404	8	95
	Australia	6	458	97.6%	752	-	-
	Americas	4	152	98.8%	225	4	723
Wind	Europe - Africa	26	256	98.6%	563	3	109
	Australia	3	317	99.2%	1,037	1	194
	Americas	-	-	-	-	-	-
Storage	Europe - Africa	1	6	n.a	n.a	-	-
	Australia	2	106	n.a	n.a	2	70
	Americas	-	-	n.a	n.a	1	3
TOTAL		70	1,847	98.4%	2,982	19	1,193

1.3.2.2 PLANNING AND DEVELOPMENT OF SOLAR AND WIND PROJECTS

(i) Identifying opportunities

From the very beginning of the project development process, a prospecting team is set up in the target market and takes charge of the search for sites. The team is generally made up of Group employees. Depending on the target market, it may include local actors who can leverage their field knowledge to better identify new opportunities (e.g. through co-development partnerships in Ireland or preliminary work in Finland) and anticipate local complexities (such as permitting procedures and stakeholder management). Once it identifies a site with significant potential, the prospecting team obtains initial preliminary studies, such as interconnection studies, from reputable third parties and performs initial groundwork in view of obtaining permits and licenses.

As the team makes progress and receives feedback from its studies and initial inquiries, it reports back to management. Management can then from the early stages of development evaluate whether a given opportunity possesses an appropriate risk and reward profile to warrant further investment.

The ability to obtain detailed early information on project sites from its own teams or local partners from the earliest stages provides Neoen with the advantage of reducing ramp-up issues and helping to overcome execution and project quality challenges that might otherwise occur, particularly when the time between tender announcements and bid deadlines is limited. Moreover, the Group is able to conduct this preliminary work at a relatively low initial cost with lean and efficient teams, thereby minimizing its financial exposure to the risk of the project being abandoned.

Expenditure relating to these initial investments includes costs relating to travel, human resources, preliminary technical and interconnection studies, environmental impact studies and building and operating permits. The Group covers these development expenses and they are capitalized once a project enters the Group's development portfolio. They may be written down or scrapped if a project is postponed or abandoned.

Once the opportunity to secure a take-off agreement or to sell its electricity on the markets arises, the Group shifts from laying the foundations for its projects into more resource-intensive project-execution mode, including through budgeting and finance modelling.

(ii) Bidding for projects

The tender opportunities that Neoen targets are structured in frameworks that vary by both type of energy and country or state. The Group generally targets tender procedures following which it is offered the opportunity to enter into off-take agreements with solid counterparties. These off-take agreements provide the Group with a relatively stable source of long-term revenue and transform market risk into a limited counterparty risk. In addition, these elements make it easier to obtain financing on favourable terms, which enables the Group to improve its offers' competitiveness.

Tenders in which the Group participates may be launched by both public entities and private off-takers. Public entities include governments, who either organise or back a given tender, and government-controlled entities such as state or regional power companies. Off-take agreements entered into in this context are generally long-term, over 10, 15, 20 or 25 years. They are generally granted on the basis of price considerations with little or no leverage in negotiations. For private off-takers and distributors (utilities), these PPAs may be shorter in term, ranging from 10

to 15 years, while providing greater leverage when negotiating terms and conditions.

The Group is increasingly participating in tenders from private off-takers, and it considers these to be a promising opportunity going forward. For further details with respect to the types of PPAs to which the Group is a party, please refer to Section 1.3.4.2 “power purchase agreements” of this document.

(iii) Developing projects

The specific features of project development depend significantly on the type of energy to be produced by the project and the country or region in which the project is to be developed.

In general, Neoen fully structures its projects (building on and completing its early development work) as soon as it has been awarded a tender. This structuring process involves several aspects, including but not limited to the following:

- obtaining permits and authorisations at the local and state level (though in certain jurisdictions, such as France under the currently applicable regime, the relevant building permit or construction authorisation must be obtained before a bid is made);
- carrying out connection studies to understand the conditions for connection to the grid, as well as the associated costs;
- sourcing engineering, procurement and construction (“EPC”) services and operation and maintenance (O&M) services with high-quality EPC and O&M contractors and negotiating full-fledged contracts;
- sourcing project financing, predominantly non-recourse, and organising collateral and guarantee packages; and
- hedging, where necessary, interest rate exposure on its financing and any foreign exchange rate exposure (e.g., in certain very rare cases, between the currencies in which the Group pays its construction expenses and the currency of the Group’s project financing) that may exist for the period beginning when the Group enters into its project financing and ending at financial closing.

The time required for such a project structuring (in particular between initial contact with the relevant lender and financial closing) depends on the market in which the project is being built. In a mature market such as Australia or Europe, less time is required than in less mature markets such as certain African and Latin American countries, notably when financing has been guaranteed or arranged by development banks. The Group always seeks to reduce a project’s time to market as much as possible and, in this respect, believes that its advance work on development aspects is helpful at a later date. Furthermore, thanks to its solid network of partners and its ability to draw on its successful experience in previous procedures, Neoen is able to speed up project structuring. In addition, for countries with mature spot pricing markets or in the context of PPAs, where the Group may structure its bids in order to benefit from more attractive spot pricing before a given PPA’s term commences, a shorter time to market for a project enables increased early generation revenues for this project. The Group is therefore able to create significant value from its accelerated structuring processes.

The specifics of project management are handled by the relevant Neoen development team under the development project manager, who reports regularly to senior management. This project manager oversees the structuring of the project and coordinates various teams such as the procurement team, technical, legal and financing specialists. He/she also works closely with lawyers, engineers, tax specialists, financial advisers and others.

From an operational standpoint, project development teams hand off projects to construction teams, who in turn hand off projects to operations teams. On the administrative side, the financing team hands over debt management to a financial controlling team at the appropriate time, as a general rule after the first debt drawdown.

(iv) Procurement and construction

Outside of France, construction itself generally begins after financial closing has been completed. In France, construction may begin prior to financial closing (where a series of projects is anticipated to be bundled into packages for financing purposes) but only after the relevant permits are secured and a tender has been awarded. Project construction is handled by a construction project manager who takes over from the development project manager.

The construction project manager’s responsibilities include all construction and technical aspects of the project from the moment that the NTP (“notice to proceed”) is delivered to the EPC contractor, until the hand-off of the asset to the asset manager, as well as the management of relationships with project stakeholders.

In the context of these assignments and as required, the construction project manager is supported by the Group’s legal, finance and development teams.

(v) Operating assets

In line with this “develop-to-own” strategy, the Group pays strong attention to the long-term performance and state of its assets. Neoen outsources the maintenance of each asset under protective, long-term, full-scope O&M contracts, and negotiates contractual guarantees from the O&M provider with respect to availability and compensatory payments in the event availability falls below specified minimums, as well as other performance guarantees. As a general rule, the Group’s O&M contracts have a minimum duration of 10 years and include options for expansion under pre-approved conditions that can be activated by the Group. Under these contracts, the solar O&M suppliers are generally the same as those involved in building (solar); in wind, the turbine manufacturers maintain their turbines.

PROJECT CLASSIFICATION



Neoen tracks project development according to a defined set of categories, as projects move through their lifecycle from initial planning to COD. The Group defines each of these categories across geographies and for solar plants, wind and storage farms as follows:

- Projects in “early stage” phase: projects (i) located on land with respect to which the owner has confirmed his or her intention to agree a contract with the Group for the applicable land rights, (ii) in proximity to an electric grid to which the project may be connected and (iii) for which technical studies have been initiated but not yet finalized.
- Projects in “advanced development” phase: projects for which the following elements must be completed:
 - o real-estate: signature of a contract validating the use of the land;
 - o access to the electricity grid: preliminary grid connection;
 - o technical: completed pre-design engineering.
- Projects in “tender-ready” phase: projects where either:
 - o a building permit has been obtained and all the conditions precedent to the signing of an electricity sales contract have been fulfilled in a country which:
 - has a renewable energy development program through recurrent tenders, or
 - has a liquid market for electricity sales contracts with private companies.
 - o feed-in tariffs are available and a building permit application has been submitted;

Based on such criteria, once a project reaches the tender-ready stage, it will not be reclassified to a less advanced stage as long as:

- o the market dynamics of renewable energies in the country in question remain unchanged; and
- o the requirements for obtaining an electricity sales contract remain the same;

Projects in “advanced development” phase and projects in “tender-ready” phase constitute the “advanced pipeline”.

Projects in “advanced development” that win a tender through a competitive auction process are classified as “awarded” projects without being first classified as tender-ready.

- Projects in “awarded” phase: the primary authorisation request for the project has resulted in a positive outcome and is no longer subject to an appeal, and there is a guaranteed off-take once the project is built, or the project has won through a competitive auction process. At this stage, certain additional licenses may be required as long as the Group judges them to be secondary to the applicable primary authorisation. Depending on what could be achieved during the initial development phase, land procurement and additional studies may also be underway. Discussion and contracting with an EPC, as well as project financing negotiations, are usually completed during this stage.
- Projects in “under construction” phase: for these projects the notice to proceed (“NTP”) has been given to the relevant EPC contractor. The asset will remain in this category until the provisional acceptance has been signed, even if the plant has begun producing and selling energy.
- Projects in “in operation” phase: the provisional acceptance has been signed. Responsibility for the asset has been handed over by the construction team to the operations team.

Projects in “awarded” phase, projects “under construction” and projects “in operation” form the “secured portfolio”.

Finally, it's possible to move directly from the “tender-ready” stage to the “under construction” stage for projects whose electricity is to be sold on the spot market.

1.3.2.3 ENERGY STORAGE

Energy storage occupies an important place within the Group to support the growth of its solar and wind activities. This is both a complement to existing solar and wind power installations to facilitate their integration into electricity grids, as well as a means of providing services in their own right as an independent source of revenue.

Neoen believes that in the future, energy storage will develop to become an essential part of power grids, complementing renewable energy production plants. Some tenders in Australia and Jamaica require candidates to commit to setting up an energy storage facility connected to the main plant. The Group believes this type of tenders will become more common.

As of the date of this document, the Group operates two independent energy storage facilities (directly connected to the grid): Hornsdale Power Reserve in Australia and Azur Stockage in France. This is complemented by a storage solution connected to the DeGrussa off-grid solar plant in Australia.

Lastly, the Bulgana wind farm in Australia and the Capella solar farm in El Salvador, which are under construction, will integrate an energy storage facility.

(i) Frequency regulation

Electric power grids transmit power from a generator to eventual end users through alternating current that oscillates at a specified frequency (for example, 50 Hz in Europe). The differences between electricity production and consumption cause this frequency (in Hz) of the power grid to vary:

- downwards (below 50 Hz) when consumption is greater than production;
- upwards (above 50 Hz) when production is greater than consumption.

Sudden and uncontrolled frequency variations may disrupt the proper operation of the power grid and cause power grid blackouts, power cuts or damage to power grid equipment.

All power grids around the world need some form of continuous frequency regulation to prevent uncontrolled variations and ensure grid stability. This therefore applies to all countries in which the Group operates.

Electric battery storage connected to the power grid and equipped with appropriate software is capable of responding to fluctuations in frequency of the electrical network in either direction. For example, batteries can absorb excess electricity when the frequency is too high or discharge electricity when the frequency is too low. These services, known in Australia as frequency control ancillary services ("FCAS") and in other countries as frequency regulation, take two forms:

- FCAS regulation: electricity grid operators continuously specify (for example, every four seconds) to FCAS providers the increases or decreases in their electricity generation that are required in order to achieve or maintain the appropriate frequency;
- FCAS contingency: in the event of a sudden major swing in frequency, the FCAS provider automatically responds to the change in frequency by discharging electricity into the grid or absorbing it to address the imbalance.

Since batteries are very reactive, they are particularly efficient at automatically performing this frequency regulation service and are often more competitive than thermal power plants, which were historically the main players capable of providing this service.

In the case of the Hornsdale Power Reserve, Neoen provides this service to the South Australia grid, in exchange for which it is paid a fee for each MW available and reserved for FCAS services, independent of the electricity actually discharged into, or consumed from, the grid. The same applies to the Azur Storage plant in France.

The Group believes that frequency regulation on power grids using batteries can be a steady source of revenue in the future. This activity would also increase the financial viability of energy storage technologies. At the end of 2019, a significant portion of the revenue from the storage business segment came from the frequency control activity.

(ii) Inertia

Inertia is a stabilisation service that prevents sudden movements that may occur on a power grid. To ensure the safety of their power grids, grid operators need to have a minimum level of inertia at all times. This inertia is historically provided by rotating machinery of thermal, hydro or nuclear electricity generators and cannot be provided by renewable power plants.

As these generators are replaced by renewable power plants, grid operators must find new sources of inertia. Batteries are responsive enough to provide power grids with the equivalent of synthetic inertia

In 2020, the Group will for the first time experiment with providing an inertia service at the Hornsdale Power Reserve in Australia. This will validate a new outlet for storage facilities and at the same time support the continued development of renewable energy in Australia.

(iii) Capacity reserve

Another service that storage facilities can provide is the capacity mechanism, which consists of being able to occasionally supply power (in MW) to the power grid at the most critical times of the year. This mechanism is usually organised by the grid operator, which ensures that it has sufficient power in reserve in the event of a contingency on the power grid or peak consumption and will only call this capacity when it is needed.

The remuneration method for this capacity depends on each grid operator, but generally takes the form of a payment (annual or monthly) to the Group depending on the MW thus reserved by the grid operator. These amounts are collected independently of the actual supply of electricity or services by the plant and are generally complementary to other sources of revenue. Capacity tenders vary from country to country. For example, in France, tenders are launched on a multi-year basis.

(iv) Load shifting

Energy storage also enables a load shifting function to be implemented, in order to distribute electricity production by solar and wind installations more evenly and to have a better match between periods of high renewable generation and periods of high electricity consumption.

In particular, the peak daily electricity consumption is generally in the evening, after nightfall, when solar plants are not producing. In this case, electricity must be supplied by means of advanced generation, which is costly to mobilise.

Storage facilities can replace this peak generation by automatically storing excess electricity during the day, for example when solar generation is abundant and then offloading when demand is greatest. In these conditions of high demand, the Group discharges electricity in return for a higher price per MWh, which may make it possible to recoup the additional investment cost represented by the battery.

This issue is set to develop significantly in the coming years as renewable energies develop. For these reasons, the Group believes load shifting offers significant growth potential for the energy storage sector.

(v) Sale of stored energy on the markets

When a storage facility's capacity is not being used to provide capacity services, frequency regulation or load-shifting, it can be sold on energy trading markets. The Hornsdale Power Reserve in Australia, for example, is able to charge when prices in the electricity market (spot market) are low and then discharge when prices are highest. The Group then receives a profit equal to the difference between the high price at which the electricity was sold, minus the low price at which it was purchased and minus the electrical losses that occurred in the battery.

This operation can be repeated regularly, as soon as prices reach sufficient volatility. In the case of the Hornsdale Power Reserve project, the installation positions itself in real time, depending on market conditions, to the most profitable sources of revenue between arbitrage and frequency regulation.

(vi) Approach to energy storage project development

There are significant synergies between energy storage projects and the Group's solar and wind power activities: joint development activity (grid operators, public authorities), pooling during the operation phase and pooling of access points to the power grids (example: Hornsdale Power Reserve in Australia)

Though Neoen has developed its energy storage solutions more recently than its initial core competencies of solar and wind power, the Group is devoting significant resources to the further development of energy storage. Neoen has developed a core of expertise consisting of a central team of technical specialists and developers that support energy storage project managers. This team has forged relationships with suppliers and integrators without however entering into master agreements, thereby maintaining industrial and operational independence and the flexibility that the Group favours for its solar and wind project development. In addition, the Group and its partners source from leading battery suppliers, which provide a guarantee over time on the minimum storage capacity of the installation.

As the storage market evolves, Neoen expects that its successful business model for the development and operation of solar and wind plants can be deployed for energy storage tenders. The Group is therefore developing a portfolio of storage projects in several of its geographic locations.

1.3.3 GEOGRAPHIC FOOTPRINT

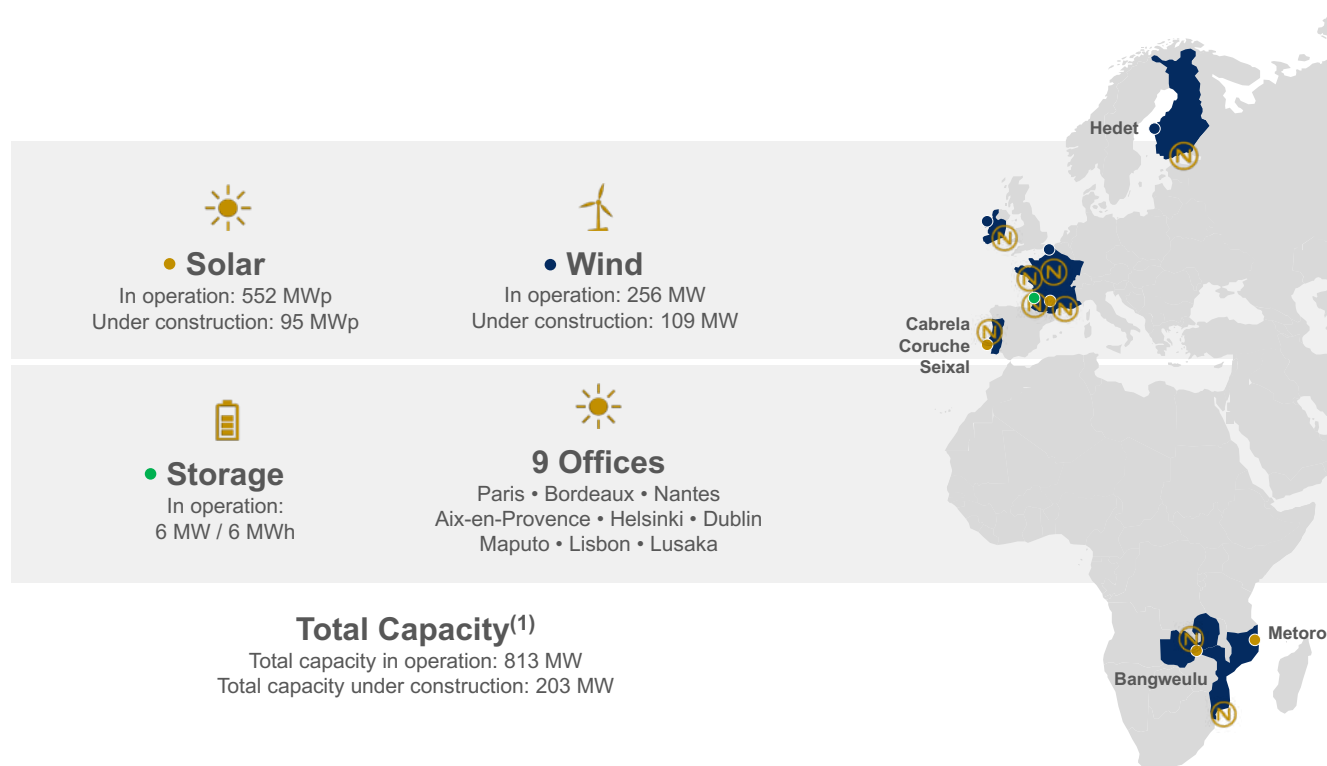
As of the date of this document, the Group has a presence in fourteen countries worldwide: Argentina, Australia, Colombia, Ecuador, El Salvador, Finland, France, Ireland, Jamaica, Mexico, Mozambique, Portugal, the United States and Zambia. The Group has diversified its geographic presence over time, while maintaining a general balance of at least 80 % of its operating capacity in OECD countries or equivalent. The Group's goal is to continue expanding selectively and respecting this balanced exposure.

At December 31, 2019, as the projects initiated in Colombia, Ecuador and the United States are still in the development phase, the Group does not yet sell electricity in these markets.

The 11 national markets in which the Group has assets in operation or under construction as of the date of this document are presented below by geographic region.

It should be noted that the information below presenting Neoen's different markets are likely to vary, both downwards and upwards, following the impact of COVID-19, particularly on the trajectories of countries and their renewable energy policies.

1.3.3.1 EUROPE – AFRICA



(1) As of December 31st, 2019

A. MAIN NATIONAL MARKETS

1. France

Neoen was created in France in 2008, and is now the leading independent French producer of renewable energies. At December 31, 2019, the Group's portfolio in France consisted of:

- 20 wind projects for 230 MW in operation or under construction;
- 32 solar projects for 527 MWp in operation or under construction;
- 1 storage project for 6 MW / 6 MWh in operation;
- 4 offices, located in Aix-en-Provence, Bordeaux, Nantes and Paris and a total of 113 employees.

Regulatory context

France has adopted a series of legal instruments to encourage the development of renewable energies in its energy mix. Support mechanisms were introduced as early as 2003, with the launch of the first feed-in tariffs.

In 2015, the Energy Transition Law for Green Growth introduced a compensation mechanism in support of tenders, called the "compensation supplement" mechanism, replacing the feed-in tariff system applicable until then.

In November 2019, the Climate Energy Act updated the objectives of the National Renewable Energy Action Plan as specified below:

- increasing the proportion of renewable energies to 23 % of energy consumption by 2020;
- increasing the proportion of renewable energies to 33 % of energy consumption and 40 % of electricity production by 2030;
- reducing the proportion of nuclear energy in the French energy mix to 50 % by 2035;
- achieving carbon neutrality by 2050.

Lastly, the draft of the Multi-annual Energy Plan (MEP), which is expected to be adopted by decree during the year, defines France's new ambitions for renewable electricity generation.

- reducing greenhouse gas emissions by 40 % between 1990 and 2030;
- reducing final energy consumption by 20 % by 2030 and in particular fossil energy consumption by 40 % by 2030;
- increasing the proportion of renewable energies to 33 % of energy consumption by 2030;
- reducing the proportion of nuclear energy in the French energy mix to 50 % by 2035;

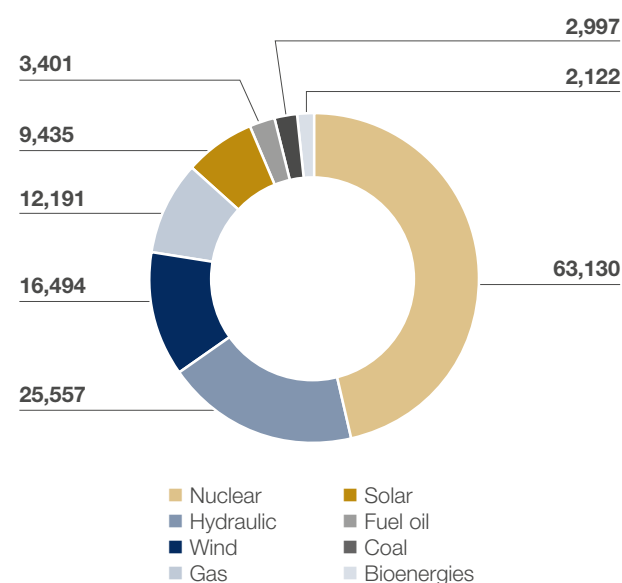
By December 31, 2028, the MEP aims to reach operating capacity of between 33.2 and 34.7 GW in wind power and operating capacity of between 35.1 and 44 GWp in solar power. To do this, the Energy Regulatory Commission intends to allocate 1.85 GW of wind and 2 GW of solar capacity each year to new tenders to be launched in 2021.

Electricity generation capacity

At the end of 2019, France's operating capacity was 135.3 GW, particularly including nuclear (63.1 GW), hydro (25.6 GW), wind (16.5 GW), natural gas (12.2 GW), solar (9.4 GW) and biomass (2.1 GW).

The demand for electricity in France in 2019 was 473 TWh.

Installed capacity by technology (in MW)



Source: RTE - Electricity assessment 2019 (2019 data)

2. Portugal

Neoen was established in Portugal in 2010 and is mainly involved in solar projects. At December 31, 2019, the Group's portfolio in Portugal consisted of:

- 3 solar projects for 24 MWp in operation;
- 1 solar project for 65 MWp under development, won in the July 2019 tenders;
- 1 solar project for 180 MWp under development, in which Neoen is a 49 % minority shareholder, won in the July 2019 tenders;
- 1 office, located in Lisbon and a total of 3 employees.

Regulatory context

In December 2019, the ministry of the environment presented its goal of developing renewable capacity by 2030 (*Plano Nacional Integrado de Energia e Clima* - PNEC 2030). At the end of this programme, Portugal's ambition is to be carbon neutral by 2050. To this end, the Portuguese government plans to submit biannual tenders for new renewable and storage capacities. A first call for tenders for a capacity of 1.35 GW was launched in June 2019 and awarded in September 2019.

With this in mind, two future phases of tenders for solar projects are planned:

- second quarter 2020: tenders for a capacity of 700 MW to be allocated in the central and southern regions of Portugal (Alentejo and Algarve);
- end 2020: tenders for a capacity of 700 MW.

At the same time, in February 2019, the Portuguese government approved a new investment plan for *Redes Energéticas Nacionais* (2018-2027 plan) for a total amount of €535 million for the construction of high-voltage power lines to facilitate the connection of new renewable facilities to the grid.

Coal production is expected to end by 2023, driven by Portugal's decarbonisation commitments under the Paris Agreement.

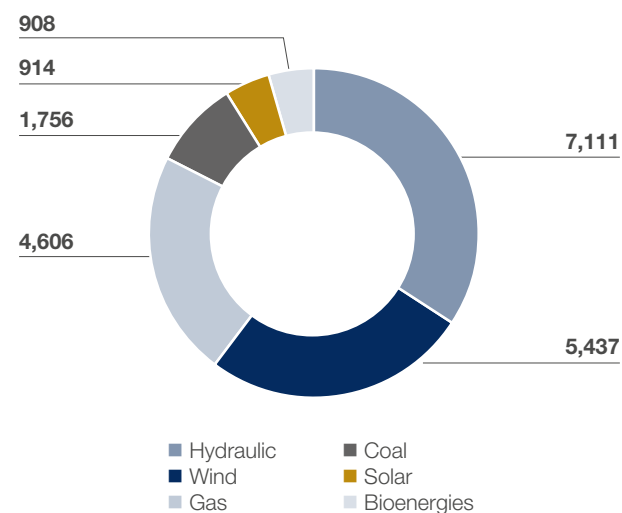
Regulated tariffs are being phased out and the electricity and natural gas sectors are being liberalised to promote retail competition and build a domestic energy market.

Electricity generation capacity

At the end of 2019, electricity production was 48.7 TWh and broke down as follows:

- generation with renewable sources (including hydropower capacities): 27.3 TWh;
- production with fossil sources: 21.4 TWh.

Installed capacity by technology (in MW)



Source: DGEG - Estatísticas rápidas Dez 2019 and European Network of Transmission System Operators for Electricity (2019 data)

3. Finland

Neoen was established in Finland in May 2018 following the acquisition of the Hedet and Björkliden wind projects. At December 31, 2019, the Group's portfolio in Finland consisted of:

- 1 wind project for 81 MW under construction;
- 2 wind projects for 350 MW under development;
- 1 office in Finland, located in Helsinki and a total of 6 employees.

Regulatory context

The Finnish electricity market has been open to competition since the enforcement of the Finnish Electricity Market Act in 1995.

Finland has set ambitious objectives for the penetration of renewable energies in its energy mix:

- 50 % of overall energy consumption from renewable energies by 2030;
- 5 TWh of electricity generation from wind energy by 2020 and 8 TWh by 2030;
- Carbon neutrality in Finland in 2035.

Since 2011, Finland has created a feed-in tariff plan to support the development of renewable energies:

- premium tariff: the producers of renewable electricity and wind, biomass and biogas technologies receive a variable bonus equal to the difference between the spot price and a maximum tariff of €83.5/MWh. This bonus is paid to the project developers for a period of 12 years.

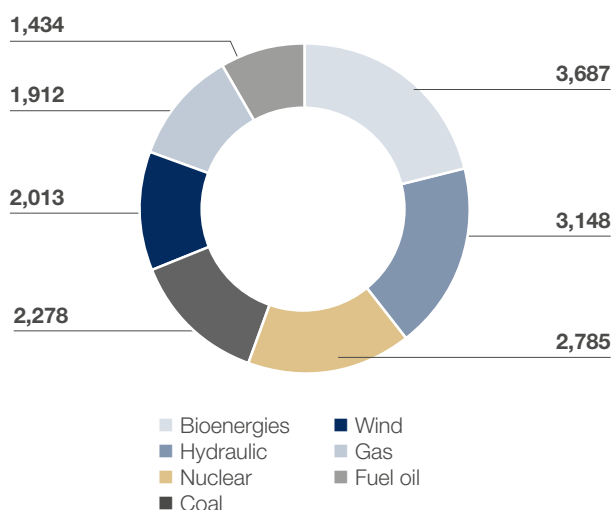
Since the maximum capacity of the feed-in tariff was reached in 2016, a new support programme was drawn up. In May 2018, the Finnish parliament approved the setting up of a tender system for a total capacity of 1.4 TWh for wind, solar, biomass and biogas technologies. Under these tenders, 7 projects were awarded a capacity of 1.36 TWh.

The Finnish government announced the ban on the production of coal-based energy in 2029. It is also preparing incentive measures to support companies dismantling their coal-based generation facilities by 2025.

Electricity generation capacity

At the end of 2019, electricity consumption in Finland was 86 TWh while its production was 67 TWh. Finland is a net importer of electricity. Finland is currently diversifying its import sources (mainly Sweden and Russia).

Installed capacity by technology (in MW)



Source: European Network of Transmission System Operators for Electricity (2019 data)

In 2018, hydropower accounted for 19 % of Finland's total electricity generation, while nuclear power accounted for 32 %.

The total projected nuclear capacity by 2030 is 4.4 GW taking into account the commissioning of the Olkiluoto 3 power plant in 2021. It is expected that coal-based electricity generation capacity will be dismantled by 2030 to ensure compliance with the Finnish commitment to the Paris Agreement.

B. OTHER NATIONAL MARKETS

(i) Ireland

In 2018, 28 % of the Republic of Ireland's electricity generation is from wind, which means Ireland has the second highest level of wind generation in Europe (behind Denmark) and the highest level of onshore wind generation.

In contrast, the Republic of Ireland's CO₂ emissions remain 13 % above the EU average given its dependence on coal and peat: overall, its energy needs remain 86 % dependent on fossil fuels.

In this context, the Republic of Ireland's objective is to reduce its emissions by 30 % between 2021 and 2030 even though its energy needs are likely to grow as a result of an expanding economy and the development of new data centres.

This objective and the means to achieve it are described in the Republic of Ireland's Climate Action Plan, which was published in June 2019. According to the plan, the share of renewables in the country's total electricity generation should increase from 37 % in 2020 to 70 % in 2030, in particular by means of estimated supplements of 4.2 GW of onshore wind power, 3.5 GW of offshore wind power and around 1.5 GW of solar power.

The Renewable Electricity Support Scheme (RESS) will be the main policy lever for this increase in renewable projects, offering long-term guaranteed prices for wind and solar projects through annual auctions. The first RESS procedure, expected in the summer of 2020, should support a renewable generation volume of between 1 TWh and 3 TWh, of which 300 GWh through solar projects and community initiatives, both of which should be subject to specific support measure.

The national carbon tax plan is another tangible element contributing to eliminating fossil fuel production: the tax is expected to rise gradually over the next few years, from €20/tonne to €80/tonne by 2030.

While the maximum penetration rate of intermittent renewables in the Republic of Ireland is expected to reach 90 % by 2030, transport manager Eirgrid has developed a multi-annual programme called DS3 (for Delivering a Secure and Sustainable Electricity System) aimed at increasing the share of intermittent generation for the benefit of the network while maintaining the overall quality of the electricity supply nationally, partly through a strategy to support the massive deployment of storage batteries.

(ii) Mozambique

To expand people's access to electricity, the Mozambican President launched the programme *Energia para Todos* in 2018. This programme aims to extend access to the network to 58 % of its population in 2023, 85 % in 2028 and 100 % by 2030. To this end, the government intends to install 5,780 MW of electricity generation capacity by 2033, with an investment of \$34 billion, including \$18 billion in energy project financing.

As regards on-grid renewable energies more specifically, two tender programmes are planned to contribute to help meet the Mozambican timetable:

First, the French Development Agency is financing the deployment of a structured tendering mechanism for the development of three solar power plants and one wind energy production farm ("PROLER"). This programme, conducted by the EDM public utility (Electricidade de Moçambique) with the support of national and international consultants, aims to develop:

- a solar plant with a total capacity of 40 MWp for which the expression of interest ("Eol") phase is expected to be published in the second quarter of 2020;
- three additional renewable power generation plants with a total capacity of 30 to 40 MW by 2022.

Second, preliminary works started in 2015 as preparation for the launch of the GET FIT Mozambique programme are planning the development of plants to generate electricity from renewable sources with a total capacity ranging between 130 MW and 180 MW. Although there are no deadlines to date, this process will be broken down into three phases:

- phase 1: development of solar capacity of 60 MWp and a storage facility;
- phase 2: development of small hydropower facilities of 40 MW to 60 MW;
- phase 3: development of solar capacity of 30 MWp to 60 MWp and a storage facility.

The first phase provides for a start of programme activities in the third quarter of 2020.

At the same time as these tenders, Electricidade de Moçambique promotes the development of renewable sources of energy by awarding contracts signed by mutual agreement with renewable project developers. To date, two OTC contracts have been signed for a total capacity of 81 MWp, of which 41 MWp has been awarded to Neoen.

Many off-grid renewable energy development programmes (small solar power plants and mini-grids, for example) are also supported in Mozambique by various development finance institutions (DFIs) to enable access to electricity from remote areas of the electricity grids.

A draft revision of the Electricity Law (Lei de Electricidade, Lei n°21/97, of 1 de Outubro) is under consideration and was the subject of public consultations in 2018. This revision aims in particular to promote greater private sector participation in power generation and transmission, redefine the roles of different public entities (EDM, ARENE regulator, FUNAE), redefine the processes for awarding licences and concessions and improve institutional coordination. National elections in 2019 delayed its validation process by the government. The work schedule is not yet known.

In the long term, Mozambique aims to be a net exporter of electricity.

(iii) Zambia

The Rural Electrification Authority (REA) was established in 2003 to provide infrastructure for access to electricity in the rural areas and increase the rate of access in these areas. The goal is an electrification rate of 51 % by 2030 versus 3 % in 2017.

In Zambia, most electricity is currently generated from hydropower. Moreover, the Zambian government is also in favour of installing new renewable energy capacity, as evidenced by the instructions given in 2016 by President Lungu to develop at least 600 MWp of solar capacity.

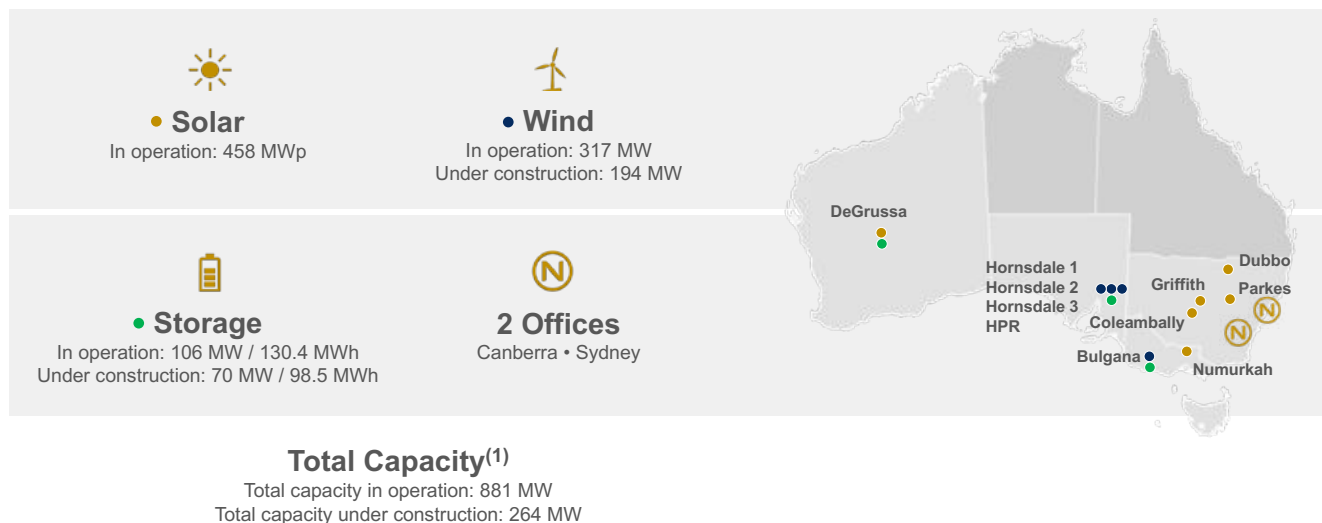
To date, the penetration of renewable energies, excluding hydraulic technology, is therefore supported by the GET FIT Zambia programme launched in 2015 as well as by the World Bank's IFC Scaling Solar programme:

- IFC Scaling Solar is a competitive bidding process that includes pre-arranged financing as well as insurance and risk products. In this context, in 2016, the Group won a capacity of 54 MWp out of the 100 MW proposed during the first part of the programme. In May 2017, the Industrial Development Corporation, with the support of the IFC decided to launch a second tender for a capacity of 200 to 300 MWp in solar projects. Twelve participants, including the Group, were pre-qualified for the tender in June 2017 - the tender schedule is not known;
- the 2015 GET FIT Zambia programme aims to support the deployment of 200 MW of renewable energies by 2020, through a series of projects with a maximum unit size of 20 MW. The first stage of this programme was launched in early 2018: on April 5, 2019, six solar projects won this first tender for a total capacity of 120 MWp.

Moreover, in February 2020, the Zambian government approved new laws governing the country's energy sector. This new regulatory framework strengthens the role of the regulator and also promotes private sector development by opening up the energy market. Zesco, the public company in charge of power generation, transmission and distribution, must now give access to the grid to private producers who will have the opportunity to enter into direct agreements with large national consumers.

The new laws also allow for the emergence of new players such as Africa Greenco, a power aggregator, which will be able to link producers and consumers through the current Southern African electricity market.

1.3.3.2 AUSTRALIA



(1) As of December 31st, 2019

4. Australia

Neoen was established in Australia in 2012 and is now the country's leading independent producer of renewable energy. It has three activities: solar, wind and storage. At December 31, 2019, the Group's portfolio in Australia consisted of:

- 4 wind projects for 511 MW in operation or under construction;
- 6 solar projects for 458 MWp in operation or under construction;
- 4 storage projects for 176 MW / 229 MWh in operation or under construction;
- 2 operational offices in Sydney and Canberra, 1 representative office in Adelaide and a total of 45 employees.

The Hornsdale Power Reserve storage facility is run from an operational control centre located in Canberra which allows the Group to act as a market operator in the Australian electricity market via the sale of network services and arbitrage operations.

Regulatory context

Under the Paris Agreement, Australia undertook to reduce its CO₂ emissions by 26 to 28 % by 2030 compared to their 2005 level. The Australian Government also undertook to ensure that by 2030, 49 % of its electricity will be generated from renewable sources, and 78 % by 2050 (including hydropower).

To do so, the Renewable Energy Target (RET) programme, approved by parliament, calls for the generation of an additional 33 TWh of green electricity. The RET programme has set up a system of financial incentives, in particular for large renewable plants for which it grants green certificates (large-scale generation certificates, "LGCs") depending on the quantity of electricity generated, and this until 2030.

At the same time, the aging of the coal-fired power plants (some of which have been in operation for nearly 50 years) will lead to their gradual dismantling. Nearly all of the coal-fired power plants are expected to be dismantled by 2050.

By 2030, about 7 GW of coal-fired power plants are expected to be dismantled and another 20 GW after 2033.

Finally, beyond the national objectives, the Australian states have the possibility to pursue their own targets and structure their own programme for the reduction of carbon emissions and/or the development of renewable energies on their territories. Thus, the State of Canberra has an energy mix target of 100 % renewable energies by end-2020, the State of Victoria aims at a proportion of 40 % by 2025, Queensland aims at 50 % in 2030 (versus 17 % today), South Australia aims at 100 % by 2025 and finally New South Wales has a target of 46 % for 2030.

In order to achieve these objectives, the states initiated the launch of their own tenders, including in 2019:

- Queensland: resumption of the Renewables 400 tender for 400 MW capacity and creation of CleanCo, a state-owned company tasked with managing and coordinating the expansion of renewable energy supply;
- South Australia: tenders to supply renewable energy to state government entities (500 GWh/year);
- New South Wales: tenders (not limited to renewable energies alone) to cover the needs of government entities (1.8 TWh/year);
- State of Canberra: call for proposals to install 250 MW of additional renewable capacity, as well as 20 MW / 40 MWh storage capacity.

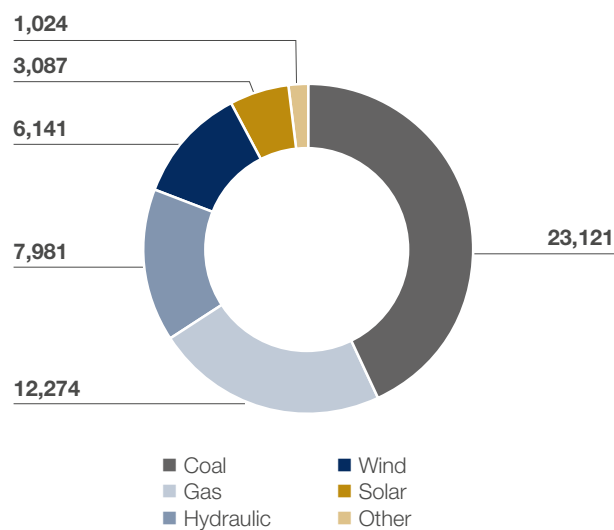
Some major Australian and multinational groups, such as BHP (mining group), Telstra (telecommunications), Coles (mass retailing) and Woolworths (mass retailing), have also launched tenders to cover their power consumption through bilateral agreements to purchase energy from renewable energy generators.

Electricity generation capacity

In 2019, electricity consumption on Australia's main grid, the National Electricity Market (NEM), was 182 TWh and is expected to grow moderately by 2030 with an average annual growth rate of 0.1 % before returning to more sustained growth of 0.6 % annually until 2040.

At 14 November 2019, the installed electric capacity on the NEM was approx. 53.6 GW, including coal (23.1 GW), natural gas (12.3 GW), hydropower (8.0 GW), wind (6.1 GW), solar (3.1 GWp) and biomass (0.6 GW) capacities.

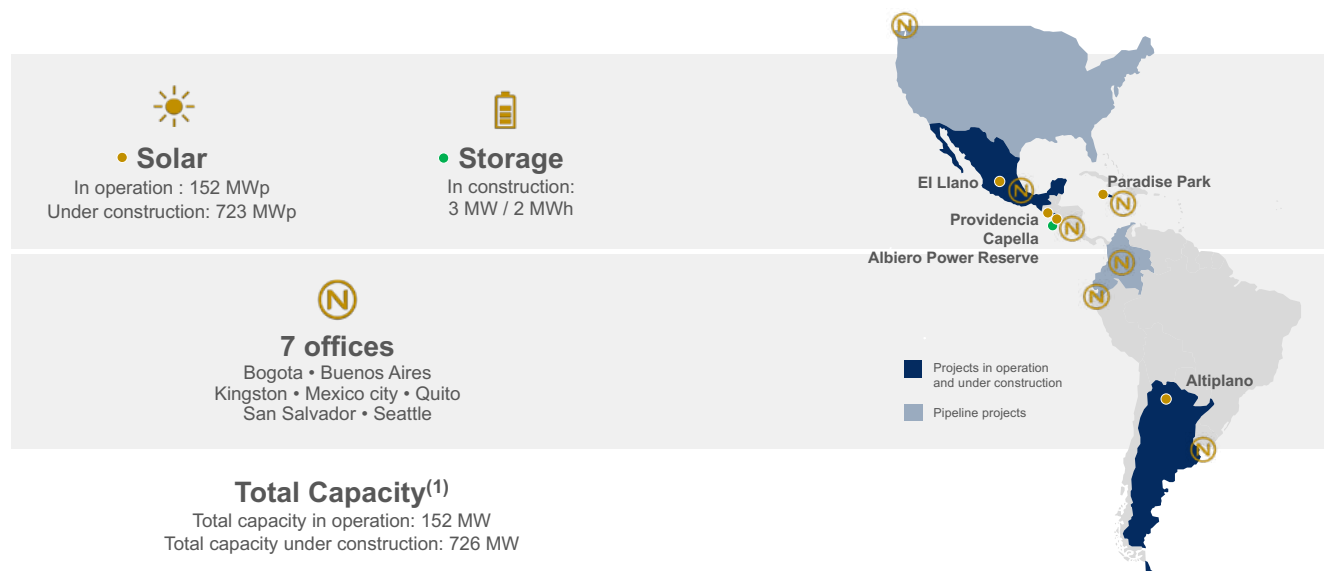
Installed capacity by technology (in MW)



Source: AEMO (2019 data)

By 2030, the wind and solar power plants are expected to represent 16.9 GW and 8.5 GWp of installed capacity respectively, an increase of 10.7 GW and 5.4 GWp over the period, or an average annual growth rate of 5.8 % and 5.7 %, respectively (Source: Baring 2020).

1.3.3.3 AMERICAS



(1) As of December 31st, 2019

A. MAIN NATIONAL MARKETS

5. El Salvador

Neoen was established in El Salvador in 2014 to develop solar installations and storage solutions. At December 31, 2019, the Group's portfolio in El Salvador consisted of:

- 3 solar projects for 241 MWp in operation and under construction;
- 1 storage project for 3 MW / 2 MWh in operation;
- 1 office, located in San Salvador and a total of 11 employees.

Macroeconomic context and data

The country's electricity market is fully liberalised and had 24 generating companies as of December 2019. The only public producers are the *Comisión Hidroeléctrica del Río Lempa* (CEL), LaGeo, and its subsidiaries, which manage all the hydropower and geothermal capacity connected to El Salvador's grid and account for 34 % of the country's operating capacity.

El Salvador has set itself the target of reaching 100 % installed renewable generation capacity, but has not yet drawn up any plan to achieve this.

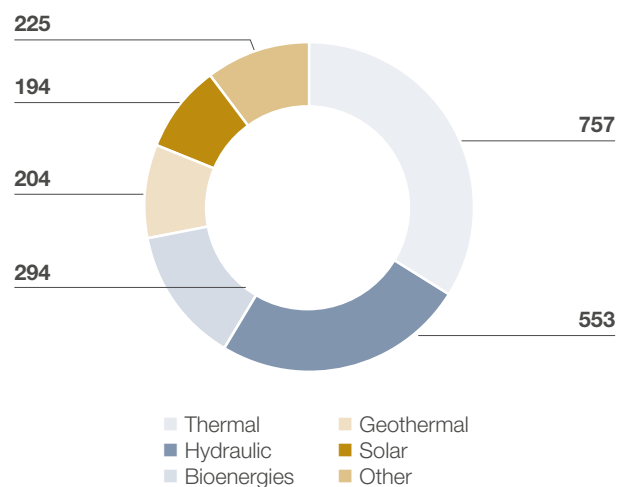
Recently elected President Nayib Bukele (of the centre-right GANA party) outlined the following intentions in his campaign platform:

- reaffirmation of the national target of a 100 % renewable energy mix (without a precise timeline);
- promotion of geothermal, photovoltaic (or solar) and hydro energy;
- increased presence of shade in rural and peri-urban areas.

Electricity generation capacity

The country is the leading producer of geothermal energy in central America. In 2019, the total installed capacity in El Salvador was 2,227 MW, with 757 MW of thermal capacity, 553 MW of hydro capacity, 294 MW of biomass capacity, 204 MW of geothermal capacity and 194 MWp of solar energy.

Installed capacity by technology (in MW)



Source: Consejo Nacional de Energía (CNE) - 2020 Report (2019 data)

According to the *Consejo Nacional de Energía* (CNE), the demand for electricity is expected to increase at an average rate of 2.2 % per year, to reach 7,964 GWh (+23 %) in 2030.

6. Argentina

Neoen was established in Argentina in 2017. At December 31, 2019, the Group's portfolio in Argentina consisted of:

- 2 solar projects for 208 MWp under construction;
- 1 office, located in Buenos Aires and a total of 5 employees.

Regulatory context

The Argentine government intends to increase the installed power generation capacity by 14 GW by 2025 compared to its 2017 level (36 GW). The current installed capacity is 39.7 GW.

In order to achieve this target, the government has implemented a number of measures, including:

- the launch of tenders for electricity generation capacities using renewable energies;
- the launch of tenders for hydro and thermal power generation capacities;
- the launch of tenders for the construction of new transmission capacities (power lines);
- tax incentives;
- an exemption, unlimited in time, from customs duties on solar modules.

In May 2016, the government launched a "RenovAr" tendering programme dedicated to the development of renewable energy facilities. A total capacity of 2,424 MW and 2,043 MW was awarded for RenovAr rounds 1 and 2, respectively.

In Round 3 of the so-called "MiniRen" programme - so named because of the reduced capacities it offers - nearly 260 MW of capacity was awarded in August 2019.

Lastly, the Argentine parliament voted resolution 281/2017 regulating the market of renewable energies (called "MATER" market) in 2017. This law compels large electricity consumers to purchase, via bilateral contracts with developers or with CAMMESA, a percentage of renewable electricity equivalent to national targets for renewable penetration. These national targets are:

- 12 % electricity generation from renewable electricity for 2019;
- 14 % electricity generation from renewable electricity for 2020;
- 16 % electricity generation from renewable electricity for 2021.

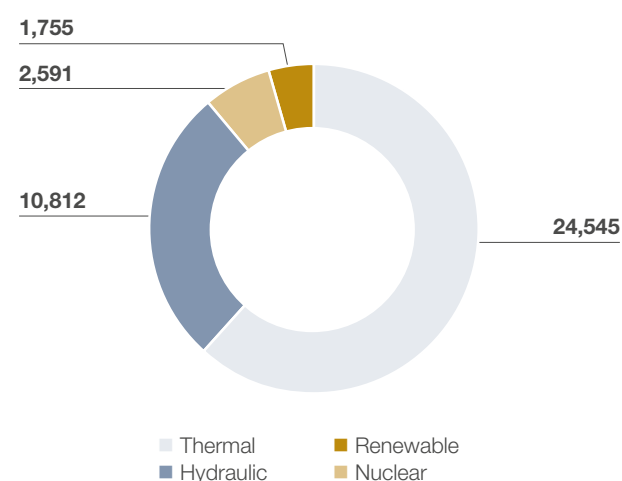
Alberto Fernandez, elected president of Argentina in the 2019 elections, has not announced any changes to energy policy guidelines.

Electricity generation capacity

At the end of 2019, total installed electrical capacity (39.7 GW) was composed of thermal (62 %), hydro (27 %), nuclear (4 %) and non-hydro renewable sources (7 %).

In its energy roadmap for 2025, the Argentine government aims to increase total installed capacity by 14.6 GW compared to 2017 (36 GW). This increase should be broken down as follows: +10 GW non-hydro renewable energies, +2.5 GW thermal capacity, +1.5 GW hydro capacity and +0.6 GW nuclear capacity.

Installed capacity by technology (in MW)



Source: CAMMESA (2019 data)

7. Mexico

Neoen was established in Mexico in 2013 and considers the country as an attractive market in which to expand its activities and asset portfolio due to the high carbon content of its energy mix and the importance of its renewable energy resources, which has the potential to produce green electricity at very competitive prices. At December 31, 2019, the Group's portfolio in Mexico consisted of:

- 1 solar project for 375 MWp under construction;
- 1 office, located in Mexico City and a total of 15 employees.

Macroeconomic context and data

Four factors have an impact on the electricity market:

- the rapid increase (4.3 % per year) in the demand linked to the country's economic growth;
- the 2013 energy reform liberalising the hydrocarbons and electricity markets;
- the segmentation of the *Comisión Federal de Electricidad* (CFE), the incumbent operator, into several independent entities;
- the opening up of electricity generation to competition and the creation of an independent network management and control operator (*Centro Nacional de Control de Energía*).

The reform in the energy sector has also resulted in setting new targets for the development of renewable energies:

- 30 % renewables in 2021 and 35 % in 2024 (as a proportion of the Mexican energy mix);
- 50 % of electricity generation from renewable sources by 2050.

To support its ambitions to increase the proportion of renewable energy in the energy mix, the Mexican government has implemented:

- a regulation allowing producers to enter into long-term bilateral contracts with private off-takers;
- the creation of clean energy certificates (*Certificados de Energía Limpia*), the objective of which is to increase the demand for electricity generated using clean technologies;
- the organisation of a series of public tenders leading to fixed-price and long-term PPAs.

Although he reaffirmed these quantified objectives, Andrés Manuel Lopez Obrador, president since December 2019, has at the same time given priority to strengthening the CFE. After the success of the first three public tenders, the President cancelled the fourth tender, the results of which were due shortly after he took office.

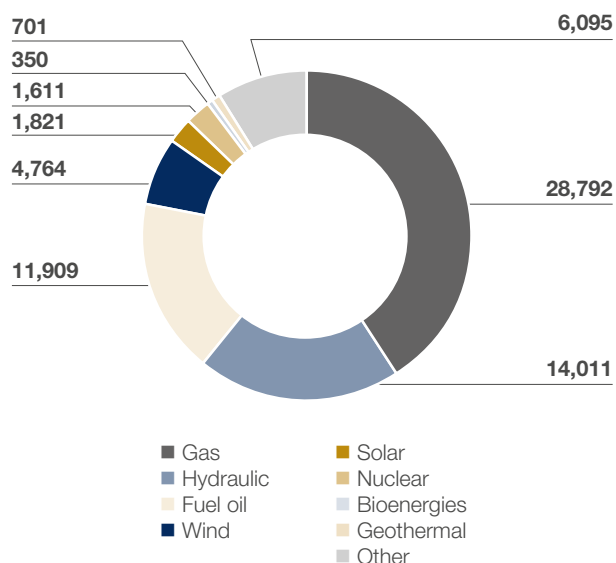
As a result, and in view of the high market prices of electricity and the country's large pool of renewable resources, many developers are now moving towards projects that are 100 % market-based or a mix of market-based and private-sector PPAs.

At the end of 2019, the Energy Ministry amended certain administrative provisions allowing the CFE to obtain CELs from its old power plants, contrary to the spirit of the energy reform. In response, private players in the sector have submitted massive legal challenges to this provision, which have been accepted by various courts and will take several months to be resolved.

Electricity generation capacity

In Mexico, electricity is currently mainly generated from fossil energy.

At the end of 2018, Mexico's total generation capacity was 70 GW for a demand of 318.2 TWh. Mexico is interconnected with the United States (905 MW of exports and 1.8 GW of imports), Guatemala (240 MW of imports and exports) and Belize (100 MW of exports).

Installed capacity by technology (in MW)

Source: Prodesen 2019 (2018 data)

B. OTHER NATIONAL MARKETS

(i) Jamaica

The 2015 Electricity Act supported Jamaican energy policy by reforming the regulations to privatise and modernise the national electricity market. Under this law, the Generation Procurement Entity (GPE) was established to be responsible for replacing old existing generation capacity with new capacity. The GPE, housed within the Ministry of Energy, operates in partnership with the regulator Office of Utilities Regulation (OUR), which previously carried this mandate, and the Jamaican Public Service (JPS), a private company providing the public power generation, transmission and distribution service. In October 2018, Prime Minister Andrew Holness raised the historic target of 20 % renewable capacity by 2020, and set a target for Jamaica's energy mix to include 30 % renewable electricity by 2030 and 50 % renewable energy from all sectors (including transport) by 2030.

To meet these objectives, two successive tenders were held in 2012 and 2015 for a total capacity of 152 MW. The publication of the new Integrated Resource Plan is expected, following which new tenders are expected to be launched.

The government developed a corpus of incentive policies in favour of renewable energy. As such, developers of renewable energy projects can benefit from tax exemptions on certain imports of renewable energy generation equipment as well on VAT.

In September 2019, the Jamaica Energy Counsel was re-established with the aim of addressing the subjects of “energy policy, energy efficiency and conservation, public communication, electricity, energy resource development (including all sources of energy, particularly renewable energy)”.

Some barriers to the increasing penetration of renewable energy in the energy mix are currently being addressed. The commissioning of a storage capacity of around 25 MW (lithium-ion battery and flywheel) in the second half of 2019, for example, has mitigated the problems of network instability noted by the Jamaican Public Service.

1.3.4 CUSTOMERS, SUPPLIERS AND GROUP'S CONTRACTS

1.3.4.1 CUSTOMERS

The electricity generated by Neoen is sold to a variety of entities. The vast majority of Neoen's direct customers are public actors (whether governments or government-controlled entities) and utilities (public or private). In addition to these customers, the Group sells a portion of its electricity to specialised energy companies, to private off-takers and on the spot market. As part of the development of its energy storage business, the Group also sells a number of ancillary services to grid operators and governments.

The following table shows a breakdown of the Group's contracted capacity in MW, based on its direct customers as of December 31, 2019:

Off-taker type	Capacity (in MW)	Capacity (in %)
Utilities	2,419	59%
Governments and state actors	1,029	25%
Corporate off-takers	254	6%
Market	420	10%
TOTAL	4,122	100%

The following table shows the Group's main clients, broken down by capacity in operation as of December 31, 2019:

Off-taker	Country	Capacity (in MW)	Capacity (in %)
EDF OA	France	675	37%
Australian Capital Territory (ACT)	Australia	317	17%
Simply Energy (Engie Group)	Australia	132	7%
Energy Australia	Australia	102	6%
Other (including markets)	-	621	34%
TOTAL		1,847	100%

As of December 31, 2019, the Group's four main purchasers, which together represented over 66 % of the total capacity in operation, had investment grade ratings at that date.

(i) Governments and state actors

At December 31, 2019, over 77 % of the Group's secured capacity (in MW) was being sold *via* agreements resulting from public tenders (and open window or regulated prices).

As numerous countries worldwide have increasingly sought to decarbonize their energy production and consumption, governments have been instrumental in taking the lead on stimulating investment in renewable energy. Governments and state actors tend to possess a more sophisticated understanding of the logistics and requirements of renewable energy sources and the authority to make decisions on the development of large-scale infrastructure. Historically and still today, public entities have resources and solvency guarantees that cannot be enjoyed by corporate off-takers, which the Group seeks for its counterparties.

In this way, although renewable energies are no longer subsidised in many markets because of price competitiveness, governments and State-owned entities remain key players and preferred customers in the field of renewable energies, notably because of their capacity to make long-term commitments.

(ii) Utilities

Depending on the market, utility customers may be state-owned or private.

In France, electricity is sold either directly to EDF OA which manages the power purchase agreements in the regulatory context of its purchase obligations, or to aggregators. In this situation, the Group signs a power purchase agreement including a "contract for difference" mechanism *via* which the Group sells electricity in the market *via* the aggregator and receives (or

pays, as applicable) a supplement from (or to) EDF OA covering the difference between the market price (spot market) and the benchmark price stipulated in the power purchase agreement.

In Australia, the Group sells its electricity directly in the market and signs a contract for difference with State-owned counterparties or with private electricity distribution companies in the sector, such as Simply Energy or Energy Australia.

(iii) Corporate off-takers

As the cost of renewable energy falls and corporates become more cognizant of its benefits, Neoen believes that an increasingly large market for private renewable energy off-take will develop. The use of renewable energy enables these companies to reduce their costs and reduce price risk for their electricity needs, in addition to improving their brand image. Although the proportion of corporate off-takers is limited compared to state counterparties, the Group believes that this proportion is likely to increase as the market develops. As such, the Group considers itself to be well placed to enter into relationships with these new customers due to its good positioning in the markets in which it operates as an independent producer of renewable energy, its develop-to-own model, which ensures that potential corporate off-takers have the same contact throughout the life of their electricity purchase contract and their significant experience with major corporate off-takers such as Google in Finland.

(iv) Spot market sales and short-term contracts

In some liberalised markets (Australia, Finland, France, Mexico, El Salvador), the Group supplements its PPA revenue, which forms the bulk of its overall revenue, with sales of energy in (i) spot markets, in particular in markets where electricity from its renewable assets is below grid parity and can be sold at a

significant profit or (ii) under short-term PPAs that may be entered into in advance of the start date of long-term PPAs, and which generally provide for fixed prices that exceed those for long-term PPAs. The Group sells electricity via spot market sales and short-term contracts for the following reasons:

Pre-COD revenues. Neoen generates revenue from certain of its plants' initial electricity production before the entirety of a given plant is fully operational. This is in particular the case for the Group's wind farms, where the wind turbines are progressively connected to the grid and where one or more wind turbines can start to generate electricity before the commercial operation date (COD) for the wind farm as a whole. During this period, the Group may sell on the spot market power generated by the wind turbines already commissioned, pending connection of the other installations. However, the relatively short construction lead times for the Group's plants tend to limit the amount of this revenue.

In addition, for strategic and scheduling reasons, the Group sometimes starts its off-take agreements after the theoretical commissioning date. This allows it to both make allowances for delays in construction deadlines, while taking advantage of the relative predictability of spot market prices for a given period before the off-take agreements takes effect, when the market price exceeds the price of the off-take agreement.

Supplementing PPA revenues The Group builds its power plants with optimal capacity adapted to the land, which sometimes exceeds the contractual capacity sold by over-the-counter contracts. The Group therefore supplements its contractual revenues by selling additional capacity on the market.

Furthermore, in certain markets, the Group derives additional revenue from the sale of green certificates (LGCs in Australia, CELs in Mexico), which can be combined with or separated from the sale of electricity. For example, a counterparty may wish to buy only the green certificates, in which case the energy will be sold on the market, or conversely, it may wish to buy only the electricity, in which case the certificates can be sold separately.

Deploying excess battery capacity In certain markets whose structure allows it, the Group provides services related to storage facilities, independent sources of revenue, described in section 1.3.2.3 "energy storage" of this document.

1.3.4.2 POWER PURCHASE AGREEMENTS

Neoen sells the electricity produced by its assets either (i) under PPAs with primarily public off-takers and utilities, with a limited number of private-party PPAs, (ii) on the spot market at market prices or under short-term contracts or (iii) bilateral spot sale agreements with respect to green certificates. The principal features of these arrangements are summarized below.

Power purchase agreements under the contract for difference scheme and open-window frameworks

The bulk of the Group's electricity sales are made pursuant to PPAs agreed after public tenders, offering a feed-in tariff for periods of between 15 years (French wind power) and 20 or even 25 years. However, as renewable energy has become increasingly competitive, an increasing number of the public tenders currently

being targeted by the Group involve the signature of contracts for difference. The Group's first project under a CFD-based PPA entered into operation at the end of the first half of 2018.

In the CFD regime, Neoen enters into a long-term PPA (typically with a duration of 20 years) with a set price (the "reference tariff") with a large, stable counterparty, such as EDF in France. Unlike FIT-based contracts, Neoen sells the electricity it produces under CFD-based contracts on the market instead of selling it directly to the PPA counterparty. Neoen sells electricity on the market through an electricity aggregator, who undertakes to sell the electricity produced by Neoen's assets in exchange for a fee per MWh for its services and as compensation for any market risk. In return, the aggregator pays Neoen for the electricity that the aggregator has sold that was produced by its assets. The counterparty within the contract for difference pays the Group the difference between the reference tariff and a benchmark market price, stated in €/MWh over a given month, referred to as the " M_0 " tariff.

In the event that the M_0 exceeds the reference tariff, the Group is obligated to pay the PPA counterparty the difference in price.

This contractual structure thus creates two distinct components of remuneration for the Group:

- revenue from electricity sales on the market (through an aggregator) at market prices; and
- revenue from the PPA counterparty under the CFD regime for the difference between the reference tariff and the market price for Neoen's electricity.

PPAs with CFD mechanisms provide Neoen with predictable, long-term revenues by effectively setting a price for the electricity produced by its assets, while introducing exposure to market functioning.

In addition to PPAs in connection with public tenders, the Group also enters into certain PPAs with CFD mechanisms through open-window frameworks for wind projects, in particular in France. The open-window system requires the government to pay additional compensation to producers whose projects meet predefined criteria in terms of costs, volumes and other technical specifications. However, the additional open-window compensation in France is currently available for low power projects only.

Privately negotiated power purchase agreements

The Group also enters into private PPAs with certain sophisticated off-takers, such as specialized energy companies or private off-takers with specific energy needs. These contracts are usually for a fixed capacity, at contractually defined prices, electricity produced is delivered directly or indirectly to the private PPA counterparty. The quantities of electricity delivered pursuant to such PPAs are generally less than for the large public tender projects that the Group usually targets. Such PPAs currently represent a relatively small percentage of the Group's portfolio in operation or construction. However, the Group aims to increase private electricity sales contracts in the coming years in order to up its revenues, reduce its dependence on electricity sales contracts signed with public counterparties and obtain greater flexibility in establishing price structures and conditions compared to public tenders.

Feed-in tariffs

Certain PPAs that the Group entered into in connection with past tenders or *via* the open-window framework submissions were based on the mandatory FIT mechanism (as of the date hereof, for the Group, exclusively in France). In FIT contracts, Neoen delivers electricity directly to an off-taker and is paid a reference price, set in advance under the tender or open-window framework, as applicable, for all of the electricity produced by Neoen's asset for the FIT contract, regardless of market price. FIT contracts were used as a means to encourage investment in renewable energy when it was relatively expensive to produce solar and wind power.

1.3.4.3 SIGNIFICANT CONTRACTS AND SUPPLIERS

The most important contracts signed by the Group consist of the contracts for difference, the power purchase agreements described above, the design, procurement and installation agreements (EPC agreements) and the operations and maintenance agreements (O&M agreements) and project financing agreements signed with multiple lenders described in section 2.3.2 "project financing".

The Group has numerous such contracts and is not dependent on any particular one. As indicated in section 2.3.2 "project financing", the Group finances its facilities *via* non-recourse financing only. In addition, as discussed in Section 1.3.2.2 (v) "operating assets", while it is not uncommon for the Group to engage in repeat business with certain EPCs, it nevertheless remains flexible from an industrial point of view and is able to select its O&M contractors and service providers on a project-by-project basis rather than signing master agreements. It therefore has limited dependence on any particular partner for EPC or O&M services. The Group has however indirectly signed significant contracts *via* its co-contractors on a case-by-case basis depending on the project.

1.3.4.4 MATERIAL CONTRACTS

As of the date of this Registration Document, no contract (aside from the contracts entered into in the ordinary course of business) containing provisions imposing a significant obligation on any of the Group's companies or commitments for the Group as a whole, has been entered into by the Company or any other Group entity, with the exception of the contracts described in section 1.3 "Neoen's business", in section 2.3 "financing and investments" and in section 8.4 "statutory auditors' special report on regulated agreements and commitments" of this document.

1.4 INTELLECTUAL PROPERTY

1.4.1 RESEARCH AND DEVELOPMENT

The Group's research and development (R&D) activity involves the implementation of large-scale pilot projects for technologies not previously engaged in by the Group, as well as the development of new projects (IT developments and additional equipment) and partnerships with companies active in the field of solar power innovation, storage or power forecasting. For each partnership, the applicable agreement provides for a joint approach to one or more projects but the Group's commitments remain circumscribed. The Group does not therefore finance specific searching out of R&D with the exception of the development costs for its solar, wind or storage projects. Finally, the Group takes account of technological innovation in its project developments in particular when such innovation is a criterion for selection in the framework of government or other tenders.

For example:

- in 2019, the Group launched projects in France and Australia involving meteorological forecasting in the framework of a solar power plant associated with a storage unit;
- with support from the State of South Australia, a feasibility survey has been launched on the potential for producing hydrogen and injecting it into the network;
- in the framework of the Hornsdale project in Australia, the Group has also financed the construction of a hydrogen production facility coupled with a refueling centre servicing a fleet of hydrogen-fueled vehicles.

Further, and albeit it is not directly an R&D activity, the Group has created its own competence center, comprising five persons in 2019, notably devoted to the identification and analysis of new

technologies capable of reducing the cost of energy produced and improving the yield of existing projects or the competitiveness of energy storage, and equally providing their expertise with regard to the Group's projects under development.

1.4.2 INTELLECTUAL PROPERTY RIGHTS

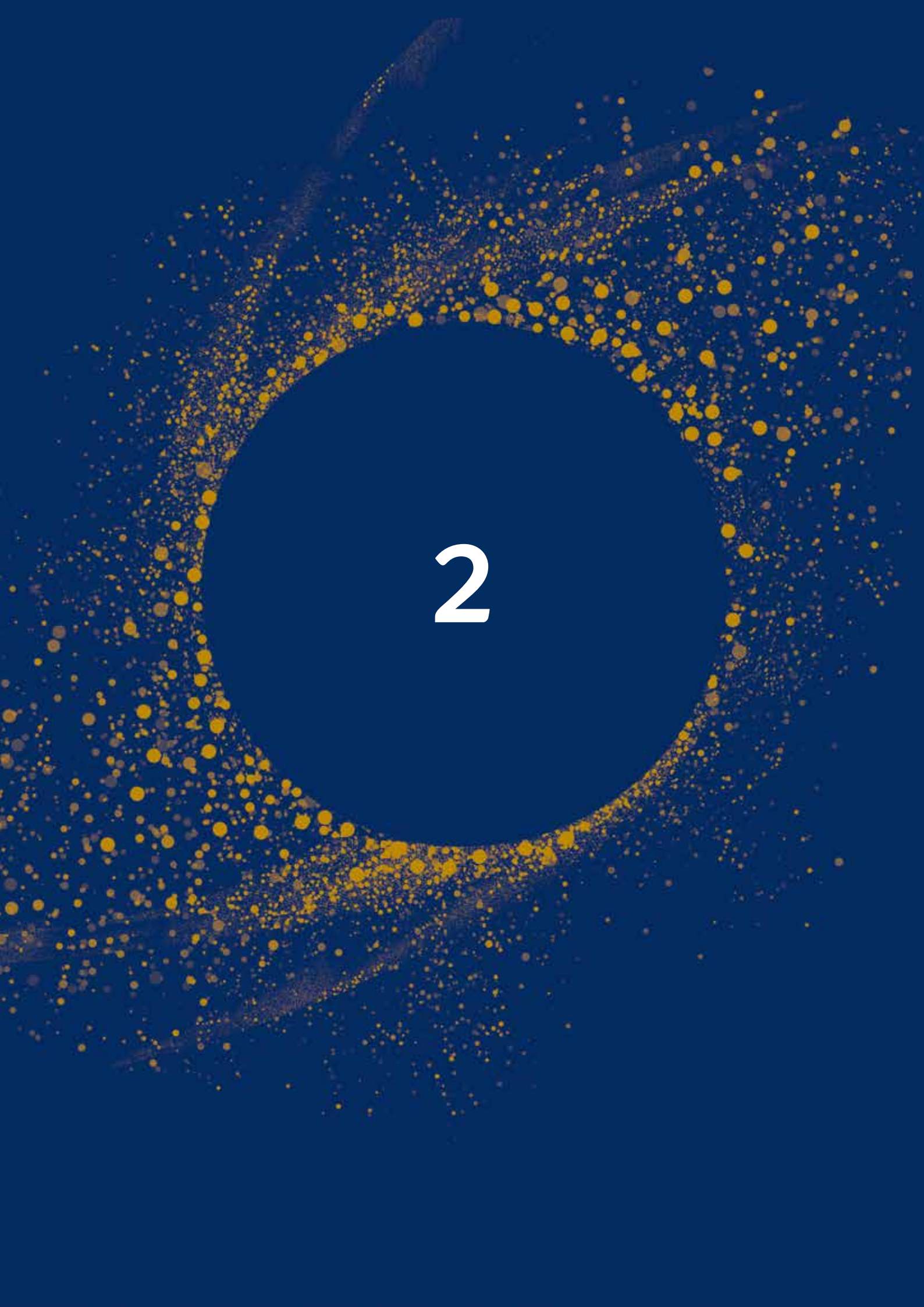
The Group's intellectual property rights mainly comprise the rights to distinctive signs such as brands and domain names, notably the verbal and semi-figurative brands "Neoen", "Neoen Renouvellement l'Énergie", "Neoen Renewing Energy" or "Neoen Développement" and the domain names including the "Neoen" denomination such as **www.neoen.com**, **www.neoen.eu** and **www.neoen.fr**.

Such intellectual property rights held by the Group have been registered, or are in the process of registration, in the main countries where the Group carries out its business in order to give them adequate protection. The verbal "Neoen" trademark has thus been registered in the European Union, Switzerland, the USA and Australia.

The verbal "Boundless energy" trademark has been registered in France, Australia, Ireland, Portugal and Mexico and is in the process of registration in El Salvador.

1.4.3 LICENSES

Group companies hold licenses for the information systems they use in the normal course of business; they do not hold any other significant intellectual property licenses.



2

BUSINESS REPORT

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2.1 ALTERNATIVE PERFORMANCE INDICATORS AND OPERATING DATA

2.1.1 NON-GAAP INDICATORS

The Group presents, in addition to the IFRS measures, several supplementary indicators including EBITDA, net debt and gearing ratio. These are not indicators provided for under IFRS and they do not carry standard definitions. Consequently, the definitions used by the Group may not correspond to the definitions of these same terms by other companies. The measures must not be used to the exclusion of, or as a substitution for, the IFRS measures. In particular, net debt must not be considered a substitute for the analysis of Neoen's gross financial debt or cash and cash equivalents as presented in accordance with IFRS. The tables below present these indicators for the periods stated, together with their calculations.

EBITDA reconciliation

(In millions of euros)	FY 2019	FY 2018 restated	Change	Change (in %)
Current operating income	135.9	106.0	+ 29.9	+ 28%
Current operating depreciation, amortization and provisions	(80.2)	(60.5)	+ 19.7	+ 33%
EBITDA⁽¹⁾	216.1	166.5	+ 49.6	+ 30%

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

Net debt

(In millions of euros)	12.31.2019	12.31.2018	Change	Change (in %)
Financial debt⁽¹⁾	2,414.6	1,690.8	+ 723.8	+ 43%
Non-controlling investors and others ⁽²⁾	(30.4)	(45.4)	+ 14.9	+ 33%
Adjusted financial debt	2,384.1	1,645.4	+ 738.7	+ 45%
Total cash and cash equivalents	(460.5)	(503.8)	+ 43.3	+ 9%
Guarantee deposits ⁽³⁾	(111.0)	(97.8)	- 13.2	- 13%
Derivative instruments assets – hedging effect ⁽⁴⁾	(2.0)	(5.8)	+ 3.9	+ 66%
Other receivables	(0.0)	(0.0)	+ 0.0	N/A
TOTAL NET DEBT	1,810.6	1,037.9	+ 772.7	+ 74%

(1) Essentially comprising project financing, the debt component of the so-called OCEANE convertible bond issue of 2019, interest rate hedging instruments with negative market values and lease liabilities included in net debt under IFRS 16 (note that EBITDA therefore excludes lease charges). Borrowings are detailed in section 4.1 (note 18.2 on net debt) and in paragraph 2.3.4 of this document.

(2) Notably comprising non-controlling shareholders' loans to project companies (or project holding companies). The fall over the period is attributable to the sale of the Group's biomass business (Caisse des dépôts et consignations had a €16.5 million shareholder loan balance with Biomasse Energie Commeny). The impacts of the sale are detailed in section 4.1 of this document – note 10 on discontinued operations.

(3) Mainly comprising deposits in the framework of project financing, in the form of DSRAs (debt service reserve accounts) or for the purposes of project construction. The increase over the period is mainly attributable to a deposit in the framework of financing the construction of solar power plants in Argentina.

(4) Interest rate hedging instruments with positive market values. Instruments with negative market values are included in total borrowings (see section 4.1 of this document – note 18.2 on net debt).

Gearing ratio

The table below presents the gearing ratio at the dates indicated. This is the ratio between net debt and EBITDA (calculated over the last 12 months).

	12.31.2019	12.31.2018 restated
Gearing ratio	8.4x	6.2x

2.1.2 INFORMATION ON KEY OPERATING DATA

	12.31.2019	12.31.2018 restated	Changes
Total MW in operation ^{(1) (2)}	1,847	1,478	+369
Europe-Africa	813	624	+189
Australia	881	753	+128
Americas	152	101	+51
Total MW under construction ⁽¹⁾	1,193	764	+429
Europe-Africa	203	227	-24
Australia	264	342	-78
Americas	726	195	+531
Total MW for projects awarded ⁽¹⁾	1,082	899	+183
TOTAL MW FOR THE SECURED PORTFOLIO	4,122	3,141	+981

Total MW for tender-ready and advanced development projects ⁽¹⁾	12.31.2019	12.31.2018 restated	Changes
Europe-Africa	2,241	1,244	+997
Australia	2,287	1,668	+619
Americas	2,001	1,613	+388
TOTAL MW FOR THE ADVANCED PIPELINE	6,529	4,525	+2,004
Total portfolio	10,651	7,665	+2,986
<i>Early stage projects</i>	> 4 GW	> 4 GW	

(1) For a definition of the various stages of development of the Group's projects, please refer to the glossary included in section 9.6 of this document.

(2) Capacity restated for the biomass business sold in September 2019.

	12.31.2019	12.31.2018 restated	Changes
Production (MWh) ⁽¹⁾	2,982	2,164	+ 38%
Average availability of facilities in operation			
• solar power (%)	98.4%	98.9%	– 0.5 pt
• wind power (%)	99.0%	99.0%	-
Average load factor ⁽²⁾ for facilities in operation			
• solar power (%)	18.8%	17.8%	+ 1 pt
• wind power (%)	33.6%	33.3%	+ 0.3 pt
Residual duration of electricity supply contracts			
• solar power (years, weighted by MW)	14.7	15.3	– 0.6
• wind power (years, weighted by MW)	14.7	16.4	– 1.7

(1) Production restated for the biomass business sold in September 2019.

(2) The load factor is the equivalent time (as a percentage of the period observed) during which grid injection at maximum power would produce the same quantity of energy as that supplied by the facility.

2.2 ANALYSIS OF OPERATIONS AND RESULTS

2.2.1 KEY EVENTS OF THE PERIOD

2.2.1.1 DYNAMIC PORTFOLIO GROWTH

Capacity in operation or under construction at December 31, 2019 came to over 3 GW, or a near-800 MW increase compared to year-end 2018. Close to 370 MW in capacity was added in 2019 across the Group's three geographical regions. In addition, Neoen launched the construction of 745 MW in new capacity and had 1.2 GW in assets under construction at year-end 2019 across the Americas (61 %), Australia (22 %) and Europe-Africa (17 %).

The secured portfolio had 4.1 GW in capacity at year-end 2019, up 981 MW compared to year-end 2018. Neoen won close to 1 GW in new projects during 2019, including 563 MW during the fourth quarter:

- The Group has signed a PPA with a utility for a solar contract with a capacity of 352 MWp;
- In addition, Neoen acquired a 49 % interest in a 180 MWp solar farm under development at Rio Maior in Portugal. This solar farm holds a 15-year power purchase agreement with the Portuguese government.

These projects are the latest in a string of successes achieved by the Group since the beginning of 2019. It won contracts in government calls for tenders in France (88 MWp in total capacity) and in Portugal (65 MWp), the Metoro solar farm in Mozambique (41 MWp) and also the extension to the Hornsdale Power Reserve battery (50 MW – 64.5 MWh) in Australia, which are already under construction. It also signed a second power purchase agreement with Google in Finland (130 MW).

The total portfolio's capacity totaled 10.7 GW at December 31, 2019. It again grew very substantially, increasing by close to 3 GW compared to December 31, 2018.

2.2.1.2 REFINANCING OF ARENA SOLAR SCOPE

On June 6, 2019, the Group finalized its refinancing of the debts for the Arena (Australian Renewable Energy Agency) Solar scope, including the Parkes, Griffith and Dubbo power plants, for an amount of 143.8 million Australian dollars with a maturity in 2036, thereby both reducing the Group's effective borrowing rate and extending the period of repayment.

In accordance with the principles set out in IFRS 9, the Group has recognized €5.9 million in its 2019 financial statements under other financial income and expenses in respect of this refinancing (see section 4.1 of this document – note 18.1 “net financial result”).

2.2.1.3 FREE SHARE ALLOCATION PLAN

On July 10, 2019, the Board of Directors decided to allocate 297,000 free shares in Neoen S.A. to certain Group employees. The shares are subject to a vesting period of 3 years, to the requirement for the beneficiaries to be still present within the Group at the end of that period and to achievement of the performance goals set by the Board of Directors (notably in the form of financial and development objectives) in the plan document.

2.2.1.4 ACQUISITION OF WIND FARMS IN IRELAND

On August 1, 2019, the Group announced the acquisition of eight wind farms already in operation in Ireland, with cumulative capacity of 53.4 MW, for total cash consideration of €25.8 million. In accordance with IFRS 3R, Business Combinations, Neoen has

recognized the acquisition of the portfolio of assets as a business combination giving rise to the recognition of provisional goodwill of €0.7 million (see section 4.1 of this document – notes 3.4 “changes in scope” and 11.1 “goodwill”).

2.2.1.5 SALE OF THE BIOMASS BUSINESS

On September 4, 2019, the Group sold its Commentry cogenerating unit and its biomass procurement subsidiary, for total consideration of €37 million including €26.8 million for Neoen as the plant's main shareholder. The sale has marked Neoen's withdrawal from its biomass business reflecting its choice to focus on its core businesses namely solar power, wind power and storage.

The €21.3 million capital gain arising on the sale has been classified as part of results for discontinued operations in the consolidated income statement for 2019 (see section 4.1 – note 10 “discontinued operations” and paragraph 2.2.3 on the restatement of comparative information of this document).

2.2.1.6 NEW CONTRACT WITH GOOGLE IN FINLAND

In September 2019, Neoen signed a new power purchase agreement with Google in Finland for a capacity of 130 MW. The electricity will be produced by the future Mutkalampi wind farm, 80 % owned by Neoen and 20 % by Prokon Finland, the construction of which is expected to start in 2021 for a commissioning at the end of 2022. This is the second green electricity purchase agreement signed in Finland with Neoen by Google, following the contract signed a year ago for 81 MW (the Hedet wind farm).

2.2.1.7 BOND ISSUE

On October 7, 2019 Neoen successfully completed, for the benefit of qualified investors, an issue of so-called “OCEANE” bonds convertible into and/or exchangeable for new or existing Neoen shares. The bonds mature on October 7, 2024. The issue was for a gross amount of about €200 million. The bonds bear interest from their date of issue at the annual rate of 1.875 %. The net amount of the issue has been allocated to the Group's general requirements and is intended in particular to finance its development with a view to achieving the Group's targeted capacity of more than 5 GW under construction or in operation by the end of 2021, whilst at the same time optimizing its balance sheet in accordance with the Company's published objective of average gearing of about 80-85 % of capital employed on an all-in basis including the entirety of the Group's debt, corporate and project.

In accordance with IAS 32, the issue has been accounted for as a composite instrument with a debt component (the bond without its conversion option) amounting, excluding expenses, to about €180 million and an equity component (the conversion option) amounting to almost €20 million (see section 4.1 of this document – notes 16 “shareholders' equity and details of dilutive instruments” and 18.2 “net debt”). The debt component's effective interest rate amounts to 4.27 %.

2.2.1.8 EXTENSION OF THE HORNSDALE POWER RESERVE IN AUSTRALIA, THE WORLD'S LARGEST STORAGE FACILITY

On November 19, 2019 Neoen announced a 50 % extension in power (50 MW) and storage capacity (64.5 MWh) for its Hornsdale Power Reserve (HPR) facility in South Australia. The extension, the construction of which will be completed during the first half of 2020, will be the first grid-linked battery in Australia enabling the national electricity market to reap the benefits of inertial storage, thereby accelerating the integration of renewable energies for electricity production.

2.2.1.9 REFINANCING OF NEOEN PRODUCTION 1 SCOPE

On December 4, 2019 the Group refinanced, at the level of its Neoen Production 1 holding company, the project finance debt for 13 French solar and wind power plants for an amount of €169.5 million, with a maturity in 2036, thereby pooling the risks associated with the project portfolio and obtaining the benefit of more favorable financing terms and conditions.

As of December 31, 2019, and in accordance with the principles set by IFRS 9 in the context of a substantial modification, the Group derecognized its previous debt resulting in a repayment of €145.1 million (see section 4.1 of this present document – note 18.2 “net debt”). In addition, €6.8 million of issue costs and penalties for repayment penalties of the previous debt were also recognized in financial expenses of the period.

2.2.1.10 SHARE CAPITAL INCREASES

During the first half of 2019, the Company's share capital was increased to €170,099,996 by reason of the exercise of 92,500 share subscription options with a strike price of €4.00, whence total proceeds of €370,000 including €185,000 of additional paid-in capital.

During the second half of 2019, the Company's share capital was increased to €170,177,496 by reason of the exercise of 38,750 share subscription options with a strike price of €4.00, whence total proceeds of €155,000 including €77,500 of additional paid-in capital (see section 4.1 – note 16 on shareholders' equity and details of dilutive instruments and section 4.3 – note 2 on the company's activities and key events of the year).

2.2.1.11 GROUP'S EXPOSURE TO ARGENTINA

As of December 31, 2019, the contribution of the Group's Argentinian entities to its consolidated balance sheet amounted to €238.0 million notably including:

- €163.6 million of intangible assets and property, plant and equipment;
- €57.6 million of cash and cash equivalents;
- €131.7 million of project financing.

In addition, to guarantee Neoen's commitments in respect of its Altiplano project, its banks had issued guarantees in the form of letters of credit of which 38.6 million US dollars were in force as of December 31, 2019 (amount reduced by 9.8 million US dollars at the date of this document) and were covered by 28.9 million US dollars of cash deposits by the Group (amount reduced by 7.3 million US dollars at the date of this document). Neoen had also signed 55 million US dollars of counter-guarantees for performance guarantees issued by an insurance company for the benefit of project companies and in the framework of long-term PPAs signed with CAMMESA, the administrator of Argentina's electricity market, the extinction of which is provided for contractually 6 months after plants' commercial operation date (COD).

The loss in value of the Argentine peso against the US dollar, which is the functional currency of the Group's Argentinian entities, following the results of the country's primary and presidential elections and the implementation of a form of foreign exchange control by the Argentinian authorities, has generated foreign exchange losses mainly relating to peso-denominated VAT credits which have impacted the Group's consolidated results with the recognition of 3.8 million US dollars of unrealized foreign exchange losses for its Argentinian exposure in respect of 2019.

Finally, the rules implemented by Argentina's Central Bank during the second half of 2019, and aimed at restricting corporate and individual access to foreign currencies as a means of impeding further devaluation of the Argentine peso (ARS) against the US dollar (USD), have had the consequence, as of the date of publication of the Group's consolidated financial statements, of substantially restricting the scope for purchasing dollars in Argentina's foreign currency markets for the purpose of (i) repayment of the USD-denominated shareholders' current account balances for the benefit of the Altiplano project (amounting to 74.4 million US dollars, including 6.2 million US dollars of accrued interest, as of December 31, 2019) and (ii) the payment of dividends. The restrictions do not however affect the debt service payments for USD-denominated debt (repayment of principal and payment of interest) for the benefit of foreign lenders to the project.

As the project is currently still under construction, the restrictions have as yet had no immediate impact on the Group, but they would nevertheless be liable to affect its future capacity to repatriate cash from the project should they still apply after its entry into operation.

2.2.2 COMMENTS ON OPERATIONS

The consolidated statement of income for 2019 and 2018 is presented and analyzed at two levels in respect of revenues, EBITDA and current operating income: a Group overview followed by segment analysis in terms of geography (Europe-Africa, Australia and the Americas) and of operating segments (wind power, solar power and storage plus development-investment and operating eliminations).

Operating income, net financial expense and other components of consolidated net income are the subject of global analysis.

Given the nature of its business and its geographical outreach, the Group's results are affected by foreign currency fluctuation. For analysis of the Group's exposure to foreign currency risk, see section 3.1.3 of this document.

The reference to changes in revenues or EBITDA at "constant rates of exchange" (cre) means that the impact of changes in foreign exchange rates has been adjusted by recalculating the various components of the applicable aggregate on the basis of the foreign exchange rates prevailing during the previous year.

The Group's consolidated financial statements for the year ended December 31, 2019 have been audited by the Company's statutory auditors and are presented in their entirety in section 4 of this document.

2.2.2.1 KEY FIGURES

(In millions of euros)	FY 2019	FY 2019 (cre)	FY 2018 restated	Change (cre)	Change (cre) (%)	Change	Change (%)
Revenues	253.2	254.4	207.0	+ 47.4	+ 23%	+ 46.2	+ 22%
• Of which: Energy sales under contract	214.7	215.2	173.9	+ 41.3	+ 24%	+ 40.7	+ 23%
• Of which: Energy sales in the market	32.7	33.2	27.8	+ 5.4	+ 19%	+ 4.8	+ 17%
• Of which: Other revenues	5.9	5.9	5.3	+ 0.6	+ 11%	+ 0.6	+ 12%
EBITDA ⁽¹⁾	216.1	217.2	166.5	+ 50.7	+ 30%	+ 49.6	+ 30%
• EBITDA margin	85%	85%	80%				
Current operating income	135.9	136.6	106.0	+ 30.6	+ 29%	+ 29.9	+ 28%
Operating income	131.9	132.7	99.9	+ 32.8	+ 33%	+ 32.0	+ 32%
Net financial result	(87.0)	(87.0)	(69.8)	- 17.2	- 25%	- 17.2	- 25%
Net income from continuing operations	21.2	21.4	14.3	+ 7.1	+ 50%	+ 6.9	+ 48%
Net income from discontinued operations	15.8	15.8	(0.8)	+ 16.6	N/A	+ 16.6	N/A
CONSOLIDATED NET INCOME	37.0	37.2	13.5	+ 23.7	+ x1.8	+ 23.5	+ x1.7
• Of which: Group share of net income	36.0	36.2	12.4	+ 23.8	+ x1.9	+ 23.6	+ x1.9
Net debt	1,810.6	NC	1,037.9	N/A	N/A	+ 772.7	+ 74%
Gearing ratio	8.4x	NC	6.2x	N/A	N/A		

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

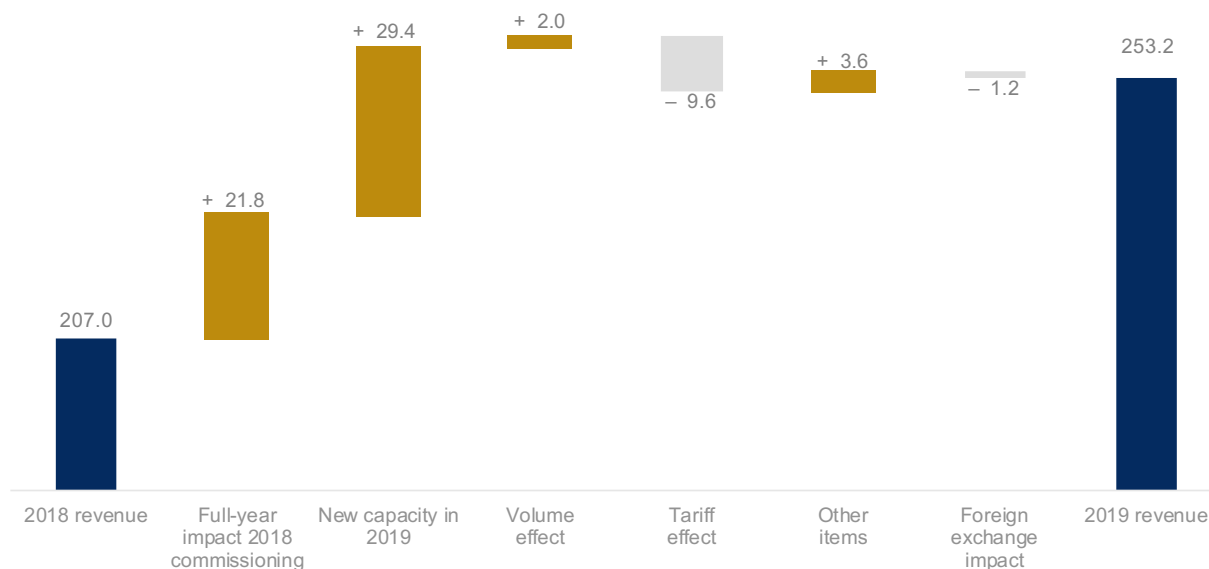


2.2.2.2 EVOLUTION OF REVENUES AND EBITDA

The Group's consolidated revenues and EBITDA have evolved as follows between 2018 and 2019 (the data are expressed in millions).

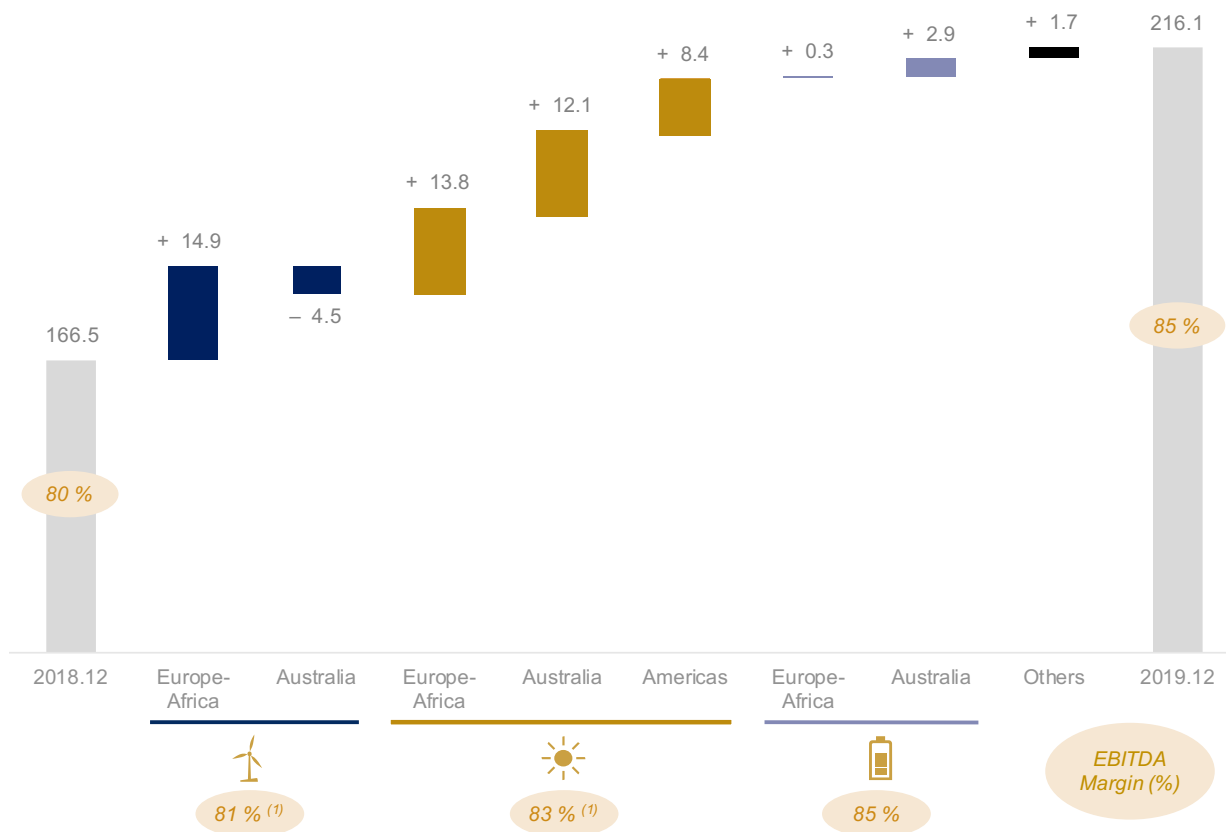
Evolution of revenues

(In millions of euros)



Evolution of EBITDA

(In millions of euros)



(1) Standard EBITDA margin excluding penalties for late delivery (liquidated damages) received from the contractors for certain solar and wind power projects.

2.2.2.3 SEGMENT RESULTS

Following the sale on September 4, 2019 of Biomasse Energie Commentry and Neoen Biosource, composing the Group's biomass segment in 2018, that segment has been included in operations discontinued or held for sale (see paragraph 2.2.1.5 of this document for details of the sale). Its contribution is separately described in paragraph 2.2.2.4 "net income from discontinued operations" and in note 10 "discontinued operations" of section 4.1 of this present document.

Segment results for 2018 and 2019 are thus presented for each of the Group's operating segments: wind power, solar power, storage, development-investment and eliminations (with appropriate adjustment of the comparative period).

(In millions of euros)

	Revenue				EBITDA ⁽¹⁾				Current operating income			
	FY 2019	FY 2018 restated	Change	Change (in %)	FY 2019	FY 2018 restated	Change	Change (in %)	FY 2019	FY 2018 restated	Change	Change (in %)
Europe-Africa												
• Wind power	47.6	29.4	+ 18.2	+ 62%	37.9	23.0	+ 14.9	+ 65%	19.4	10.8	+ 8.6	+ 80%
• Solar power	53.2	39.9	+ 13.3	+ 33%	47.6	33.8	+ 13.8	+ 41%	30.0	20.0	+ 10.0	+ 50%
• Storage	0.4	-	+ 0.4	-	0.3	(0.0)	+ 0.3	-	0.1	(0.0)	+ 0.1	-
• Total	101.2	69.3	+ 31.9	+ 46%	85.9	56.8	+ 29.1	+ 51%	49.5	30.9	+ 18.6	+ 60%
• As a %	40% (4)	33% (4)			85% (5)	82% (5)			49% (6)	45% (6)		
Australia												
• Wind power	63.5	79.2	- 15.7	- 20%	64.3	68.8	- 4.5	- 7%	45.6	50.3	- 4.7	- 9%
• Solar power	45.3	24.0	+ 21.3	+ 89%	44.1	32.0	+ 12.1	+ 38%	25.6	22.0	+ 3.6	+ 16%
• Storage	20.1	17.9	+ 2.2	+ 12%	17.1	14.2	+ 2.9	+ 20%	11.9	8.9	+ 3.0	+ 34%
• Total	128.8	121.1	+ 7.7	+ 6%	125.5	115.0	+ 10.5	+ 9%	83.2	81.2	+ 2.0	+ 2%
• As a %	51% (4)	59% (4)			97% (5)	95% (5)			65% (6)	67% (6)		
Americas												
• Solaire	20.6	16.4	+ 4.2	+ 26%	20.0	11.7	+ 8.3	+ 71%	14.1	7.3	+ 6.8	+ 93%
• Total	20.6	16.4	+ 4.2	+ 26%	20.0	11.7	+ 8.3	+ 71%	14.1	7.3	+ 6.8	+ 93%
• As a %	8% (4)	8% (4)			97% (5)	71% (5)			68% (6)	45% (6)		
Development-Investment and Eliminations												
• Development-investment ⁽²⁾	64.9	63.1	+ 1.8	+ 3%	(4.5)	10.9	- 15.4	- x1.4	(7.4)	9.7	- 17.1	- x1.8
• Eliminations ⁽³⁾	(62.4)	(63.0)	+ 0.6	- 1%	(10.7)	(27.9)	+ 17.2	+ 62%	(3.5)	(23.1)	+ 19.6	+ 85%
Total	2.5	0.1	+ 2.4	+ x24	(15.2)	(17.0)	+ 1.8	+ 11%	(10.9)	(13.4)	+ 2.5	+ 19%
TOTAL	253.2	207.0	+ 46.2	+ 22%	216.1	166.5	+ 49.6	+ 30%	135.9	106.0	+ 29.9	+ 28%
• Of which: wind power	111.1	108.6	+ 2.5	+ 2%	102.2	91.8	+ 10.4	+ 11%	65.0	61.1	+ 3.9	+ 6%
• Of which: solar power	119.1	80.4	+ 38.7	+ 48%	111.8	77.4	+ 34.4	+ 44%	69.7	49.4	+ 20.3	+ 41%
• Of which: storage	20.5	17.9	+ 2.6	+ 15%	17.4	14.2	+ 3.2	+ 23%	12.1	8.9	+ 3.2	+ 36%

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

(2) Revenue for this segment essentially comprises sales of services to other Group entities (eliminated on consolidation with the exception of amounts billed to related parties and other entities not fully consolidated), but also includes sales of services to third parties.

(3) The eliminations mainly relate to services billed by Neoen S.A. to its project companies for the development, supervision and administration of power facilities, as well as development costs capitalized in accordance with IAS 38.

(4) The percentages are the contribution of each geographical zone to the Group's revenues.

(5) The percentages reflect EBITDA margin by geographical zone.

(6) The percentages reflect current operating margin by geographical zone.

Revenue

The Group's consolidated revenues amounted to €253.2 million in 2019, a rise of +€46.2 million or +22 % compared to 2018 at constant scope, fueled by all the Group's operating and geographical segments and mainly by the full-year contribution of assets which entered service in 2018 and by the proportional impact of the new facilities which commenced operation in 2019. Assuming constant exchange rates, the increase amounts to +23 % producing a total of €254.4 million.

The solar power segment is the Group's foremost revenue contributor with 47 % of Neoen's consolidated revenues for 2019 compared with 39 % for 2018. The segment revenues amounted to €119.1 million, a rise of +€38.7 million or +48 % compared to 2018, thanks to the contribution of the facilities for which operations start in 2018, in particular in Australia, and of those operation start in 2019 in Australia, Zambia, Jamaica and France.

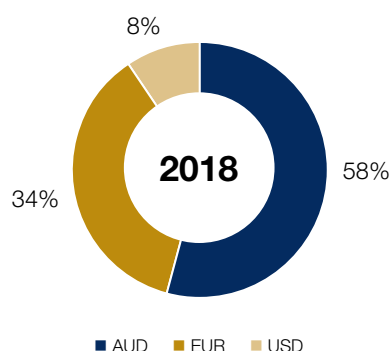
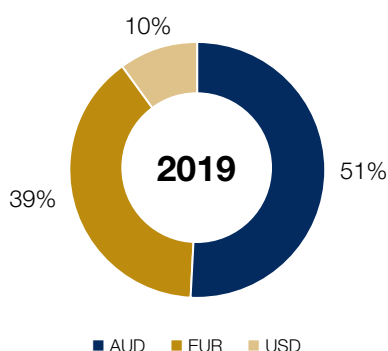
The wind power segment represents 44 % of consolidated revenues against 52 % in 2018. The segment revenues amounted to €111.1 million, a rise of +€2.5 million or +2 % over 2018. During the period, the segment has reaped the benefit of assets which started to operate in 2018 and 2019, as well as of positive wind resources in Europe throughout the year, but has been penalized by unfavorable wind conditions in Australia, in particular during the third quarter, and by a fall in the average electricity selling price for certain Australian wind farms which had temporarily benefited from short-term energy sales before the entry into force of long-term power purchase agreements (PPA).

The storage segment discloses revenues of €20.5 million and growth of +€2.6 million or +15 % thanks in particular to the sale of Frequency Control Ancillary Services or FCAS in Australia where specific market conditions applied in particular during the fourth quarter of 2019. Storage represents 8 % of consolidated revenues in 2019 (9 % in 2018).

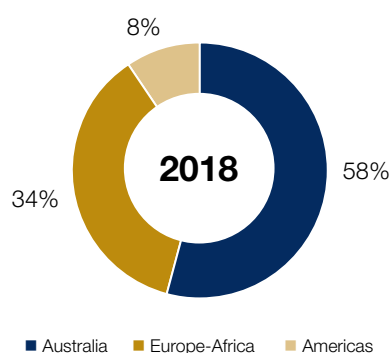
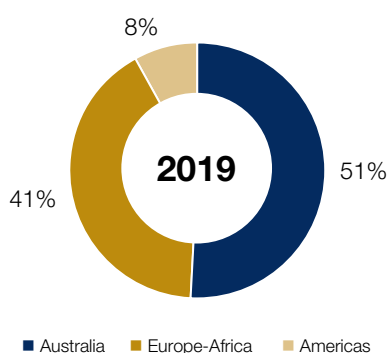
The development-investment and eliminations segments represent consolidated revenues of €2.5 million in 2019 against €0.1 million in 2018, an increase of +€2.4 million mainly attributable to increased service billings to third parties.

Australia remains the Group's main revenue contributor in 2019 but its share of the total has fallen (from 58 % in 2018 to 51 % in 2019) given the strong growth for Europe-Africa (41 % of consolidated revenues in 2019 compared with 34 % in 2018), the direct consequence of the significant increase in the capacities entering service in 2018 and 2019. The share of the Americas has remained stable at 8 %.

Revenue breakdown by currency



Revenue breakdown by geographic area



EBITDA

In 2019, consolidated EBITDA reached €216.1 million (€217.2 million assuming constant foreign exchange rates), up by +€49.6 million or +30 % compared to 2018 at constant scope, essentially reflecting overall growth for the Group's activities and geographical zones with the exception of wind power in Australia whose EBITDA contribution fell by -€4.5 million notably reflecting unfavorable wind conditions, in particular during the third quarter, and a fall in the average electricity selling price for certain wind farms which had temporarily benefited from short-term energy sales before the entry into force of long-term power purchase agreements (PPA). EBITDA margin amounted to 85 % in 2019 compared to 80 % in 2018.

The solar power segment discloses EBITDA of €111.8 million, a rise of +€34.4 million or +44 % compared to 2018 essentially reflecting the business growth of the period (see the revenue analysis above) which was common to all geographical zones. In 2019, the EBITDA margin reached 94 % against 96 % in 2018. The fall was mainly attributable to the recognition in 2019 of a lower proportion compared to the segment revenue of contractual compensation for the revenue losses associated with delays in the entry into service of certain projects (liquidated damages).

The wind power segment discloses EBITDA of €102.2 million, an increase of +€10.4 million or + 11 % compared to 2018, under the notable impact of the strong growth observed in Europe-Africa as a direct consequence of the assets which

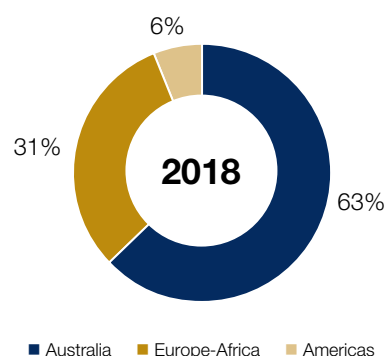
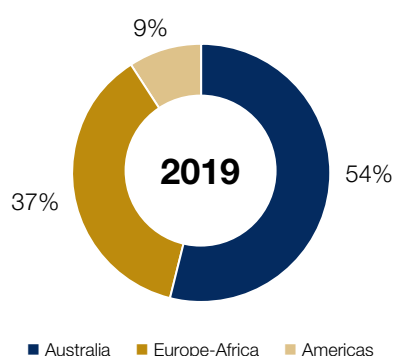
started to operate in 2018 and during 2019 (see the revenue analysis above), plus the favorable impact associated with the recognition of contractual compensation for the revenue losses associated in 2019 with delays in the entry into service of certain projects and included as part of other consolidated operating income. EBITDA margin for the segment thus amounted to 92 % in 2019 compared to 85 % in 2018.

The storage segment discloses EBITDA of €17.4 million in 2019, growing by +€3.2 million or +23 %. EBITDA margin amounted to 85 % in 2019 compared to 79 % in 2018, a direct result of the revenue growth enabling improved cover for operating costs (see the revenue analysis above).

The development-investment and eliminations segments disclose an EBITDA contribution of -€15.2 million in 2019, against €17.0 million in 2018.

As for revenues, Australia remained the Group's main EBITDA contributor in 2019 but its share of the total fell from 63 % in 2018 to 54 % in 2019 as a direct consequence of the strong growth in Europe-Africa (37 % of consolidated EBITDA in 2019 against 31 % in 2018). The share of the Americas amounted to 9 % of the total in 2019 against 6 % in 2018.

EBITDA breakdown by geographic area



Current operating income

The Group's consolidated current operating income amounts to €135.9 million in 2019, a rise of +€29.9 million or +28 %. The change is very largely due to the growth in EBITDA (+€49.6 million or +30 %) partially offset by the progression in depreciation and amortization (+€19.7 million) attributable to the growth in the number of assets in operation, the consequence of the full-year impact of the entries into service of 2018 and of the proportional impact of the entries into service of 2019 (see the EBITDA analysis above).

The solar power segment discloses current operating income of €69.7 million, a rise of +€20.3 million or 41 % compared to 2018 essentially reflecting the +44 % increase in EBITDA (see the EBITDA analysis above) partially offset by the additional depreciation and amortization directly attributable to the entries into service of 2018 and 2019.

The wind power segment discloses current operating income of €65.0 million, up by +€3.9 million or +6 % compared to 2018 essentially reflecting the +11 % increase in EBITDA partially offset by the additional depreciation and amortization directly attributable to the entries into service of 2018 and 2019.

The storage segment discloses current operating income of €12.1 million in 2019, up by +€3.2 million or +36 % directly reflecting the +€3.2 million or +23 % increase in EBITDA for this segment over the period (see the EBITDA analysis above), within a context of depreciation and amortization stability since no significant entry into service was recorded in 2019.

The development-investment and eliminations segments contributed -€10.9 million to consolidated current operating income in 2019 compared with -€13.4 million in 2018.

2.2.2.4 ANALYSIS OF THE OTHER CONSOLIDATED INCOME STATEMENT ITEMS

From current operating income to operating income

<i>(In millions of euros)</i>	FY 2019	FY 2018 restated	Change	Change (in %)
Current operating income	135.9	106.0	+ 29.9	+ 28%
Other non-current operating income and expenses	(5.5)	(7.6)	+ 2.1	+ 28%
Impairment of non-current assets	1.5	1.5	-	-
Operating income	131.9	99.9	+ 32.0	+ 32%
Impact of foreign exchange rate fluctuation	0.8	-	N/A	N/A
Operating income at constant foreign exchange rate	132.7	99.9	+ 32.8	+ 33%

Current operating income

Current operating income is analyzed in paragraph 2.2.2.3 of this document.

Other non-current operating income and expenses

Other non-current operating income and expenses amount to -€5.5 million, improving by +€2.1 million or +28 % over 2018, and may be broken down as follows:

(In millions of euros)	FY 2019	FY 2018 restated	Change	Change (in %)
Prior period development costs ⁽¹⁾	(2.4)	(4.1)	+ 1.7	+ 41%
Gains and losses on disposal of assets ⁽²⁾	(0.6)	0.5	- 1.1	- x2.2
Other non-recurrent items ⁽³⁾	(2.5)	(4.0)	+ 1.6	+ 39%
TOTAL OTHER NON-CURRENT OPERATING INCOME AND EXPENSES	(5.5)	(7.6)	+ 2.1	+ 28%

(1) Prior period development costs for which the Group, following external events beyond its control, believes the criteria for capitalization provided for by IAS 38 are no longer met, are recognized in non-current operating expenses of the period (see section 4.1 – notes 8 and 11.2).

(2) Mainly including the -€0.5 million impact of the disposal of the Biomasse Energie (Montsinéry) project in 2019 (see section 4.1 – note 8).

(3) In 2019, the other non-recurring items are mainly -€1.5 million for the scrapping of offshore wind power surveys following the liquidation of Neoen Marine Développement and -€0.8 million of acquisition costs for wind farms in Ireland (see section 4.1 – note 8). In 2018, the line item essentially included -€3 million of costs for the Company's Initial Public Offering (IPO).

Impairment of non-current assets

In 2019, the €1.5 million reduction in impairment of non-current assets mainly reflects the reversal of Neoen Marine Développement's impairment allowance against marine surveys following the company's liquidation (see section 4.1 - note 8 "non-current operating items").

Operating income

Given the aforementioned factors, the Group's consolidated operating income increased by +€32 million or +32 % from €99.9 million in 2018 to €131.9 million in 2019 (€132.7 million assuming constant foreign exchange rates).

Net financial result

(In millions of euros)	FY 2019	FY 2018 restated	Change	Change (in %)
Cost of debt	(79.0)	(62.4)	- 16.5	- 26%
Total other financial income and expenses	(8.0)	(7.4)	- 0.6	- 8%
Shareholder loan interest income and expenses	(0.2)	(1.5)	+ 1.3	+ 87%
Foreign exchange gains and losses	0.3	(2.5)	+ 2.8	+ x1.1
Other financial income and expenses	(8.1)	(3.4)	- 4.7	- x1.4
NET FINANCIAL RESULT	(87.0)	(69.8)	- 17.1	- 25%

The **-€17.1 million** increase in net financial result is mainly attributable to:

- **-€16.5 million** of increased cost of debt essentially reflecting:
 - €12.0 million of additional loan interest given higher average borrowings over the period as a consequence of growth in the number of projects in operation (see section 4.1 – note 18.1 "net financial result");
 - €3.0 million of additional charges for derivatives reflecting the recycling from equity of the fair value of derivatives considered highly effective and initially recognized in other elements of comprehensive income (see section 4.1 – note 18.1 "net financial result");
 - €1.5 million of increased interest on rights of use given the growth in the number of facilities in operation and under construction (see section 4.1 – note 18.1 "net financial result").

In 2019, the cost of borrowings breaks down as to -€64.5 million for the financing of production assets (-€52.5 million in 2018), -€10.4 million of interest charges on derivatives (-€7.4 million in 2018) and -€4.0 million of interest on rights of use (-€2.5 million in 2018).

- **+€1.3 million** of net shareholder loan interest: in the framework of the Company's IPO, the shareholders' current accounts between Neoen S.A. and respectively Bpifrance and Impala were capitalized so no interest charge was recognized in 2019. In 2018, the interest charge had amounted to -€1.6 million;
- **+€2.8 million** of foreign exchange impact. In 2019, the gains on cash and cash equivalents and loans denominated in foreign currencies were higher than the losses for assets denominated in Argentine pesos. In 2018, the foreign currency loss mainly reflected the conversion of foreign currency bank balances;
- **-€4.7 million** of additional other financial income and expenses essentially reflecting:
 - +€5.9 million of IFRS 9 negotiation gain on the refinancing of the Parkes, Griffith and Dubbo Australian solar power projects undertaken in the first half of 2019 (see paragraph 2.2.1.2 of this document);
 - -€5.6 million of costs associated with the early repayment of historical debt associated with the refinancing (qualified under IFRSs as a substantial modification) of a portfolio of French projects under operation (see section 4.1 – note 18.1 “net financial result”);
 - the discounting impacts associated with the revised repayment schedule for certain capital expenditure which benefited contractually from a deferral of repayment, potentially lasting several years, which was however substantially accelerated in 2019 on the basis of the operating performance noted (again reflecting the contractual provisions) whence a discounting charge of -€6.6 million compared with -€1.1 million in 2018.

Income tax

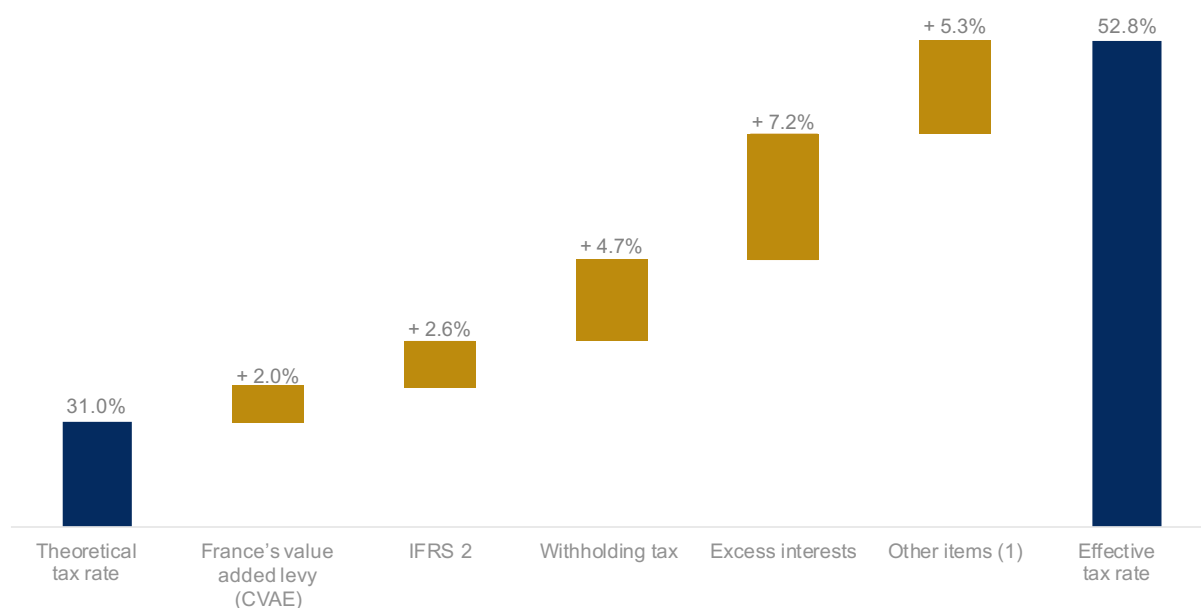
Consolidated income tax includes: (i) current and deferred tax for continuing operations; (ii) France's value-added levy (CVAE) and (iii) withholding tax for which no tax credit is recognized. Other fiscal charges are excluded, such as local taxes recognized at the level of current operating income.

Numerous factors can affect the Group's effective tax rate from one period to the next, by reason in particular of the evolution of tax rates in the various jurisdictions in which the Group operates, of the extent of non-deductible expenses and of the impact of thin capitalization mechanisms.

The tax charge for 2019 amounts to -€23.7 million (of which -€15.3 million of current tax and -€8.4 million of deferred tax) compared to -€15.8 million for 2018 (of which -€7.5 million of current tax and -€8.3 million of deferred tax). See section 4.1 – note 9.2 “income tax”.

The effective tax rate has remained relatively stable between 2018 (52.4 %) and 2019 (52.8 %). The +€7.8 million increase in current tax is mainly attributable to the Group's improved operating performance, increased withholding tax (given the increase in dividends received from certain foreign subsidiaries) and the consumption of the totality of the tax losses accumulated by Neoen S.A.'s tax Group in France.

The difference of +21.8 percentage points between the theoretical tax rate of 31 % and the effective tax rate of 52.8 % may be broken down as follows:



(1) The other items mainly include 1.8 % for tax losses not giving rise to the recognition of deferred tax assets, 1.2 % of intragroup dividend and disposal adjustments, 1.2 % of permanent differences and 1.0 % for differences in tax rates and changes in rates.

Net income from continuing operations

Given the factors presented above, consolidated net income from continuing operations increased by +€6.9 million from €14.3 million in 2018 to €21.2 million in 2019.

Net income from discontinued operations

Net income from discontinued operations amounted to €15.8 million in 2019 against -€0.8 million in 2018 and equates with the gain on sale of the Group's biomass business (see section 4.1 – note 10 "discontinued operations").

Group share of net income

The Group share of net income thus improved by +€23.6 million, rising from €12.4 million in 2018 to €36.0 million in 2019.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests amounted to €1.0 million in 2019, compared with €1.2 million in 2018, and mainly relates to Australian and Zambian Group entities.

2.2.2.5 SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In millions of euros)	12.31.2019	12.31.2018	Change	Change (in %)
Non-current assets	2,761.0	1,982.0	+ 779.0	+ 39%
• Of which: property, plant and equipment	2,387.3	1,702.7	+ 684.6	+ 40%
Current assets	624.7	586.9	+ 37.8	+ 6%
• Of which: cash and cash equivalents	460.5	503.8	- 43.3	- 9%
TOTAL ASSETS	3,385.7	2,568.9	+ 816.8	+ 32%
Equity ⁽¹⁾	680.5	655.3	+ 25.2	+ 4%
Liabilities ⁽²⁾	2,414.6	1,690.8	+ 723.8	+ 43%
• Of which: project financing by banks	1,757.9	1,229.3	+ 528.6	+ 43%
• Of which: project financing by bond issues	199.5	262.8	- 63.3	- 24%
• Of which: corporate financing	194.6	16.1	+ 178.5	+ x11
TOTAL EQUITY AND LIABILITIES	3,385.7	2,568.9	+ 816.8	+ 32%

(1) Movements on the Group's equity in 2018 and 2019 are detailed in the consolidated statement of changes in equity and the associated financial statement note (see paragraph 4.1.4 of this document and section 4.1 – note 16 on equity and dilutive instruments).

(2) Consolidated borrowings are specifically analyzed in paragraph 2.3.4 of this document.

Property, plant and equipment increase by 40 % over the period given dynamic business growth whence a significant progression in the volumes of projects in operation and under construction (see section 4.1 – note 11.3 “property, plant and equipment”). The Group's capital investment is detailed in paragraph 2.3.8 of this document.

The -€43.3 million fall in cash and cash equivalents is attributable to:

- Neoen S.A. (cash and cash equivalents of €185.4 million, down by -€67.8 million compared to December 31, 2018), as a result of equity and shareholder's current account investment in new assets under construction and development, partially offset by:
 - the approximately €200 million OCEANE bond issue of October 7, 2019; and
 - cash received from project companies via power plants' net cash flows and debt refinancings;
- Project companies and project holding companies (cash and cash equivalents of €245.3 million, up by +€20.7 million) as a result of:
 - the drawdown of senior debt and equity contributions for assets under construction; and
 - net operating cash flows for assets in operation whose vocation is to repay project financing and remunerate shareholders' contributions;
- Holding companies holding junior debt (cash and cash equivalents of €29.9 million, up by +€3.9 million) which receive production entities' surplus operating cash flows whose vocation is to repay the junior debt and remunerate shareholders' contributions.

The +€25.2 million increase in consolidated equity essentially reflects:

- +€37.0 million of net income for the year;
- +€19.4 million of equity impact net of costs of the issue on October 7, 2019 of OCEANE bonds (qualified as composite instrument. See paragraph 2.2.1.7 of this document);
- +€11.2 million of gain on the sale of the Group's biomass business;
- -€47.2 million of reduction in other elements of comprehensive income mainly reflecting the change in the fair value of hedging derivatives, net of deferred tax, occasioned by the fall in market interest rates over the period.

The Group's financial structure is solid, with 92 % of its total debt at the end of December 2019 backed up by its electricity production facilities which are for the most part financed by long-term project debt denominated in strong currencies (the euro, US and Australian dollars). The Group's liabilities are detailed in paragraph 2.3.4 of this document.

2.2.3 RESTATEMENT OF COMPARATIVE INFORMATION

During the second quarter of 2019, the Group engaged the process of sale of its biomass business inherited from the acquisition of Poweo EnR in 2011.

Following competitive bidding, during the summer of 2019 it commenced exclusive sale negotiations for its Commeny cogenerating unit and the associated biomass procurement subsidiary. The sale was closed on September 4, 2019.

In accordance with IFRS 5, the biomass business has been accounted for as follows in the consolidated financial statements as of December 31, 2019:

- the contribution of the entities sold is disclosed within operations discontinued or held for sale in the consolidated income statement;

- the contribution of the entities sold is included in each line item of the consolidated statement of cash flows and distinctly summarized as cash flows for operations discontinued or held for sale;

- the consolidated income statement comparatives for 2018 have been appropriately adjusted as provided for by IFRS 5.

No impairment loss was noted following this reclassification (see section 4.1 – note 10 “discontinued operations”).

2.3 FINANCING AND INVESTMENTS

2.3.1 FINANCING AND CASH MANAGEMENT POLICY

The Group's cash requirements are mainly determined by its investment in the development and construction of wind power, solar power and electricity storage facilities, by repayment of the debt contracted by project companies or project holding companies and, to a lesser extent, by working capital requirements.

The Group meets its cash requirements for the construction of its facilities mainly via non-recourse long-term project financing at the level of its project companies or project holding companies, and mezzanine loans at the level of its intermediate holding companies, debt which is then repaid via the cash flows generated by the project companies owning assets in operation, in turn mainly generated by the sale of electricity in the framework of long-term contracts (PPAs) and, to a lesser extent, on the wholesale markets (for more details, see paragraph 2.3.2 on project financing).

The Group structures its project debt in the currency of the revenue flows to be generated by the projects.

Historically, the equity provided to project companies by the Group was mainly covered by share capital increases of the Company, by mezzanine loans and, to a lesser extent, by the surplus net cash flows generated by projects' operating activities. During the second half of 2019 the Group made its first convertible bond issue, for a nominal amount of about €200 million, intended in particular to finance its development with a view to achieving the Group's targeted capacity of more than 5 GW under construction or in operation by the end of 2021, whilst at the same time optimizing its balance sheet in accordance with the Company's published objective of average gearing of about 80-85 % of capital employed on an all-in basis including the entirety of the Group's corporate and project debt (see paragraphs 2.2.1 and 2.4 of this document).

To finance its working capital requirements and development, the Group essentially has recourse to the surplus cash flows generated by its operations and to the revenues associated with its development services most of the time covered by specific development agreements.

The cash requirements for the development and construction of projects vary depending on each project's stage of completion.

2.3.2 PROJECT FINANCING

2.3.2.1 FINANCING PROCESS

Once a project's development is sufficiently advanced, the Group begins to consult potential lenders in order to obtain competitive financing terms and conditions and prepare for the anticipated tendering procedures or contract structuring. Once a power supply contract has been obtained, the Group organizes the project's financing in the framework of a detailed and structured process with the performance of lender due diligence and the negotiation of loan contracts, for the purpose of which the Group is supported by its Paris-based legal department and financing team for all contracts outside Australia, where the Group possesses a specific financing team and local in-house legal support.

2.3.2.2 STRUCTURING AND SCOPE OF FINANCING

The Group generally structures its projects' financing via a project company dedicated to a project or a group of projects. In a limited number of cases, a whole project may be held by several project companies.

The scope of financing thus encompasses both individual projects and groups of projects, in particular when the projects are small, in which case the Group may include several projects within a single financing vehicle in order to obtain more favorable terms than if the financing were arranged project by project, given the volume effect and the pooling of risks (cross-guarantees and diversification of resources).

The loans subscribed by the Group on behalf of each project company or, if several projects are financed by the same vehicle, on behalf of each financing vehicle, are very largely without recourse (or of only limited recourse during construction) with regard to assets of the Company or of other Group entities.

2.3.2.3 LEVERAGE AND GEARING

Projects are generally financed by senior debt, as previously described (as well as by mezzanine loans in certain instances), and by equity contributions by the Company and sometimes by non-controlling investors.

Some projects for electricity storage facilities, for which the level of exposure to market risk is not consistent with the use of dedicated non-recourse financing, are exclusively financed by equity provided by the Company.

The applicable lenders depend on each applicable market:

- in developed markets, the Group has established solid relationships with a range of partner banks such as KfW IpeX, Société Générale, BPCE, BNP Paribas, Banque Postale, Clean Energy Finance Corporation or Bpifrance, but retains the option of selecting other lenders depending on the attractiveness of their financing proposals;
- in developing markets, the Group mainly deals with development banks, alongside its partner banks, such as Proparco, Inter-American Development Bank, International Finance Corporation (part of the World Bank) and Overseas Private Investment Corporation.

Loan terms and conditions, in particular the level of debt for a given project, depend on a range of factors such as the forecast cash flows, the project's location or counterparty and market risk.

Based on the aforementioned and other factors, the lenders determine the requisite minimum debt service coverage ratio, i.e. the maximum amount of the project's forecast cash flows they are prepared to finance. In certain cases, the lenders also determine a maximum gearing ratio in order to impose a minimum level of equity for a particular project.

2.3.3 INDICATORS MONITORED BY THE GROUP

The average remaining maturity of the financing for the Group's projects in operation as of December 31, 2019 and 2018 has remained relatively stable in 2019 and may be summarized as follows:

Ratio of project debt to investment expenditure	Solar power	Wind power	Total
AUD	14.6	17.0	15.9
EUR	17.0	14.0	15.6
USD	16.2	N/A	16.2
TOTAL 12.31.2019	16.0	15.6	15.8
TOTAL 12.31.2018	15.3	16.4	15.8

The weighted average ratio of project debt to capital expenditure for the project's development and construction, for all the Group's projects in operation as of December 31, 2019 and 2018, may be summarized as follows:

Ratio of project debt to investment expenditure	Solar power	Wind power	Total
AUD	65%	74%	69%
EUR	91%	74%	82%
USD	76%	N/A	76%
TOTAL 12.31.2019	77%	74%	75%
TOTAL 12.31.2018	80%	77%	79%

The change between December 31, 2018 and 2019 reflects a relative fall in the gearing ratios for certain new projects starting operation essentially equating with a progressive reduction in the average duration of new PPAs¹ and with a symmetrical increase in new projects' market exposure.

The Group's gearing ratio (as a percentage of capital employed), on an all-in basis including the totality of its debt, whether corporate or associated with project financing, exceeded 90 % as of both December 31, 2019 and December 31, 2018.

The weighted average interest rate associated with project financing for all the Group's projects in operation as of December 31, 2019 and 2018, on an all-in basis i.e. inclusive of the spread applied by the applicable bank and of the impact of any interest rate swaps or other interest rate derivatives, may be summarized as follows:

(1) For a definition of the contracts applicable to the Group's projects, please see the glossary in section 9.6 of this document.

All-in weighted average interest rate for project financing	Solar power	Wind power	Total
AUD	4.9%	4.5%	4.7%
EUR	1.9%	2.0%	1.9%
USD	6.8%	N/A	6.8%
TOTAL 12.31.2019	3.9%	3.4%	3.7%
TOTAL 12.31.2018	4.6%	3.8%	4.2%

The interest rate reduction observed between 2018 and 2019 essentially reflects the pursuit of a context of relatively low interest rates which has enabled the Group to finance its new projects in excellent conditions and to conclude two refinancing transactions (see paragraph 2.2.1 of this document).

By currency, as of December 31, 2019 the weighted average interest rate for the Group's project, mezzanine and corporate debt amounted to about 2.3 % in euros, 5.1 % in Australian dollars and 6.8 % in US dollars. The weighted average interest rate is (i) calculated on the basis of all outstanding financing (signed, drawn down, under repayment or consolidated), (ii) weighted on the basis of total debt outstanding as of December 31, 2019, (iii) calculated on an all-in basis i.e. inclusive of the spread applied by the applicable bank and of the impact of any interest rate swaps or other interest rate derivatives and (iv) calculated excluding the costs of debt structuring.

As of December 31, 2018, the weighted average interest rate for the Group's project, mezzanine and corporate debt amounted to about 3.4 % in euros, 5.3 % in Australian dollars and 7.1 % in US dollars.

As of December 31, 2019, the Group's overall debt interest rate amounted to about 4.2 % compared with about 4.6 % as of December 31, 2018, the direct consequence of the aforementioned reduction in the all-in weighted average interest rate for project financing and of the corporate convertible bond issue for a nominal amount of about €200 million with a nominal interest rate of 1.875 % (and an effective interest rate for the bond's debt component of 4.27 %).

The Group's borrowing terms and conditions and financing structure are detailed in section 4.1 – note 18 on financing and financial instruments.

2.3.4 RECONCILIATION OF CONSOLIDATED LIABILITIES AND NET DEBT

In the framework of the analysis and management of its liabilities, the Group assesses both the overall level of its gross consolidated liabilities and its net debt which is not an IFRS indicator.

(In millions of euros)	12.31.2019	12.31.2018	Change	Change (in %)
Financial debt ⁽¹⁾	2,414.6	1,690.8	+ 723.8	+ 43%
Non-controlling investors and others ⁽²⁾	(30.4)	(45.4)	+ 14.9	+ 33%
Adjusted financial debt	2,384.1	1,645.4	+ 738.7	+ 45%
Total cash and cash equivalents	(460.5)	(503.8)	+ 43.3	+ 9%
Guarantee deposits ⁽³⁾	(111.0)	(97.8)	– 13.2	– 13%
Derivative instruments assets – hedging effect ⁽⁴⁾	(2.0)	(5.8)	+ 3.9	+ 66%
Other receivables	(0.0)	(0.0)	+ 0.0	N/A
TOTAL NET DEBT	1,810.6	1,037.9	+ 772.7	+ 74%

(1) Essentially comprising project financing, the debt component of the convertible bond issue of 2019, interest rate hedge derivatives with negative market values and lease liabilities included in net debt under IFRS 16 (note that EBITDA therefore excludes lease charges). Borrowings are detailed in section 4.1 – note 18 of this document.

(2) Notably comprising non-controlling shareholders' loans to project companies (or project holding companies). The fall over the period is attributable to the sale of the Group's biomass business (Caisse des dépôts et consignations had a €16.5 million shareholder loan balance with Biomasse Energie Commeny). The impacts of the sale are detailed in section 4.1 of this document – note 10 on discontinued operations.

(3) Mainly comprising deposits in the framework of project financing, in the form of DSRAs (debt service reserve accounts) or for the purposes of project construction. The increase over the period is mainly attributable to a deposit in the framework of financing the construction of solar power plants in Argentina.

(4) Interest rate hedging instruments with positive market values. Instruments with negative market values are included in total borrowings (see section 4.1 of this document – note 18.2 on net debt).

Analysis of liabilities by type

(In millions of euros)	Non-current	Current	12.31.2019	Non-current	Current	12.31.2018	Change
Bank loans - project finance	1,648.4	109.5	1,757.9	1,142.7	86.7	1,229.3	+ 528.6
Bond financing for projects	173.0	26.6	199.5	235.4	27.3	262.8	- 63.3
Lease liabilities	130.5	6.2	136.7	92.8	4.1	96.9	+ 39.8
Corporate financing	190.6	4.0	194.6	13.9	2.2	16.1	+ 178.5
Non-controlling investors and others	28.0	2.5	30.4	40.9	4.5	45.4	- 15.0
Derivative instruments – impact of hedging	83.8	11.6	95.4	33.3	7.1	40.3	+ 55.1
Total financial liabilities	2,254.2	160.4	2,414.6	1,558.9	131.8	1,690.8	+ 723.8

Bank loans – project finance (+€528.6 million)

In 2019, the Group subscribed an additional +€555.0 million of new project financing, mainly for the following facilities:

- Bulgana (+€94.4 million) and Numurkah (+€41.2 million) in Australia,
- El Llano (+€72.7 million) in Mexico,
- Paradise Park (+€30.4 million) in Jamaica,
- Capella (+€41.9 million) in El Salvador,
- Altiplano (+€132.1 million) in Argentina,
- Hedet (+€38.4 million) in Finland, as well as
- Three wind farms (+€49.0 million) and eight solar power plants (+€59.1 million) in France.

Mention may also be made of the refinancing of a portfolio of projects in operation for an amount net of costs of +€167.2 million (which gave rise to -€106.8 million of repayment of prior project loans).

Other loan repayments in 2019 amounted to -€73.0 million.

Bond financing for projects (-€63.3 million)

Bond financing essentially comprises junior debt for projects. The fall in 2019 represents the contractual repayments for the period as well as -€38.3 million for the repayment of a mezzanine loan associated with the refinancing of a portfolio of French projects.

Lease liabilities (+€39.8 million)

The liability for each lease is initially measured at the present value of the outstanding lease payments on inception of the lease discounted at the lessee's marginal cost of borrowing. The liability is then repaid, and the associated discount unwound, in proportion to the lease amounts paid.

As of December 31, 2019, the Group had 473 leases within the scope of IFRS 16 against 426 at the end of 2018.

Corporate financing (+€178.5 million)

Corporate financing mainly comprises the OCEANE bond issue of 2019 for a total of about €200 million. In accordance with IAS 32, the issue has been accounted for as a composite instrument with a debt component amounting to €180.5 million (€179.0 million net of expenses) and an equity component amounting to €19.5 million (€19.4 million net of expenses) (see section 4.1 of this document – note 18.2 on net debt).

Non-controlling investors and others (-€15.0 million)

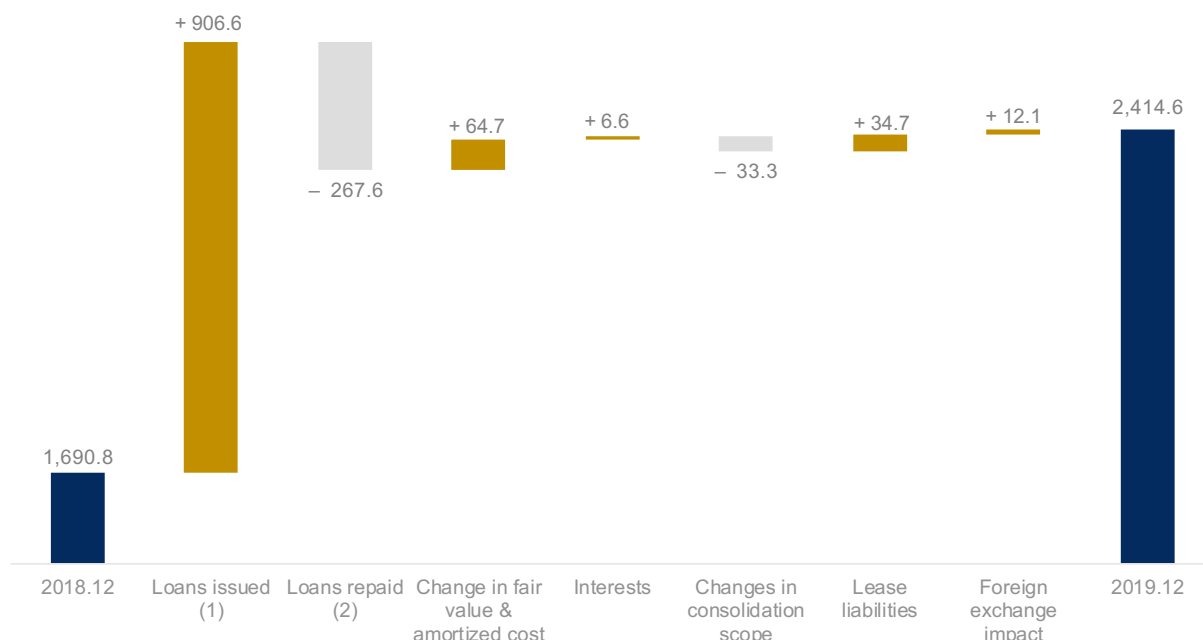
This line item notably comprises the shareholder loans granted to project companies or project holding companies by non-controlling shareholders. The fall observed over the year is essentially attributable to the sale of the Group's biomass business (Caisse des dépôts et consignations had a €16.5 million current account balance with Biomasse Energie Commeny). The impacts of the sale are detailed in section 4.1 of this document – note 10 on discontinued operations.

Derivative instruments – impact of hedging (+€55.1 million)

The increase in derivative financial instruments with negative values mainly reflects the +€64.3 million negative change in fair value in turn reflecting the combined impact of new instruments contracted during the period and of the substantial fall in interest rates observed in most of the geographical zones in which the Group operates. Mention may also be made of the -€10.5 million impact of the unwinding of other derivatives following the refinancing of a portfolio of French projects in operation.

Evolution of the Group's liabilities

The evolution of the Group's liabilities in 2019 may be summarized as follows (the amounts are expressed in millions).



(1) New borrowings essentially comprise the +€555.0 million of financing for new projects (see above the analysis of borrowings by type), the +€179.0 million of net proceeds of the OCEANE bond issue and the +€167.2 million (net of costs) of refinancing for a portfolio of French projects in operation.

(2) The repayment of borrowings includes -€112.0 million of loan repayments, -€145.1 million of repayment associated with the refinancing of a portfolio of French projects under operation and -€10.5 million for the costs of unwinding of derivative financial instruments.

2.3.5 EVENTUAL RESTRICTIONS ON THE USE OF CAPITAL

Bank financing

The non-recourse bank financing for project companies, and the mezzanine loans held by intermediate holding companies, include clauses restricting the payment to the entities' shareholders of cash in the form of dividends or repayment of advances on current account. The restrictions mainly take the form of the requirement for compliance with financial covenants including, at the level of the project companies, a DSCR (debt service coverage ratio) lock-up clause generally set slightly above the minimum ratio provided for by the financing agreement.

The non-recourse bank financing implemented at the level of the project companies may also provide for the constitution of a guarantee deposit in the form of a debt service reserve account (DSRA) amounting to the equivalent of one or more debt repayments. Payments of cash to shareholders are generally restricted so long as the requisite reserve account balance has not been entirely constituted, or reconstituted in the event of use.

Finally, the rules implemented by Argentina's Central Bank during the second half of 2019, and aimed at restricting corporate and individual access to foreign currencies as a means of impeding further devaluation of the Argentine peso (ARS) against the US dollar (USD), have had the consequence, as of the date of publication of the Group's consolidated financial statements, of substantially restricting the scope for purchasing dollars in Argentina's foreign currency markets for the purpose of (i) repayment of the USD-denominated shareholders' current account balances for the benefit of the Altiplano project (amounting to 74.4 million US dollars, including 6.2 million US dollars of accrued interest, as of December 31, 2019) and (ii) the payment of dividends. The restrictions do not however affect the debt service payments for USD-denominated debt (repayment of principal and payment of interest) for the benefit of foreign lenders to the project.

As the project is currently still under construction, the restrictions have as yet had no immediate impact on the Group, but they would nevertheless be liable to affect its future capacity to repatriate cash from the project should they still apply after its entry into operation.

Financial covenants

As of December 31, 2019, there is no indication that the various companies financed by project debt have failed to comply with their minimum DSCR¹ covenants or minimum equity requirements.

We recall that in July 2019, the Group had obtained signed waivers from the lenders for its Auxois Sud and Champs d'Amour projects authorizing the non-respect of their covenants as of December 31, 2018.

For more information describing the Group's financing agreements and associated risks, please see paragraph 3.1.2 dealing with the risks applicable to projects under development and construction.

2.3.6 SOURCES OF FINANCING FOR FUTURE INVESTMENT

The Group envisages continuing to finance the majority of its cash requirements for the construction of its future facilities by means of long-term non-recourse financing at the level of its project companies, or the holding companies controlling them, eventually complemented by other (notably corporate) financing, excluding project companies, compatible with the Company's objective of average gearing of about 80-85 % of invested capital on an all-in basis including the entirety of the Group's debt whether corporate or project.

On October 2, 2019, the Group thus made its first issue of bonds convertible into and/or exchangeable for new or existing Neoen shares, with a maturity of 2024 and for a nominal amount of about €200 million, as a means of complementing the financial resources required for its growth and attaining the Group's targeted capacity of more than 5 GW under construction or in operation by the end of 2021.

In the framework of the latter objective, the Group equally aims to generate sufficient cash flows to enable it to finance – over and above the repayment of its borrowings, the distribution of dividends to its shareholders (see paragraph 7.3.8 of this document) and cash for working capital – the equity contributions required, additional to the projects financing, to finance achievement of the 5 GW.

Over and above the achievement of more than 5 GW under construction or operation by the end of 2021, the Group may also decide to raise additional equity for the purpose of financing future increases in capacity, or to sell certain projects for the purpose of financing new capacity or distributing dividends to shareholders.

As of December 31, 2019, the Group disposed of gross cash and cash equivalents of €460.5 million and of €130.0 million of unused corporate borrowing facilities.

2.3.7 CASH POSITION AND CASH FLOWS

<i>(In millions of euros)</i>	FY 2019	FY 2018	Change
Net cash flows from operating activities	184.5	156.5	+ 28.0
Net cash flows from investing activities	(812.3)	(532.1)	– 280.2
Net cash flows from financing activities	581.6	624.8	– 43.2
Impact of foreign exchange rate fluctuation	2.8	(5.1)	+ 7.9
CHANGE IN CASH AND CASH EQUIVALENTS	(43.3)	244.1	– 287.4

(1) The debt service coverage ratio or DSCR is the ratio for debt cover by liquidities defined in project financing agreements containing financial covenants.

2.3.7.1 NET CASH FLOWS FROM OPERATING ACTIVITIES

(In millions of euros)

	FY 2019	FY 2018	Change
Net income from continuing operations	37.0	13.5	+ 23.5
Eliminations ⁽¹⁾	202.4	151.6	+ 50.8
Impact of changes in working capital ⁽²⁾	(44.5)	(6.0)	- 38.5
Tax paid (received)	(10.4)	(2.7)	- 7.7
NET CASH FLOWS FROM OPERATING ACTIVITIES	184.5	156.5	+ 28.0
Of which: operating cash flows associated with discontinued operations ⁽³⁾	1.5	8.7	- 7.2

(1) Comprising non-cash movements notably including depreciation, amortization, impairment and provisions, the recycling to profit or loss of derivative financial instruments, gains and losses on sale and the deferred tax charge or (credit). The increase for the period is mainly attributable to growth in the number of operating companies.

(2) The change in working capital requirement in 2019 is mainly attributable to an increase in VAT credits pending reimbursement in respect in particular of the construction of the El Llano (Mexico) and Altiplano (Argentina) projects.

(3) Discontinued Operations accounted for in accordance with IFRS 5 (see section 4.1 – note 10 of this document).

The +€28.0 million increase in cash flows from operating activities essentially reflects the increase in EBITDA (detailed in paragraph 2.2.2.3 of this document) partially offset by the increase in the Group's working capital requirement.

2.3.7.2 NET CASH FLOWS FROM INVESTING ACTIVITIES

(In millions of euros)

	FY 2019	FY 2018	Change
Acquisitions of subsidiaries net of treasury acquired ⁽¹⁾	(36.5)	(18.9)	- 17.6
Sales of subsidiaries net of the cash transferred ⁽²⁾	10.6	0.8	+ 9.8
Acquisition of intangible and tangible fixed assets ⁽³⁾	(764.0)	(483.9)	- 280.1
Sale of intangible and tangible fixed assets	0.2	0.3	- 0.1
Change in financial assets ⁽⁴⁾	(23.2)	(31.4)	+ 8.2
Dividends received	0.8	0.8	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(812.3)	(532.1)	- 280.2
Of which: Investing cash flows associated with discontinued operations ⁽⁵⁾	(3.2)	(3.0)	- 0.2

(1) In 2019, essentially comprising the acquisition of Irish wind farms and of the Mutkalampi development project in Finland. In 2018, essentially comprising the acquisition of the Bulgana and Altiplano development projects.

(2) Essentially comprising the impact of the sale of the Group's biomass business.

(3) Details are provided in paragraph 2.3.8.2, on main investments undertaken, and section 4.1.5 of this document.

(4) In 2019, as in 2018, the increase for the period is essentially attributable to the payment of deposits associated with the financing of production assets.

(5) Discontinued operations accounted for in accordance with IFRS 5 (see paragraph 2.3.8.2, on main investments undertaken, and section 4.1.5 of this document).

The -€280.2 million increase in investment expenditure is mainly attributable to the acquisition of tangible and intangible non-current assets in line with the pursuit of the Group's dynamic growth and to a lesser extent, by the increase in the financial assets required to be constituted in the framework of financing the Group's projects.

2.3.7.3 NET CASH FLOWS FROM FINANCING ACTIVITIES

(In millions of euros)	FY 2019	FY 2018	Change
Share capital increase by the parent company ⁽¹⁾	19.9	441.7	- 421.8
Contribution of non-controlling interests to share capital increases	1.8	0.6	+ 1.2
Net sale (acquisition) of treasury shares	(3.1)	(2.7)	- 0.4
Issue of loans ⁽²⁾	906.6	412.7	+ 493.9
Dividends paid	(4.1)	(3.8)	- 0.3
Repayment of loans ⁽²⁾	(267.6)	(161.1)	- 106.5
Interests paid	(72.0)	(62.6)	- 9.4
NET CASH FLOWS FROM FINANCING ACTIVITIES	581.6	624.8	- 43.2
Of which: Financing cash flows associated with discontinued operations ⁽³⁾	(1.0)	(4.9)	+ 3.9

(1) In 2019, the Company issued so-called OCEANE bonds for a total of about €200 million. In accordance with IAS 32, the issue has been accounted for as a composite instrument with a debt component amounting to €180.5 million (€179.0 million net of expenses) and an equity component amounting to €19.5 million (€19.4 million net of expenses) (see paragraph 2.2.1 on key events of the period). In 2018 the increase was mainly attributable to the €449.9 million share capital increase realized on the occasion of the Company's flotation on October 18, 2018.

(2) In 2019, the Group refinanced a portfolio of projects in operation occasioning the repayment of €145.1 million of debt and the issue of new debt amounting to €167.2 million net of expenses. See paragraph 2.3.4 on the evolution of the Group's liabilities.

(3) Discontinued operations accounted for in accordance with IFRS 5 (see paragraph 2.3.8.2, on main investments undertaken, and section 4.1.5 of this document).

The -€43.2 million reduction in net cash from financing activities is mainly attributable to the -€106.5 million increase in debt repayment notably reflecting both the increase in the number of assets in operation and the refinancing transactions performed in 2019, which proved more significant than the -€72.1 million net growth in recourse to external financing essentially in the form of loan issues in 2019, and of a combination of loan issues and of market offerings the framework of the Company's IPO in 2018. In the case of the external financing, the changes observed also reflect the impact of the timing of project construction which in turn conditions the extent of the drawdown of the available project financing facilities.

2.3.8 CAPITAL INVESTMENT

2.3.8.1 INVESTMENT POLICY

The Group's investment expenditure is essentially devoted to projects for solar and wind energy power plants, and for electricity storage, under development or in construction, and both to intangible assets and property, plant and equipment. Investing cash flows also include investment in financial assets, essentially in the form of DSRAs, and acquisitions of subsidiaries and of assets under development.

The Group's investment policy is determined by the Board of Directors which approves the annual capital expenditure budget as well as (i) any current or future equity or project investment by the Company or a subsidiary for a project not included in the budget (including any form of partnership or joint venture) with an individual amount in excess of €15 million and (ii) any investment or other expenditure by the Company or a subsidiary for a project included in the budget, or previously authorized by the Board of Directors, for an amount requiring an increase in excess of 15 % of the budgeted equity or amount previously authorized by the Board of Directors for the project.

2.3.8.2 MAIN INVESTMENT PERFORMED

The table below details the Group's consolidated investment for 2019 and 2018:

(In millions of euros)	FY 2019	FY 2018	Change	Change (in %)
Acquisitions of intangible and tangible fixed assets: ⁽¹⁾	764.0	483.9	+ 280.1	+ 58%
• Of which: Intangible assets ⁽²⁾	34.6	22.3	+ 12.3	+ 55%
• Of which: Property, plant and equipment	729.4	461.6	+ 267.8	+ 58%
Financial investments: ⁽³⁾	121.3	50.2	+ 71.1	+ x1.4
• Of which: Acquisitions of financial assets	84.8	31.3	+ 53.5	+ x1.7
• Of which: Acquisitions of subsidiaries net of treasury acquired ⁽⁴⁾	36.5	18.9	+ 17.6	+ 93%

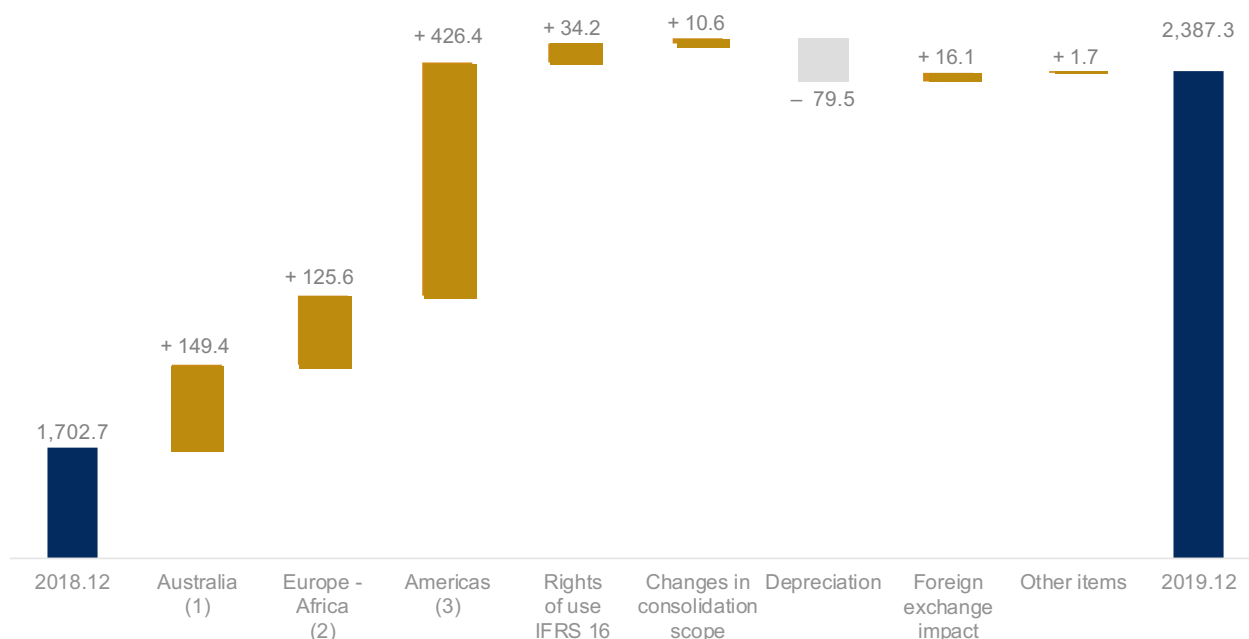
(1) The gross amounts of acquisitions presented above include any change in the applicable supplier payables thereby facilitating reconciliation of their amounts with the corresponding cash payments. The gross amounts of acquisitions without that adjustment amounted respectively to €737.5 million and €464.2 million for 2019 and 2018.

(2) The increase of the period is exclusively attributable to the increase in capitalized development costs.

(3) Financial investments are analyzed in paragraph 2.3.7.2 of this document.

(4) In 2019, essentially equating with the acquisition of Irish wind farms and of the Mutkalampi development project in Finland. In 2018, essentially equating with the acquisition of the Bulgana and Altiplano development projects.

The change between December 31, 2018 and December 31, 2019 in the Group's property, plant and equipment may be broken down as follows (the amounts are expressed in millions):



The acquisitions of the period comprise facilities under construction mainly including:

(1) Bulgana (€86.7 million) and Numurkah (€58.8 million);

(2) Hedet (€43.1 million) and Mutkalampi (€12.1 million) in Finland, wind farms (€53.8 million) in Ireland and Les Hauts Chemins (€10.5 million) in France;

(3) El Llano (€165 million) in Mexico, Altiplano (€156.3 million) in Argentina, Paradise Park (€31.2 million) in Jamaica and Capella (€72.7 million) in El Salvador.

2.3.8.3 MAIN INVESTMENT IN PROGRESS

The Group's main investment in progress equates with projects under construction and as yet uncompleted at the date of this document and amounts to €610.2 million for 2019 compared with €266.8 million for 2018 (see section 4.1 – note 11 “goodwill, intangible assets, and property, plant and equipment” and section 4.3 – note 14 “property, plant and equipment” of this document).

2.3.8.4 MAIN INVESTMENT ENVISAGED

The Group pursues a strategy of develop-to-own under which it develops its projects with the intention of controlling and operating its production assets. In that framework, its future envisaged investment will mainly consist in adding new projects to its portfolio and pursuing its existing projects until their entry into operation. The latter represent a total volume of 1,041 MW of projects awarded but whose construction launch has not yet taken place at the date of this document, compared with 1,082 MW as at December 31, 2019. The Group also continues to develop its advanced development and tender ready¹ projects with a total volume of 6,548 MW at the date of this document, compared with 6,529 MW as at December 31, 2020.

2.3.8.5 ENVIRONMENTAL CONSTRAINTS LIABLE TO INFLUENCE THE GROUP'S USE OF ITS PROPERTY, PLANT AND EQUIPMENT

The environmental constraints liable to influence the group's use of its facilities which are fully owned and/or operated by the Group are described in section 5 on sustainable development and corporate social responsibility.

Dismantling provisions are dealt with in section 4.1 – note 17 of this document dealing with provisions.

2.4 INFORMATION ON TRENDS AND OBJECTIVES

Neoen is forecasting EBITDA of between €270 million and €300 million (at constant exchange rates compared to 2019) in 2020 together with an EBITDA margin of around 80 %. This forecast takes into account:

- the best estimate to date of the timetable for the commissioning of power plants currently under construction given the expansion of Covid-19 outbreak
- the current level of market prices, which is affecting early generation revenue² anticipated and electricity sales not covered by long-term contracts (which contribution to revenues was below 14 % in 2019).

Neoen is also reiterating its target of having more than 5 GW in capacity in operation or under construction by the end of 2021. The Group is anticipating that the Covid-19 outbreak will have consequences on the timetable for the start of construction and commissioning of the projects awarded, notably on the supply chain, administrative procedures and project organization. The proportion of assets entering service during 2021 and thus the level of EBITDA (previously announced at a level of approximately €400 million in 2021) will be lower than previously anticipated. A capacity of over 5 GW will be fully operational by year-end 2022 as announced at the time of the IPO.

Neoen's EBITDA will exceed the €400 million³ in 2022 driven by the ramp up of its projects. The renewable energy sector is still expected to enjoy strong structural demand worldwide over the long term. That makes Neoen very confident it can harness these growth opportunities thanks to its develop-to-own model predicated on developing its own projects, establishing long-term power purchase agreements with high-quality off-takers and building a diversified regional presence.

2.5 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There have been no changes in Group's financial or trading position since the publication of its annual accounts on March 25, 2020.

(1) For a definition of the various stages of development of the Group's projects, please see the glossary in section 9.6 of this document.

(2) Revenue generated prior to the entry into force of long-term power purchase agreements.

(3) At constant exchange rates compared to 2019.

2.6 OTHER INFORMATION

2.6.1 EVENTS AFTER THE YEAR-END

2.6.1.1 REFINANCING OF THE HORNSDALE WIND FARMS IN AUSTRALIA

On January 21, 2020, the Group finalized the refinancing of its Hornsdale 1, 2 and 3 facilities already in operation, whence a repayment of 527.2 million Australian dollars and the issue of 606.5 million Australian dollars of new debt.

The transaction enabled the Group to benefit from more advantageous financing conditions, notably by extending the loans' maturity to as much as 22 years after the date of refinancing.

2.6.1.2 IMPLEMENTATION OF A €200 MILLION SYNDICATED CREDIT FACILITY

During March 2020, the Company signed a €200 million syndicated credit facility with a pool of fourteen banks, with a maturity in July 2024, comprising a €125 million amortizable loan and a €75 million revolving credit facility both of which are earmarked for financing the Company's general financing requirements.

2.6.2 OTHER INFORMATION RELATING TO NEOEN S.A. (PARENT COMPANY)

2.6.2.1 ACTIVITIES

Neoen S.A., the Group's parent company, is specialized in the development, financing and operation of facilities for the production of electricity from renewable energy sources.

2.6.2.2 COMMENTS ON THE ACTIVITY OF NEOEN S.A.

<i>(In millions of euros)</i>	FY 2019	FY 2018	Change	Change (in %)
Revenue	57.5	50.7	+ 6.8	+ 13%
Operating result	(1.5)	8.6	- 10.1	- x1.2
• Operating margin	- 3%	17%		
Net financial result	21.3	4.3	+ 17.0	+ x4
Current profit (loss) before tax	19.8	12.9	+ 6.9	+ 53%
Non-current profit (loss)	4.2	(0.3)	+ 4.5	+ x15
Employee profit sharing	(0.7)	-	- 0.7	N/A
Income tax	(2.2)	(3.1)	+ 0.9	+ 29%
NET INCOME	21.1	9.4	+ 11.7	+ x1.2

Revenue

The Company's revenue amounted to €57.5 million in 2019, an increase of +€6.8 million over 2018. Revenue consists primarily of development services and of the rebilling of costs within the context of project development or performance, generally intervening with the launch of project construction or with the project's financial closing.

Operating result

The Company's operating deficit amounted to -€1.5 million in 2019 compared with an income of €8.6 million in 2018. The deterioration of -€10.1 million is essentially attributable to the increase in external charges (mainly development costs either borne directly by Neoen S.A. or rebilled by international development subsidiaries in accordance with the Group's transfer pricing policy) and payroll costs (given the +19 % rise in headcount over the period), in each case reflecting operating growth with in particular the development of new international projects. The increase in costs should logically translate into future billing of development costs once the applicable projects have reached a sufficient stage of maturity.

Net financial result

In 2019, net financial income amounted to €21.3 million, an increase of +€17.0 million compared to 2018 mainly reflecting the +€16.4 million rise in interest income including +€9 million of additional interest on shareholders' loan balances as the direct consequence of new project investment by this means. Mention may also be made of the reversal in 2019 of €4.4 million of provision for unrealized foreign exchange losses, as well as of +€2.4 million of additional foreign exchange gains.

The aggregate is detailed in section 4.3 – note 10.1 “financial items” of this document.

Non-current profit (loss)

The non-recurrent profit of €4.2 million for 2019 mainly reflects the €5.6 million net gain on sale of the biomass business at the sole level of Neoen S.A.

The aggregate is detailed in section 4.3 – note 11 “non-current profit (loss)” of this document.

Income tax

Income tax amounted to -€2.2 million in 2019 against -€3.1 million in 2018.

In 2019, the Company recognized current tax of -€2.2 million after exhausting its tax losses carried forward.

The tax charge for 2018 was attributable to the recognition of the Company's IPO costs as a deduction from other paid-in capital without any tax impact.

The aggregate is detailed in section 4.3 – note 12 “taxation” of this document.

Net income

Net income thus amounted to €21.1 million, a rise of +€11.7 million compared to 2018.

Financial position

The Company's equity amounted to €711.6 million as of December 31, 2019 compared with €690 million as of December 31, 2018 mainly reflecting the net income for the period.

The +€200.0 million increase in borrowings (to €233.5 million as of December 31, 2019 against €33.5 million in 2018) was essentially attributable to the issue of bonds convertible into and/or exchangeable for new or existing Neoen shares performed on October 7, 2019 (see section 4.3 – note 2 “activity and key events”).

Cash and cash equivalents amounted to €182.4 million, compared with €250.2 million a year earlier, a fall of -€67.8 million despite the €200 million OCEANE issue, mainly due to equity investment in the development and construction of new facilities given that 2019 was marked by the acceleration of new project investment.

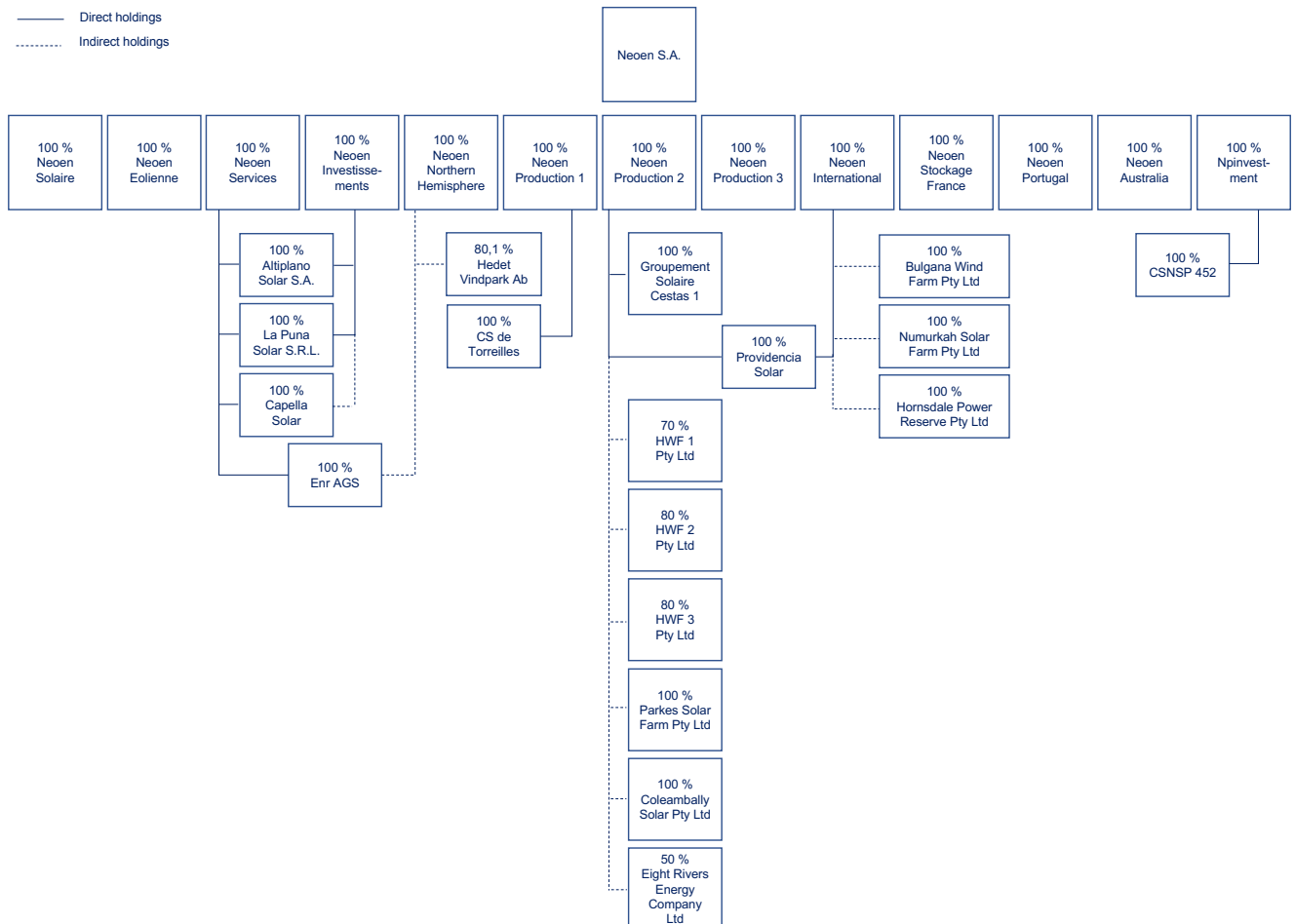
2.6.2.3 RESULTS OF THE LAST FIVE YEARS

Montants	12.31.2019	12.31.2018	12.31.2017	12.31.2016	12.31.2015
I. Financial position at the year-end (in millions of euros)					
a) Share capital ⁽¹⁾	170.2	169.9	108.0	105.9	85.8
b) Number of shares comprising the share capital ⁽¹⁾	85,088,748	84,957,498	107,964,140	105,907,569	85,817,968
Shares issued with a par value of €1	-	,830,000	2,056,571	20,089,601	4,568,830
Shares issued with a par value of €2	,131,250	30,560,428	-	-	-
c) Number of bonds convertible to shares	6,629,101	-	-	-	-
II. Results from operations (in millions of euros)					
a) Revenues net of taxes	57.5	50.7	36.1	29.0	20.4
b) Profit before tax, depreciation, amortization, impairment and provisions	24	14.5	8.9	7.9	1.7
c) Taxes on income	(2.2)	(3.1)	0.1	(0.9)	0.0
d) Profit after tax, depreciation, amortization, impairment and provisions	21.1	9.4	8.5	7.5	1.1
e) Profit Distributed	-	-	-	-	-
III. Results per share from operations (in euros)					
a) Profit after tax but before depreciation, amortization, impairment and provisions	0.2	0.1	0.1	0.1	0.0
b) Profit after tax, depreciation, amortization, impairment and provisions	0.2	0.1	0.1	0.1	0.0
c) Dividend per share	-	-	-	-	-
IV. Personnel (in millions of euros)					
a) Number of employees	107.0	90.0	79.0	71.0	50.0
b) Gross payroll	11.5	7.9	6.4	5.7	4.9
c) Amounts paid for social security and other benefits	5.5	4.2	4.1	3.2	2.7

(1) On October 1, 2018, the Company consolidated its shares on the basis of one new share for two old shares, with a consequential increase in shares' par value from €1 to €2.

2.6.2.4 GROUP STRUCTURE

The following simplified organisational chart shows the legal organisation of the Group as of the date of this Registration Document. The percentages indicated for each entity correspond to their share in the capital and voting rights.



Neoen S.A., the parent company

Neoen S.A., the parent company in the form of a *société anonyme* governed by French law, was initially constituted and registered in Paris on September 29, 2008 under company number 508 320 017 and in the form of a *société par actions simplifiée*. The Company was listed on the Euronext Paris regulated market on October 17, 2018. It is controlled by its shareholder of reference described in section 7.3 on shareholdings of this document.

It also holds intermediate holding companies for each of its operating sectors (wind, solar and storage) and/or for certain geographical zones.

Neoen Production 1 and Neoen Production 2 have been created to support projects under construction or in operation and those for which financing has been put in place with the objective of raising mezzanine debt.

Through these intermediate holding companies, Neoen S.A. generally holds 100 % of its project companies with the exceptions set forth below.

Significant subsidiaries

See section 4.1 – note 25 on the Group's scope of consolidation.

Recent acquisitions and sales of subsidiaries

Acquisitions

In the framework of its project development activity, the Group occasionally acquires companies holding solar or wind power projects that are generally at an intermediate stage of development rather than already developed by third parties. It may also have occasion to acquire companies holding assets in the process of exiting long-term (e.g. PPA) contracts and thereby offering significant potential for repowering. In 2019, mention may be made in particular of the following acquisitions:

- on August 1, 2019, the Group acquired 100 % of the share capital of Eco Wind Power Limited, an Irish holding company holding eight project companies owning wind power assets in the Republic of Ireland with total installed capacity of 53.4 MW;
- on September 10, 2019, the Group acquired an 80.1 % interest in Mutkalampi Tuulipuisto Oy, a Finnish company engaged in the development and construction of the Mutkalampi wind farm, in Finland, with future capacity of about 280 MW;
- on December 24, 2019, the Group acquired 49 % of the share capital of Aura Power Rio Maior S.A., a Portuguese company holding a 150 MVA solar power project in Portugal.

Sales and liquidations

In the framework of its day-to-day management and even though the Group's vocation is to hold the projects it develops for the long term, it occasionally engages in rationalization of its project portfolio.

During 2019, the Group disposed of certain investments for financial or strategic reasons:

- on May 17, 2019, it sold its 100 % direct interest in the share capital of Biomasse Energie de Montsinéry (BEM), the company developing the project for a biomass power plant in Montsinéry (French Guyana);
- on September 4, 2019, it sold its 51 % interest in the share capital of Biomasse Energie Commentry (BEC), the company operating the biomass power plant in Commentry (France) the remaining 49 % of which are held by Caisse des Dépôts et Consignations;
- on September 4, 2019, it sold its 100 % interest in the share capital of Neoen Biosource SAS, the wood procurement subsidiary associated with the Commentry biomass power plant.

Finally, Neoen Marine Développement was subject to amicable liquidation and struck off the company register on August 7, 2019.

Investments and joint ventures

For a presentation of the Group's investments, see section 4.1 – note 25 "consolidation scope".

For a presentation of the Group's joint venture investments, see section 4.1 – note 25 "consolidation scope".

2.6.2.5 CUSTOMER AND SUPPLIER PAYMENT PERIODS

Article D441 I.-1° of the French code of commercial law: Supplier invoices received and due but not paid at the year-end

	0 day (indicative)	1-30 days	31-60 days	61-90 days	Total (1 day and more)
(A) Tranches de retard de paiement					
Number of applicable invoices	76	101	46	118	265
Total invoice amounts inclusive of VAT ⁽¹⁾	1,708,795	849,883	(1,196,494)	245,667	(100,944)
Percentage of total purchases of the year inclusive of VAT	3%	2%	-2%	0%	0%
(B) Invoices excluded from (A) relating to disputed or unrecorded liabilities					
Number of invoices excluded		0			
Total amount of invoices excluded		0			
(C) Payment period of reference (contractual or as provided for by article L441-6 or article L443-1 of the French code of commercial law)					
Payment period retained for the calculation of payment delays		30 days from the invoice date			

(1) Negative amounts equate with the following situations:

- direct bank debits for which the invoices will be received in 2020;
- payments on account to suppliers.

Article D441 I.-2° of the French code of commercial law: Customer invoices issued and due but not paid at the year-end

	0 day (indicative)	1-30 days	31-60 days	61-90 days	Total (1 day and more)
(A) Payment delay bands					
Number of applicable invoices	10	5	3	62	70
Total invoice amounts inclusive of VAT	1,146,544	3,209,763	148,248	16,148,972	19,506,983
Percentage of total purchases of the year inclusive of VAT	2%	5%	0%	25%	30%
(B) Invoices excluded from (A) relating to disputed or unrecorded liabilities					
Number of invoices excluded		0			
Total amount of invoices excluded		0			
(C) Payment period of reference (contractual or as provided for by article L441-6 or article L443-1 of the French code of commercial law)					
Payment period retained for the calculation of payment delays		30 days from the invoice date			

2.6.2.6 PECUNIARY SANCTIONS

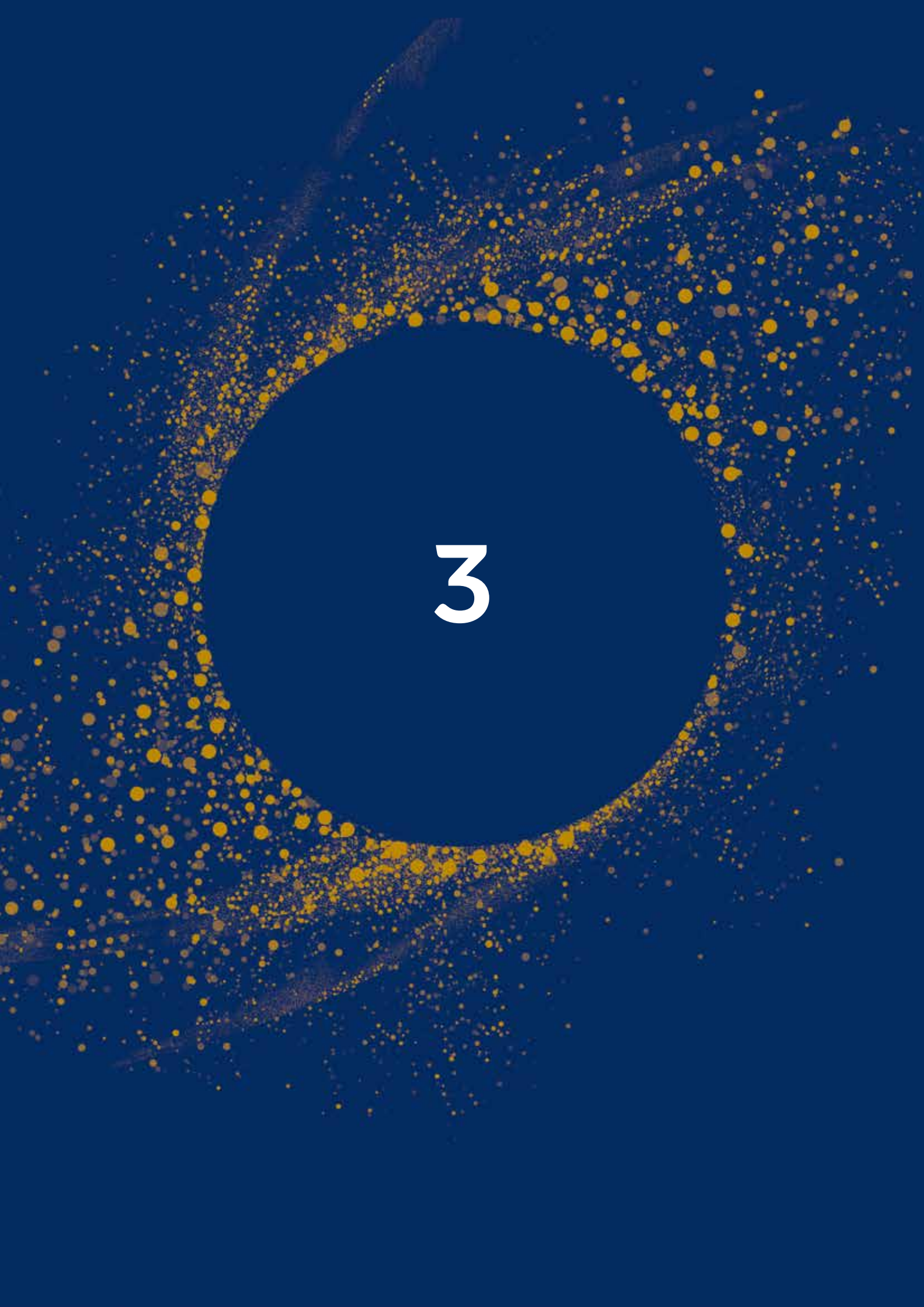
None.

2.6.2.7 EXPENDITURE ON LUXURIES

Lease charges for company cars not deductible for tax purposes amounted to €86,407 for 2019.

2.6.2.8 OVERHEAD EXPENSES DISALLOWED FOR TAX PURPOSES FOLLOWING INSPECTION

None.

The image features a dark blue background. In the center is a solid dark blue circle. Surrounding this circle is a ring of numerous small, bright yellow dots of varying sizes. These dots are arranged in a circular pattern, creating a halo effect. The dots are more densely packed in some areas and more sparse in others, giving the ring a textured, nebula-like appearance. The overall composition is symmetrical and visually striking due to the high contrast between the yellow dots and the dark blue background.

3

RISK FACTORS

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3.1 RISKS AND UNCERTAINTIES

Such risks are, at the date of registration of this document, those whose occurrence the Company believes may have material adverse impact for the Group, its activity, its financial position and/or its results and outlook, which are important for the purpose of investment decisions and which are specific to the Group's operations. This section presents an overview of the main risks with which the Group may be confronted in the framework of its activities. The risks mentioned are merely illustrative and are not exhaustive. These risks or other risks, not identified at the date of registration of this document or believed by the Group to be immaterial at the date of registration of this document, may have an unfavorable impact for the Group's operations, financial position, results or potential development. It must equally be recalled that certain risks, whether or not mentioned in this document, may be triggered or arise as a result of external factors and that such risks are therefore beyond the Group's control.

The main risks applicable to the Group may be classified over five categories:

- risks related to the Group's line of business;
- risks related to the Group's activity and strategy;
- risks related to the Group's financial position;
- legal and regulatory risks;
- environmental, social and corporate governance risks.

The importance of risks is assessed on the basis of their probability of occurrence and their negative impact in the event of their occurrence. Within each category, the risks are listed by decreasing order of importance.

Finally, it must be noted that the Group's declaration of extra-financial performance includes a description of its extra-financial risks certain of which are equally mentioned herein if they are considered to be significant.



CATEGORY	RISK FACTOR	QUALIFICATION BY THE GROUP		
		LOW	MODERATE	HIGH
Risks related to the Group's line of business	Risks linked to competition in the renewable energy sector			
	Risks linked to the connection to distribution and transmission networks			
	Risks linked to variations in the price of components necessary for the production of renewable equipment			
	Wholesale electricity market price risk			
Risks related to the Group's activity and strategy	Risks linked to the employment of third party contractors			
	Risks linked to financing arrangements obtained from various sources and particularly from external debt financing			
	Risks linked to the Group's expansion in emerging markets			
	Risks linked to projects in the process of development and construction			
	Risks linked to the ability to obtain profitable power purchase agreements			
	Risks linked to the termination of power purchase agreements or to payment default by counterparties			
	Risks linked to repairs and renovation of electricity production plants			
Risks related to the Group's financial position	Risks linked to the Group's level of gearing and means of financing			
	Risks linked to the financial covenants included in project financing agreements			
	Risks linked to the recoverability of deferred tax assets			
	Risks linked to changes in tax rules			
	Foreign exchange risks			
Legal and regulatory risks	Risks linked to unfavorable changes in the regulatory environment or in public policies to promote the development of renewable energies			
	Risks linked to the ability to obtain the necessary permits, licenses and authorizations for the conduct of the Group's business or the construction of its facilities			
	Risks linked to the reduction or calling into question of regulated prices and tariffs for the purchase of renewable electricity			
Environmental, social and corporate governance risks	Risks linked to any opposition to the construction of facilities from local communities or any challenge to permits, licenses and authorizations once granted to the Group			
	Risks linked to computer infrastructure			
	Risks linked to the Group's ability to retain key executives and employees and to attract and retain new qualified employees			
	Risks linked to climate change and to extreme weather events			
	Risks linked to meteorological conditions, notably wind and sun resources			

3.1.1 RISKS RELATED TO THE GROUP'S LINE OF BUSINESS

Risks linked to competition in the renewable energy sector

There is a great deal of competition in the solar and wind energy sector which is undergoing constant change. This competition is the result of multiple factors including notably the existence of a large number of stakeholders in the renewable energy sector in recent years, the fall in the cost of solar panels and wind turbines, of other system components, and also in construction and maintenance costs, the cost of capital and other costs, a fall in electricity prices both in the spot market and via feed-in tariffs or through competitive tendering and, again, further to rapid changes in technology having an impact on the sector.

All these factors may reduce the average sale price in power purchase agreements or accentuate the Group's difficulties in bidding successfully in invitations to tender at prices which guarantee the desired returns. This competition has, along with the reduction in supply costs, contributed to pushing down the prices on offer in the context of invitations to tender, thereby leading to ever lower prices being seen in the context of recent procedures.

Moreover, in each of the markets in which it operates, the Group is facing competition both from local entities and global stakeholders, many of which have a great deal of experience (both nationally and internationally) in the development and running of power plants and financial resources which are at least equivalent to or better than those of the Group.

In addition, in recent years, the renewable energy sector has been marked by a trend toward consolidation, notably via the arrival of international energy groups in this market. Leading energy operators such as Engie and Total have strengthened their positions in the renewable energy market via recent acquisitions of independent wind and solar developers and producers. Finally, other competitors have attempted to increase their market share via merger transactions and company consolidations which have led to the creation of larger stakeholders, having significant financial resources, in many cases exceeding those of the Group.

Risk management approach

By favoring the internal development of its projects, the Group tends to optimize their development costs and encourage the selection of the most appropriate locations and technological options, thereby enabling it to remain competitive in comparison with competitors which give preference to acquisitions.

The Group has also set itself objectives for return on investment (internal rates of return (IRRs) at high single digit for OECD countries and low double digit for non-OECD countries) which are approved by its Board of Directors and the compliance with which is constantly monitored at all project phases from development through to final construction. The Group thereby ensures that those objectives are systematically respected in the framework of projects under development or construction.

The Group's presence in several markets also enables it to follow attentively the measures of optimization implemented by the various players in the industry (more so than for purely local players). And finally, its long-term strategy is of benefit when negotiating PPAs with private sector players.

Risks linked to the connection to distribution and transmission networks

In order to sell the electricity generated by the plants it operates, the Group must have these plants connected to public distribution networks or, to a lesser extent, electricity transportation networks. So the possibility of installing a production site at any given location depends closely on the possibility of connecting the plant to the distribution and/or transportation networks. As the sites available for the construction of plants are sometimes located at a distance from distribution and/or transportation networks, the Group cannot guarantee that it will be able to obtain sufficient network connections, within the contemplated cost and time parameters, for the construction of its future plants, notably in non-mature or emerging markets for which the network manager still lacks the experience required in terms of connecting renewable energy generating facilities.

Moreover, insufficient network capacity caused by network congestion, by over-production, by connected facilities or by excessive fluctuations in electricity market prices could cause material damage to the Group's projects and lead to a reduction in project size, delays in the implementation of projects, the cancellation of projects, an increase in costs due to network improvements and the potential forfeiture of the guarantees put in place for the Group with the network manager in the context of connection to a given project.

Technical limitations could also lead the grid operator to ask the Group to curtail the supply to the network below its regular production capacity (grid curtailment). In South Australia, lack of network capacity has led the Australian Energy Market Operator to limit the amount of wind-generated electricity injected into the network based on the number of gas-powered power stations in operation at the same time, thereby entailing partial curtailment and loss of income generated by the facilities impacted. Another Australian phenomenon is the existence of marginal loss factors (MLFs) which impact electricity producers' revenue to reflect estimated losses within the grid. The multiplication of renewable energy facilities in recent years has increased those losses, thereby deteriorating the impact of the associated MLFs and reducing the profitability of assets.

Finally, in certain markets (notably Australia) the Group (like other producers) has to make a contribution to the compensation paid to energy producers for services rendered for the stabilization of the electricity network (the so-called FCASs or "frequency control ancillary services").

Details of the value of these FCAS contributions as well as of the compensation received by the Group for its FCAS services for the financial years ended December 31, 2018 and 2019 are set out in the table below:

(In Australian dollars)	12.31.2019	12.31.2018
FCAS revenue	25,610,586	18,582,532
FCAS contributions	(6,585,561)	(2,941,752)
BALANCE	19,025,025	15,640,780

The value of these FCAS contributions is unpredictable, may be material and could be greater than the hypotheses adopted in the financial models and not be offset by the compensation received by the Group in its capacity as a supplier of these FCAS services via its storage facilities. If applicable, this would potentially have a material adverse effect on the internal rates of return of the projects in question.

Risk management approach

For each of its projects in Australia, the Group prepares financial models incorporating forecasts of grid curtailment and MLFs based on the scenarios considered probable at the financial year-end.

Given the recent network changes in Australia, when selecting sites the Group pays particular attention to the grid's robustness in order to limit the risks associated with the operating phase. In all its countries, if the network is weak, the Group's practice is to find a connection to the very high-voltage electricity grid.

Lastly, the introduction of energy storage measures by the Group has also provided a partial response to the risks generated by curtailment.

Risks linked to variations in the price of components necessary for the production of renewable equipment

The price of wind turbines, solar panels and other system components (BOS or BOP components) may increase or fluctuate depending on a range of factors beyond the Group's control such as adverse changes in the price of the raw materials required for the production of renewable generating equipment (steel, lithium, cobalt, etc.), anti-dumping measures targeting Chinese solar panel manufacturers or the adoption of any other intergovernmental commercial measures targeting key materials used in the plants. These measures could therefore increase the Group's supply costs, which could negatively affect the value of its projects or render certain projects non-viable, each of these circumstances potentially having a material adverse effect on the Group's business, results or financial position.

Risk management approach

EPC (Engineering Procurement Construction) contractors are systematically subject to competitive tendering extending to at least three top rank contractors. The cost trends for materials such as steel, copper, cobalt, aluminum, silver and polysilicon are monitored month-by-month. Depending on the importance of each project, the purchase team secures the price, power class

and capacity of solar modules through framework contracts so as to avoid price volatility (with particular regard to fluctuating demand in China and to the USA's anti-dumping barrier).

Wholesale electricity market price risk

The Group is exposed to price risks on the wholesale electricity market (spot market), including the prices of green certificates or any other instruments specific to a given market (for example, large-scale generation certificates or LGCs in Australia or CELs, *Certificados de Energías Limpias*, in Mexico) in which it sells part of the electricity generated by its facilities.

In 2019, merchant revenues amounted to €32.7 million or 13 % of the Group's total revenue. The Group's current policy (which may change in the future) is to maintain a market exposure below a 20 % threshold of its installed capacity.

Wholesale electricity prices are generally highly volatile, market-specific and dependent on many factors such as the level of demand, the time of day, the availability and cost of producing the available capacity to meet demand, as well as the structure of wholesale markets (especially the rules that define the order in which generation capacity is allocated and the factors affecting the amount of electricity that can be carried by the available infrastructure at any given time).

Electricity prices on the wholesale market partly depend on the relative cost, the efficiency and the investments required for the development and operation of conventional energy sources (such as oil, coal, natural gas or nuclear energy) as well as of renewables such as those operated by the Group. As a consequence, a decrease in the costs of other sources of electricity, such as fossil fuels or nuclear energy, may lead to a decrease in the wholesale market price. Similarly, new electricity generation capacity may also lead to a decrease in the wholesale market price or even cause prices to be negative at certain times.

More significant regulatory changes in the electricity market could also have an impact on electricity prices. Given the intermittency of solar and wind resources (and in the absence of energy storage facilities near its sites) it is difficult for the Group to capitalize on the periods of strongest demand in the wholesale markets when those periods occur when sunshine and wind are not sufficient to cope with demand. Incidentally, prices fall and may at times even become negative in markets with a high solar generation capacity during periods where electricity supply increases due to prolonged sunshine.

A project's revenue is less predictable when it sells all or part of its electricity on the wholesale market than if it sold it through a contract for the sale of electricity covering the entire production of the installation. The greater volatility of income from a project exposed to market prices also reduces the percentage of the financing of a project by debt.

Nevertheless, spot prices are generally much higher than prices contracted on a long-term basis. They are conditioned by the balancing of supply and demand and not by the logic of applicable cost as is generally the case for sale contracts. They therefore contribute to the generation of revenues that are higher albeit more volatile.

The Group also generates revenues from the sale of renewable energy certificates or green certificates (LGCs or CELs) it obtains through the generation of electricity by wind and solar projects in Australia and Mexico. It then sells its certificates either as part of a bundled package with the electricity sold under a contract for the sale of electricity, or in sales on the market via brokers or directly to distributors, or pursuant to sales contracts for certificates. In these latter cases, the Group is exposed to the risk of decrease or volatility of prices for certificates in the markets. In 2019, revenues from the sale of certificates amounted to €41.5 million or 16 % of the Group's total revenue.

A slump in the market price of electricity or certificates could have a negative impact on the financial appeal of new projects and the profitability of the Group's facilities. The impact on the Group's operating results and financial position may be significant depending on the extent of the market exposure of its portfolio.

Risk management approach

Market price risk is managed at several project stages on the following bases:

- forecasting and preventive measures: Neoen relies for its medium and long-term pricing scenarios on external market analyses produced by specialist companies developing sophisticated models for forecasting market change. The models enable the definition of a central scenario as well as of alternative scenarios capable of testing project revenues' resistance in the event of more unexpected circumstances. In certain cases, the Group develops certain alternative scenarios directly as a means of testing its models;
- hedging of market risk: in the case of markets with operating projects exposed to wholesale price risk (as in Australia), the Group devotes teams to detailed analysis of market risks over shorter periods ranging from a few months to a few years. The teams then develop hedging strategies within the forward markets which are approved by a high-level committee. The first practical applications of this approach have involved LGCs in Australia and CELs in Mexico;
- operating management of production assets: if there is a risk of negative prices, teams are devoted to monitoring production on a continuous basis. For example, Australia possesses an operating control center functioning in 7/24 mode. Its operators continuously confront spot prices and production; if required, they can modify the level of production or even cease production completely in the event of negative prices;
- complementarity of assets: market risk can also be managed using other assets such as storage batteries which help derive benefit from market volatility whilst preserving a low level of exposure to structural price increases or decreases and protect revenues against intraday price movements in particular when they become negative. The Group has acquired considerable experience in storage battery operation thanks notably to Hornsdale Power Reserve, the world's largest energy storage system in South Australia, or Azur Stockage in France.

3.1.2 RISKS RELATED TO THE GROUP'S ACTIVITY AND STRATEGY

Risks linked to the employment of third party contractors

The Group engages various contractors for the construction of its projects, for operating and maintenance services (O&M) as well as for certain aspects in project development such as technical and environmental studies. If the Group's contractors (or their subcontractors) fail to fulfil their obligations, provide services that are not up to the Group's quality standards, encounter financial difficulties or do not comply with applicable laws and regulations, the Group's reputation may be undermined, in addition to running the risk of penalties or significant civil liability. The ability of the Group to obtain compensation from its subcontractors may be limited by their financial solvency or contractual limitations to their liability and the guarantees granted by subcontractors or their affiliates may not entirely cover the losses suffered by the Group.

In particular, commissioning delays can have a substantial impact on the Group's income for the current year and beyond a certain date contracts for the sale of electricity may be cancelled owing to their strict deadlines for commissioning plants.

Even if the Group is not dependent on a single supplier for key products and services, in certain cases, and depending on the region, there may only be a limited number of potential suppliers, so that the withdrawal of an important player could affect the availability, pricing or guarantees relating to the products or services concerned.

The growth of the renewable energy industry, intense competition and the Group's strict contractual requirements may limit the availability of a sufficient number of EPC contractors to ensure effective submissions to requests for tender at prices and terms complying with the Group's expectations.

Risk management approach

The Group only enters into contracts with Tier 1 suppliers and essentially on the basis of turnkey contracts.

The Group does not generally enter into framework contracts and EPC suppliers are specifically selected for each project. EPC suppliers provide the Group with performance guarantees, subject to negotiated limits, with regard in particular to delay in completion, which are implemented by financial institutions to which the Group pays particular attention.

Risks linked to financing arrangements obtained from various sources and particularly from external debt financing

The development and construction by the Group of solar plants and wind farms, and in some cases energy storage facilities, are expensive activities that require significant financing mainly through the use of equity and external debt. Third party debt financing generally covers 60 % to 90 % of the project costs for projects in OECD countries, between 50 % and 70 % of project costs for projects in non-OECD countries and as little as 40 % of project costs for projects with strong merchant revenue components. On December 31, 2019 the Group's outstanding

bank debt amounted to €1,757.9 million in project financing, along with €199.5 million in project bond financing (essentially mezzanine), for energy generation facilities and €180 million derived from the Company's first issue (in October 2019) of so-called OCEANE bonds convertible into and/or exchangeable for new or existing Neoen shares. The issue, for a nominal amount of about €200 million, has been treated as a composite financial instrument (as defined by IFRSs) with an initial debt component amounting to about €180.5 million and an equity component of about €20 million before deduction of the applicable total issue costs of €1.7 million.

The Group's ability to obtain project financing may vary from country to country and no assurance can be given as to whether banks that have provided financing for the Group's projects in the past will continue to do so for additional projects or markets as the Group expands into new markets.

In some cases, particularly in non-OECD countries, the Group may be unable to close its financing after obtaining initial financing commitments, for example if the required permits or administrative authorizations are not delivered or if extreme weather events occur or political problems arise. In some countries, the Group is often required to provide financial guarantees or deposits upfront to participate in tendering processes. Insofar as the banks providing such guarantees demand counter-guarantees, the Group may have to draw on its lines of credit to meet such demands without any assurance that its bid will be successful.

Risk management approach

In this context, the Group gives priority to the development of projects in OECD countries. To limit its risk exposure, the Group's current policy is to aim for 80 % of power installed in OECD countries and 20 % in non-OECD countries.

Nevertheless, the Group's accelerating international development may expose it to less stable or less predictable financing terms.

Before any significant investment in a project, the Group systematically begins by assessing its "bankability" by consulting credit institutions or development banks.

The Group is also attentive to diversifying its banking counterparties with the aim of working with a pool of regular lenders adequate to meet its project development requirements.

Risks linked to the Group's expansion in emerging markets

The Group currently operates solar plants, wind farms and electricity storage facilities mainly in France and Australia, its main markets in which it generated about 85 % of its revenue in 2019, and to a lesser degree, solar and wind plants in selected markets in Europe and solar plants in Latin America and Africa. It plans to extend its operations considerably outside France and Australia, particularly in America (a market in which the Group generated 8 % of its revenue in 2019 but which constitutes 21 % of the MWs in its portfolio of secured projects on December 31, 2019).

The current and expected operations of the Group in emerging markets, particularly in Latin America and Africa, expose it to specific risks inherent in investments and operations in developing markets and in particular:

- the emerging markets in which the Group operates or contemplates operating are at various stages of development. The level of security of certain markets may be reduced and, from time to time, the Group has experienced theft or security failures in these markets, which may also increase the risk of failure or shortcomings of the infrastructure. In particular, the security of personnel or of subcontractors may be compromised in the context of fragile geopolitical situations;
- grid managers and other key counterparties in certain markets, particularly in the case of developing markets, may have limited or no experience of the technical requirements for the development and construction of renewable energy plants and their connection to the electricity grid;
- the activities of the Group in developing markets may present risks of losses in the event of expropriation, nationalization, confiscation of property and cash, restrictions on foreign investment and recovery of invested capital;
- imposition of foreign exchange controls or the absence of any acceptable foreign currency in one or more emerging markets in which the Group operates or intends to operate may lead to restrictions on converting the local currency into a foreign currency and the transfer of funds abroad, which could limit upstream payments of the Company's dividends;
- certain emerging markets have implemented measures to encourage foreign investment, particularly tax benefits, the elimination of which could have a negative impact on the Group's income or on the availability or the cost of project financing in those countries;
- the inadequacy of the legal system and laws may create uncertainty for investments and the Group's activity in certain countries;
- the Group operates or plans to operate in certain countries in which the perceived risk of corruption may be more widespread than in others. Even though the Group has adopted an ethical charter designed to respond to these risks, the Group's controls and procedures could fail to prevent anti-corruption laws and regulations (and its ethical charter) being violated.

The Group's inability to cope with the risks in connection with operations and investment in developing markets could have a significant negative effect on its activity, reputation, financial position and results.

Risk management approach

The Group's intention is to increase its international presence.

The yearly addition of new countries, sometimes in zones that are fragile in geopolitical terms, generates new potential exposure but nevertheless tends to disperse the Group's overall risk albeit such risk may be expected to remain latent within any sensitive geographical zone even once the Group's activity has become locally more mature.

The implementation of the Group's policy for HSE (hygiene, safety and the environment) is also regularly reinforced and includes components dedicated to the health and safety of employees.

Finally, when choosing future investments the Group closely reviews the economic, political and regulatory situation of the countries in which it may potentially invest and takes care to diversify its investments in order to limit its exposure to emerging countries. The Group's current policy is to aim for 80 % of power installed in OECD countries and 20 % in non-OECD countries.

Risks linked to projects in the process of development and construction

The Group devotes considerable time to developing the projects it has in its pipeline, especially in prospecting and identifying sites, obtaining land licenses, arranging third-party environmental studies, undertaking technical assessments and involving local stakeholders. The Group allocates financial resources to these activities, which increase as projects progress through their development stages.

On December 31, 2019, the Group's pipeline of projects under development was made up of 157 projects at various stages of development (tender ready and advanced development projects, excluding early stage projects⁽¹⁾).

The obstacles faced by the Group during the project development phases may create delays or additional costs which could make the projects less competitive than initially planned. In certain cases, this could result in the project being postponed or abandoned and in the loss or impairment of the development expenses incurred. As a result, the Group may be unable to secure the requisite contracts for the sale of electricity planned for those projects, obtain financing on terms enabling adequate profitability or achieve the anticipated investment returns.

In the same way, the Group's inability to complete the construction of a facility or meet deadlines is likely to result in, for example, breaches of contract, early termination of electricity sales contracts, facility depreciation, a reduction of the period of eligibility for negotiated tariffs or delays and/or cost overruns which may not be fully covered or adequately provided for by guarantees, indemnification clauses or EPC insurance.

On December 31, 2019, the Group's projects under construction represented 1,193 MW.

Risk management approach

The Group's development teams essentially concentrate their efforts on familiar regions and projects with real prospects for achievement. Investment in new countries and initial prospection is closely monitored and controlled.

For the construction of its facilities, the Group enters into essentially turnkey contracts, with first-tier EPC contractors, which provide for penalties in the event of non-compliance with contractual deadlines and the performance of which is closely monitored and supervised by the Group's own construction teams.

Risks linked to the ability to obtain profitable power purchase agreements

The value and viability of the Group's renewable energy projects depend on its ability to sell the electricity produced under contracts concluded with solvent counterparties and at appropriate prices, especially within the context of public tenders. As at December 31, 2019 over 86 % of the Group's capacities in operation and under construction (in MW) were allocated to power purchase agreements resulting from public tenders or were won after a public procedure.

Such public tenders are usually governed by specific regulatory frameworks and/or government initiatives. Tenders are mainly won on the basis of the price in the offer.

If the Group is unable to secure power purchase agreements for a given project under a public tender or under sufficiently favorable terms, it will generally be unable to finance that project or will only be able to do so on unfavorable financing terms.

Lastly, the Group cannot guarantee that it will be able to renew or negotiate new power purchase agreements after the expiry of the initial agreements or that it will be able to negotiate sales prices under future contracts or on the wholesale markets on terms equivalent to those obtained initially.

The Group may incur additional interim costs in order to maintain projects that may never be built. If those projects are not carried out, all the associated prior development costs that are capitalized in the balance sheet will be written off and a corresponding expense will be recognized in the Group's income statement.

Risk management approach

The Group may retain such projects in its pipeline and attempt to obtain power purchase agreements afterwards, through future tenders, but cannot guarantee that such tenders will take place or that it will be successful in winning them.

The Group may also design and develop certain projects with a view to selling their production on the spot and forward markets for electricity, subject to compliance with its objectives with regard to exposure to the associated market risks, implying in particular that the proportion of its installed operating capacity exposed to market pricing be limited to a maximum of 20 % of the total. In 2019, 14 % of its capacities in operation and under construction was exposed to market pricing whilst the Group's merchant revenues amounted to 13 % of total consolidated revenues.

Risks linked to the termination of power purchase agreements or to payment default by counterparties

The Group sells most of the electricity generated by its assets under long-term power sale agreements (up to 25 years) with state counterparties (states or state-owned companies), utilities and a limited number of corporate buyers.

Even when the Group obtains such state guarantees, the guarantor may not have an investment grade credit rating, or may lose it. As at December 31, 2019 the Group's main four customers, which accounted for around 66 % of its capacity in operation (in MW), all had investment grade credit ratings.

Similarly, the Group may be unable to fully limit its exposure to regional economic crises, as well as the ensuing credit risk, despite its diversity of locations. These risks may increase when there is volatility in the global or regional economies.

(1) For a definition of the various stages of development of the Group's projects, see the glossary in the section 9.6 of this document.

Also, as long as the Group's purchasers are state entities or state-owned entities, its facilities are exposed to an increased risk of expropriation or legislative or political risks, including the privatization of counterparties, which may affect the proper performance of the applicable contracts.

For an analysis on the Group's exposure to counterparty risk, please refer to section 3.2.2.4 of this document.

The financial performance of the Group's plants depends on its counterparties' credit quality and regular performance of their obligations under electricity sales contracts. Counterparties' default in this regard may have a significant adverse effect on the Group's business, financial position and results.

Risk management approach

Power purchase agreements entered into by the Group may be terminated by the counterparties in limited circumstances including events that render any payment made under such contracts illegal, force majeure events (including acts of state) and certain tax events. This termination option for counterparties is generally subject to the payment of compensation on termination.

The Group aims to reduce counterparty risk on electricity sales contracts in part by entering into contracts with states, public electricity utilities or other customers with high credit quality, and by obtaining performance guarantees by the purchasers. However, whenever a current or future counterparty does not have, or loses, an investment grade credit rating and the Group cannot obtain guarantees from the state, the Group is or will be exposed to increased counterparty risk.

Finally, when setting and negotiating the selling prices proposed for electricity produced, whether in the context of public tenders or of bilateral negotiation with counterparties, the Group systematically takes account of counterparty risk for the purpose of determining its desired rates of investment return.

Risks linked to repairs and renovation of electricity production plants

The operation of the Group's plants includes risks of breakdown and failure of equipment and procedures as well as risks of performance lower than the expected production or efficiency levels. A certain number of factors can be responsible for these performance failures and problems, such as human error, lack of maintenance and general wear and tear. Unexpected interruptions of production units, or other problems in connection with the Group's production plants, can also occur and constitute a risk inherent to its activity.

Unexpected interruptions of the Group's electricity production units generally involve an increase in operating and maintenance costs which may not be recoverable under off-take contracts and may thereby reduce the Group's revenue as a result of reduction in the quantity of electricity sold or compel the Group to incur substantial expenses as a result of the increased operating cost of the plant, or could even constitute an event of default under an off-take contract leading to its termination and potentially triggering a request for early repayment of the associated project finance. Furthermore, essential equipment and components may not always be immediately available when needed, which could lead to non-negligible downtime and delay in resuming the

plant's operation, whence a loss of income which would probably not be entirely compensated for by the penal clauses included in O&M contracts. Certain bespoke equipment and parts require substantial costs and lead time for manufacture and delivery: if these items do not function as planned or are damaged, replacing them may require significant expenses for the Group and lead to extended downtime for the plant concerned.

Risk management approach

The maintenance and refurbishment of electricity production facilities are performed by leading third party service-providers selected by the Group, generally on the basis of turnkey O&M contracts incorporating availability and performance requirements sanctioned by penalties.

3.1.3 RISKS RELATED TO THE GROUP'S FINANCIAL POSITION

Risks linked to the Group's level of gearing and means of financing

To finance its projects, the Group uses significant leverage to limit its equity exposure. In this sense, as of December 31, 2019 the Group's leverage ratio, defined as the ratio between its net debt and current EBITDA (calculated over the last 12 months) amounted to 8.4x. The Group's medium-term objectives, including its net debt/EBITDA target, assume a financial leverage ratio of approximately 80-85 % of the invested capital taking into account all funding whether senior, subordinated or corporate. The Group's projects therefore imply significant reliance on debt by the applicable project companies thereby entailing the risks detailed below. Moreover, the Group may be unable to maintain the necessary leverage to attain its growth targets for various reasons (including a possible rise in market rates or a higher equity contribution required by lenders, notably due to a larger proportion of sales at market prices of the electricity produced by a project), which would entail greater exposure by its shareholders to meet the Group's equity requirements.

On December 31, 2019, the Group's consolidated financial debt amounted to €2,414.6 million, of which €1,757.9 million of project financing debts contracted by project companies or intermediate holding companies, €199.5 million of bonds and €194.6 million of corporate financing contracted by the Company. The remaining €262.5 million comprise (following application of IFRS 16) lease liabilities (€136.7 million), shareholder loans granted to project companies or project company holding companies by minority shareholders (€30.4 million) and hedging instruments (€95.4 million). For a description of the Group's indebtedness, please refer to section 2.3.4 "reconciliation of consolidated liabilities and net debt" of this document.

If a project company, or its holding company, were to default on its financing agreements (for example, because of an unforeseen event or a deterioration of its financial position) or fail to meet certain minimum debt service coverage ratios, such failure could make the project debt immediately payable. In the absence of a waiver or restructuring agreement, the lenders may be entitled to seize the assets or securities pledged as collateral (in particular the Group's interest in the subsidiary that owns the project).

Moreover, the failure of a project company or a holding company to repay its indebtedness could affect its ability to pay dividends to the Group, pay fees or interest, reimburse intragroup loans and make any other distribution of its liquidities, as the defaulting entity is generally prohibited from distributing cash. This would probably result in a loss of confidence by the Group's customers, lenders or contractors, which would adversely affect the Group's access to other sources of financing for its projects.

Finally, in the event of insolvency, liquidation or reorganization of any project company, its creditors (including suppliers, adjudicated creditors and tax authorities) would be entitled to full payment of their claim from the project's revenues before the Group could be authorized to receive any distribution from the project. Where there is indebtedness for a given project, the lenders may request forfeiture of the term of their debt and seize any collateral; the Group could then lose its interest in the project company.

Risk management approach

Except for isolated and temporary exceptions (such as the guarantee provided by the Company during the period preceding the operating launch of the Altiplano project in Argentina planned between the second and the third quarter of 2020, each project company's debt contracted for the cost of a project is not subject to any recourse against the Company and other entities beyond the scope of the specific financing, i.e. is only repayable from the revenues generated by the project company or its direct holding company (where projects are grouped). The repayment of principal and interest is generally guaranteed by the project company's equity, the plant's physical assets and the contracts, insurance policies and cash flows of the project company or its direct holding company (as applicable).

Mezzanine debt, whose repayment is funded by the dividend flows and repayment of shareholders' loans of the applicable project companies, is equally not subject to any recourse against the Company and other entities beyond the scope of the specific financing.

The repayment of principal and interest for corporate Group financing is also funded, as for mezzanine debt, by the dividend flows and repayment of shareholders' loans of the applicable project companies. The requisite payments are subject to regular monitoring and forecasting designed to ensure adequate cover for both principal and interest.

Risks linked to the financial covenants included in project financing agreements

Due to its project financing strategy the Group has to manage multiple financing contracts signed by numerous project companies in different countries and jurisdictions. Although the Group endeavors to negotiate its financing on a uniform basis for all its projects, the terms of certain financing agreements may vary or provide for specific provisions or commitments that may prove difficult to meet or to manage on an ongoing basis.

Each financing agreement contains financial and non-financial covenants that are binding on the project company. In particular, financing agreements generally contain a minimum debt service coverage ratio (DSCR) defined in the financing contract (generally of 1.05x to 1.10x depending on the contract). The standard

financing agreement also imposes restrictions on distributions of monies to shareholders and repayments of shareholder loans, including compliance with a lock-up DSCR which is generally set at a higher level than the minimum DSCR (usually from 1.10x to 1.15x depending on the agreement, or even higher for projects located in non-OECD countries or that have a high merchant component) and the maintenance of a debt service reserve account. Certain financing agreements impose minimum equity-debt ratios. Lastly, some agreements also include cross-default clauses applicable to the project company or its direct holding company and, in some cases, related to the financial position of the Company.

Failure by the Group to meet these covenants could lead to an event of default on a project's financing and have adverse consequences such as blocking project distributions, increasing costs or accelerating repayment of project debt, and thus have significant negative impact on the Group's ability to obtain financing in the future or affect the cost of its future financing. In addition, if the Company were to experience financial difficulties, that could trigger the cross-default clauses included in some financing contracts and thus provoke simultaneous defaults by several project companies.

On December 31, 2019, the minimum DSCRs and/or equity/debt ratios were complied with by Group companies.

The convertible bond issue of 2019, for a nominal amount of about €200 million, is not subject to specific financial covenants but to compliance with a certain number of commitments relating to events of default, negative pledges and change of control which are standard for this type of financing.

Risk management approach

The Group performs detailed monitoring for compliance with the covenants applicable to all its financing agreements. Should any period of non-compliance be anticipated, the Group would engage in discussion with the applicable counterparties with the aim of obtaining a waiver, as was twice the case in 2018 when waivers in respect of project financing were obtained without any requirement for early repayment of the applicable debt.

Risks linked to the recoverability of deferred tax assets

The Group may record deferred tax assets on its balance sheet as the difference between the tax recorded in accordance with IFRSs and the actual tax paid by Group entities. This difference includes the deferred impact of any reduction in tax on losses carried forward. On December 31, 2019, deferred tax assets net of liabilities stood at €6.1 million including the deferred tax assets equating with Group tax losses carried forward, and tax credits, for €43.7 million (see section 4.1 – note 9.3 “deferred taxes”).

The actual realization of these assets in future years depends on a range of factors including (i) the ability to generate taxable profits and the degree of adequacy between the level of realization of profits and the level of losses, (ii) the general limit applicable to French tax losses, according to which the percentage of any loss carried forward for tax purposes which can be used to offset the portion of taxable earnings in excess of €1 million for each subsequent financial year is capped at 50 %, (iii) the

limits imposed on the use of tax losses imposed by foreign laws and regulations, (iv) the consequences of any current or future tax inspections or litigation and (v) any potential changes to the applicable laws and regulations.

The impact of those risks could increase the tax burden imposed on the Group and thereby have an adverse effect on its effective tax rate, financial position and results.

Risk management approach

The recognition of deferred tax assets within the Group's consolidated financial statements is conditioned by a preliminary assessment of their recoverability subsequently reviewed at each period end on the basis of the relevant project business plans prepared for project financing purposes and in turn regularly updated whenever material operating, financial or fiscal modifications occur of a nature to affect the original business plans.

Risks linked to changes in tax rules

Given the geographical diversity of its presence, the Group is exposed to potential modification of the tax rules applying in all the countries in which it operates, notably at the initiative of the OECD, the EU or national governments. Such modifications might affect the VAT rules applicable to construction works, the withholding tax mechanisms applicable to dividends paid, the criteria for tax deductibility of borrowing costs for project financing, the criteria for carryforward of tax losses, the bases of depreciation of production assets or corporate tax rates.

For example, France's 2019 finance act has placed new thin capitalization limits on the tax deductibility of borrowing costs which are directly applicable to the Group's French entities.

The Group may equally be the subject of tax inspections in the countries in which it operates, in the context of which it is always possible that the Group's tax treatments (in the absence of specific rulings) may be contested albeit the Group deemed them correct and reasonable in the context of its business.

The impact of changes in tax rules may equally have an unfavorable impact on the Group's financial position and results.

Risk management approach

The Group's tax policy is founded in strict compliance with applicable laws and regulations. Its transfer pricing policy is duly documented and reflects a strict principle of rebilling of costs incurred plus a limited margin. The Group also adopts an attitude of transparency with regard to tax authorities. Finally, its increasing geographical and product diversification may be expected to attenuate the potential impact of tax exposures.

Foreign exchange risks

The foreign exchange risks to which the Group has exposure include the translation risk associated with the conversion of the financial statements of Group subsidiaries established in currencies other than the euro into the Group's reporting currency, the euro. To date, this risk has related mainly to the Group's Australian subsidiaries whose financial statements

are stated in Australian dollars, to the solar power plants in El Salvador whose financial statements are stated in US dollars, to the solar power plant in Mexico whose functional currency is the US dollar and to the solar power plants under construction in Argentina whose functional currency is the Australian dollar but which are nevertheless exposed to foreign exchange risk for the Argentine peso in the context of recovery of the VAT credits associated with the construction phase.

With regard to transaction risk, i.e. the risk of non-alignment between the currencies in which the Group's revenues and costs are respectively generated and incurred, the Group minimizes its exposure by aligning project borrowing, investment expenditure and revenue with one single strong and stable currency (as of the date of this document, the US dollar, the euro and the Australian dollar exclusively). The Group is nevertheless faced with this risk with regard to development costs incurred in certain countries. Moreover, the prices of certain power purchase agreements are stated in US dollars but the payment currency may be a local currency which the Group must then convert without delay into US dollars to guarantee the servicing of debt and distribute any excess cash to shareholders.

The Group also incurs transaction risk on any equity and shareholder loans that it may allocate to project companies (which constitute an equity contribution in the context of project financing) which are financed in euros while the investment expenses incurred by the project companies (for projects located outside the Eurozone) will be stated in local currency (mainly US and Australian dollars but also to a limited extent the Mexican peso, Argentine peso, Mozambican metical, Zambian kwacha etc.).

Risk management approach

In order to hedge the risk of a fall in the value of the euro against the US and Australian dollars, and to the extent that the project's probability of achievement is sufficiently established, the Group signs forward currency contracts under which it purchases Australian or US dollars with payment generally stipulated shortly before the date of the necessary contribution of equity or quasi-equity to the project. Such hedging instruments are generally subscribed when the Group has clear visibility as to the investment expenditure and debt/equity ratio applicable to the project, for example immediately after the finalization of an EPC contract.

Finally, under certain exceptional circumstances a project under construction may be exposed to payments in currencies other than its operating currency, notably when the EPC contract is denominated in several different currencies. The Group must then ensure that the project company purchases forex hedging at the time of the financial closing in order to ensure that the resources provided for the project will suffice for its proper completion.

The following table provides details of the Group's debt by currency type on December 31, 2018 and 2019 (excluding lease liability and minority investments):

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Debt denominated in euros	955.7	675.7
Debt denominated in Australian dollars (converted into euros)	843.9	710.0
Debt denominated in US dollars (converted into euros)	432.6	162.8
Debt denominated in other currencies (converted into euros)	15.2	-
TOTAL DEBT	2,247.5	1,548.5

3.1.4 LEGAL AND REGULATORY RISKS

Risks linked to unfavorable changes in the regulatory environment or in public policies to promote the development of renewable energies

The Group's activities are, to a certain extent, dependent on the incentive-based public policies adopted in countries in which the Group operates aimed at promoting the production and sale of energy from renewable sources. Depending on the country, these measures may take the form of commitments and planning for the production of renewable energy, direct or indirect subsidies paid to operators, obligations to purchase at feed-in tariffs or the payment of bonuses through the open-window market or in the context of requests for tender etc. Such policies and mechanisms generally reinforce the commercial and financial viability of renewable energy facilities and often make it easier for the Group to obtain financing.

The Group's ability to benefit from these policies and their favorable nature depend on the political and strategic policies with regard to environmental challenges adopted in any given country or region, which may be impacted by a wide range of factors.

Moreover, the organization of public requests for tender which constitute the main opportunities for the Group to sell the electricity generated depends to a great extent on the willingness of states or regions to promote the production of renewable energy within their territory, or on planning tools such as the multiannual energy program in France. For example, in Mexico, after the federal elections of 2018, the *Centro Nacional de Control de Energía* or CENACE announced the postponement then abandonment of tender procedures initially planned for the end of 2018, for which the Group was a preselected candidate. Such exceptional decisions delay the Group's ability to conclude contracts for the sale of electricity and find openings for the projects it develops in the country.

More generally, any challenge to or adverse change in such incentive-based public policies and any uncertainties in relation to their interpretation or implementation, or any reduction in the number of requests for tender or in the volumes allocated thereby, may have a material adverse effect on the Group's business, results or financial position.

Finally, the Group is doing business within a restrictive regulatory environment extending to matters of urban planning,

environmental protection (landscaping and noise requirements, biodiversity), the protection of local populations (such as Aboriginal populations in Australia), hygiene, health and safety at work, the maintenance and control of operational facilities, dismantling of facilities at end of life and recycling of their components. If the Group does not comply or make its facilities compliant with the applicable provisions, it may have its authorizations (licenses, permits etc.) withdrawn or be fined by the regulatory authorities or grid managers, which may have a major negative impact on its business, results or financial position.

Lastly, in this context, the Group could be exposed to risks linked to various legal or administrative proceedings or proceedings launched by regulatory authorities.

For example, on September 28, 2016, a power failure occurred throughout the entire state of South Australia for a period of 26 hours.

The Australian Energy Market Operator ("AEMO") issued a report on the causes that identified tornadoes that had damaged the area's electricity transmission network infrastructure, and requested information and documents to Hornsdale Wind Farm 1 Pty Ltd ("HWF 1"), (and, to the Company's knowledge, from other renewable energy producers connected to the network). HWF 1 responded to these questions and provided the requested documents.

Despite various discussions between the AER and the producers, on August 6, 2019 the AER (Australian Energy Regulator or "AER") commenced proceedings against HWF 1 (and separately against three other renewable energy providers) in the Federal Court of Australia alleging contraventions of the National Electricity Rules and seeking (amongst other things) an order requiring HWF 1 to pay an unspecified civil penalty. A trial date has not yet been set for the hearing of issues related to the alleged contraventions of the NER. If contraventions of the NER, that HWF 1 contests, are established there would then be a further trial on questions of liability. However, no assurances can be given with respect to the outcome of any such proceedings (or any appeal from such proceedings), and if HWF 1 was in breach of the NER, it would increase the risk of a class action lawsuit against HWF 1 by claimants seeking compensation for damages allegedly incurred caused by the black-out. Defending against any legal action would be costly and any related losses could be significant. Further, if contravention(s) of the NER are established and a civil penalty is imposed upon HWF 1, HWF 1 considers that it has a strong basis to recover the amount of any civil penalty from the contractor engaged to design and build the wind farm, under and pursuant to the terms of the EPC Contract.

The Company has therefore not made any provision in respect in its financial statements as of December 31, 2019.

Risk management approach

In the case of regulatory requirements, the Group necessarily remains dependent on the evolution of the policies adopted by the various countries within which it operates. It may nevertheless be noted that:

- international conferences such as the COP have shown that numerous countries display growing awareness in particular as the result of the pressure exercised by populations on their governments (marches for the climate etc.);
- the Group is supported by the banks, notably development banks, financing its production facilities.

In order to cope with the potentially rapid and hazardous evolution of the applicable rules the Group also engages in careful due diligence, prior to the financial closing of its projects, in order to be familiar with such rules and their potential evolution, and has the support of dedicated asset managers, who perform detailed monitoring of projects and project constraints, and of legal teams charged with analyzing regulatory trends.

Finally, the Group attaches great importance to local leadership as a means of better understanding and anticipating potential changes in local regulation.

Risks linked to the ability to obtain the necessary permits, licenses and authorizations for the conduct of the Group's business or the construction of its facilities

In the context of its activities, the Group is subject to significant constraints relating to the issuance of the permits, licenses and authorizations required by the regulations in force and delivered by local or national authorities. Depending on the country, such permits, licenses and authorizations may take the form of planning permission (such as building permits), mandatory environmental surveys and impact surveys, generating, operating and network connection authorizations and other specific authorizations related to the presence of protected sites close to facilities.

Depending on the country, national and local authorities may have greater or lesser discretionary powers with regard to the granting of such permits, licenses and authorizations and may exercise their discretionary powers in an arbitrary or unpredictable manner. Moreover, the number of competent authorities may make the process for obtaining such authorizations and permits lengthy, complex and costly.

As a result, the Group cannot guarantee that it will be able to obtain the permits, licenses and authorizations necessary for the construction of a given facility at a reasonable cost or in accordance with the anticipated timetable. Finally, for projects at the development stage, the Group may have committed resources without obtaining the permits and authorizations required and may therefore have to withdraw from or abandon a project, which may have a material adverse effect on its business or operating results.

Risk management approach

The Group has specialist country development teams responsible for obtaining the requisite permits and licenses. The multiplication of projects in any given country facilitates comprehension of the applicable processes in particular for countries with strong regional characteristics. This is particularly true of France where the Group has a precise understanding of the various regional approaches to the development of renewable energies.

The Group is supported by specialist local subcontractors who perform the requisite analyses (technical and impact surveys etc.) for permit applications, as well as by lawyers in order to ensure completeness.

The Group's positioning as a local leader or initiator of large-scale projects provides it the benefit of attention from central authorities, thereby limiting the impact of discretionary decisions in developing countries.

Risks linked to the reduction or questioning of regulated prices and tariffs for the purchase of renewable electricity

The value and viability of the wind and solar power and storage facilities developed and operated by the Group depend on its capacity to sell the electricity thereby generated at suitable price levels either pursuant to power purchase agreements or in the wholesale market.

In the past, those of the Group's projects located in France enjoyed an open-window purchase obligation which required EDF or local distribution companies to purchase the electricity generated by the Group at the feed-in tariffs set by ministerial order. Since the introduction of France's Energy Transition Law for environmentally-friendly growth dated August 17, 2015 a majority of the Group's facilities located in France now benefit from a feed-in premium mechanism based on the option to sell the electricity generated by certain facilities directly in the wholesale market (in particular to suppliers and traders) while also receiving a premium paid by EDF.

Such feed-in tariffs or feed-in premium mechanisms, on an open-window basis or further to competitive tenders, are also found in other countries in which the Group is present. For example in Zambia, the Scaling Solar Program in which the Group has taken part in the past is aimed at coordinating the development and installation of solar power plants with a target capacity of 600 MW. In Argentina, the Group is a participant in the RenovAr program which includes provision for requests for tender further to which the successful bidders, including the Group, are awarded power purchase agreements offering them a US dollar-based indexed fixed price for a term of 20 years with *Compañía Administradora del Mercado Mayorista Eléctrico* (CAMMESA).

For each of these countries, any adverse changes in the premiums or prices offered on an open-window basis or further to requests for tender may have a material impact on the profitability of the Group's projects and the revenue generated, particularly if the feed-in premiums or prices are not sufficiently high to cover project costs (notably the cost of repaying the applicable debt) and guarantee appropriate returns. Moreover, if the Group is not able to reduce its costs, notably via other system components (BOS and/or BOP components), quickly enough to offset the

reduction in feed-in premiums or regulated prices in France or other countries, projects based on such revenue conditions may no longer be viable.

Risk management approach

The Group has chosen to concentrate its investment in countries where its renewable electricity production facilities largely possess grid parity, thereby rendering less likely any reduction or other questioning of the pricing arrangements for the purchase of renewable electricity since they are already competitive in comparison with the conventional sources of electricity production.

In the event of any such questioning of feed-in prices or other regulated tariffs, the Group's continuous insistence on seeking competitiveness for its facilities in comparison with other energy production sources would be expected to enable it to sell its electricity production on the spot or forward electricity markets.

Finally, the Group's strong geographical diversity renders it less exposed to any challenge to regulated prices and tariffs within any particular country or region.

3.1.5 ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE RISKS

Risks linked to any opposition to the construction of facilities from local communities or any challenge to permits, licenses and authorizations once granted to the Group

The wind power and, to a lesser extent, solar power projects developed and operated by the Group may be the target of strong opposition from local communities and associations specialized in particular in the fight against wind farms, notably in France.

In particular the permits, authorizations and licenses necessary for the construction of a facility may, once granted, become the subject of an appeal filed by local residents and associations who generally cite damage to the landscape, noise pollution, damage to biodiversity or, more generally, harm to the local environment.

Appeals of this kind are very frequent for those of the Group's wind farm projects located in France and may arise for projects located in the other countries where the Group is present.

When the permits and authorizations obtained by the Group are challenged or cancelled, the periods needed to develop projects are longer and in some extreme cases, may force the Group to abandon projects under development.

On December 31, 2019, 3 % of the Group's 100 solar power projects (that's to say 3 projects) and 26 % of its 46 wind power projects (that's to say 12 projects) in awarded, tender-ready and advanced development² phases in France had become the subject of an appeal (projects in the early stage phase are not generally sufficiently advanced to be challenged by an appeal).

None of the Group's project (outside of France) was subject of an appeal. During 2019, the Group was not forced to abandon any project as a result of appeals; on the other hand, 4 solar power projects and 1 wind farm project are no longer subject to any appeal and keep being developed.

More generally, no guarantees can be given by the Group that a wind farm or, to a lesser extent, a solar power plant currently under development or operation will be given a positive feedback or be accepted by its neighboring communities. Although various regulations aimed at restricting the exact locations of wind farms or solar power plants already exist, opposition from the local community may make it more difficult to obtain building permits and this may lead to more restrictive new regulations being adopted. A lesser degree of acceptance by local communities regarding the location of power plants, an increase in the number of appeals or an adverse trend in their outcome could lead the Group to abandon certain projects and, therefore, have an adverse effect on the Group's prospects and financial performance.

Risk management approach

In general terms, the Group places the accent on dialogue and compensatory measures as a means of limiting the impact of a project or local opposition. For solar power plants the measures envisaged, in concertation with local communities, to limit environmental impact include for example measures of reforestation, the planting of hedges and measures for the protection of biodiversity.

For wind power projects, early concertation with local communities makes it easier for facilities to be accepted so Neoen's teams engage in discussion prior to any submission of requests for authorization as a means of involving local residents in a project's development and taking local issues on board. The means employed are adapted to the context, to the presence of other wind turbines nearby or to the degree of local influence of the associations opposing wind turbines that are present throughout France: involvement of local elected representatives, organization of meetings or information sessions, canvassing, distribution of information sheets, visits to existing facilities are all tools which may help reinforce local acceptance and contribute to defining adequate measures for avoiding, attenuating and compensating for project impacts.

For the purposes of deployment of such approaches, the Group's project managers interacting directly with local stakeholders are complemented by community relations specialists (in Australia), or by specialized consultants for certain regions (Latin America, Africa or Europe), as a means of ensuring positive relationships over the long term.

Risks linked to computer infrastructure

The Group's activity is based on the effective and uninterrupted operation of its IT infrastructure which includes complex and sophisticated IT systems, telecommunications systems, control, accounting and reporting and data processing, acquisition and monitoring systems. The Group may suffer computer breakdowns and disruptions of these systems and networks which are used in all its activities including in its highly automated plants and for

(2) For a definition of the various stages of development of the Group's projects, see the « glossary » in the section 9.6 of this document.

the distribution and supply of electricity. They may be caused by system updating problems, natural disasters, cyber-attacks, accidents, power cuts, telecommunications failures, terrorist attacks or war, computer viruses, physical or electronic intrusions or similar events or disruptions.

Disruptions to the Group's IT systems could seriously hinder administrative and sales operations including causing a loss of sensitive data and compromising operating capacity, which could also lead to loss of service for customers and require substantial expenditure to correct security breaches or system damage. Furthermore, in addition to having a negative effect on the Group's activity, failure in operational monitoring (focused on availability, plant activity and efficiency, accounting and reporting, health and safety and compliance with environmental laws and regulations) may lead to loss of revenue, non-compliance with contractual, regulatory or tax obligations or extra requirements regarding permits and give rise to fines and penalties.

Risk management approach

To secure its IT infrastructure within a context of strong development, the Group has entered into contracts with external service-providers designed to ensure the performance, continuity and protection of its systems. The contracts incorporate specific performance obligations which are regularly and precisely monitored for compliance.

The Group has also created an in-house IT function with the recruitment of an Information Systems Director in January 2020.

Risks linked to the Group's ability to retain key executives and employees and to attract and retain new qualified employees

The success of the Group and its ability to pursue its growth objectives depend on qualified executives and employees, particularly certain of the Group's executives and employees with specific expertise in project development, structuring, financing, engineering, construction, operation and maintenance. In view of their expertise in industry in general, their knowledge of the Group's operating processes and their relations with the Group's local partners, the loss of the services of one or more of these persons might have significant negative impact on the growth, project development, financial position and income of the Group.

As the Group extends its activities, its portfolio and its geographical presence, its operational success and its ability to achieve its business plan largely depend on its ability to attract and retain additional qualified personnel with specific technical or market segment expertise, including in the many international sites where it is established.

For example, the presence of the Group's personnel and engineering capacity in the field are crucial to the development of new projects and the operation of existing assets. The success of projects depends on the recruitment and retention of personnel worldwide with sufficient expertise to enable the Group to meet its analysis and report production requirements with accuracy and on a timely basis. There is substantial competition in the renewable energy industry to attract qualified personnel with the necessary expertise and the Group cannot guarantee that it will be in a position to recruit sufficient personnel to support its business plan and growth. The inability to recruit and retain

qualified personnel could have a significant negative effect on the Group's activities.

Furthermore, sometimes executives and other employees with technical or market segment expertise leave the Group. If the Group does not manage to rapidly appoint qualified and effective successors, or is unable to effectively manage the temporary expertise discrepancies or other disruptions caused by such departures, this may have a significant negative effect on its activities and growth strategy.

Risk management approach

The Group attaches great value to its human capital, which is one of its fundamental strengths, and seeks to encourage the emergence of talent notably by confronting employees with new positions and experiences within the Group's various subsidiaries.

For that reason, the Group strongly supports functional and international mobility on the part of its employees.

The Group has also historically offered its key employees the benefit of stock options and performance share allocations.

Risks linked to climate change and to extreme weather events

The risks linked to climate change or extreme weather events could have a material impact on the Group's facilities and activities. To the extent that climate change triggers fluctuations in temperature, wind resources and meteorological conditions, generates an increase in average cloud cover or increases the intensity or frequency of extreme weather events, it is possible that it could have an adverse effect on the Group's facilities and business. Moreover, extreme weather events may cause damage to the Group's facilities, increase the incidence of downtime, increase operating and maintenance costs or interfere with the development and construction of large-scale projects. For example, in certain markets in which it is present, the Group has already had to deal with extreme weather events such as earthquakes in El Salvador.

Risk management approach

The Group's approach to managing climate change and extreme weather events has three components:

- the construction of assets in line with robust seismic, wind, flooding etc. standards;
- real-time monitoring of the climate conditions applicable to the Group's installations designed to provide a detailed and immediate understanding of the current implications of climate change for its assets and to identify and anticipate any actions required in the event of excessive variations;
- insurance cover for its assets giving pride of place to meteorological conditions. The transfer of risks to insurance partners reflects clear criteria for their financial solidity and capacity to cover any extreme weather events and natural catastrophes which may affect the Group's assets. The Group's insurance cover extends to physical damage to assets, loss of revenue and the extra costs of operation and maintenance associated with remedying loss events, thereby providing the Group and its assets with effective protection against the uncertainties associated with extreme weather events.

Risks linked to meteorological conditions, notably wind and sun resources

The Group invests and plans to continue investing in electricity generating projects dependent on wind and sun. On December 31, 2019, the Group's solar facilities and wind farms in operation represented 1,162 MW and 572 MW respectively, i.e. approximately 63 % and 31 % of its total operating capacity.

Generating levels for the Group's solar and wind projects depend closely on the degree of irradiation for solar power facilities and the kinetic energy of the wind to which wind turbines are exposed, both of which are resources beyond the Group's control and which may vary significantly depending on the period. Predicting general meteorological conditions, such as seasonal variations in resources, is complex given particularly that exceptional poor weather conditions may lead to temporary fluctuations in generating levels and in the levels of income generated by projects.

Insufficient levels of irradiation or wind may trigger a reduction in the amount of electricity generated. Conversely, excessive heat may lead to a reduction in the amount of electricity generated by solar power plants and wind in excess of a certain speed may cause damage to wind farms and force the Group to shut down turbines.

Risk management approach

Although, at the date of this document, the Group's activities are primarily concentrated in France (37 % of the MW in operation as of December 31, 2019) and in Australia (48 % of the MW in operation as of December 31, 2019), the Group's geographical and technological project portfolio diversification strategy should in the future restrict the scale of this risk at the consolidated level. If adverse weather conditions were to continue over the long term, that might have a negative impact on the level of profitability of the projects in question.

The Group makes forecasts relating to the amount of electricity generated using statistical surveys based on the past meteorological record for sites. The Group's internal rate of return and the financial covenants negotiated in the context of project financing are generally based on the assumption that these forecasts will be statistically accurate over the long term.

The estimates regarding the level of irradiation and wind resources per site created on the basis of the Group's own experience and studies carried out by independent engineers may however not reflect the actual level of solar and wind resources of a given site for a given period.

As a responsible manager, the Group monitors attentively the development of insurance or other financial cover for the availability or unavailability of renewable natural resources and more particularly, of wind and sun resources. Although it has not yet considered appropriate to subscribe such cover, given its high cost and currently uncertain effectiveness, it continues to follow the trends in such products the purpose of which is to protect assets' economic performance in the event of scarcity or excess of renewable natural resources.

3.1.6 POTENTIAL IMPACT OF THE COVID-19 CRISIS ON THE GROUP'S MAIN RISK FACTORS

It is likely that the COVID-19 outbreak, which began in China in December 2019 and is progressing in the various regions in which the Group has operations, will affect the health of the Group's employees and service providers, its activities and plans and its financial situation.

At the date of this document, given the numerous uncertainties surrounding the scale and duration of this epidemic, it is difficult to quantify the human and financial impacts for the Group.

However, the factors likely to have an impact on the Group's major risks are as follows:

- supply difficulties, delivery delays and risk of supply chain disruption: risks related to changes in the prices of components needed to produce renewable electricity;
- market price instability: price risks on wholesale electricity markets;
- health consequences on the activity of the Group's employees and service-providers: risks related to the employment of third party contractors and to the Group's ability to retain key staff;
- difficulties related to obtaining and drawing down on the financing the Group needs to carry out its activities: risks associated with obtaining financing agreements, the Group's gearing and the terms of its financing agreements;
- disruptions in carrying out the Group's projects and operations: Risks linked to projects in the development and construction phases, risks related to the maintenance of electricity production installations and to IT infrastructure;
- possible slowdown in the economic and administrative activity of the countries in which the Group operates: risks related to contract terminations and payment defaults, to obtaining permits, licenses and authorizations, and to the connection to distribution or transmission networks;
- exchange rate volatility affecting the currencies of denomination of the Group's electricity sale contracts, building contracts, operational contracts and financing contracts: currency risks.

3.2 INSURANCE AND RISK MANAGEMENT

Risk management is an integral part of the Group's operating activities. As a developer and operator of solar, wind and storage facilities, the Group adapts its range of risk control measures either internally or via the transfer of such risk by means of insurance.

3.2.1 INSURANCE

In the context of its business, the Group has recourse to insurance at two levels:

- at the Company level, essentially to hedge the risk of third party liability which exists Group-wide, as well as to cover the risks associated with business travel by the Group's employees, corporate officers and executives;
- at the level of project companies, for protection against the risks relating specifically to their solar, wind and storage facilities under development, under construction and in operation.

Insurance policies are defined and managed in-house by specific department, under the responsibility of the general secretary, who works closely with various teams (operation, development and legal teams) worldwide and with the Group's insurance brokers.

3.2.1.1 THE GROUP'S THIRD PARTY LIABILITY AND BUSINESS TRAVEL INSURANCE

The insurance policies taken out by the Company to cover all Group entities and their employees, corporate officers and executives are essentially third party liability policies as well as an "individual accidents" policy. As at the date of this document, the Group has taken out the following main insurance policies with the levels of cover (and limits of indemnity) that it considers appropriate and usual for businesses operating in the same market:

- an international third party liability insurance program, provided by AXA-XL, the purpose of which is to insure the Group and its representatives and employees located in France and in the other countries where the Group operates against the financial consequences of any liability which could arise in relation to bodily injury and loss of or damage to property and any other losses resulting from faults, errors of fact or law, oversights, omissions, negligence or inaccuracies attributable to them or their agents and caused to third parties, including customers of the Group, in the conduct of their professional activities. This insurance program also includes a criminal defense package covering the payment of fees charged by any agents (solicitors, barristers, bailiffs, appraisers) and the expenses necessary for the defense of the Group in the event of lawsuits filed as a result of serious incidents. The total value of these guarantees is capped per claim and per year of insurance with sub-limits imposed by type of loss. The insurance comprises a master policy complemented by local policies in Mozambique and in the USA. The aim of the master policy is to be applied in addition to or instead of the "local" policies;

- a third party liability insurance program for executives and corporate officers, provided by AIG (as primary insurer) and Liberty, intended mainly to provide cover for directors, executives and corporate officers of Group entities worldwide against the financial consequences of any claims filed against them on the basis of any professional fault committed in the performance of their duties. The program also covers defense costs incurred by insured persons in proceedings in the civil, criminal and administrative courts;
- a business travel or "individual accident" insurance policy, provided by AIG, aimed at covering all employees, corporate officers, executives and directors of the Company, or any other person tasked with an assignment by the Company, including expatriates and seconded employees, against any losses arising in the context of their business travel by air or land etc. The total value of the guarantees is capped per claim with sub-limits imposed by type of loss. The policy is complemented by insurance provided by Covéa Fleet which provides cover for the personal vehicles of employees on assignment in the event of material and non-material damage and without limitation in the event of bodily harm occurring in France.

The insurance policies taken out by the Group contain caps, exclusions and deductibles which could, in the event of a major claim or of a lawsuit filed against the Group, have adverse consequences. Moreover, the fact that in certain cases the Group may be obliged to pay significant indemnities not covered by the insurance policies in place, or might incur material expenses not covered or not sufficiently covered by its insurance policies, cannot be excluded.

3.2.1.2 INSURANCE SPECIFIC TO PROJECT COMPANIES

In the performance of its activities relating to the development and operation of wind, solar and storage projects, the Group is protected via insurance policies against any losses and incidents that may arise and impact a facility. The Group's overall policy of insurance is based on the following principles:

- each Group project must be covered by:
 - a comprehensive "construction all risks" policy providing both the Company and the project company with cover against the risks of accidental damage to assets and associated loss of revenue, and of third party liability (including for accidental environmental damage), that could arise during the facility's construction phase. In certain cases, this policy may equally include cover for potential losses associated with transport or resulting from terrorism;
 - once a facility has been commissioned, operating insurance providing cover for third party liability (including for accidental environmental damage), accidental damage to assets and associated loss of revenue caused by or to the facility (for example fire, theft and acts of vandalism, natural disasters etc.) In certain cases, this policy may equally include cover for potential losses resulting from terrorism;

- each project has its own insurance cover, separate from that applicable to other projects, but such cover must be in line with Group policy on insurance cover. In the specific case of French solar projects, standard terms and conditions have been set in the master policies negotiated upstream by the Group with leading insurers, notably via insurance brokers. Thus, as at the date of this document, master policies have been taken out with Covéa and CNA Hardy for the Group's roof-based solar power projects located in France and in operation (respectively covering civil liability and risks of accidental damage to assets and associated loss of revenue);
- concerning the Group's international activities, the policies covering projects may be taken out following requests for quotation before recourse to the services of an international broker. In these situations, the Group relies in particular on its local financial partners;
- the Group has initiated a program of harmonization and rationalization of its international insurance policies and is considering the opportunity to implement a global insurance program covering its assets in operation;
- insurance policies are generally audited by the lenders financing a project who ask to be designated as additional insureds in order to be able, if applicable, to receive any potential insurance proceeds in the event of a claim by subrogation in the framework of the loan agreements;
- the use of construction all risks insurance policies enables payment of insurance indemnities without any prior determination of liability, thereby avoiding lengthy site stoppages;
- finally, the insurance policies taken out by project companies contain limits of indemnity, deductibles and exclusions calibrated on a project-by-project basis, the levels of which are set appropriately further to analysis performed by the Group in consultation with the financing banks.

In addition to this general policy, certain mandatory local insurance policies are put in place based on the country concerned, such as for example (i) local insurance taken out in the United States to cover rental risk incurred by the US subsidiary for its use of land and (ii) specific insurance which may be taken out in order to obtain cover for specific risks such as earthquake risk in El Salvador.

In order to ensure that consistent insurance policies are put in place and to guarantee a satisfactory level of cover, the Group has in particular established guidelines to determine the method to be adopted with regard to insurance during the construction phase of projects being developed.

As at the date of this document, the Group has put in place a policy for the coverage of its key insurable risks with levels of guarantee that it considers compatible with the nature of its activities. In the future, the Group does not contemplate any particular difficulty in retaining adequate levels of insurance within the limit of market conditions and availability. The current tightening of the insurance markets may ultimately affect the amounts of deductibles or policy limits, as well as the availability of certain insurance guarantees, but the Group does not anticipate any particular difficulty in insuring its assets on the basis of acceptable terms and conditions consistent with its current risk management policy.

Over recent years the Group has not experienced any material losses calling its insurance policies into question.

3.2.2 RISK MANAGEMENT

Risk management comprises the measures implemented by the Group in order to survey, analyze and control the risks which it faces in the context of its activities in France and abroad. The Group places special focus on risk management and has developed structured measures aimed at implementing an active policy in terms of risk management providing assurance that its major and operating risks are identified and under control. The set of measures used is applicable to the Group worldwide, inclusive of all activities, functions and territories.

Risk management is considered a priority by the Group which has put in place a coherent set of measures for risk management and internal control. The Group's risk management and internal audit approach is based on a set of resources, policies, procedures, behaviors and actions aimed at ensuring that all necessary measures are taken in order to:

- verify the effectiveness of operations and the efficient use of resources; and
- identify, analyze and control all risks which may have a material impact on the Group's assets, income and operations and on the achievement of its objectives whether operational, commercial, legal or financial or related to compliance with laws and regulations.

An organization and tools to provide structure have been put in place to support these measures at all levels of the Group's organization.

3.2.2.1 RISK MAPPING

The Group has perfected a risk mapping procedure to identify the major risks relating to its business, as described in section 3.1.1 "risks related to the Group's line of business" of this document, with support from a specialized external consultant. The process used for this risk mapping, which was put in place in 2016, has allowed the key risks to which the Group is exposed to be identified and each risk to be assessed in accordance with the methodology defined.

Management of all of the Group's activities and functions are closely involved in the risk mapping process, thereby enabling the objectives and challenges faced by all stakeholders to be taken into account. The exercise consists of identifying those risks which are most significant for the Group, sorted into different categories (development, operating, financial etc.). A description of the risks and their causes is prepared and, for each risk, the probability of occurrence, potential impact on the Group and degree of current control are all assessed. Further to the assessment of the degree of control of such risks, action plans are defined for those risks considered to be insufficiently controlled. The Executive Committee is responsible for progress made in the implementation of action plans.

Risk mapping is updated every three years under the supervision of the Chief Executive Officer; the last update was performed in the second half of 2019. A presentation to the Audit Committee is made following each update.

Focus on fraud risk

Specific action has been taken to control the risk of fraud. In order to face this major risk, awareness-raising training has been specifically designed and rolled out to all employees within the Group's Finance department. Training relating to cybersecurity, led by a specialist from the French intelligence services, was organized for all employees of the Company in January 2019.

Specific alerts have been issued regarding the types of fraud to which the Group has particular exposure, such as the so-called "Chairman" fraud (a form of external fraud which consists in stealing the identity of the Chairman and then requesting fund transfers) and fraud involving suppliers' bank details (another form of external fraud which consists in stealing the identity of a regular supplier whose bank details are then replaced by those of the fraudster prior to performance of an invoice payment).

Specific monitoring activities have also been defined in order to manage this risk at an operational level and these have been integrated into the various different processes concerned.

3.2.2.2 ORGANIZATIONAL FRAMEWORK FOR RISK MANAGEMENT AND INTERNAL CONTROL

Roles and responsibilities in risk management and internal control have been clearly defined within the Group.

Management responsibilities in this area form part of the Group's particular culture and are anchored in its various management bodies notably for project management and business monitoring (local Development, Construction and Management Committees).

The Executive Committee is at the heart of this process. It is responsible for the design of the overall approach and examines and oversees all subjects relating to risk management and internal control. It ensures implementation within the Group of its internal control process and of the action plans generated by the risk mapping exercise.

To provide support to management in the deployment of major risk management tools and internal control measures, a Group Internal Control Manager has been appointed, in charge of coordinating implementation, coordination and reporting for internal control as well as coordinating the updating of the risk mapping process.

In addition, business process owners have been designated within the Executive Committee to manage the audit tools (resources, policies, procedures, actions etc.) necessary for the control of each process.

Finally, the Audit Committee plays a role in terms of risk management and internal control by requiring a report to be submitted at least once per year and challenging the range of measures put in place by the Group. The report is compiled by the Internal Control Manager under the responsibility of the Group Chief Financial Officer.

Focus on the preparation of financial and accounting information

The Group's financial and accounting information is prepared on the basis of information systems which ensure the completeness of recording and proper measurement of transactions and support financial reporting at both the Company and consolidated levels reflecting the Company's accounting policies.

The Group's interim and annual consolidated financial statements are prepared, under the authority of the Group's Finance Department, as follows:

- dissemination of the Group's accounting policies in the form of a manual of procedures;
- preparation and transmission to subsidiaries, by the Group's Finance Department, of consolidation instructions including detailed timing requirements;
- preparation of consolidated financial statements covering the Group's full scope of consolidation and based on the information communicated by Group entities;
- use of a unique centralized consolidation tool.

At each period end the Group's central accounting teams review the accounts submitted, perform period to period analytical review and analyze variances against budget. Their work is complemented by that of the Group's statutory auditors covering the Company's annual statutory accounts and the Group's consolidated financial statements.

3.2.2.3 SYSTEM OF INTERNAL CONTROL

The Group's system of internal control is intended to ensure that all accounting and financial information produced is reliable and to guarantee compliance with all laws and regulations applicable to the Group as well as operational efficiency. It is mainly supported by a control environment, by control activities and by dynamic management.

Should any significant weaknesses in the Group's internal control nevertheless arise in the future, they might lead to material misstatement of the Group's consolidated financial statements potentially obliging it to restate its financial statements or leading to a loss of investor confidence in the reliability and completeness of its financial statements and thereby having negative impact on the market price for the Company's shares.

The control environment is based in particular on the business culture promoted. The Group has defined and deployed an ethical charter and demonstrates a managerial culture which is conducive to risk management. The organization of the Group and the clear definition of roles and responsibilities, supported by the Chart of Authorities in place, also contribute to creating a solid control environment.

Control activities have been defined for ten major operational, supporting or cross-departmental processes identified by the Group. For each one, control activities have been listed and circulated via control matrices. This work has been performed under the responsibility of each business process owner. The control activities were defined on the basis of the operating risks identified in each of the processes and via the risk mapping

process. They were clearly detailed and defined in order to ensure ease of rollout by all Group subsidiaries. In addition to this organization, a concrete set of tools (checklist, model documents etc.) was designed and circulated within the Group for improved appropriation and implementation of the control activities in a harmonized manner across all territories.

Finally, implementation of the internal control system is assessed annually. Internal control self-assessment campaigns were performed in 2017 and late in 2018 (in the form of a cross-departmental audit). Each relevant manager thus prepared an assessment, for his or her area of responsibility or that of a colleague, of the effectiveness of the control measures defined by the Group, thereby allowing the level of deployment of internal control within the Group to be assessed and also enabling action plans to be drawn up with the aim of strengthening any activities not sufficiently controlled at the time. The results of the campaigns were then reported to the Executive Committee and the Audit Committee.

During the second half of 2019 the Group also deployed an external audit campaign aimed firstly at verifying the correct performance of the defined control activities and secondly at confirming the proper functioning of the range of measures defined for the management of the historical major risks as well as of any other major risks that may have been identified

between successive risk mapping exercises. The audit focused specifically on controls contributing to the preparation of the Group's consolidated financial statements and financial reporting more generally and is intended to be extended in 2020 to other countries on a basis of geographical and process rotation.

Finally, in 2018 the Group was the subject of a compliance audit performed by an external consultant. The audit related mainly to the prevention of corruption. On completion of the audit, an action plan was drawn up and training was provided to the Group employees considered as being at the greatest risk of exposure to corruption risks (such training was one of the measures set out in the action plan).

Although the Group has established internal control policies and procedures in order to identify any fraud, such policies and procedures may nevertheless not identify and protect the Group against fraud or other criminal acts perpetrated by its employees or agents or by those of its affiliated companies.

Should employees or agents of the Group or of its affiliated companies be involved in fraud or other criminal or unethical activities, financial penalties could be imposed on the Group and the Group could be the subject of investigations carried out by the criminal or regulatory authorities or become the subject of disputes or litigation, which could have a material adverse effect on its reputation, activities, financial position or results.

3.2.2.4 MANAGEMENT OF FINANCIAL RISK

Interest rate risk

The Group has exposure to market risk in connection with its investment activities. This exposure is mainly linked to fluctuations in the interest rates applied to its project borrowings.

The following table summarizes the Group's exposure by interest rate type on December 31, 2018 and 2019:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Fixed rate borrowings	856.2	657.2
Floating rate borrowings	1,463.0	993.3
Hedging	95.4	40.3
TOTAL BORROWINGS AFTER HEDGING	2,414.6	1,690.8

As a matter of principle, project financing arranged, in general, at floating rates and the flows of floating interests are covered by hedging which, in general, represents 75 % or more of the amount financed at floating rates. Interest rate risk is hedged via over-the-counter instruments (interest rate swaps) with international banking counterparties which are measured at fair value and, for the portion of the hedging which is assessed as effective, recorded in consolidated equity, while changes in the fair values are recorded in the consolidated statement of comprehensive income in the section 4.1 of this document.

The aim of the Group's risk management policy is to limit and control the impact of fluctuations in interest rates and their repercussions on income and cash flows.

The following table sets out the Group's use of derivatives on December 31, 2018 and 2019 for the purpose of hedging its exposure to interest rate risk:

	Notional value per maturity					
(In millions of euros)	Less than 5 years	More than 5 years	Total	Fair value	Recorded as equity	Recorded as income
At December 31, 2018						
Interest rate swaps - Solar	79.6	220.6	300.3	18.1	18.1	-
Interest rate swaps - Wind	78.3	301.9	380.2	22.2	22.2	-
TOTAL	157.9	522.5	680.5	40.3	40.3	-
At December 31, 2019						
Interest rate swaps - Solar	(101.4)	(379.2)	(480.6)	(36.5)	43.9	-
Interest rate swaps - Wind	(145.1)	(394.7)	(539.8)	(58.8)	59.3	-
TOTAL	(246.5)	(773.9)	(1,020.4)	(95.3)	103.2	-

Counterparty risk

Counterparty risk is the risk of default by co-contracting parties, in particular the counterparties to power purchase agreements, with regard to the performance of their contractual commitments, which may generate financial losses for the Group.

The following table summarizes the situation of the Group's trade receivables on December 31, 2018 and 2019:

(In millions of euros)	12.31.2019	12.31.2018
Trade receivables	52.2	34.1
Impairment of trade receivables	-	(0.4)
TOTAL	52.2	33.7

The Group sells most of the electricity generated by its plants via power purchase agreements or contracts for difference signed with state-owned counterparties (states or state-run businesses), electricity distribution companies and also a limited number of private purchasers.

The share of power purchase agreements held by private entities and market counterparties (spot exposure) is nevertheless expected to increase in the future. We recall that the Group may now also design and develop certain projects with a view to selling their production on the spot and forward markets for electricity, subject to compliance with its objectives with regard to exposure to the associated market risks implying in particular that the proportion of its installed operating capacity exposed to market pricing be limited to a maximum of 20 % of the total. When the counterparty in a power purchase agreement is a private company, its credit rating is taken into consideration for the calculation of the target internal rate of return (IRR) of the underlying project. When the counterparty is a market counterparty, a premium for risk is also added to the project's target IRR calculation.

With regard to the counterparty risk associated with its cash management and interest rate or foreign exchange hedging, the Group invests its liquid and semi-liquid cash resources and signs interest rate and foreign exchange hedging agreements with leading financial establishments.

Liquidity risk

Liquidity risk is the risk of the Group not being in a position to meet its cash requirements using its available resources.

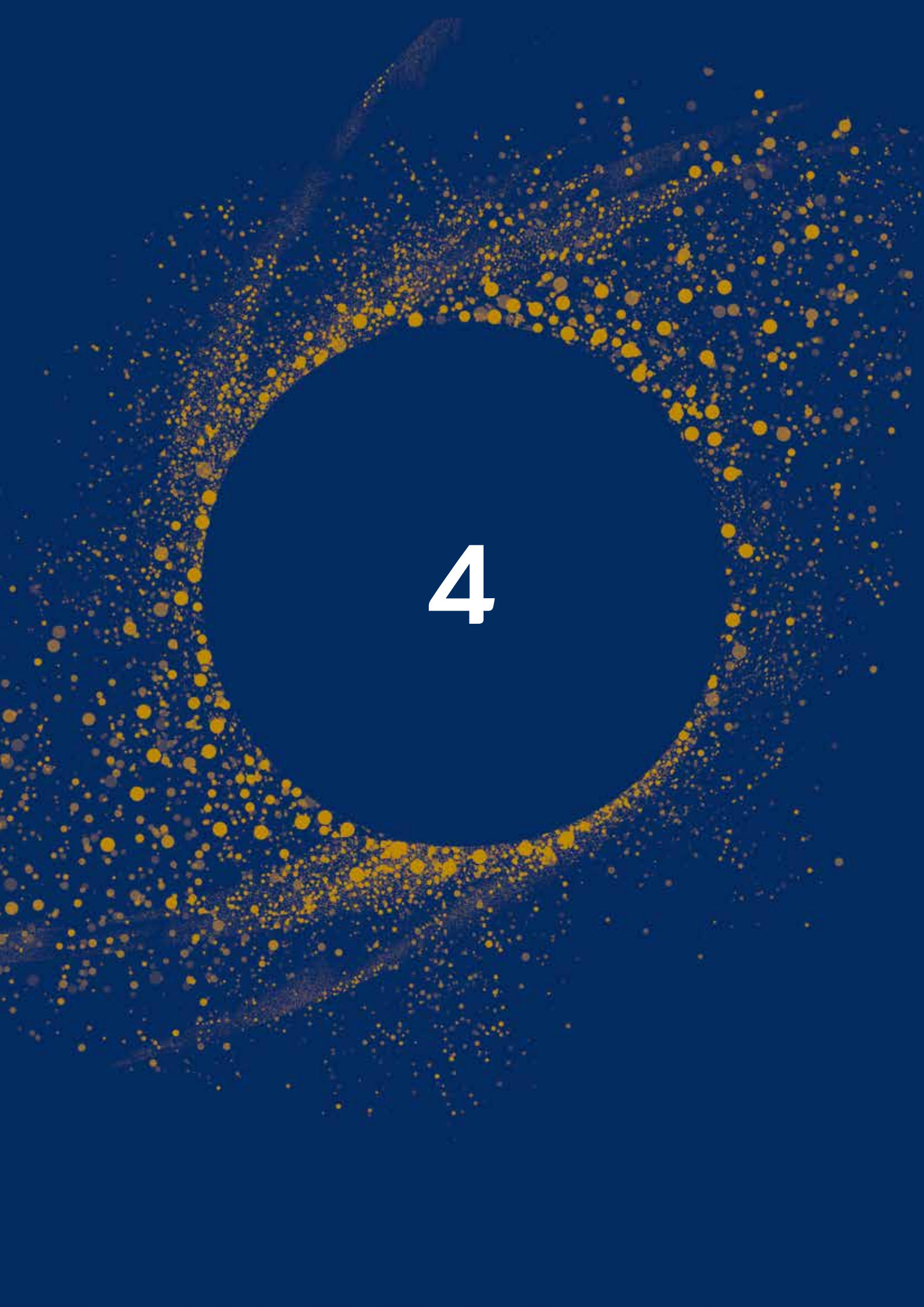
The Group's cash requirements and the resources used to meet those requirements are detailed in section 2.3 of this document.

The table below summarizes the Group's available resources (liquidity position) as of December 31, 2018 and 2019 (see the section 4.1 – note 20.4 "liquidity risks" of this document):

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Cash and cash equivalents:	460.5	503.8
• of which short-term investments	11.6	165.4
• of which available cash resources	448.9	338.4
Overdrafts available	130.0	145.0
TOTAL	590.5	648.8

Short-term investments by the Group are fully available to the Company which holds them and do not generate any risk of change in value.





4

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4.1 NEOEN GROUP CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

The comparative consolidated income statement information presented in this document has been restated to reflect the classification of the biomass activity in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. These restatements are described in note 10.

4.1.1 CONSOLIDATED INCOME STATEMENT

<i>(In millions of euros)</i>	Notes	FY 2019	FY 2018 Restated
Energy sales under contract		214.7	173.9
Energy sales in the market		32.7	27.8
Other revenues		5.9	5.3
Total Revenue	4.1	253.2	207.0
Purchases net of changes in inventories	5.1	(0.7)	(0.4)
External expenses and payroll costs	5.3 et 6	(59.1)	(46.2)
Duties, taxes and similar payments	9.1	(5.4)	(4.6)
Other current operating income and expenses	7	27.6	10.0
Share of net income of associates	12	0.7	0.8
Current operating depreciation, amortization and provisions	11.2, 11.3 et 4.2	(80.2)	(60.5)
Current operating income		135.9	106.0
Other non-current operating income and expenses	8	(5.5)	(7.6)
Impairment of non-current assets	8	1.5	1.5
Operating income		131.9	99.9
Cost of debt		(79.0)	(62.4)
Other financial income and expenses		(8.0)	(7.4)
Net financial result	18	(87.0)	(69.8)
Profit before tax		44.9	30.1
Income tax	9.2	(23.7)	(15.8)
Net income from continuing operations		21.2	14.3
Net income from discontinued operations	10	15.8	(0.8)
CONSOLIDATED NET INCOME		37.0	13.5
Group share of net income		36.0	12.4
• of which: for continuing operations – Group share		19.4	11.7
• of which: for discontinued operations – Group share		16.7	0.7
Net income attributable to non-controlling interests		1.0	1.2
• of which: for continuing operations – attributable to non-controlling interests		1.9	2.6
• of which: for discontinued operations – attributable to non-controlling interests		(0.9)	(1.5)
Basis earnings per share (in euros)		0.44	0.19
• of which: for continuing operations		0.25	0.21
• of which: for discontinued operations		0.19	(0.01)
Diluted earnings per share (in euros)		0.41	0.19
• of which: for continuing operations		0.24	0.20
• of which: for discontinued operations		0.18	(0.01)

4.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income presents the net income for the period as well as other comprehensive income for the period (i.e. income and expense items that are not recognised in net income under IFRS).

<i>(In millions of euros)</i>	Notes	FY 2019	FY 2018 Restated
Consolidated net income		37.0	13.5
Foreign exchange differences		7.4	(15.7)
Cash flow hedging (interest rate swaps) ⁽¹⁾	18.3	(66.5)	(17.2)
Deferred tax for cash flow hedging ⁽¹⁾	9.3	19.3	4.6
Items recyclable through profit or loss		(39.8)	(28.4)
TOTAL COMPREHENSIVE INCOME		(2.8)	(14.8)
of which: Net Income - Group share		(0.3)	(14.7)
of which: Net Income - attributable to non-controlling interests		(2.5)	(0.2)

⁽¹⁾ Cash flow hedges represent changes in the fair value of derivative financial instruments considered effective within the meaning of IFRS 9. As these instruments are effective, the change is recognised in "other comprehensive income" in the financial statements together with the corresponding deferred tax.

4.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(In millions of euros)</i>	Notes	12.31.2019	12.31.2018
Goodwill	11.1	0.7	-
Intangible assets	11.2	183.3	121.7
Property, plant and equipment	11.3	2,387.3	1,702.7
Investments in associates and joint ventures	12	6.9	6.7
Non-current derivative financial instruments	18.4	2.0	5.8
Non-current financial assets	13	125.2	106.0
Deferred tax assets	9.3	55.6	39.1
Total non-current assets		2,761.0	1,982.0
Inventories	5.2	0.7	0.3
Trade receivables	4.2	52.2	33.8
Other current assets ⁽¹⁾	14	111.2	48.9
Cash and cash equivalents	15	460.5	503.8
Total current assets		624.7	586.9
TOTAL ASSETS		3,385.7	2,568.9

<i>(In millions of euros)</i>	Notes	12.31.2019	12.31.2018
Share capital		170.2	169.9
Share premium		501.0	500.8
Reserves		(42.4)	(35.2)
Treasury shares		(3.8)	(2.7)
Group share of net income		36.0	12.4
Group share of equity	16	661.0	645.1
Non-controlling interests	16	19.5	10.1
Total equity	16	680.5	655.3
Non-current provisions	17.1	13.8	10.6
Non-current project finance	18.2	1,979.8	1,511.8
Non-current corporate finance	18.2	190.6	13.9
Non-current derivative financial instruments	18.2	83.8	33.3
Other non-current liabilities ⁽²⁾		34.1	-
Deferred tax liabilities	9.3	49.6	37.8
Total non-current liabilities		2,351.7	1,607.3
Current project finance	18.2	144.8	122.5
Current corporate finance	18.2	4.0	2.2
Current derivative financial instruments	18.2	11.6	7.1
Trade payables	5.4	126.3	136.5
Other current liabilities	19	66.8	37.9
Total current liabilities		353.5	306.3
TOTAL EQUITY AND LIABILITIES		3,385.7	2,568.9

(1) This item consists mainly of advances and down payments paid to fixed asset suppliers (in connection with the construction of power plants facilities) as well as tax receivables.

(2) Other non-recurring liabilities correspond exclusively to payments deferred for more than one year related to the acquisition of assets under development in Europe and Australia.

4.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In millions of euros)

	Share capital	Share premium	Reserves and retained earnings	Own shares ⁽¹⁾	Other elements of comprehensive income ⁽²⁾	Group share of equity	Non-controlling interests	Total equity
TOTAL EQUITY AS OF JANUARY 1ST, 2018	108.0	64.0	17.6	(0.0)	(25.5)	164.1	13.5	177.5
Comprehensive income for the period	-	-	12.4	-	(27.0)	(14.7)	(0.2)	(14.8)
Distribution of dividends	-	-	0.0	-	-	0.0	(3.8)	(3.8)
Share capital increase	55.5	386.3	(0.0)	-	-	441.7	0.6	442.3
Share-based payments	-	-	2.5	-	-	2.5	-	2.5
Other transactions with non-controlling interests	-	-	(2.5)	-	(0.2)	(2.8)	0.1	(2.7)
Change in treasury shares	-	-	-	(2.7)	-	(2.7)	-	(2.7)
Changes in consolidation scope and other changes	6.5	50.5	0.2	-	(0.2)	57.0	(0.0)	57.0
TOTAL EQUITY AS OF JANUARY 1ST, 2019	169.9	500.8	30.1	(2.7)	(52.9)	645.1	10.1	655.3
Comprehensive income for the period	-	-	36.3	-	(36.7)	(0.3)	(2.5)	(2.8)
Distribution of dividends	-	-	0.0	-	-	0.0	(4.1)	(4.1)
Share capital increase	0.3	0.3	19.4	-	-	19.9	1.8	21.7
Share-based payments	-	-	3.8	-	-	3.8	-	3.8
Other transactions with non-controlling interests	-	-	(4.4)	-	-	(4.4)	14.1	9.7
Change in treasury shares ⁽¹⁾	-	-	-	(1.1)	(2.0)	(3.1)	-	(3.1)
Changes in consolidation scope and other changes	-	-	-	-	-	(0.0)	0.0	0.0
TOTAL EQUITY AS OF DECEMBER 31ST, 2019	170.2	501.0	85.2	(3.8)	(91.6)	661.0	19.5	680.5

(1) The company purchased €3.1 million of its own shares during the period with a view to allocating them under stock option or free share plans. As the acquisition date of the rights relating to the free share plan of February 23, 2018 was reached in February 2019, the Group recorded a loss of €2 million recognised in other comprehensive income, corresponding to the effect of this sale of treasury shares to employees for no consideration. The company has also entrusted Kepler Chevreux with the implementation of a liquidity contract in accordance with the code of ethics recognised by the French Financial Markets Authority (AMF).

(2) "Other comprehensive income" impacting the comprehensive income for the period mainly includes the fair value of derivative financial instruments (see note 18.3).

4.1.5 CONSOLIDATED CASH FLOW STATEMENT

(In millions of euros)	Notes	FY 2019	FY 2018
Net income from continuing operations		37.0	13.5
Eliminations:			
• of the share of net income of associates	12	(0.7)	(0.8)
• of the deferred tax charge (credit)	9.2	8.4	8.0
• of depreciation and provisions	11.2 et 11.3	83.8	63.5
• of the change in fair value to derivatives through profit or loss		2.2	1.7
• of gains and losses on sale	8	3.1	3.6
• of calculated income and expense related to share-based payments	6.3	3.8	2.5
• of other income and expense without cash impact ⁽¹⁾		7.5	(0.3)
• of income tax	9.2	15.3	7.7
• of the cost of net borrowings	18.1	79.0	65.6
Impact of changes in working capital ⁽²⁾		(44.5)	(6.0)
Taxes paid (received)		(10.4)	(2.7)
Net cash flows from operating activities		184.5	156.5
<i>Of which: Investing cash flows associated with discontinued operations ⁽³⁾</i>	10	1.5	8.7
Acquisitions of subsidiaries net of treasury acquired ⁽⁴⁾		(36.5)	(18.9)
Sales of subsidiaries net of cash transferred ⁽⁵⁾		10.6	0.8
Acquisition of intangible and tangible fixed assets ⁽⁶⁾		(764.0)	(483.9)
Sale of intangible and tangible fixed assets		0.2	0.3
Change in financial assets ⁽⁷⁾		(23.2)	(31.4)
Dividends received		0.8	0.8
Net cash flows from investing activities		(812.3)	(532.1)
<i>Of which: Investing cash flows associated with discontinued operations ⁽³⁾</i>	10	(3.2)	(3.0)
Share capital increase by the parent company	1.4 et 16	19.9	441.7
Contribution of non-controlling interests to share capital increases ⁽⁸⁾		1.8	0.6
Net sale (acquisition) of treasury shares ⁽⁸⁾		(3.1)	(2.7)
Issue of loans ⁽⁹⁾	18.2	906.6	412.7
Dividends paid		(4.1)	(3.8)
Repayment of loans ⁽⁹⁾	18.2	(267.6)	(161.1)
Interests paid		(72.0)	(62.6)
Net cash flows from financing activities		581.6	624.8
<i>Of which: Financing cash flows associated with discontinued operations ⁽³⁾</i>	10	(1.0)	(4.9)
Impact of foreign exchange rate fluctuation		2.8	(5.1)
CHANGE IN CASH AND CASH EQUIVALENTS		(43.3)	244.1
Opening cash and cash equivalents	15	503.8	259.7
Closing cash and cash equivalents	15	460.5	503.8
CHANGE IN NET CASH AND CASH EQUIVALENTS		(43.3)	244.1

(1) These flows correspond mainly to accretion expenses (see note 18.1).

(2) The impact of the change in the working capital requirement in 2019 is mainly explained by an increase in VAT receivables awaiting reimbursement, linked in particular to the construction of the El Llano projects in Mexico and Altiplano in Argentina.

(3) These cash flows relate to the biomass activity sold in 2019 (see note 10).

(4) In 2019, this flow essentially corresponds to the acquisition of Irish wind power plants, as well as the Finnish Mutkalampi project under development. In 2018, this flow corresponded mainly to the acquisition of the Bulgana and Altiplano projects under development.

(5) This flow corresponds mainly to the sale of the biomass activity.

(6) The Group acquired intangible assets and property, plant and equipment for €34.6 million (see note 11) and €702.9 million (see note 12) respectively over the period. In addition, debt payments and advance payments on fixed asset suppliers amounted to €19.6 million (see note 5.4) and €6.9 million, respectively, in 2019.

(7) The increase in investments made over the period is mainly due in 2019, as in 2018, to the establishment of deposits linked to the financing of generation assets.

(8) Refer to section 4.1.4 "consolidated statement of changes in equity".

(9) In 2019, the Group completed the refinancing of a portfolio of projects in operation, which resulted in the repayment of €145.1 million in debt with the counterpart of the issue of new debt for a gross amount of €169.5 million.

4.1.6 SEGMENT REPORTING

Accounting principles

In accordance with IFRS 8 “Operating segments”, segment information is presented based on the internal organisation and reporting used by the Group’s management. Neoen uses the following breakdown for its operating segments:

- **Wind:** this segment includes wind turbine production;
- **Solar power:** this segment includes photovoltaic energy production;
- **Storage:** this segment includes the activity related to independent batteries, directly connected to the grid;
- **Development and Investments:** this segment includes mainly development and financing activities;
- **Eliminations:** intra-group flows mainly concerning the cancellation of invoices for services rendered by Neoen SA to its project companies for the development, supervision and administrative management of power plants, as well as the capitalisation of development costs in accordance with IAS 38.

The main indicators published are those used by the Group’s management. EBITDA corresponds to recurring operating income restated for current depreciation, amortisation and operating provisions.

For additional information, the main indicators published are broken down by geographical region. These are defined below:

- **Europe - Africa:** this region includes production operations in Europe and Africa;
- **Americas:** this region includes production operations in North America, Central America, South America and the Caribbean;
- **Australia:** this region includes production operations in Australia.

The biomass activity, corresponding to the biomass segment as presented in 2018, is now included in discontinued operations, due to its sale in 2019. Its contribution is described separately in note 10.

Segment results for financial years 2018 and 2019 are thus presented for each of the Group’s operating segments: wind, solar, storage, and development and investments (including eliminations), with the comparative period restated accordingly.

Segment reporting

(In millions of euros)		Wind power	Solar power	Storage	Development & Investment ⁽²⁾	Eliminations ⁽³⁾	FY 2019
EUROPE- AFRICA	Income statement						
	Revenue	47.6	53.2	0.4			101.2
	EBITDA ⁽¹⁾	37.9	47.6	0.3			85.9
	Current operating income	19.4	30.0	0.1			49.5
	Statement of cash flows						
AMERICAS	Acquisition of intangible and tangible fixed assets	113.3	77.7	2.9			193.9
	Income statement						
	Revenue		20.6				20.6
	EBITDA ⁽¹⁾		20.0				20.0
	Current operating income		14.1				14.1
AUSTRALIA	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets		411.9				411.9
	Income statement						
	Revenue	63.5	45.3	20.1			128.8
	EBITDA ⁽¹⁾	64.3	44.1	17.1			125.5
TOTAL	Current operating income	45.6	25.6	11.9			83.2
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	108.9	60.5	12.4			181.8
	Income statement						
	Revenue	111.1	119.1	20.5	64.9	(62.4)	253.2
	EBITDA ⁽¹⁾	102.2	111.8	17.4	(4.5)	(10.7)	216.1
	Current operating income	65.0	69.7	12.1	(7.4)	(3.5)	135.9
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	222.2	550.1	15.3	3.2	(26.8)	764.0

(In millions of euros)		Wind power	Solar power	Storage	Development & Investment ⁽²⁾	Eliminations ⁽³⁾	FY 2018 Restated
EUROPE- AFRICA	Income statement						
	Revenue	29.4	39.9	-			69.3
	EBITDA ⁽¹⁾	23.0	33.8	(0.0)			56.8
	Current operating income	10.8	20.0	(0.0)			30.9
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	100.0	53.3	1.0			154.3
AMERICAS	Income statement						
	Revenue		16.4				16.4
	EBITDA ⁽¹⁾		11.7				11.7
	Current operating income		7.3				7.3
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets		24.0				24.0
AUSTRALIA	Income statement						
	Revenue	79.2	24.0	17.9			121.1
	EBITDA ⁽¹⁾	68.8	32.0	14.2			115.0
	Current operating income	50.3	22.0	8.9			81.2
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	103.7	194.6	24.2			322.5
TOTAL	Income statement						
	Revenue	108.6	80.4	17.9	63.1	(63.0)	207.0
	EBITDA ⁽¹⁾	91.8	77.4	14.2	10.9	(27.9)	166.5
	Current operating income	61.1	49.4	8.9	9.7	(23.1)	106.0
	Statement of cash flows						
	Acquisition of intangible and tangible fixed assets	203.7	271.9	25.1	12.9	(29.7)	483.9

(1) EBITDA corresponds to current operating income adjusted for current operating depreciation, amortization and provisions. It therefore excludes results for discontinued operations.

(2) Revenue in this sector is mainly generated by the sales of services by Neoen SA to other Group entities (eliminated on consolidation, with the exception of amounts invoiced to related companies and other entities that are not fully consolidated) but also by sales of services to third parties.

(3) The eliminations mainly concern the cancellation of invoices for services rendered by Neoen SA to its project companies for the development, supervision and administrative management of production assets as well as the activation of development costs in accordance with IAS 38.

4.1.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1. GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

NOTE 1.1. IDENTIFICATION OF THE ISSUER

Neoen is a public limited company incorporated and domiciled in France and listed on Compartment A of Euronext, whose registered office is located at 6 rue Ménars, 75002 Paris.

The Neoen Group develops and operates power plants to generate electricity from renewable energies (wind, solar), as well as energy storage facilities.

With more than 3 GW of projects in operation and construction (including 228 MW under management) and 1 GW of projects awarded⁽¹⁾ at December 31, 2019 (secured portfolio of 4.1 GW), Neoen is the leading independent producer of renewable energies in France. The Group also has an advanced pipeline of 6.5 GW and more than 4 GW of early stage projects.

The Group operates in the geographic regions of Europe - Africa, Australia and the Americas.

NOTE 1.2. EVENTS DURING THE PERIOD

Refinancing of the Arena Solar scope

On June 6, 2019, the Group finalized the refinancing of the debts for the Arena (Australian Renewable Energy Agency) Solar scope, including the Parkes, Griffith and Dubbo power plants, for an amount of USD 143.8 million, with a maturity in 2036, thereby both reducing the Group's effective borrowing rate and extending the period of repayment.

In accordance with the principles set out in IFRS 9, the Group recognised financial income of €5.9 million in its 2019 financial statements under other financial income and expenses in respect of this refinancing (see note 18.1).

Acquisition of wind farms in Ireland

On August 1, 2019, the Group announced the acquisition of eight wind farms already in operation in Ireland, with cumulative capacity of 53.4 MW, for a total cash consideration of €25.8 million. In accordance with IFRS 3R - Business Combinations, Neoen has recognized the acquisition of the portfolio of assets as a business combination giving rise to the recognition of provisional goodwill of €0.7 million (see notes 3.4 and 11.1).

Sale of the Biomass activity

On September 4, 2019, the Group sold its Commeny cogenerating unit and its biomass procurement subsidiary, for total consideration of €37 million including €26.8 million for Neoen as the plant's main shareholder. The sale has marked

Neoen's withdrawal from its biomass business reflecting its choice to focus on its core businesses namely solar power, wind power and storage.

The €21.3 million capital gain arising on the sale has been classified as part of results for discontinued operations in the consolidated income statement for 2019 (see note 10).

Bond issue

On October 7, 2019 Neoen successfully completed, for the benefit of qualified investors, an issue of so-called "OCEANE" bonds convertible into and/or exchangeable for new or existing Neoen shares. The bonds mature on October 7, 2024. The issue was for a gross amount of about €200 million. The bonds bear interest from their date of issue at the annual rate of 1.875 %. The net amount of the issue has been allocated to the Group's general requirements and is intended in particular to finance its development with a view to achieving the Group's targeted capacity of more than 5 GW under construction or in operation by the end of 2021, whilst at the same time optimizing its balance sheet in accordance with the Company's published objective of average gearing of about 80-85 % of capital employed on an all-in basis including the entirety of the Group's debt, corporate and project.

In accordance with IAS 32, the issue has been accounted for as a composite instrument with a debt component (the bond without its conversion option) amounting, excluding expenses, to about €180 million and an equity component (the conversion option) amounting to almost €20 million (see notes 16 and 18.2). The debt component's effective interest rate amounts to 4.27 %.

Refinancing of the Neoen Production 1 scope

On December 4, 2019 the Group refinanced, at the level of its Neoen Production 1 holding company, the project finance debt for 13 French solar and wind power plants for an amount of €169.5 million, with a maturity in 2036, thereby pooling the risks associated with the project portfolio and obtaining the benefit of more favorable financing terms and conditions.

As of December 31, 2019, and in accordance with the principles set by IFRS 9 in the context of a substantial modification, the Group derecognized its previous debt, resulting in a repayment of €145.1 million (see note 18.2). In addition, €6.8 million of issue costs and penalties for repayment penalties of the previous debt were also recognized in financial expenses of the period.

(1) For a definition of the various stages of development of the Group's projects, the reader is invited to refer to section 9.6 of this document.

Group's exposure to Argentina

As of December 31, 2019, the contribution of the Group's Argentinian entities to its consolidated balance sheet amounted to €238.0 million notably including:

- €163.6 million of intangible assets and property, plant and equipment;
- €57.6 million of cash and cash equivalents;
- €131.7 million of project financing.

In addition, to guarantee Neoen's commitments in respect of its Altiplano project, its banks had issued guarantees in the form of letters of credit of which 38.6 million US dollars were in force as of December 31, 2019 (amount reduced by 9.8 million US dollars at the date of this document) and were covered by 28.9 million US dollars of cash deposits by the Group (amount reduced by 7.3 million US dollars at the date of this document). Neoen had also signed 55 million US dollars of counter-guarantees for performance guarantees issued by an insurance company for the benefit of project companies and in the framework of long-term PPAs signed with CAMMESA, the administrator of Argentina's electricity market, the extinction of which is provided for contractually 6 months after plants' commercial operation date (COD).

The loss in value of the Argentine peso against the US dollar, which is the functional currency of the Group's Argentinian entities, following the results of the country's primary and presidential elections and the implementation of a form of foreign exchange control by the Argentinian authorities, has generated foreign exchange losses mainly relating to peso-denominated VAT credits which have impacted the Group's consolidated results with the recognition of 3.8 million US dollars of unrealized foreign exchange losses for its Argentinian exposure in respect of 2019.

Finally, the rules implemented by Argentina's Central Bank during the second half of 2019, and aimed at restricting corporate and individual access to foreign currencies as a means of impeding further devaluation of the Argentine peso (ARS) against the US dollar (USD), have had the consequence, as of the date of publication of the Group's consolidated financial statements, of substantially restricting the scope for purchasing dollars in Argentina's foreign currency markets for the purpose of (i) repayment of the USD-denominated shareholders' current account balances for the benefit of the Altiplano project (amounting to 74.4 million US dollars, including 6.2 million US dollars of accrued interest, as of December 31, 2019) and (ii) the payment of dividends. The restrictions do not however affect the debt service payments for USD-denominated debt (repayment of principal and payment of interest) for the benefit of foreign lenders to the project.

As the project is currently still under construction, the restrictions have as yet had no immediate impact on the Group, but they would nevertheless be liable to affect its future capacity to repatriate cash from the project should they still apply after its entry into operation.

Share capital increase

During the first half of 2019, the Company's share capital was increased to €170,099,996 by reason of the exercise of 92,500 share subscription options with a strike price of €4.00, whence total proceeds of €370,000 including €185,000 of additional paid-in capital.

During the second half of 2019, the Company's share capital was increased to €170,177,496 by reason of the exercise of 38,750 share subscription options with a strike price of €4.00, whence total proceeds of €155,000 including €77,500 of additional paid-in capital (see note 16).

NOTE 1.3. BASIS FOR PREPARING THE 2019 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared under the responsibility of the Board of Directors at its meeting of March 25, 2020 and will be submitted for approval to the General Meeting on May 26, 2020.

Pursuant to European Regulation 1606/2002 of 19 July 2002, Neoen's consolidated financial statements for the year ended December 31, 2019 have been prepared in accordance with international accounting standards as published by the IASB and approved by the European Union as at December 31, 2019. These international standards include IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and interpretations (SIC and IFRIC) issued by the IFRS Interpretation Committee.

The Group has applied the same accounting standards, interpretations and methods as those applied to the preparation of the financial statements for the year ended December 31, 2018, with the exception of the texts adopted by the European Union and whose application is mandatory as of January 1, 2019.

The Group has not early adopted any standards, amendments and interpretations whose implementation is not mandatory as of December 31, 2019, apart from the amendment to IFRS 9, IAS 39 and IFRS 7 as presented in note 1.5.

NOTE 1.4. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION THAT ARE MANDATORY FOR APPLICATION FROM JANUARY 1, 2019

Standards, amendments and interpretations that are mandatory for application as of January 1, 2019 and applied early from January 1, 2018:

- IFRS 16 "Leases": the Group had decided to apply IFRS 16 on leases early for the year ended December 31, 2018, using the modified retrospective approach.

Standards, amendments and interpretations that are mandatory for application as of January 1, 2019 and not applied early from January 1, 2018:

IFRIC Interpretation 23 "Uncertainties relating to tax treatment": the first application of this text had no particular impact on the measurement of corporate tax liabilities or on their presentation in the Group's consolidated financial statements for the year ended December 31, 2019.

The following standards and amendments did not have a material impact on the Group's consolidated financial statements:

- Amendment to IFRS 9 "Prepayment Features with Negative Compensation";
- Annual Improvements to the IFRS-2015-2017 Cycle;
- IAS 28 amendments "Long-term interests in associates and joint ventures";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement".

NOTE 1.5. STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT ARE NOT MANDATORY FOR APPLICATION FROM JANUARY 1, 2019

Standards, amendments and interpretations that are not mandatory for application as of January 1, 2019 but applied early:

- Amendments to IFRS 9, IAS 39 and IFRS 7 relating to the reform of benchmark interbank rates

The Group has opted for early application from 2019 of the amendment to IFRS 9, IAS 39 and IFRS 7 published by the IASB in September 2019 as part of the reform of benchmark interest rates

This amendment allows the Group not to take into account uncertainties about the future of benchmark rates in assessing the effectiveness of hedging relationships and/or in assessing the highly probable nature of the risk hedged, thereby making it possible to secure existing or future hedging relationships until these uncertainties are resolved.

Documented interest rate derivatives for hedging debt indexed to a benchmark rate are presented in Note 20.1.

- Amendments to IFRS 3 "Definition of an activity"

Standards, amendments and interpretations that are not mandatory for application as of January 1, 2019 and not applied early:

- Amendments to IAS 1 and IAS 8 "Definition of materiality";
- Amendments to IAS 1 on the classification of liabilities as current and non-current.

The Group has chosen not to apply these standards and interpretations early.

NOTE 1.6. ESTIMATES AND ASSUMPTIONS

To prepare the Neoen Group's financial statements, management makes estimates whenever items included in the financial statements cannot be accurately measured. Management reviews its estimates and assessments regularly to take into account past experience and other factors deemed relevant in light of economic conditions. Accordingly, the amounts in future financial statements may differ from current estimates.

The main items impacted by estimates and assumptions at December 31, 2019 are the following:

- Estimates of the recoverable amount of goodwill (note 11.1);
- Useful lives of production assets (note 11.3);
- Recognition of a deferred tax asset when it is probable that sufficient future taxable income will exist against which tax losses can be utilised (note 9.3);
- Estimates of the recoverable amount of property, plant and equipment and intangible assets (notes 11.2 and 11.3);
- Estimates of the lease term and discount rate to be applied to the lease payments, in connection with the application of IFRS 16 (note 11.3);
- Capitalisation of development costs (note 11.2);
- Provision amounts (note 17).

NOTE 2. TRANSLATION METHODS

Presentation currency of the consolidated financial statements

The Group's consolidated financial statements are presented in millions of euros.

Functional currency

The functional currency of an entity is the currency of the economic environment in which it primarily operates. In some entities, a functional currency other than the local currency may

be used if it reflects the currency of the entity's main trading and economic environment.

As part of the preparation of its 2019 financial statements, the Group refined its analysis of the conditions for the application of functional currencies and thus adopted the US dollar (USD) for countries that have seen projects enter construction or operation during the period, namely Mexico, Argentina, Jamaica, Mozambique and Zambia, as well as in Colombia, given the progress of the development of its projects in this country.

Translation of foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the transaction date. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are recorded at the closing exchange rate. Any resulting exchange differences are recognised in the income statement for the period;
- non-monetary assets and liabilities denominated in foreign currencies are translated at the historical exchange rate applicable at the date of the transaction.

Translation of the financial statements of subsidiaries whose functional currency is not the euro

The statement of financial position is translated into euros at the exchange rate prevailing at the end of the financial year. Income and expense items and cash flows are translated using average exchange rates. Any differences resulting from the translation of the financial statements of foreign subsidiaries are recorded under "Exchange differences on translation of foreign operations" in other comprehensive income".

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity. They are therefore expressed in the entity's functional currency and translated at the closing rate.

NOTE 3. CONSOLIDATION SCOPE

NOTE 3.1. ACCOUNTING PRINCIPLES

Business combinations

In accordance with IFRS 3 as amended, business combinations are accounted for using the acquisition method. Under this method, the assets acquired, liabilities and contingent liabilities assumed are measured at fair value. Goodwill is the difference between the fair value of the consideration transferred in the business combination and the amount of identifiable assets acquired net of liabilities and contingent liabilities assumed. It is provisionally determined on acquisition and reviewed within a period of 12 months from the acquisition date. Goodwill is not amortised. It is tested for impairment as soon as indications of impairment appear and at least once a year.

In accordance with IFRS 3 as amended:

- acquisition costs are recognised in other non-recurring operating income and expenses when they are incurred;
- Contingent earn-outs are estimated at fair value and included, where applicable, in the acquisition cost of the securities.

For each business combination, the Group may value non-controlling interests either at fair value or on the basis of their share of the identifiable net assets of the acquiree measured at fair value at the acquisition date. The Group decides on the method it will use to account for non-controlling interests on a case-by-case basis.

Consolidation methods

Subsidiaries that are controlled within the meaning of IFRS 10, "Consolidated Financial Statements", are fully consolidated regardless of the Group's equity interest. Control for the Group results from its power over this company, its exposure to variable returns due to its involvement and its ability to use its power to influence the amount of these returns.

In accordance with IFRS 11 "Joint Arrangements", Neoen recognises joint ventures (agreements over which Neoen exercises joint control with one or more other parties) that qualify as joint ventures within the meaning of IFRS 11, using the equity method. Neoen has joint control over a partnership when decisions about the relevant activities require the unanimous consent of Neoen and the other parties sharing control.

The equity method is applied to associates over which the Group has significant influence but does not have control. Under the equity method, the net assets and net income of a company are recognised in proportion to the equity interest held by the parent company and, where applicable, the related goodwill (which is included in the value of the investment).

All transactions and positions within fully consolidated subsidiaries are eliminated on consolidation. The list of the main subsidiaries, joint ventures and associates is presented in note 25.

NOTE 3.2. CONSOLIDATED COMPANIES

At December 31, 2019, Neoen Group consisted of 304 consolidated companies, 300 of which were fully consolidated and 4 of which were consolidated using the equity method.

As a reminder, at December 31, 2018, Neoen Group consisted of 280 consolidated companies, of which 276 were fully consolidated and 4 were consolidated using the equity method.

NOTE 3.3. NON-CONSOLIDATED COMPANIES

The Group consolidates all of its subsidiaries over which it has control or over which it exercises significant influence, even if they could be considered non-significant.

Non-controlling interests in the Cestas groups are recognised as non-consolidated investments and measured at fair value through other comprehensive income.

NOTE 3.4. CHANGES IN SCOPE

As part of its development, Neoen regularly creates companies, and may be required to acquire companies in a relatively advanced development phase or offering growth or repowering prospects. During the 2019 financial year, the main transactions affecting the Group's scope were as follows:

Acquisition of Eco Wind Power (Ireland)

On August 1, 2019, the Group completed the acquisition of 100 % of Eco Wind Power, a holding company that owns eight wind power plants in Ireland with a total capacity of 53.4 MW and for an acquisition price of €25.8 million. This acquisition has been qualified as a business combination within the meaning of IFRS 3R - Business Combinations.

<i>(In millions of euros)</i>	Acquisition date
Acquisition price - shares	(0.0)
Acquisition price - current account	(25.8)
Cash acquired net of acquisition costs	1.6
Net investment of cash acquired	(24.2)

In accordance with IFRS 3R, the Group has one year from the acquisition date to measure the fair value of the identifiable assets and liabilities assumed in this acquisition. This work has not yet been finalised on the date of publication of these annual financial statements. The amounts reported as at December 31, 2019 below are therefore provisional and will be reviewed during the first half of 2020.

As part of the purchase price allocation, the Group has reviewed the valuation of Eco Wind Power's assets acquired and liabilities assumed. The main fair value adjustments concerned renewable power generating assets with a direct impact on the value of property, plant and equipment acquired.

<i>(In millions of euros)</i>	Acquisition date
Net book value of assets and liabilities assumed	11.4
Fair value adjustments	
• Intangible assets	19.8
• Other assets and liabilities	(4.0)
• Deferred tax impact	(2.0)
Total net book value	25.1
Acquisition price	25.8
GOODWILL	0.7

These assets were valued using the discounted cash flow method, based on the business plan established by the Group for each renewable energy production asset. This model takes into account the expected residual life of the generation assets, the level of the applicable purchase obligation tariffs, and the operational parameters for which management has had to exercise judgement, in particular the future production capacity of the power plants and their maintenance costs, as well as the forward electricity prices after the power purchase agreement, as well as a discount rate of between 6.2 % and 7.1 %, and the future tax rates as announced by the public authorities on the acquisition date.

After appropriation of the acquisition price, the acquisition of Eco Wind Power resulted in goodwill of €0.7 million. Acquisition costs incurred in this connection were recorded under other non-current expenses for a total amount of €(0.8) million.

The effects of the acquisition of Eco Wind Power on revenue and consolidated income for 2019 amounted to €4.0 million and €0.7 million, respectively.

Acquisitions of projects under development

During the year, the Group acquired interests in assets under development in Europe and Australia for a total amount of €38.5 million.

Disposals

Following a competitive process in the summer of 2019, the Group entered into exclusive negotiations for the sale of its Commentry cogeneration unit and its biomass supply subsidiary in France.

This sale was formally completed on September 4, 2019. The impacts are detailed in note 10.

The contribution relating to the entities sold is therefore presented within discontinued operations in the 2019 income statement.

The comparative information in the 2018 consolidated income statement has been restated accordingly, in accordance with IFRS 5 (see note 10).

Liquidations

The companies Neoen Solar Egypt (Egypt) and Neoen Marine Développement (France) were liquidated during the year.

NOTE 4. SALES

NOTE 4.1. REVENUE

Accounting principles

Revenue represents the fair value of the consideration received or receivable in exchange for goods or services sold in the course of the Group's ordinary activities. Revenue is shown net of any discounts and rebates and less any intra-group sales. No revenue is recognised when there is material uncertainty as to the recoverable nature of the consideration due.

The Group mainly distinguishes between contract revenue, which is predominantly long-term, from that from sales on the market (classified as non-contract revenue). Revenue consists mainly of sales of electricity and green certificates.

Energy sales correspond to electricity sales at the level of the generation units as well as the associated green certificates, and to revenues from arbitrage and the provision of services to the networks for storage activities.

Energy is sold either in accordance with the various contracts whose selling prices are set by decree or as part of calls for tender, or on the market.

Revenue is recognised in accordance with the quantities produced and/or injected during the period or during the production of the energy giving right to the certificates.

Breakdown of revenue

Revenue breaks down as follows:

<i>(In millions of euros)</i>	Solar	Wind	Storage	Other ⁽¹⁾	FY 2019
Electricity	91.4	84.4	0.4	-	176.3
Green certificates	12.5	25.9	-	-	38.4
Energy sales under contract	104.0	110.3	0.4	-	214.7
Electricity	11.8	0.3	17.5	-	29.6
Green certificates	3.1	(0.0)	-	-	3.1
Energy sales in the market	14.9	0.3	17.5	-	32.7
Services rendered	-	-	-	0.7	0.7
Other items	0.3	0.4	2.6	1.9	5.2
Other revenues	0.3	0.4	2.6	2.5	5.9
AS OF DECEMBER 31ST, 2019	119.1	111.0	20.5	2.5	253.2

(In millions of euros)	Solar	Wind	Storage	Other ⁽¹⁾	FY 2018 Restated
Electricity	62.3	68.1	-	-	130.3
Green certificates	4.4	39.2	-	-	43.6
Energy sales under contract	66.6	107.3	-	-	173.9
Electricity	7.9	-	15.3	-	23.2
Green certificates	4.7	-	-	-	4.7
Energy sales in the market	12.6	-	15.3	-	27.8
Services rendered	-	-	-	1.1	1.1
Other items	1.2	0.3	2.7	0.0	4.2
Other revenues	1.2	0.3	2.7	1.1	5.3
AS OF DECEMBER 31ST, 2018	80.4	107.6	17.9	1.1	207.0

(1) This mainly concerns administrative management, supervision and development services for non-group entities.

NOTE 4.2. TRADE RECEIVABLES

Accounting principles

The Group mainly sells the electricity it produces under contracts subject to purchase obligations (the conditions of which are specified in decrees or tender regulations).

Receivables recognised at the reporting date correspond mainly to invoices not yet due for the sale of electricity and green certificates, the change in which is mainly due to the growth in the number of plants in operation.

Given the quality of the signing parties to PPAs, the Group considers that the counterparty risk related to its trade receivables is negligible.

As a result, the Group's balance sheet had no material overdue trade receivables at December 31, 2019 and December 31, 2018.

Impairment

IFRS 9 requires credit risk on financial assets to be taken into account on the basis of the "expected losses" principle, which implies recognising impairment losses on trade receivables that have not yet matured.

At December 31, 2019, the Group carried out a review, based on the quality and solvency of its customers, of its portfolio of trade receivables. Given the nature of its activities and its customers, no particular expected loss has been identified given the nature of the receivables in the portfolio.

Breakdown of trade receivables

(In millions of euros)	12.31.2019	12.31.2018
TRADE RECEIVABLES NET VALUE - START OF PERIOD	33.8	29.0
Change of activity	18.8	5.7
Scope change	(0.9)	(0.0)
Conversion differences	0.3	(0.6)
Reversal of an unused provision	0.3	(0.4)
TRADE RECEIVABLES NET VALUE - END OF PERIOD	52.2	33.8

There were no material overdue trade receivables as at December 31, 2019 or December 31, 2018. Following the reversal of an unused provision of €0.3 million during the 2019 financial year, there was no longer any impairment relating to trade receivables in the Group's accounts at December 31, 2019.

NOTE 5. PURCHASES AND INVENTORIES

NOTE 5.1. PURCHASES NET OF CHANGES IN INVENTORIES

This item includes only purchases of small equipment for €(0.7) million in 2019 compared to €(0.4) million in 2018.

NOTE 5.2. INVENTORIES

Accounting principles

Inventories are valued at cost or net realisable value if the latter is lower than the purchase cost.

Following the sale of the biomass activity (see note 10), at December 31, 2019, inventories correspond exclusively to spare parts intended for power plants in operation for €0.7 million compared with €0.3 million in 2018.

NOTE 5.3. EXTERNAL EXPENSES

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Maintenance and repair expenses	(17.2)	(12.0)
Other external expenses	(29.8)	(24.4)
TOTAL OF EXTERNAL EXPENSES	(47.0)	(36.4)

Maintenance and repair expenses mainly correspond to maintenance costs of the plants in operation.

Other external expenses mainly include:

- operating expenses for power plants in operation (costs associated with managing network frequency, operating insurance, electricity purchases);
- structural costs (fees, consulting, subcontracting, IT, insurance);
- travel expenses;
- non-capitalised development costs because they do not meet the Group's capitalisation criteria.

Non-capitalised development expenses totalled €1.3 million, unchanged from the previous year.

Trade payables

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Payables	27.4	25.8
Fixed asset suppliers	98.9	110.8
TOTAL TRADE PAYABLES	126.3	136.5

Fixed asset suppliers mainly include liabilities relating to the construction of power plants. The change in payables to fixed asset suppliers is explained by payments for -€19.6 million, as well as impacts related to translation adjustments and accretion effects for +€7.7 million.

NOTE 6. EMPLOYEE EXPENSES AND BENEFITS

NOTE 6.1. PAYROLL COSTS

Accounting principles

Payroll costs

Payroll costs allocated to project development are recognised as assets when the projects meet the capitalisation criteria. The Group considers that these criteria are met when a project enters the development portfolio, i.e. when the contractual elements and technical studies indicate that the feasibility of a project is likely (most often at the early stage). Other payroll costs are included in the income statement.

Post-employment benefits

Employee benefits include defined contribution plans and defined benefit plans.

Defined contribution plans are post-employment schemes under which the Group pays fixed contributions to various social security organisations.

Contributions are paid in exchange for services rendered by employees during the financial year. They are expensed as incurred.

Defined benefit plans guarantee employees additional benefits such as retirement indemnities. These guaranteed additional benefits represent a future obligation for the Group which is quantified. The provision is calculated by estimating the amount of benefits that employees will have accrued in exchange for services rendered during the current and prior years.

Given the average age of the Group's workforce, no liabilities have been recognised in respect of employee benefits, as the amount of these benefits is immaterial at the reporting date.

In 2019, payroll costs amounted to €(12.1) million compared with €(9.9) million in 2018.

The increase in personnel expenses is mainly related to the increase in the number of employees - 213 at the end of 2019 compared to 184 at the end of 2018 - partially offset by the increase in the rate of capitalisation of salaries and expenses over the period (58 % in 2019 compared to 50 % in 2018), in accordance with the capitalisation rules defined by the Group (see note 11.2).

NOTE 6.2. EXECUTIVE COMPENSATION

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Short-term employee benefits	2.9	2.5
Share-based payments	1.7	1.0
TOTAL EXECUTIVE COMPENSATION	4.6	3.5

The directors represent the members of the Group's Management Committee.

NOTE 6.3. SHARE-BASED PAYMENTS**Accounting principles**

In accordance with IFRS 2 "Share-based payments", the fair value of stock options and free share grants is determined using methods appropriate to their characteristics (equity-settled), and is recognised as payroll costs over the vesting period.

Stock options, which are not subject to share price performance conditions, are valued using the Black and Scholes model.

The fair value of stock options at the grant date is recognised as an expense over the option vesting period, based on the probability of the options being exercised before their expiry date, with a corresponding increase in consolidated reserves.

The fair value of bonus share plans is based on the share price on the grant date (for plans prior to the Company's listing, the fair value was estimated on the basis of the last capital increase), and takes into account the prospects for dividend payments over the vesting period, the anticipated rate of staff turnover and the lock-in period for these instruments. The expense is spread over the vesting period and offset against consolidated reserves.

At each reporting date, the Group assesses the probability of beneficiaries losing rights to options or bonus shares before the end of the vesting period. Where applicable, the impact of the revision of these estimates is recognised in the income statement with a corresponding change in consolidated reserves.

The expense related to the allocation of free shares and stock options amounted to €(3.8) million for the year compared with €(2.5) million in 2018.

Details of share subscription plans

Date of allocation	Number of options allocated	Date vested	Date of expiry	Exercise price	Number of options outstanding
10/01/2016	127,500	11/01/2019	10/01/2021	4.00,€	37,500
16/05/2016	25,000	17/05/2019	16/05/2021	4.00,€	25,000
23/12/2016	235,000	24/12/2019	23/12/2021	6.00,€	225,000
30/05/2018	45,000	31/05/2021	30/05/2023	10.00,€	40,000
05/07/2018	65,000	06/10/2021	05/07/2023	10.00,€	60,000
TOTAL	497,500				387,500

To value these plans, the Group used the Black & Scholes formula with the following assumptions:

- a volatility rate of 23 % since the May 30, 2018 plan versus 18 % previously (taking into account the volatility of comparable companies);
- a risk-free interest rate corresponding to the 5-year French government bond (OAT) yield on the allocation date;
- average maturity of the 1-year plans beyond the vesting period.

Details of free share allocation plans

Date of allocation	Number of shares allocated	Date of share acquisition	Date of end of period of conservation	Number of shares outstanding
09/04/2018	2,500	10/04/2020	10/04/2021	2,500
30/05/2018	107,500	31/05/2021	-	105,000
05/07/2018	570,644	06/10/2020	-	493,644
10/07/2019	297,000	11/07/2022	-	297,000
TOTAL	977,644			898,144

NOTE 7. OTHER CURRENT OPERATING INCOME AND EXPENSES

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Other current operating income	28.1	10.7
Other current operating expenses	(0.6)	(0.7)
OTHER CURRENT OPERATING INCOME AND EXPENSES	27.6	10.0

Other current operating income consists mainly of contractual compensation resulting mainly from losses of income due to delays in the commissioning of certain power plants, borne by contractors responsible for their construction in the context of mainly turnkey contracts, and depreciation relating to the non-repayable portion of operating subsidies.

Other current operating expenses mainly correspond to foreign exchange losses on operational transactions.

NOTE 8. NON-CURRENT OPERATING ITEMS

Accounting principles

Other non-current operating income and expenses include non-current transactions of significant amounts that, due to their nature or unusual nature, may affect the clarity of the performance of the Group's ordinary operating activities. This may include:

- capital gains and losses on disposals;
- significant and unusual impairment of non-current assets, whether tangible or intangible;
- certain significant expenses related to restructuring operations or unusual transactions;
- other operating income and expenses such as a provision or penalty for a dispute of significant materiality;
- acquisition costs linked to changes in scope (see notes 3 and 11.1).

Details of non-current items

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Prior period development costs ⁽¹⁾	(2.4)	(4.1)
Gains and losses on disposal of assets	(0.6)	0.5
Other income	0.0	0.4
Other non-current items	(2.5)	(4.4)
OTHER NON-CURRENT OPERATING INCOME AND EXPENSES	(5.5)	(7.6)
Impairment of capitalised development costs ⁽²⁾	(1.8)	(2.0)
Reversal of impairment of capitalised development costs ⁽²⁾	1.8	3.6
Other non-current provisions	1.6	-
IMPAIRMENT OF NON-CURRENT ASSETS	1.5	1.5
NON-CURRENT OPERATING PROFIT	(4.0)	(6.1)

(1) Capitalised development costs for which the Group, following external events beyond its control, considers that the criteria for capitalisation provided for in IAS 38 are no longer met, are recognised in other non-recurring operating expenses for the period.

(2) The €1.8 million impairment of development costs was fully offset by a reversal of the same amount.

(3) In 2019, the other exceptional reversals mainly correspond to a reversal of a provision for impairment on offshore wind turbine surveys. As the development company was liquidated, surveys were scrapped for € (1.5) million (presented in Other expenses) and the provision for impairment reversed for the same amount.

The gains on disposal of assets were mainly due to the sale of the Montsinery project during the period.

In 2019, other non-current expenses include, in addition to the scrapping of offshore wind farm surveys, €(0.8) million in acquisition costs for the Irish wind farms.

In 2018, other expenses consisted mainly of costs incurred in connection with the IPO for €3 million.

NOTE 9. TAXES

Accounting principles

Income tax

Income taxes include current and deferred tax expense (income), calculated in accordance with the tax laws of the countries where the income is taxable. Current and deferred taxes are generally recognised in profit or loss or in equity symmetrically with the underlying transaction.

Current tax expense (income) is the estimated amount of tax due on the taxable income for the period, determined using tax rates adopted at the reporting date. Deferred tax arises from temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, no deferred tax is recognised for temporary differences generated by:

- non-tax-deductible goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit (tax loss) at the transaction date;
- investments in subsidiaries, joint ventures and associates when the Group controls the date on which the temporary differences reverse and it is probable that these differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected in the period in which the asset will be realised or the liability settled and that have been adopted at the reporting date. In the event of a change in tax rate, deferred taxes are adjusted to the new prevailing rate and the adjustment is charged to the income statement unless it relates to an underlying asset, the changes in which are charged to equity, in particular in respect of the fair value accounting of hedging instruments.

Deferred taxes are reviewed at each reporting date to take into account changes in tax legislation and prospects of recovering deductible temporary differences. A deferred tax asset is recognised only to the extent that it is probable that the Group will have future taxable profits against which it can be offset in the foreseeable future or, beyond that, deferred tax liabilities of the same maturity. In determining the conditions for the use of its deferred tax assets, the Group relies on long-term business plans established for each of its projects in operation and under construction, which are reviewed as soon as indications of impairment appear and at least annually.

Income tax and other tax payables

In France, the 2010 Finance Act introduced a territorial economic contribution to replace the business tax (CET). The CET includes two new contributions: the corporate property contribution (CFE) and the corporate value added contribution (CVAE). For the financial years presented, the Group has recognised the CFE in recurring operating income under "Duties, taxes and similar payments" and considered that the CVAE base was within the scope of application of IAS 12 "Income taxes".

NOTE 9.1. DUTIES, TAXES AND SIMILAR PAYMENTS

In accordance with IFRIC 21, the Group recognises tax as soon as it becomes payable. The expense amounted to €(5.4) million in 2019 compared with €(4.6) million in 2018.

NOTE 9.2. INCOME TAX

Income tax expense breaks down as follows:

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Profit before tax	44.9	30.1
Income tax	(23.7)	(15.8)
Current tax	(15.3)	(7.5)
Deferred tax	(8.4)	(8.3)
EFFECTIVE TAX RATE	52.8%	52.4%

The difference between the effective tax charge and the theoretical tax charge breaks down as follows:

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Profit before tax	44.9	30.1
Tax rate applicable to the parent company	31.0%	33.3%
Theoretical tax charge	(13.9)	(10.0)
Tax rate differences	(0.3)	(0.4)
Permanent differences	(5.7)	(4.2)
Tax without base	(2.8)	(0.7)
Change in tax assets on tax loss carryforwards	(0.1)	0.4
Tax losses generated during the period for which deferred tax assets have not been recognized	(0.7)	(0.9)
Others	(0.3)	0.1
Effective tax charge	(23.7)	(15.8)
Effective tax rate	52.8%	52.5%

The permanent differences essentially include the impact of the non-deductibility of certain financial interest as well as the effect of expenses incurred in applying IFRS 2 “Share-based payments”.

The “tax without base” line mainly corresponds to the non-utilisation of tax credits related to withholding taxes, as well as the corporate value added tax (CVAE).

NOTE 9.3. DEFERRED TAXES

Deferred tax assets and liabilities recorded in the balance sheet arise from:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Difference between book values and tax values:		
• Fixed assets	9.0	5.8
• Provisions	(66.9)	(54.3)
• Goodwill allocated	(4.3)	(2.4)
• Financial	20.7	7.9
• Others	3.8	1.6
Activation of tax deficits and credits tax	43.7	42.7
NET DEFERRED TAXES	6.1	1.3
Deferred tax assets	55.6	39.1
Deferred tax liabilities	49.6	37.8
NET DEFERRED TAXES	6.1	1.3

The change in deferred tax on provisions is mainly due to the difference between the tax depreciation period and the accounting depreciation period associated with an increase in investments in production assets in Australia.

The increase in deferred tax on financial flows is mainly due to the change in the fair value of derivative financial instruments.

The change in deferred taxes breaks down as follows:

<i>(In millions of euros)</i>	Deferred tax assets	Deferred tax liabilities	Total
Net deferred tax as of December 31st, 2018	39.1	37.8	1.3
Change recognised in income from continuing operations	54.1	62.5	(8.4)
Change recognised in income from discontinued operations		(0.5)	0.5
Other items of comprehensive income	4.1	(15.2)	19.3
Impact of changes in consolidation scope	5.0	11.6	(6.6)
Offsetting of deferred tax assets and liabilities	(0.0)	(0.0)	-
NET DEFERRED TAX AS OF DECEMBER 31ST, 2019	55.6	49.6	6.1

NOTE 10. DISCONTINUED OPERATIONS

Accounting principles

A discontinued operation is a component of the Group that has been disposed of (by sale or otherwise) or is held for sale in accordance with IFRS 5.

In accordance with IFRS 5, to be classified as “Discontinued operations”:

- The activities must have been discontinued or previously classified as “Assets held for sale”;
- Discontinued operations must be clearly distinguished from the rest of the Group, both operationally and for financial reporting purposes;
- These must represent a significant business line (or separate major geographic region); and
- Be part of a single coordinated disposal or abandonment plan or be a subsidiary acquired exclusively for the purpose of resale.

Net income from discontinued operations is presented on a separate line of the income statement. The income statement for previous years is then reclassified to show income from discontinued operations on a separate line. In the cash flow statement, the cash flows from these activities are presented separately from the cash flows from continuing operations.

Non-current assets (or disposal group) are classified as “held for sale” when their carrying amount is recovered primarily through a sale transaction rather than through continued use. This classification implies that the assets (or disposal group) are available for immediate sale and that the sale is highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Any impairment of assets (or disposal group) at fair value less costs to sell is recognised in profit or loss. The comparative period presented has not been restated.

During the second quarter of 2019, the Group began the process of selling its biomass power plant, inherited from the acquisition of Poweo EnR in 2011.

Following a competitive process, during the summer of 2019, it entered into exclusive negotiations for the sale of its Commentry cogeneration unit and its biomass supply subsidiary. This sale was formally completed on September 4, 2019.

In accordance with the provisions of IFRS 5, the Biomass is recognised as follows in the Group’s financial statements at December 31, 2019:

- The contribution relating to sold entities is presented within “discontinued operations” in the Group’s consolidated income statement.
- The contribution relating to the entities sold is included in each line of the consolidated statement of cash flows and isolated within “cash flows from discontinued operations”.
- The comparative information in the 2018 income statement has been restated accordingly, in accordance with the provisions of IFRS 5.

No impairment loss was recognised as a result of this classification.

The effects on the income statement are detailed in the table below:

<i>(In millions of euros)</i>	FY 2019	FY 2018
Energy sales under contract	15.3	20.6
Energy sales in the market	-	-
Other revenues	-	-
Total revenue	15.3	20.6
Purchases net of changes in inventories	(6.2)	(8.9)
External expenses and payroll costs	(2.7)	(3.6)
Duties, taxes and similar payments	(0.3)	(0.3)
Share of net income of associates	-	-
Other current operating income and expense	0.3	(0.0)
Current operating depreciation, amortization and provisions	(3.2)	(4.9)
Current operating income	3.1	3.0
Other non-current operating income and expenses	-	0.3
Impairment of non-current assets	-	-
Operating income	3.1	3.2
Cost of debt	(2.0)	(3.2)
Other financial income and expenses	(0.7)	(0.9)
Net financial result	(2.7)	(4.1)
Profit before tax	0.5	(0.9)
Income tax	(0.3)	0.1
NET INCOME FROM DISCONTINUED OPERATIONS	0.2	(0.8)

The effects on the cash flow statement are detailed in the table below:

<i>(In millions of euros)</i>	FY 2019	FY 2018
Net cash flows from operating activities	1.5	8.7
Net cash flows from investing activities	(3.2)	(3.0)
Net cash flows from financing activities	(1.0)	(4.9)
CHANGE IN CASH AND CASH EQUIVALENTS	(2.6)	0.8
Opening cash and cash equivalents	2.6	1.8
Closing cash and cash equivalents	-	2.6
CHANGE IN NET CASH AND CASH EQUIVALENTS	(2.6)	0.8

The breakdown of net income from discontinued operations is as follows:

<i>(In millions of euros)</i>	FY 2019
Net income from operations discontinued	0.2
Capital gain on the sale of securities	21.3
• Securities sales price	13.0
• Share of net assets restated as of September 4, 2019	(8.3)
Loss on disposal of current accounts	(5.0)
Costs related to the transfer	(0.6)
NET INCOME FROM OPERATIONS DISCONTINUED	15.8

NOTE 11. GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

NOTE 11.1. GOODWILL

Accounting principles

Refer to note 3.1 - business combinations

Impairment of assets

Refer to accounting principles in note 11.2 - impairment of assets.

The goodwill presented relates to the acquisition of Irish wind power plants in operation (see notes 1.2 and 3.4).

NOTE 11.2. INTANGIBLE ASSETS

Accounting principles

Intangible assets

The main intangible assets recognised by the Group linked to expenses related to project development.

Direct and indirect, external or internal development costs are capitalised as soon as the corresponding projects are likely to be successful.

Projects are capitalised in accordance with IAS 38 - Intangible Assets.

The capitalisation criteria are as follows:

- The technical feasibility of the project;
- The intention to complete the intangible asset and use or sell it;
- The ability to use the intangible asset;
- The probability of generating future economic benefits;
- The availability of technical and financial resources to complete the development of the project;
- The ability to reliably measure expenses attributable to the asset during its development.

The Group considers that these criteria are met when a project enters the development portfolio, i.e. when the contractual elements and technical studies indicate that the feasibility of a project is likely (most often at the early stage). When the conditions for recognition of an internally generated asset are not met, project development expenses are expensed in the period in which they are incurred.

The expenses associated with these projects cease to be capitalised upon industrial commissioning.

As soon as the Group considers that the probability of success is reduced due to unusual external factors, development-related expenses are written down and recorded under "Non-recurring operating depreciation, amortisation and provisions".

When a project is abandoned, the development expenses related to this project are expensed within "Other non-recurring operating income and expenses" (see note 8).

The Group distinguishes between "Studies" and "Operation" development costs depending on the state of progress of the project at the end of the year. The term "Operation" covers the construction and operation phases of power plants.

Amortisation is calculated from the commissioning of the project on a straight-line basis over the useful life of the underlying asset.

Other intangible assets are amortised on a straight-line basis according to their estimated useful life.

The main categories of intangible assets and their amortisation period used by the Group are as follows:

- Software: 1 to 3 years;
- Development costs: 6 to 25 years, in line with the estimated useful life of power plants and storage facilities.

Impairment of assets

In accordance with IAS 36 "Impairment of Assets", the Group regularly reviews, and at least once a year, the existence of indications of impairment of intangible assets and property, plant and equipment with finite and indefinite useful lives (goodwill) and intangible assets in progress. If such evidence exists, the Group performs an impairment test to assess whether the carrying amount of the asset exceeds its recoverable amount, defined as the higher of fair value less transaction costs and value in use.

Most of the fixed assets on the balance sheet relate to production assets (plants under development, under construction or in operation). These assets, which have a finite life, are tested for impairment whenever impairment indicators appear.

In the Neoen Group's business, only projects with sufficient profitability at the outset are built and operated. To the extent that, without production incidents, the resources generated by the project are predictable, the risk of not generating the expected level of cash flow is low.

The value in use of an asset is generally measured by discounting the future cash flows generated by the asset. Assets that do not generate largely independent cash flows are grouped together in Cash Generating Units (CGUs). The Group has identified each project as a CGU.

The data used to implement the tests using the discounted cash flow method are derived from the project's business plans covering the term of the power sales contracts (up to 24 years), and a sales period on the markets running from the end of the sales contracts until the end of the useful life of the underlying assets. The underlying assumptions are systematically updated at the test date.

Changes in intangible assets break down as follows:

(In millions of euros)		Capitalized development costs - Operation	Capitalized development costs - Studies (3)	Other intangible assets	Total
Gross amounts	As of December 31st, 2018	48.7	37.8	45.3	131.7
	Acquisitions ⁽¹⁾	7.6	26.7	0.3	34.6
	Diminutions	(3.5)	(3.4)	(0.0)	(6.9)
	Impact of changes in consolidation scope ⁽²⁾	0.0	(0.0)	34.8	34.8
	Other movements and reclassifications	15.2	(14.6)	0.9	1.6
	As of December 31st, 2019	68.0	46.5	81.3	195.8
Amortization and impairment	As of December 31st, 2018	(6.0)	(3.2)	(0.9)	(10.1)
	Charge for amortization	(2.0)	-	(1.2)	(3.3)
	Impairment loss	-	(1.8)	-	(1.8)
	Reversal of impairment loss	-	1.8	-	1.8
	Diminutions	0.9	0.0	0.0	0.9
	Impact of changes in consolidation scope	(0.0)	-	-	(0.0)
	Other movements and reclassifications	(0.0)	0.0	(0.0)	(0.0)
	As of December 31st, 2019	(7.2)	(3.2)	(2.2)	(12.5)
Net amounts	As of December 31st, 2018	42.7	34.6	44.4	121.7
	As of December 31st, 2019	60.9	43.3	79.2	183.3

(1) In 2019, the Group capitalised expenses directly attributable to project development in the amount of €34.3 million. These investments mainly concern projects located in Australia, France, Mexico, Mozambique, Argentina, Finland and Portugal.

(2) The effect of changes in scope corresponds to acquisitions of projects under development in Europe and Australia.

(3) At December 31, 2019, "Capitalized development costs - Studies" amounted to €43.3 million in net value, and included €10.8 million in capitalised expenses relating to projects for which the tariff is secured at December 31, 2019.

NOTE 11.3. PROPERTY, PLANT AND EQUIPMENT**Accounting principles****Property, plant and equipment**

Property, plant and equipment are recorded at acquisition cost in accordance with IAS 16 "Property, plant and equipment". Property, plant and equipment acquired through business combinations are measured at fair value. The cost of an item of property, plant and equipment includes, where applicable, the estimate of the costs relating to the dismantling and rehabilitation of the site on which it is located, based on the obligation incurred by the Group.

The costs of borrowings used to finance the assets until commissioning are included in the initial cost of fixed assets.

Depreciation is calculated from the date the asset is brought into service and expensed over the estimated useful life, using the straight-line method and on the following bases:

- power plants: 25 years⁽²⁾;
- fixtures and fittings: 3-10 years;
- office equipment and furniture, computers: 3-4 years;

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Current production assets correspond mainly to power plants under construction. An asset is defined as soon as expenses are incurred for the construction of the power plants until they are commissioned.

Leases

The Group has applied IFRS 16 "Leases" with an initial application date of January 1, 2018.

Accounting policies applied to leases

The Group leases land for its power plants and office space for its administrative activities.

Land leases generally cover a period of 18 to 99 years, some of which include an option for renewal by the Group. The terms used by the Group include binding renewal periods to the extent that, in the case of strategic locations, the Group believes that it is reasonably certain that the renewal clauses will be exercised.

The term of office leases is between 1 and 10 years.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease.

The contract is or contains a lease if the contract confers the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract gives the right to control an identified asset throughout the life of the asset, the Group assesses whether:

- the contract involves the use of an identified asset - this can be specified explicitly or implicitly, and must be physically distinct or substantially represent the capacity of a physically distinct asset. If the supplier has a substantial right of substitution, the asset is not identified;
- the Group is entitled to obtain substantially all the economic benefits of using the asset throughout the period of use;
- the Group has the right to decide on the use of the asset. The Group has this right when it has the most relevant decision rights to determine how and for what purpose the asset is used. In rare cases, when the decision on the manner and purpose for which the asset is used is predetermined, the Group has the right to direct the use of the asset if:
 - the Group has the right to operate the asset, or
 - the Group has designed the asset in a way that pre-determines how and for what purposes it will be used.

These criteria apply to contracts concluded or amended from January 1, 2018.

(2) The Group considers that the useful life of the power plants is 25 years but may opt for different depreciation periods depending on technical, regulatory or contractual constraints.

At the time of the creation or revaluation of a lease that contains a lease component, the Group elected not to separate the non-lease components and to recognise the lease as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the beginning of the lease:

- the right-of-use asset is initially measured at the actual cost, which includes the initial amount of lease liability adjusted for lease payments made on or before the date of commissioning, plus any marginal direct costs incurred, less lease incentive premiums received.
- The asset related to the rights of use is then depreciated using the straight-line method from the effective date of the contract until the end date of the contract. In addition, the value of the asset related to the rights of use is adjusted to take account of certain revaluations of the lease liability and, where applicable, reduced in the event of impairment, in accordance with IAS 36.
- The lease liability is initially measured at the present value of lease payments that are not paid on the effective date, discounted using the lessee's marginal borrowing rate that would be obtained for a term equivalent to the lease term.

Lease payments included in the lease liability valuation include the following:

- fixed payments, including substantive fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the effective date;
- rents in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is revalued in the event of a change in future rental income resulting from a change in index or rate or if the Group changes its assessment as to whether to exercise a purchase, extension or termination option.

When the lease liability is revalued, an adjustment is made to the carrying amount of the right-of-use asset or is recorded in income if the amount of the right-of-use asset has been reduced to zero.

Short-term leases and low-value asset leases

The Group has elected not to recognise right-of-use assets or lease liabilities for short-term leases with a term of 12 months or less, or low-value asset leases. The Group recognises the lease payments related to these leases as expenses.

Operating lease expenses are replaced in the income statement by the recognition of a right-of-use depreciation and an interest expense in respect of the lease liability.

Impairment of assets

Refer to accounting principles in Note 11.2.

Changes in property, plant and equipment are as follows:

(In millions of euros)		Production assets	Production assets in progress	Lease rights of use	Other property, plant and equipment	Total
Gross amounts	As of December 31st, 2018	1,486.0	267.8	99.1	18.6	1,871.6
	Acquisitions ⁽¹⁾	0.5	701.0	-	1.5	702.9
	Disposals	-	(0.2)	(0.4)	(0.0)	(0.6)
	Impact of changes in consolidation scope ⁽²⁾	17.5	11.1	6.1	(0.0)	34.8
	Impact of fluctuation in foreign exchange rates	13.2	2.2	0.6	0.3	16.1
	Other movements and reclassifications ⁽³⁾	372.9	(370.7)	34.0	0.1	36.3
	As of December 31st, 2019	1,890.1	611.2	139.4	20.4	2,661.1
	Au 31 décembre 2018	(163.6)	(1.1)	(3.2)	(1.0)	(168.9)
	Charge for amortization ⁽⁴⁾	(76.1)	0.1	(4.0)	(0.5)	(80.5)
	Impairment loss	-	-	-	0.0	0.0
Amortization and impairment	Disposals	-	-	0.2	0.0	0.2
	Impact of changes in consolidation scope	(24.3)	0.1	(0.1)	(0.0)	(24.3)
	Impact of fluctuation in foreign exchange rates	(1.0)	(0.0)	(0.0)	(0.0)	(1.1)
	Other movements and reclassifications	0.0	(0.1)	0.9	(0.0)	0.8
	As of December 31st, 2019	(265.0)	(1.0)	(6.4)	(1.4)	(273.7)
	As of December 31st, 2018	1,322.4	266.8	95.9	17.6	1,702.7
Net amounts	As of December 31st, 2019	1,625.2	610.2	133.1	18.9	2,387.3

(1) Acquisitions over the period correspond to plants under construction in 2019, and in particular projects:

- In Australia: Bulgana (€87m); Numurkah (€59m);
- In the Americas: El Llano (€165m) in Mexico; Altiplano (€156m) in Argentina, Paradise Park (€31m) in Jamaica and Capella (€73m) in El Salvador;
- In Europe: Hedet (€43m) in Finland, five wind projects in France (€29m) and six solar projects in France (€33m).

(2) Changes in scope of consolidation for production assets include:

- the sale of the Commeny biomass power plant: €(72.6)m gross + €18.3m amortisation;
- the acquisition of eight Irish wind power plants: +€90.1 million and amortisation (€42.6 million) (see note 3.4).
- Reclassifications on rights-of-use correspond to new leases entered as fixed assets under IFRS 16.

(3) Depreciation and amortisation for the period includes €3.2 million in amortisation recognised on the companies Biomasse Energie de Commeny and Biosource up to the date are classified as "discontinued operations" and are therefore not included in "Current operating depreciation, amortisation and provisions" in the income statement.

(4) This mainly concerns land use rights (for power plants under construction and operation, for an amount of €134.6 million), as well as usage rights relating to offices, for an amount of €4.8 million.

There is no indication of impairment requiring the implementation of impairment tests on property, plant and equipment in the Group's balance sheet at the date of publication of its consolidated financial statements.

NOTE 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Changes in investments in associates and joint ventures are as follows:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Amount at the start of the period	6.7	7.0
Dividends paid	(0.4)	(0.3)
Capital increase	0.1	-
Change in consolidation method	-	-
Share of Net Income of associates	0.7	0.8
Change in fair value	(0.2)	(0.8)
Other movements	(0.0)	(0.0)
TOTAL END OF THE PERIOD	6.9	6.7

This item essentially corresponds to the valuation of the Seixal power plant (CSNSP 441 in Portugal) for €6.9 million.

NOTE 13. NON-CURRENT FINANCIAL ASSETS

Accounting principles

Non-current financial assets consist of security deposits related to financing contracts, term deposits, loans, non-consolidated securities, and derivative instruments with a positive value.

Financial assets are classified and measured as follows:

- security deposits and term deposits are carried at amortised cost;
- non-consolidated securities are recognised at fair value.

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Security deposits	111.0	97.8
Available-for-sale (AFS) financial assets	2.5	2.5
Loans due in more than one year	11.6	5.7
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	125.2	106.0

Security deposits

Security deposits correspond mainly to:

- The financing reserve accounts set up in connection with project financing relating to production assets;
- Deposits made in response to calls for tenders.

NOTE 14. OTHER CURRENT ASSETS

Other current assets break down as follows:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Tax and employee-related receivables	81.0	31.5
Trade accounts payable in debit	5.4	8.0
Prepaid expenses	7.7	8.1
Other debtors	17.1	1.4
TOTAL OTHER CURRENT ASSETS	111.2	48.9

Tax and social security receivables consist mainly of VAT credits pending recovery associated with the construction of power plants.

NOTE 15. CASH AND CASH EQUIVALENTS

Accounting principles

Cash includes cash and cash equivalents as well as short-term investments that are considered to be liquid, convertible into a known amount of cash and that are subject to an insignificant risk of change in value in light of the criteria provided for by IAS 7 "Cash flows statements".

Overdrafts are excluded from the notion of cash and cash equivalents and are recognised as current financial liabilities.

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Cash equivalents	11.6	165.4
Cash	448.9	338.4
TOTAL CASH AND CASH EQUIVALENTS	460.5	503.8

Cash at December 31, 2019 corresponds mainly to cash:

- held by Neoen SA (€185.4 million), the change over the year (-€67.8 million) is mainly due to investments in the form of equity contributions and shareholders' loans in new assets under construction, partially offset by the issue of OCEANE bonds in the amount of around €200 million in October 2019 and cash transfers from project companies, linked to the net cash flows generated by the operation of the power plants and refinancing operations;
- located in the project companies and associated holding companies (€245.3 million), for which the change over the year (+€20.7 million) results, for assets under construction, from drawdowns of senior debt and equity contributions, and, for assets in operation, from cash flows generated by the business, mainly intended to ensure the repayment of project financing and the remuneration of contributions made by the shareholders;
- located in holding companies with junior debt (€29.9 million, i.e. +€3.8 million), and linked to cash flows generated by cash surpluses from production assets, making it possible to repay future maturities of junior debt and remunerate shareholder contributions.

Short-term investments concern only limited sums benefiting from strong liquidity conditions.

NOTE 16. SHAREHOLDERS' EQUITY AND DETAILS OF DILUTIVE INSTRUMENTS

Capital management policy

Neoen manages its capital within the framework of a prudent and rigorous financial policy which since the creation of the company has been based on a desire to constantly optimise its financial structure, enabling it to finance its development, in accordance with its objectives of growth in installed capacity and internal rate of return (IRR). This is part of a diversification strategy, both geographic and technological, but also its exposure to currency risk. In addition to compliance with covenants and financial commitments made in connection with its project financing, most of which are without recourse to the Group's parent company, and its corporate financing, Neoen more specifically monitors its net debt-to-EBITDA and financial leverage-to-capital employed ratios on an all-in basis including all of the Group's debt, whether corporate or set up to finance its projects, with a view to managing its capital structure.

This capital management policy is designed to enable it to continue to invest in value-generating projects, thereby maximising the creation of value for its shareholders, including its controlling shareholder for the past 10 years, Impala SAS. Neoen may therefore make regular adjustments to this policy, particularly with regard to changes in economic conditions and access to debt and capital markets, and in this context to issue new shares, buy back own shares or authorise share-based payment plans.

Neoen is not subject to any external minimum capital requirements, except as required by law.

Equity

Movements affecting the Group's equity during financial years 2018 and 2019 are detailed in the consolidated statement of changes in shareholders' equity.

Share capital

During the financial year, 131,250 stock options at an exercise price of €4 were exercised for a total amount of €525,000, of which €262,500 in share premium, bringing the share capital to €170,177,496 and the share premium to €501,046,406.

Treasury shares

At December 31, 2019, the Company held directly or indirectly 198,946 treasury shares, mainly resulting from a share buyback programme with a view to allocating them, representing €3.8 million based on the book value.

Reserves

The issue of OCEANE bonds in the amount of around €200.0 million (see note 1.2) was treated as a compound instrument split between an equity component of €19.5 million (recognised under "reserves" for €19.4 million, net of expenses) and a debt component of €180.5 million (recognised under "non-current corporate financing" for €179.0 million, net of expenses - see note 18.2).

Dividends

The Group did not distribute any dividends.

Non-controlling interests

(In millions of euros)		Percentage of interest uncontrolled		Net profit from investments not giving not control	Investments not giving not control	Net profit from investments not giving not control	Investments not giving not control
Entity	Country	12.31.2019	12.31.2018	FY 2019	12.31.2019	FY 2018	12.31.2018
HWF 1 & Holdco	Australia	30%	30%	0.8	9.8	0.2	10.4
HWF 2 & Holdco	Australia	20%	20%	0.4	3.1	1.4	4.2
HWF 3 & Holdco	Australia	20%	20%	1.6	4.4	2.3	6.7
Hedet	Finland	20%	20%	(0.8)	(1.1)	(0.1)	0.0
EREC	Jamaica	50%	50%	0.7	0.4	(0.5)	(0.3)
Metoro	Mozambique	25%	25%	(0.6)	0.4	(0.1)	(0.1)
Bangweulu Power Company	Zambia	41%	41%	(0.1)	(0.2)	(0.4)	0.3
Others	-			(0.1)	2.7	(0.2)	(0.7)
Total continued operations				1.9	19.5	2.6	20.5
Biomasse Energie de Commentry	France	-	49%	(0.9)	(0.0)	(1.5)	(10.3)
Total discontinued operations				(0.9)	(0.0)	(1.5)	(10.3)
TOTAL				1.0	19.5	1.2	10.1

Balance sheet aggregates**12.31.2019**

(In millions of euros)	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company
Current assets	4.4	3.4	13.2	7.2	17.6	11.7	14.4
Non-current assets	122.7	115.7	127.4	81.3	51.6	0.7	44.8
Current liabilities	13.6	10.3	13.8	35.5	18.6	12.0	23.2
Non-current liabilities	107.4	114.6	134.0	58.8	50.2	2.3	38.1
NET ASSETS	6.1	(5.7)	(7.2)	(5.8)	0.5	(1.9)	(2.2)

12.31.2018

(In millions of euros)	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company
Current assets	4.6	7.2	14.6	3.2	11.5	-	31.8
Non-current assets	127.1	120.1	135.1	36.3	20.3	-	34.8
Current liabilities	11.7	12.0	12.7	25.2	11.9	-	32.2
Non-current liabilities	111.9	115.6	132.7	14.5	20.8	-	35.3
NET ASSETS	8.1	(0.2)	4.4	(0.2)	(0.9)	-	(0.9)

Income statement aggregates

FY 2019 <i>(In millions of euros)</i>	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company
Revenue	20.9	16.5	26.1	1.1	3.3	-	3.9
Net Income	2.8	1.8	7.8	(3.9)	1.4	(2.5)	(0.2)
• of which: Net Income - Group share	1.9	1.5	6.2	(3.1)	0.7	(1.9)	(0.1)
• of which: Net Income - attributable to non- controlling interests	0.8	0.4	1.6	(0.8)	0.7	(0.6)	(0.1)
Comprehensive Income	(0.2)	(0.5)	0.7	(1.1)	0.7	(0.6)	(0.5)

FY 2018 <i>(In millions of euros)</i>	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company
Revenue	21.8	24.1	32.3	-	-	-	-
Net Income	0.7	7.2	11.5	(0.3)	(1.0)	-	(1.0)
• of which: Net Income - Group share	0.5	5.7	9.2	(0.3)	(0.5)	-	(0.6)
• of which: Net Income - attributable to non- controlling interests	0.2	1.4	2.3	(0.1)	(0.5)	-	(0.4)
Comprehensive Income	(0.5)	1.0	1.7	(0.1)	(0.5)	-	(0.2)

Cash flow statement

FY 2019 <i>(In millions of euros)</i>	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company
Net cash flows from operating activities	15.8	13.2	24.1	13.1	1.3	3.7	0.8
Net cash flows from investing activities	0.2	0.8	0.4	(49.3)	(29.2)	(2.3)	(21.3)
Net cash flows from financing activities	(17.1)	(18.4)	(25.8)	40.7	29.8	7.1	(2.6)
Net change in cash including non-current assets or group of assets held for sale	0.1	0.1	0.4	-	0.2	(0.1)	0.7
Net change in cash from continued operations	(1.0)	(4.3)	(0.9)	4.6	2.1	8.4	(22.5)
Cash and cash equivalents							
Opening cash and cash equivalents	2.4	5.4	11.5	0.7	10.6	0.0	30.9
Closing cash and cash equivalents	1.4	1.1	10.5	5.3	12.7	8.4	8.4
Dividends paid to minority interests	(0.4)	(0.6)	(3.0)	-	-	-	-

FY 2018 <i>(In millions of euros)</i>	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company
Net cash flows from operating activities	17.1	22.4	31.5	14.6	3.0	-	(0.3)
Net cash flows from investing activities	(0.3)	(9.1)	(26.7)	(17.7)	(11.7)	-	(8.0)
Net cash flows from financing activities	(18.0)	(22.7)	(16.0)	3.8	18.3	-	33.1
Net change in cash including non-current assets or group of assets held for sale	(0.0)	0.2	(0.7)	-	0.3	-	1.0
Net change in cash from continued operations	(1.2)	(9.2)	(12.0)	0.7	10.0	-	25.8
Cash and cash equivalents							
Opening cash and cash equivalents	3.6	14.6	23.4	-	0.6	-	5.0
Closing cash and cash equivalents	2.4	5.4	11.5	0.7	10.6	-	30.9
Dividends paid to minority interests	(0.6)	(2.4)	(0.8)	-	-	-	-

Dilutive instruments

Accounting principles

Basic earnings per share and diluted earnings per share are calculated in accordance with IAS 33.

Basic earnings per share: earnings for the period (Group share) is divided into the weighted average number of shares outstanding after deduction of treasury shares held.

Diluted earnings per share: earnings for the period (Group share) as well as the weighted average number of shares outstanding after deduction of treasury shares held, taken into account for the calculation of basic earnings per share, are adjusted for the effects of all potentially dilutive instruments. Call options and free shares have a dilutive effect if their exercise price is lower than the market price.

(In number of shares)		12.31.2019	12.31.2018	12.31.2018	12.31.2017 pro forma ⁽¹⁾
Before dilution					
Number of shares		85,088,748	84,957,498	84,957,498	53,982,070
Number of treasury shares		198,948	150,658	150,658	5,000
Number of other shares		84,889,800	84,806,840	84,806,840	53,977,070
AVERAGE NUMBER OF SHARES BEFORE DILUTION ⁽²⁾		84,848,320		69,391,955	
	Free shares	898,144	786,698	786,698	-
	Stocks Options	387,500	528,750	528,750	833,750
Dilutive instruments					
	Share subscription options	-	-	-	37,500
	OCEANE 2019	6,629,101	-	-	-
	TOTAL	7,914,745	1,315,448	1,315,448	871,250
After dilution					
Number of shares		93,003,493	86,272,946	86,272,946	54,853,320
Number of treasury shares		198,948	150,658	150,658	5,000
Number of other shares		92,804,545	86,122,288	86,122,288	54,848,320
AVERAGE NUMBER OF SHARES AFTER DILUTION ⁽²⁾		89,463,417		70,485,304	

(1) The number of shares is presented after consolidation of shares on 1 October 2018.

(2) Average number of shares over the period, excluding treasury shares.

At the reporting date, all the instruments were dilutive given the average price of the Neoen share for the 2019 financial year.

NOTE 17. PROVISIONS

Accounting principles

Provisions

Provisions are recognised when, at the reporting date, the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the amount of which can be reliably estimated.

The amount recognised as provisions is measured in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" based on the most likely estimate of the expenditure required to settle the present obligation at the reporting date. When the time value effect is significant, the amount of the provision recognised corresponds to the present value of the expected expenses deemed necessary to settle the corresponding obligation. The increase in provisions recorded to reflect the passage of time and relating to discounting is recognised in financial expenses.

Litigation and contingent liabilities

The Group exercises its judgement on a case-by-case basis in assessing the risks incurred and records a provision when it expects a probable outflow of resources. In cases where a reliable estimate cannot be made because it is considered unfounded or not sufficiently substantiated, there is a potential or current obligation that cannot be recognised (contingent liability).

Dismantling provision

When a legal or contractual obligation exists to dismantle a power plant, a decommissioning provision is recognised in return for a decommissioning asset, the cost of which is regularly estimated, based on quotes from external service providers. In the event of a significant change in the estimate leading to an increase in the provision, the net value of the dismantling assets is also increased. If the change results in a reduction in the provision, an impairment of the asset is recorded.

NOTE 17.1. CURRENT AND NON-CURRENT PROVISIONS

The main movements affecting provisions in 2019 were as follows:

<i>(In millions of euros)</i>	Non-current provisions	Current provisions
Amount as of December 31st, 2018	10.6	-
Charges	0.0	-
Discounting	1.3	-
Impact of changes in consolidation scope	(0.9)	-
Other movements ⁽¹⁾	2.8	-
AMOUNT AS OF DECEMBER 31 ST, 2019	13.8	-

(1) Other movements correspond mainly to provisions for decommissioning recognised on production assets that entered into operation during the period.

Dismantling provisions recognised for production assets in operation amounted to €13.5 million at December 31, 2019 compared with €10.2 million at December 31, 2018.

NOTE 17.2. PROVISIONS AND REVERSALS

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Other provisions	0.0	-
Other reversals	(0.0)	0.5
TOTAL	(0.0)	0.5

NOTE 18. FINANCING AND FINANCIAL INSTRUMENTS**NOTE 18.1. NET FINANCIAL RESULT**

<i>(In millions of euros)</i>	FY 2019	FY 2018 Restated
Loan interest	(64.5)	(52.5)
Interest associated with derivatives	(10.4)	(7.4)
Interest associated with rights of use	(4.0)	(2.5)
Cost of debt	(79.0)	(62.4)
Shareholder loan interest income and expenses	(0.2)	(1.5)
Foreign exchange gains and losses	0.3	(2.5)
Other financial income and expenses	(8.1)	(3.4)
Total other financial income and expenses	(8.0)	(7.4)
RÉSULTAT FINANCIER	(87.0)	(69.8)

The increase in the cost of financial debt is mainly explained by the increase in the number of plants under financing, resulting in particular in an increase in outstanding project financing.

Financial expenses on derivative instruments correspond to the recycling through profit or loss of the fair value of the derivative financial instruments considered as effective, recognised in other comprehensive income.

Foreign exchange gains and losses arise from translation differences on current assets and liabilities and non-current liabilities denominated in foreign currencies. In 2019, foreign exchange gains on cash and foreign currency borrowings offset the foreign exchange losses on assets denominated in Argentine pesos.

Other financial income and expenses were mainly affected by the following items in 2019:

- The impact of the refinancing of the Australian solar projects Parkes, Griffith and Dubbo, concluded during the first half of 2019, which led, in accordance with IFRS 9 principles, to the recognition of a renegotiation gain of €5.9 million (see note 1.2);
- The effect of the refinancing of a portfolio of substantial French projects in operation within the meaning of IFRS, which generated a charge of €(5.6) million corresponding to compensation and early repayment costs incurred in connection with the extinguishment of historical liabilities (see note 1.2);
- Accretion effects associated in particular with a revision of the payment schedule for certain investment expenses, which contractually benefited from a deferred repayment granted by a co-contractor, likely to be spread over several years, and which, given the operating performances recorded in 2019, saw their repayment prospects accelerate very significantly, in accordance with the provisions of the contract, generating an accretion expense of €(6.6) million.

NOTE 18.2. NET DEBT

Accounting principles

Financial liabilities

Financial liabilities include financial liabilities and derivative financial instruments with a negative market value.

Borrowings are initially recognised at their original fair value less directly attributable transaction costs.

At each reporting date, borrowings are measured at amortised cost using the effective interest method and are broken down in the balance sheet as follows:

- non-current financial liabilities for the portion due in more than one year;
- current financial liabilities for the portion due within one year.

In accordance with IAS 23 "Borrowing costs", borrowing costs directly attributable to the acquisition, construction or production of a fixed asset are included in the cost of the underlying asset.

Derivative financial instruments

The objective of Neoen Group's finance department is to hedge the risk of variability in the future interest expense resulting from the financing of the Group's investments.

To hedge its interest rate risk exposure, the Group uses derivatives mainly in the form of interest rate swaps and interest rate options. Most of the interest rate derivatives used by Neoen qualify as cash flow hedges. Hedge accounting is applicable if the conditions provided for by IFRS 9 are met:

- the hedging relationship must be clearly designated and documented at the date of inception of the hedging instrument;
- the economic link between the hedged item and the hedging instrument must be documented, along with potential sources of inefficiency;
- retrospective ineffectiveness must be measured at each reporting date.

Cash flow hedges are used to hedge changes in the value of highly probable future cash flows from interest arising from the Group's financing requirements.

Changes in the fair value of the derivative financial instrument are recognised in other comprehensive income in equity (cash flow hedge reserve) for the "effective portion" of the hedge and in profit or loss for the period for the "ineffective portion".

Accumulated gains or losses in equity are recognised in profit or loss under the same heading as the hedged item, i.e. financial income at the time the hedged cash flow affects profit or loss.

When the derivative instrument is terminated or when the ineffectiveness of the hedging relationship results in its reclassification, the gains or losses accumulated on the derivative instrument are maintained in other comprehensive income (cash flow hedge reserve) and recognised symmetrically with the hedged flows. If future cash flows are no longer expected, the gains and losses previously recognised in equity are then transferred to the income statement.

When they are not considered as cash flow hedges for accounting purposes, changes in the fair value of these instruments are recorded in the income statement

Derivative financial instruments with a positive market value are recognised as assets and those with a negative market value are recognised as liabilities.

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Bank loans - project finance	1 757.9	1 229.3
Bond financing of projects	199.5	262.8
Lease liabilities	136.7	96.9
Corporate financing	194.6	16.1
Non-controlling investors and others	30.4	45.4
Derivative instruments liabilities – hedging effect	95.4	40.3
Financial debt	2 414.6	1 690.8
Non-controlling investors and others	(30.4)	(45.4)
ADJUSTED FINANCIAL DEBT	2 384.1	1 645.4
Cash equivalents	(11.6)	(165.4)
Cash	(448.9)	(338.4)
TOTAL CASH AND CASH EQUIVALENTS	(460.5)	(503.8)
Guarantee deposits	(111.0)	(97.8)
Derivative instruments assets – hedging effect	(2.0)	(5.8)
Other receivables	(0.0)	(0.0)
Total other assets	(113.0)	(103.7)
Total net debt	1 810.6	1 037.9

Net debt increased by €772.7 million in 2019. This is mainly due to the implementation of new project financing, without recourse to the parent company, the issue of OCEANE bonds (see notes 1.2 and 16) as well as by a reduction in available cash following investments in projects under construction.

Analysis by type

<i>(In millions of euros)</i>	Non-current	Current	12.31.2019	Non-current	Current	12.31.2018
Bank loans - project finance	1,648.4	109.5	1,757.9	1,142.7	86.7	1,229.3
Bond financing for projects	173.0	26.6	199.5	235.4	27.3	262.8
Lease liabilities	130.5	6.2	136.7	92.8	4.1	96.9
Corporate financing	190.6	4.0	194.6	13.9	2.2	16.1
Non-controlling investors and others	28.0	2.5	30.4	40.9	4.5	45.4
Derivative instruments – impact of hedging	83.8	11.6	95.4	33.3	7.1	40.3
TOTAL FINANCIAL LIABILITIES	2,254.2	160.4	2,414.6	1,558.9	131.8	1,690.8

Bank loans - project financing

In 2019, new project financing was raised totalling €555.0 million, mainly covering the power plants in Bulgana (€94.4 million) and Numurkah (€41.2 million) in Australia, El Llano (€72.7 million) in Mexico, Paradise Park (€30.4 million) in Jamaica, Capella (€41.9 million) in El Salvador, Altiplano (€132.1 million) in Argentina, Hedet (€38.4 million) in Finland, as well as three wind power plants (€49.0 million) and eight solar power plants (€59.1 million) in France. In addition, there was a refinancing of a portfolio of projects in operation for €167.2 million net of costs (resulting in a €106.8 million repayment of debt for financing historic projects).

At December 31, 2019, there was no indication that the various companies financed by project debt were not in compliance with their covenants on minimum DSCR financial ratios or minimum shareholders' equity.

In July 2019, the Group obtained the waivers signed by the lenders for the Auxois Sud and Champs d'amour projects, thereby settling the non-compliance with their covenants at December 31, 2018.

Bond financing for projects

Bond financing essentially comprises junior debt for projects. The fall in 2019 represents the contractual repayments for the period as well as -€38.3 million for the repayment of a mezzanine loan associated with the refinancing of a portfolio of French projects.

Corporate financing

Convertible bonds in the form of OCEANE bonds were issued in 2019 for an amount of approximately €200.0 million. As this is a compound instrument within the meaning of IFRS standards, €180.5 million (€179.0 million net of expenses) was recognised for the debt component (and €19.5 million - €19.4 million net of expenses - recorded for the equity component) (refer to Notes 1.2 and 16).

Lease liabilities

The liability for each lease is initially measured at the present value of the outstanding lease payments on inception of the lease discounted at the lessee's marginal cost of borrowing. The liability is then repaid, and the associated discount unwound, in proportion to the lease amounts paid.

As of December 31, 2019, the Group had 473 leases within the scope of IFRS 16 against 426 at the end of 2018.

Non-controlling investors and others

This item consists essentially of the shareholder contributions of the co-shareholders to finance the projects of the co-owned entities. The 2019 variations include a reduction of €(16.5) million corresponding to the sale of Biomasse Energie de Commeny, and a capital injection by the co-shareholders for the construction of the Hedet power plants, and of Mutkalampi in Finland and Metoro in Mozambique.

Derivative financial instruments

Given the impact of the new instruments contracted over the period and the significant fall in interest rates observed in most of the geographical areas where the Group operates, the fair value of these instruments fell from €(40.3) million at December, 31 2018 to €(95.4) million at December 31, 2019.

Breakdown of financial debt by currency (excluding lease liability and minority investments)

Counter value in millions of euros at closing price	EUR	USD	AUD	Others ⁽¹⁾	12.31.2019
Bank loans - project finance	669.0	397.6	676.1	15.2	1,757.9
Bond financing for projects	72.4	22.3	104.9	-	199.5
Corporate financing	194.6	-	-	-	194.6
Derivative instruments – impact of hedging	19.7	12.8	62.9	-	95.4
TOTAL FINANCIAL LIABILITIES	955.7	432.6	843.9	15.2	2,247.5

Counter value in millions of euros at closing price	EUR	USD	AUD	Others ⁽¹⁾	12.31.2019
Bank loans - project finance	526.3	139.1	563.9	-	1,229.3
Bond financing for projects	118.4	23.7	120.7	-	262.8
Corporate financing	16.1	-	-	-	16.1
Derivative instruments – impact of hedging	14.9	0.0	25.4	-	40.3
TOTAL FINANCIAL LIABILITIES	675.7	162.8	710.0	-	1,548.5

(1) Liabilities denominated in other currencies correspond to VAT financing pending repayment, denominated in Mexican pesos, and relating to the El Llano project in Mexico.

Breakdown of financial debt by interest rate type

(In millions of euros)	12.31.2019	12.31.2018
Fixed rate	856.2	657.2
Floating rate	1,463.0	993.3
Impact of hedging	95.4	40.3
TOTAL FINANCIAL LIABILITIES AFTER HEDGING	2,414.6	1,690.8

The financing of projects generally subscribed at variable rates and the flow of variable interest are covered, which generally represents 75 % or more of the amount financed at variable rates. These hedging instruments are valued at their fair value.

Breakdown of total financial debt by maturity

(In millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total financial liabilities
Bank loans - project finance	109.5	306.3	1 342.1	1,757.9
Bond financing for projects	26.6	53.8	119.2	199.5
Lease liabilities	6.2	6.5	124.0	136.7
Corporate financing	4.0	7.5	183.0	194.6
Non-controlling investors and others	2.5	0.4	27.5	30.4
Derivative instruments – impact of hedging	11.6	39.1	44.7	95.4
TOTAL AS OF DECEMBER 31ST, 2019	160.4	413.6	1,840.6	2,414.6

<i>(In millions of euros)</i>	Less than 1 year	Between 1 and 5 years	More than 5 years	Total financial liabilities
Bank loans - project finance	86.7	200.9	941.7	1,229.3
Bond financing for projects	27.3	77.2	158.3	262.8
Lease liabilities	4.1	6.2	86.6	96.9
Corporate financing	2.2	9.9	4.0	16.1
Non-controlling investors and others	4.5	1.4	39.5	45.4
Derivative instruments – impact of hedging	7.1	4.9	28.4	40.3
TOTAL AS OF DECEMBER 31ST, 2019	131.8	300.5	1,258.5	1,690.8

Breakdown of financial debt by movements

<i>(In millions of euros)</i>	Cash flows	Impact of fluctuation in foreign exchange rates	Change without cash impact					12.31.2019
			Change in consolidation scope	Changes in fair value and amortized cost	Accrued interest	Other changes ⁽¹⁾	Others variations ⁽¹⁾	
Bank loans - project finance	1,229.3	542.5	10.4	(25.6)	(2.4)	3.8	(0.0)	1,757.9
Bond financing for projects	262.8	(65.7)	0.4	-	2.8	(0.7)	0.0	199.5
Lease liabilities	96.9	(4.2)	0.5	6.0	-	2.7	34.7	136.7
Corporate financing	16.1	177.7	-	-	-	0.8	-	194.6
Non-controlling investors and others	45.4	(0.7)	0.2	(14.5)	-	-	(0.0)	30.4
Derivative instruments – impact of hedging	40.3	(10.5)	0.6	0.7	64.3	-	(0.0)	95.4
TOTAL FINANCIAL LIABILITIES	1,690.8	639.1	12.1	(33.3)	64.7	6.6	34.7	2,414.6

(1) Other changes in liabilities rentals correspond to "non-cash" changes to new leases in application of IFR16

NOTE 18.3. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting principle

Neoen uses interest rate swaps to hedge against changes in interest rates associated with the financing the Group's investments (see note 20.1).

At December 31, 2019, cash flow hedge accounting was applied to these derivative financial instruments, in accordance with IFRS 9. The effects relating to these interest rate swaps are recognised in profit or loss symmetrically with the highly probable hedged interest flows from the Group's financing.

In 2019, an amount of €(68.6) million was recognised in other comprehensive income in respect of the change in the fair value of cash flow hedging derivatives and +€2.1 million was recycled through profit or loss.

In 2018, an amount of €(18.9) million was recognised in other comprehensive income in respect of the change in the fair value of cash flow hedging derivatives, and +€1.7 million was recycled to profit or loss.

NOTE 18.4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**Accounting principles**

The fair value of an asset and liability is the price that would be agreed between parties who are free to contract and operate under market conditions. The determination of fair value must be based on observable market data that provides the most reliable indication of the fair value of a financial instrument.

For derivative financial instruments, see notes 18.2 and 18.3.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the balance sheet, as the effect of discounting future cash flows is immaterial.

12.31.2019	Level	Carrying amount	Fair value	Amortized cost	Fair Value through profit or loss	Fair Value through non-recyclable profit or loss	Debts measured at amortized cost	Cash-flow hedge derivatives
Derivative financial instruments	2	2.0	2.0		2.0			
Trade receivables	-	52.2	52.2	52.2				
Cash and cash equivalents	1	460.5	460.5		460.5			
TOTAL FINANCIAL ASSETS		514.7	514.7	52.2	462.5	-	-	-
Non-current financial liabilities	3	2,170.4	2,186.6				2,170.4	
Other non-current liabilities	3	34.1	34.1				34.1	
Derivative financial instruments	2	95.4	95.4					95.4
Current financial liabilities	3	148.8	148.8				148.8	
Trade payables	-	126.3	126.3				126.3	
TOTAL FINANCIAL LIABILITIES		2,575.0	2,591.2	-	-	-	2,479.5	95.4

12.31.2018	Level	Carrying amount	Fair value	Amortized cost	Fair Value through profit or loss	Fair Value through non-recyclable profit or loss	Debts measured at amortized cost	Cash-flow hedge derivatives
Derivative financial instruments	2	5.8	5.8		5.8			
Trade receivables	-	33.8	33.8	33.8				
Cash and cash equivalents	1	503.8	503.8		503.8			
TOTAL FINANCIAL ASSETS		543.4	543.4	33.8	509.7	-	-	-
Non-current financial liabilities	3	1,525.7	1,525.7				1,525.7	
Derivative financial instruments	2	40.3	40.3					40.3
Current financial liabilities	3	124.8	124.8				124.8	
Trade payables	-	136.5	136.5				136.5	
TOTAL FINANCIAL LIABILITIES		1,827.3	1,827.3	-	-	-	1,787.0	40.3

The classification levels are defined as follows:

- Level 1: prices quoted on an active market;
- Level 2: prices quoted on an active market for a similar instrument, or another valuation technique based on observable parameters;
- Level 3: valuation method incorporating unobservable parameters.

NOTE 19. OTHER CURRENT LIABILITIES

NOTE 19.1. TAX AND SOCIAL SECURITY LIABILITIES

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Tax debts	28.2	9.6
Social debts	7.3	5.4
TOTAL OF TAX AND SECURITY LIABILITIES	35.5	15.1

Tax and social security liabilities break down as follows:

NOTE 19.2. OTHER CURRENT LIABILITIES

Other current liabilities break down as follows:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Prepaid income	21.3	18.7
Other creditors	10.0	4.2
TOTAL OTHER CURRENT LIABILITIES	31.3	22.9

Deferred income consists mainly of operating subsidies that are transferred to the income statement on a straight-line basis according to the life of the underlying asset.

NOTE 20. RISK MANAGEMENT

NOTE 20.1. INTEREST RATE RISKS

Neoen Group is exposed to market risks as a result of its investment activities. This exposure is mainly linked to fluctuations in variable interest rates relating to the financing of its projects.

The Group's interest rate risk management objective is therefore to secure and preserve the economic balance of projects by limiting the future variability of the financial burden associated with their financing. This is based on the use of hedging instruments.

Interest rate risk hedges are carried out using over-the-counter instruments with first-rate counterparties. The Group contracts financial instruments to hedge its variable-rate financing, with the aim of setting a minimum of 75 % of the variable-rate financing requirements for projects. In this respect, the Group has entered into interest rate swaps and caps that qualify as cash flow hedges.

The Group's risk management policy aims to limit and control changes in interest rates and their impact on income and future cash flows.

<i>(In millions of euros)</i>	Notional value by maturity			Fair value	"Recorded as equity"	"Recorded as income"
	"Less than 5 years"	"More than 5 years"	Total			
Interest rate swaps - Solar	(101.4)	(379.2)	(480.6)	(36.5)	43.9	-
Interest rate swaps - Wind	(145.1)	(394.7)	(539.8)	(58.8)	59.3	-
Interest rate caps	(69.0)	(90.7)	(159.7)	1.9	4.2	-
TOTAL	(315.5)	(864.7)	(1,180.2)	(93.4)	107.4	-

Benchmark rate reform

A fundamental reform of interest rate benchmark indices is currently underway at the global level. There are uncertainties as to the timing and transition methods for the replacement of existing benchmark rates (IBOR) by alternative rates.

As of December 31, 2019, the Group applied in advance the procedures permitted by the amendments to IFRS 7 and IFRS 9 "Benchmark rate reform" to avoid taking into account the effects of the rate reform, particularly in assessing the highly probable nature of the hedged interest flows, until the transition to the new indices takes effect. This means that interest rate swaps continue to be classified as hedge accounting.

The main indices used by the Group and concerned by the reform are Euribor, Libor and Libor AUD.

The Group will enter into negotiations with its counterparties in order to take into account these changes in indices.

Derivatives designated as cash flow hedges and affected by the reform are presented in the table above.

NOTE 20.2. FOREIGN EXCHANGE RISKS

Foreign exchange risks relate to operational transactions in foreign currencies (mainly US dollars and Australian dollars) which tend to increase with the Group's sustained international deployment. In order to avoid any foreign exchange risk on the assets in operation, the Group systematically finances each of its assets in its functional currency.

NOTE 20.3. COUNTERPARTY RISKS

Given the large number of suppliers and subcontractors available in the markets where the Group operates, the Group considers that the insolvency of one or a small number of them would not have any material impact on the Group's ongoing operations.

Insofar as electricity sales contracts or contracts for difference are concluded with State counterparties (States or companies controlled by a State), electricity distribution companies and with a limited number of private buyers, the Group considers that the counterparty risk relating to trade receivables is not material at this time.

The Group invests its cash and cash equivalents with leading financial institutions.

The Group enters into over-the-counter interest rate derivatives with leading banks under agreements that provide for the offsetting of amounts due and receivable in the event of default by one of the contracting parties. These conditional netting arrangements do not meet the criteria of IAS 32 to allow for the offsetting of asset and liability derivatives on the balance sheet. However, they fall within the scope of the disclosures required under IFRS 7 on offsetting.

NOTE 20.4. LIQUIDITY RISKS

Liquidity risk is the Group's inability to meet its immediate or short-term financial commitments.

To prevent this risk, the Group analyses its liquidity requirements several times a year over a rolling 12-month horizon.

At the reporting date, the Group had the necessary cash to finance its current business and development, as well as to deal with exceptional events.

Cash held by holding and development companies amounted to €204.3 million at December 31, 2019, compared with €256.3 million for project companies (assets under operation and under construction).

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Cash and cash equivalents	460.5	503.8
Overdrafts available	130.0	145.0
TOTAL	590.5	648.8

Credit lines granted to projects

At December 31, 2019, the Group benefited from commitments received in respect of its project and operating financing in the amount of €264.5 million not used at that date.

Corporate credit lines granted

The Group has short-term credit lines amounting to €130 million, mainly to cover the parent company's working capital requirements.

NOTE 20.5. RISKS RELATED TO REGULATORY CHANGES

The Group sells electricity under long-term agreements with firm commitments from its counterparties, including many States. In certain countries where Neoen does not operate currently (in particular, Spain), States have occasionally introduced retroactive cuts to favourable feed-in tariffs. Any changes in these tariffs could have a material impact on the Group's financial statements.

The Group's multi-sector and multi-country strategy minimises this risk by reducing its exposure to a particular technology or country. The particularly competitive price of electricity produced by Neoen in the vast majority of its agreements also constitutes a natural hedge against this risk.

NOTE 21. OFF-BALANCE SHEET COMMITMENTS**NOTE 21.1. OFF-BALANCE SHEET COMMITMENTS GIVEN**

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Guarantees provided to suppliers	111.1	104.3
Maintenance commitments	650.4	476.8
Other commitments provided	242.0	227.1
Commitments provided associated with operating activities	1,003.5	808.1
Assets provided as surety	2,786.3	1,937.6
Commitments provided associated with financing activities	2,786.3	1,937.6
TOTAL DES ENGAGEMENTS HORS BILAN DONNÉS	3,789.8	2,745.7

Guarantees given to suppliers

The Group may temporarily give guarantees to its suppliers in connection with the construction of its production assets.

Maintenance

In the context of operating its production assets, the Group enters into maintenance agreements that may span several years. The related services are expensed in the year in which they are provided.

Other commitments given

Other commitments are mainly guarantees given by the Group as part of the project development process, such as tendering guarantees, and performance and decommissioning guarantees.

Assets pledged as collateral

In most cases, the Group pledges shares and advances on shareholder loans in connection with debt incurred to finance projects. Some assets are also pledged as collateral to guarantee the repayment of bank debt until its extinguishment.

NOTE 21.2. OFF-BALANCE SHEET COMMITMENTS RECEIVED

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Energy purchase commitments received	5,999.6	5,657.6
Other commitments received	1,099.0	621.0
Commitments received associated with operating activities	7,098.6	6,278.5
Amounts payable to related parties	264.5	321.4
Corporate credit lines granted	130.0	145.0
Commitments received in connection with financing activities	394.5	466.4
TOTAL OFF-BALANCE SHEET COMMITMENTS RECEIVED	7,493.1	6,744.9

Energy purchase commitments received

In most cases, when an electricity production unit is built, the company carrying the project and which will operate the plant enters into a long-term energy supply contract. The Group generally receives purchase commitments for periods of 15 to 20 years. For each underlying asset, the commitment was valued on the basis of production volumes estimated by the Group over the term of the purchase agreement and on sales prices excluding inflation.

Other commitments received

These consist mainly of guarantees received by construction companies for the successful construction of plants and by suppliers in connection with maintenance.

NOTE 22. RELATED PARTY TRANSACTIONS

Transactions were carried out with: Impala, its subsidiary Eiffel Investissement Groupe and BPI France, identified as related parties for the Group.

Expenses relating to related parties primarily concern management fees and interest on guarantees granted. Amounts due to related parties correspond to financing.

Neoen's consolidated financial statements are fully consolidated in the consolidated financial statements of Impala, which owns 50.04 % of its share capital. Transactions with Impala and its subsidiaries or BPI France were carried out at arm's length.

The following table provides the amount of these transactions for the years ended December 31, 2019 and December 31, 2018:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Expenses	0,8	4,2
Debt ⁽¹⁾	13,9	15,7
Guarantees ⁽²⁾	-	99,3

⁽¹⁾ Liabilities with related parties correspond to a loan taken out with BPI France.

⁽²⁾ The guarantees or counter-guarantees received from the majority shareholder Impala were all lifted on December 2, 2019.

NOTE 23. STATUTORY AUDITORS' FEES

<i>(In millions of euros)</i>	Deloitte / Constantin	RSM	Other networks	FY 2019
Neoen SA				
Statutory Audit	0.1	0.0	-	0.1
Services other than certification of financial statements	0.0	0.0	-	0.0
Subsidiaries				
Statutory Audit	0.5	0.0	0.2	0.7
STATUTORY AUDIT	0.6	0.1	0.2	0.8

<i>(In millions of euros)</i>	Deloitte / Constantin	RSM	Other networks	FY 2018 Restated
Neoen SA				
Statutory Audit	0.1	0.0	-	0.1
Services other than certification of financial statements	0.4	0.0	-	0.4
Subsidiaries				
Statutory Audit	0.3	-	0.1	0.5
STATUTORY AUDIT	0.9	0.0	0.1	1.0

In 2018, "Services Other than Account Certification" (SACC) mainly included fees related to the IPO.

NOTE 24. SUBSEQUENT EVENTS

Refinancing of the Hornsdale wind farms in Australia

On January 21, 2020, the Group finalized the refinancing of its Hornsdale 1, 2 and 3 facilities already in operation, whence a repayment of 527.2 million Australian dollars and the issue of 606.5 million Australian dollars of new debt.

The transaction enabled the Group to benefit from more advantageous financing conditions, notably by extending the loans' maturity to as much as 22 years after the date of refinancing.

Implementation of a €200 million syndicated credit facility

During March 2020, the Company signed a €200 million syndicated credit facility with a pool of fourteen banks, with a maturity in July 2024, comprising a €125 million amortizable loan and a €75 million revolving credit facility both of which are earmarked for financing the Company's general financing requirements.

Potential impact of the COVID-19 crisis on the Group's main risk factors

It is likely that the COVID-19 outbreak, which began in China in December 2019 and is progressing in the various regions in which the Group has operations, will affect the health of the Group's employees and service providers, its activities and plans and its financial situation.

At the date of this appendix, given the numerous uncertainties surrounding the scale and duration of this epidemic, it is difficult to quantify the human and financial impacts for the Group.

However, the factors likely to have an impact on the Group's major risks are as follows:

- supply difficulties, delivery delays and risk of supply chain disruption: risks related to changes in the prices of components needed to produce renewable electricity;
- market price instability: price risks on wholesale electricity markets;
- health consequences on the activity of the Group's employees and service-providers: risks related to the employment of third party contractors and to the Group's ability to retain key staff;
- difficulties related to obtaining and drawing down on the financing the Group needs to carry out its activities: risks associated with obtaining financing agreements, the Group's gearing and the terms of its financing agreements;
- disruptions in carrying out the Group's projects and operations: Risks linked to projects in the development and construction phases, risks related to the maintenance of electricity production installations and to IT infrastructure;
- possible slowdown in the economic and administrative activity of the countries in which the Group operates: risks related to contract terminations and payment defaults, to obtaining permits, licenses and authorizations, and to the connection to distribution or transmission networks;
- exchange rate volatility affecting the currencies of denomination of the Group's electricity sale contracts, building contracts, operational contracts and financing contracts: currency risks.

NOTE 25. CONSOLIDATION SCOPE

At December 31, 2019, the consolidation scope included 304 companies.

The main changes in the consolidation scope in 2019 are described in Note 3.4.

Pursuant to regulation no. 2016-09 of December 2, 2016 of the French Accounting Standards Authority, the complete list of companies included in the scope of consolidation, companies excluded from the scope of consolidation and investments in non-consolidated companies is available on the Group's website (<https://www.neoen.com/en/financial-information-7-en>).

The list of the main operating entities presented below was determined in particular on the basis of their contribution to the following financial indicators: revenue, total assets or debt.

During the 2019 financial year, Neoen Jules GmbH and Neoen Mistral GmbH used the derogation provision of Article 264(3) of the German Commercial Code (HGB) with regard to the

preparation of an appendix, the management report and the publication of the annual accounts.

Consolidation Method	Entity	Percentage interest 12.31.2019	Percentage interest 12.31.2018
Parent company	Neoen	Parent	Parent
	Altiplano Solar S.A.	100%	100%
	La Puna Solar S.R.L.	100%	100%
	HWF 1 Pty Ltd	70%	70%
	HWF 2 Pty Ltd	80%	80%
	HWF 3 Pty Ltd	80%	80%
	Parkes Solar Farm Pty Ltd	100%	100%
	Bulgana Windfarm Pty Ltd	100%	100%
	Coleambally Solar Pty Ltd	100%	100%
	Numurkah Solar Farm Pty Ltd	100%	100%
	Hornsedale Power Reserve Pty Lt	100%	100%
Full consolidation	Hedet	80%	80%
	Neoen Production 1	100%	100%
	Neoen Production 2	100%	100%
	Centrale Solaire de Torreilles	100%	100%
	Groupement Solaire Cestas 1	100%	100%
	EREC	50%	50%
	SPV AGS	100%	100%
	CSNSP 452	100%	100%
	Providencia Solar	100%	100%
	Capella Solar	100%	100%

4.2 STATUTORY AUDITORS' CERTIFICATION REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEOEN GROUP AS OF DECEMBER 31, 2019

Year ended December 31, 2019

To the Neoen Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Neoen for the year ended December 31, 2019. These financial statements were approved by the Board of Directors on March 25, 2020 based on information available at this date in the developing context of the Covid-19 health crisis.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Group for the year then ended and of its financial position and of its assets and liabilities as of December 31, 2019 in accordance with International Financial Reporting Standards as adopted by the European Union

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2019 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) paragraph 1 of Regulation (EU) no. 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, drawn up under the conditions set out above, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the consolidated financial statements taken individually.

A. Internally generated intangible assets

(Note 11 to the consolidated financial statements)

As stated in Note 11 "Intangible assets," the development expenses for various renewable energy production facility projects, comprising external and internal direct and indirect costs relating to the development, are capitalized as from when the success of the corresponding projects is probable with regard to the six IAS 38 criteria.

Identified risk and main judgments

The Group considers that these criteria are satisfied once a project enters the portfolio, i.e. when the contractual factors and technical studies indicate that the project's feasibility is probable. Once a project is commissioned, amortization is calculated on a straight-line basis over the estimated useful life of the underlying asset, i.e. 25 years. Furthermore, when the Group estimates that the probability of success is reduced, development expenses are impaired. When a project is discontinued, the related development expenses are capitalized under "Other non-current operating income and expenses."

As of December 31, 2019, the net value of development projects totaled €104.2 million, the Group having capitalized expenses directly attributable to project development for €34.5 million in 2019

We considered the recognition and measurement of internally generated development projects to be a key audit matter considering the level of judgment required by Management to assess compliance with capitalization criteria for the corresponding costs and the sensitivity to the estimates and assumptions used by Management in determining the recoverable amount.

Responses as part of our audit

Our procedures primarily consisted in:

- Assessing, with regard to prevailing accounting standards and the capitalization rules defined by the Group, the methods of reviewing capitalization criteria, particularly by interviewing Management;
- Testing, on a sampling basis, the consistency of the amounts recorded in assets with the project monitoring file prepared by the Group with a return to the underlying documented evidence;
- Analyzing the compliance of the methodology applied by the Company to determine the recoverable amount of development expenses with prevailing standards;

- Analyzing, with regard to the useful life adopted for these projects under development, the development expense amortization process;

Finally, we verified the appropriateness of the disclosures in Note 11 to the consolidated financial statements.

B. Hedging financial instruments

(Note 18 to the consolidated financial statements)

Neoen finances the construction and operation of some of its facilities using floating-rate loans that expose the company to interest rate risk. To hedge this risk, Neoen sets up interest rate swap or cap hedges to peg the interest rate at the start of the project (or to peg the maximum interest rate).

As shown in Note 18 "Financing and Derivative financial instruments," derivative financial instruments with a positive market value are recorded in assets, while those with a negative market value are recorded in liabilities. These instruments are initially measured at fair value on the derivative contract signature date and then remeasured at their fair value at each closing date.

Identified risk and main judgments

Neoen classifies these hedges in its accounts as cash flow hedges so as to recognize the changes in fair value of the hedging instruments in OCI for their effective portion. The new IFRS 9 principles had no material impact on the Group's financial statements insofar as all the transactions that were classified as hedges under IAS 39 continue to be classified as such under IFRS 9.

We consider the recognition of financial instruments to be a key audit matter due to the materiality of the potential changes in fair value of these instruments, the level of judgment in documenting and analyzing the hedges and the accounting impacts arising from their classification as cash flow hedges.

Responses as part of our audit

Our procedures primarily consisted in:

- Analyzing the compliance of the methodologies applied by the Group with prevailing accounting standards.
- Assessing the competency of the specialists hired by the company to measure the fair value of the financial instruments and interviewing Management to obtain an understanding of its scope of involvement.
- Validating the breakdown of the Group financial instrument portfolio that we compared with the fair value determined by the Group's external specialists. We compared these bank confirmation statements and conducted valuation tests.
- Reviewing the cash flow hedging documentation, and the accounting treatment applied to financial instruments and their impacts on the income statement and other comprehensive income according to the classification of these instruments.

Finally, we verified that Note 18 to the consolidated financial statements provides appropriate disclosure.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required

by French law on the information concerning the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements. Management has informed us that a communication will be issued to the Shareholders' Meeting meeting called to adopt the financial statements on any events and information relating to the Covid-19 health crisis known after the date of approval of the financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

Constantin Associés were appointed as statutory auditors of NEOEN by the Shareholders' Meeting of September 13, 2008 and replaced by Deloitte at the Shareholders' Meeting of April 22, 2014. RSM Paris were also appointed as statutory auditors by the Shareholders' Meeting of September 12, 2018.

As of December 31, 2018, Deloitte & Associés and RSM were in the 12th period and second period of total uninterrupted engagement, respectively.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is

a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements as well as for the audit opinion.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-La Défense and Paris, March 25, 2020

The Statutory Auditors

Deloitte & Associés
François Xavier AMEYÉ

RSM Paris
Etienne de BRYAS

4.3 ANNUAL FINANCIAL STATEMENTS OF NEOEN S.A. AS OF DECEMBER 31, 2019

4.3.1 INCOME STATEMENT

<i>(In millions of euros)</i>	Notes	FY 2019	FY 2018
Revenue	3.1	57.5	50.7
Other income ⁽¹⁾		3.3	0.9
OPERATING INCOME		60.9	51.6
Purchases for inventory		-	-
Changes in inventory		-	-
Other purchases and external expenses	5.1	(42.8)	(28.0)
External charges	5.1	(42.8)	(28.0)
Duties, taxes and similar payments		(1.3)	(1.1)
Wages and salaries	8.1	(11.5)	(7.9)
Social security contributions	8.1	(5.5)	(4.2)
Payroll costs	8.1	(17.0)	(12.2)
Amortization and impairment on assets	14 and 15	(0.7)	(1.5)
Amortization of operating expenses		(0.1)	-
Provisions on assets		-	-
Current asset provisions		(0.1)	-
Provisions for risks and expenses		-	-
Foreign exchange gains and losses		(0.2)	(0.3)
Other expenses ⁽²⁾		(0.2)	(0.1)
OPERATING EXPENSES		(62.4)	(43.0)
OPERATING PROFIT (LOSS)		(1.5)	8.6
Financial income	10.1	32.4	16.0
Financial expenses	10.1	(11.1)	(11.7)
Net financial income (expenses)	10.1	21.3	4.3
CURRENT PROFIT (LOSS) BEFORE TAX		19.8	12.9
Non-current income	11	15.0	0.3
Non-current expenses	11	(10.8)	(0.6)
Non-current profit (loss)	11	4.2	(0.3)
Employee profit-sharing		(0.7)	-
Income tax	12	(2.2)	(3.1)
PROFIT OR (LOSS) FOR THE PERIOD		21.1	9.4

(1) Includes €1.7 million of transferred expenses related to fees and costs associated with the issue of bonds convertible into and/or exchangeable for new or existing Neoen shares performed on October 7, 2019 (see note 2), €1.3 million of reversal of impairment on treasury shares allocated in the framework of a free share plan (see note 7) and €0.43 million of foreign exchange gains on trade payables and receivables.

(2) Exclusively comprise the remuneration received by non-executive directors.

4.3.2 STATEMENT OF FINANCIAL POSITION - ASSETS

<i>(In millions of euros)</i>	Notes	Gross 12.31.2019	Amortization/ impairment	Net 12.31.2019	Net 12.31.2018
Intangible assets	14	2.0	(0.8)	1.3	1.4
Property, plant and equipment	14	1.3	(0.7)	0.6	0.6
Equity investments	15	65.5	-	65.5	3.7
Receivables from equity investments	15	647.6	(0.6)	647.0	468.0
Deposits and security provided	15	27.7	-	27.7	1.8
Other non-current financial assets	15	6.8	-	6.8	5.7
Non-current financial assets	15	747.6	(0.6)	747.0	479.3
FIXED ASSETS		750.9	(2.1)	748.8	481.3
Down-payments and advances		1.4	-	1.4	0.0
Trade receivables	3.2	25.2	-	25.2	13.6
Other receivables	3.2	2.8	-	2.8	3.0
Receivables	3.2	29.3	-	29.3	16.7
Liquid assets and miscellaneous		182.4	-	182.4	250.2
CURRENT ASSETS		211.7	-	211.7	266.9
Prepaid expenses	16	0.7	-	0.7	0.3
Deferred expenses ⁽¹⁾	16	1.6	-	1.6	-
Unrealized foreign exchange losses	16	0.5	-	0.5	1.1
TOTAL ASSETS		965.5	(2.1)	963.4	749.6

(1) Exclusively comprise the €1.7 million of fees and expenses associated with the issue of the bonds convertible into and/or exchangeable for new or existing Neoen shares performed on October 7, 2019, of which €0.1 million has already been recorded in profit or loss in 2019.

4.3.3 STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

<i>(In millions of euros)</i>	Notes	12.31.2019	12.31.2018
Share capital	13	170.2	169.9
Additional paid-in capital	13	501.0	500.8
Legal reserve	13	2.3	1.9
Other reserves	13	8.9	-
Retained earnings	13	8.0	8.0
Profit (loss) for the period	13	21.1	9.4
EQUITY	13	711.6	690.0
Provisions for risks and charges	7	0.4	1.6
Provisions for exchange rate losses	7	0.5	1.1
PROVISIONS	7	0.8	2.8
Convertible bonds	10.2	200.9	-
Borrowings and liabilities with lending institutions	10.2	13.9	15.3
Miscellaneous borrowings and financial liabilities	10.2	18.8	18.2
Financial debt	10.2	233.5	33.5
Trade accounts payable	5.2	6.3	16.6
Payroll and tax liabilities	9	10.7	6.2
Current liabilities		17.0	22.8
Other payables	9	0.2	0.1
Deferred income	9	0.0	0.0
TOTAL PAYABLES		250.7	56.4
Unrealized foreign exchange gains	17	0.2	0.5
TOTAL EQUITY AND LIABILITIES		963.4	749.6

4.3.4 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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NOTE 1. ACCOUNTING POLICIES AND VALUATION METHODS

Preparation of the financial statements

The annual financial statements as of December 31, 2019 have been prepared in accordance with the provisions of French law and generally accepted accounting principles and methods, in accordance with ANC Regulation No. 2014-03 dated June 5, 2014 as well as with all regulations subsequently modifying it and on the same bases as of December 31, 2018.

Changes in valuation methods

None.

Changes in presentation

None.

NOTE 2. ACTIVITY AND KEY EVENTS

Activity

Neoen S.A. is a French limited company in the form of a *société anonyme* which was initially registered in Paris on September 29, 2008 under company number 508 320 017 and in the form of a *société par actions simplifiée*. Its shares were admitted for trading on the Euronext Paris regulated market on October 17, 2018.

As the Group holding company, Neoen mainly holds intermediate holding companies which in turn hold, directly or indirectly, project companies which own the Group's energy production or storage facilities.

Key events

Issue of so-called "OCEANE" convertible bonds

On October 7, 2019 Neoen successfully completed, for the benefit of qualified investors, an issue of bonds convertible into and/or exchangeable for new or existing Neoen shares. The bonds mature on October 7, 2024.

The issue was for a gross amount of about €200 million comprising 6,629,101 bonds with a par value per bond of €30.17. The bonds bear interest from their date of issue at the annual rate of 1.875 % payable twice-yearly in arrears on April 7 and October 7.

The net amount of the issue has been allocated to the Group's general requirements and is intended in particular to finance its development with a view to achieving the Group's targeted capacity of more than 5GW under construction or in operation by the end of 2021, whilst at the same time optimizing its balance sheet in accordance with the Company's published objective of average gearing of about 80-85 % of capital employed on an all-in basis including the entirety of the Group's corporate and project debt.

The fees and expenses for the bond issue amount to €1.7 million and have been recognized as issue costs which will be amortized over the life of the issue.

Free share allocations

On July 10, 2019, the Board of Directors decided to allocate 297,000 free shares in Neoen S.A. to certain Group employees. The shares are subject to a vesting period of 3 years, to the requirement for the beneficiaries to be still present within the Group at the end of that period and to achievement of the performance goals set by the Board of Directors (notably in the form of financial and development objectives) in the plan document.

Free share increases following the exercise of share subscription options

During the first half of 2019, the Company's share capital was increased to €170,099,996 by reason of the exercise of 92,500 share subscription options with a strike price of €4.00, whence total proceeds of €370,000 including €185,000 of additional paid-in capital.

During the second half of 2019, the Company's share capital was increased to €170,177,496 by reason of the exercise of 38,750 share subscription options with a strike price of €4.00, whence total proceeds of €155,000 including €77,500 of additional paid-in capital.

Sale of the biomass operation

On September 4, 2019 the Company sold its Commentry co-generating facility (as well as the associated procurement subsidiary) inherited from the acquisition of Poweo EnR in 2011.

As of December 31, 2019 the €5.6 million capital gain on disposal of the shares in Neoen Biosource and of the shareholder's current account balance between Neoen S.A. and BE Commentry was recognized by Neoen SA as part of non-current income. The impact of the transaction is detailed in note 11.

NOTE 3. REVENUE

NOTE 3.1. REVENUE

Accounting policy

Revenue consists primarily of services provided by the Company to its subsidiaries, particularly within the context of project development or the management and monitoring of assets in operation, recognized on a percentage-of-completion basis in accordance with the applicable contractual milestones.

Breakdown of revenue

Revenue may be broken down as follows by type of activity and geographical market:

<i>(In millions of euros)</i>	France	Export	Total
Provision of services	31.8	25.7	57.5

NOTE 3.2. RECEIVABLES

Accounting policy

- Receivables are recorded at their nominal value. They are impaired when necessary to reflect any collection difficulties. Receivables are impaired on a case-by-case basis, notably on the basis of customers' solvency.

Breakdown of receivables

- Receivables may be broken down as follows:

<i>(In millions of euros)</i>	Gross amount 12.31.2019	Impairment	Net amount 12.31.2019	Net amount 12.31.2018
Trade receivables	25.2	-	25.2	13.6
Other receivables	2.8	-	2.8	3.0
Down-payments and advances	1.4	-	1.4	0.0
TOTAL	29.3	-	29.3	16.7

NOTE 4. MATURITY OF RECEIVABLES

<i>(In millions of euros)</i>	Gross amount 12.31.2019	< 1 year	> 1 year	Of which: related companies
Receivables from equity investments	647.6		647.6	647.6
Equity investments	65.5		65.5	
Deposits and security	27.7	26.8	1.0	
Other financial assets	6.8	3.0	3.8	
Total non-current financial assets	747.6	29.8	717.8	647.6
Trade receivables	25.2	25.2		22.7
Value added taxes	2.5	2.5		
Other duties and taxes	0.4	0.4		
Miscellaneous debtors	1.3	1.3		
Total current assets	29.3	29.3	-	22.7
Prepaid expenses	0.7	0.7		
TOTAL	777.7	59.8	717.8	670.4

NOTE 5. PURCHASES

NOTE 5.1. OTHER PURCHASES AND EXTERNAL EXPENSES

- In the framework of its transfer pricing policy, all development costs for the Group's international projects are either borne directly by Neoen S.A. or rebilled to Neoen S.A. by the Company's international development subsidiaries. The costs comprise the external costs incurred essentially for the purposes of obtaining requisite permits or performing environmental or technical surveys, as well as internal staff expenses.

<i>(In millions of euros)</i>	FY 2019	FY 2018
Development costs borne directly by Neoen SA	(9.6)	(2.8)
Development costs rebilled	(15.3)	(10.5)
Surveys and subcontracting	(1.4)	(1.3)
Professional fees	(10.9)	(8.5)
Other charges	(5.6)	(5.0)
TOTAL	(42.8)	(28.0)

NOTE 5.2. OPERATING PAYABLES

Accounting policy

Operating payables are recorded at their nominal value.

Breakdown of operating payables

Operating payables may be broken down as follows:

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Trade payables - Group	0.5	1.7
Trade payables - third parties	2.5	4.4
Accrued invoices - Group	0.7	6.9
Accrued invoices - third parties	2.6	3.5
OTHER CHARGES	6.3	16.6

NOTE 6. MATURITY OF TOTAL PAYABLES

<i>(In millions of euros)</i>	Gross amount 12.31.2019	< 1 year	From 1 to 5 years	> 5 years	<i>Of which: related companies</i>
Convertible bonds	200.9	0.9	200.0		
Borrowings and liabilities with lending institutions	13.9	3.4	10.5		
Miscellaneous borrowings and financial liabilities	18.8			18.8	
Trade payables	6.3	6.3			1.1
Payroll liabilities	3.3	3.3			
Social security liabilities	1.7	1.7			
Tax liabilities	5.7	5.7			
> Value added taxes	2.8	2.8			
> Other duties and taxes	2.9	2.9			
Other payables	0.2	0.2			
Deferred income	0.0	0.0			
TOTAL	250.7	21.5	210.4	18.8	1.1

NOTE 7. PROVISIONS

Accounting policy

Provisions for risks and charges are made to cover probable outflows of resources embodying economic benefits for third parties, without a corresponding benefit for the Company. They are estimated on the basis of the most probable assumptions at the closing date.

Breakdown of provisions

Provisions may be broken down as follows:

(In millions of euros)	12.31.2018	Dotations	Reprises utilisées	Reprises non utilisées	12.31.2019
Provisions for disputes	0.4				0.4
Provisions for risks	-				-
Provisions for charges ⁽¹⁾	1.3		(1.3)		-
Provisions pour pertes de change	1.1	0.5	(1.1)		0.5
TOTAL	2.8	0.5	(2.4)	-	0.8

(1) During the year, treasury shares were definitively allocated in the framework of a free share plan reaching maturity. The €1.3 million provision created for that purpose as of December 31, 2018 was thus fully reversed during the year.

NOTE 8. PERSONNEL EXPENSES AND CORPORATE OFFICERS' REMUNERATION

Accounting policy

Retirement commitments

The Company is relieved of its obligation to fund the pensions of its workforce by the payment of contributions calculated on the basis of wages to the organizations that manage pension benefits.

In addition, a retirement benefit determined on the basis of seniority and level of remuneration must be paid to employees present in the Company at retirement age.

As the Company's commitment in this respect, calculated using the projected unit credit method, is not significant in view of the low level of seniority acquired by employees to date, it has not been recognized.

NOTE 8.1. PAYROLL COSTS AND AVERAGE EMPLOYEE NUMBERS

(In millions of euros)	FY 2019	FY 2018
Payroll costs		
Wages and salaries	(11.5)	(7.9)
Social security contributions	(5.5)	(4.2)
PAYROLL COSTS	(17.0)	(12.2)
Full-time equivalent employees (FTE) – Average		
Executives	102	83
Employees and supervisors	5	7
EMPLOYEE NUMBERS	107	90

NOTE 8.2. CHARACTERISTICS OF SHARE PURCHASE OR SUBSCRIPTION OPTIONS AND FREE SHARE ALLOCATIONS TO EMPLOYEES

Share purchase or subscription options

Date of allocation	Number of options allocated	Date vested	Date of expiry	Exercise price	Number of options outstanding
10/01/2016	127,500	11/01/2019	10/01/2021	4,00,€	37,500
16/05/2016	25,000	17/05/2019	16/05/2021	4,00,€	25,000
23/12/2016	235,000	24/12/2019	23/12/2021	6,00,€	225,000
30/05/2018	45,000	31/05/2021	30/05/2023	10,00,€	40,000
05/07/2018	65,000	06/10/2021	05/07/2023	10,00,€	60,000
TOTAL	497,500				387,500

Free share allocations

Date of allocation	Number of shares allocated	Date of share acquisition	Date of end of period of conservation	Number of shares outstanding
09/04/2018	2,500	10/04/2020	10/04/2021	2,500
30/05/2018	107,500	31/05/2021	-	105,000
05/07/2018	570,644	06/10/2020	-	493,644
10/07/2019	297,000	11/07/2022	-	297,000
TOTAL	977,644			898,144

NOTE 9. BREAKDOWN OF OTHER LIABILITIES

(In millions of euros)	12.31.2019	12.31.2018
Payroll liabilities	5.0	3.7
Tax liabilities	5.7	2.5
Other payables	0.2	0.1
Deferred revenue	0.0	0.0
TOTAL	10.9	6.3

NOTE 10. FINANCIAL ITEMS

Accounting policy

Investment securities

Investment securities represent temporary cash positions invested in UCITS and/or money market funds. They are recorded at their historical acquisition cost. When sold, gains or losses are calculated using the first-in first-out method (FIFO).

Impairment is recognized if the net asset value is less than the carrying amount.

Foreign currency transactions

Neoen S.A.'s financial statements are presented in euros. Income and expenses denominated in foreign currencies are converted into euros at the foreign exchange rates prevailing on the transaction dates. At the year-end, receivables and payables denominated in foreign currencies are converted into euros at the applicable closing foreign exchange rates and the differences compared to the transaction amounts are recognized as unrealized foreign exchange gains/losses.

Unrealized foreign exchange gains are not taken into account in computing profit or loss. Unhedged unrealized foreign exchange losses are covered by the recognition of a provision for risks of equal amount.

Hedging

Hedge accounting is obligatorily applied for all documented hedging relationships identified. The impacts of the financial instruments employed by Neoen SA to hedge its exposure to foreign currency risk are recognized in its income statement on a symmetrical basis to the hedged item.

NOTE 10.1. NET FINANCIAL INCOME [EXPENSES]

(In millions of euros)

	FY 2019	FY 2018
Financial income	32.4	16.0
Financial income from equity investments	22.9	13.7
Other financial income	0.9	0.1
Reversal of provisions and reclassification of expenses	4.4	0.4
Foreign exchange gains	4.2	1.8
Financial expenses	(11.1)	(11.7)
Financial allocations to amortization and provisions	(3.8)	(1.1)
Interest and similar expenses	(4.5)	(8.3)
Foreign exchange losses	(2.8)	(2.3)
NET FINANCIAL INCOME (EXPENSE)	21.3	4.3

NOTE 10.2. BREAKDOWN OF FINANCIAL DEBT

(In millions of euros)

	12.31.2019	12.31.2018
Borrowings	213.8	15.3
Accrued interest	0.9	0.1
Other financial debt	18.8	18.2
TOTAL	233.5	33.5

The increase in borrowings as of December 31, 2019 is mainly attributable to the approximately €200 million issue on October 7, 2019 of so-called "OCEANE" bonds (see note 2, "activity and key events").

NOTE 11. NON-CURRENT PROFIT (LOSS)

(In millions of euros)		FY 2019	FY 2018
Non-current income		15.0	0.3
Non-current income from management transactions		0.0	0.2
Non-current income from capital transactions		12.9	0.1
Reversals on provisions and reclassification of expenses		2.1	0.0
Non-current expenses		(10.8)	(0.6)
Non-current expenses from management transactions		(0.1)	(0.4)
Non-current expenses from capital transactions		(10.7)	(0.2)
NON-CURRENT PROFIT (LOSS)		4.2	(0.3)

In 2019 non-current income amounted to €15 million essentially comprising the €12.9 million gain on sale of the shares in Neoen Biosource.

As of December 31, 2019 non-current expenses amounted to €10.8 million essentially comprising the impact of the disposal of the shareholder's current account balance with BE Commentry and of the liquidation of Neoen Marine Développement (with respective impacts of €(7.3) million and €(1.3) million).

NOTE 12. TAXATION

Tax consolidation

With effect from January 1, 2010 the Company opted for the tax consolidation scheme provided for by articles 223A and following of the French code of tax law and including, as of December 31, 2019, its following direct or indirect subsidiaries: Neoen Biopower, Neoen Solaire, Neoen Services, Neoen Éolienne and Neoen International.

Following its sale, Neoen Biosource was deconsolidated for tax purposes with retroactive effect from January 1, 2019 (see note 2, "activity and key events").

As the tax consolidation parent, Neoen S.A. consolidates the taxable results of all member companies and pays the applicable tax. It receives from its subsidiaries the amounts of tax they would have borne in the absence of any tax consolidation. For that reason, as of December 31, 2019 Neoen S.A. recognized a tax charge of €2.2 million.

Calculation of the taxable result from the Consolidated Tax Group

	Accounting profit (loss)	Reinstatements	Deductions	Taxable profit (loss)	Use of own tax losses	Taxable profit (loss) after use of own tax losses
Neoen	21.1	7.2	14.9	13.4	-	13.4
Neoen Solaire	0.1	0.1	-	0.2	-	0.2
Neoen Eolienne	(0.1)	-	-	(0.1)	-	(0.1)
Neoen Biopower	(0.0)	-	-	(0.0)	-	(0.0)
Neoen Services	0.5	0.2	0.0	0.6	-	0.6
Neoen International	(0.7)	0.8	1.1	(1.0)	-	(1.0)
TOTAL	20.9	8.3	16.1	13.1	-	13.1

Reinstatements/deductions specific to the tax consolidation	(0.9)
Consolidated taxable profit (loss)	12.3
Use of consolidated tax losses	(4.3)
Result after use of consolidated tax losses	8.0
Tax payable	2.5
Tax surcharge payable	0.1
Tax credits	(0.1)
Tax consolidation gain	(0.2)
Income tax	2.2

Tax consolidation losses

Losses brought forward	4.3
Use in 2019	(4.3)
Balance at the end of 2019	-

Determination of individual taxable profits (losses)

Calculated in the absence of tax consolidation					Theoretical income tax
	Taxable profit (loss)	Losses carried forward at 12.31.2018	Use of losses brought forward	Taxable amount	
Neoen	13.4	-	-	13.4	4.1
Neoen Solaire	0.2	(0.0)	0.0	0.1	0.0
Neoen Eolienne	(0.1)	(0.7)	-	-	-
Neoen Biopower	(0.0)	(0.3)	-	-	-
Neoen Services	0.6	-	-	0.6	0.2
Neoen International	(1.0)	(10.0)	-	-	-

NOTE 13. EQUITY

Share capital

The share capital is divided into 85,088,748 fully paid-up ordinary shares with a par value of €2 per share. The transactions in the Company's share capital performed in 2019 are described in note 2, "activity and key events".

Treasury shares

As of December 31, 2019 the Company held, directly or indirectly, 198,948 treasury shares mainly arising from a share buyback program with a view to their subsequent allocation.

Statement of changes in equity

<i>(In millions of euros)</i>	Opening	Increase	Decrease	Closing
Share capital	169.9	0.3		170.2
Additional paid-in capital	500.8	0.3		501.0
Legal reserve	1.9	0.5		2.3
Other reserves	-	8.9		8.9
Retained earnings	8.0			8.0
Net income for the year	9.4	21.1	9.4	21.1
TOTAL	690.0	31.0	9.4	711.6

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Intangible assets mainly consist of software, concessions, patents and similar rights. They are recognized at acquisition cost.

Assets are depreciated or amortized on a straight-line basis over the expected useful life of the asset depending on the method of consumption of the related economic benefits. The main categories are:

- Software and other intangible assets: 3 years;
- General facilities and sundry fixtures and fittings: 3 to 10 years;
- Computer hardware: 3 years;
- Office furniture: 4 years.

Depreciation and amortization are calculated on the basis of acquisition cost less a residual value if appropriate. The residual value is the amount, net of anticipated costs to sell, that the Company could obtain from the sale of the asset on the market at the end of its use.

At the year-end, the Company assesses whether there are any indications of impairment of fixed assets, in which case an impairment test is performed by comparison of the carrying amount of the fixed asset with its fair value. The carrying amount of an asset is impaired when the fair value is less than the carrying amount. Fair value is the higher of the asset's market value and value in use.

Breakdown of the gross values of intangible assets and property, plant and equipment

<i>(In millions of euros)</i>	12.31.2018	Acquisitions	Disposals	12.31.2019
Software	-	-	-	-
Other intangible assets	1.7	-	0.0	1.7
Intangible assets under development	-	0.3	-	0.3
Intangible assets	1.7	0.3	0.0	2.0
Land	0.0	-	-	0.0
Buildings on owned land	-	-	-	-
Buildings on land belonging to others	-	-	-	-
Technical facilities, industrial equipment and tools	-	-	-	-
General facilities and sundry fixtures and fittings	-	-	-	-
Computer and office equipment and furniture	0.8	0.1	-	0.9
Other property, plant and equipment	0.3	-	-	0.3
Property, plant and equipment under construction	0.0	-	0.0	0.0
Property, plant and equipment	1.2	0.1	0.0	1.3
TOTAL	2.9	0.4	0.0	3.3

Breakdown of the applicable depreciation, amortization and impairment

<i>(In millions of euros)</i>	12.31.2018	Depreciation and amortization		Impairment		12.31.2019
		Allocations	Reversals	Allocations	Reversals	
Software	-	-	-	-	-	-
Other intangible assets	(0.3)	(0.5)	-	-	-	(0.8)
Intangible assets under development	-	-	-	-	-	-
Intangible assets	(0.3)	(0.5)	-			(0.8)
Land	-	-	-	-	-	-
Buildings on owned land	-	-	-	-	-	-
Buildings on land belonging to others	-	-	-	-	-	-
Technical facilities, industrial equipment and tools	-	-	-	-	-	-
General facilities and sundry fixtures and fittings	-	-	-	-	-	-
Computer and office equipment and furniture	(0.6)	(0.1)	-	-	-	(0.7)
Other property, plant and equipment	-	-	-	-	-	-
Property, plant and equipment under construction	-	-	-	-	-	-
Property, plant and equipment	(0.6)	(0.1)	-			(0.7)
TOTAL	(0.9)	(0.6)	-			(1.5)

NOTE 15. NON CURRENT FINANCIAL ASSETS

Accounting policy

Equity investments and associated receivables

The gross amount of equity investments is recognized at acquisition cost inclusive of the directly attributable costs of acquisition.

The value in use of a given investment is assessed using a multi-criteria approach (discounted cash flows, earnings multiples based on market comparables) taking notably into account the medium and long-term outlook for profitability.

An impairment allowance is recognized at the year-end for any excess of an investment's carrying amount over its value in use.

Receivables from equity investments mainly take the form of current account contributions from the Company, directly to subsidiaries or indirectly via intermediate holding companies, designed to finance the construction of energy facilities. They are recognized at their nominal amounts. An impairment allowance is recognized at the year-end for any excess of carrying amount over value in use.

Other non-current financial assets

As of December 31, 2019 other non-current financial assets comprise sums invested with credit institutions and treasury shares (see note 11, "equity").

Liquidity contract

Transactions relating to the Company's liquidity contract are accounted for in accordance with the guidance provided by the French accounting authorities in 1998 and 2005:

- treasury shares are recognized as part of cash and cash equivalents. An impairment allowance is recognized for any excess of cost of acquisition over the average share price for the final month of the year. Results on disposal are calculated on a FIFO basis;
- cash transferred to the liquidity contract operator and not yet used is also recognized as part of cash and cash equivalents.

Breakdown of the gross values of non-current financial assets

<i>(In millions of euros)</i>	12.31.2018	Increases	Disposals	12.31.2019
Equity investments	3.7	61.7	-	65.5
Receivables from equity investments	468.5	179.1	-	647.6
Deposits and security provided	1.8	25.9	-	27.7
Other non-current financial assets	5.7	1.1	-	6.8
TOTAL	479.8	267.8	-	747.6

The €61.7 million increase in the value of equity investments in 2019 mainly results from share capital increases by incorporation of current account balances for Neoen Production II (€50 million) and Neoen Australia (€7 million), as well as from a €5 million share capital increase for a Portuguese holding company: NPInvestment II.

The €179.1 million increase in the amount of receivables from equity investments is mainly attributable to contributions on current account to the Group's subsidiaries in the framework of financing their activities.

The + €25.9 million increase in deposits and security provided reflects a €25.6 million deposit to secure the financing of solar power facilities in Argentina.

Breakdown of the applicable amortization and impairment

<i>(In millions of euros)</i>	12.31.2018	Increases	Reversals	12.31.2019
Equity investments	-			-
Receivables from equity investments	(0.5)	(0.1)		(0.6)
Deposits and security provided	-			-
Other non-current financial assets	-			-
TOTAL	(0.5)	(0.1)	-	(0.6)

NOTE 16. ASSET ADJUSTMENT ACCOUNTS

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Prepaid expenses	0.7	0.3
Deferred expenses ⁽¹⁾	1.6	-
Unrealized foreign exchange losses	0.5	1.1
TOTAL	2.8	1.4

(1) Exclusively comprise the €1.7 million of fees and expenses associated with the issue of the bonds convertible into and/or exchangeable for new or existing Neoen shares performed on October 7, 2019, of which €0.1 million has already been recorded in profit or loss in 2019.

NOTE 17. LIABILITY ADJUSTMENT ACCOUNTS

<i>(In millions of euros)</i>	12.31.2019	12.31.2018
Unrealized foreign exchange gains	0.2	0.5
TOTAL	0.2	0.5

NOTE 18. INVESTMENTS IN SUBSIDIARIES

	Share capital	Reserves and retained earnings	Result of the last fiscal year	Interest held (%)	Gross amount of shares held	Net amount of shares held	Loans and advances granted by the Company	Security provided by the Company	Net sales of the last fiscal year	Dividends received by the Company during the year
<i>(In thousands of euros)</i>										
A- Detailed information										
Interests > 50% of the investee's share capital										
NEOEN INTERNATIONAL	100	(12 922)	(722)	100.00%	100	100	169 011	-	-	-
NEOEN SERVICES	51 210	(37 560)	502	100.00%	231	231	(12 729)	-	-	-
NEOEN EOLIENNE	37	(738)	(54)	100.00%	37	37	924	-	-	-
NEOEN SOLAIRE	37	5 307	141	100.00%	37	37	(3 980)	-	-	-
NEOEN BIOPower	37	103	(22)	100.00%	37	37	10	-	-	-
NEOEN PRODUCTION 1	10	(4 328)	(2 465)	100.00%	10	10	-	-	-	-
NEOEN PRODUCTION 2	50 003	8 131	15 990	100.00%	50 003	50 003	53 376	-	-	-
NEOEN PRODUCTION 3	3	(41)	(8)	100.00%	3	3	11 858	-	-	-
EOLIENNES VESLY	10	(62)	(6)	100.00%	10	10	59	-	-	-
EOLIENNES RUBERCY	10	(57)	(5)	100.00%	10	10	55	-	-	-
EOLIENNES CHEMIN VERT	5	(39)	(10)	100.00%	5	5	167	-	-	-
EOLIENNES COURCOMME	5	(48)	(37)	100.00%	5	5	3 146	-	-	-
EOLIENNES SAINT SAUVANT	5	(29)	(3)	100.00%	5	5	287	-	-	-
PARC EOLIEN DES AVALOIRS	6	(36)	(6)	100.00%	6	6	85	-	-	-
CENTRALE SOLAIRE ORION 8	5	(27)	(6)	100.00%	5	5	77	-	-	-
CENTRALE SOLAIRE ORION 9	5	(27)	(4)	100.00%	5	5	29	-	-	-
CENTRALE SOLAIRE ORION 10	5	(30)	(87)	100.00%	5	5	-	-	66	-
CENTRALE SOLAIRE ORION 11	5	(27)	(5)	100.00%	5	5	60	-	-	-
PV LE CHAMP DE MANOEUVRE	5	(80)	(6)	100.00%	5	5	84	-	-	-
PV LES POULETTES	5	(42)	(12)	100.00%	5	5	803	-	-	-
PV LE MOULIN DE BEUVRY	5	(26)	(9)	100.00%	5	5	112	-	-	-
NEOEN INVESTISSEMENT	20	172	1 799	100.00%	20	20	153 036	-	-	-
NEOEN NORTHERN HEMISPHERE	20	(104)	(53)	100.00%	20	20	222 250	-	-	-
NEOEN STOCKAGE	3	(11)	(164)	100.00%	3	3	3 203	-	446	-
NEOEN STOCKAGE France	3	-	(4)	100.00%	3	3	13	-	-	-
NEOEN INVESTISSEMENT II	1	-	(5)	100.00%	1	1	-	-	-	-
NEOEN ARGENTINA	327	(431)	(987)	95.00%	466	466	1 479	-	1 149	-
NEOEN AUSTRALIA	6 530	(957)	(1 199)	100.00%	6 468	6 468	(0)	-	13 348	-
Neoen Colombia SAS	312	-	(97)	100.00%	321	321	-	-	108	-
NEOEN RENEWABLES FINLAND OY	3	-	(396)	100.00%	3	3	343	-	247	-
BNRG NEOEN	200	-	-	50.00%	100	100	-	-	-	-
Neoen Ireland	0	-	(332)	100.00%	0	0	6 689	-	-	-
NEOEN RENEWABLES JAMAICA LIMITED	88	(174)	97	100.00%	87	87	69	-	596	-
NEOEN MEXICO	1 371	36	72	99.98%	1 262	1 262	-	-	395	-
Neoen Servicios Mexico	188	(5)	49	99.00%	180	180	157	-	1 762	-
NDEVELOPMENT	50	283	480	100.00%	50	50	610	-	3 965	-
NPINVESTMENT	50	1 006	1 834	100.00%	602	602	-	-	-	-
NPINVESTMENT II	85	4 306	(197)	100.00%	4 425	4 425	7 107	-	-	-
NPI III	155	-	(78)	100.00%	155	155	501	-	-	-
NEOEN EL SALVADOR	391	22	(62)	99.99%	376	376	-	-	837	-
PEDREGAL SOLAR	2	-	-	70.00%	1	1	-	-	-	-
NAHUALAPA SOLAR	2	-	(0)	70.00%	1	1	-	-	-	-
SPICA SOLAR	2	-	(0)	70.00%	1	1	-	-	-	-
NEOEN ZAMBIA RENEWABLES	1	-	(220)	99.99%	1	1	1 141	-	275	-
Interests > 10% and < 50% of the investee's share capital										
None										
B- Summary information										
None										

NOTE 19. OTHER INFORMATION

Identity of the consolidating parent

Neoen S.A. is a French limited company in the form of a *société anonyme* which was initially registered in Paris on September 29, 2008.

Name and registered office of the company preparing consolidated financial statements for the largest group of enterprises	NEOEN S.A., 6 rue ménars - 75002 Paris, SIREN 508 320 017
Name and registered office of the company preparing consolidated financial statements for the smallest group of enterprises	NEOEN S.A., 6 rue ménars - 75002 Paris, SIREN 508 320 017
Place at which copies of those consolidated financial statements may be consulted	NEOEN S.A., 6 rue ménars - 75002 Paris, SIREN 508 320 017

Information on corporate officers

Total remuneration paid to the Group's directors amounted to €4.6 million in 2019 (€3.5 million in 2018). The directors represent the members of the Group's Management Committee.

Information on related parties

Material transactions with related parties at other than arm's length terms and conditions performed in 2019 were as follows:

Related party	Description of the transaction	Amount (receivable or income)	Amount (payable or expense)
Impala (company holding more than 50 % of the share capital of Neoen SA)	Management agreement	-	0.1
BPI France	Loan amount	-	13.9
	Loan interest	-	0.6

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

Hedging transactions

The hedging transactions recognized in Neoen S.A.'s financial statements are designed to cover the exposure associated with:

- Precisely determinable equity or shareholder's current account contributions denominated in foreign currencies for the benefit of the Group's project companies;
- The remittance by those companies of cash denominated in foreign currencies in the form of dividends or of the repayment of shareholder's current account balances.

The amounts of the associated contingent assets and liabilities (in the form of forward sales and purchases) are detailed in the table hereafter.

Contingent liabilities

Neoen S.A. has provided the following security for certain of its subsidiaries in the framework of bids, of financing projects and the construction of power plants:

<i>(In millions of euros)</i>	Total	< 1 year	1 to 5 years	> 5 years
Financing guarantees	60.5	12.6	47.9	0.0
Development guarantees	27.5	2.6	24.7	0.3
Operating guarantees	206.1	153.5	52.0	0.6
TOTAL	294.1	168.7	124.5	0.9

Contingent assets

<i>(In millions of euros)</i>	Total	< 1 year	1 to 5 years	> 5 years
Financing guarantees	15.0	-	-	15.0
TOTAL	15.0	-	-	15.0

NOTE 21. EVENTS AFTER THE YEAR-END

Implementation of a €200 million syndicated credit facility

During March 2020, the Company signed a €200 million syndicated credit facility with a pool of fourteen banks, with a maturity in July 2024, comprising a €125 million amortizable loan and a €75 million revolving credit facility both of which are earmarked for financing the Company's general financing requirements.

Potential impact of the COVID-19 crisis on the Group's main risk factors

It is likely that the COVID-19 outbreak, which began in China in December 2019 and is progressing in the various regions in which the Group has operations, will affect the health of the Group's employees and service providers, its activities and plans and its financial situation.

At the date of this appendix, given the numerous uncertainties surrounding the scale and duration of this epidemic, it is difficult to quantify the human and financial impacts for the Group.

However, the factors likely to have an impact on the Group's major risks are as follows:

- supply difficulties, delivery delays and risk of supply chain disruption: risks related to changes in the prices of components needed to produce renewable electricity;
- market price instability: price risks on wholesale electricity markets;
- health consequences on the activity of the Group's employees and service-providers: risks related to the employment of third party contractors and to the Group's ability to retain key staff;
- difficulties related to obtaining and drawing down on the financing the Group needs to carry out its activities: risks associated with obtaining financing agreements, the Group's gearing and the terms of its financing agreements;
- disruptions in carrying out the Group's projects and operations: Risks linked to projects in the development and construction phases, risks related to the maintenance of electricity production installations and to IT infrastructure;
- possible slowdown in the economic and administrative activity of the countries in which the Group operates: risks related to contract terminations and payment defaults, to obtaining permits, licenses and authorizations, and to the connection to distribution or transmission networks;
- exchange rate volatility affecting the currencies of denomination of the Group's electricity sale contracts, building contracts, operational contracts and financing contracts: currency risks.

4.4 STATUTORY AUDITORS' CERTIFICATION REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF NEOEN S.A. AS OF DECEMBER 31, 2019

Year ended December 31, 2019

To the Neoen Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Neoen for the year ended December 31, 2019. These financial statements were approved by the Board of Directors on March 25, 2020 based on information available at this date in the developing context of the Covid-19 health crisis.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and the financial position of the Company as of December 31, 2019 and of the results of its operations for the year then ended in accordance with generally accepted accounting principles in France.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2019 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the financial statements as a whole, drawn up under the conditions set out above, and in forming our opinion thereon, and we do

not provide a separate opinion on specific items of the financial statements.

We determined that there were no key audit matters to be disclosed in our report.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report approved on March 25, 2020 and in the documents addressed to shareholders with respect to the financial position and the financial statements. Management has informed us that a communication will be issued to the Shareholders' Meeting meeting called to adopt the financial statements on any events and information relating to the Covid-19 health crisis known after the date of approval of the financial statements.

We attest the fair presentation and consistency with the financial statements of the payment period disclosures required by Article D.441-4 of the French Commercial Code.

Report on Corporate Governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information presented in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled by it that are included within the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Other disclosures

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to acquisitions of investments and controlling interests.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

Constantin Associés were appointed as statutory auditors of NEOEN by the Shareholders' Meeting of September 13, 2008 and replaced by Deloitte at the Shareholders' Meeting of April 22, 2014. RSM Paris were appointed as statutory auditors by the Shareholders' Meeting of September 12, 2018.

As December 31, 2019, Deloitte & Associés and RSM Paris were in the 12th period and second period of total uninterrupted engagement, respectively.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error,

designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

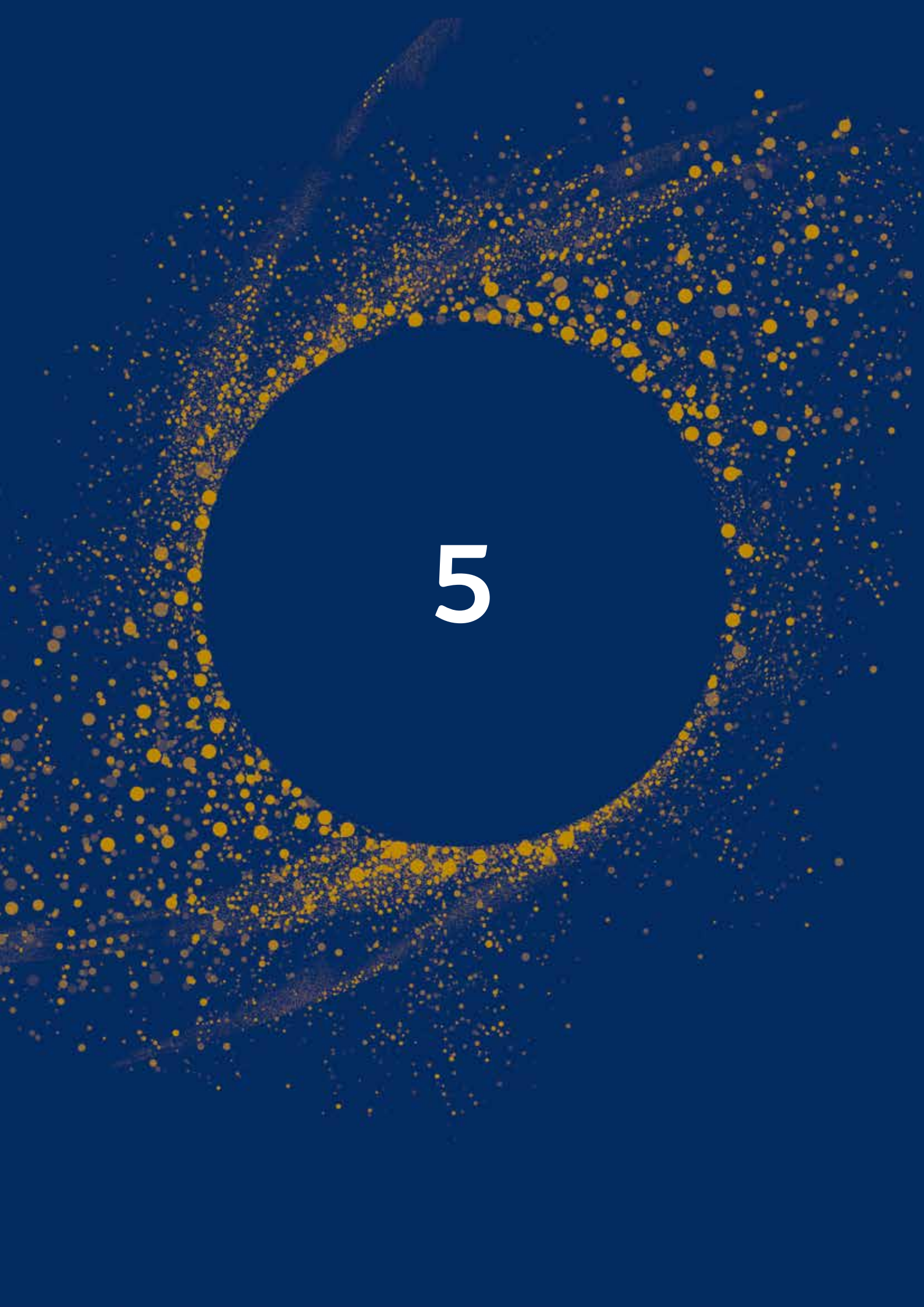
Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-La Défense and Paris, March 25, 2020
The Statutory Auditors

Deloitte & Associés
François Xavier AMEYE

RSM Paris
Etienne de BRYAS



5

SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

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5.1 VISION, POLICIES AND ORGANIZATION

Sustainable development is at the heart of Neoen's business and an integral part of its business model. Neoen is an independent producer of renewable energies which has made the choice of focusing on mature carbon-free technologies (solar power, wind power and storage) in order to provide energy to as many people as possible, in all the geographies in which it operates and at the best price. Conscious of the special role it has to play in promoting sustainable development and of its responsibility to "set the example", Neoen develops, finances, builds and operates its facilities in accordance with the best performance standards.

Neoen deploys infrastructure that is built to last. Dimensioned to produce electricity achieving or bettering grid parity yet free from pollution, its infrastructure is generally very well accepted locally.

Neoen has long-term vision. The Group is most often the majority or sole shareholder of its infrastructure and aims to optimize its installations' yield throughout their lifetime. It is therefore well placed to take the best decisions for maintenance of its installations.

5.1.1 STRONG VALUES SHARED WITHIN THE GROUP

Neoen relies on strong values which guide its relationships and actions with all its stakeholders:

- **audacity**, that is to say, the ability to become a world leader in renewable energy, operating globally, imagining, designing and implementing competitive, effective energy solutions;
- **integrity**, operating with integrity and working with partners who abide by the same rules. Neoen's ethical approach is an asset in its worldwide operations;
- **commitment**, upholding all its commitments, internal and external. Neoen believe in hard work and takes pleasure in seeing a good job well done;
- **esprit de corps**, by being loyal to each other and forming a close-knit team.

The Group has incorporated its attachment to those values and the associated commitments within its Code of Conduct distributed to all its employees and which each employee undertakes to respect.

5.1.2 NEOEN AND THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

By its positioning and the actions it deploys, Neoen contributes positively to the Sustainable Development Goals adopted in September 2015 by 193 United Nations Member States in order to put an end to poverty, protect the planet and ensure prosperity for all.

Of the 17 Goals, Neoen has identified those to which it contributes most by its organization and activity:



Goal 7: Ensure access to affordable, reliable, sustainable and modern energy

Neoen's contribution relates particularly to target 7.1 ("By 2030, ensure universal access to affordable, reliable and modern energy services") and target 7.2 ("By 2030, increase

substantially the share of renewable energy in the global energy mix"). Neoen has set itself the mission of producing the most competitive renewable electricity, sustainably and on a large scale.



Goal 12: Ensure sustainable consumption and production patterns

Sustainability is at the heart of Neoen's development strategy, enabling it to dispose of sustainable assets of quality. As an independent producer, as much as possible Neoen

retains control over its assets and operates them directly, thereby ensuring their long-term quality.



Goal 13: Take urgent action to combat climate change and its impacts

Neoen gives preference to the production of green energy from renewable sources such as solar and wind power. In parallel, energy storage has an important place within

the Group alongside the expansion of its solar and wind power activities, both complementing its existing installations as a means of facilitating their grid integration and providing a basis for the provision of additional services generating independent revenues.



Goal 17: Revitalize the global partnership for sustainable development

Neoen institutes lasting dialogue with its stakeholders for the purpose of contributing collectively to achieving its objectives. Present in 14 countries and conscious of its role for local

development, Neoen favors recourse to local enterprises. The Group also supports initiatives for developing the social economy by promoting renewable energies and facilitating access to electricity. It supports local projects for economic development such as the provision of roads and water and electricity supply infrastructure.

5.1.3 ORGANIZATION OF CORPORATE SOCIAL RESPONSIBILITY AND REPORTING

The Group's various departments are responsible for defining and deploying an approach consistent with their problems and challenges, under supervision by the Executive Committee. The initiatives deployed take account of the expectations of the Group's internal and external stakeholders: employees, customers, suppliers, lenders and shareholders as well as national and international government and regulatory institutions.

As of the date of the present report the Group does not have a legal obligation to prepare a declaration of extra-financial performance in accordance with article L225-102-1 of the French code of commercial law, since it has not crossed the applicable thresholds, but with a view to transparency it has committed voluntarily to the preparation of such a declaration.

Unless otherwise specified, the information provided in this chapter relates to Neoen's subsidiaries, as defined by article L233-1 of the French code of commercial law, and to companies controlled by it as defined by article L233-3 of the French code of commercial law, i.e. to companies that are fully consolidated by Neoen. The indicators and other data for 2019 have been consolidated by the Group's local teams, by its corporate departments and by its General Secretariat on the basis of information as of December 31, 2019.

5.1.4 EVALUATION BY INDEPENDENT BODIES

In line with its positioning and convictions, at a very early stage the Group has sought to reflect the environmental dimension in its project financing. After an initial green bond issue in October 2015, that financing approach was renewed in December 2017 by a second green bond issue for a maximum amount of €245 million destined to finance a portfolio of onshore wind and solar power projects in Australia, Latin America and France totalling a cumulative 1.6 GW of operating capacity.

The financing was assessed for compliance with the green bond principles published by the International Capital Market Association (ICMA) in 2015 and 2017. The assessment was performed by Vigeo Eiris, a recognized sustainable development agency, in the context of Environmental, Social and Governance (ESG) analysis of the Group.

In September 2018, the Group made a voluntary commitment to corporate rating by Vigeo Eiris which resulted, in March 2019, in a score of 60/100 placing the Group in the first quartile of the enterprises rated by Vigeo Eiris and within the 4 % of best-rated enterprises.

Other bodies have equally recompensed the Group's actions. In March 2019, it notably received an unsolicited Green Loan financing certification from the prestigious Climate Bonds Standard Board for its solar power project in El Llano (Mexico).

5.2 MAIN RISKS WITH REGARD TO CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

5.2.1 PRESENTATION OF THE GROUP'S METHODOLOGY

The Group's risk mapping, updated in the second half of 2019, has served as the basis for identifying its main extra-financial risks in line with the subjects provided for in the standard declaration of extra-financial performance. Risks are presented and classified on the basis of their potential impact and probability of occurrence. Certain risks deal specifically with issues of sustainable development. Neoen's extra-financial risks are managed on the same basis as its operating risks e.g. of a legal or financial nature.

The mapping of financial risks and associated analysis were presented to the Audit Committee on December 17, 2019 and were approved as such.

Within the total Group exposures thus approved, Neoen has identified the main risks associated with social, environmental, societal, ethical and human rights issues. A declaration of extra-financial performance symbol has been associated with the risk factors equating with extra-financial risks.

5.2.2 MAIN EXTRA-FINANCIAL RISKS

For 2019, Neoen has identified the following main risks:

- risks associated with employees' and subcontractors' health and safety, linked to the Group's risk factor associated with projects under development and construction;
- risks associated with opposition to the construction of facilities from local communities or any challenge to permits, licenses and authorizations once granted to the Group;
- risks associated with ethics and corruption linked to the Group's risk factor associated with its expansion in emerging markets;
- risks associated with the capacity to retain key managers and employees and to the recruitment and retention of new qualified employees.

Although the Group is exposed to the risks associated with climate change and extreme meteorological events (please refer to the section 3.1.5 of this document), at the same time the energy transition represents a development opportunity given the Group's contribution to reducing greenhouse gas emissions by producing 100 % renewable energy. Even so, Neoen remains vigilant as to the environmental footprint of its projects and assets.

The risks listed above and presented within the present chapter are those retained as material following our risk analysis. Given the Group's activity, Neoen has not provided details for the following topics which are not deemed significant in the context of its activity:

- combating food waste;
- combating food insecurity;
- respect for animal wellbeing;
- responsible, equitable and sustainable food.

Neoen's approach to taxation is applicable to all its geographies and reflects the Group's ethical requirements. As an international group, Neoen pays taxes, duties and other contributions which may be significant in the countries in which it is present. The Group applies tax rules on a rigorous basis and is attentive to compliance with local requirements, international treaties and the guidance provided by international organizations. The Group only creates foreign establishments for the purpose of developing its activities or responding to its operating requirements.

5.3 HEALTH AND SAFETY AT THE HEART OF THE GROUP'S PREOCCUPATIONS

5.3.1 DEVELOPPING A CULTURE OF SAFETY WITHIN THE GROUP

The Group engages in activities which may expose its employees and subcontractors to health and safety risks wherever it is present, first and foremost at its building sites and production facilities but equally in its offices, more particularly in countries or zones presenting particular risks (such as Mexico, Mozambique or El Salvador). The construction, operation and maintenance of electricity production infrastructure may create exposure to incidents liable to compromise individual health and/or safety: both technical risks and risks associated with the use of machines, with live electrical environments, with circulation within areas at risk etc.

The Group is attentive, all along its value chain, to its own compliance and that of those for whom it is responsible with the environmental and social principles it has set itself or to which it is subject.

Since the summer of 2018 the Group has therefore defined rigorous requirements for health, safety and the environment (HSE). The Group's HSE approach is designed to limit harm to persons, assets and the environment at the Group's places of work, notably on building sites but equally during the development and operating phases of its installations. The applicable objectives are defined as follows by the Group's HSE specifications:

- avoid any serious injury to personnel;
- improve working conditions and reduce the risks associated with each workstation;
- promote the proactive reporting of information on near-miss accidents and dangerous situations;
- promote the Group's HSE culture (by site inspections, brief safety meetings, audits, training etc.);
- reduce to the extent possible the use and risks of spilling of dangerous substances.

The Group has created an **HSE Committee** which includes members of its Executive Committee. It meets quarterly and is responsible for monitoring the Group's HSE performance and indicators for the aforementioned objectives. The Group has launched the recruitment of an HSE Manager who will be responsible for developing and maintaining a consistent HSE approach at all the Group's locations.

The Group is attentive to preventing the sanitary risks which may be incurred in particular by employees travelling or working abroad.

Travelling employees have the benefit of International SOS assistance (medical cover and repatriation) for foreign travel. In the case of travel to territories presenting risks for personal safety or particular sanitary risks, each employee receives in advance a fact sheet presenting the risks associated with the territory and medical recommendations for the country. Once on site, the local team provides a document recalling the applicable risks and recommendations. Depending on the level of risk, specific arrangements are implemented for employees' safety during their stay. The Group also bears any medical costs associated with such travel in accordance with the applicable requirements.

5.3.2 INVOLVING AND SUPPORTING SUBCONTRACTORS IN HSE COMPLIANCE DURING PROJECT'S CONSTRUCTION AND OPERATING PHASES

The Group has recourse to subcontractors for the construction, operation and maintenance of its electricity generating facilities. HSE challenges are taken into account pre-contract since the selection of subcontractors depends notably on their effective capacity to provide equipment and services of quality in line with the Group's values (please refer to the paragraph 5.1.1 of this document).

Each Engineering Procurement and Construction or EPC contractor retained receives a copy of the Health, Safety and Environmental Management Plan or HSEMP developed by the Group's construction department. The Group's HSE guidelines reflect the local regulatory requirements in France or Australia, where the Group believes the local requirements are sufficiently severe, but may go beyond the local requirements in other countries, and notably in emerging countries, in which case the Group makes use in particular of the guidelines published by the International Finance Corporation (IFC). HSE guidelines are systematically appended to EPC and O&M (Operations & Maintenance) contracts and apply to all Group contractors and to their subcontractors.

During the construction phase, the Neoen project manager is responsible for ensuring compliance with HSE requirements by the teams under the responsibility of each contractor. Independent bodies are also retained by Neoen for the purpose of verifying the due application of social and environmental measures and onsite compliance more generally with the fundamental rules developed by the International Labor Organization (ILO) as well as the European Convention on Human Rights in the case of developing countries. They assess both the available documentation and the operational implementation of the recommended measures. Should discrepancies be noted between the documented measures and their implementation, the applicable controls may be reinforced and in the last resort, the site's activity may be suspended in order to limit HSE exposure.

In France, for example, such inspections are performed by third parties such as Apave, Socotec, Bureau Veritas etc. which take on the role of health and safety coordinator and prepare an overall coordination plan setting out the health and safety guidelines to be respected at the Group's building sites. In other countries, the equivalent inspections are performed by dedicated independent third parties of established reputation which prepare

monthly reports. The independent HSE body may alert the project manager or parent company at any time in the event of non-compliance. In certain cases and depending on the issues identified, as for example in Zambia, a dedicated Community Liaison Officer may be appointed with effect from the launch of construction and for the full duration of the project's operation.

5.3.3 ENSURING REGULAR REPORTING AND MONITORING OF RISK EXPOSURES

The Group's HSE reporting is performed on a monthly basis and covers:

- workplace accidents on the part of Group employees and of subcontractors' employees during performance of contracts;
- the due application of measures recommended by environmental impact surveys;
- compliance with installation requirements.

All the Group's HSE management systems make use of the guidelines provided by OHSAS 18001 and ISO 14001.

The indicators reported apply both to Neoen's own teams and to all contractors' personnel employed at Group sites, with particular emphasis on the construction phase which presents the highest level of risk. The indicators monitored at the level of projects and individual assets are consolidated for HSE purposes on a quarterly basis, thereby providing a vision of the Group's scope of activity as a whole.

In particular, the Group monitors the occurrence of workplace accidents for employees under contract to Neoen. In 2019, the Group suffered no lost-time accidents and a single accident with no work stopping (in France).

5.4 DIALOGUE OF QUALITY WITH LOCAL COMMUNITIES

5.4.1 A TRANSPARENT AND CONCERTED APPROACH TO LOCAL AUTHORITIES AND POPULATIONS

Neoen is committed to a concerted approach with local players extending beyond mere regulatory compliance. The location of each facility is decided in concert with the local authorities and communities both in France and abroad.

Projects for the installation of electricity generating facilities are subject to regulatory requirements in the form of building permits for solar power projects and operating licenses for wind power projects, as well as to requirements for public concertation ensuring due regard for social and environmental issues. In France for example, applications for operating licenses for wind power projects are subject to public inquiry and concertation in the framework of the *Commission Départementale Nature Paysages Sites* (CDNPS) which brings together representatives of central and local government and of environmental and other

associations with competence for wind power projects.

Over and above these regulatory requirements, and for every projected location, Neoen undertakes to engage in preliminary discussion with local authorities as a means of ensuring projects' compatibility with territorial policies. Public meetings are regularly organized to enable local communities and populations better understand each project and be involved in its development at an early stage. Right from the start of any wind or solar power project with particular issues, the Group engages in communication and the provision of information to local residents for the purpose of presenting the project and its challenges, and facilitating its understanding, via letters, posters, public meetings etc. The public meetings organized are the occasion for Neoen's teams to present the envisaged construction work, the project's landscaping integration, the conclusions of the social (in emerging countries) and environmental impact survey, the consequential accompanying measures, and more generally to engage in effective concertation with the local populations in order to propose solutions capable of satisfying the largest possible number of persons.

Internationally, outside Europe, community concertation is systematic and piloted as an integral part of each project. In Australia, a Group employee has overall responsibility for the coordination of such initiatives which may take several forms including public meetings or door-to-door canvassing, thereby demonstrating the Group's willingness to engage in community dialogue. Equally in Australia, right from the start of a project a dedicated website is set up to provide access to all information available in respect of the project and enable interested persons to contact the team in charge of the project's development.

In 2019, of the 12 projects which commenced operation worldwide, 7 (almost 60 %) were subject to concertation.

Following concertation, environmental, landscaping or financial compensating measures may also be implemented.

5.4.2 ACTIONS IN FAVOR OF COMMUNITIES TO SUPPORT THEIR DEVELOPMENT

Neoen's activity of production of electricity contributes to the supply of clean and sustainable energy and provides local communities the benefit of positive economic impacts from the facilities installed via taxes, lease of land and job creation.

Committed to supporting the development of the territories it invests, the Group helps achieve meaningful projects for the benefit of local communities:

- in France the Group has, for example, supported the installation of a bicycle path, of green spaces and of a demo path, the restoration of painting in churches etc.;
- in Australia, most projects are linked to community trusts created on an ad hoc basis. For example, in Southern Australia the Group has founded the Hornsdale Wind Farm Community Fund whose purpose is to finance local initiatives in the region of Jamestown. The fund is administered in partnership

with a local elected representative and other community representatives and is financed to the extent of 120,000 Australian dollars per year for 20 years;

- in Queensland, Australia, the Group works alongside Aboriginal landowners to preserve cultural artefacts present on their land (via the Aboriginal Cultural Heritage Management Plan) and develop local employment during the period of project construction;
- in El Salvador, 3 % of the revenues generated by the Providencia and Capella solar power plants are contributed respectively to social development projects implemented in coordination with a fund investing in local development in the case of Providencia (its projects include the provision of roads, water and electricity supply and the refurbishment of schools), and to projects funded in coordination with Salvadorian foundation FUSAL in the case of Capella;
- in Mexico, the Group has supported the rehabilitation of a road which has significantly improved access to the school attended by children in the area of its El Llano plant;
- in Jamaica, the Paradise Park project has mobilized the Clinton Foundation to engage in awareness-raising and education on renewable energies in the surrounding communities prior to construction. A donation has also been made to the local hospital in order to finance a system for managing, filing and sharing radiographs. The contribution of 4 million Jamaican dollars (about €26 thousand) will thus help improve the quality of local healthcare;
- in Portugal, the Group supports the University of Coruche, close to its solar power plant, by financing three student scholarships designed to improve renewable energy academic studies and train future players in the industry. The Group has also implemented a 5-year financing program, in conjunction with Seixal's municipal energy agency, designed to promote more rational energy consumption, increased use of renewable energies and sustainable municipal development.

5.5 ETHICAL AND RESPONSIBLE PRACTICES ALL ALONG THE VALUE CHAIN

5.5.1 A RESPONSIBLE SUPPLY CHAIN CONTRIBUTING TO BETTER RISK MANAGEMENT

The Group is attentive to the selection of responsible suppliers or subcontractors complying with the most demanding standards the respect of which is notably incorporated in the Group's EPC contracts. Keen to engage in lasting relationships, the Group deals with suppliers of major or critical components which are all classified as tiers one.

The Group's purchasing policy is thus to apply standard procedures for the selection of suppliers of solar panels, wind turbines and other system components (BOS and BOP components) whose products are essentially sourced from ISO 9001 and ISO 14001 certified factories located in Asia and Europe.

The Group performs a 360° audit (including a factory visit) of its suppliers of major components (module, turbines, tracker, inverter) before entering any business relationship. The 360° audit is based on a checklist notably addressing issues of working conditions and health and safety. Site visits also cover points relating to health, safety, the environment and quality. The Group subsequently renews its site visits with particular attention to suppliers whose products have evolved. Certain suppliers judged at greater risk may be the subject of an annual visit.

Whatever the country of location of the Group's projects, it deals uniquely with first-rank EPC contractors chosen after a rigorous pre-selection process. In particular, in emerging countries particular attention is paid to combating corruption: any contractor with sales in excess of USD 75,000 must produce evidence of Compliant Policy before any dealing with the Group.

The conclusions of social (in emerging countries) and environmental impact surveys are shared with EPC contractors at the time of their selection; they are then expected to implement social (in emerging countries) and environmental action plans and must also undertake to have recourse so far as possible to local subcontractors and labor more particularly:

- in the case of solar power, for earthworks, site landscaping and the installation of facilities;
- in the case of wind power, for non-technical activities and the preparation of foundations, cabling and connections.

In certain instances, as in Zambia or Jamaica, the action plans may take the specific form of Community Engagement and Development Plans and work onsite may be governed by a dedicated Site Labor Agreement, as was the case in Mozambique in 2019.

Once a facility has become operational, HSE monitoring is delegated to the facility's O&M manager which is generally the EPC contractor or wind turbine supplier acting in coordination with the Group's asset manager.

5.5.2 INTEGRITY AND BUSINESS ETHICS

Ethics and integrity are cornerstones of the Group's functioning which apply to all its employees whatever their function and wherever they are located. No instance of corruption has yet been detected in the Group since its creation 11 years ago.

Conscious of the potential risks of corruption linked to certain Group implantations, Neoen has adopted an ethical charter for the prevention of such risks. Available in French, English and Spanish, the charter embodies the Group's commitments in respect of integrity and compliance with local legal and regulatory requirements. Rules of conduct are more particularly provided to combat the risks of active or passive corruption.

The charter is remitted to each new employee and systematically signed by each Group employee in the framework of their annual appraisals. In 2019, the Group equally provided training to those employees deemed most exposed to the risks of corruption.

The Group has also implemented a system of independent alerts which can be transmitted by employees to a lawyer, designed to enable the receipt of information relating to conduct or situations contrary to the spirit of the ethical charter. No such alert was made in 2019.

The Group has also deployed a system of internal control, backed up by external audits of procedures, described in the section 3.2.2.3 "system of internal control".

5.6 A PROACTIVE ENVIRONMENTAL POLICY

5.6.1 COMMITTING TO THE CLIMATE

In the case of Neoen, climate change is both a risk factor and an opportunity to develop its activity since the Group's operations contribute to reducing greenhouse gas emissions but may also be significantly affected by the potential physical impacts of climate change.

As a responsible player in the field of renewable energies, by the very nature of its activity Neoen participates actively in the global combat against greenhouse gas emissions and climate change. During the fiscal years ended December 31, 2018 and 2019 the Group thus avoided the emission of respectively 1,494,678 and 1,299,723 tons of CO₂ according to its own calculations based strictly on the methodology proposed by the European Investment Bank (EIB).

In 2018, the Group retained Deloitte to review its compliance with the EIB's methodology and the formulae it applies. The method of calculation has not changed in 2019 but the coefficients applied for each country have been significantly reduced, thereby explaining the reduction in tons of CO₂ avoided in comparison with 2018 despite strongly rising production.

5.6.2 LIMITING ENVIRONMENTAL IMPACT

In the framework of its activities, Neoen is mainly confronted with the issues associated with the use of land and the protection of biodiversity. The Group's plants reap the benefit of measures for the reduction of impacts which are identified via surveys at the earliest stages of projects' development.

Neoen's activity does not generate significant or serious waste. The Group is nevertheless attentive to proper management of the waste generated at all its sites whether under construction or operation. Subcontractors are required to process waste in accordance with local requirements.

In accordance with the Group's commitment to engage in its operations whilst avoiding or limiting, so far as possible, environmental harm other than the visual impacts inherent in each activity, Neoen complies with all applicable requirements with particular regard for compliance with standards and the constitution of provisions and guarantees for the dismantling of its installations at the end of their useful lives, in such a way as to leave behind a clean site that can be reused for other renewable energy production plants or for any other type of activity.

Further down the line, the Group also pursues its efforts to limit environmental impacts in particular by making use of the existing recycling facilities for all its recyclable materials and ensuring that installations are dismantled on a basis consistent

with the restoration and enhancement of environments. The Group encourages the recycling of solar panels, turbines and other components. For the collection and recycling of its solar parks, the Group is a member of PV Cycle, an organization which manages an operational system of collection and recycling of end-of-life solar panels throughout Europe. In the case of wind turbines, metal parts such as the mast and rotor can be recycled within the existing arrangements. The reinforced concrete of foundations can also be recovered by sorting, crushing and metal separation prior to use as aggregates in the building industry. The rotor blades are currently more difficult to recycle but can nevertheless be shredded and reused.

5.6.3 PROTECTING BIODIVERSITY

The Group pays particular attention to respect for ecosystems and for the living conditions of the species present in the territories of implantation of its projects and throughout their lifecycles. All the Group's development, construction and operating teams are trained in environmental protection and respect for biodiversity.

Each new territory is rigorously selected on the basis of mapping designed to identify the potential impacts for wildlife and plants, heritage and archaeological sites, telecommunications and transport networks etc. The territorial diagnosis thus performed helps avoid, reduce or compensate for any pressure exercised on the local environment.

Social (for emerging countries) and environmental impact surveys are performed by independent specialist firms and may involve particular attention to environmental or other regulatory constraints such as the performance of botanical, avifauna or acoustic surveys and the preparation of wildlife, plant and other natural environment records for a twelve-month period as a means of identifying the potential impacts for humid zones and water quality, wildlife and habitat etc. Any project must also meet requirements for landscaping and heritage integration, proximity to telecommunication networks, limitation of fire risks etc. Impact surveys help define compensatory measures and support for implementation during the phases of construction and operation.

A number of commitments in favor of the environment and of biodiversity are thus formally made by the Group, including such matters as:

- construction phases designed to limit disturbance during the periods of reproduction of local species;

- the construction of drainage channels in parallel to construction of facilities;
- the construction of corridors to facilitate the mobility of native animal species;
- monitoring the evolution of animal species on the site;
- land clearance to combat the spread of fires and facilitate the circulation of fire engines;
- the preservation of elements of historical heritage;
- the limitation of noise pollution particularly in the context of wind turbines.

For example, the Group has implemented a range of compensatory and supportive measures to offset the impacts of facilities and contribute to improving local environmental quality:

- in France, the Cestas plant incorporates environmental measures such as the preservation of humid zones and protection for the animal and vegetable species present on the site (butterflies in particular). Complete landscaping integration has been achieved by planting border hedges and an equivalent area to the total surface occupied by the Cestas plant has been reforested in the same department thanks to the financing generated by the project;
- in Portugal, more than a thousand trees and shrubs of local origin were planted around the Seixal plant during its construction, as a means of emphasizing landscaping integration;
- in Australia, in the same way 40,000 trees were planted around the Numurkah solar power plant;
- equally in Australia, the Hornsdale plant has been designed so as to preserve the presence of grey lizards on the site;
- in Jamaica, the Paradise Park project's Biodiversity Management Plan requires the cessation of all activity in the presence of the Jamaican crocodile, a protected species, until such time as the NEPA (National Environment and Planning Agency) has been able to transfer the individual to a safe place.

The proper application of such compensatory and supportive measures is attentively monitored by an ecological specialist during construction and the greater part of each facility's lifecycle, and can also be the subject of administrative inspection.

5.7 ATTRACTING AND DEVELOPING TALENTS

The Group attaches great value to its human capital, one of its fundamental strengths, and seeks to encourage the emergence of talents from among its employees. Based on this conviction, Neoen deploys a two-pronged approach:

- attract talents and encourage employee development to build staff loyalty; and
- act in favor of diversity.

Conscious of the major role of its teams for Neoen's development and the achievement of its objectives, in 2019 the Group created a Human Resources Department.

5.7.1 MANAGING TALENTS

As of December 31, 2019 the Group employed 213 persons worldwide, compared with 184 as of December 31, 2018, whence an increase of 15.76 %. The trend in the Group's employees during the last two years has been as follows:

Total employees ⁽¹⁾	12.31.2019	12.31.2018
Worldwide	213	184
Of which: France	113	103

(1) Including both permanent and fixed term employment contracts.

The Group's employees are employed by the Company's various subsidiaries located in 14 countries and covering 18 offices.

As of December 31, 2019 the Group's employees were allocated as follows over the Group's various functions:

Breakdown of employees by function	12.31.2019	
	Worldwide	Of which: France
Management	4	4
Support	5	2
Legal	7	6
Human Resources	2	2
Development	81	40
Finance	42	22
Investors relations	2	2
Financing	14	12
Procurement	5	4
Construction	21	9
Competence Center	5	3
Asset management	25	7
TOTAL	213	113

The breakdown of employees by category may be analyzed as follows as of December 31, 2018 and 2019:

Breakdown of employees by category	12.31.2019	12.31.2018
Executives	205	173
Technicians and supervisors	5	7
Employees	3	4
TOTAL	213	184

5.7.1.1 ATTRACTING TALENTS AND BUILDING STAFF LOYALTY

The Group has experienced sustained recruitment with the hiring in 2019 of 69 employees including 7 Group transfers. 59,4 % of recruitment in 2019 was performed internationally, mainly for development functions.

Newly recruited employees represented 32.4 % of total headcount as of December 31, 2019 (41.8 % in 2018), thereby demonstrating the necessity of attracting new talents to pursue the Group's development impetus.

Number of hires	12.31.2019	12.31.2018
Worldwide	69 ⁽¹⁾	77
Of which: France	28	38

(1) The number of hires includes Group transfers from one country to another.

The Group is conscious of the importance of the integration of new arrivals, which is the occasion for raising employees' awareness of Neoen's business culture and values and for presenting the Group's strategic ambition. In 2019, an integration kit was deployed in Australia on a pilot basis and will be extended to all the Group's countries in 2020 and adapted to each local context.

There were 40 departures in 2019, equating with 18.8 % of total employees (14.7 % in 2018).

Number of departures	12.31.2019	12.31.2018
Worldwide	40 ⁽¹⁾	27
Of which: France	18	15

(1) The number of departures includes Group transfers from one country to another.

The rate of attrition of permanent employees, which is a factor of assessment of the loss (natural or otherwise) of employees during the year, amounted to 18.6 % in 2019. It is calculated on the basis of the number of departures of employees under permanent contract compared with the permanent headcount as of December 31 of the previous year (x100).

Encouraging employee commitment and the quality of life at work

Wellbeing in the workplace has a direct impact on employees' commitment and performance. Various initiatives have been undertaken by Neoen to reinforce wellbeing in the workplace; they aim to improve employees' work/life balance. A strong measure implemented has been the institution with effect from 2020 of a minimum paternity leave of 3 days for all Group employees, thereby providing the assurance of leave in instances where local regulations make no such provision.

In terms of labor relations, the Company and Group subsidiaries are subject to different legal and regulatory requirements for staff representation depending on their countries of location. The Group complies with all local requirements for staff and trade union representation.

For example, in France staff representation is via the *Comité Social et Economique* whose members meet with the employer every two months. In 2019, in line with employee savings reform, the Company signed a new collective retirement savings scheme (the PERCOL) with employee representatives replacing the previous PERCO. To associate employees with the Company's performance, in 2019 a profit-sharing agreement was also signed with employee representatives; both agreements have been lodged with DIRECCTE.

5.7.1.2 OFFERING DYNAMIC CAREER MANAGEMENT

The Group's inability to retain its best employees and build staff loyalty would result in a loss of competencies and expertise liable to harm its performance. Career development (in terms of mobility, training and taking responsibility) is thus an important dimension of Human Resource policy.

Encouraging mobility

There is no standard career path within the Group. Instead, each employee may adapt his or her career path depending on his or her individual objectives and the opportunities offered by the Group. Internal mobility is a major factor in developing employees' competencies, so Neoen confronts its employees with new positions and experiences within the Group's subsidiaries.

The Group strongly encourages international mobility. For example, at the date of this document 7 employees recruited by one Group company have since joined, temporarily or definitively, another Group company. The same applies to functional mobility, with 7 employees who changed functions in 2019.

To enable employees to project themselves for the long term within the Group, Neoen gives preference to permanent contracts of employment providing its employees a stable working framework. In 2019, 211 employees (or 99.1 % of the Group's total headcount) were thus employed under permanent contracts.

Breakdown of employees by type of contract	12.31.2019	12.31.2018
Permanent contracts	211	177
Fixed term contracts	2	7
TOTAL	213	184

Providing responsibility

The average age within the Group is 35.7 years. Employees aged 35 and less (59.2 % of the Group's employees) remain predominant in 2019 and are notably attributable to the high level of recruitment within that age band (65.2 % of the total). The Group is able to offer the perspective of rapid promotion and access to positions of responsibility. The average age of managers is 40.3 years.

Breakdown of employees by age band	12.31.2019	12.31.2018
25 and less	14	13
26-35	112	99
36-45	64	53
46 and more	23	19
TOTAL	213	184

Developing competencies

The Group provides training in support of its employees' development, mainly in respect of safety – in particular training for accreditation for working at height and electrical working – workstation training for the adoption of new tools e.g. for accounting or invoice approval and the development of other competencies such as linguistic skills. In 2019, the Group notably provided training in the prevention of corruption targeting its most exposed employees.

As of December 31, 2019 training within France may be analyzed as follows:

	12.31.2019	12.31.2018
Percentage of employees trained ⁽¹⁾	74%	56%
Total number of hours of training	678	1,002
Amount devoted to training (in euros net of taxes)	32,454	56,080

(1) The % of employees trained is the number of employees having attended at least one seminar compared to average employees.

Monitoring and compensating performance

In this context the annual appraisal is a key feature of employee development, enabling discussion with each employee's line manager covering the employee's performance and development, assessment and the determination of annual objectives. It is also the occasion for drawing conclusions as to the employee's requisite development plan in the light of his or her past performance and the objectives defined. In 2019, 100 % of the Group's employees participated in an annual interview with their line managers.

Neoen possesses an attractive compensation policy taking into account position held, degree of responsibility, individual performance and that of the Group.

Compensation may also include benefits which vary according to national practices and requirements in respect of such matters as providence benefits, health insurance, pension plans or employee profit sharing. Total gross compensation paid by the Group (excluding employer's social contributions)¹ for the fiscal years ended December 31, 2018 and 2019 amounted to €17.5 million in 2019 compared with €13.3 million in 2018, whence an increase of 31.8 %.

5.7.2 PROMOTING DIVERSITY

Diversity, a source of dynamism, is also a key dimension of the Group's approach to Human Resources. The diversity of its managerial population nourishes the Group's performance and notably reflects both the diversity of Neoen's national cultures and the balance between men and women.

(1) Total compensation for all types of employment contract including corporate officers.

Nationality

In the framework of its recruitment, Neoen favors employee diversity as is evidenced by the composition of its workforce which includes employees from widely differing horizons and of numerous nationalities (about 30 at the date of this document). As of December 31, 2019 the breakdown by country of the Group's 213 employees was as follows:

Employees per country	12.31.2019
France	113
Australia	45
Mexico	15
El Salvador	11
Argentina	5
Zambia	5
Finland	5
Portugal	3
USA	3
Jamaica	3
Ireland	2
Colombia	2
Mozambique	1
TOTAL	213

Gender

As at December 31, 2019 women and men respectively represented 32.4 % and 67.6 % of the Group's employees.

Breakdown of employees by gender	12.31.2019	12.31.2018
Women	69	55
• Of which: non-executive positions	3	3
• Of which: executive positions	66	52
Men	144	129
• Of which: non-executive positions	5	8
• Of which: executive positions	139	121
TOTAL	213	184

Assuming equal competencies, the Group seeks to recruit on a basis providing an equal proportion of men and women. Of the recruitment performed in 2019, 37.7 % of the new employees (26 employees) were women. The overall proportion of women thus increased by 25.5 % compared to 2018.

Women are represented at each level of seniority, with 26 % of managerial positions occupied by women.

In terms of equality of pay, in France, Neoen obtained a score of 84/100 for professional equality between men and women.

	12.31.2019	12.31.2018
Overall percentage of women employees	32.4%	29.9%
Percentage of women executives	32.2%	30.1%
Percentage of women participating in management	26.0%	23.7%
Percentage of women recruited	37.7%	29.9%

Disabled persons

No Group employee is recognized as disabled.

5.8 REPORT OF THE INDEPENDENT THIRD-PARTY BODY

NEOEN

Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

(For the year ended December 31, 2019)

To the General Assembly,

In our capacity as Statutory Auditor of your company (here in after the "entity"), appointed as independent third party and accredited by COFRAC under number 3-1594 (whose scope is available at www.cofrac.fr), we hereby report to you on the Consolidate non-financial statement for the year ended December 31, 2019 (here in after the "Statement"), included in the Group management report pursuant to the requirements of articles L. 225102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

The entity's responsibility

The executive committee is responsible for preparing the Statement, including a presentation of the business model, a description of the principal nonfinancial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (here in after the "Guidelines"), the main elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditor, appointed as independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (here in after the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anticorruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation of the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes there of, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks, our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities;

- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities (the French one) and covers between 40 % and 100 % of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 2 people between February 2020 and March 2020 and took a total of 2 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about ten interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris, March 13, 2020

The Statutory Auditor appointed as independent third party

RSM Paris

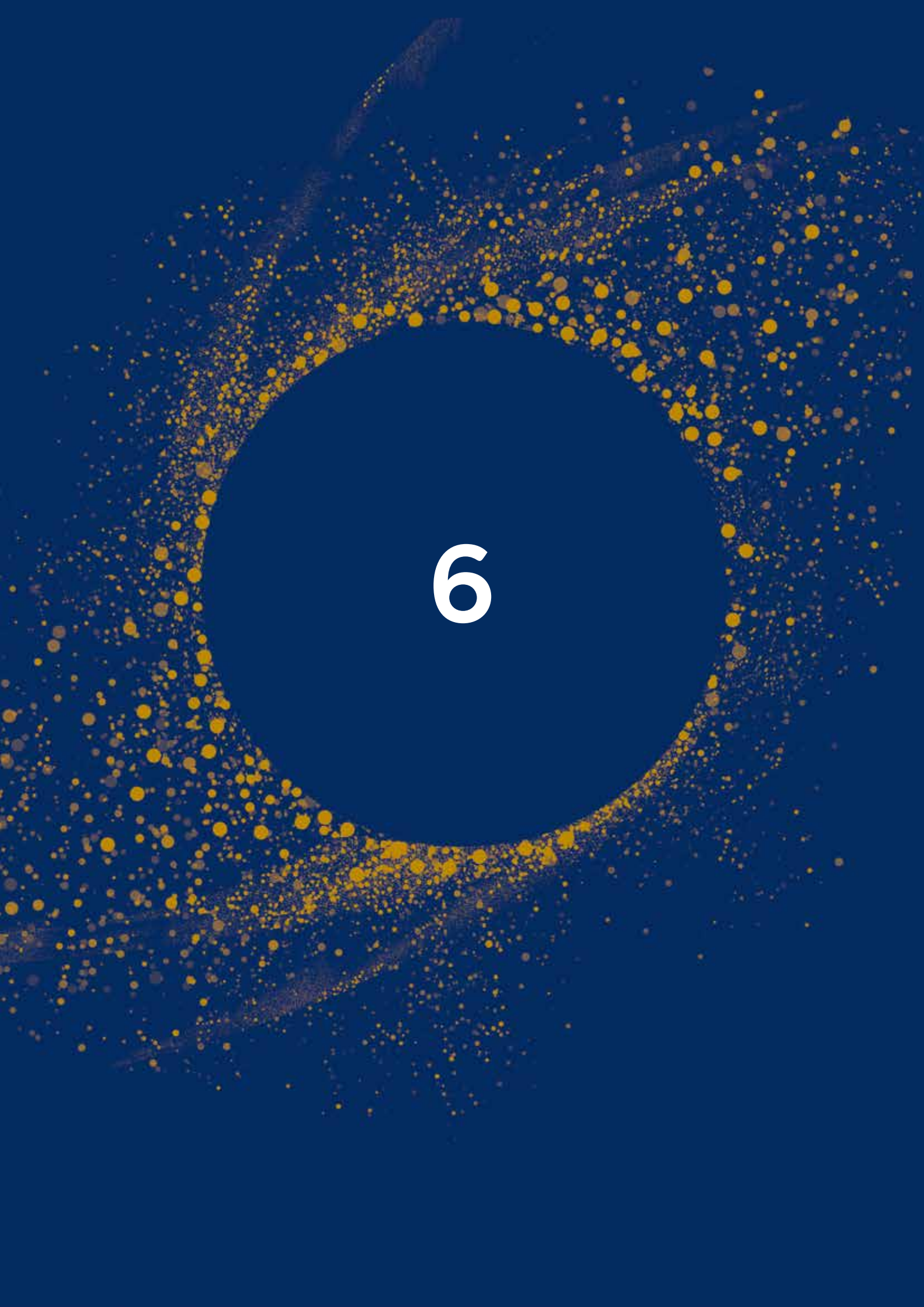
Martine Leconte

Partner

5.9 VIGILANCE PLAN

At the date of this document and given its number of employees, the Group is not required to prepare the vigilance plan provided for by article L225-102-4 of the French code of commercial law.



The background is a solid dark blue. In the center is a large, slightly irregular dark blue circle. Surrounding this central circle is a thick, textured ring composed of numerous small, bright yellow dots of varying sizes. The dots are more densely packed in some areas, creating a glowing effect. The overall composition is centered and symmetrical.

6

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This section, with the exception of subsections 6.2.1.2 (iii) and 6.4.3, constitutes the corporate governance report referred to in Article L. 225-37 of the French Commercial Code.

The corporate governance report was approved by the Board of Directors on March 25, 2020. It will be presented to the shareholders at the next annual shareholders' meeting on May 26, 2020.

Unless otherwise specified, the shares presented in this chapter correspond to Neoen shares with a nominal value of €2. As a reminder, a reverse stock split on the basis of two existing shares for one new share was decided at the Company's general shareholders' meeting of September 12, 2018 and was implemented on October 1, 2018, thereby increasing the par value of each share from €1 to €2.

6.1 STATE OF GOVERNANCE

The Company is a limited company with a Board of Directors since 12 September 2018.

The Company refers to the Corporate Governance Code for listed companies of the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) (the "AFEP-MEDEF Code").

6.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

As at March 25, 2020, the date on which the report on corporate governance was approved by the Board of Directors, it is composed of seven members. The composition of the Board of Directors is described in the tables below.



THE BOARD OF DIRECTORS IS COMPOSED OF SEVEN MEMBERS AND A NON-VOTING MEMBER



**XAVIER
BARBARO**
President and CEO



**SIMON
VEYRAT**
Board member



**STÉPHANIE
LEVAN**
Board member



**BPIFRANCE
INVESTISSEMENT**
*Represented by
Celine André*
Board member



**HELEN LEE
BOUYGUES**
Lead Director



SIXTO
*Represented by
Bertrand Dumazy*
Board member



FSP⁽¹⁾
*Represented by
Christophe Gegout*
Board member



**JACQUES
VEYRAT**
Non-voting Director

Independent Director

Audit Committee

Nomination and
Compensation
Committee

P President of Committee

Independent
directors⁽²⁾

42%

Gender Diversity
in the Board of
directors⁽²⁾

42%

58%

Average age of
directors⁽²⁾

43 years

(1) Fonds Stratégique de Participations

(2) These ratios exclude the non-voting director

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

XAVIER BARBARO

Chairman and Chief Executive Officer**Business address:**

6 rue Ménars - 75002 Paris

Age: 44 years**Nationality:** French**Date of expiry of term**

of office: General Meeting called to approve the financial statements for the ended December 31, 2021

Number of Company**shares held:**1,379,000⁽¹⁾

Xavier Barbaro is Chairman and Chief Executive Officer of Neoen. He started his career at Louis Dreyfus Communications (which became Neuf Cegetel) in Paris in 2001, before joining Louis Dreyfus Commodities in Geneva as assistant to the managing director, where he was in charge of the business plan and carried out several projects in Asia. He then joined Direct Energie in 2007 as director of development before founding Neoen in 2008. Xavier Barbaro graduated from École Polytechnique and École Nationale des Ponts et Chaussées and holds an MBA from Harvard Business School.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Chairman of Carthusiane SAS*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

None

(1) Number of shares held directly or indirectly (via Carthusiane SAS) by Xavier Barbaro and his family members.

DIRECTORS

SIMON VEYRAT

Director**Business address:**

4 rue Euler - 75008 Paris

Age: 29 years**Nationality:** French**Date of expiry of term**

of office: General Meeting called to approve the financial statements for the ended December 31, 2019

Number of Company**shares held:**0⁽¹⁾

Simon Veyrat has been business manager at the Impala Group since October 1, 2018, after having held a variety of roles at commercial law firms in the context of his studies. Simon Veyrat graduated from École des Hautes Études Commerciales de Paris (HEC Paris), where he studied management and business law. He also studied and business and tax law at université Sorbonne Paris 1, and is a qualified attorney (holding a Certificat d'Aptitude à la Profession d'Avocat (CAPA)).

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

None

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

None

(1) Simon Veyrat is an indirect shareholder of the Company, through Impala SAS, in which he is a minority shareholder.

STÉPHANIE LEVAN

Director**Business address:**

4 rue Euler - 75008 Paris

Age: 48 years**Nationality:** French**Date of expiry of term**

of office: General Meeting called to approve the financial statements for the ended December 31, 2022

Number of Company**shares held:**

25,000

Stéphanie Levan began her career at Ernst & Young, where she carried out audit and consulting assignments during five years at various listed French and international companies. She then joined the Plastic Omnium group, an automobile equipment manufacturer and specialist in the collection and management of urban waste, as group consolidation director and then internal audit director. In September 2004, she joined the Louis Dreyfus group as group consolidation director and, at the time of a spin-off, became the Chief Financial Officer of the Impala SAS group (formerly Louis Dreyfus SAS). Her role in the consolidation department of the Louis Dreyfus group and then of the Impala SAS group has given her a thorough understanding of the Group since the creation of the Company in 2008. Stéphanie Levan graduated from EDHEC and is a certified public accountant.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Chief Financial Officer of Impala SAS

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Permanent representative of Impala SAS on the board of directors and the Audit Committee of Direct Energie*

* French listed company

CÉLINE ANDRÉ

Director as permanent representative of Bpifrance Investissement

Business address:
6/8 boulevard Haussman -
75009 Paris

Age: 41 years

Nationality: French

Date of expiry of term of office: General Meeting called to approve the financial statements for the ended December 31, 2020

Number of Company shares held:
0⁽¹⁾

Céline André began her career as a lawyer in 2004 in the mergers and acquisitions practices of French law firms such as Gide Loyrette Nouel and Veil Jourde. In 2012, she joined the legal department of the Fonds Stratégique d'Investissement (FSI) before serving as an in-house lawyer in the legal department of Bpifrance in 2013. She became Director of Investments for the mid- and large-cap team at Bpifrance Investissement in 2016, and then Director of Investments for the same team as of October 1, 2017 (which has since become the Large Cap team of the Capital Development department). Céline André holds a master's in private law from the university of Lille 2 and a CAPA (Certificate of Aptitude à la Profession d'Avocat - qualified attorney). She is also a graduate of EDHEC - Grande École (2002) and holds a corporate director certificate from the Institut français des administrateurs (IFA).

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Permanent representative of Bpifrance Investissement, member of the supervisory committee of Sabena Technics Participations
- Permanent representative of Bpifrance Investissement on the Board of Directors of La Maison Bleue
- Permanent representative of Bpifrance Investissement on the Board of Directors of Kelenn Participations
- Director of Cosmeur
- Non-voting board member of Dupont Restauration SAS

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Permanent representative of Bpifrance Investissement on the Supervisory Board of Vergnet*
- Permanent representative of Bpifrance Investissement on the Board of Directors and the Audit Committee of Viadeo*
- Permanent representative of Bpifrance Investissement on the Board of Directors of Gascogne S.A.*
- Supervisory Board member of STH

(1) Bpifrance Investissement, of which Céline André is a permanent representative, is a shareholder of the Company, through the FPCI ETI 2020 fund (refer to section 7.3 "shareholders" of this document).

* French listed companies

INDEPENDENT DIRECTORS**HELEN LEE BOUYGUES**

**Independent Director
Lead Director**

Business address:
184 avenue Victor Hugo -
75116 Paris

Age: 47 years

Nationality: American

Date of expiry of term of office: General Meeting called to approve the financial statements for the ended December 31, 2020

Number of Company shares held:
1,632

Helen Lee Bouygues began her career in 1995 at J.P. Morgan, as an associate in M&A in New York and Hong Kong. In 1997, she was appointed Development Director of Pathnet, a telecommunications services provider based in Washington, DC, and then in 2000 joined Cogent Communications where she worked as Treasurer, Chief Operating Officer and Chief Financial Officer until 2004. Helen Lee Bouygues was subsequently appointed partner at Alvarez & Marsal in Paris, which she left in 2010 to create her own consulting firm. In 2014, she joined McKinsey & Company, where she became a partner in charge of the Recovery and Transformation Services department. Since February 2018, she has been President of LB Associés, a consulting firm. Helen Lee Bouygues holds a Bachelor of Arts in political science, magna cum laude, from Princeton University and an MBA from Harvard Business School.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Chairwoman of LB Associés
- Chairwoman of the Board of Directors of Conforama S.A.
- Member of the Board of Directors and Audit and Remuneration Committee of Burelle SA*
- Member of the Board of Directors and Audit and Remuneration Committee of Latécoère S.A.*
- Member of the Board of Directors and the Audit Committee of Fives SAS
- Governor and Chair of the Finance Committee of the American Hospital (Association)
- Member of the Board of Directors and Audit Committee and Investment Committee of CGG*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Founder and CEO of Lee Bouygues Partners
- Partner of McKinsey RTS France
- Member of the Board of Directors and the Audit Committee of Vivarte

* French listed company

BERTRAND DUMAZY

Independent director as permanent representative of Sixto

Business address:

14 - 16 boulevard Garibaldi -
92130 Issy les Moulineaux

Age: 48 years

Nationality: French

Date of expiry of term of office: General Meeting called to approve the financial statements for the ended December 31, 2021

Number of Company shares held:
1,350

Bertrand Dumazy began his career in 1994 as a consultant with Bain & Company, first in Paris and later in Los Angeles. He then worked as an Investment Director of BC Partners in 1999 before founding Constructeo. In 2002, he joined the Neopost Group, where he was Director of marketing and strategy. He was appointed Chairman and Chief Executive Officer (CEO) of Neopost France in 2005 and then Chief Financial Officer of the group in 2008. In 2011, he became CEO of Deutsch, a world leader in high performance connectors, a position he held until the Group was acquired by TE Connectivity. In 2012, he joined Materis Group as Executive Vice-President and then CEO and eventually President and CEO of Cromology. In October 2015, he was appointed CEO of Edenred group. He also became Chairman of the Supervisory Board of UTA in November 2015. Bertrand Dumazy is a graduate of ESCP Europe with an MBA from Harvard Business School.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Chairman and Chief Executive Officer of Edenred SA*
- Chairman of the Supervisory Board of Union Tank Exkstein GmbH & Co. KG (Germany - company of the Edenred group)
- President of PWCE Participations SAS (company of the Edenred group)
- Member of the Board of Directors of Terreal SAS

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- President of Cromology (formerly Materis Paints)
- President of Cromology Services (formerly Materis Peinture)
- President of Materis SAS
- President of Materis Corporate Services
- Chairman of the Board of Directors of Cromology SL (formerly Materis Paint Espana SL) - permanent representative of Cromology Services
- Chairman of the Board of Directors of International Coating Products (UK) Limited
- Member of the Board of Directors of Vernis Claessens
- Member of the Board of Directors of Cromology Italia SpA (formerly Materis Paints Italia SpA) (Italy)
- Member of the Board of Directors of Innovcoat Nanoteknolojik Boya Ve Yüsey Urunleri Sanayi Ticaret Ve Arge AS (Turkey)

* French listed company

CHRISTOPHE GÉGOUT**Independent director as permanent representative of the FSP****Business address:**

25 rue Leblanc - 75015 Paris

Age: 43 years**Nationality:** French**Date of expiry of term**

of office: General Meeting called to approve the financial statements for the ended December 31, 2019

Number of Company shares held:0⁽¹⁾

Christophe Gégout began his career in 2001 at the French Treasury and by 2003 worked at the Budget Department, where he was a consultant for the government. In 2007, he became an advisor to the Minister of Finance. He joined the French Alternative Energies and Atomic Energy Commission (CEA) in April 2009 as Chief Financial Officer, and became Deputy Managing Director in September 2015. He has also been Chairman of CEA Investissement, a subsidiary of CEA, since January 2010. In 2018, he became the new President of the Alliance Nationale de Coordination de la Recherche pour l'Énergie (Ancre). He is now Senior Investment Director at Meridiam, a global leader in public infrastructure investment and asset management serving the community. Christophe Gégout is a graduate of École Polytechnique, Sciences-Po Paris and ENSAE (École Nationale de la Statistique et de l'Administration Économique).

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Member of the Board of Directors and Chairman of the Audit Committee of Soitec*
- Member of the Board of Directors of Allego BV

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Member of the Board of Directors of Séch  environnement
- Permanent representative of the CEA, member of the Supervisory Board of Areva*
- Permanent representative of CEA Investissement, non-voting member of the Board of Directors of Areva*
- Director of Areva NC
- Director of Areva Mines
- Assistant Managing Director of the French Atomic Energy and Alternative Energies Commission (CEA)
- Chairman of the Board of Directors of CEA Investissement
- Member of the Supervisory Board of Supernova Invest
- Permanent representative of CEA, director of FT1CI
- Permanent representative of CEA Investissement, non-voting member on Kalray's* Supervisory Board

(1) The Fonds Strat gique de Participations, of which Christophe G gout is a permanent representative, is a shareholder in the Company (refer to section 7.3 "shareholders" of this document).

* French listed companies

6.1.2 NON-VOTING MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors may appoint non-voting directors. In particular, the Board of Directors ensures that non-voting directors are aware of Market Abuse Regulation ("MAR") Directive, and more specifically the rules on abstention, use and disclosure of inside information.

Non-voting directors are invited to attend and may be consulted by the Board of Directors as observers. The Board of Directors may entrust specific duties to non-voting directors; they may be part of and chair - subject to compliance with the recommendations of the AFEP-MEDEF Code, in particular with regard to independence requirements - committees created by the Board of Directors.

Any remuneration of non-voting directors is set by the Board of Directors. The Board of Directors may decide to pay non-voting directors a share of the total annual remuneration allocated to it by the shareholders' meeting and authorise the reimbursement of expenses incurred by non-voting directors in the interest of the Company.

JACQUES VEYRAT

Non-voting Director**Business address:**

4 rue Euler - 75008 Paris

Age: 57 years**Nationality:** French**Date of expiry of term**

of office: General Meeting called to approve the financial statements for the ended December 31, 2021

Number of Company shares held:0⁽¹⁾

Jacques Veyrat began his career in 1989 at the Industrial Restructuring Interdepartmental Committee (treasury department), where he was rapporteur until 1991. From 1991 to 1993, he was deputy secretary general of the Paris Club, and subsequently became a technical advisor to the Ministry of Transportation Equipment, Tourism and the Sea as of 1993. In 1995, he joined the Louis Dreyfus group as Managing Director of Louis Dreyfus Armateurs until 1998, before becoming Chairman and CEO of Louis Dreyfus Communications (Neuf Cegetel) from 1998 to 2008 and Chairman and CEO of the Louis Dreyfus group until 2011. Since 2011, he has been President of Impala SAS. Jacques Veyrat graduated from the École Polytechnique and Collège des Ingénieurs, and is an engineer of the Corps des Ponts et Chaussées.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

- Chairman of Impala SAS
- Chairman of the Board of Directors of Fnac-Darty*
- Director of Nexity*
- Non-voting member of the Supervisory Board of Louis Dreyfus Armateurs
- Non-voting member on the Board of Directors of ID Logistics*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Member of the Supervisory Board of Eurazeo*
- Director of Direct Energie*
- Director of ID Logistics Group
- Director of Imerys
- Director of HSBC France
- Non-voting member on the Supervisory Board of Sucres et Denrées

(1) Jacques Veyrat controls Impala SAS, which is the Company's reference shareholder.

* Listed French companies

6.1.3 PROPOSAL TO THE ANNUAL SHAREHOLDERS' MEETING TO RENEW THE TERMS OF OFFICE OF DIRECTORS

6.1.3.1 PROPOSAL TO RENEW THE TERM OF OFFICE OF SIMON VEYRAT

Simon Veyrat's term of office as a director expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2019, i.e. at the next annual shareholders' meeting.

Simon Veyrat was appointed a director of the Company on September 12, 2018, the date on which the Company became a limited company (*société anonyme*), upon proposal of the reference shareholder Impala, and the expiry of his term of office was set on this date in the event of the completion of the Company's IPO, in order to ensure the gradual renewal of the Board of Directors, in accordance with the recommendations of the AFEP-MEDEF Code.

The Company's annual shareholders' meeting will be asked to renew Simon Veyrat's appointment as a director for a period of four years expiring at the end of the ordinary shareholders' meeting approving the financial statements for the financial year ending on December 31, 2023.

Simon Veyrat, due to his proposed appointment by Impala, is not currently and would not be considered an independent director as at the date of his renewal, if applicable.

This renewal would ensure the representation of Impala, the Company's reference shareholder, as well as the stability of the Company's corporate bodies.

6.1.3.2 PROPOSAL TO RENEW THE TERM OF OFFICE OF THE FONDS STRATÉGIQUE DE PARTICIPATIONS

The term of office as director of the Fonds Stratégique de Participations (FSP) expires at the end of the shareholders' meeting called to approve the financial statements for the financial year ended on December 31, 2019, i.e. at the next annual shareholders' meeting.

The FSP, represented by Christophe Gégout, was co-opted as a director of the Company on November 21, 2018 for the remainder of his predecessor's term of office, Mr Christophe Gégout, who decided to resign as a director in his own name. This co-optation was made pursuant to an agreement entered into on October 2, 2018 between the Company and the FSP in connection with the admission of the Company's shares to trading on the regulated market of Euronext Paris. Under the terms of this agreement, in consideration for the commitments made by the FSP, the Company agreed to make its best efforts to appoint the FSP as a director of the Company before December 31, 2018 and agreed for a period of six (6) years from October 2, 2018 and as long as the FSP's stake in the Company remains higher than 5 % of the capital, to recommend to the general shareholders' meeting to vote in favour of any resolution relating to the renewal of the FSP as a director of the Company.

The annual shareholders' meeting will be asked to renew the term of office of the Fonds Stratégique de Participation as a director for a period of four years expiring at the end of the ordinary shareholders' meeting called to approve the financial statements for the financial year ending December 31, 2023.

It should be noted in particular that the FSP is an investment vehicle designed to encourage long-term investment in French companies, whose investors include CARDIF Assurance Vie (BNP Paribas Group), CNP Assurances, PREDICA (Crédit Agricole Group), SOGECAP (Société Générale Group), Groupama, BPCE

Vie (Natixis Assurances Group) and SURAVENIR (Crédit Mutuel ARKEA Group), and that neither the FSP nor any of its investors have significant commercial relations with the Company. Furthermore, the 7.5 % stake held by the FSP in the Company does not affect its independence given the profile of this professional investor and the absence of any other or previous link with the Company.

The Fonds Stratégique de Participations is therefore currently and, as of its renewal, would be considered as an independent director.

This renewal would ensure a balance in the composition of the Board of Directors, and is in line with the Company's commitments under the agreement entered into with the FSP on October 2, 2018.

Mr Christophe Gégout, permanent representative of the FSP, meets all the independence criteria referred to in 6.2.1.4. of this document.

6.2 ORGANISATION OF CORPORATE GOVERNANCE

6.2.1 PRINCIPLES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

6.2.1.1 RULES APPLICABLE TO THE COMPOSITION OF THE BOARD OF DIRECTORS

The Company is governed by a Board of Directors comprising at least three members and no more than eighteen members, appointed by the ordinary shareholders' meeting.

A legal entity may be appointed as a director but it must, under the conditions provided for by law, appoint a natural person who will act as its permanent representative on the Board of Directors.

The Board of Directors is renewed each year in rotation, so that this rotation concerns a portion of the members of the Board of Directors.

The ordinary shareholders' meeting has set the term of office of directors at four years, subject to the legal provisions allowing an extension of the term of office. The duties of each director will terminate following the ordinary shareholders' meeting called to approve the financial statements of the prior financial year and which is held in the year during which such director's term expires.

As an exception, the shareholders' meeting may, for the implementation or maintenance of a principle of staggered renewal of the Board of Directors, appoint one or more directors for a different term not exceeding four years or reduce the term of office of one or more directors in office to less than four years. The duties of any director so appointed or whose term of office is modified for a period not exceeding four years shall end at the end of the ordinary shareholders' meeting that has approved the financial statements of the previous financial year and held in the year during which such director's term of office expires.

6.2.1.2 INTERNAL REGULATIONS FOR THE BOARD OF DIRECTORS

The Board of Directors of the Company adopted on September 12, 2018, and updated on April 17, 2019 and March 25, 2020, internal regulations describing the composition, duties and rules governing its operation in addition to the applicable legislative, regulatory and statutory provisions.

(i) Participation in Board of Directors meetings by videoconference or any other means of communication

In accordance with the provisions of Article L.225-37 of the French Commercial Code, and as stipulated in Article 14.3 of the bylaws, meetings of the Board of Directors may be held by any methods of videoconference or telecommunications enabling the directors to be identified and guaranteeing their effective participation, i.e. which transmits at least the voice of the participants and complies with technical characteristics enabling the uninterrupted and simultaneous transmission of the deliberations in order to enable them to participate in Board of Directors meetings.

Any members of the Board of Directors taking part in Board meetings via videoconference or other means of telecommunication under the conditions set out above are considered as being present for the calculation of the quorum and majority.

The attendance register mentions the names of the members who participate in the Board of Directors meeting by such means.

The minutes must mention the possible occurrence of a technical incident when it has disrupted the conduct of the meeting.

The methods of participation described above do not apply to the approval of those decisions defined by Articles L.232-1 and L.233-16 of the French Commercial Code relating respectively to the establishment of the annual financial statements and the management report and to the establishment of the Group's consolidated financial statements and management report.

The aforementioned exclusions relate solely to the inclusion of those directors taking part remotely in the calculation of the quorum and majority and not to the possibility of the relevant directors to take part in the meeting and give their opinions, on a non-voting basis, on the relevant decisions.

Participation via videoconference or telecommunications may also be refused by the Chairman for technical reasons, to the extent that such technical reasons would prevent the holding of the meeting of the Board of Directors via videoconference or other means of telecommunication in accordance with the applicable legal and statutory conditions.

For the purpose of carrying out a written consultation with the Directors in the cases provided for by law and the bylaws of the Company, the Chairman of the Board of directors must send to or make available to each director, the text of the proposed deliberations as well as the documents necessary for its information.

The directors have a period of five days from the date on which the draft deliberations are sent or made available to cast their vote in writing, except for a shorter period requested by the Chairman of the Board of directors in the event of emergency. The vote is formulated for each deliberation by the words “yes” or “no” or “abstention”. The directors’ response must be sent to the Company by e-mail or letter delivered by hand against discharge or by private deed to the attention of the President, at the address of the Company’s registered office.

(ii) Reserved matters of the Board of Directors

According to the terms of Article 15 of the bylaws, the Board of Directors sets the limits on the powers of the Chief Executive Officer, if applicable, according to its internal regulations, defining the decisions for which the prior approval of the Board of Directors is required.

According to the terms of Article 4.2 of the internal regulations of the Board of Directors, without prejudice as to those decisions expressly reserved by law for general shareholders’ meetings and without prejudice to the general powers of the Board of Directors to examine any question concerning the conduct of Company business, the following decisions relating to the Company and/or any one of its subsidiaries, as applicable, and any measure leading in practice to the same consequences as those resulting from one of the following decisions which the Chief Executive Officer and/or the Deputy Chief Executive Officers or the corporate officers may wish to make shall be subject to prior approval of the Board of Directors, voting on the basis of a simple majority of this members present or represented:

- (i) any acquisition or disposal (in particular by means of sale, merger, spin-off, or partial asset contribution) by the Company or one of its subsidiaries of an asset or equity investment of more than €10,000,000 (with the exception of potential transactions to be carried out by the Company or one of its subsidiaries in the assets or equity securities of subsidiaries that are wholly owned, directly or indirectly, by the Company);
- (ii) approval or modification of the Company’s annual budget;

- (iii) any investment by the Company or by one of its subsidiaries, immediately or in the future, in equity or expenses relating to a project not included in the budget (including any partnership or joint venture agreement) for a unit amount greater than €15,000,000;
- (iv) any investment or expense by the Company or one of its subsidiaries relating to a project included in the budget or authorised by the Board of Directors or the Supervisory Board, as the case may be, for an amount that results in an increase of more than 15 % of the equity provided for in the budget or authorized by the Board of Directors or the Supervisory Board, as the case may be, for such project;
- (v) the adoption of a new business plan or any modification to the current business plan;
- (vi) any change in the form or corporate purpose of the Company, and any strategic change in the nature of its activities;
- (vii) any transfer or sale of all or nearly all of the Company’s assets, or any merger, spin-off, winding up, or liquidation of the Company (except for any transactions with a Group company that are merely internal reorganisation transactions without any effect on the shareholders’ rights and obligations);
- (viii) the entry into or amendment by the Company of any loan or corporate financing agreement with a person other than a Group company or one of its shareholders, and any guarantee, endorsement, or any other similar payment undertaking of the Company in an amount exceeding 5 % of the total amount of the Group’s indebtedness, it being specified that all projects that are part of the same decision or the same call for tenders shall be combined for purposes of the thresholds provided for in this paragraph (viii);
- (ix) the decision to (x) change the stock exchange on which the Company is listed, (y) conduct an initial public offering of the Company on another regulated market in addition to Euronext Paris, or to (z) conduct an initial public offering of a subsidiary of the Company on a regulated market; and
- (x) the decision to transfer the registered office outside of France (or move the main decision-making centres outside of France).

(iii) Lead director

The Board of Directors may decide to appoint a Lead director if it deems it useful or necessary, under the conditions set out by Article 1.3 of its internal regulations.

Appointment of lead director

When the Company’s senior management is assumed by the Chairman of the Board of Directors, the Board of Directors may appoint from among its qualified independent members, on the recommendation of the Nomination and Compensation Committee, a lead director (“Lead Director”).

The Lead Director is appointed for a term that may not exceed his/her term of office. He/she can be re-elected and may be dismissed from his/her duties as Lead Director by the Board of Directors at any time, it being specified that his/her duties will

end early if the duties of Chairman of the Board of Directors and Chief Executive Officer are separated before the end of his/her term of office.

Responsibilities and powers of the Lead Director

The responsibilities of the Lead Director are as follows:

Organisation of the Board of Directors' work

The Lead Director:

- may be consulted by the Chairman of the Board of Directors with respect to the draft of the meetings calendar submitted to the Board for approval and on the draft agenda for each of the Board's meetings. he/she may propose the inclusion of items on the agenda of the Board's meetings to the Chairman, at his own initiative or at the request of one or more members of the Board of Directors;
- he/she may ask the Chairman to call a Board meeting to discuss a particular agenda;
- he/she may gather the members of the Board of Directors outside the presence of executive officers together in so-called executive sessions, at his/her own initiative or at the request of one or more members of the Board of Directors, on a specific agenda;
- he/she chairs the meetings of the Board in the absence of the Chairman;
- he/she ensures compliance with the internal regulations; and
- he/she assists the Nomination and Compensation Committee in assessing the functioning of the Board of Directors and reports on this assessment to the Board of Directors.

Relationships with the directors

The Lead Director shall maintain a regular and open dialogue with each member of the Board of Directors, particularly the independent directors, and may become their spokesperson to the Chairman, if necessary. The Lead Director ensures that the members of the Board of Directors are able to perform their duties under the best possible conditions and, in particular, receive a high level of information prior to Board meetings.

Functioning of the governance bodies

The Lead Director:

- may attend and participate in any Committee meeting, including the ones in which he/she is not a member. If he/she is not a member of the Nomination and Compensation Committee, he is automatically associated with the work of this Committee; and
- may be appointed as chairman of one or more Board of Directors committees.

Management of conflicts of interest

Notwithstanding the obligation of declaration of conflicts of interest imposed on each member of the Board of Directors provided for in the internal regulations of the Board of Directors, the Lead Director draws the attention of the Board of Directors to any conflict of interest (even potential), that he/she has identified.

Relationships with the shareholders

The Lead Director takes note of shareholder inquiries in matters relating to governance and ensures that such inquiries are answered.

He/she assists the Chairman or Chief Executive Officer in yearswearing shareholder inquiries, remains available to meet some of them, and shares the shareholders' possible concerns about governance with the Board of Directors.

Resources made available to the Lead Director and report on his/her work

In order to carry out the duties referred to above, the Lead Director has access to all documents and information that he/she deems necessary for the performance of his/her duties.

The Lead Director reports on his/her work to the Board of Directors annually during the assessment of the functioning of the Board of Directors provided for in the internal regulations of the Board of Directors. He/she attends general shareholders' meetings and may be invited by the Chairman to report on his actions during these meetings.

6.2.1.3 CORPORATE GOVERNANCE CODE

The Company shall comply with the recommendations of the AFEP-MEDEF Code in its revised version of January 30, 2020.

The AFEP-MEDEF Code is available online at: www.medef.com. The Company ensures that copies of this Code are available to members of its corporate bodies at all times.

6.2.1.4 REVIEW OF THE INDEPENDENCE OF DIRECTORS

In accordance with Article 1 (ii) of the Internal Rules of the Nomination and Compensation Committee, the Committee shall assess *"each year, prior to the publication of the Company's annual corporate governance report, the position of each member of the Board of Directors with regard to the independence criteria adopted by the Company"*.

In accordance with the AFEP-MEDEF Code, to which the Company adheres, and the internal regulations of the Board of Directors (article 1.2), directors who do not have any relationship with the Company, its mother company, its Group or its management, of any kind whatsoever that may compromise their freedom of judgement are considered independent. In particular, the criteria to be considered by the Nomination and Compensation Committee and the Board of Directors in order to consider a director as independent are as follows:

- may not be an employee or executive officer of the Company, may not be an employee or Director of the parent company or of a company or entity in the Group, and may not have been so during the previous five years;
- may not be an executive officer of a company in which the Company directly or indirectly serves as a director or in which an employee appointed as such or a company officer of the Company (currently or in the last five years) serves or has served as a director;

- (iii) may not be a significant customer, supplier, investment banker, or corporate finance banker of the Company or the Group, or for which the Company or the Group represents a significant share of its business;
- (iv) may not have any close family relationship with an officer of the Company;
- (v) may not have been, during the previous five years, the statutory auditor of the Company;
- (vi) may not have been a Director of the Company for longer than twelve years, it being specified that the loss of independent director status occurs on the twelve years anniversary date.

According to the AFEP-MEDEF Code, with regard to the criterion mentioned in point (iii) above, the assessment of whether or not the relationship with the Company or its group is significant must be discussed by the Board of Directors and the quantitative and qualitative criteria that lead to this assessment contained in the corporate governance report.

For directors holding more than 10 % of the share capital or voting rights of the Company, or representing a legal person holding such an interest, the AFEP-MEDEF Code further recommends that the qualification as an independent director take into account the composition of the Company's capital and the existence of a potential conflict of interest.

	Xavier Barbaro	Simon Veyrat	Stéphanie Levan	Bpifrance Investissement	Helen Lee Bouygues	Sixto	FSP
Criteria 1: Must not be or have been an employee or executive officer of the Company, its parent company or one of its subsidiaries during the five past years				●	●	●	●
Criteria 2: Must not be an executive officer of a company where the Company holds a directorship	●	●	●	●	●	●	●
Criteria 3: Must not have significant business relationships with the Company	●	●	●		●	●	●
Criteria 4: Must not have a close family relationship with one of the Company's corporate officers	●	●	●	●	●	●	●
Criteria 5: Must not have been an auditor of the Company within the five past years	●	●	●	●	●	●	●
Criteria 6: Must not have been a director of the Company for more than 12 years	●	●	●	●	●	●	●
Criteria 7: Must not have received a significant compensation from the Company as a nonexecutive corporate officer		●	●	●	●	●	●
Criteria 8: Must not represent a significant shareholder of the Company (according to the Board of directors' analysis)	●			●	●	●	●
Independent director	NO	NO	NO	NO	YES	YES	YES

● Independence criteria satisfied

Pursuant to these criteria, the following persons were previously considered independent, on the occasion of the Company's IPO in October 2018 and during the Board meeting of April 17, 2019: Helen Lee Bouygues, Bertrand Dumazy (as permanent representative of Sixto, director) and Christophe Gégout (as permanent representative of the Fonds Stratégique de Participations (FSP), director).

No new facts impact the analysis carried out by the Board of Directors on April 17, 2019, with the exception of the situation of Bpifrance Investissement, which gave rise to a new review by the Board of Directors.

With regard to the composition of the Company's capital:

- three directors (Stéphanie Levan, Xavier Barbaro and Simon Veyrat) should not be considered independent given their appointment on the proposal of the reference shareholder Impala SAS;
- three directors (Helen Lee Bouygues, Bertrand Dumazy as permanent representative of Sixto, director) and Christophe Gégout (as permanent representative of the Strategic Investment Fund (FSP), director) may be considered as independent from the Company, according to these criteria, as:
 - they meet all the independence criteria contained in the Board of Directors' internal regulations and the AFEF-MEDEF Code; and
 - the independence assessment made by the Board when they were appointed and, for the FSP and Mr Christophe Gégout, when proposing their renewal, is still valid and they must therefore be qualified as independent directors.

Bpifrance Investissement's stake represents 5.86 % of the Company's capital, down sharply compared with the 13.85 % stake held before the IPO, and this stake is less than 10 % of the capital. Given this reduced shareholding percentage, as well as Bpifrance Investissement's professional investor profile and the end of its rights under the shareholders' agreement that existed before the IPO which took place more than eighteen months from the date of this document, Bpifrance Investissement could be considered independent if it does not have a significant business relationship with the Company.

The review of the business relationship between the Company and Bpifrance Investissement revealed that Bpifrance remains a Group financing bank. It is considered that this relationship does not currently allow Bpifrance Investissement to be considered an independent member of the Board of Directors.

As a result of this analysis, the Company's Board of Directors, meeting on March 25, 2020, after having obtained the opinion of the Nomination and Compensation Committee, concluded that three directors (Helen Lee Bouygues, the company Sixto, whose permanent representative is Bertrand Dumazy, and the FSP, whose permanent representative is Christophe Gégout) can be considered as independent with regard to the above-mentioned criteria.

6.2.1.5 DIVERSITY POLICY APPLIED TO MEMBERS OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE AND DIVERSITY IN THE 10 % OF POSITIONS WITH THE GREATEST RESPONSIBILITY

Diversity within the Board of Directors

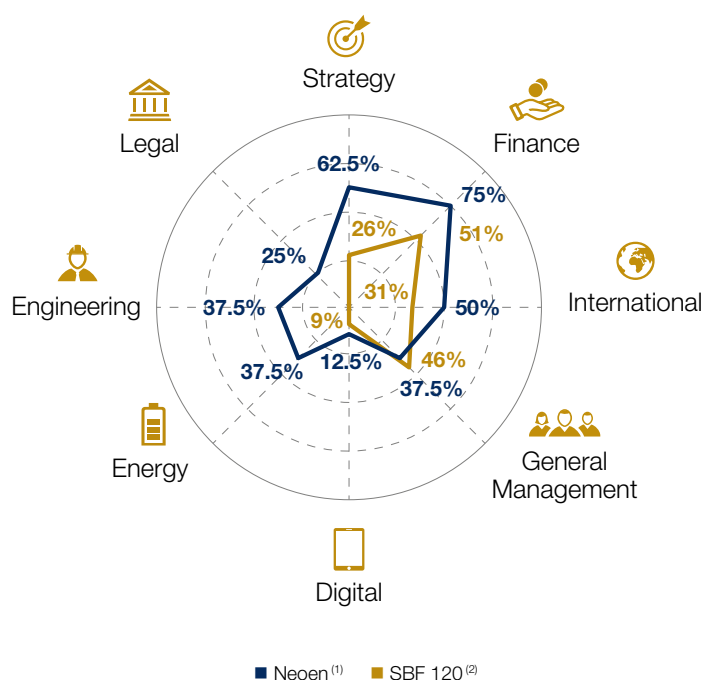
The Board of Directors has implemented a diversity policy aimed at obtaining a composition that achieves a good balance and a fair distribution of experiences, qualifications, cultures, ages, nationalities and seniority, in line with the needs of the Company. The search for this diversity results in a balanced composition within the Board of Directors, taking into account in particular the following elements: (i) the desired balance in the Board of Directors in view of the Company's shareholders, (ii) the desired number of independent members, (iii) the proportion of men and women required by the regulations in force, and (iv) the integrity, competence, experience and independence of each candidate.

It is reminded that, to date, the proportion of independent directors is 42 %, which is above the ratio recommended by the AFEF-MEDEF Code for companies with controlling shareholders, and that the chairmen of the Audit Committee and the Nomination and Compensation Committee are independent directors.

This policy includes a requirement for diversity in the composition of the Board of Directors and its Committees. In fact, three out of seven members currently sitting in the Board are women, a mix rate (42 %) that is higher than the applicable legal requirements (40 %). The majority of the members sitting in the Audit Committee are women and the majority of the members sitting in the Nomination and Compensation Committee are men. It would be advisable to maintain a balanced representation ratio of women and men at least equal to the legal requirements, as well as a mixed composition of the Committees.

The balanced representation of women and men is discussed each year in the Board of Directors, and one session per year of the Nomination and Compensation Committee includes an item on diversity policy on its agenda.

The diversity policy also takes into account the directors' various and complementary skills. Some have strategic skills, others have financial or more specific skills (legal, managerial experience, engineering). The majority of directors have extensive professional experience in various business segments and in senior positions, most of whom are already or have already held directorships or corporate offices in other French or foreign companies, some of which are public companies. These diversified profiles complement the Board members' expertise and experience, which allows them to quickly and thoroughly apprehend the Company's development challenges and to make informed and quality decisions.



(1) These skills include the non-voting directors' skills.

(2) Source : "2019 Governance panorama" released by Ernst and Young, excluding "Energy", "Engineering" and "Legal" skills.

The diversity of experiences and points of view as well as the directors' independence allow for the necessary objectivity and independence in the Board of Directors with regard to the senior management and with regard to the shareholders or a group of shareholders in particular. The terms of office and their extension also contribute to the proper functioning of the Company's corporate bodies. These elements allow the directors to have a quality of judgement and an ability to anticipate, which allows them to act in the Company's social interest and to face the challenges facing the Group.

The Board of Directors is also international in nature due to the presence of Helen Lee Bouygues, a US citizen with international experience, and Bertrand Dumazy, who heads a group with a large international presence, and Xavier Barbaro, as the Group operates in 14 countries.

The directors are currently between 29 and 48 years old, with an average of 43 years.

In light of the above, at its meeting of March 25, 2020, the Company's Board of Directors considered the diversity of skills within the Board of Directors to be satisfactory.

Gender balance on the Executive Committee

The representation of women on the Executive Committee remains at 20 %, as in the previous year. The quality of the profile of the General Counsel, who is a member of the Executive Committee, is noted, as she had first-rate experience before joining the Company, both in terms of her academic studies and professional experience.

The Company is ahead of the recommendations of the HCE (High Committee on Gender Equality) which, in its report of December 17, 2019, recommended the introduction of the following quotas for women in executive committees of listed companies: for committees with more than eight members: 20 % in 2022, 40 % in 2024; for committees of eight members and less: one woman in 2022 and a maximum gap of two in 2024.

By 2022, the Company will annually monitor the place of women on its Executive Committee and the profile of its members, with a view to continuing to comply with the HCE recommendation.

Results in terms of gender diversity in the 10 % of positions with the greatest responsibility

On December 31, 2019, women accounted for 32.4 % of the Group's total workforce and 28.6 % of the 10 % of positions with the greatest responsibility.

The Group continues its efforts and also ensures that there is a satisfactory distribution of men and women and a wide diversity of backgrounds and nationalities (around 30 nationalities).

The Company continues to implement its commitment to diversity and gender balance. This trend should be maintained with the aim of improving the figures.

6.2.2 PRINCIPLES GOVERNING THE FUNCTIONING OF THE GOVERNANCE

6.2.2.1 METHOD OF GOVERNANCE

(i) Combination of the functions of Chairman of the Board of Directors and Chief Executive Officer

Xavier Barbaro was appointed Chairman and Chief Executive Officer at the Board meeting of September 12, 2018, with immediate effect.

Following the opinion of the Nomination and Compensation Committee, the Board of Directors concluded that not separating the functions of Chairman and Chief Executive Officer would ensure continuity with the separation of the powers between the statutory corporate bodies of the Company in its form as a simplified joint stock company, so that the change in the corporate form would not have any effect on the way in which the Company's senior management is exercised.

Xavier Barbaro held the position of Chief Executive Officer of the Company and Chairman of the Supervisory Board of the Company in its previous corporate form as a simplified joint stock company until it was changed into a limited company (*société anonyme*) on the same date, September 12, 2018.

(ii) Executive Committee

As at the date on which the corporate governance report was approved by the Board of Directors, being March 25, 2020, the Executive Committee was comprised of five members including Xavier Barbaro:

Romain Desrousseaux	Deputy Chief Executive Officer
Paul-François Croisille	Chief Operating Officer
Louis-Mathieu Perrin	Chief Financial Officer
Olga Kharitonova	General Counsel

Xavier Barbaro's resume is presented in 6.1.1 of this document.

Romain Desrousseaux began his career in 1999 at LDCOM, in charge of the investment program in the high speed broadband internet network. In 2008, he joined the Louis Dreyfus Commodities group as deputy Chief Information Officer, then he took over operations management for the African and Middle East region. Romain Desrousseaux is an alumnus of the École Normale Supérieure.

He joined Neoen in 2013 as Deputy Chief Executive Officer in charge of international project development, and member of the Executive Committee.

At its meeting of April 17, 2019, upon proposal of the Chairman and Chief Executive Officer and after receiving the opinion of the Nomination and Compensation Committee, the Company's Board of Directors decided to appoint Romain Desrousseaux as Deputy Chief Executive Officer (*directeur général délégué*).

This appointment is justified by the importance of the development of international projects as part of the implementation of the Company's strategy and the desirability that these development activities be directly supervised by a corporate officer of the Company. In accordance with the law, a Deputy Chief Executive Officer has the legal power to represent the Company and has the same powers with respect to third parties as the Chief Executive Officer.

Paul-François Croisille joined LDCOM in 2000 where he developed transmission systems and then operator communication services, after ten years in innovation and marketing at France Télécom and with the Spanish operator Uni2. In 2003, he launched Swisscom Hospitality Services' business in France before taking over global operations management in 2006. Paul-François Croisille joined Neoen in 2010. He graduated from École Polytechnique with a degree in telecommunications and holds an MBA from Harvard Business School.

Louis-Mathieu Perrin began his career in audit and financial consulting for five years before joining Pictet Asset Management in 2006, initially as an analyst before becoming an Investment Manager. In 2009, he joined EY, where he became associate director, and worked in particular with players in the energy sector. In 2014, he was appointed Chief Financial Officer of the Direct Énergie group, before moving to Voodoo in 2018, in similar positions. He joined Neoen in 2019 as Group CFO. Louis-Mathieu Perrin is a graduate of Sciences Po Paris.

Olga Kharitonova began her career in Moscow in 2000 with the European Business Club (an association representing the interests of European businesses in Russia) before joining Bureau Francis Lefebvre. Admitted to the Paris bar in 2006, she then joined the Paris office of Cleary Gottlieb Steen & Hamilton LLP where she advised clients on complex international transactions. Olga Kharitonova joined Neoen in 2018. She graduated from the State University of Moscow (Lomonossov), from the Paris IEP and holds a master's degree in business law from the Paris I-Sorbonne University.

(iii) Powers of the Chief Executive Officer (Article 16 of the bylaws)

The Chief Executive Officer is vested with all powers to act in all circumstances in the name of and on behalf of the Company. He exercises these powers within the limit of the corporate purpose and subject to those powers that the law and the bylaws expressly reserve to the general shareholders' meetings and the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is committed even by the actions of the Chief Executive Officer which do not fall within the corporate purpose, unless it can prove that the third party knew that the action exceeded this purpose or that he could not ignore it in the relevant circumstances, it being clarified that the publication of the bylaws alone shall not in itself be sufficient proof thereof.

Upon proposal of the Chief Executive Officer, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer with the title of Deputy Chief Executive Officer (*directeur général délégué*). The maximum number of Deputy Chief Executive Officers is set at three.

With the Chief Executive Officer's agreement, the Board of Directors determines the extent and duration of the powers granted to the executive Deputy Chief Executive Officers.

Towards third parties, the executive Deputy Chief Executive Officer(s) have the same powers as the Chief Executive Officer.

Nevertheless, they must obtain the prior approval of the Board of Directors for matters listed in section 6.2.1.2 (ii) "matters reserved to the Board of Directors" in this document.

(iv) Succession Plan

Under Article 1 (i) of the Internal Rules of the Nomination and Compensation Committee, the Committee is required to prepare and maintain a succession plan for the members of the Board of Directors, its committees and the Company's executive officers, in order to be in a position to propose quickly to the Board of Directors succession solutions, especially in case of unforeseeable vacancy.

At its meeting on April 17, 2019, the Board of Directors, after receiving the opinion of the Nomination and Compensation Committee, examined this point and considered the following:

- the appointment of a Deputy Chief Executive Officer by the Board of Directors enables the Company to appoint him/her as part of the immediate succession of the Chief Executive Officer in the event of an unforeseeable vacancy. This internal solution has the advantage of ensuring a certain form of continuity as well as the thorough knowledge of the Company by the successor thus appointed, even if, depending on the circumstances at the time, the Board may wish to identify another candidate whose profile would more closely suit the role of Chief Executive Officer of the Company when the time comes;
- the appointment of a lead director by the Board of Directors enables the Board to play the role of interim successor by immediately assuming the duties of Chairman of the Board of Directors in the event the position becomes vacant unexpectedly. Given the role of the lead director, this would enable the Company and its Board of Directors to also benefit from a certain form of continuity in the corporate bodies and the knowledge of the Company by the successor thus appointed, even if, depending on the circumstances at the time, the Board may wish to identify, either temporarily or on a more permanent basis, another candidate whose profile would better fulfil the role of Chairman of the Board of Directors of the Company when the time comes.

Regarding the members of the Board of Directors, this subject is currently being discussed, it being reminded, however, that three out of the nine directors are legal persons and thus the question of succession does not arise with regard to them, with the exception of Sixto, and that, with respect to Impala, Jacques Veyrat resigned from his position as a member of the Supervisory Board of the Company under its former form of simplified limited company (*société par actions simplifiée*) to give way to his son, Simon Veyrat, who also performs duties in Impala. Identifying potential candidates likely to face an unforeseeable vacancy of a director could also be a possible approach.

Lastly, the Board of Directors, after receiving the opinion of the Nomination and Compensation Committee, initiated discussions

on the succession of members of the Executive Committee who are not executive officers, namely Olga Kharitonova, General Counsel, Paul-François Croisille, Chief Operating Officer and Louis-Mathieu Perrin, Chief Financial Officer, in order to ensure continuity of management in the event of an unforeseen vacancy.

6.2.2.2 RULES APPLICABLE TO THE OPERATION OF THE BOARD OF DIRECTORS

(i) Duties (internal regulations - Article 4)

The Board of Directors shall perform the responsibilities and exercise the powers attributed to it by law, the Company's bylaws, and the internal regulations of the Board and its committees. It shall determine and evaluate the Company's strategic direction, objectives, and performance, and supervise their implementation in accordance with its corporate interest, taking into account the social and environmental challenges of its business. Subject to the powers attributed to the shareholders' meetings and within the limit of the corporate purpose, the Board may address any question concerning the Company's operations and shall settle the matters within its purview through its deliberations.

The Board shall carry out the audits and verifications that it believes appropriate and may request communication of documents that it deems useful in order to carry out its responsibilities.

The Board of Directors shall also work to promote value creation over the business's long term, taking into account the employment, societal, and environmental dimensions of its activities. Where necessary, it shall propose any amendments to the corporate purpose set forth in the bylaws that it shall deem appropriate. It shall also be informed of developments on the markets, of the competitive environment, and of the principal challenges facing the business, including with regard to social and environmental responsibility.

The Board of Directors shall regularly examine, in light of the strategy that it has defined, the Company's opportunities and risks, including financial, legal, operational, social, and environmental risks, as well as the measures taken as a result. To that end, the Board of Directors shall obtain all information from the Company's executive officers that it needs to perform its responsibilities.

The Board of Directors shall ensure that the executive officers implement a non-discrimination and diversity policy, in particular with respect to the balanced representation of women and men on management bodies.

With regard to the regular assessment of agreements relating to arms' length transactions entered into under normal conditions, the Board of Directors ensures that a meeting is held each year to re-examine the nature of the agreements in question. During the financial year, monitoring of arms' length agreements is established and managed by an ad hoc committee composed of the Group Chief Financial Officer and the General Counsel. This monitoring is summarised in a monitoring table including the date of conclusion of the agreement, its main characteristics as well as the reasons why it is considered to be arms' length.

(ii) Directors' competence and expertise (Article 3.4 of the internal regulations)

Members of the Board of Directors must have the following essential attributes:

- they must be attentive to the corporate interest;
- they must have good judgment, in particular with respect to situations, strategies, and people, relying in particular on their experience;
- they must have the ability to anticipate risks and strategic challenges;
- they must have integrity and be present, active, and involved.

(iii) Ethics (conflicts of interest, family links, service contracts)

Criminal record and bankruptcy

To the Company's knowledge, over the course of the last five years:

- none of the aforementioned individuals has faced any conviction in relation to fraudulent offences;
- none of the aforementioned individuals has been associated with any bankruptcies, receiverships, liquidations or companies put into administration;
- no official public indictment and/or sanctions has been handed down against any one of the aforementioned individuals by any statutory or regulatory authorities (including any designated professional bodies);
- none of the aforementioned individuals has been disqualified by any court from acting as member of a management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of an issuer.

Family links

As at the date of this document, to the Company's knowledge, other than the family relationship between Jacques Veyrat (non-voting member of the Board of Directors and majority shareholder of the Company through Impala SAS) and his son Simon Veyrat (member of the Board of Directors), there are no family relationships among the members of the Board of Directors mentioned or between members of the Board of Directors and members of the Company's Executive Committee.

Conflicts of interest

According to the terms of Article 3 of the Board of Directors' internal regulations, each member of the Board of Directors must inform the Board about any conflict of interest (even potential) and must not vote in the corresponding deliberation.

As at the date of this document, to the Company's knowledge, there are no potential conflicts of interest between the duties of the directors or executive officers with regard to Neoen and their private interests or other duties.

To the Company's knowledge, no arrangement or agreement has been entered into with any of the main shareholders, a client, a

supplier or any third party in performance of which any member whatsoever of the Board of Directors or an executive officer may have been appointed to the Board of Directors or Executive Committee respectively.

To the Company's knowledge and as at the date of this document, there are no potential conflicts of interest between the duties owed to the Company by the members of the Board of Directors, set forth in section 6.1.1 "composition of the Board of Directors" herein and of the Company's Executive Committee and their private interests.

As at the date of this document, to the Company's knowledge, the restrictions accepted by the members of the Board of Directors listed in section 6.1.1 "composition of the Board of Directors" herein or members of the Company's Executive Committee concerning the disposal of their interests in the Company's share capital are as follows:

- rules relating to preventing insider trading;
- the rules defined by the Company in accordance with the AFEP-MEDEF Code imposing an obligation to hold shares, namely:
 - in accordance with the Board of Directors' internal regulations (Article 3.10), the obligation for each member of the Board of Directors to own (directly or indirectly) five hundred shares throughout his term of office and in any event not later than six months after his appointment,
 - the obligation for executive officers to keep in registered form, until the end of their term, at least five thousand shares, the minimum number set by the Board of Directors,
 - the minimum number of shares issued as free shares or stock subscription or purchase options to be retained by the executive officers until the end of their term, as set by the regulations of the corresponding plans.

6.2.2.3 ASSESSMENT AND WORK OF THE BOARD OF DIRECTORS AND THE COMMITTEES

In accordance with recommendation 9 of the AFEP-MEDEF Code, the Board of Directors must assess its ability to meet the expectations of shareholders, who have given it the mandate to manage the Company, by periodically reviewing its composition, organisation and functioning. The assessment has three objectives:

- review the Board of Directors operating procedures;
- check that important issues are properly prepared and discussed; and
- assess the actual contribution of each director to the Board of Director's work.

Article 7 of Board of Director's internal rules stipulates that the Board of Directors must devote an item of its agenda to the assessment of its operating procedures once a year, taking account of the report of the Nomination and Compensation Committee.

A formal assessment of the Board of Directors and Committees is carried out at least every three years, under the direction of the Nomination and Compensation Committee assisted by the Lead Director, and where appropriate, with the help of an external consultant. In particular, it examines the following points:

- the appropriateness, in the performance of its duties, of the frequency and duration of its meetings as well as of the information that it and each of its members have to deliberate usefully;
- the quality of the preparatory work of the Committees and their composition, which must be such as to guarantee the objectivity of the investigation of the cases they examine;
- the opportunity to reserve certain categories of decisions to the Board of Directors;
- any failure by members of the Board of Directors to fulfil their duties.

An independent firm was appointed to carry out a formal assessment of the operation of the Board of Directors and its Committees by holding individual meetings with each member of the Board of Directors and the non-voting member of the Board of Directors, without the presence of the executive officers

This formal assessment resulted in a positive assessment of the operation of the Board of Directors and its Committees.

In particular, according to the report of the independent firm, it was noted that, in the context of the new governance put in place less than two years ago, the Board of Directors is unanimously perceived as transparent, constructive, operational and effective. Moreover, the quality of governance within the Company is real and is improving. The directors unanimously recognise the commitment and freedom of tone in discussions between the Board of Directors and its Committees and appreciate the quality of the exchanges taking place both between the directors and with the Executive Management. In 2019, the Board of Directors was able to deal with and deliberate on important operational issues, in particular thanks to the directors' solid and complementary skills. The directors who were able to take part in the trips and visits to power plants appreciated them and considered them essential for a better understanding of the Group's business and the local management teams.

Avenues for reflection have been identified, including the following:

- introducing more formalism in the Board of Directors, without reducing its effectiveness or added value;
- strengthening the cohesion of the Board of Directors: the directors would appreciate more contacts outside of Board meetings, the organisation of a decentralised Board meeting, the continuation of visits to sites and plants;
- information on competitor performance indicators and, more generally, access to more external benchmarks;
- desire to further integrate CSR and innovation into the Board of Directors' deliberations.

2019 was marked by more regular activity by the Company's governance bodies, following the very intense activity that preceded and followed the Company's IPO initiated and carried out in 2018. In 2019, the following meetings were held:

- seven Board of Directors meetings;
- three Nomination and Compensation Committee meetings; and
- four Audit Committee meetings.

Board meetings lasted an average of two hours and director attendance was very high, with an average attendance rate of approximately 98 %. The attendance rate of each director is 100 %, with the exception of Sixto, whose permanent representative is Bertrand Dumazy, who were unable to attend one Board of Directors meeting. The work of the Board of Directors focused in particular on the approval of the annual financial report, the 2018 registration document, the 2019 half-yearly financial report, the financing options and in particular the organisation of the OCEANE bond issue, the approval of the 2020 budget, the Group strategy and governance issues (compensation of the Chairman and Chief Executive Officer, members of the Executive Committee, appointment of a Deputy Chief Executive Officer, review of regulated agreements, succession plan for corporate officers, etc.).

Nomination and Compensation Committee meetings lasted an average of one hour. The attendance rate was 100 %.

Audit Committee meetings lasted an average of two hours. The attendance rate was 100 %. The work of the Audit Committee focused in particular on the preparation of the 2018 annual financial statements and the 2019 half-yearly financial statements, the review of risk mapping and internal control.

6.2.2.4 COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors relies on the work carried out by its two specialised committees: the Audit Committee and the Nomination and Compensation Committee. The possibility for the Board of Directors to create these committees is provided for in the Company's bylaws and the main organisational and operating procedures for these committees are set out in the Board of Directors' internal regulations. The Audit Committee and the Nomination and Compensation Committee also have their own internal regulations.

The composition of these specialised committees complies with the recommendations of the AFEP-MEDEF Code.

(i) Audit Committee

(A) Composition

For the composition of the Committee on the date of this document, please refer to section 6.1.1 of this document.

The Audit Committee is comprised of three members, at least two thirds of whom are independent directors as per Article 1.2 of the Board of Directors' internal regulations. Members of the Audit Committee may resign at any meeting of the Board of Directors without justifying their decision or giving any notice. Their appointments may be renewed. The Board of Directors may revoke *ad nutum* any member of the Audit Committee, without the need to justify such revocation.

In particular, in accordance with applicable legal provisions, Committee members must have specific financial and/or accounting expertise.

The term of appointment of members of the Audit Committee corresponds to the term of their appointments as members of the Board of Directors. It may be renewed at the same time as the latter.

The chairman of the Audit Committee is appointed, after specific examination, by the Board of Directors further to a proposal from the Nomination and Compensation Committee, among the independent directors as per Article 1.2 of the Board of Directors' internal regulations. No executive officer may sit on the Audit Committee.

(B) Duties

The Audit Committee's duty is to ensure the monitoring of all matters relating to the setting up and control of all accounting and financial information and to ensure the effectiveness of the risk management and internal operating control, in order to facilitate the performance by the Board of Directors of its corresponding supervisory and audit duties.

In this context, the Audit Committee carries out the following key tasks in particular:

- monitoring the process used for the preparation of financial information;
- monitoring the effectiveness of the internal supervision, internal audit and risk management systems relating to financial and accounting information;
- monitoring the statutory audit of the corporate and consolidated financial statements by the Company's statutory auditors; and
- supervision of the statutory auditors.

(C) Work of the Audit Committee in 2019

AUDIT COMMITTEE

4
meetings



100%
average attendance of the
committee members

3
members



67%
independent members

For details of the work of the Audit Committee in 2019, refer to section 6.2.2.3 of this document.

(ii) Nomination and Compensation Committee

(A) Composition

For the composition of the Committee on the date of this document, please refer to section 6.1.1.

The Nomination and Compensation Committee is composed of three members, the majority of whom are independent members of the Board of Directors within the meaning of Article 1.2 of the Board of Directors' rules of procedure. They are appointed by the Board of Directors from among its members or from among the non-voting directors, and in view in particular of their independence and their competence in the selection or remuneration of executive officers of listed companies. The Nomination and Compensation Committee may not include any executive officer.

The composition of the Committee may be modified by the Board of Directors acting at the request of its Chairman, and is, in any event, compulsorily changed in the event of a change

in the general composition of the Board of Directors or a change in non-voting directors provided that these non-voting directors were members of the Nomination and Compensation Committee. The term of office of the members of the Nomination and Compensation Committee coincides with their term of office as members of the Board of Directors or non-voting directors. It may be renewed at the same time as the latter.

The Chairman of the Nomination and Compensation Committee is appointed from among the independent members by the Board of Directors. The secretariat of the Committee's work is provided by any person appointed by or in agreement with the Chairman of the Committee.

(B) Duties

The Nomination and Compensation Committee is a specialist Committee attached to the Board of Directors, whose main duty is to assist the Board with the composition of the executive bodies of the Company and with the determination and regular evaluation of the compensation policy for all corporate officers as well as the individual compensation and benefits of the

Company's executive officers and/or senior executives, including any deferred benefits and/or remuneration paid upon voluntary or forced departure from the Company.

In this context, the Committee in particular carries out the following duties:

- proposals relating to the appointment of members of the Board of Directors and its committees and of the executive officers of the Company;
- annual assessment of the independence of the members of the Board of Directors;
- review and proposal to the Board of Directors concerning all factors and conditions of the remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer(s);

- determination of the conditions of remuneration of the members of the Executive Committee, other than the Chief Executive Officer and the Deputy Chief Executive Officer(s);
- monitoring of the policy on professional and wage equality;
- review and proposal to the Board of Directors concerning the method for allocating the overall annual remuneration budget allocated by the shareholders' meeting; and
- exceptional assignments.

The Committee is consulted on recommendations to the Board of Directors regarding all exceptional remuneration relating to any exceptional assignments that could be entrusted, as applicable, by the Board of Directors to certain of its members.

(C) Work of the Nomination and Compensation Committee in 2019

NOMINATION AND COMPENSATION COMMITTEE

3
meetings



100%
average attendance of the
committee members

3
members



67%
independent members

For details of the Nomination and Compensation Committee's work in 2019, please refer to the section 6.2.2.3. of this document.

6.2.2.5 SPECIAL ARRANGEMENTS FOR PARTICIPATION IN THE SHAREHOLDERS' MEETING

Shareholders' meetings shall be called and held under the conditions provided by law.

Meetings shall be held at the registered office or at any other place specified in the notice of meeting.

Any shareholder, regardless of the number of shares he/she owns, has the right to participate in the general shareholders' meetings, in accordance with applicable law and these bylaws, upon presentation of proof of identity or the name of the proxy registered on his/her behalf under the provisions laid down by the law.

Shareholders that are not attending in person at the general shareholders' meeting, may choose one of the three following options:

- give a proxy to another shareholder, his or her spouse or civil partner or any other person;
- vote by correspondence; or
- send a proxy to the Company without voting indication;

under the provisions provided by law and regulations.

Under the conditions provided for by the law and regulations in force, the Board of Directors may organise shareholder participation and voting at shareholders' meetings by videoconference or by telecommunication means that allow them to be identified. If the Board of Directors decides to exercise this right for a given meeting, this decision shall be mentioned in the notice of meeting and/or notice of convocation. Shareholders participating in meetings by videoconference or by any of the other means of telecommunication referred to above, at the discretion of the Board of Directors, shall be deemed to be present for the calculation of quorum and majority.

Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a director specially appointed for this purpose by the Board of Directors. Failing this, the meeting appoints its own Chairman.

The functions of scrutineers shall be performed by the two members of the meeting present who have the largest number of votes, and who accept these functions. The committee appoints the secretary, who may be chosen from outside the shareholders. An attendance sheet shall be kept in accordance with the conditions laid down by law.

Ordinary shareholders' meetings shall only deliberate validly if the shareholders present or represented or voting by correspondence or by electronic means of telecommunication hold at least one fifth of the shares with voting rights on first call. No quorum is required on second call.

Resolutions of the ordinary shareholders' meeting shall be taken by a majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained, or voted in blank or invalid.

An extraordinary shareholders' meeting shall only validly deliberate if the shareholders present, or represented, or who have voted by post or by electronic means of telecommunication hold at least one quarter and, on first call, one fifth of the shares

with voting rights. Failing this last quorum, the second meeting may be postponed to a date two months after the one on which it was convened, with the same quorum requirement of one fifth.

Decisions of the extraordinary shareholders' meeting shall be taken by a two-thirds majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained, or voted in blank or invalid.

Copies or excerpts of the minutes of the meeting shall be validly certified by the Chairman of the Board of Directors, by a director performing the duties of Chief Executive Officer or by the secretary of the meeting.

Ordinary and extraordinary shareholders' meetings exercise their respective powers under the conditions provided for by law.

6.3 REMUNERATION OF CORPORATE OFFICERS

The Company generally refers, and specifically with regard to remuneration, to the AFEP-MEDEF Corporate Governance Code for Listed Companies, as interpreted by the High Committee on Corporate Governance (AFEP-MEDEF Code application guide; activity report of the High Committee on Corporate Governance of December 2019) and the AMF recommendations presented in the AMF's guide to preparing registration documents, as well as the AMF's report on corporate governance and executive remuneration at listed companies, published on December 3, 2019.

The Company applies the new provisions of Order No. 2019-1234 of 27 November 2019 on the remuneration of corporate officers of listed companies and Decree No. 2019-1235 of 27 November 2019 transposing Directive (EU) 2017/828 of 17 May 2017 amending Directive 2007/36/EC with a view to promoting the long-term commitment of shareholders.

In accordance with Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code, the remuneration policy for corporate officers established by the Board of Directors is the subject of draft resolutions (ninth, tenth and eleventh resolutions) submitted for the approval of the combined shareholders' meeting of May 26, 2020.

This policy will be subject to the approval of the shareholders' meeting each year, and each time there is a significant change to the remuneration policy.

The report on corporate governance has been examined by the Nomination and Compensation Committee.

In accordance with applicable legal and regulatory requirements, the remuneration policy for corporate officers must include (i) information relating to all corporate officers and (ii) information specific to each corporate officer.

The information on the remuneration policy applied to all corporate officers is summarised in the table below:

Criteria defined in Article R. 225-29-1 I. of the French Commercial Code

Respect for the corporate interest, contribution to the Company's business strategy and sustainability	The remuneration policy for corporate officers respects the corporate interest and contributes to the Company's business strategy and sustainability by (i) providing for a periodic review to check whether the level of remuneration remains in line with the performance achieved by both the Company and the person in question, and (ii) seeking to remain attractive in relation to the remuneration practised on the market, mainly within comparable companies in the sector, with a view to attracting and retaining talent within its management bodies.
Decision-making process for its determination, revision and implementation	The remuneration policy is set by the Board of Directors in accordance with applicable legal and regulatory provisions, after having obtained prior proposals from the Nomination and Compensation Committee, composed mainly of independent directors and chaired by an independent director. Any revision and implementation of the remuneration policy shall be determined by the Board of Directors acting by a majority of its members present and represented. Directors are required to comply with the principles laid down in the AFEF-MEDEF Code and in the Company's internal regulations, in particular concerning the management of potential conflicts of interest. Decisions concerning the compensation of executive officers are made without the presence of the latter.
Consideration of the Company's remuneration and employment conditions	Since the entry into force of Act No. 2019-486 of 22 May 2019 on growth and business transformation and the introduction of equity ratios to be published in the report on corporate governance under the say on pay ex post, the Company's Board of Directors decided to take these ratios into account for the future when determining and revising the compensation policy for executive officers. These ratios are used to determine the level of compensation paid to the Chairman of the Board of Directors, the Chief Executive Officer and, where applicable, each Deputy Chief Executive Officer, with respect to the average and median full-time equivalent compensation of Company employees, other than corporate officers.
Evaluation methods - meeting performance criteria for variable remuneration and share-based remuneration	The proper achievement of performance criteria is examined by the Nomination and Compensation Committee, which provides the Board of Directors with any comments it may have before the Board decides whether or not the performance criteria have been met.
Fixed annual amount allocated by the general meeting to the directors	Processed within the framework of the directors' remuneration policy.
Clarifications to be made in the event of a change to the remuneration policy	N/A
Procedures for applying the provisions of the remuneration policy to newly appointed or renewed corporate officers, pending approval by the general meeting of shareholders of significant changes to the remuneration policy	The provisions of the remuneration policy applicable to corporate officers, subject to their approval by the annual general meeting of shareholders which will approve the financial statements for the year ended December 31, 2019, are intended to apply to corporate officers newly appointed or whose term of office is renewed after the general meeting, pending approval by the general meeting of significant changes to the remuneration policy mentioned in II of Article L.225-37-2 of the French Commercial Code.
Exceptions to the application of the remuneration policy	In accordance with applicable legal and regulatory provisions, the Board of Directors reserves the right to temporarily waive the application of the remuneration policy in the event of exceptional circumstances, provided that such waiver is in line with the Company's interests and is necessary to ensure the Company's sustainability or viability. This option for the Board of Directors to waive this requirement applies to any element of remuneration of any nature whatsoever.

6.3.1 REMUNERATION OF EXECUTIVE OFFICERS

6.3.1.1 REMUNERATION POLICY GRANTED TO EXECUTIVE OFFICERS FOR THE 2020 FINANCIAL YEAR

(i) Chairman and Chief Executive Officer

Xavier Barbaro was appointed director by a decision of the general shareholders' meeting of September 12, 2018, the date on which the Company changed its corporate form into that of a limited company (*société anonyme*) with a Board of Directors, and was appointed Chairman and CEO of the Company for the duration of his directorship by a decision of the Board of Directors of the same date.

In respect of his term of office as Chairman and Chief Executive Officer of the Company, Xavier Barbaro's fixed and variable remuneration is determined in accordance with the principles summarised below. These principles were reviewed by the Nomination and Compensation Committee and decided by the Board of Directors on March 25, 2020.

Remuneration

The remuneration of the Chairman and Chief Executive Officer comprises a fixed portion and a variable portion, with the latter being determined in accordance with performance criteria set by the Board of Directors, after consultation with the Nomination and Compensation Committee, and these criteria are reviewed regularly by the Board.

The payment of variable and exceptional components of compensation is subject to the approval by an ordinary shareholders' meeting of the compensation of the Chairman and Chief Executive Officer.

In the event of the separation of the functions of Chairman and Chief Executive Officer, the remuneration provided for the Chief Executive Officer would be that currently provided for the Chairman and Chief Executive Officer, and the Chairman would receive fixed remuneration of an amount determined in consideration of the importance of his missions without being able to exceed the amount of the current fixed compensation of the Chairman and Chief Executive Officer.

Fixed remuneration

The amount of the annual fixed gross compensation of the Chairman and Chief Executive Officer is increased as at June 1, 2020 to €250,000, compared to €200,000 for the 2019 financial year.

The increase in fixed compensation is proposed in order to bring it closer to the level of compensation practiced in companies of comparable size.

Annual variable remuneration

With respect to gross variable compensation, it is proposed that 75 % be based on quantitative criteria and 25 % be based on qualitative criteria, assuming achievement of the target objectives

set by reference to the Company's budget, as approved by the Board of Directors and, with respect to the *awarded* MW criterion, on the basis of the target objective set by the Board of Directors. The proposed quantitative criteria make it possible to correlate the amount of the Chairman and Chief Executive Officer's annual variable compensation with the Group's performance.

The amount of the annual variable would be equal to 100 % of the annual fixed remuneration if the quantitative and qualitative criteria set by the Board of Directors are met, it being specified that in the event of outperformance, the maximum amount of the variable remuneration may not exceed an amount corresponding to 200 % of the annual gross fixed remuneration.

Regarding the quantitative criteria:

The quantitative criteria used would represent 75 % of the gross annual variable remuneration if the target objectives were achieved and would be assessed with regard to the revenue criterion and the EBITDA criterion in light of the achievement of the budget set by the Board of Directors.

For each criterion defined below (i) a trigger level in relation to the objective set is provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion will be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set is provided for.

These criteria are as follows:

- Revenue criterion: Up to 15 % of the gross variable annual remuneration (this percentage being applicable in the event of achievement of the target objectives), taking into account the revenue level achieved, with a trigger level as from the achievement of 90 % of the revenue provided for in the budget approved by the Board of Directors, as well as the following conditions for outperformance:
 - if the level of revenue is between 90 % and 100 % (inclusive) of the budgeted level of revenue, the achieved percentage will be taken into account linearly. Thus, for example, if 95 % of the target revenue is reached, this criterion will enable the Chairman and Chief Executive Officer to be paid 50 % of the annual gross variable compensation target for this criterion (i.e., 7.5 % of the amount of his annual gross fixed remuneration);
 - if the level of revenue exceeds 100 % of the budgeted level of revenue, a multiplier coefficient of two applies to the percentage of outperformance achieved (i.e. the percentage between 100 % and the level achieved). Thus, for example, if 120 % of the target revenue is reached, this criterion will allow the Chairman and Chief Executive Officer to be paid 15 % of 140 % (i.e. 100 % of the target amount plus the outperformance percentage (20 %) multiplied by two) of his annual gross fixed remuneration. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 125 % the budgeted level of revenue, such that the maximum amount likely to be due in the event of outperformance under this criterion cannot exceed 15 % of 150 % of his annual gross fixed remuneration;

- EBITDA criterion: Up to 30 % of the annual gross variable remuneration (this percentage being applicable if the EBITDA level corresponding to the mid-point of the EBITDA guidance range is reached), taking into account the EBITDA level reached, with a trigger level as from the achievement of 90 % of the EBITDA provided for in the budget approved by the Board of Directors (with linear application to the target amount of the percentage reached between 90 % and 100 %) and identical conditions of outperformance *mutatis mutandis* to those provided for the revenue criterion, it being specified that the maximum amount likely to be due in the event of outperformance under this criterion cannot exceed 30 % of 150 % of his annual gross fixed remuneration;
- New awarded MW criterion: Up to 30 % of the annual gross variable remuneration (this percentage being applicable if the target objectives are achieved), taking into account the number of new MW in the *awarded* phase (also including all new MW acquired in the context of any external growth operations as well as the new MW that have gone directly to the under construction phase without having gone through the *awarded* phase), new MW corresponding to incremental capacity under *repowering* projects and new MW corresponding to the change in capacity (the “New MW”), with a triggering level as of the achievement of 50 % of the number of MW in the *awarded* phase target set by the Board of Directors (the “Annual Target Number of New Awarded MW “ as described below) and the following performance conditions:
 - if the number of New MW is between 50 % and 100 % (inclusive) of the Annual Target Number of New Awarded MW for the financial year in question, the percentage achieved will be taken into account on a straight-line basis. Thus, for example, if the number of new MW reaches 70 % of said Annual Target Number of New Awarded MW, this criterion will enable the Chairman and Chief Executive Officer to be paid 40 % of the gross variable remuneration target for this criterion (i.e. 30 % of his annual fixed remuneration);
 - if the number of New MW exceeds 100 % of the Annual Target Number of New Awarded MW for the financial year in question, a multiplier coefficient of two applies to the percentage of outperformance achieved (i.e., the percentage between 100 % and the level reached). Thus, for example, if the number of New MW reaches 200 % of the Annual Target Number of New Awarded MW, this criterion will enable the Chairman and Chief Executive Officer to be paid 30 % of 300 % (i.e. 100 % added to the outperformance percentage (i.e. 100 %) multiplied by two) of his annual gross fixed remuneration. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 250 % of the Annual Target Number of New Awarded MW for the financial year concerned, so that the maximum amount likely to be due in the event of outperformance of this criterion may not exceed 30 % of 400 % (i.e. 100 % plus the maximum percentage of outperformance (150 %) multiplied by two) of his annual gross fixed remuneration.

The Annual Target Number of New Awarded MW is defined by the Board of Directors. The Board of Directors will be able to adjust the objective of New Awarded MW to take into account the number of invitations to tender in which the Company was able to participate during the financial year, compared to the number of calls for tender taken into account in the 2020 budget.

Regarding qualitative criteria:

The qualitative performance criteria used would represent 25 % of the annual gross variable remuneration of the Chairman and Chief Executive Officer (this percentage being applicable if the target objectives are achieved) and take into account:

- leadership within Neoen: ability to train Neoen's general management and the whole of the Company and to unite them around a growth project, achievement of financial objectives, innovation and internationalization, monitoring and support for talent across all Neoen sites;
- representation of Neoen vis-à-vis the outside world, in particular the community of analysts and investors;
- preparation and deployment of a new multi-year business plan;
- in the particular context of the year 2020, management of issues related to Covid-19 (business continuity, mobilization of remote teams);
- continuous improvement of Health & Safety practices, and promotion of a global policy in terms of Corporate Social Responsibility.

The Board of Directors may annually review the performance criteria referred to above in order to take into account the evolution of the situation of the Company, its prospects and its strategy.

Variable remuneration: payment terms and conditions

In accordance with the provisions of Article L. 225-100 III. of the French Commercial Code, a proposal will be made to the annual shareholders' meeting called to approve the financial statements for the financial year ending on December 31, 2020 to approve the variable remuneration components for which the approval of the shareholders' meeting ruling on the financial statements for the financial year ending on December 31, 2019 is requested in accordance with Article L. 225-37-2 of the French Commercial Code.

The payment of variable remuneration components is subject to approval by the annual shareholders' meeting called to approve the financial statements for the financial year ending on December 31, 2020.

Exceptional remuneration

No exceptional remuneration, except in specific circumstances linked to transactions that have a structuring effect on the Company, after the Nomination and Compensation Committee has given its opinion.

The payment of exceptional remuneration is, in any event, subject to the approval of the annual shareholders' meeting called to approve the financial statements for the financial year ending on December 31, 2020.

Remuneration for directors' activities

The Chairman and Chief Executive Officer has indicated that he will not receive remuneration for his participation in the work of the Company's Board of Directors, either in his capacity as a director or as Chairman, for as long as he performs the duties of Chief Executive Officer of the Company.

Benefits in kind

It should be noted that the Chairman and Chief Executive Officer benefits from a company car with a maximum value of €6,000 per year.

He also benefits from unemployment insurance taken out since May 1, 2017 with Axa France, providing compensation over a twelve-month period, equivalent to 70 % of his annual gross remuneration.

In accordance with the provisions of Article L. 225-100 III. of the French Commercial Code, a proposal will be made to the annual shareholders' meeting called to approve the financial statements for the financial year ending on December 31 2020 to approve the benefits in kind for which the approval of the shareholders' meeting ruling on the financial statements for the financial year ending on December 31, 2019 is requested in accordance with Article L. 225-37-2 of the French Commercial Code.

The payment of benefits in kind is not subject to approval by the annual shareholders' meeting.

Stock options, performance shares or any other element of long-term remuneration

The Company's long-term remuneration policy is part of a strategy of associating senior executives and key personnel with the Company's capital that is competitive in light of market practices, in accordance with the objectives of the remuneration policy established by the Board of Directors, i.e. respect for the corporate interest and contribution to the Group's strategy and sustainable development.

The allocation of performance shares is decided annually by the Board of Directors under the terms of the delegation granted to it by the extraordinary shareholders' meeting.

The total number of shares thus allocated may not exceed a specific percentage of the share capital provided for in the delegation granted to the Board of Directors by the shareholders' meeting. Furthermore, the total number of executive officers may not exceed a defined percentage of all the allocations possible to be made by the Board of Directors.

The Board of Directors is committed to providing for long-term remuneration that is particularly motivating for executive officers, in particular the Chairman and Chief Executive Officer, whose recognised skills and expertise are essential for the Group.

The total performance shares allocated to Chairman and Chief Executive Officer may not exceed 180,000 for the period in question. Any free allocation of shares to corporate officers would thus be subject to a cap in volume.

The number of shares definitively vested will be determined at the end of a period of at least three years, in application of performance conditions that will be assessed over the same period of at least three years, all shares thus allocated being subject to compliance with performance conditions, determined in view of the Company's quantitative objectives and to a condition of effective presence in the Group at the end of the vesting period. The applicable performance conditions will be demanding and concern both the intrinsic financial and stock market performance of the group. The conditions will include at least: the thresholds to be reached for EBITDA, New MW (growth criterion) as well as the rate of return (*Total Shareholder Return*, or

TSR) of the Company's share compared to that of the companies included in the SBF 120 (by sextile).

The executive officers must undertake not to use transactions to hedge their risks on the performance shares allocated to them, until the end of any lock-in period set by the Board of Directors. In this respect, the Board of Directors may (i) decide that the shares allocated to executive officers may not be transferred by the interested parties before the termination of their duties, or (ii) set the number of performance shares that they are required to keep in registered form until the termination of their duties.

Employment contract

In order to comply with the provisions of the AFEP-MEDEF Code, Xavier Barbaro, who was a party to an employment contract signed on April 30, 2009 with the Company, resigned from his duties on the date of admission of the Company's shares to trading on the regulated market of Euronext Paris.

Supplementary pension scheme

The Chairman and Chief Executive Officer does not currently benefit from a supplementary pension plan. In respect of his corporate office within the Company, the Chairman and Chief Executive Officer may benefit from a defined contribution supplementary pension plan, in accordance with the Group's practices, for the benefit of its senior executives.

Allowances due as a result of termination: severance pay

The Chairman and Chief Executive Officer is entitled to severance pay in the event of dismissal (except in cases of gross negligence or wilful misconduct) or non-renewal of his corporate office, the amount of which will depend on the achievement of performance conditions and is equivalent to six months' remuneration, on the basis of the fixed remuneration for the last twelve months and the average of the last two monthly variable remuneration amounts, with one month's compensation being defined as the sum of (i) the average of the monthly fixed remuneration paid during the twelve months preceding the end of the corporate office and (ii) the monthly average of the last two variable remuneration amounts paid..

In accordance with the AFEP-MEDEF Code to which the Company refers, the total severance pay and non-competition remuneration may not exceed twenty-four months of total remuneration (annual fixed and variable remuneration).

Payment of the severance pay will be subject to the condition that the sum of the Group's net income for the past two years ended, preceding his revocation or, as the case may be, expiry of his term of office not renewed, be positive.

Compensation relating to a non-competition clause

In the event of the termination of his duties as a corporate officer, for any reason whatsoever, the Chairman and Chief Executive Officer commits not to undertake, on French soil, via any means whatsoever, any business competing with that of the Company and not to become involved, directly or indirectly, in any activities that could compete with those of the Company, for a period of twelve months from the date of termination of said duties.

In consideration of this non-competition commitment, the Chairman and Chief Executive Officer shall receive, for twelve months following the termination of his duties as a corporate officer, monthly financial remuneration of an amount equal to 70 % of the gross remuneration received for the twelve months preceding the date of termination of his duties within the Company. The Company reserves the right to withdraw the remuneration relating to this non-competition clause.

It is specified that the payment of the non-competition compensation is excluded as soon as the executive retires. In any case, no remuneration shall be paid beyond the age of 65 years.

The Company, through its Board of Directors, reserves the right, in particular in the event of gross misconduct or major financial difficulties, to unilaterally waive this non-competition commitment on the date of termination of the term of office of the executive officer, in which case he/she shall be free from any commitment and no compensation shall be owed to him/her.

This compensation policy is subject to the approval of the shareholders' meeting, under a resolution reproduced below:

"Tenth resolution (Approval of the compensation policy applicable to the Chairman and Chief Executive Officer for 2020 financial year)

The shareholders' meeting, ruling under the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report on corporate governance referred to in article L. 225-37 of the French Commercial Code describing the elements of the policy of compensation of corporate officers, approves, in accordance with article L. 225-37-2 II of the French Commercial Code, the compensation policy applicable to the Chairman and Chief Executive Officer for fiscal year 2020, as presented within from section 6.3 of the corporate governance report. "

(ii) Deputy Chief Executive Officer

Romain Desrousseaux was appointed Chief Operating Officer by decision of the Board of Directors of April, 17 2019 on the proposal of the Chairman and Chief Executive Officer and after receiving the opinion of the Nomination and Compensation Committee. For more information, refer to section 6.2.2.1 of this document.

Romain Desrousseaux does not receive any remuneration or benefits for his mandate. He is paid exclusively under his employment contract with the Company before his appointment as Deputy Chief Executive Officer.

Article R. 225-29-1 of the French Commercial Code, by reference to Article L. 225-37-2, states that information relating to the remuneration policy relates to remuneration received for the mandate in question. This text therefore does not apply in principle to the Deputy Chief Executive Officer, insofar as he/she does not receive any remuneration for his/her duties as Deputy Chief Executive Officer.

Article R. 225-29-1 of the French Commercial Code nevertheless specifies that the remuneration policy must include the duration of the mandate(s) and, where applicable, the employment or service contracts entered into with the Company, the notice periods and the conditions of revocation or termination applicable to them.

Remuneration

The remuneration of the Deputy Chief Executive Officer consists of a fixed and a variable component, based on performance criteria set out in the employment contract and established by the Nomination and Compensation Committee.

Fixed remuneration

This remuneration is paid by the Company under his/her employment contract (amounting to €180,000 with regards to 2019 financial year). The Deputy Chief Executive Officer does not therefore receive any fixed remuneration paid by the Company in respect of his/her appointment as Deputy Chief Executive Officer.

Annual variable remuneration

In accordance with the employment contract of the Deputy Chief Executive Officer, the variable portion is expressed as a percentage of the annual fixed remuneration. This variable part is calculated based on the degree of achievement of objectives. These are set according to different criteria. For 2020, 75 % of these criteria are quantitative criteria and 25 % are qualitative criteria in the event of achievement of the target objectives set by reference to the budget of the Company, as approved by the Board of Directors and, as regards the criterion of awarded MW, on the basis of the target objective set by the Nomination and Compensation Committee for the projects for which it has been entrusted. Each year, the amount of the Deputy Chief Executive Officer's variable compensation awarded for the current financial year is determined by the Nomination and Compensation Committee which informs the Board of Directors.

In accordance with the AFEP-MEDEF Code, variable compensation is capped to 100 % of the gross annual fixed compensation in the event of achievement of the quantitative and qualitative criteria set, it being specified that in the event of outperformance, the maximum amount of the variable compensation could not exceed an amount corresponding to 200 % of his gross annual fixed compensation.

The criteria for 2020 would be as follows:

- quantitative criteria (75 % of the variable remuneration);
- qualitative criteria (25 % of variable remuneration).

For each criterion defined below (i) a trigger level in relation to the objective set is provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion will be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set is provided for.

These criteria are as follows:

- Revenue criterion: Up to 10 % of the gross variable annual remuneration (this percentage being applicable in the event of achievement of the target objectives), taking into account the revenue level achieved (i.e. the sum of the revenue accounted for and any penalties paid to compensate for the loss in revenue), with a trigger level as from the achievement of 90 % of the revenue provided for in the budget approved by the Board of Directors, as well as the following conditions for outperformance:

- if the level of revenue is between 90 % and 100 % (inclusive) of the budgeted level of revenue, the achieved percentage will be taken into account linearly. Thus, for example, if 95 % of the target revenue is reached, this criterion will enable the Deputy Chief Executive Officer to be paid 50 % of the annual gross variable compensation target for this criterion,
- if the level of revenue exceeds 100 % of the budgeted level of revenue, a multiplier coefficient of two applies to the percentage of outperformance achieved (i.e. the percentage between 100 % and the level achieved). Thus, for example, if 120 % of the target revenue is reached, this criterion will allow the Deputy Chief Executive Officer to be paid 10 % of 140 % (i.e. 100 % of the target amount plus the outperformance percentage (20 %) multiplied by two). It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 125 % the budgeted level of revenue, such that the maximum amount likely to be due in the event of outperformance under this criterion cannot exceed 125 % of the budgeted level of revenue;
- EBITDA criterion: Up to 20 % of the annual gross variable remuneration (this percentage being applicable if the target objectives are achieved), taking into account the EBITDA level reached, with a trigger level as from the achievement of 90 % of the EBITDA provided for in the budget approved by the Board of Directors (with linear application to the target amount of the percentage reached between 90 % and 100 %) and identical conditions of outperformance *mutatis mutandis* to those provided for the revenue criterion, it being specified that the maximum amount likely to be due in the event of outperformance under this criterion cannot exceed 125 % of his annual gross fixed remuneration;
- New awarded MW criterion: Up to 45 % of the annual gross variable remuneration (this percentage being applicable if the target objectives are achieved), taking into account the number of new MW in the *awarded* phase under his responsibility (also including all new MW acquired in the context of any external growth operations, as well as the new MW that have gone directly to the under construction phase without having gone through the *awarded* phase and, the new MW corresponding to incremental capacity of *repowering* projects) (the “International New MW”), with a triggering level as of the achievement of 50 % of the number of MW in the *awarded* phase target set by the Nomination and Compensation Committee (the “Annual Target Number of International New Awarded MW” as described below) and the following performance conditions:
 - if the number of International New MW is between 50 % and 100 % (inclusive) of the Annual Target Number of International New Awarded MW for the financial year in question, the percentage achieved will be taken into account on a straight-line basis. Thus, for example, if the number of new MW reaches 70 % of said Annual Target Number of International New Awarded MW, this criterion will enable the Deputy Chief Executive Officer to be paid 40 % of the gross variable remuneration target for this criterion,
 - if the number of International New MW exceeds 100 % of the Annual Target Number of International New Awarded MW for the financial year in question, a multiplier coefficient of two applies to the percentage of outperformance achieved (i.e., the percentage between 100 % and the level reached). Thus, for example, if the number of New MW reaches 200 %

of the Annual Target Number of International New Awarded MW, this criterion will enable the Deputy Chief Executive Officer to be paid 45 % of 300 % (i.e. 100 % added to the outperformance percentage (i.e. 100 %) multiplied by two) of his annual gross fixed remuneration. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 250 % of the Annual Target Number of International New Awarded MW for the financial year concerned, so that the maximum amount likely to be due in the event of outperformance of this criterion may not exceed 45 % of 400 % (i.e. 100 % plus the maximum percentage of outperformance (150 %) multiplied by two) of his annual gross fixed remuneration.

The Annual Target Number of New Awarded MW is defined by the Nomination and Compensation Committee. The objective of International New Awarded MW to take into account for the variable compensation as regards to 2019 et 2020 financial years amounts to 751 MW per year. The Nomination and Compensation Committee has the capacity to adjust the Annual Target Number of International New Awarded MW to take into account the number of invitations to tender in which the Company was able to participate during the financial year, compared to the number of invitations to tender taken into account in the corresponding budget.

The qualitative performance criteria used would represent 25 % of the annual gross variable remuneration of the Deputy Chief Executive Officer (this percentage being applicable if the target objectives are achieved) and take into account:

- leadership within development teams in Australia / Europe / Africa / Caribbean / Americas regions, and representation of Neoen vis-à-vis local counterparts;
- further internationalization of the Company, at the average rate of one new country per year;
- development of the “Energy Management” function;
- in the particular context of the year 2020, management of issues related to Covid-19 (business continuity, mobilization of remote teams);
- participation in the dissemination of best practices between the different countries where Neoen is established (including France): in particular project development, economic competitiveness, innovation (notably storage and *energy management*).

Variable remuneration: deferred method

Not applicable

Variable remuneration: payment terms and conditions

As the Deputy Chief Executive Officer's variable remuneration components are provided for in his employment contract, their payment is not subject to the approval of the annual shareholders' meeting called to approve the financial statements for the year ending December 31, 2020.

Exceptional remuneration

No exceptional remuneration, except in specific circumstances linked to transactions that have a structuring effect on the Company, after the Nomination and Compensation Committee has given its opinion.

The payment of exceptional remuneration is not subject to the approval of the annual shareholders' meeting.

Remuneration for directors' activities

Not applicable.

Benefits in kind

The payment of remuneration components corresponding to benefits of any kind provided for in the employment contract of the Deputy Chief Executive Officer is not subject to the approval of the annual shareholders' meeting that will approve the financial statements for the financial year ending on December 31, 2020.

Stock options, performance shares or any other element of long-term remuneration

The Company's long-term remuneration policy is part of a strategy of associating senior executives and key personnel with the Company's capital that is competitive in light of market practices, in accordance with the objectives of the remuneration policy established by the Board of Directors, i.e. respect for the corporate interest and contribution to the Group's strategy and sustainable development.

The allocation of performance shares is decided annually by the Board of Directors under the terms of the delegation granted to it by the extraordinary shareholders' meeting.

The total number of shares thus allocated may not exceed a specific percentage of the share capital provided for in the delegation granted to the Board of Directors by the shareholders' meeting. Furthermore, the total number of shares allocated to executive officers may not exceed a defined percentage of all the allocation possible to be made by the Board of Directors during the financial year.

The Board of Directors is committed to providing for long-term compensation that is particularly motivating for executive officers, in particular the Deputy Chief Executive Officer(s), whose skills and expertise are essential for the Group.

The total performance shares allotted to the Deputy Chief Executive Officer may not exceed 120,000 performance shares for the period in question. Any free allocation of shares to corporate officers would thus be subject to a cap in volume.

The number of shares definitively vested will be determined at the end of a period of at least three years, in application of performance conditions that will be assessed over the same period of at least three years, all shares thus allocated being subject to compliance with performance conditions, determined in view of the Company's quantitative objectives and a condition of effective presence in the Group at the end of the vesting period. The applicable performance conditions will be demanding and concern both the intrinsic financial and stock market performance of the group. The conditions will include at least: the thresholds to be reached for EBITDA, New MW (growth criterion) as well as the rate of return (*Total Shareholder Return*, or *TSR*) of the

Company's share compared to that of the companies included in the SBF 120 (by sextile).

The executive officers must undertake not to use transactions to hedge their risks on the performance shares allocated to them, until the end of any lock-in period set by the Board of Directors. In this respect, the Board of Directors may (i) decide that the shares allocated to executive officers may not be transferred by the interested parties before the termination of their duties, or (ii) set the number of performance shares that they are required to keep in registered form until the termination of their duties.

Severance pay

The Deputy Chief Executive Officer is not entitled to severance pay upon termination of his/her employment with the Company, neither according to his/her mandate, nor according to his/her employment contract.

Employment contract: prior notice

The Deputy Chief Executive Officer is subject to three-month notice in the event of resignation.

Conditions for terminating the employment contract

The Deputy Chief Executive Officer has the right to resign from his employment contract.

The Company has the possibility of making a dismissal, subject to having a reason, or a contractual termination.

Non-competition payment

The Deputy Chief Executive Officer is entitled to a non-competition payment upon termination of his/her employment contract with the Company in return for the application of the clause which has the consequence of limiting the free exercise of a professional activity. The Deputy Chief Executive Officer will receive monthly, from the termination of his employment contract and throughout the application of the clause, a financial compensation calculated as follows:

- 33 % of the gross monthly fixed remuneration received on the date of termination of contractual relations if the employee finds himself unemployed; and
- 20 % of the gross monthly fixed remuneration received on the date of termination of contractual relations if the employee has found a job.

Supplementary pension scheme

The Deputy Chief Executive Officer may be entitled, in respect of his/her corporate office within the Company, from a supplementary defined contribution pension plan, in accordance with Group practices, in favour of its senior executives.

This compensation policy for the Deputy Chief Executive Officer is submitted to the shareholders' meeting under the resolution reproduced below:

"Eleventh resolution (Approval of the remuneration policy applicable to the deputy chief executive officer for the 2020 financial year)

The shareholders' meeting, ruling under the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report on corporate governance referred to in article L. 225-37 of the French Commercial Code describing the elements of the policy of compensation of corporate officers, approves, in accordance with article L. 225-37-2 II of the French Commercial Code, the compensation policy applicable to the Deputy Chief Executive Officer for fiscal year 2020, as presented within section 6.3 of the corporate governance report."

6.3.1.2 SUMMARY OF REMUNERATION FOR EXECUTIVE OFFICERS XAVIER BARBARO AND ROMAIN DESROUSSEAUX FOR 2019

The tables below follow the standardised presentation recommended in the AFEP-MEDEF Code except Tables 9 and 10.

It is recalled that Mr Romain Desrousseaux was appointed Deputy Chief Executive Officer in April 2019. Consequently, the items relating to his remuneration as a corporate officer are presented exclusively for the 2019 financial year.

Table 1 - Summary of compensation and options and shares granted to each executive officer (AFEP-MEDEF nomenclature)

(in euros)	2018 ⁽¹⁾	2019 ⁽¹⁾
Xavier Barbaro, Chairman and CEO		
Remuneration granted for the financial year (detailed in Table 2)	392,168.68 ⁽²⁾	398,931.00
Valuation of options granted during the financial year (detailed in Table 4)	-	-
Value of performance shares awarded during the financial year (detailed in Table 6)	-	-
Valuation of other long-term remuneration plans	242,690.00	-
TOTAL	634,858.68⁽²⁾	398,931.00
Romain Desrousseaux, Deputy Chief Executive Officer		
Remuneration granted for the financial year (detailed in Table 2)	N/A	375,597.00
Valuation of options granted during the financial year (detailed in Table 4)	N/A	-
Value of performance shares awarded during the financial year (detailed in Table 6)	N/A	-
Valuation of other long-term remuneration plans	N/A	-
TOTAL	-	375,597.00

(1) On a gross basis (before social security contributions and taxes).

(2) For the purpose of this table, this amount does not include benefits in kind in the amount of €4,612.32 (corresponding to the company car) and €7,083.34 (corresponding to unemployment insurance premiums) taken into account in Table 2 below.

Table 2 - Summary of compensation of each executive officer (AFEP-MEDEF nomenclature)

(in euros)	2018 ⁽¹⁾		2019 ⁽²⁾	
	Allocated amounts ⁽³⁾	Amounts paid ⁽³⁾	Allocated amounts ⁽³⁾	Amounts paid ⁽³⁾
Xavier Barbaro, Chairman and CEO:				
Fixed compensation	186,666.68	186,666.68	200,000.00	200,000.00
Annual variable compensation	205,502.00	205,502.00	198,931.00	-
Special compensation	-	-	-	-
Remuneration allocated for the directorship	-	-	-	-
Avantages en nature ⁽²⁾	4,612.32	11,695.66	4,612.32	11,695.66
	(company car),		(company car),	
	7,083.34		7,083.34	
	(unemployment insurance)		(unemployment insurance)	
TOTAL	403,864.34	403,864.34	410,626.66	211,695.66
Romain Desrousseaux, Deputy Chief Executive Officer:				
Fixed compensation	N/A	N/A	180,000.00	180,000.00
Annual variable compensation	N/A	N/A	195,597.00	-
Special compensation	N/A	N/A	-	-
Remuneration allocated for the directorship	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	-	-
TOTAL	-	-	375,597.00	180,000.00

(1) On a gross basis (before social security contributions and taxes).

(2) Xavier Barbaro benefits from a company car and unemployment insurance (refer to section 6.3.1.1. of this document for more information on this unemployment insurance).

(3) As for the period above-mentioned

Equity ratio

In accordance with paragraphs 6 and 7 of I of Article L. 225-37-3 of the French Commercial Code, the Company must present the ratios between the level of compensation of the Chairman and Chief Executive Officer and, on the one hand, the average compensation on a full-time equivalent basis for employees other than corporate officers, and, on the other hand, the median compensation on a full-time equivalent basis for employees other than corporate officers; as well as the annual change in the compensation of the Chairman and Chief Executive Officer, the Company's performance, the average compensation on a full-time equivalent basis for employees, other than executives, and the ratios mentioned above, during the 2019 financial year.

The remuneration of the Chairman and Chief Executive Officer used for the purposes of this calculation includes all components of fixed, variable and exceptional remuneration paid during the 2019 financial year. The Company completed its IPO in the second half of 2018. Consequently, the presentation of ratios over a five-year period does not seem appropriate since the Company was not subject to the same level of legal requirements as that which it now faces as an entity whose

shares are admitted to trading on the regulated market of Euronext Paris.

The ratios were calculated on the basis of the median and average remuneration paid (including, where applicable, the bonus paid) to employees of the Company, the only French company in the Group that has employees.

The following methodological elements should be highlighted:

- for representativeness purposes, the scope used is that of the Company, by retaining employees on permanent and fixed-term contracts present both on December 31 of the financial year in question and 31 December of the previous financial year. By way of illustration, on December 31, 2019, this workforce represented more than 78.8 % of the permanent/fixed-term workforce in France
- the following components were selected: fixed remuneration, variable remuneration, profit-sharing and incentive bonuses, performance shares allocated in respect of the financial year in question¹, exceptional bonus. Severance, non-competition benefits and supplementary pension plans were excluded.

(1) In accordance with the guidelines on compensation multiples published by AFEP on December 19, 2019, the entire valuation of the free shares was retained for the 2019 financial year even though their final allocation is subject to the effective presence on the final allocation date and upon achievement of the performance criteria with an acquisition period of three years.

The result of the calculations is presented in the summary table of individual components for Xavier Barbaro subject to the ex post vote below.

The payment of the variable and exceptional items allocated to Mr. Xavier Barbaro shall be subject to the approval by an ordinary shareholders' meeting of the remuneration components of the Chairman and Chief Executive Officer under the conditions provided for in Article L. 225-100 III. as presented to it by the following resolution:

"Seventh resolution (Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the 2019 financial year or granted as regards to 2019 financial year, to Xavier Barbaro, Chairman and Chief Executive Officer)"

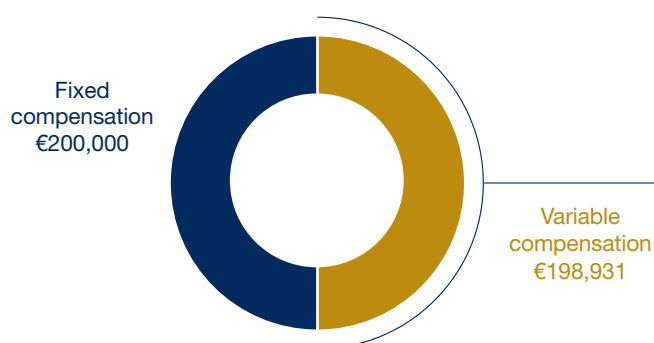
The Shareholders' Meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report on corporate governance established according to Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-100 III. of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and other benefits, paid during the 2019 financial year or granted as regards to 2019 financial year, to Xavier Barbaro, Chairman and Chief Executive Officer, for the 2019 financial year, as presented in this report. "

The following information is provided for this purpose:

Summary tables of the remuneration of the Chairman and Chief Executive Officer

ANNUAL COMPENSATION IN RESPECT OF 2019

Fixed and variable compensation



Performance regarding the variable compensation

75%	Quantitative criteria Revenue (15%) EBITDA (30%) Awarded MW (30%)	Amount €148,931
	Qualitative criteria	Amount €50,000

Allocated fee
€0

Benefit in kind
€11,695.66

Special compensation
€0

Supplementary pension scheme
None

Remuneration components submitted to the vote of the general meeting of shareholders	Amounts paid during the past financial year	Amounts allocated during the past financial year or carrying amount	Presentation										
Fixed remuneration	€200,000	€200,000	The amount of the annual fixed remuneration of the Chairman and CEO in 2019 amounts to €200,000 .										
Variable remuneration	€205,502 ⁽¹⁾	€198,931	The amount of the variable remuneration of the Chairman and CEO for his duties within the Company is set by the Board of Directors of the Company, after the opinion of the Nomination and Compensation Committee, and based on performance criteria. The variable portion of the Chairman and CEO will amount to 100% of the gross amount of his fixed remuneration in the event the performance criteria are reached 100%, not to exceed 200% of the gross amount of his fixed remuneration in the event of overperformance. During its meeting of March 25, 2020, the Board of Directors, after receiving the opinion of the Nomination and Compensation Committee, noted the performance criteria reached and the variable remuneration as follows: - revenue criterion: 253.2 million euros, or 97.33% of the turnover forecast in the budget; - EBITDA criterion: 216.1 million euros, or 98.45% of the EBITDA provided for in the budget; - New awarded MW criterion: 1,022.8 MW, or 113.52% of achievement of this criterion. Regarding the qualitative performance criteria, the Board of Directors noted that: - concerning the leadership of the general management of the Company, its capacity to train the Company and to unite it around a growth and internationalization project and its capacity to represent the Company vis-à-vis the outside: this criterion is fully satisfied; the group's international development and growth in 2019 are clear indicators; - concerning the respect of a CSR objective, namely the deployment of the CSR strategy allowing to apply the best standards in terms of governance and social and environmental practices: this criterion is also satisfied, the indicators given in the extra-financial performance declaration that the Company has decided to publish voluntarily. Thus, in all the amount of the variable remuneration of Xavier Barbaro for the year 2019 is equal to €198,931, corresponding to (x) 99.47% of his fixed remuneration for 2019 and (y) 49.73% of the maximum amount of variable remuneration liable to be allocated for 2019 (the maximum amount being €400,000). Payment of variable remuneration components is subject to approval by the annual general meeting called to approve the financial statements for the financial year ending on 31 December 2019.										
Exceptional remuneration	None		No exceptional remuneration.										
Remuneration allocated	None		As a director of the Company, the Chairman and Chief Executive Officer may receive a paid compensation. However, the Chairman and CEO has announced that he will not collect any paid compensation for his participation in the work of the Company's Board of Directors, as long as he performs the above-mentioned duties.										
Benefits of any kind	€4,612.32	€4,612.32	The Chairman and CEO receives a company car, paid for by the Company for a maximum value of €6,000 a year. The Chairman and Chief Executive Officer also benefits from an unemployment insurance which provides him with compensation over a period of twelve months, equivalent to 70% of his gross annual remuneration.										
Stock options, free shares or any other long-term form of remuneration	Options: None Shares: None	Options: None Shares: None	No stock option or stock purchase option was granted to Xavier Barbaro for the year 2019. No free share was awarded to Xavier Barbaro for the year 2019.										
Change and external comparability / equity ratio	Change The overall remuneration awarded to the Chairman and Chief Executive Officer for 2019 is €398,931, higher by 1.72% than that awarded for 2018. This compares with an increase in net income of 173.76%. Equity ratios Table – Comparison of the compensation of executive officers with the company's performance and the average and median compensation of employees <table><tr><th>Xavier Barbaro Chairman and Chief Executive Officer</th><th>2019⁽²⁾</th></tr><tr><td>Remuneration</td><td>417,197.66 euros⁽³⁾</td></tr><tr><td>Ratio with respect to average employee compensation</td><td>4.96</td></tr><tr><td>Ratio with respect to median employee compensation</td><td>7.07</td></tr><tr><td>Net income (Group performance)</td><td>37,020,916 euros</td></tr></table>			Xavier Barbaro Chairman and Chief Executive Officer	2019 ⁽²⁾	Remuneration	417,197.66 euros ⁽³⁾	Ratio with respect to average employee compensation	4.96	Ratio with respect to median employee compensation	7.07	Net income (Group performance)	37,020,916 euros
Xavier Barbaro Chairman and Chief Executive Officer	2019 ⁽²⁾												
Remuneration	417,197.66 euros ⁽³⁾												
Ratio with respect to average employee compensation	4.96												
Ratio with respect to median employee compensation	7.07												
Net income (Group performance)	37,020,916 euros												

Remuneration components submitted to the vote of the general meeting of shareholders	Amounts paid during the past financial year	Amounts allocated during the past financial year or carrying amount	Presentation
Severance pay	No compensation paid for 2019		For the cessation of his term as CEO within the Company, the Chairman and CEO is entitled to severance pay in the event his term of office (Board of Directors held on 12 September 2018 and Shareholders' meeting held on 2 October 2018) is revoked or not renewed (excluding cases of gross negligence or serious misconduct). This severance pay will be an amount equivalent to 6 months of remuneration (one month being defined as the sum of (i) the average monthly fixed remuneration paid in the twelve months preceding the end of the term of office and (ii) the monthly average of the last two amounts of variable remuneration paid). According to the AFEF-MEDEF Code, the total of severance pay and non-competition payment shall not exceed twenty-four months of total compensation (fixed and variable). Payment of the severance pay will be subject to the condition that the sum of the Group's net income for the past two years ended, preceding his revocation or, as the case may be, expiry of his term of office not renewed, be positive.
Non-competition payment	No compensation paid for 2019		For the cessation of his term of office as Chief Executive within the Company, he is entitled to a non-competition payment for his obligation not to carry out in France under any circumstances any business activity competing with the business of the Company and not to become involved directly or indirectly with any business activities that could compete with the business activities of the Company for a period of 12 months from the cessation of the said duties. This will be paid monthly for the 12 months following the cessation of the said duties for an amount equal to 70% of his remuneration (one month of remuneration being defined as being the sum of (i) the average of the fixed monthly remuneration paid in the twelve months preceding the end of the term of office and (ii) the monthly average of the last two amounts of variable remuneration paid). This payment may not be made if (i) the Chief Executive Officer claims his pension rights and/or (ii) he passes the age of 65. The Company, through its Board of Directors, holds the right, in particular in the event of gross negligence or major financial difficulties, to unilaterally renounce this non-competition commitment on the date of termination of the director's duties, in which case the latter will be free of any commitment and no compensation will be due.
Supplementary pension scheme	None		In his capacity as a corporate officer of the Company, the Chairman and CEO may qualify for a defined contribution supplementary pension scheme, in line with the one provided for executive officers.
Compliance with the adopted remuneration policy	Not applicable		The remuneration policy provided for in Article L. 225-37-2 of the French Commercial Code is subject to the approval of the general meeting of shareholders called to approve the financial statements for the year ended December 31, 2019. Previously, the principles and criteria determining the fixed, variable and exceptional remuneration, as well as the benefits of any kind of the Chairman and Chief Executive Officer, were determined in accordance with the legal provisions and submitted for approval to the general meeting of shareholders for the say on pay ex ante vote.
Acknowledgement of the vote of the last general meeting of shareholders pursuant to Article L. 225-100 II of the French Commercial Code	Not applicable		
Any deviation from the remuneration policy implementation procedure	Not applicable		

(1) The payment of these remuneration components was approved by the shareholders' meeting.

(2) His 2019 remuneration corresponds to the annual remuneration amount set at the time of the Company's IPO at the end of 2018 (October 17, 2018), so that the information for 2019 contained herein cannot be compared with previous years.

(3) Insofar as Mr. Xavier Barbaro did not benefit from the free allocation of shares during the 2019 financial year, the absence of this compensation component is reflected in the ratios.

The payment of variable and exceptional items attributed to Mr. Romain Desrousseaux is not subject to approval by an ordinary shareholders' meeting. However, they are submitted to it on a voluntary basis and presented by the following resolution:

"Eighth resolution (Approval of the fixed, variable and exceptional elements making up the total compensation and benefits of all kinds paid during the 2019 financial year, or allocated for the same financial year, to Mr. Romain Desrousseaux, Deputy Chief Executive Officer)

The shareholders' meeting, approving the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approves, in accordance with article L. 225-100 III. of the French Commercial Code, the fixed, variable and exceptional elements making up the total compensation and benefits of all kinds paid during the 2019 financial year, or allocated for the same financial year, to Mr. Romain Desrousseaux, Deputy Chief Executive Officer, such as presented in section 6.3 of the corporate governance report. "

The following information is provided for this purpose:

Summary table of the remuneration of the Deputy Chief Executive Officer

Remuneration components submitted to the vote of the general meeting of shareholders	Amounts paid during the past financial year	Amounts allocated during the past financial year or carrying amount	Presentation
Fixed remuneration	Not applicable	Not applicable	This compensation is paid by the Company under the employment contract of the Deputy Chief Executive Officer. The Deputy Chief Executive Officer therefore does not receive any fixed compensation paid by the Company for his mandate as Deputy Chief Executive Officer. The payment of elements of fixed compensation is not subject to approval of the annual general meeting.
Variable remuneration	Not applicable	Not applicable	The amount of the variable remuneration of the Deputy Chief Executive Officer has been set by the Nomination and Compensation Committee during its meeting held on March 18, 2020, which noted the performance criteria reached and the variable remuneration as follows: - revenue criterion: 253.2 million euros, or 97.33% of the turnover forecast in the budget; - EBITDA criterion: 216.1 million euros, or 98.45% of the EBITDA provided for in the budget; - International New Awarded MW criterion: 871.4 MW, or 116.03% of achievement of this criterion. Thus, in all the amount of the variable remuneration of the Deputy Chief Executive Officer for the year 2019 is equal to €195,597, corresponding to (x) 108.67% of his fixed remuneration for 2019 and (y) 54.33% of the maximum amount of variable remuneration liable to be allocated for 2019. Payment of variable remuneration components is not subject to approval by the annual general meeting.
Exceptional remuneration	None		No exceptional remuneration.
Remuneration allocated	Not applicable	Not applicable	Not applicable
Benefits of any kind	None	None	The Deputy Chief Executive Officer did not receive any benefit in kind during 2019 financial year.
Stock options, free shares or any other long-term form of remuneration	Options: None Shares: None	Options: None Shares: None	No stock option or stock purchase option was granted to the Deputy Chief Executive Officer for the year 2019. No free share was awarded to the Deputy Chief Executive Officer for the year 2019.
Severance pay	No compensation paid for 2019		The Deputy Chief Executive Officer is not entitled to severance pay upon termination of his employment with the Company, neither according to his mandate, nor according to his employment contract.
Non-competition payment	No compensation paid for 2019		The Deputy Chief Executive Officer receives, for the termination of his employment contract with the Company, a non-competition payment in return for the application of the clause which has the consequence of limiting the free exercise of a professional activity. The Deputy Chief Executive Officer will receive monthly, from the termination of his employment contract and throughout the application of the clause, a financial compensation calculated as follows: - 33% of the gross fixed monthly remuneration received on the date of termination of contractual relations if the employee finds himself unemployed; and - 20% of the gross fixed monthly remuneration received on the date of termination of contractual relations if the employee has found a job.

Remuneration components submitted to the vote of the general meeting of shareholders	Amounts paid during the past financial year	Amounts allocated during the past financial year or carrying amount	Presentation
Supplementary pension scheme	None		In his capacity as a corporate officer of the Company, the Deputy Chief Executive Officer may qualify for a defined contribution supplementary pension scheme, in line with the one provided for executive officers.
Compliance with the adopted remuneration policy	Not applicable		The remuneration policy provided for in Article L. 225-37-2 of the French Commercial Code is subject to the approval of the general meeting of shareholders called to approve the financial statements for the year ended December 31, 2019.
Acknowledgement of the vote of the last general meeting of shareholders pursuant to Article L. 225-100 II of the French Commercial Code	Not applicable		
Any deviation from the remuneration policy implementation procedure	Not applicable		

6.3.2 COMPENSATION OF NON-EXECUTIVE OFFICERS

(i) Compensation policy for corporate officers

The term of office of directors is set at four years, subject to the legal provisions permitting the extension of the term of office. In order to enable the staggered renewal of the terms of office of directors, Article 12 of the Company's bylaws provides for the possibility of terms of office of a shorter duration or to reduce the term of office of one or more directors.

To date, the terms of office of directors have expired on the following dates:

- two directors (Simon Veyrat and the FSP): at the end of the ordinary annual shareholders' meeting called to approve the financial statements for the financial year ended December 31, 2019;
- two directors (Helen Lee Bouygues and Bpifrance Investissement): at the end of the ordinary annual shareholders' meeting called to approve the financial statements for the year ended December 31, 2020;
- two directors (Xavier Barbaro and the company Sixto): at the end of the ordinary annual shareholders' meeting called to approve the financial statements for the financial year ended December 31, 2021;
- one director (Stéphanie Levan): at the end of the shareholders' meeting called to approve the financial statements for the financial year ending December 31, 2022.

In accordance with law, the maximum amount of remuneration allocated to directors is set by the shareholders' meeting. The resolution adopted shall remain valid until a new decision is made by the shareholders' meeting. The shareholders' meeting of June 28, 2019 set this amount at €207,500 per year. In addition, since the amount of remuneration allocated is granted on an annual basis, this amount is calculated *pro rata temporis* in the event of the appointment or termination, for any reason whatsoever, of the term of office of member of the Board of Directors during the financial year.

Within the limit of the amount decided by the shareholders' meeting, the Board of Directors decides at the end of each year the amount of remuneration that will be allocated to its members for the financial year ended and at the beginning of each year their allocation rules as well as the methods for calculating the remuneration allocated for the current financial year.

The criteria for allocating the fixed annual sum allocated by the shareholders' meeting to the directors were set by the Board of Directors on April 17, 2019. The breakdown was as follows:

- for the Board of Directors: a maximum annual remuneration of €25,000 is paid to each director, the amount of which is adjusted according to the actual presence of the directors at meetings of the Board of Directors and the time devoted to the work of the Board of Directors. Thus:
 - in case of absence at 20 % of the meetings: the amount due is reduced by 10 %;
 - in the event of absence from between 20 % and 50 % of meetings: the amount due is reduced in proportion to the participation, and;
 - in the event of absence from more than 50 % of meetings: the amount due is reduced by 50 %.
- for the Committees: a remuneration of €7,500 is paid to each member of the Audit Committee and €5,000 to each member of the Nomination and Compensation Committee, in addition, where applicable, to the compensation paid to directors that the member of the Committee may receive as a member of the Board of Directors. A remuneration of €12,500 is paid to the Chairman of the Audit Committee and €10,000 to the Chairman of the Nomination and Compensation Committee;
- in the event of the appointment of an independent director as lead director, an additional amount of annual remuneration shall be paid to him/her, in addition to the fixed annual amount otherwise allocated to this director in accordance with the aforementioned distribution rules, of €10,000 per year.

It was proposed to modify the overall annual budget allocated to directors to a maximum total amount of €300,000.

The reasons for this proposal are:

- the amount of the overall budget and the share allocated to each director by the Board of Directors are less than the average of the amounts of overall allocations and shares allocated to directors, in companies with characteristics comparable to the Company, and it will therefore be proposed to increase the share that a director may receive; and
- it is common practice in other companies comparable to the Company, to reserve a portion of directors' remuneration which is not allocated for the usual and recurring activities of the Board of Directors and its Committees, for exceptional activities and it is appropriate that the Company can follow the same practice.

The Board of Directors will adapt the rules for the distribution of the total annual budget for directors' remuneration for 2020, compared with those set at its meeting of April 17, 2019, to set the maximum annual amount of remuneration that each director may receive at €30,000 (it being specified that the Chairman and Chief Executive Officer waives his remuneration as director).

Modification of an existing rule

Each director will receive remuneration for a maximum annual amount of €30,000. The amount paid will be adjusted according to the actual presence of directors at Board meetings and the time devoted to the work of the Board of Directors. Thus:

- in case of absence at 20 % of the meetings: the amount due will be reduced by 10 %;
- in the event of absence from between 20 % and 50 % of meetings: the amount due will be reduced in proportion to participation; and
- in the event of absence from a number of meetings greater than 50 %: the amount due will be reduced by 50 %.

In addition, in the event of an increased workload for the Board of Directors, the Board of Directors may allocate, to all or part of its members, depending on their participation in the work of the Board of Directors, the balance of the overall envelope of annual remuneration remaining available.

The draft resolution under the "say on pay *ex ante*" of corporate officers is reproduced below:

"Ninth resolution (Approval of the remuneration policy applicable to members of the Board of Directors for the financial year 2020)

The shareholders' meeting, ruling under the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report on corporate governance referred to in article L. 225-37 of the French Commercial Code describing the elements of the policy of compensation of corporate officers, approves, in accordance with article L. 225-37-2 II of the French Commercial Code, the compensation policy applicable to members of the Board of Directors for the financial year 2020, as presented to the in section 6.3 of the corporate governance report. "

(ii) Amount of the remuneration allocated in 2019**Table 3 - Remuneration received by non-executive corporate officers (AFEP-MEDEF nomenclature)**

Non-executive officers (in euros)	2018 ⁽¹⁾		2019 ⁽²⁾	
	Allocated amounts	Amounts paid	Allocated amounts	Amounts paid
Simon Veyrat				
Remuneration (fixed, variable)	€17,500	€17,500	€25,000	€25,000
Other remuneration	N/A	N/A	N/A	N/A
Stéphanie Levan				
Remuneration (fixed, variable)	€25,000	€25,000	€32,500	€32,500
Other remuneration	N/A	N/A	N/A	N/A
Céline André⁽³⁾				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	N/A	N/A	N/A	N/A
Helen Lee Bouygues				
Remuneration (fixed, variable)	€30,000	€30,000	€47,500	€47,500
Other remuneration	N/A	N/A	N/A	N/A
Christophe Gégout				
Remuneration (fixed, variable)	€30,000	€30,000	€37,500	€37,500
Other remuneration	N/A	N/A	N/A	N/A
Bertrand Dumazy⁽⁴⁾				
Remuneration (fixed, variable)	€9,166	€9,166	€35,000	€35,000
Other remuneration	N/A	N/A	N/A	N/A
TOTAL	€111,666	€111,666	€177,500	€177,500

(1) The remuneration shown in the table above also includes the remuneration allocated for participation in the Audit Committee and the Nomination and Compensation Committee.

(2) The remuneration shown in the table above also includes the remuneration allocated for participation in the Audit Committee and the Nomination and Compensation Committee, and the remuneration of the lead director.

(3) Céline André, permanent representative of Bpifrance Investissement, waived the 2018 and 2019 remuneration awarded by the Company.

(4) For the 2018 financial year, the remuneration corresponds to a period of 3.5 months (i.e. a pro rata of the remuneration due for the full year, beginning on September 12, 2018, the date on which the company Sixto, represented by Mr Bertrand Dumazy, was appointed as director).

6.3.3 REPORT ON OPTIONS AND FREE SHARES

6.3.3.1 POLICY FOR THE ALLOCATION OF OPTIONS AND FREE SHARES

The combined shareholders' meeting of October 2, 2018:

- in its 12th resolution, granted authorization to the Board of Directors, for a thirty-eight-month term, to grant existing or new free shares to some or all employees and executive officers of the Group;
- in its 13th resolution, granted authorisation to the Board of Directors, for a thirty-eight month term, to grant, once or more than once, stock options or share purchase options to some or all employees and executive officers of the Group;

To this end, the general shareholders' meeting granted authority to the Board of Directors to set the conditions under which these shall be allocated. A common overall cap is set for these delegations, and is equal to the total at 2 % of the share capital, with the understanding that for every financial year, the total number of outstanding shares or shares to be issued, or stock subscription or purchase options awarded under these corporate officers of the Company may not represent more than 1 % of the Company's share capital on the day of the decision by the Board of Directors.

The 12th and 13th resolutions on the options and granting of free shares cover:

- the determination by the Board of Directors of the conditions, in particular the maximum not to be exceeded for the options or shares granted to the executive officers, as well as the performance criteria applicable to them, where applicable;
- a decision by the Board of Directors on the list or categories of beneficiaries of shares or options.

In addition, the 13th resolution on options states that the price to be paid upon exercise of stock subscription or purchase options will be set on the day the options are granted and that (i) in the case of the grant of stock options this price may not be less than 80 % of the average opening price of the Company's shares on the regulated market of Euronext Paris during the twenty trading days preceding the day on which the subscription options are granted, and (ii) in the case of the grant of stock options, this price may not be less than either the value indicated in (i) above, or 80 % of the average purchase price of the shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code..

The definitive allocation of free shares is subject to:

- a condition of presence of the beneficiary on the last day of the vesting period of the free shares, subject to exceptions provided for in the plan rules (in particular, retirement or early retirement, death or permanent disability of 2nd or 3rd category within the meaning of Article L. 341-4 of the French Social Security Code) or upon authorisation of the Chairman and Chief Executive Officer after consultation with the Nomination and Compensation Committee; and
- with respect to the allocation of bonus performance shares on July 10, 2019, three performance conditions. The number of free shares definitively vested to the beneficiaries at the end of the vesting period will be determined based on the achievement of performance criteria set by the Board of Directors. For each criterion defined below (i) a trigger level in relation to the objective set is provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion will be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set is provided for. The performance conditions set out in the free share plan of July 10, 2019 are as follows:
 - the definitive vesting of 40 % of the free shares will depend on achieving an EBITDA level;
 - the definitive vesting of an additional 40 % of free shares will depend on the achievement of growth objectives assessed in terms of new megawatts (MW) in the awarded phase (including those acquired as part of possible external growth operations, in accordance with the assessment conditions specified in the plan);
 - the definitive vesting of the remaining 20 % of free shares will depend on the achievement of shareholder return objectives, assessed on the basis of Total Shareholder Return, or TSR, by reference to that of the companies included in the SBF 120 (by sextile).

6.3.3.2 STOCK SUBSCRIPTION OR PURCHASE OPTIONS

(i) Conditions set by the Board of Directors relating to the exercise of stock options granted to executives

Not applicable.

(ii) Stock subscription or purchase options awarded to each executive officer during 2019

Table 4 - Stock subscription or purchase options awarded during the 2019 financial year to each executive corporate officer by the Company and by any Group company (AFEP-MEDEF nomenclature)

Not applicable.

(iii) Stock subscription or purchase options exercised by each executive officer during 2019**Table 5 - Stock subscription or purchase options exercised during the 2019 financial year by each executive officer (AFEP-MEDEF nomenclature)**

Not applicable.

(iv) Stock subscription or purchase options granted to the top ten employees**Table 9 - (AMF nomenclature)**

Stock subscription or purchase options granted to the top ten employees who are not corporate officers and options exercised by them	Total number of options granted / shares subscribed or purchased	Average weighted price
Options granted during the 2019 financial year by the issuer and any company included in the scope of allocation of options to the ten employees of the issuer and of any company included in this scope with the highest number of options granted (overall information)	0	N/A
Options held on the issuer and the companies referred to above, exercised during the 2019 financial year by the ten employees of the issuer and of these companies with the highest number of options thus purchased or subscribed (overall information)	131,250	€4

(v) History of stock subscription or purchase option grants**Table 8 - History of share subscription or purchase option grants (after consolidation of shares) (AFEP-MEDEF nomenclature)**

	2018 Plan (III)	2018 Plan (II)	2018 Plan (I)	2016 Plan	2016 Plan
Date of general shareholders' meeting	7/4/2018	5/29/2018	5/29/2018	3/17/2014(1)	3/17/2014
Date of the Chairman's decision approving the list of beneficiaries	7/5/2018	5/30/2018	5/30/2018	12/23/2016	1/8/2016
Total number of shares that can be subscribed or purchased, of which the number that can be subscribed by:	65,000	5,000	40,000	235,000	152,500
<i>Xavier Barbaro, Chairman and CEO</i>	0	0	0	0	0
<i>Romain Desrousseaux, Deputy Chief Executive Officer</i>	0	0	0	0	0
Start of option exercise period	10/6/2020	5/31/2021	5/31/2021	12/24/2019	1/11/2019(2)
End of option exercise period	7/5/2023	5/30/2023	5/30/2023	12/23/2021	1/10/2021(2)
Subscription or purchase price	€10	€10	€10	€6	€4
"Conditions of exercise (if the plan has more than one tranche)(3)	-	-	-	-	-
Number of shares subscribed at March 31, 2019	0	0	0	0	52,500
Aggregate number of stock options or share purchase options cancelled or lapsed	5,000	0	5,000	10,000	37,500
Stock options and share purchase options outstanding at December 31, 2019	60,000	5,000	35,000	225,000	62,500

(1) The authorisation granted by the general shareholders' meeting of March 17, 2014 was extended by a decision of the general shareholders' meeting of May 13, 2016 for a period of twelve months.

(2) At the time of the allocation on January 8, 2016, the Chairman set the date of allocation as January 10, 2016, with the exception of one beneficiary for whom the date was set at May 16, 2016. Consequently, the option exercise period for this beneficiary will begin on May 17, 2019 and will end on May 16, 2021.

(3) The 2018 (except the 2018 (III)) and 2016 plans presented have a vesting period of thirty-six months. The 2018 plan (III) includes a vesting period of 2 years, 3 months and 1 day.

6.3.3.3 ALLOCATIONS OF FREE SHARES

(i) Conditions set by the Board of Directors relating to the sale of free shares granted to executives

At December 31, 2019, the free shares held by Xavier Barbaro were allocated to him prior to the Company's transformation and the admission of his shares to trading on a regulated market.

In accordance with Article L. 225-197-1 II paragraph 4 of the French Commercial Code, the beneficiary of a performance free share allocation plan of July 10, 2019, if he/she is a corporate officer of the Company or a related company, will be required to hold at least 15 % of the free shares allocated to him/her in registered form until the end of his/her term of office.

In addition, in respect of the bonus share plans awarded for the 2018 financial year, Xavier Barbaro is required to retain 20 % of the free shares allocated until the end of his term of office as Chief Executive Officer of the Company.

(iv) History of free share grants

Table 9 - History of free share grants (AFEP-MEDEF nomenclature)

	2019 Plan	2018 Plan	2018 Plan	2018 Plan
Date of general shareholders' meeting	10/2/2018	7/4/2018	5/29/2018	2/23/2018
Date of decision by the Board of Directors or Chairman, as applicable	7/10/2019	7/5/2018	5/30/2018	4/9/2018
Total number of free shares granted, of which the number granted to:	297,000	570,644	107,500	2,500
<i>Xavier Barbaro, Chairman and CEO</i>	0	105,000	0	0
<i>Romain Desrousseaux, Deputy Chief Executive Officer</i>	0	113,517	0	0
Share vesting date	7/11/2022	10/6/2020	5/31/2021	4/10/2020
End of holding period	-	-	-	4/10/2021
Performance conditions	yes	no	no	no
Number of shares subscribed at December 31, 2019	0	0	0	0
Total number of shares cancelled or lapsed	0	77,000	2,500	0
Performance shares remaining at December 31, 2019	297,000	493,644	105,000	2,500

(ii) Performance shares awarded to executive corporate officers during 2019

Table 6 - Performance shares allocated during the financial year to each executive officer by the Company and by any Group company (AFEP-MEDEF nomenclature)

Not applicable.

(iii) Performance shares that became available to each executive officer during 2019

Table 7 - Performance shares that became available during the year for each executive officer (AFEP-MEDEF nomenclature)

Not applicable.

6.3.4 OTHER INFORMATION ON EXECUTIVE OFFICERS

Table 11 - (AFEP nomenclature)

	Employment contract		Supplementary pension scheme		Allowances or benefits due or likely to be due as a result of termination or change of position		Compensation relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Xavier Barbaro Chairman and Chief Executive Officer Start of term of office: 12 September 2018 End of term of office: general shareholders' meeting called to approve the financial statements for the financial year ended December 31, 2021	-	X	-	X	X	-	X	-
Romain Desrousseaux, Deputy Chief Executive Officer Start of term of office: 17 April 2019 End of term of office: general shareholders' meeting called to approve the financial statements for the financial year ended December 31, 2021	X	-	-	X	-	X	X	-

(i) Xavier Barbaro | Chairman & Chief Executive Officer

Employment contract

In order to comply with the provisions of the AFEP-MEDEF Code, Xavier Barbaro, who was a party to an employment contract signed on April 30, 2009 with the Company, resigned from his duties on the date of admission of the Company's shares to trading on the regulated market of Euronext Paris.

Other remuneration components

See section 6.3.1.1 of this document.

(ii) Romain Desrousseaux | Deputy Chief Executive Officer

Employment contract and other remuneration components

See section 6.3.1.1 of this document.

6.3.5 EX POST COLLECTIVE VOTING

In accordance with Article L. 225-100 II of the French Commercial Code, the shareholders' meeting rules on the information referred to in I of Article L. 225-37-3 of the French Commercial Code (collective say on pay *ex post*). The shareholders' meeting of 26 May 2020 will therefore be asked to vote on this information under the terms of a resolution shown below:

"Sixth resolution (Approval of the information mentioned in article L. 225-37-3 I of the French Commercial Code appearing in the report on corporate governance ("say on pay" *ex post*))

The shareholders' meeting, approving the quorum and majority conditions required for ordinary shareholders' meetings, having reviewed the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approves, in accordance with I 'article L. 225-100 II. of the French Commercial Code, the information mentioned in article L.225-37-3 I of the French Commercial Code, as presented in section 6.3 of the report on corporate governance. "

6.3.6 AMOUNTS SET ASIDE OR ACCRUED BY THE COMPANY OR ITS SUBSIDIARIES FOR PENSION, RETIREMENT OR OTHER BENEFIT PAYMENTS

The Company has not set aside any provisions for payments of pensions, retirement or other similar benefits to its corporate officers.

6.4 OTHER INFORMATION

6.4.1 LIST OF CURRENT DELEGATIONS GRANTED BY THE SHAREHOLDERS' MEETING IN THE AREA OF CAPITAL INCREASES (INCLUDING USES MADE DURING THE 2018 AND 2019 FINANCIAL YEARS)

Shares concerned Date of the general shareholders' meeting (authorisation duration/delegation and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of delegations
Issues with preferential rights		
Delegation of authority to increase the share capital of the Company by issuing shares and/or securities giving access to the capital immediately or in the future (A) GM of October 2, 2018 5th resolution 26 months Amendment - Determination of the nominal amount of authorised debt securities GM of June 5, 2019 12th resolution	€20 million (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Debt securities ceiling: €200 million	
Delegation of authority to increase the share capital through the incorporation of premiums, reserves, profits or other amounts (B) GM of October 2, 2018 9th resolution 26 months	€20 million (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million	
Issues with or without preferential rights		
Delegation of authority to increase the share capital of the Company by issuing shares and/or securities giving access to the capital immediately or in the future, by public offering (C) GM of October 2, 2018 6th resolution 26 months Amendment - Maximum amount of capital increase and nominal amount of authorised debt securities GM of June 28, 2019 11th resolution	€80 million (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Determination of the price In the event of an issue at the same time as the listing of the securities on the regulated market: usual market practice in the context of global placement (comparison of the securities offer and subscription requests) In case of a future issue: Shares: at least equal to the minimum provided for by the regulations applicable on the day of the issue (to date, weighted average of the last three trading days on the Euronext Paris regulated market preceding the fixing of the subscription price of the capital increase less 5%). Securities giving access to the capital: at least equal to the minimum subscription price described above Ceiling on debt securities: €200 million	Use during financial year 2018: - capital increase of an amount of €54,545,454 ⁽¹⁾

Shares concerned Date of the general shareholders' meeting (authorisation duration/delegation and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of delegations
Delegation of authority to increase the share capital of the Company by issuing shares and/or securities giving access to the capital immediately or in the future, by private investment referred to in Article L. 411-2, II of the French Monetary and Financial Code (D) GM of 2 October 2018 7th resolution 26 months Amendment - Maximum amount of capital increase and nominal amount of authorised debt securities GM of June 28, 2019 11th resolution	€25 million it being specified that this amount shall be deducted from the amount referred to in (C) above (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Determination of the price Shares: at least equal to the minimum provided for by the regulations applicable on the day of the issue (to date, weighted average of the last three trading days on the Euronext Paris regulated market preceding the fixing of the subscription price of the capital increase less 5%). Securities giving access to the capital: at least equal to the minimum subscription price described above Debt securities ceiling: €200million	Use during financial year 2019 ⁽²⁾ : - capital increase of €13,258,202 ⁽³⁾ - issuance of debt securities in an amount of approximately €200 million
Delegation of authority to issue shares and/or marketable securities giving access immediately or in the future to shares to be issued by the Company as remuneration for contributions in kind constituted by equity securities or marketable securities giving access to the capital immediately or in the future (E) GM of October 2, 2018 8th resolution 26 months Amendment - Nominal amount of authorised debt securities GM of June 28, 2019 12th resolution	10% of the share capital (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Debt securities ceiling: €200million	
Delegation of authority to be granted to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or securities giving immediate or future access to the share capital, reserved for Impala SAS (F) GM of October 2, 2018 15th resolution 18 months	€10 million (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Determination of the price Usual market practice in the context of a global placement (comparison of the securities offering and subscription requests)	Use during financial year 2018: €6,500,402 ⁽¹⁾
Delegation of authority to be granted to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or securities giving immediate or future access to the share capital, reserved for members of savings plans (G) GM of June 28, 2019 13th resolution 26 months	1% of the share capital (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Determination of the price Conditions provided for in Articles L. 3332-18 et seq. of the French Labour Code, i.e. a price at least equal to 80% of the average share price during the twenty trading days preceding the decision setting the opening date of the subscription period. In the event of an unavailability of greater than or equal to 10 years provided for by the savings plan, price equal to at least 70% of this reference. In the event of a legislative change, the maximum discount amounts provided for by the legal or regulatory provisions applicable on the issue date will automatically replace the aforementioned 20% and 30% discounts.	
Delegation of authority to be granted to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or securities giving immediate or future access to the share capital, reserved for Group employees abroad (H) GM of June 28, 2019 14th resolution 18 months	1% of the share capital (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Determination of the price Average of the prices quoted in the twenty trading sessions preceding the day of the decision setting the opening date of subscription. Within the framework of a comprehensive employee share ownership plan set up in France and abroad, average of the prices quoted in the twenty trading sessions preceding the day of the decision setting the opening date of subscription less a maximum discount of 30%.	

Shares concerned Date of the general shareholders' meeting (authorisation duration/delegation and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of delegations
Issues with or without preferential rights		
Delegation of authority to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights (I) GM of October 2, 2018 10th resolution 26 months	Ceiling equal to the limit provided for by the applicable regulations (15% of the initial issue) (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million	
Allocation of free shares or stock options		
Authorisation to make free allocations of existing shares or shares to be issued to some or all of the Group's employees and corporate officers (J) GM of October 2, 2018 12th resolution 38 months	2% of the share capital (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million	Use during financial year 2019: 297,000 shares allocated, i.e. a €594,000 capital increase over time, i.e. approximately 0.35% of the capital on the day of allocation
Authorisation to grant share subscription or purchase options to some or all of the Group's employees and corporate officers (K) GM of October 2, 2018 13th resolution 38 months	2% of the share capital (A)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K) are limited to €125 million Determination of the price Subscription options: price at least equal to 80% of the average share price during the twenty trading sessions preceding the decision to grant options: price at least equal to 80% of the average of the prices quoted during the twenty trading sessions preceding the decision to grant, and at least equal to 80% of the average purchase price of the shares held under Articles L. 225-208 and L. 225-209 of the French Commercial Code.	

(1) Capital increases carried out as part of the Company's IPO, by decision of the Board of Directors on October 16, 2018

(2) Issue of OCEANE bonds, by decisions of the Board of Directors dated September 25, 2019 and of the Chairman and Chief Executive Officer dated October 2, 2019.

(3) If all 6,629,101 OCEANE bonds are converted and subject to adjustments in accordance with the issue contract.

6.4.2 AGREEMENTS ENTERED INTO BY EXECUTIVES OR SHAREHOLDERS WITH SUBSIDIARIES OR SUB-SUBSIDIARIES OF THE COMPANY

Pursuant to Article L. 225-37-4 of the French Commercial Code, the corporate governance report must mention, unless they are agreements relating to current operations and entered into under normal conditions, agreements entered into directly or through an intermediary between, on the one hand, the Chief Executive Officer, a director, or a shareholder holding more than 10 % of the Company's voting rights and, on the other hand, another company in which the Company holds, directly or indirectly, more than half of the share capital.

The Company is not aware of any such agreements.

6.4.3 PROCEDURE FOR EVALUATING CURRENT AGREEMENTS

In accordance with Article L. 225-39 of the French Commercial Code, the Board of Directors during its meeting held on March 25, 2020, has adopted a procedure for regularly evaluating whether agreements relating to day-to-day transactions entered into under normal conditions meet these conditions.

This procedure aims to identify and qualify, using criteria, current agreements concluded under normal conditions to which the Company is a party. It provides for a regular review (at least once a year) and applies prior to the conclusion of an agreement and on the occasion of any modification, renewal or termination, including for agreements considered to be current at the time of their conclusion to ensure that they continue to meet these conditions. At its last meeting before the close, the Board of Directors is informed of the implementation of the evaluation procedure, its results and any observations.

6.4.4 MAIN TRANSACTIONS WITH RELATED PARTIES

6.4.4.1 AGREEMENTS BETWEEN THE COMPANY AND ITS SHAREHOLDERS

Guarantee commitments granted to the Company by Impala

In order to enable the Company to develop its corporate financing capacity, Impala SAS, the Company's reference shareholder, has entered into several guarantee commitments, in the form of joint guarantees, letters of intent or first demand guarantees, in favour of several banking institutions, guarantee for credit lines or current account overdrafts granted to the Company (for more information, see section 2.3 "financing and investments" and note 18 to the consolidated financial statements at December 31, 2019 of this document).

Technical and administrative assistance agreement between the Company and Impala

On May 10, 2012, the Company and its reference shareholder, Impala SAS, entered into a technical and administrative assistance agreement, pursuant to which Impala SAS undertook to provide the following services to the Company:

- advising on the Group's financing and guarantee strategy and assisting with the negotiation of any financing and guarantee line with financial partners;
- representing the Company's interests with central governments and/or local authorities and regulatory authorities.

In consideration for these services, the agreement provides for the payment to Impala SAS of a fixed monthly fee of €25,000 before tax, which can be revised every year by agreement between the parties. During the financial year ended December 31, 2019, Impala SAS invoiced €100,000 excluding tax to the Company for these fees.

Strategic management agreement between the Company and Impala

On January 2, 2017, the Company and its reference shareholder, Impala SAS, entered into a strategic management agreement by which Impala SAS undertook to provide the following services of the Group's holding company:

- definition of the Group's general policy and organisational principles;
- definition of the Group's economic, commercial and financial strategy;
- definition of the Group's development policy and the resources to be implemented (external growth, diversification, creation of new establishment, opportunities for growth and equity investments, investments, etc.);

- definition of the Group's communication policy (marketing, advertising, etc.).

Since the date of the agreement, these services have not been remunerated by the Company.

6.4.4.2 AGREEMENTS BETWEEN THE COMPANY AND ITS SUBSIDIARIES

Tax consolidation groups

The Company and some of its direct French subsidiaries, more than 95 % owned, form a tax consolidation group set up pursuant to the provisions of Article 223 A et seq. of the French General Tax Code. Given that the Company is the Group's parent company, it is solely liable for the tax payable by all the companies belonging to the integrated group. The integrated subsidiaries pay the Company the tax for which they would be liable in the absence of tax consolidation, calculated according to the rules of law as they would apply in the absence of tax consolidation.

Nine other French tax consolidation groups have also been set up in France between each of the nine development companies related to the Cestas project as the head company of the group and the project companies more than 95 % owned by the development company in question. The creation of these groups gave rise to the signing of tax consolidation agreements under which the integrated subsidiaries pay the parent company the tax they would be liable for in the absence of tax consolidation, calculated on the rules of law as they would apply in the absence of tax consolidation.

In addition, the Group has also set up certain tax consolidation groups abroad, particularly in Australia, where the parent company is solely liable for the tax payable by all the companies of the group. The creation of these groups led to the conclusion of tax consolidation agreements between the parent company and each of the group's companies in order to regulate the subsidiaries' contribution to the overall tax based on a distribution key set in accordance with local regulations and on the principle of "equitable distribution".

Agreements between the Company and project companies

As part of its activities, the Company's intends to conclude, directly or through its intermediary holding companies, all the contracts necessary for the development, financing and operation of the photovoltaic, wind, biomass and storage facilities carried by these facilities. These contracts generally provide for the provision of the following services:

- project development and assistance services during the construction phase, which include assistance in obtaining planning and environmental permits, carrying out feasibility studies, diagnostics and impact studies, relations with the project's stakeholders (neighbourhood, local authorities, etc.), selection and relations with the EPC contractor or technical tests related to the provisional and/or definitive acceptance of the installation;

- administrative and financial management services;
- services for supervising the operation and maintenance of the installation, which include in particular the management and monitoring of relations with the O&M provider, the processing of information concerning the connection of the installation to the network or the performance of works and studies to improve the performance of the installation.

As part of the implementation of the procedure for evaluating arm's length transactions, these agreements were considered by the Group to be current agreements entered into under normal conditions.

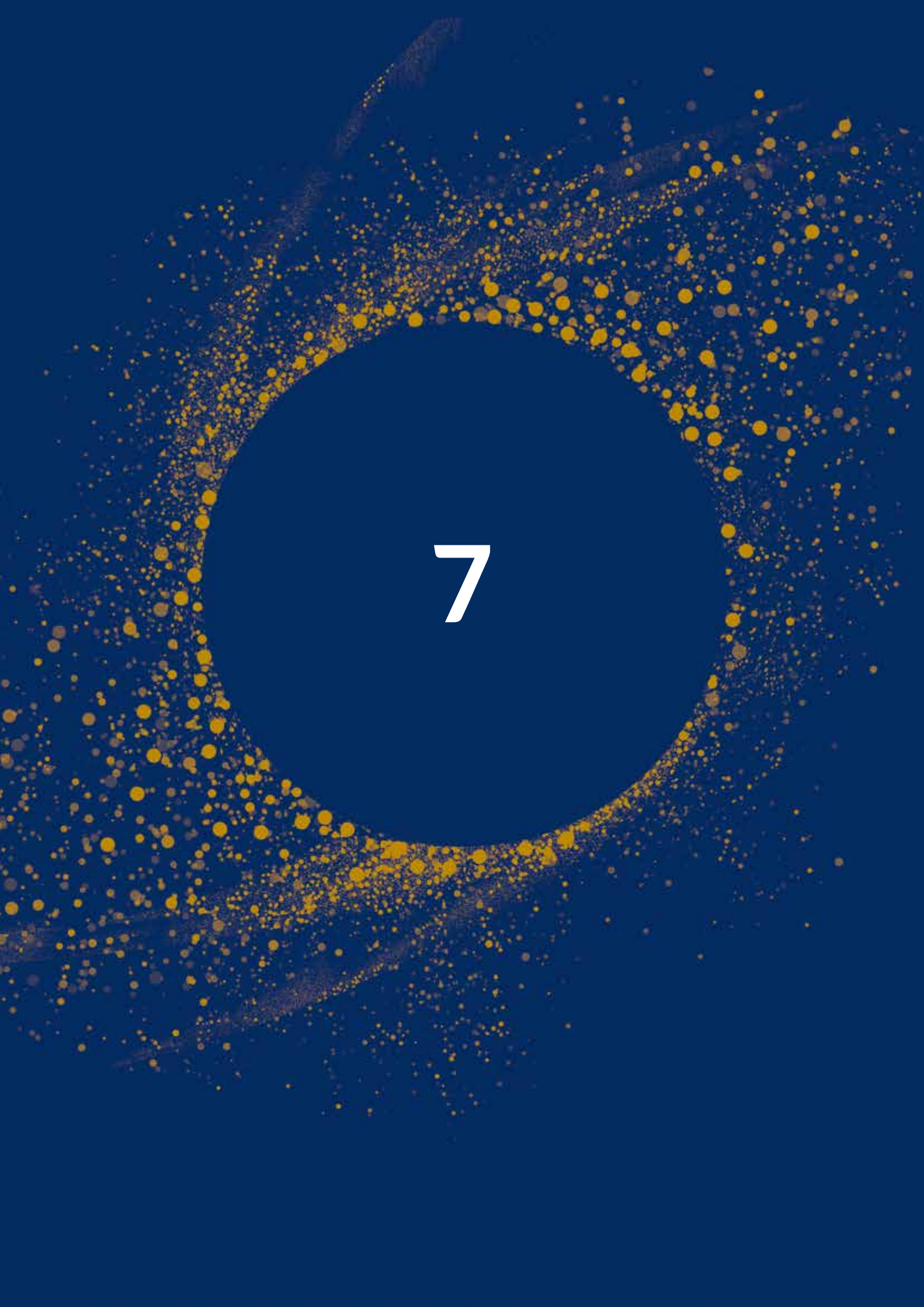
In addition, as part of project financing, the Company (or one of its intermediate holding companies or development companies) generally grants shareholder advances to project companies. The related agreements generally provide for an interest rate of between 4 % and 10 % (with the exception of certain projects (Zambia or Argentina) for which interest rates are generally between 10 % and 12 %), in line with interest rates for bonds with an equivalent level of subordination. Shareholder advances are subordinated to senior financing and are repayable on demand at the Group's request, subject nevertheless to the financial covenants provided for in the financing agreements, for projects located in France or at maturity for international projects. In this second case, the related agreements include standard cases of accelerated repayment. They are generally considered by the Group to be standard agreements entered into under normal conditions, but are each analysed in light of the provisions of Article L. 225-38 of the French Commercial Code relating to regulated agreements.

6.4.5 INFORMATION LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

In accordance with Article L. 225-37-5 of the French Commercial Code, the Company must present and, where applicable, explain the factors likely to have an impact, in the event of a public tender offer or exchange. These include agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company. Thus, there are change of control clauses in financing contracts.

To the best of the Company's knowledge, there are no other elements likely to have an impact in the event of a takeover bid or exchange offer.





7

CAPITAL AND SHAREHOLDING STRUCTURE

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Unless mentioned otherwise, the shares presented in this chapter are Neoen shares with a par value of €2. We recall that the general shareholders' meeting held on September 12, 2018 decided on a share consolidation, on the basis of one new share for two existing shares, which took effect on October 1, 2018 thereby raising the par value of a single share from €1 to €2.

7.1 INFORMATION ON THE COMPANY

7.1.1 CORPORATE NAME

The Company's corporate name is "Neoen".

7.1.2 REGISTERED OFFICE

The company's registered office is located at 6 rue Ménars, 75002 Paris, France.

7.1.3 LEGAL FORM

As of the date hereof, the Company is a French limited company (*société anonyme*), governed by all laws and regulations in force in France (and in particular, by the provisions of Book II of the French Commercial Code) as well as by its bylaws.

7.1.4 LEGISLATION

A limited company (*société anonyme*) incorporated under French law.

7.1.5 TERM

The Company was registered on September 29, 2008. The Company was incorporated for a period of 99 years as from the date of its registration, i.e. until September 28, 2107 except in the event of extension or early dissolution.

7.1.6 CORPORATE PURPOSE

(See Article 2 of the bylaws)

The Company's corporate purpose includes the following activities, both in France and abroad:

- all activities relating to energy and the environment, and in particular to the electricity, natural gas, and water sectors, including, in particular, the production of electricity or other sources of energy, and the sale, distribution, marketing, and storage of all energy products and raw materials;
- all arbitrage, development and marketing services relating to derivative products and aggregate hedging products, and management of the balancing of such products; all management and advisory services relating to the energy or commodities sector;
- the acquisition, disposal, use, and licensing of any intellectual or industrial property rights related directly or indirectly to the corporate purpose;

- and, more generally, all industrial, commercial, financial, movable property or real estate transactions directly or indirectly related to the corporate purpose or intended to promote its expansion or development, including, but not limited to, the acquisition, holding, obtaining or use, in any form whatsoever, of licenses, patents, trademarks, and technical information.

The Company may act, both in France and abroad, on its own behalf or on behalf of third parties, and either alone or in partnerships, associations, economic interest groups or companies with any other companies or persons, and may carry out, directly or indirectly, in any form whatsoever, transactions that fall within its corporate purpose.

It may also acquire, in any form, any interests and investments in any companies or enterprises, whether French or foreign, whatever their purpose.

7.1.7 TRADE AND COMPANIES REGISTER

The Company is registered with the Paris trade and companies register under number 508 320 017.

7.1.8 LOCATION WHERE DOCUMENTS AND OTHER INFORMATION ON THE COMPANY MAY BE CONSULTED

Information concerning the Company and particularly its bylaws, balance sheets, income statements, reports by the Board of Directors to general shareholders' meetings and reports by the statutory auditors may be consulted on request at the Company's registered office.

Regulated information published by the Company is available on its website under "Regulated information" at the following address: <https://www.neoen.com/en/financial-information-7-en>.

7.1.9 FINANCIAL YEAR

The financial year begins on January 1 and ends on December 31 of each year.

7.1.10 STATUTORY DISTRIBUTION OF PROFITS

(See Article 24 of the bylaws)

The fiscal year's results shall be determined in accordance with applicable laws and regulations.

Out of the fiscal year's profits, less, if applicable, any prior losses, a minimum of 5 % shall be set aside to constitute the legal reserve required by law, until such reserve is equal to at least one-tenth of the share capital.

Distributable profits shall consist of the year's profit minus any prior losses and the amount set aside as provided for above, plus profits carried forward.

If the year's financial statements, as approved by the general shareholders meeting, show a distributable profit, the general shareholders' meeting shall decide whether to record it in one or more reserve accounts of which it shall determine the allocation or use, to carry it forward in retained earnings, or to distribute it in the form of a dividend.

7.1.11 SHAREHOLDERS' VOTING RIGHTS

(See Article 11 of the bylaws)

Each ordinary share gives its holder the right to one vote at general shareholders' meetings.

As an exception to Article L225-123 of the French Commercial Code, Article 11 of the Company's bylaws stipulates that the Company's shares do not grant double voting rights in favor of the Company's shareholders.

7.1.12 DECLARATION OF INTENT

None.

7.2 CAPITAL

7.2.1 SHARE CAPITAL

At December 31, 2019 the Company's share capital was set at €170,177,496 and represented by 85,088,748 ordinary shares with a par value of €2 each, of the same class and fully paid up.

7.2.2 POTENTIAL SHARE CAPITAL

At December 31, 2019 the Company's potential share capital breaks down as follows:

- 898,144 shares under free share allocation plans;
- 387,500 shares under stock option plans;
- 6,629,101 bonds convertible into and/or exchangeable for new or existing Neoen shares.

Thus, the potential dilutive impact of these instruments would be 9.30 % of the Company's share capital at December 31, 2019.

7.2.3 SECURITIES NOT REPRESENTING SHARE CAPITAL

At December 31, 2019 the Company has not issued any securities not representing share capital.

7.2.4 SUMMARY STATEMENT OF TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR BY EXECUTIVES OR SIMILAR PERSONS ON THE COMPANY'S SECURITIES OR RELATED FINANCIAL INSTRUMENTS

Person	Financial instrument	Transaction date	Unit price (€)	Transaction type	Transaction volume
Bertrand Dumazy	Shares	05/17/2019	18.8900	Acquisition	1,350
Impala SAS	Shares	07/11/2019	20.4610	Acquisition	15,630
Paul-François Croisille	Shares	08/12/2019	21.9750	Disposal	(1,000)
Paul-François Croisille	Shares	08/13/2019	22.7500	Disposal	(1,500)
Paul-François Croisille	Shares	08/16/2019	23.5500	Disposal	(2,000)
Paul-François Croisille	Shares	08/19/2019	23.9000	Disposal	(1,000)
Xavier Barbaro	Shares	10/21/2019	22.5000	Disposal	(2,500)
Xavier Barbaro	Shares	10/21/2019	23.3800	Donation	(224,100)
Xavier Barbaro	Shares	10/21/2019	23.3800	Contribution to a company	(216,300)
Xavier Barbaro	Shares	10/25/2019	22.3100	Disposal	(4,000)
Xavier Barbaro	Shares	11/19/2019	23.5272	Disposal	(6,000)
Xavier Barbaro	Shares	11/21/2019	23.6476	Disposal	(37,500)
Paul-François Croisille	Shares	11/25/2019	24.5000	Disposal	(2,000)
Paul-François Croisille	Shares	12/04/2019	25.7500	Disposal	(2,000)
Xavier Barbaro	Shares	12/18/2019	29.5000	Disposal	(10,000)
Xavier Barbaro	Shares	12/18/2019	29.4760	Disposal	(9,000)
Paul-François Croisille	Shares	12/24/2019	30.4000	Disposal	(1,000)
Paul-François Croisille	Shares	12/27/2019	30.9000	Disposal	(1,000)

7.2.5 TREASURY SHARES AND PURCHASE BY THE COMPANY OF ITS OWN SHARES

At December 31, 2019 none of the Company's subsidiaries or a third party acting on the Company's account held any of the Company's shares. At December 31, 2019 the Company held 198,948 of its own shares, representing 0.23 % of the total (on the basis of the share capital at December 31, 2019), of which two shares held under the Company's liquidity contract. These shares have no voting rights.

7.2.6 OTHER SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL

7.2.6.1 STOCK OPTIONS

The general shareholders' meeting of the Company of October 2, 2018, in its 13th resolution authorised the Board of Directors, with the right to sub-delegate, to grant stock options or share purchase options to some or all employees and executive officers of the Group.

7.2.6.2 FREE SHARE ALLOCATIONS

The general shareholders' meeting of the Company of October 2, 2018, in its 12th resolution authorised the Board of Directors to carry out allocations of free shares, either existing or to be issued, for some or all employees and corporate officers of the Group.

7.2.6.3 OCEANE BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW OR EXISTING NEOEN SHARES

On October 7, 2019 the Company issued bonds convertible into and/or exchangeable for new or existing Neoen shares, in a gross amount of about €200 million with a maturity set at October 7, 2024. The net amount of the issue has been allocated to the Group's general needs and is intended in particular to finance its development with a view to achieving the Group's targeted capacity of more than 5 GW under construction or operation by the end of 2021 whilst at the same time optimizing its balance sheet in accordance with the objective defined in section 2.4 "information on trends and objectives".

The OCEANE bonds bear interest from their issue date at the annual rate of 1.875 % payable semi-annually in arrears on April 7 and October 7.

The 6,629,101 OCEANE bonds issued have a par value per bond of €30.17 and may be converted, subject to the usual adjustments provided by the terms and conditions of the OCEANE bonds, on the basis of 1 ordinary share for each OCEANE bond converted.

The OCEANE bonds represent a maximum dilution of about 7.8 % at their issue date assuming conversion of all the bonds uniquely by means of the issue of new shares by the Company.

In certain circumstances defined by the terms and conditions of the bonds, in the event of a change of control of the Company or of a defined liquidity incident (as defined therein) affecting the market for the Company's shares, the bondholders are entitled to request the early redemption of the bonds at their par value plus accrued interest. The bondholders may equally request early redemption in the event of certain events of default as set out in the terms and conditions of the OCEANE bonds.

7.2.7 TERMS GOVERNING ANY ACQUISITION RIGHTS AND/OR OBLIGATIONS ATTACHED TO SHARE CAPITAL SUBSCRIBED BUT NOT PAID UP

None.

7.2.8 SHARE CAPITAL OF ANY GROUP COMPANY SUBJECT TO AN OPTION OR OPTION AGREEMENT

None.

7.2.9 PROGRAMME FOR NEOEN TO BUY BACK ITS OWN SHARES

Authorization given by the general shareholders' meeting of October 2, 2018

The general shareholders' meeting of October 2, 2018 authorized the Board of Directors to carry out stock market transactions on the Company's own shares. This authorization was given for 18 months until April 1, 2020.

The maximum buy-back unit price was set by the fourth resolution, adopted by the combined general shareholders' meeting of the Company on October 2, 2018, at 200 % of the price of the shares offered to the public when the Company's shares were listed for trading on the Euronext Paris regulated market, i.e. a unit price of €33 per share for a maximum amount of €50 million.

The objectives of this program are the following:

- allocation of free shares under the provisions of Articles L225-197-1 et seq. of the French Commercial Code and/or reduction of the Company's share capital by cancellation of all or part of the shares thus purchased; and
- stabilizing the secondary market for or the liquidity of the Company's shares by an investment service-provider operating under a liquidity contract complying with the ethical charter recognized by France's Financial Markets Authority (the *Autorité des marchés financiers* or AMF).

Authorization given by the general shareholders' meeting of June 28, 2019

The general shareholders' meeting of June 28, 2019 authorized the Board of Directors to carry out stock market transactions on the Company's own shares. This authorization was given for 18 months until December 27, 2020.

The maximum buy-back unit price was set by the tenth resolution, adopted by the combined general shareholders' meeting of the Company on June 28, 2019, at €35 per share for a maximum amount of €50 million.

The objectives of this program remain unchanged.

Assessment of the share buyback program

<i>(In number of treasury shares)</i>	Stock market stabilization	Share buyback program ⁽¹⁾	Total
Positions at December 31, 2018	3,592	147,066	150,658
Repurchases	247,951	157,934	405,885
Sales	(251,541)	(106,054)	(357,595)
POSITIONS AT DECEMBER 31, 2019	2	198 946	198 948

(1) Sales under the share buyback program equate exclusively with free shares allocated during the period.

In 2019, 405,885 shares were purchased at an average price of €20.73 per share and 357,595 shares were sold at an average price of €20.70 per share. At December 31, 2019 the Company directly or indirectly held 198,948 treasury shares representing a book value of €3.8 million.

7.2.10 EMPLOYEE SAVINGS PLANS

Discretionary profit-sharing agreement

In order to associate French employees with the Company's performance, a discretionary profit-sharing agreement was signed in 2019 with the Company's employee representative body. It was filed with the applicable DIRECCTE (in France, the *directions régionales des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi* are decentralized government bodies with a range of supervisory responsibilities including in matters of employment).

Non-discretionary profit-sharing agreement

The introduction of a profit-sharing agreement is mandatory in companies with 50 or more employees (see Article L3322-2 of the French Labor Code).

In 2019, the Company signed a new non-discretionary profit-sharing agreement with the Company's sole employee representative body; it was equally filed with the applicable DIRECCTE.

Company savings schemes and assimilated schemes

The creation of a company savings scheme is mandatory in companies having implemented a profit-sharing arrangement in application of Articles L3323-2 and L3323-3 of the French Labor Code. A company or group savings scheme is a collective savings scheme offering employees of member companies the option to build up a portfolio of securities with the help of their employer.

In 2014, the Company implemented a company savings scheme (PEE) and a collective retirement savings scheme (PERCO). In 2019, in line with employee savings reform in France, the Company signed a new collective retirement savings agreement (the PERCOL, replacing the PERCO) with the Company's employee representative body.

Any amounts generated under the Company's profit-sharing agreements, as well as contributions made by employees on a voluntary basis, eventually topped up by additional payments made by the employer, may be paid into the PEE and the PERCOL.

The arrangement for payment of top-ups by the employer in addition to voluntary payments made by employees up to the maximum limits defined by law has been in place in the Company to date and is revised on an annual basis.

All amounts invested in the PEE are then locked up for five years while amounts invested in the PERCOL remain locked up until the retirement of the beneficiary other than in the cases of early release defined by law.

In accordance with Article L3332-25 of the French Labor Code, the saver has the option to liquidate all assets held in the scheme in order to exercise share purchase options allocated as provided for by Articles L225-177 or L225-179 of the French Commercial Code. Shares subscribed for or purchased in this manner by the saver are then paid into the savings scheme and are vested only after a period of five years starting from the payment.

At December 31, 2019 employees did not have any investment in the Company's shares under the agreements described above.

7.2.11 CHANGE IN THE SHARE CAPITAL

The following table presents the history of the changes in the Company's share capital over the past three financial years taking into account, as from October 1, 2018, the reverse stock split on the basis of two existing for one new share decided at the Company's general shareholders' meeting of September 12, 2018 and implemented on October 1, 2018:

Date	Type of transaction	Share capital prior to the transaction (in euros)	Number of shares prior to the transaction	Number of shares after the transaction	Par value (in euros)	Issue premium per share (in euros)	Share capital after the transaction (in euros)
01/31/2017	Share capital increase	105,907,569	105,907,569	106,157,569	1	2.00	106,157,569
	Share capital increase (exercise of stock options)	106,157,569	106,157,569	106,257,569	1	N/A	106,257,569
06/30/2017	Share capital increase (exercise of stock options)	106,257,569	106,257,569	106,347,569	1	N/A	106,347,569
	Share capital increase (exercise of stock options)	106,347,569	106,347,569	106,373,619	1	0.20	106,373,619
	Share capital increase (exercise of share subscription warrants)	106,373,619	106,373,619	106,523,619	1	0.39	106,523,619
07/04/2017	Share capital increase (exercise of stock options)	106,523,619	106,523,619	106,543,619	1	1.00	106,543,619
11/06/2017	Share capital increase (exercise of stock options)	106,543,619	106,543,619	106,618,619	1	N/A	106,618,619
	Share capital increase (exercise of share subscription warrants)	106,618,619	106,618,619	107,328,619	1	0.39	107,328,619
12/29/2017	Share capital increase (exercise of share subscription warrants)	107,328,619	178,381,610	107,746,965	1	0.39	107,746,965
	Share capital increase (allocation of free shares)	107,746,965	107,746,965	107,964,140	1	N/A	107,964,140
07/02/2018	Share capital increase (exercise of stock options)	107,964,140	107,964,140	108,719,140	1	1.00	108,719,140
	Share capital increase (exercise of share subscription warrants)	108,719,140	108,719,140	108,794,140	1	0.39	108,794,140
10/18/2018	Share capital increase (reserved for Impala)	108,794,140	108,794,140	57,647,271	2	14.50	115,294,542
10/18/2018	Share capital increase (public offering)	115,294,542	57,647,271	84,919,998	2	14.50	169,839,996
11/21/2018	Share capital increase (exercise of stock options)	169,839,996	84,919,998	84,957,498	2	N/A	169,914,996
06/28/2019	Share capital increase (exercise of stock options)	169,914,996	84,957,498	85,049,998	2	2.00	170,099,996
12/31/2019	Share capital increase (exercise of stock options)	170,099,996	85,049,998	85,088,748	2	2.00	170,177,496

7.2.12 DISPOSAL OF SHARES

None.

7.2.13 PLEDGES

Please refer to section 2.3.2 "project financing" of this document.

7.3 SHAREHOLDING STRUCTURE

7.3.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

The table below shows the breakdown of share capital and voting rights in the Company as of December 31, 2019. This description reflects the Company's knowledge based on the information available to it as of December 31, 2019:

Shareholder	Number of shares	% of share capital	% of voting rights
Impala SAS	42,575,630,	50.04%	50.04%
Fonds Stratégique de Participation (FSP)	6,400,000,	7.52%	7.52%
FPCI ETI 2020 fund <i>Represented by fund manager Bpifrance Investissement</i>	4,983,683,	5.86%	5.86%
Management	2,485,970,	2.92%	2.92%
Public	28,643,465,	33.66%	33.66%
TOTAL	85,088,748	100%	100%

Impala SAS

Impala SAS is a simplified joint stock company belonging to the Impala group, established in July 2011, owned and managed by Jacques Veyrat and his family. The Impala Group invests in projects with strong development potential, mainly in five sectors: energy (interests in Neoen, Castleton Commodities International and Albioma), industry (stakes in Technoplus Industries and Arjo Solutions), cosmetics (interests in P&B Group and Augustinus Bader), brands (holdings in Pull-in and l'Exception) and asset management (stakes in Eiffel Investment Group, high growth projects in China, residential real estate projects in the Paris region and in Spain, a hotel group in Portugal and in Paris and land in Luxembourg). Impala is an investor with a long-term view and a flexible controlling shareholder.

Fonds Stratégique de Participations (FSP)

The *Fonds Stratégique de Participations* (FSP) is an open-end investment fund, registered with the *Autorité des Marchés Financiers*, with a long-term equity investment objective of investing in equity in French companies that are considered "strategic" and participating in their governance. The fund is financed by seven major insurance companies wishing to invest in French companies for the long term and support them during phases of development or transition. BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Société Générale Assurances, Groupama, Natixis Assurances and Suravenir are thus now shareholders in FSP. As of December 31, 2019 FSP held seven stakes in Arkema, Seb, Safran, Eutelsat Communications, Tikehau Capital, Elixir Group and Neoen. FSP continues to search for equity investment opportunities within French companies.

FSP's management is delegated to ISALT – *Investissements Stratégiques en actions Long Terme*, an independent management company charged with monitoring the companies in which FSP holds investments and coordinating the relationship with FSP's permanent representatives within their executive or supervisory boards. FSP has appointed Christophe Gégout as its permanent representative on Neoen's Board of Directors.

FPCI ETI 2020

A subsidiary of *Caisse des Dépôts et Consignations* and the French government, Bpifrance supports entrepreneurs and businesses with loan and equity finance from seed to stock market listing. The ETI 2020 fund is a professional private equity fund (FPCI), managed by Bpifrance Investissement, whose objective is to provide long-term support for mid-cap companies with potential so as to accelerate their emergence and development, strengthen their capacity to innovate and promote their international development.

7.3.2 COMMITMENTS BY SHAREHOLDERS TO RETAIN THEIR SHARES IN THE FRAMEWORK OF THE INITIAL PUBLIC OFFERING

The commitments by shareholders to retain their shares in the framework of the initial public offering expired on October 18, 2019 so no such commitment exists at the date of this document.

7.3.3 OBLIGATION TO HOLD SHARES OF THE COMPANY

Pursuant to the internal regulations of the Board of Directors (Article 3.10), each member of the Board of Directors must own (directly or indirectly) at least 500 shares throughout his or her term of office and at the latest within six months after his or her appointment.

Furthermore, in accordance with the AFEP-MEDEF Corporate Governance Code to which the Company adheres, an obligation to retain nominative shares until the end of their terms of office has been set at 5,000 shares by the Board of Directors for the Company's executive officers.

7.3.4 EXCEEDING LEGAL AND/OR STATUTORY THRESHOLDS

At December 31, 2019 the following shareholders reported holding more than 1 % of the voting rights in the Company (on the basis of their declarations of exceeding the applicable statutory thresholds):

Date reported	Date of the market transaction	Registered intermediaries or fund managers	Type of threshold crossing	Number of shares	% share capital
01/04/2019	01/03/2019	La Banque Postale Asset Management	Upwards	867,065	1.02%
03/12/2019	02/27/2019	La Financière de l'Echiquier	Upwards	2,553,390	3.01%
04/01/2019	03/29/2019	La Financière de l'Echiquier	Upwards	3,530,201	4.15%
08/02/2019	07/30/2019	Crédit Agricole S.A.	Upwards	2,565,651	3.02%
10/11/2019	10/10/2019	La Financière de l'Echiquier	Downwards	3,241,907	3.81%
12/30/2019	12/30/2019	Amundi	Downwards	834,551	0.98%

7.3.5 CHANGES IN SHAREHOLDING OVER THREE YEARS

The table below shows the breakdown of share capital and voting rights as of December 31, 2017, December 31, 2018 and December 31, 2019 on an undiluted basis:

Shareholder	Share capital at December 31, 2017			Share capital at December 31, 2018			Share capital at December 31, 2019		
	Number of ordinary shares(1) and voting rights	Percentage of capital (and theoretical voting rights)	Percentage of potential voting rights	Number of ordinary shares and voting rights	Percentage of capital (and theoretical voting rights)	Percentage of potential voting rights	Number of ordinary shares and voting rights	Percentage of capital (and theoretical voting rights)	Percentage of potential voting rights
Impala SAS ⁽²⁾	59,124,678	54.76%	54.76%	42,560,000	50.10%	50.19%	42,575,630	50.04%	50.15%
Fonds Stratégique de Participations (FSP)	-	-	-	6,400,000	7.53%	7.55%	6,400,000	7.52%	7.54%
FPCI ETI 2020	15,069,166	13.96%	13.96%	4,983,683	5.87%	5.88%	4,983,683	5.86%	5.87%
Management ⁽³⁾	8,891,427	8.24%	8.25%	2,802,351	3.30%	3.30%	2,485,970	2.92%	2.93%
Public	24,878,869	23.04%	23.03%	28,211,464	33.20%	33.08%	28,643,465	33.66%	33.51%
TOTAL	107,964,140	100%	100%	84,957,498	100%	100%	85,088,748	100%	100%

(1) Ordinary shares with a par value of one euro each fully paid before taking into account the share consolidation, on the basis of two old shares for one new share, decided at the general shareholders' meeting of the Company of September 12, 2018.

(2) Impala SAS is wholly owned, controlled and managed by Jacques Veyrat and his family.

(3) In the case of the data for December 31, 2017 the number of shares indicated also includes those held by employees and former employees. The number of shares held by senior management on December 31, 2017 was 5,816,503, i.e. 5.39 % of the share capital and voting rights of the Company on an undiluted basis.

7.3.6 CONTROL STRUCTURE

At December 31, 2019 the Company is indirectly controlled by Jacques Veyrat and his family who hold the majority of the share capital and voting rights via Impala SAS.

As a result, Impala SAS is the reference shareholder of the Company.

In this context, the Company has taken all necessary measures to ensure that control is not improperly exercised:

- of the seven members of the Board of Directors, three directors (more than one third) are independent members in line with the recommendations of the AFEP-MEDEF Code applicable to controlled companies;
- three directors (less than half) are representatives of Impala; and
- one director is a representative of Bpifrance Investissement.

7.3.7 AGREEMENTS THAT MAY LEAD TO A CHANGE OF CONTROL

To the best of the Company's knowledge, at the date of this document there are no agreements whose implementation might, at a later date, result in a change of control.

7.3.8 DIVIDENDS

7.3.8.1 DIVIDEND DISTRIBUTION POLICY

In accordance with the law and the bylaws of the Company, the general shareholders' meeting may decide, on the recommendation of the Board of Directors, the distribution of dividends.

The Company's dividend distribution policy takes into account, in particular, the Company's results, its financial position, the

implementation of its objectives and its liquidity requirements.

Given its medium-term objectives mentioned in section 2.4 "information on trends and objectives" of this document, the Group expects to be able to pay a dividend for the first time in respect of the 2021 financial year, which would be payable in 2022. The size of any such dividend would depend on market opportunities and the Group's assessment of the best way to achieve total returns for shareholders based on the then-prevailing market conditions. Future dividends depend, in particular, on the business's general position and any other factors deemed relevant by the Board of Directors.

7.3.8.2 DIVIDENDS DISTRIBUTED OVER THE PAST THREE YEARS

The Group did not distribute dividends for the years ended December 31, 2016, 2017 and 2018.

7.4 SECURITIES MARKET AND RELATIONS WITH SHAREHOLDERS

7.4.1 SECURITIES MARKET (STOCK MARKET INFORMATION)

Information sheet

The Company's shares are listed in France, on Euronext Paris, Compartment A:

- Sector: Energy and Basic Products;
- Indexes: SSP;
- DSS: Eligible;
- SSP: Eligible;
- ISIN code: FR0011675362;
- date of initial listing: October 17, 2018.

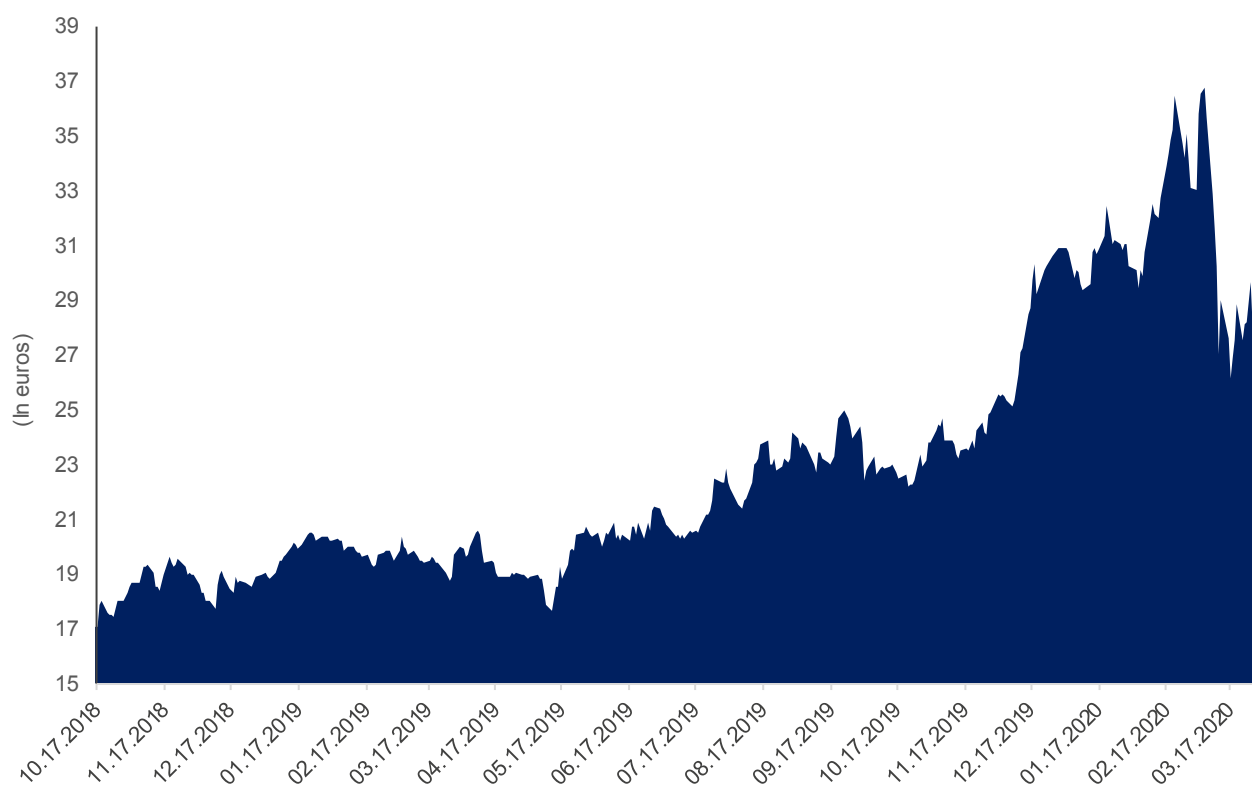
Stock market data

Average price since initial listing	€22.93
Average volume	54,853 shares
Highest price over the last 12 months	€36.75 on 03.05.2020
Lowest price over the last 12 months	€17.68 on 05.13.2019
Progress of the share since listing	+ 73.6%
Change since 01.01.2020	- 7.3%
Market capitalisation at 31.03.2020	€2.4 billion

Change in the price and volume of transactions on the Neoen share

Dates	Highest price (in euros)	Lowest price (in euros)	Average volume of transaction
January 2019	18.84	20.50	24,384
February 2019	19.28	20.30	23,366
March 2019	18.78	20.35	43,738
April 2019	18.88	20.60	30,704
May 2019	17.68	20.70	33,411
June 2019	19.96	21.45	43,252
July 2019	20.30	22.85	21,720
August 2019	21.40	24.15	24,710
September 2019	22.70	24.95	23,522
October 2019	22.20	23.80	70,918
November 2019	23.20	24.90	26,684
December 2019	25.15	30.90	61,821
January 2020	29.35	32.45	60,002
February 2020	29.45	36.45	94,209
March 2020	26.15	36.75	138,778

Change in the price of Neoen shares



7.4.2 RELATIONSHIP WITH SHAREHOLDER

7.4.2.1 ACCESSIBILITY OF INFORMATION

All the financial information and financial communication media may be consulted, in digital format, on the Neoen website (www.neoen.com) under the heading Investors which particularly contains:

- the Universal Registration Document (including the annual financial report) filed with the AMF;
- all the financial press releases and financial communication media (publication of results, webcasts);
- documents relating to the general shareholders' meeting;
- the Company bylaws.

This information can also be sent by post by simply requesting it from the financial communications department.

The legal information (bylaws, meeting minutes of shareholders' meetings, auditors' reports), are available for review at the head office.

7.4.2.2 RELATIONSHIP WITH INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

To ensure good relations with the financial community, the financial communications department regularly organises events enabling financial analysts and institutional investors to meet senior management.

With regard to financial year 2019, financial publications were presented by senior management at webcasts during which it also replied to questions asked by financial analysts.

Furthermore, senior management and the financial communications and investor relations department joined in meetings with the financial community (financial analysts and institutional investors), in the form of road shows in France and abroad. These regular contacts contribute to building a relationship of trust.

The Neoen share is monitored by seven financial analysis firms.

7.4.2.3 AGENDA

Publication of 1st quarter 2020 revenue: May 15, 2020

General shareholders' meeting: May 26, 2020

Publication of 1st semester 2020 revenue: July 28, 2020

Publication of 1st semester 2020 financial results :
September 23, 2020

Publication of 3rd quarter 2020 revenue: November 9, 2020

7.4.2.4 FINANCIAL COMMUNICATION CONTACTS

Investor relations department

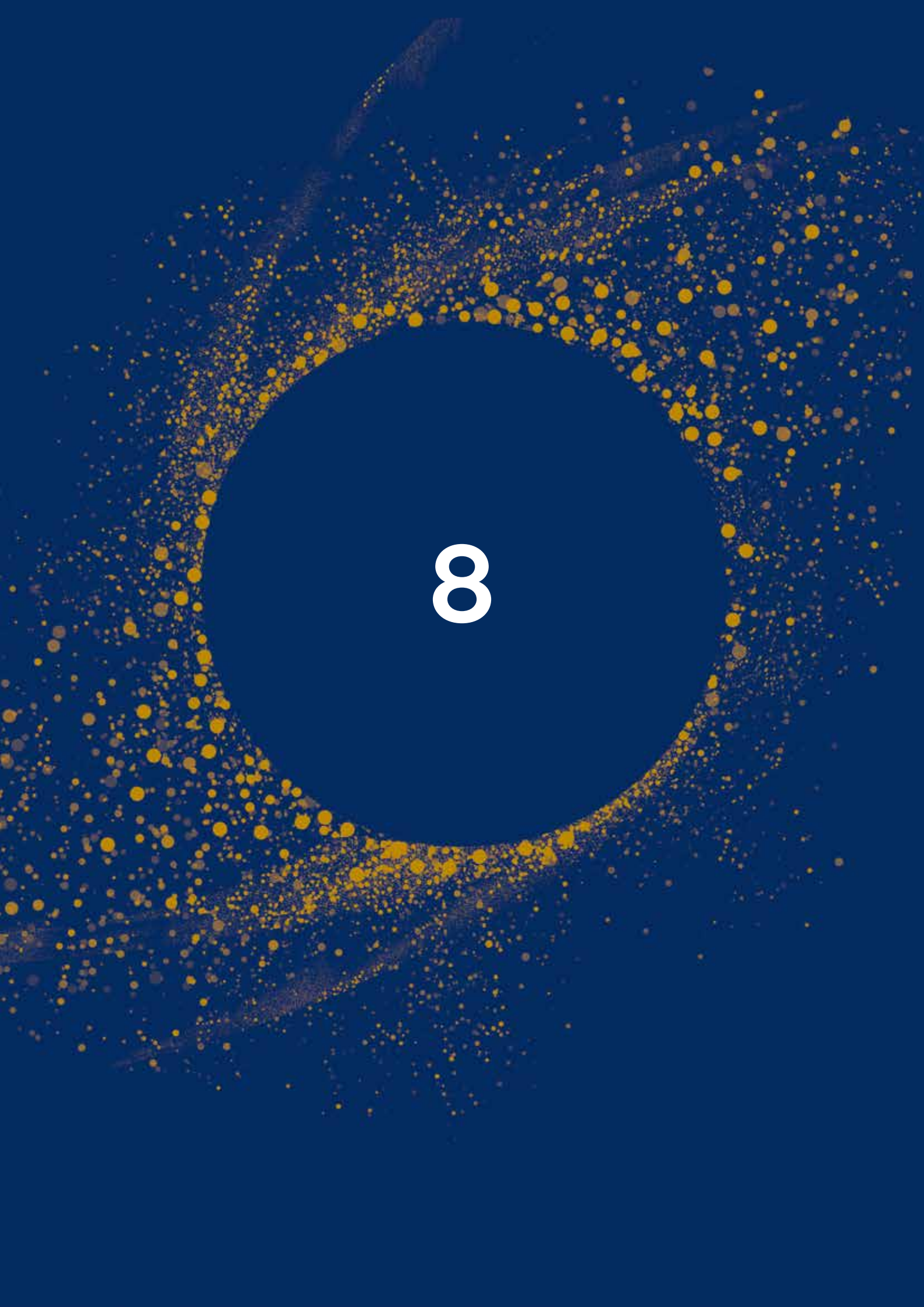
Delphine Deshayes

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75002 Paris

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An abstract graphic design featuring a large, solid dark blue circle in the center. Surrounding this circle is a thick, irregular ring composed of numerous small, bright yellow dots of varying sizes. The background is a deep blue, and the overall composition is centered and balanced.

8

GENERAL SHAREHOLDERS' MEETING

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8.1 DRAFT RESOLUTIONS

8.1.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

First resolution (Approval of the 2019 Company financial statements)

The general shareholders' meeting, after reviewing the Board of Directors' and statutory auditors' reports, approves the 2019 Company financial statements, as presented, comprising the balance sheet, the income statement and the notes, which show a profit of €21,073,268, as well as the transactions reflected in such financial statements and summarized in such reports.

Second resolution (Approval of the 2019 consolidated financial statements)

The general shareholders' meeting, after reviewing the Board of Directors' and statutory auditors' reports, approves the 2019 consolidated financial statements, as presented, comprising the balance sheet, the income statement and the notes, as well as the transactions reflected in such financial statements and summarized in such reports.

Third resolution (Allocation of net income)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary shareholders' meetings, and having established that the Company financial statements for the year ended December 31, 2019, and approved by this meeting, show a profit of €21,073,268:

- In accordance with applicable legal requirements, decides to allocate €1,053,663 of this profit to the legal reserve;
- Notes that the balance of the remaining 2019 profit is €20,019,605; and

Decides to allocate the distributable profit of €20,019,605 to "Other reserves," which will stand at €28,926,991, post allocation.

In accordance with legal requirements, the general shareholders' meeting notes that no dividends have been distributed for the three financial years prior to 2019.

Fourth resolution (Setting the overall compensation package for Board members)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary general shareholders' meetings, after reviewing the Board of Directors' report, decides to set the overall compensation package for members of the Board of Directors at €300,000 per year for current and subsequent periods, unless the annual amount is amended by a new general shareholders' meeting. In accordance with the Company's compensation policy, the Board of Directors may allocate this amount freely among its members.

Fifth resolution (Approval of agreements subject to Articles L. 225-38 et seq. of the French Commercial Code)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary shareholders' meetings, and after reviewing the statutory auditors' report on agreements subject to Articles L. 225-38 and L. 225-40-1 of the French Commercial Code, approves all the provisions of such report, as well as the new agreements it refers to, approved by the Board of Directors during the fiscal year ended December 31, 2019.

Sixth resolution (Approval of information referred to in Article L. 225-37-3 I of the French Commercial Code included in the corporate governance report (ex-post "say on pay"))

The general shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-100 II of the French Commercial Code, the information referred to in Article L. 225-37-3 I of the French Commercial Code, as presented in section 3.3 of the corporate governance report.

Seventh resolution (Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Xavier Barbaro, Chairman and CEO)

The general shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-100 III of the French Commercial Code, the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Xavier Barbaro, Chairman and CEO, as presented in section 3.3 of the corporate governance report.

Eighth resolution (Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Romain Desrousseaux, Deputy CEO)

The general shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and having reviewed the corporate governance report

referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 225-100 III of the French Commercial Code, the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Romain Desrousseaux, Deputy CEO, as presented in section 3.3 of the corporate governance report.

Ninth resolution (Approval of the compensation policy applicable to members of the Board of Directors for fiscal year 2020)

The general shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy for officers and directors, approves, in accordance with Article L. 225-37-2 II of the French Commercial Code, the compensation policy applicable to members of the Board of Directors for fiscal year 2020, as presented in section 3.3 of the corporate governance report.

Tenth resolution (Approval of the compensation policy applicable to the Chairman and CEO for fiscal year 2020)

The general shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy for officers and directors, approves, in accordance with Article L. 225-37-2 II of the French Commercial Code, the compensation policy applicable to the Chairman and CEO for fiscal year 2020, as presented in section 3.3 of the corporate governance report.

Eleventh resolution (Approval of the compensation policy applicable to the Deputy CEO for fiscal year 2020)

The general shareholders' meeting, ruling under the conditions of quorum and majority required for ordinary shareholders' meetings, and having reviewed the corporate governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy for officers and directors, approves, in accordance with Article L. 225-37-2 II of the French Commercial Code, the compensation policy applicable to the Deputy CEO for fiscal year 2020, as presented in section 3.3 of the corporate governance report.

Twelfth resolution (Renewal of Simon Veyrat's directorship)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary general shareholders' meetings, and after reviewing the Board of Directors' report, renews Simon Veyrat's directorship, which is due to end at the close of this shareholders' meeting, for a four-year period to expire at the close of the general shareholders' meeting called

to approve the financial statements for the fiscal year ending on December 31, 2023.

Thirteenth resolution (Renewal of the directorship of the Fonds Stratégique de Participations)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary general shareholders' meetings, and after reviewing the Board of Directors' report, renews the directorship of the Fonds Stratégique de Participations, which is due to end at the close of this shareholders' meeting, for a four-year period to expire at the close of the general shareholders' meeting called to approve the financial statements for the fiscal year ending on December 31, 2023.

Fourteenth resolution (Renewal of Deloitte & Associés as principal statutory auditor)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary general shareholders' meetings, and after reviewing the Board of Directors' report, noting that Deloitte & Associés's term as joint principal statutory auditor expires on the date hereof, decides to renew it for a period of six (6) years, to expire at the close of the general shareholders' meeting called to approve the financial statements for the fiscal year ending on December 31, 2025.

Fifteenth resolution (Non-renewal of BEAS as alternate statutory auditor)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary general shareholders' meetings, and after reviewing the Board of Directors' report, noting that BEAS's term as alternate statutory auditor expires on the date hereof, decides not to renew that term and not to replace BEAS, in accordance with applicable laws and regulations.

Sixteenth resolution (Authorization to be given to the Board of Directors to trade in the Company's shares)

The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary general shareholders' meetings, after reviewing the Board of Directors' report, authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code, to purchase Company shares, or to have them purchased by third parties, with a view to:

- Implementing any Company share purchase option plan under the provisions of Articles L. 225-177 et seq. of the French Commercial Code or any similar plan; or
- Allocating or selling shares to employees to enable them to share in the fruits of the Company's expansion or the introduction of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular, Articles L. 3332-1 et seq. of the French Labor Code, as well as any other shareholding plan for executives and employees of the Company and its subsidiaries; or

- Allocating free shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code; or
- Generally speaking, honoring obligations under stock option plans or other share allocations to Company employees or officers or those of an associated company; or
- Delivering shares when rights attached to transferable securities giving access to the share capital by redemption, conversion, exchange or the presentation of warrants, or by any other means, are exercised; or
- Cancelling some or all of the securities bought back in this way, subject to the adoption of the 27th resolution of this general shareholders' meeting or any other resolution of the same kind; or
- Delivering shares (in exchange, as payment or otherwise) in connection with acquisitions, mergers, spin-offs or contributions; or
- Stabilizing the secondary market or the liquidity of Company shares by an investment service provider under a liquidity agreement complying with market practices approved by the French Financial Markets Authority (*Autorité des Marchés Financiers – AMF*) (as amended, if applicable).

This program is also intended to enable any market practice that may be approved by the French Financial Markets Authority to be implemented and, more generally speaking, any other transaction that complies with current regulations. Under such circumstances, the Company will inform its shareholders by means of a press release.

The Company will be able to purchase a number of shares such that, on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program (including those that are the subject of said buyback) is no more than 10 % of the shares comprising the Company's share capital on that date (taking into consideration transactions affecting the share capital after the date of this general shareholders' meeting), namely, for informational purposes, as of December 31, 2019, a maximum buyback of 8,508,874 shares). It is specified that (i) the number of shares acquired with a view to retention and subsequent delivery as part of a merger, spin-off or contribution, may not be more than 5 % of its share capital and (ii) where shares are bought back to boost liquidity under the conditions defined by the French Financial Markets Authority's general regulation, the number of shares taken into consideration when calculating the 10 % cap provided for above, corresponds to the number of shares purchased, less the number of shares resold during the authorization period.

Shares may be acquired, sold or transferred at any time, except during a public offer, within the limits set by current legislation and regulations, and by any means, particularly on regulated markets, multilateral trading facilities, via systematic internalizers or over-the-counter transactions, including via block trades, tender or exchange offers, or the use of options or other futures traded on regulated markets, multilateral trading systems, via systematic internalizers or over-the-counter transactions or by the delivery of shares following the issue of transferable securities giving access to the Company's share capital by conversion, exchange, redemption or the exercise of warrants, either directly or indirectly via an investment services provider, or by any other means (with no limit on the percentage of the buyback program that can be carried out using any one of these methods).

The maximum share purchase price under this resolution will be €45 per share (or the equivalent of this amount, on the same date, in any other currency). This maximum price only applies to acquisitions decided after the date of this shareholders' meeting and not to future transactions concluded under an authorization granted by a previous general shareholders' meeting and providing for share acquisitions after the date of this shareholders' meeting. The general shareholders' meeting authorizes the Board of Directors, in the event of a change in the share's par value, an increase in the share capital through the incorporation of reserves, free share grants, stock splits or reverse stock splits, a distribution of reserves or any other assets, the redemption of capital, or any other transaction affecting the share capital or equity, to adjust the aforementioned maximum purchase price to take into account the impact of these operations on the share value.

The maximum funds designated for use by the buyback program is €50 million (or the equivalent of that amount on the buyback dates in any other currency).

The general shareholders' meeting gives the Board of Directors full authority, with the right to subdelegate in accordance with applicable law, to decide on and implement this authorization and, if necessary, to specify the terms and conditions thereof, to carry out the buyback program and, in particular, to place any trading orders, conclude any agreements, allocate or reallocate the shares acquired to the objectives pursued, in accordance with applicable legal and regulatory requirements, to set the terms under which the rights of holders of transferable securities giving access to the share capital or other rights giving access to the share capital, will be protected, if necessary, in accordance with legal and regulatory provisions and, where applicable, with contractual provisions providing for other adjustments, to make any declarations to the French Financial Markets Authority and any other competent authority and to complete any other formalities and, generally speaking, to do all that is necessary.

This authorization is given for a period of eighteen months from the date of this general shareholders' meeting.

8.1.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

Seventeenth resolution (Delegation of authority to the Board of Directors to decide to increase the share capital of the Company by issuing shares and/or transferable securities giving immediate or future access to the share capital, with preferential subscription rights)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq. of the French

Commercial Code, and in particular Articles L. 225-129, L. 225-129-2, L. 225-132 to L. 225-134, and L. 228-91 et seq. of the French Commercial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, with preferential subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established in reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate or future access to the Company's share capital, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means, it being specified that payment for the shares and other securities may be made either in cash, by setoff against claims, or by incorporation of reserves, profits, or premiums;
2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:
 - The maximum nominal amount of the capital increases that may be carried out pursuant to this delegation is €85 million, or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being specified that the overall maximum nominal amount of the capital increases that may be carried out pursuant to this delegation and those granted by the 18th, 19th, 20th, 22nd, 23rd, 24th, 25th, and 26th resolutions of this shareholders' meeting is €85 million, or the equivalent in any other currency or monetary unit established by reference to a basket of currencies; it is specified, to the extent necessary, that the maximum amount of the capital increases that may be carried out pursuant to the 21st resolution of this shareholders' meeting shall not be counted towards the overall maximum nominal amount referred to above;
 - Where applicable, these caps will also include the par value of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of the holders of transferable securities or other rights giving access to the share capital;
3. Decides to set the following limits on the amounts of debt securities authorized in the event of issuances of transferable securities in the form of debt securities giving immediate or future access to the Company's share capital:
 - The nominal amount of debt securities that may be issued immediately or in the future under this delegation is €300 million, or the equivalent value in any other currency or monetary unit established by reference to a basket of currencies on the issuance date;
 - This amount shall be increased, where applicable, by any redemption premium above par;
4. In the event that the Board of Directors uses this delegation of authority:
 - This amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before this meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, or L. 228-94 paragraph 3 of the French Commercial Code;
 - Decides that the issuance or issuances shall be reserved preferentially for the shareholders, who may subscribe proportionally, on an irreducible basis, for the number of shares that they hold at that time;
 - Notes that the Board of Directors will have the option to provide a subscription right on a reducible basis;
 - Recognizes that the decision to issue securities giving access to the share capital in accordance with this delegation of authority will result, without further notice and for the benefit of the holders of such securities, in the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right, immediately or in the future;
 - Recognizes that, in accordance with Article L. 225-134 of the French Commercial Code, if subscriptions on an irreducible basis and, if applicable, on a reducible basis have not absorbed the entire capital increase, the Board of Directors may use, as provided for by law and in the order that it shall determine, one and/or the other of the options below:
 - To freely distribute some or all of the shares or, in the case of securities giving access to the share capital, the securities that were to be issued but that were not subscribed for;
 - To offer to the public some or all of the shares or, in the case of securities giving access to the share capital, the securities that were not subscribed for, either on the French market or abroad;
 - More generally, to limit the capital increase to the amount of subscriptions received, subject, in the case of the issuance of shares or securities of which the primary security is a share, to such securities representing, after any use of the two options described above, at least three-quarters of the capital increase that had been decided upon;
5. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of authority, in particular in order to:
 - Issue shares and/or transferable securities giving immediate or future access to the Company's share capital;

- Decide the amount and price of the issuance and the amount of the premium that may be required on issuance, or, if applicable, the amount of the reserves, profits, or premiums that may be incorporated into the capital;
 - Determine the dates and terms of the issuance, and the type, number, and characteristics of the shares and/or other securities to be created;
 - In the case of debt securities, decide whether they will be subordinated or not (and, where applicable, their subordination rank, in accordance with Article L. 228-97 of the French Commercial Code), set their interest rate (in particular whether it will be a fixed or floating rate, zero coupon, or indexed) and the terms that would apply to any mandatory or optional payment suspensions or non-payment of interest, determine their term (closed-ended or open-ended), the possibility of decreasing or increasing the nominal amount of the securities, and the other terms of the issuance (including the granting of guarantees or sureties) and of redemption (including repayment by delivery of Company assets); where applicable, such securities may include the option for the Company to issue debt securities (whether having equity characteristics or not) in payment of interest for which the Company has suspended payments, or may take the form of complex debt instruments as defined by the stock market authorities (for example, due to their repayment or payment terms or other rights such as indexation or options); and modify, while the securities in question are outstanding, the terms referred to above, in compliance with applicable rules;
 - Determine the method of payment for the shares and/or transferable securities giving immediate or future access to the Company's share capital;
 - Where necessary, set terms for the exercise of rights (such as rights of conversion, exchange, or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to the share capital and, in particular, set the dividend date (which may be retrospective), as well as any other terms and conditions applicable to the capital increase;
 - Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;
 - Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
 - At its sole discretion, charge the costs of a capital increase to related premiums and deduct the amounts needed for the legal reserve from such amount;
 - Determine and make any adjustments intended to recognize the impact of transactions in the Company's share capital or shareholders' equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or shareholders' equity (including in the event of a public tender offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
 - Record the completion of each capital increase and amend the by-laws accordingly;
 - More generally, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;
6. Recognizes that if the Board of Directors uses the delegation of authority granted to it in this resolution, the Board of Directors will report to the next ordinary shareholders' meeting, in accordance with laws and regulations, on the use that it has made of the authorizations granted in this resolution;
 7. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
 8. Recognizes that, as of the date hereof, this delegation will cause the unused portion of any prior delegation of authority for the same purpose, that is to say any delegation of authority relating to a capital increase of the Company by means of the issuance of shares and/or transferable securities giving immediate or future access to the share capital, with preferential subscription rights, to lapse.

Eighteenth resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, by an offering to the public other than the offerings to the public referred to in Article L.411-2 1° of the French Monetary and Financial Code)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, and in particular Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 225-148, and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, without preferential subscription rights, by an offering to the public other than the offerings to the public referred to in Article L. 411-2 1°

of the French Monetary and Financial Code, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established by reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate or future access, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means, to the Company's share capital, it being specified that payment for the shares may be made either in cash, or, for shares, by setoff against claims, or by incorporation of reserves, profits, or premiums. Such transferable securities may be issued in consideration of securities contributed to the Company in connection with a public exchange offer carried out in France or abroad in accordance with local rules (for example, in connection with a reverse merger of the Anglo-American type) for shares meeting the conditions set forth in Article L. 225-148 of the French Commercial Code;

2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of immediate, or future, capital increases that may be carried out under this authorization is €60 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this amount will be included in the overall ceiling referred to in paragraph 2 of the 17th resolution of this meeting, or, where applicable, in any overall ceiling that may be provided for by a resolution of the same type that may supersede such resolution during the period of validity of this delegation of power;
- Where applicable, these caps will also include the par value of shares to be issued to protect the rights of holders of transferable securities or of other rights giving access to the share capital, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments;

3. Decides to set the following limits on the amounts of debt securities authorized in the event of issuances of transferable securities in the form of debt securities giving immediate or future access to the Company's share capital:

- The nominal amount of debt securities that may be issued immediately or in the future under this delegation is €300 million, or the equivalent value in any other currency or monetary unit established by reference to a basket of currencies on the issuance date;
- This amount shall be increased, where applicable, by any redemption premium above par;
- This amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before this meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 or L. 228-94 paragraph 3 of the French Commercial Code;

4. Decides to remove the preferential subscription right of the shareholders to the securities that are the subject of this resolution, while nevertheless granting the Board of Directors, pursuant to Article L. 225-135, paragraph 5, of the French Commercial Code, the option to grant to the shareholders, for a duration and in accordance with terms that it shall set in compliance with applicable laws and regulations and for all or part of a given issuance, a priority subscription period not giving rise to the creation of negotiable rights and that must be exercised in proportion to the number of shares held by each shareholder, and may be accompanied by a subscription on a reducible basis, it being specified that securities not thus subscribed for will be offered to the public in France or abroad;
5. Decides that if subscriptions, including, where applicable, those by shareholders, have not absorbed the entire issuance, the Board of Directors may limit the amount of the transaction to the amount of subscriptions received, subject, in the case of the issuance of shares or securities of which the primary security is a share, to such securities representing at least three-quarters of the capital increase that had been decided upon;
6. Recognizes that the decision to issue securities giving access to the share capital in accordance with this delegation of authority will result, as of right and for the benefit of the holders of such securities, in the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right immediately or in the future;
7. Recognizes that, in accordance with Article L. 225-136 1°, paragraph 1, of the French Commercial Code:
 - The issuance price for shares issued directly shall be at least equal to the minimum allowed under applicable regulations on the date of the issuance (as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering to the public on the Euronext Paris regulated market, minus 10 %), after, if applicable, correction of such average in the event of a difference between the dividend dates;
 - The issuance price for securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital may give a right, shall be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph;
8. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, in particular in order to:
 - Decide to issue shares and/or transferable securities giving immediate or future access to the Company's share capital;
 - Decide the amount and price of the issuance and the amount of the premium that may be required on issuance, or, if applicable, the amount of the reserves, profits, or premiums that may be incorporated into the capital;

- Determine the dates and terms of the issuance, and the type, number, and characteristics of the shares and/or other securities to be created;
 - In the case of debt securities, decide whether they will be subordinated or not (and, where applicable, their subordination rank, in accordance with Article L. 228-97 of the French Commercial Code), set their interest rate (in particular whether it will be a fixed or floating rate, zero coupon, or indexed) and the terms that would apply to any mandatory or optional payment suspensions or non-payment of interest, determine their term (closed-ended or open-ended), the possibility of decreasing or increasing the nominal amount of the securities and the other terms of the issuance (including the granting of guarantees or sureties) and of redemption (including repayment by delivery of Company assets); where applicable, such securities may include the option for the Company to issue debt securities (whether having equity characteristics or not) in payment of interest for which the Company has suspended payments, or may take the form of complex debt instruments as defined by the stock market authorities (for example, due to their repayment or payment terms or other rights such as indexation or options); and modify, while the securities in question are outstanding, the terms referred to above, in compliance with applicable formalities;
 - Determine the method of payment for the shares and/or transferable securities giving immediate or future access to the Company's share capital;
 - Where necessary, set terms for the exercise of rights (such as rights of conversion, exchange or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to the shares or transferable securities giving access to share capital and, in particular, set the dividend date (which may be retrospective), as well as any other terms and conditions applicable to the capital increase;
 - Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;
 - Provide for the option to suspend any exercise of rights attached to the shares or securities giving access to the share capital, in accordance with legal and regulatory provisions;
 - In the case of an issuance of securities in consideration for other securities contributed in connection with a public tender offer having an exchange component (public exchange offer), establish the list of securities contributed to the exchange and determine the terms of the issuance, the exchange ratio, and, if applicable, the amount of the cash balance to be paid, provided, that the procedures for determining the price in paragraph 7 of this resolution shall not apply, and determine the terms of the issuance in connection either with a public exchange offer, an alternative tender or exchange offer, or with a simple tender or exchange offer for the securities in question in consideration of a payment in securities and cash, or of a principal public tender or exchange offer with an alternate public exchange or tender offer in accordance with the laws and regulations applicable to such public tender offer;
 - At its sole discretion, charge the costs of capital increases to related premiums and deduct the sums needed for the legal reserve from this amount;
 - Determine and make any adjustments intended to recognize the impact of transactions in the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or equity (including in the event of a public tender offer and/or change of control), and set any other terms ensuring, in accordance with laws and regulations and, where applicable, with contractual provisions providing for other adjustments, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
 - Record the completion of each capital increase and amend the by-laws accordingly;
 - More generally, enter into any agreement in order to carry out the proposed issuances successfully, take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;
9. Recognizes that if the Board of Directors uses the delegation of authority granted to it in this resolution, the Board of Directors will report to the next ordinary shareholders' meeting, in accordance with laws and regulations, on the use that it has made of the authorizations granted in this resolution;
 10. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
 11. Recognizes that, as of the date hereof, this delegation will cause the unused portion of any prior delegation of power for the same purpose, that is to say any delegation of authority relating to the Company's capital increase by means of the issuance of shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, by an offering to the public other than the offerings to the public referred to in Article L. 411-2 1° of the French Monetary and Financial Code, to lapse.

Nineteenth resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, by an offering to the public of the type referred to in Article L.411-2 1° of the French Monetary and Financial Code)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, and in particular Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, and L. 228-91 *et seq.* of the French Commercial Code and Article L. 411-2, 1° of the French Monetary and Financial Code:

1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, without preferential subscription rights, by offering to the public of the type referred to in Article L. 411-2 1° of the French Monetary and Financial Code, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established by reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate or future access, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means, to the Company's share capital, it being specified that payment for the shares and other securities may be made either in cash, by setoff against claims, or by incorporation of reserves, profits, or premiums;
2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:
 - The maximum nominal amount of immediate or future capital increases that may be carried out under this authorization is €60 million, or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this amount will be included in the overall ceiling referred to in paragraph 2 of the 18th resolution and in the overall ceiling referred to in paragraph 2 of the 17th resolution, or, where applicable, in the caps provided for by resolutions of the same type that may supersede such resolutions during the period of validity of this delegation of power;
 - In any event, issuances of equity securities carried out pursuant to this delegation shall not exceed the limits provided for by applicable regulations on the date of the issuance (as of the date hereof, 20 % of the share capital per year); and
 - Where applicable, these caps will also include the par value of shares to be issued to protect the rights of holders of transferable securities or of other rights giving access to the share capital, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments;
3. Decides to set the following limits on the amounts of debt securities authorized in the event of issuances of transferable securities in the form of debt securities giving immediate or future access to the Company's share capital:
 - The nominal amount of debt securities that may be issued immediately or in the future under this delegation is €300 million, or the equivalent value in any other currency or monetary unit established in reference to a basket of currencies on the issue date;
 - This amount shall be increased, where applicable, by any redemption premium above par;
 - This amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before this meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 or L. 228-94 paragraph 3 of the French Commercial Code;
4. Decides to remove the preferential subscription right of the shareholders to the securities that are the subject of this resolution, while nevertheless granting the Board of Directors, pursuant to Article L. 225-135, paragraph 5, of the French Commercial Code, the option to grant to the shareholders, for a duration and in accordance with terms that it shall set in compliance with applicable laws and regulations and for all or part of a given issuance, a priority subscription period not giving rise to the creation of negotiable rights and that must be exercised in proportion to the number of shares held by each shareholder, and may be accompanied by a subscription on a reducible basis, it being specified that securities not thus subscribed for may be the subject of an offering referred to in Article L. 411-2 1° of the French Commercial Code, in France or abroad;
5. Decides that if subscriptions, including, if applicable, those by shareholders, have not absorbed the entire issuance, the Board of Directors may limit the amount of the transaction to the amount of subscriptions received, subject, in the case of the issuance of shares or securities of which the primary security is a share, to such securities representing at least three-quarters of the capital increase that had been decided upon;
6. Recognizes that the decision to issue securities giving access to the share capital in accordance with this delegation will imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which the securities shall give a right immediately or in the future;

7. Recognizes that, in accordance with Article L. 225-136 1°, paragraph 1, of the French Commercial Code:
- The issuance price for the shares issued directly shall be at least equal to the minimum allowed under applicable regulations on the date of the issuance (as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering to the public on the Euronext Paris regulated market, minus 10 %), after, if applicable, correction of such average in the event of a difference between the dividend dates;
 - The issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital may give a right, shall be such that the amount received immediately by the Company, plus, where applicable, the amount that it may later receive, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph;
8. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, in particular, in order to:
- Decide to issue shares and/or transferable securities giving immediate or future access to the Company's share capital;
 - Decide the amount and price of the issuance and the amount of the premium that may be required on issuance, or, if applicable, the amount of the reserves, profits, or premiums that may be incorporated into the capital;
 - Determine the dates and terms of the issuance, and the type, number, and characteristics of the shares and/or other securities to be created;
 - In the case of debt securities, decide whether they will be subordinated or not (and, where applicable, their subordination rank, in accordance with Article L. 228-97 of the French Commercial Code), set their interest rate (in particular whether it will be a fixed or floating rate, zero coupon, or indexed) and the terms that would apply to any mandatory or optional payment suspensions or non-payment of interest, determine their term (closed-ended or open-ended), the possibility of decreasing or increasing the nominal amount of the securities and the other terms of the issuance (including the granting of guarantees or sureties) and of redemption (including repayment by delivery of Company assets); where applicable, such securities may include the option for the Company to issue debt securities (whether having equity characteristics or not) in payment of interest for which the Company has suspended payments, or may take the form of complex debt instruments as defined by the stock market authorities (for example, due to their repayment or payment terms or other rights such as indexation or options); and modify, while the securities in question are outstanding, the terms referred to above, in compliance with applicable rules;
 - Determine the method for paying up the shares and/or transferable securities giving immediate, or future, access to the Company's share capital;
 - Where applicable, to set terms for the exercise of rights (where applicable, rights of conversion, exchange or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to share capital to be issued and, in particular, to set the date, which may be retrospective, from which the new shares will rank for dividend, as well as any other terms and conditions applicable to capital increases;
 - Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, given the applicable legal provisions;
 - Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
 - At its sole discretion, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
 - Determine and make any adjustments intended to recognize the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public tender offer and/or change of control), and setting any other terms ensuring, where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
 - Record the completion of each capital increase and amend the by-laws accordingly;
 - Generally speaking, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;
9. Recognizes the fact that if the Board of Directors uses the delegation of authority granted to it in this resolution, the Board of Directors will report to the next ordinary shareholders' meeting, in accordance with laws and regulations, on the use that it has made of the authorizations granted in this resolution;
10. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;

11. Recognizes the fact that, as of the date hereof, this delegation will cause the unused portion of any prior delegation of power for the same purpose, that is to say any delegation of authority relating to the Company's capital increase by means of the issuance of shares and/or transferable securities giving immediate, or future, access to the share capital, without preferential subscription rights, by an offering to the public referred to in Article L. 411-2 1° of the French Monetary and Financial Code, to lapse.

Twentieth resolution (Authorization to the Board of Directors to issue shares and/or transferable securities giving immediate or future access to shares to be issued by the Company in consideration of contributions in kind consisting of equity securities or transferable securities giving access to share capital)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-147, and L. 228-91 *et seq.* of the French Commercial Code:

1. Authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, to increase the share capital, on one or more occasions, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate, or future, access, at any time, or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants or any other means, to the Company's share capital, to be used as consideration for contributions in kind made to the Company and consisting of equity securities or securities giving access to the share capital, where Article L. 225-148 of the French Commercial Code does not apply;
2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this authorization:
 - The maximum nominal amount of immediate, or future, capital increases that may be carried out under this authorization is 10 % of the share capital on the date of the transaction (adjusted to account for any transactions affecting the share capital subsequent to this meeting). It is specified that this amount will be included in the overall cap provided for by paragraph 2 of the 17th resolution of this meeting, as reiterated under the 11th resolution of this shareholders' meeting, or, where applicable, in any overall cap provided for by resolutions of the same type that may supersede such resolution during the period of validity of this authorization;
 - In any event, issuances of shares and securities giving access to the share capital carried out pursuant to this authorization shall not exceed the limits provided for by applicable regulations on the date of the issuance (as of the date hereof, 10 % of the share capital); and
 - Where applicable, these caps will also include the par value of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital;
3. Decides to set the following limits on the amounts of debt securities authorized in the event of issues of transferable securities in the form of debt securities giving immediate, or future, access to the Company's share capital:
 - The nominal amount of debt securities that may be issued immediately or in the future under this delegation is €300 million, or the equivalent value in any other currency or monetary unit established in reference to a basket of currencies on the issue date;
 - This amount shall be increased, where applicable, by any redemption premium above par;
 - This amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before this meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 or L. 228-94 paragraph 3 of the French Commercial Code;
4. Recognizes that the decision to issue securities giving access to the share capital in accordance with this delegation of authority will imply, as of right and for the benefit of the holders of such securities, the waiver by the shareholders of their preferential subscription right to the shares and/or securities giving access to the share capital to which such securities shall give a right immediately or in the future;
5. Decides that the Board of Directors will have full authority, with the right to subdelegate in accordance with applicable law, to implement this resolution, in particular, in order to:
 - Issue shares and/or transferable securities giving immediate, or future, access to the Company's share capital, in consideration of contributions;
 - Establish the list of equity and other securities giving access to the share capital that are contributed, approve the valuation of the contributions, determine the terms of the issuance of the shares and/or other securities in consideration of the contributions, as well as, if applicable, the amount of the cash balance to be paid, approve the granting of specific benefits, and decrease, if the contributors consent, the valuation of the contributions or the consideration for specific benefits;
 - Determine the terms and characteristics of the shares and/or other securities to be issued in consideration of the contributions and modify, while such securities are outstanding, such terms and characteristics in compliance with applicable rules;
 - Set the terms under which the Company will have, where applicable, the right to purchase or trade on the stock market, at any time or during set periods, in transferable securities giving access to the share capital, whether or not with a view to cancelling such securities, in accordance with applicable legal provisions;

- At its sole discretion, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
 - Determine and make any adjustments intended to recognize the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or equity (including in the event of a public tender offer and/or change of control), and setting any other terms ensuring, where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
 - Record the completion of each capital increase and amend the by-laws accordingly;
 - More generally, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this authorization, as well as for the exercise of the rights attached thereto;
6. Sets the period of validity of the authorization referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
 7. Recognizes that if the Board of Directors uses the authorization granted to it in this resolution, the report of the statutory auditor, if one is prepared in accordance with Article L. 225-147 of the French Commercial Code, shall be brought to its attention at the next general shareholders' meeting;
 8. Recognizes that, as of the date hereof, this authorization will cause the unused portion of any prior delegation of power for the same purpose, that is to say any authorization relating to the issuance of shares and/or transferable securities giving immediate or future access to shares to be issued by the Company in consideration of contributions in kind consisting of equity securities or other securities giving rise to the share capital, to lapse.
- Twenty-first resolution (Delegation of authority to the Board of Directors to decide to increase the Company's share capital by incorporation of premiums, reserves, profits, or any other amounts)**
- The general shareholders' meeting, ruling under the quorum and majority conditions required for ordinary shareholders' meetings, after reviewing the Board of Directors' report and in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:
1. Delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to decide to increase the share capital, on one or more occasions, in the proportion and at the times that it shall decide, by incorporation of premiums, reserves, profits, or any other amounts the incorporation of which into the share capital is possible under the law and the by-laws, in the form of an issuance of new equity securities or of an increase in the par value of the existing equity securities, or by the combined use of both procedures;
 2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:
 - The maximum nominal amount of capital increases that may be carried out under this delegation may not exceed €60 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, it being noted that this maximum amount is autonomous and shall not be included in the overall cap referred to in paragraph 2 of the 17th resolution of this meeting, or, where applicable, in the ceilings provided for by resolutions of the same type that may supersede such resolution during the period of validity of this delegation;
 - Where applicable, these caps will also include the par value of shares to be issued to protect the rights of holders of transferable securities, or other rights, giving access to the share capital, in accordance with legal or regulatory provisions and, where applicable, contractual provisions providing for other adjustments;
 3. In the event that the Board of Directors uses this delegation of authority, delegates all powers to it, with the right to subdelegate in accordance with applicable law, to implement this delegation, in particular in order to:
 - Determine the total and the type of amounts to be incorporated into the share capital, set the number of new shares to be issued and/or the amount by which the par value of existing shares will be increased, set the date (which may be retrospective) as from which the new shares will bear dividend rights or on which the increase in the par value of existing shares will be effective;
 - Decide, in the event of a free grant of shares, that rights forming fractional shares will be non-negotiable and non-transferable, and that the corresponding shares will be sold pursuant to terms determined by the Board of Directors, it being noted that the sale and distribution of amounts resulting from the sale must occur within the time period provided for in Article R. 225-130 of the French Commercial Code;
 - Make any adjustments intended to recognize the impact of transactions on the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or equity (including in the event of a public tender offer and/or change of control);
 - Determine any procedures for protecting, where applicable, the rights of the holders of securities giving access to the share capital or other rights giving access to the share capital (including by a cash adjustment);

- Record the completion of each capital increase and amend the by-laws accordingly;
 - More generally, enter into any agreement, take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;
4. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
 5. Recognizes that, as of the date hereof, this delegation will cause the unused portion of any prior delegation of power for the same purpose, that is to say any prior delegation of authority relating to a capital increase by incorporation of premiums, reserves, profits, or any other amounts, to lapse.

Twenty-second resolution (Delegation of authority to the Board of Directors to increase the number of shares to be issued in a capital increase, with or without preferential subscription rights)

The general shareholders' meeting, ruling under the quorum and majority conditions for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L. 225-129-2 and L. 225-135-1 of the French Commercial Code:

1. Delegates its authority to the Board of Directors, with the right to subdelegate in accordance with applicable law, to decide to increase the number of shares to be issued in the event of a capital increase of the Company, with or without preferential subscription rights, at the same price as that of the initial issuance, within the time periods and limits provided for by applicable regulations on the date of the issuance (as of the date hereof, within 30 days following the close of the subscription period and up to a maximum of 15 % of the initial issuance) to grant an over-allotment option in accordance with market practice;
2. Decides that the nominal amount of the capital increases decided by this resolution shall be included in the cap provided for in the resolution pursuant to which the initial issuance was decided and in the overall cap provided for in paragraph 2 of the 17th resolution of this meeting, or, where applicable, in the caps provided for by resolutions of the same type that may supersede such resolution during the period of validity of this delegation;
3. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
4. Recognizes that, as of the date hereof, this delegation will cause the unused portion of any prior delegation of power for the same purpose, that is to say any prior delegation of authority relating to the increase in the number of shares to be issued in the event of a capital increase with or without preferential subscription rights, to lapse.

Twenty-third resolution (Authorization to be given to the Board of Directors to increase the Company's capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, reserved for members of savings plans)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary general shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with, on the one hand, the provisions of Articles L. 225-129-2, L. 225-129-6, L. 225-138-1 and L. 228-91 et seq. of the French Commercial Code and, on the other, of Articles L. 3332-18 to L. 3332-24 of the French Labor Code:

1. Authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, to decide on the share capital increase without preferential subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established by reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) Company shares (other than preference shares) and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code, giving immediate or future access, at any time or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or by any other means, to the Company's share capital (including equity securities granting entitlement to debt securities), reserved for members of one or more employee savings plans (or any other members' plan under Articles L. 3332-1 et seq. of the French Labor Code, or any other similar law or regulation, that would allow for a reserved capital increase under the same conditions) set up in a French or foreign company, or group of companies, falling within the scope of the Company's consolidated or combined financial statements in accordance with Article L. 3344-1 of the French Labor Code, it being specified that this resolution may be used to implement leverage formulae;
2. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:
 - The maximum nominal amount of immediate or future capital increases that may be carried out under this authorization is 2 % of the share capital on the date of the Board of Directors' decision. It is specified that this amount will be included in the overall cap provided for by paragraph 2 of the 17th resolution of this general shareholders' meeting, or, where applicable, in any overall cap provided for by resolutions of the same type that may supersede such resolution during the period of validity of this delegation of power,
 - Where applicable, these caps will also include the par value of shares to be issued to protect the rights of holders of transferable securities or of other rights giving access to

the share capital, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments;

3. Decides that the issuance price of new shares or transferable securities giving access to the share capital, as determined pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, will be at least 70 % of the Reference Price (as such expression is defined below) or 60 % of the Reference Price (as such expression is defined below) where the lockup period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to five years or ten years, respectively. For the purposes of this paragraph, the "Reference Price" means the average of the closing prices of the Company's shares on the Paris Euronext regulation market in the twenty trading sessions prior to the date of the decision being taken by the Board of Directors or its delegate, setting the opening date of the subscription period for members of a company or group savings plan (or similar plan). The general shareholders' meeting expressly authorizes the Board of Directors, should it see fit, to reduce or cancel the aforementioned discount on the Reference Price, within legal and regulatory limits, in particular to take into account local legal, accounting, tax and social security laws;
4. Authorizes the Board of Directors to grant to the aforementioned beneficiaries, free of charge, in addition to shares or transferable securities giving access to the share capital, shares or transferable securities giving access to future or existing share capital to replace all, or part, of the discount on the Reference Price and/or the employer's top-up contribution, given that the benefit arising from this grant may not exceed the legal or regulatory limits applicable under Articles L. 3332-10 *et seq.* of the French Labor Code;
5. For the benefit of the aforementioned beneficiaries, decides to remove shareholders' preferential right to subscribe for the securities referred to by this resolution, such shareholders also waiving any right, in the case of free shares or transferable securities giving access to the share capital being awarded to the recipients shown above, to such shares or securities giving access to share capital, including the portion of the reserves, profits or premiums incorporated into the share capital as a result of the allocation of such securities, free of charge, on the basis of this resolution;
6. Authorizes the Board of Directors, under the terms of this authorization, to sell shares to members of a company or group savings plan (or similar plan) as provided for by Article L. 3332-24 of the French Labor Code, given that the par value of shares sold at a discount to members of one, or more, of the employee savings plans referred to in this resolution, will be included in the ceilings referred to in paragraph 2 above;
7. Decides that the Board of Directors, with the right to subdelegate in accordance with applicable law, will have full authority to implement this delegation of power, in particular in order to:
 - Decide to issue shares and/or transferable securities giving immediate or future access to the Company's share capital;
 - Establish, in accordance with applicable law, the list of beneficiaries indicated above who may subscribe for the shares or securities giving access to the share capital so issued, and who may receive, if applicable, free grants of shares or securities giving access to the share capital;
 - Decide that beneficiaries, members of a company or group savings plan (or similar plan) may subscribe directly or via an employees' mutual fund or other structures or entities permitted by applicable laws and regulations;
 - Determine the requirements, particularly in terms of length of service, that must be met by beneficiaries of capital increases;
 - Where necessary, set terms for the exercise of rights (such as rights of conversion, exchange or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to the share capital and, in particular, set the dividend date (which may be retrospective), as well as any other terms and conditions applicable to the capital increase;
 - Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
 - Determine the amounts of issuances to be carried out under this authorization and determine, in particular, issuance prices, dates, time limits, terms and conditions of subscription, settlement, delivery and vesting (which may be retrospective), rules on reducing amounts in the event of oversubscription, as well as other terms and conditions of issuances, in accordance with current legal or regulatory constraints;
 - Determine and make any adjustments intended to reflect the impact of transactions in the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the share capital or equity (including in the event of a public tender offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
 - In the event of the award of free shares or transferable securities giving access to the share capital, set the type and number of shares or transferable securities giving access to the share capital to be issued, as well as related terms and characteristics, the number to be awarded to each beneficiary, and set the dates, time limits and terms and conditions for the award of these shares or transferable securities giving access to the share capital, in accordance with current legal and regulatory constraints and, in particular, choose whether to fully or partially replace the award of these shares or transferable securities with the discounts on the Reference Price provided for above, or to deduct the equivalent value of these shares or transferable securities from the total employer's top-up contribution, or to combine these two options;

- In the event of new shares being issued, deduct the sums needed to pay up such shares from reserves, profits or issuance premiums;
 - Record capital increases and amend the by-laws accordingly;
 - At its sole discretion, charge the costs of capital increases to related premiums and deduct the sums needed for the legal reserve from this amount;
 - More generally, enter into any agreement in order to carry out the proposed issuances successfully, to take any measures and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto;
8. Sets the period of validity of the delegation of power referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
 9. Recognizes that, as of the date hereof, this delegation will cause the unused portion of any delegation of power relating to the Company's capital increase by means of the issue of shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, reserved for savings plan members, to lapse.

Twenty-fourth resolution (Authorization to the Board of Directors to carry out free grants of existing shares or future shares to employees and officers of the Group, or to certain of them)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. Authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, to carry out, on one or more occasions, free grants of existing shares or future shares (excluding preferred shares) to the recipients or categories of recipients that it shall determine from among the employees of the Company or of related companies or groups as provided for by Article L. 225-197-2 of the French Commercial Code and the corporate officers of the Company or of related companies or groups and who satisfy the conditions provided for in Article L. 225-197-1 II of such Code, pursuant to the conditions set forth below;
2. Decides that the existing shares or future shares to be granted pursuant to this authorization may not represent more than 2 % of the Company's share capital on the date of the decision of the Board of Directors, it being noted that the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorization will be included in the overall cap provided for by paragraph 2 of the 17th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may supersede such resolution during the period of validity of this delegation of authority, and, in any event, the total number of shares granted may not exceed the limits set by Articles L. 225-197-1 *et seq.* of the French Commercial Code. This cap does not take into account any adjustments that may be made to protect the rights of beneficiaries of free share grants;
3. Decides that for each fiscal year, the total number of existing or future shares to be granted pursuant to this authorization to the executive officers of the Company may not represent more than 50 % of the shares that may be granted pursuant to this delegation;
4. Decides that:
 - The free grant of shares to their recipients shall vest at the end of a vesting period the length of which shall be decided by the Board of Directors, provided, that such period may not be shorter than that required by applicable laws on the date of the decision to grant;
 - Vested shares, at the end of the above-mentioned vesting period, will be subject to a retention period the length of which may not be shorter than that required by applicable law on the date of the decision to grant (namely, as of the date hereof, the difference between a period of two years and the length of the vesting period as set by the Board of Directors); however, this retention obligation may be lifted by the Board of Directors for free share grants for which the vesting period shall have been set at a length of at least the minimum period provided for by law (namely, as of the date hereof, two years);
 - The vesting of free share grants and the right to freely transfer the shares shall, however, occur prior to the expiration of the vesting period or, if applicable, of the retention period, in the event that the recipient becomes disabled within the meaning of the second or third category provided for in Article L. 341-4 of the French Social Security Code, or an equivalent provision abroad;
5. Decides that the vesting of free share grants shall be subject to the satisfaction of one or more performance conditions determined by the Board of Directors;
6. Grants full authority to the Board of Directors, with the right to subdelegate in accordance with applicable law, to implement this resolution, in particular in order to:
 - Determine whether the free shares granted are future and/or existing shares and, where applicable, to modify its choice prior to the vesting date of the shares;
 - Determine the identity of the recipients or of the category or categories of recipients of share grants from among the employees and officers of the Company or of the companies or groups referred to above and the number of shares granted to each of them;
 - Determine the conditions and, if applicable, the criteria for the grant of shares, including the minimum vesting period and the length of the required retention period for each recipient, pursuant to the terms provided for above, it being noted that with respect to free share grants to company officers, the Board of Directors must either (a) decide that the free shares granted may not be transferred while the recipients remain in their positions, or (b) set the number

of free shares granted that they are required to retain in registered form while they remain in their positions;

- Provide for the right to temporarily suspend grant rights;
 - Take note of the vesting dates and the dates from which the shares may be freely transferred, taking into account legal restrictions;
 - Register the free shares granted in a registered account in the name of their holder, mentioning any restriction and the duration thereof, and to lift such restriction from the shares in any circumstances in which applicable regulations permit lifting the restriction;
7. Decides that the Board of Directors will also have all powers, with the right to subdelegate in accordance with applicable law, where applicable in the event of the issuance of new shares, to allocate the necessary amounts to pay up such shares to reserves, profits, or issuance premiums, to take note of the completion of the capital increases carried out pursuant to this authorization, to make the corresponding changes to the by-laws, and, generally, to carry out all necessary acts and formalities;
 8. Decides that the Company may make any necessary adjustments to the number of free shares granted in order to protect the rights of the recipients, as a function of any transactions in the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, free share grants, issuance of new shares with preferential subscription rights reserved for the shareholders, stock splits or reverse stock splits, the distribution of reserves, issuance premiums or any other assets, redemption of capital, modification of the allocation of profits by the creation of preferred shares, or any other transaction affecting the share capital or equity (including in the event of a public tender offer and/or change of control). It is noted that the shares granted pursuant to such adjustments shall be deemed granted on the same date as the shares initially granted, and shall be added to the cap referred to above;
 9. Recognizes that in the case of a free grant of new shares, this authorization shall result, as such shares vest, in an increase of the share capital by incorporation of reserves, profits, or issuance premiums for the benefit of the recipients of such shares, and the corresponding waiver by the shareholders, for the benefit of the recipients of such shares, of their preferential subscription rights to such shares;
 10. Recognizes that if the Board of Directors uses this authorization, it shall inform the ordinary shareholders' meeting each year of the transactions carried out pursuant to Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, as required by Article L. 225-197-4 of such Code;
 11. Sets the period of validity of the authorization referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
 12. Recognizes that, as of the date hereof, this authorization will cause the unused portion of any prior delegation of power for the same purpose, that is to say any authorization the purpose of which is the free grant of existing or future shares for the benefit of the employees and officers of the group, or of certain of them, to lapse.

Twenty-fifth resolution (Authorization to the Board of Directors to grant subscription or purchase options to employees and officers of the Group, or to certain of them)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with Articles L. 225-177 to L. 225-186-1 of the French Commercial Code:

1. Authorizes the Board of Directors, with the right to subdelegate to the extent permitted by law, to carry out, on one or more occasions, for the benefit of the persons that it shall determine from among the employees and officers of the Company and of related companies or groups as provided for by Article L. 225-180 of the French Commercial Code, or to certain of them, options giving the right to subscribe for new shares of the Company to be issued in a capital increase, as well as options giving the right to the purchase of shares of the Company resulting from buybacks by the Company as permitted by law;
2. Decides that the total number of subscription and purchase options granted pursuant to this authorization may not give the right to subscribe for or purchase a number of shares that is greater than 2 % of the share capital on the date of the Board's decision to grant, and that the maximum nominal amount of the capital increases resulting from the exercise of share subscription options granted pursuant to this authorization will be included in the overall cap provided for by paragraph 2 of the 17th resolution of this meeting, or, where applicable, in any overall cap provided for by a resolution of the same type that may supersede such resolution during the period of validity of this delegation of power. Where applicable, these caps will also include the shares to be issued in respect of adjustments to protect, in accordance with legal and regulatory provisions, the rights of the option recipients;
3. Decides that for each fiscal year, the total number of existing or future shares to be granted pursuant to this authorization to the executive officers of the Company may not give the right to subscribe for or purchase a number of shares that is greater than 50 % of the options that may be subscribed for or purchased pursuant to this delegation;
4. Decides that the price to be paid upon exercise of the subscription or purchase options shall be determined on the date on which the options are granted, and that (i) in the case of a grant of subscription options, such price may not be less than 80 % of the average opening price of the Company's shares on the Euronext Paris regulated market over the 20 trading sessions prior to the date on which the subscription options are granted, and (ii) in the case of a grant of purchase options, such price may not be less than either the amount indicated in (i) above or 80 % of the average purchase price for shares held by the Company pursuant to Articles L. 225-208 and L. 225-209 of the French Commercial Code. If the Company carries out one of the transactions provided for in Article L. 225-181 of the French Commercial Code or in Article R. 225-138 of the French Commercial Code, the Company shall, in accordance with regulations in effect at that time, take all necessary measures

to protect the interests of the recipients, including, where applicable, by adjusting the number of shares that may be obtained through the exercise of the options granted to the recipients to take into account the effect of such transaction;

5. Recognizes that this authorization shall result, for the benefit of the recipients of the subscription options, in an express waiver by the shareholders of their preferential subscription rights to the shares that will be issued as the subscription options are exercised. The capital increase resulting from the exercise of subscription options shall be definitively completed by the mere declaration of the option exercise, accompanied by the subscription forms and payments that may be made in cash or by setoff with claims against the Company;
6. Decides that each option grant must provide that the exercise of the options shall be subject to the satisfaction or one or more performance conditions determined by the Board of Directors;
7. Grants full authority to the Board of Directors, to implement this resolution, in particular in order to:
 - Determine whether the options granted are subscription and/or purchase options, and, if applicable, to modify its choice prior to the opening of the option exercise period;
 - Determine the identity of the recipients or of the category or categories of recipients of the options granted and the number of options allocated to each of them;
 - To determine the terms and conditions of the options, and in particular:
 - The period of validity of the options, it being understood that the options must be exercised within a maximum of six years;
 - The option exercise dates or periods, it being understood that the Board of Directors may (a) move up the exercise dates or periods for the options; (b) maintain the benefit of the options; or (c) modify the dates or periods on or during which the shares obtained through the exercise of the options may not be transferred or converted into bearer form;
 - Any provisions restricting the immediate resale of some or all of the shares, provided, that the required retention period for the shares may not exceed three years following the exercise date of the option, it being noted that with respect to options granted to company officers, the Board of Directors must either (a) decide that the options may not be exercised while the recipients remain in their positions, or (b) set the number of shares that they are required to retain in registered form while they remain in their positions;
 - Where applicable, limit, suspend, restrict, or prohibit the exercise of the options or the sale or conversion into bearer form of the shares obtained through the exercise of the options during certain periods or following certain events; its decision may apply to some or all of the options or shares and may apply to some or all of the recipients;
 - Determine the dividend date (which may be retrospective) for the new shares resulting from the exercise of subscription options;

8. Decides that the Board of Directors will also have all powers, with the right to subdelegate in accordance with applicable law, to record the completion of the capital increases in the amount of the shares subscribed for through the exercise of subscription options, to amend the by-laws accordingly, and, at its sole discretion and if it deems it advisable, to deduct the costs of the capital increases from the amount of the premiums relating to such transactions and to allocate from such amount the necessary amounts to bring the legal reserve to one-tenth of the new share capital after each increase, and to perform all necessary formalities for the listing of the shares so issued, to make all filings with regulatory authorities, and to do whatever else is necessary;
9. Sets the period of validity of the authorization referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
10. Recognizes that, as of the date hereof, this authorization will cause the unused portion of any prior delegation of power for the same purpose, that is to say any authorization the purpose of which is to grant subscription or purchase options, to lapse.

Twenty-sixth resolution (Authorization of the Board of Directors to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the capital, without preferential subscription rights, reserved for group employees outside France)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary general shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-129-2, L. 225-138, and L. 228-91 *et seq.* of the French Commercial Code:

1. Recognizes that in some countries, legal or tax issues may make it difficult to set up employee share ownership plans directly or via employee mutual funds (the employees, pre-retirees or retirees, and corporate officers referred to in Articles L. 3332-1 and L. 3332-2 of the French Labor Code of Neoen Group companies with registered offices in one of such countries and employees, pre-retirees or retirees of Neoen Group companies residing in these same countries are hereinafter referred to as "Overseas Employees," the "Neoen Group" comprising the Company and French and foreign companies falling within the scope of the Company's consolidated financial statements in accordance with Articles L. 3344-1 *et seq.* of the French Labor Code), and that the introduction for the benefit of certain Overseas Employees of alternatives to the plans offered to French residents who are members of one of the employee savings plans set up by one of the Neoen Group companies, may prove to be desirable;
2. Authorizes the Board of Directors, with the right to subdelegate in accordance with applicable law, to increase the share capital, without preferential subscription rights, on one or more occasions, in France or abroad, in the

proportions and at the times that it sees fit, either in euro or in any other currency or monetary unit established by reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3, or L. 228-94 paragraph 2 of the French Commercial Code giving immediate, or future, access, at any time, or on a set date, by subscription, conversion, exchange, redemption, the presentation of warrants, or any other means, to the Company's share capital (including capital securities giving entitlement to debt securities), reserved for the following category of beneficiaries: (i) Overseas Employees; (ii) UCITS or other entities, whether or not legal entities, of employee shareholders invested in shares of the Company of which the shareholders shall consist of Overseas Employees; and/or (iii) any banking institution or entity controlled by such an institution within the meaning of Article L. 233-3 of the French Commercial Code acting at Company's request to put in place a structured offer to Overseas Employees;

3. Decides to set the following limits on the authorized amounts of capital increases in the event that the Board of Directors uses this delegation of authority:

- The maximum nominal amount of immediate or future capital increases that may be carried out under this delegation is 1 % of the share capital on the date of the Board of Directors' decision. It is specified that this amount will be included (i) in the overall cap referred to in paragraph 2 of the 17th resolution of this general shareholders' meeting, as well as (ii) in the cap referred to in paragraph 2 of the 23rd resolution (subject to the approval thereof), or, where applicable, in any caps provided for by resolutions of the same type that may supersede such resolutions during the period of validity of this delegation of power;
- Where applicable, these caps will also include the par value of shares to be issued to protect the rights of holders of transferable securities or of other rights giving access to the share capital, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments;

4. Decides to cancel, for the benefit of the aforementioned beneficiaries, shareholders' preferential subscription rights to the securities referred to in this resolution;

5. Decides that the issue price of new shares or transferable securities giving access to share capital to be issued under this authorization will be set by the Board of Directors on the basis of the Company's share price on the Paris Euronext regulated market. This price will be the average of the closing prices of the Company's shares over the 20 trading sessions prior to (i) the date of the decision setting the opening date for subscriptions for the corresponding capital increase carried out under this resolution, or (ii) for transactions carried out as part of an overall employee share ownership plan set up in France or abroad, the date of the decision setting the opening date for subscriptions for the corresponding capital increase carried out under the 23rd resolution, less a maximum discount of 30 %;

6. Decides that the Board of Directors, with the right to subdelegate in accordance with applicable law, will have full authority to implement this delegation of authority, in particular in order to:

- Decide to issue shares and/or transferable securities giving immediate or future access to the Company's share capital;
- Draw up a list of one or more beneficiaries of the cancellation of preferential subscription rights from the category defined above, as well as the number of shares or transferable securities giving access to share capital to be subscribed for by each of such beneficiaries;
- Where necessary, setting terms for the exercise of rights (such as rights of conversion, exchange or redemption, including by the delivery of Company assets such as existing treasury shares or transferable securities) attached to shares or transferable securities giving access to share capital and, in particular, set the dividend date (which may be retrospective), as well as any other terms and conditions applicable to the capital increase;
- Provide for the option to suspend any exercise of rights attached to shares or securities giving access to the share capital in accordance with legal and regulatory provisions;
- Determine the amounts of issuances to be carried out under this authorization and determine, in particular, issuance prices, dates, time limits, terms and conditions of subscription, settlement, delivery and vesting (which may be retrospective), rules on reducing amounts in the event of oversubscription, as well as other terms and conditions of issuances, in accordance with current legal or regulatory constraints;
- Determine and make any adjustments intended to reflect the impact of transactions in the Company's share capital or equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, profits or premiums, free share grants, stock splits or reverse stock splits, the distribution of dividends, reserves or premiums or any other assets, redemption of capital, or any other transactions affecting the capital or equity (including in the event of a public tender offer and/or change of control), and set any other terms ensuring, where applicable, that the rights of holders of transferable securities or other rights giving access to share capital are protected (including via cash adjustments);
- Record the completion of capital increases and amend the by-laws accordingly;
- Where applicable, charge the costs of capital increases to related premiums and deduct the amounts needed for the legal reserve from such amount;
- More generally, enter into any agreement necessary to carry out the proposed issuances successfully, to take any measures and decisions and carry out any formalities required for the issuance, listing, and financial administration of the securities issued under this delegation, as well as for the exercise of the rights attached thereto or subsequent to the capital increases carried out;

7. Sets the period of validity of the delegation of authority referred to in this resolution at eighteen months from the date of this resolution.

Twenty-seventh resolution (Authorization to be given to the Board of Directors to decrease the share capital by cancelling treasury shares)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary general shareholders' meetings, after reviewing the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors to decrease the share capital, on one or more occasions, in the proportions and at the times that it sees fits, by cancelling any quantity of treasury shares, to the extent permitted by law, in accordance with the provisions of Articles L. 225-209 *et seq.* and L. 225-213 of the French Commercial Code.

On each cancellation date, the maximum number of shares cancelled by the Company during the twenty-four month period prior to such cancellation, including the shares cancelled on

such date, may not exceed 10 % of the shares comprising the Company's share capital on that date, or, by way of indication, based on the share capital of €170,177,496 as of December 31, 2019, a maximum of 8,508,874 shares, it being noted that this maximum is applied to a share capital amount that will, where applicable, be adjusted in recognition of transactions affecting the share capital after this general shareholders' meeting.

The general shareholders' meeting gives the Board of Directors full authorization, with the right to subdelegate in accordance with applicable law, to implement the cancellation(s) and reduction(s) of share capital permitted under this authorization, to deduct the difference between the buyback value and the par value of the cancelled shares from available premiums and reserves, at its discretion, to allocate the portion of the legal reserve freed up as a result of the capital decrease, and to amend the by-laws accordingly and to carry out any formalities.

This authorization is granted for a period of twenty-six months from the date hereof and will cause the unused portion of any prior authorization granted for the same purpose, i.e. any authorization relating to capital decreases via the cancellation of treasury shares, to lapse as from this general shareholders' meeting.

Twenty-eighth resolution (Amendment of the Company's by-laws)

The general shareholders' meeting, ruling under the quorum and majority conditions required for extraordinary shareholders' meetings, after reviewing the Board of Directors' report, decides to adopt, article by article and then in its entirety, the revised text of the Company's by-laws, including the changes set forth below.

- Amendment of the cover page to the Company's by-laws in order to add the words "(the "Company")" and to specify that they were approved by the general shareholders' meeting on May 26, 2020.
- Amendment of Article 5 of the Company's by-laws as follows:

Former version

The Company's duration is 99 years as from its registration with the Trade and Companies Register, unless it is wound up early or extended as provided for by law.

New version

The Company's duration is 99 years as from its registration with the trade and companies register, unless it is wound up early or extended as provided for by law.

- Amendment of paragraphs 3 and 4 of Article 9 of the Company's by-laws as follows:

Former version	New version
As permitted by applicable laws and regulations, the Company has the right at any time to ask the central financial instruments depository, in return for payment of a fee, to provide it with the names or corporate names, nationalities, years of birth or formation, postal addresses, and, if applicable, email addresses of the holders of bearer securities granting an immediate or future right to vote at its own general shareholders' meetings, as well as the number of securities held by each of them and, if applicable, any restrictions that may apply to such securities. The Company, after reviewing the list provided by the above-mentioned organization, has the right to ask the persons on such list whom the Company believes may be registered on behalf of a third party for the above information concerning the [beneficial] owners of the shares. Where a person who has been asked for information has not provided that information within the periods provided for by applicable laws and regulations, or has provided incomplete or erroneous information with respect either to its own capacity or to the [beneficial] owners of the shares, then the shares or securities granting immediate or future access to the share capital and for which such person has been recorded in the shareholder account shall be deprived of voting rights for any general shareholders' meeting taking place until the date on which such identification has been provided, and payment of the corresponding dividend shall be postponed until such date.	As permitted by applicable laws and regulations, the Company or its representative has the right at any time, in return for payment of a fee, to ask either (i) the central depository that manages its share register or (ii) one or more intermediaries, as defined in Article L. 211-3 of the French Monetary and Financial Code, directly, to provide it with the information referred to in Article R. 228-3 of the French Commercial Code with respect to the ownership of its shares and other securities granting immediate or future access to voting rights at its own shareholders' meetings. Where a depository identifies, in the list that it is required to prepare in response to the above-mentioned request, an intermediary of the type referred to in Article L. 228-1, paragraph 7, of the French Commercial Code registered on behalf of one or more third-party owners, it must transmit the request to that intermediary, unless the Company or its representative instructs it to the contrary at the time of its request. The registered intermediary is required to transmit the requested information to the custodian, who must in turn provide it to the Company or its representative, or else to the central depository, as the case may be. Where a person who has been asked for information has not provided that information within the periods provided for by applicable laws and regulations, or has provided incomplete or erroneous information, then the shares or securities granting immediate or future access to the share capital and for which such person has been recorded in the shareholder account shall be deprived of voting rights for any general shareholders' meeting taking place until the date on which such identification has been provided, and payment of the corresponding dividend shall be postponed until such date.

- Amendments of paragraphs 4 and 6 of Article 14.2 and of Article 14.3 of the Company's by-laws as follows:

Former version	New version
Article 14.2 – Bureau	
Chairman of the Board of Directors The Chairman shall organize and direct the work of the Board of Directors and report on that work to the general shareholders' meeting. The Chairman shall supervise the functioning of the Company's corporate bodies, ensuring, among other things, that the directors are able to fulfill their responsibilities. [...] Secretary The Board of Directors shall also appoint and set the term in office of a secretary, who may be chosen from among the directors or from outside the Board. In the Chairman's absence, the Board of Directors shall appoint one of its members to chair the meeting.	Chairman of the Board of Directors The Chairman shall organize and direct the work of the Board of Directors and report on that work to the general shareholders' meeting. The Chairman shall supervise the functioning of the Company's corporate bodies, ensuring, among other things, that the directors are able to fulfill their responsibilities. The Chairman chairs meetings of the Board of Directors. In the Chairman's absence, the Board of Directors shall appoint one of its members to chair the meeting. [...] Secretary The Board of Directors shall also appoint and set the term in office of a secretary, who may be chosen from among the directors or from outside the Board.
Article 14.3 - Deliberations	
Directors may, by any written means, give a power of attorney to another director to represent them at a meeting of the Board of Directors. The power of attorney shall be valid for one meeting only, and each director may hold only one power of attorney for a given meeting. The Board of Directors may validly deliberate only if at least one-half of its members are present. Decisions are made by a majority of members present or represented. In the event of a tie, the vote of the meeting's chairman shall prevail. The internal regulations adopted by the Board of Directors shall provide that for purposes of calculating quorum and majority, directors who participate in the meeting by video conference or telecommunications in accordance with applicable regulations shall be deemed present. This provision shall not apply with respect to the adoption of the decisions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code. Deliberations of the Board of Directors shall be recorded in minutes prepared in accordance with law.	Meetings of the Board of Directors Directors may, by any written means, give a power of attorney to another director to represent them at a meeting of the Board of Directors. The power of attorney shall be valid for one meeting only, and each director may hold only one power of attorney for a given meeting. The Board of Directors may validly deliberate only if at least one-half of its members are present. Decisions are made by a majority of members present or represented. In the event of a tie, the vote of the meeting's chairman shall prevail. The internal regulations adopted by the Board of Directors shall provide that for purposes of calculating quorum and majority, directors who participate in the meeting by video conference or telecommunications in accordance with applicable regulations shall be deemed present. This provision shall not apply with respect to the adoption of the decisions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code. Deliberations of the Board of Directors shall be recorded in minutes prepared in accordance with law. Written Consultation In accordance with Article L. 225-37 of the French Commercial Code, decisions within the purview of the Board of Directors and provided for in Article L. 225-24, in the last paragraph of Article 225-35, in the second paragraph of Article L. 225-36, and in Article L. 225-103 I, as well as decisions to transfer the registered office within the same department may be made by written consultation of the directors. The procedures for written consultation are set forth in the internal regulations.

- Amendment of paragraphs 1, 4 and 8 of Article 15 of the Company's by-laws as follows:

Former version	New version
The Board of Directors shall determine the Company's strategic direction and supervise its implementation. Subject to the powers expressly attributed to the shareholders' meetings and within the limit of the corporate purpose, the Board may address any question concerning the Company's operations and shall settle the matters concerning it through its deliberations. [...] All directors shall receive all information necessary to carry out their responsibilities and may obtain all documents necessary to carry out such responsibilities from the Chairman or the CEO. [...] Members of the Board of Directors are prohibited, even after they cease to be directors, from disclosing information that they possess about the Company and the disclosure of which could harm the Company's interests, except for situations in which such disclosure is required or permitted by applicable laws and regulations or in the public interest.	The Board of Directors shall determine the broad strategic direction of the Company's activity, and supervise its implementation in accordance with its corporate purpose, taking into consideration the social and environmental implications of its business. Subject to the powers expressly attributed to the shareholders' meetings and within the limit of the corporate purpose, the Board may address any question concerning the Company's operations and shall settle the matters concerning it through its deliberations. [...] All directors shall receive all information necessary to carry out their responsibilities and may obtain all documents necessary to carry out such responsibilities from the Chairman or the CEO. [...] Members of the Board of Directors are prohibited, even after they cease to be directors, from disclosing information that they possess about the Company and the disclosure of which could harm the Company's interests, except for situations in which such disclosure is required or permitted by applicable laws and regulations or in the public interest.

- Amendment of paragraph 2 of Article 16.1 and paragraph 5 of Article 16.2 of the Company's by-laws as follows:

Former version	New version
Where the Company's senior management duties are performed by the Chairman of the Board of Directors, the legal, regulatory, and bylaw provisions relating to the CEO shall apply to the Chairman, who shall take the title of Chairman and CEO (Président-Directeur Général). [...] The CEO may not be older than 70. Where this age limit is reached during the CEO's term in office, the CEO's term shall automatically end at the close of the ordinary annual shareholders' meeting voting on the financial statements for the fiscal year in which the CEO reaches the age of 70.	Where the Company's senior management duties are performed by the Chairman of the Board of Directors, the legal, regulatory, and bylaw provisions relating to the CEO shall apply to the Chairman, who shall take the title of Chairman and CEO (Président-Directeur Général). [...] The CEO may not be older than 70. Where this age limit is reached during the CEO's term in office, the CEO's term shall automatically end at the close of the ordinary annual shareholders' meeting voting on the financial statements for the fiscal year in which the CEO reaches the age of 70.

- Amendment of Articles 17 and 18 (paragraphs 4 and 7) of the Company's by-laws with respect to director compensation, in order to replace the notion of "attendance fees" with that of "compensation":

Former version	New version
Article 17	
The general shareholders' meeting may allocate attendance fees to the directors in a fixed annual amount, which it shall determine for the current fiscal year and/or later fiscal years until a new decision replaces it. The Board of Directors may freely distribute such compensation among its members. The Board of Directors may also allocate exceptional compensation, which shall be subject to the approval of the ordinary general shareholders' meeting, for specific assignments or responsibilities given to directors (separately from compensation for participation in specialized Board committees paid as attendance fees). The Board of Directors shall determine the compensation of the CEO and, if applicable, of the Deputy CEOs.	The general shareholders' meeting may allocate compensation to the directors in a fixed annual amount, which it shall determine for the current fiscal year and/or later fiscal years until a new decision replaces it. The Board of Directors may freely distribute such compensation among its members. The Board of Directors may also allocate exceptional compensation, which shall be subject to the approval of the ordinary general shareholders' meeting, for specific assignments or responsibilities given to directors (separately from compensation for participation in specialized Board committees). The Board of Directors shall determine the compensation of the CEO and, if applicable, of the Deputy CEOs.
Article 18	
[...] Observers may not be older than 70. Any observer who reaches this age shall be automatically deemed to have resigned at the close of the next ordinary annual shareholders' meeting following the date of the observer's seventieth birthday. [...] Any compensation paid to observers shall be determined by the Board of Directors. The Board of Directors may decide to pay a portion of the attendance fees allocated by the general shareholders' meeting to the observers and may authorize the reimbursement of expenses incurred by observers in the Company's interest.	[...] Observers may not be older than 70. Any observer who reaches this age shall be automatically deemed to have resigned at the close of the next ordinary annual shareholders' meeting following the date of the observer's seventieth birthday. [...] Any compensation paid to observers shall be determined by the Board of Directors. The Board of Directors may decide to pay a portion of the total annual compensation allocated to it by the general shareholders' meeting to the observers and may authorize the reimbursement of expenses incurred by observers in the Company's interest.

- Amendment of paragraphs 2 and 3 of Article 19 of the Company's by-laws as follows:

Former version	New version
The Board of Directors shall set an overall amount each year within which the CEO may give commitments in the name of the Company in the form of endorsements, sureties, or guarantees, beyond which amount none of the above commitments may be given; the Board of Directors must grant special authorization to exceed the overall limit or the maximum amount set for a particular commitment.	The Board of Directors shall set an overall amount each year within which the CEO may give commitments in the name of the Company in the form of endorsements, sureties, or guarantees, beyond which amount none of the above commitments may be given; the Board of Directors must grant special authorization to exceed the overall limit or the maximum amount set for a particular commitment. However, the Board of Directors may grant an overall, annual authorization with no maximum amount to guarantee the commitments made by the controlled companies, within the meaning of Article L. 233-16 II of the French Commercial Code. It may also authorize the CEO to grant, overall and with no maximum amount, endorsements, sureties, or guarantees to guarantee commitments made by companies controlled by the Company within the meaning of such Article L. 233-16 II, provided that the CEO reports on such commitments at least once a year. The CEO may also be authorized to grant endorsements, sureties, or guarantees to tax and customs authorities, with no maximum amount.

- Amendment of paragraph 4 of Article 20 of the Company's by-laws as follows:

Former version	New version
[...] If the ordinary general shareholders' meeting fails to elect a statutory auditor, any shareholder may petition the court to appoint one, with the Chairman of the Board of Directors being duly notified. The term of the court-appointed statutory auditor shall end when the ordinary general shareholders' meeting has appointed one or more statutory auditors.	[...] If the ordinary general shareholders' meeting fails to elect a statutory auditor, any shareholder may petition the court to appoint one, with the Chairman of the Board of Directors being duly notified. The term of the court-appointed statutory auditor shall end when the ordinary general shareholders' meeting has appointed one or more statutory auditors.

- Amendment of paragraphs 4, 6, 7, 10 and 12 of Article 21 of the Company's by-laws as follows:

Former version	New version
[...] Shareholders who do not personally attend the meeting may choose one of the three following options: - They may give a proxy to another shareholder or to their spouse; or - They may vote by correspondence; or - They may send a proxy to the Company without indicating a representative, as provided for by laws and regulations. [...] Meetings are chaired by the Chairman of the Board of Directors, or, in the Chairman's absence, by a director specifically delegated for the purpose by the Board. Otherwise, the meeting shall appoint its own Chairman. The role of scrutineer (scrutateur) shall be filled by the two shareholders with the greatest number of voting rights who are present and agree to perform the function. [...] Decisions of the ordinary shareholders' meeting are made by a majority vote of shareholders present or represented. [...] Decisions of the extraordinary shareholders' meeting are made by a two-thirds majority of the votes cast by shareholders present or represented.	[...] Shareholders who do not personally attend the meeting may choose one of the three following possibilities: - Give a proxy to another shareholder, to their spouse or their civil partner (pacsé), or to any other person; - They may vote by correspondence; or - They may send a proxy to the Company without indicating a representative, as provided for by laws and regulations. [...] Meetings are chaired by the Chairman of the Board of Directors, or, in the Chairman's absence, by a director specifically delegated for the purpose by the Board. Otherwise, the meeting shall appoint its own Chairman. The role of scrutineer (scrutateur) shall be filled by the two shareholders with the greatest number of voting rights who are present and agree to perform the function. [...] Decisions of the ordinary shareholders' meeting are made by a majority of the votes cast by shareholders present or represented. Votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid vote. [...] Decisions of the extraordinary shareholders' meeting are made by a two-thirds majority of the votes cast by shareholders present or represented. Votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid vote.

- Amendment of paragraphs 2 and 10 in Article 24 of the Company's by-laws as follows:

Former version	New version
The fiscal year's results shall be determined in accordance with applicable laws and regulations.	The fiscal year's results shall be determined in accordance with applicable laws and regulations.
Out of the fiscal year's profits, less, if applicable, any prior losses, a minimum of 5 % shall be set aside to constitute the reserve required by law. This allocation ceases to be required when the reserve reaches one-tenth of the share capital.	Out of the fiscal year's profits, less, if applicable, any prior losses, a minimum of 5 % shall be set aside for allocation to the legal reserve required by law. This allocation ceases to be required when the legal reserve reaches one-tenth of the share capital.
[...]	[...]
Where a balance sheet prepared during or at the end of the fiscal year and certified by the statutory auditor or auditors shows that the Company – since the close of the prior fiscal year, after taking the necessary depreciation, amortization, and provisions, after deducting any prior losses and any amounts to be allocated to reserves pursuant to law or these by-laws, and taking into account profits carried forward – has earned a profit, the Board of Directors may decide to distribute interim dividends prior to the approval of the financial statements for the fiscal year and set the amount and date of the distribution.	Where a balance sheet prepared during or at the end of the fiscal year and certified by the statutory auditor or auditors shows that the Company – since the close of the prior fiscal year, after taking the necessary depreciation, amortization, and provisions, after deducting any prior losses and any amounts to be allocated to reserves pursuant to law or these by-laws, and taking into account profits carried forward – has earned a profit, the Board of Directors may decide to distribute interim dividends prior to the approval of the financial statements for the fiscal year and set the amount and date of the distribution.
[...]	[...]

8.1.3 RESOLUTION WITHIN THE REMIT OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

Twenty-ninth resolution (Powers to carry out formalities)

The general shareholders' meeting, ruling under the conditions of quorum and majority required for extraordinary shareholders' meetings, authorizes bearers of originals, copies or extracts of the minutes of its deliberations to make any filings or carry out any formalities required by law.

8.2 BOARD OF DIRECTORS' REPORT ON THE DRAFT RESOLUTIONS

Update on the Company's Business

An overview of the financial position, business activity and results of the Company and its Group over the past year, as well as the various disclosures required by current legal and regulatory provisions, appear in the Board of Directors' 2019 management report, which is included in the annual financial report available on the Company website (www.neoen.com), and which you are invited to consult.

Since the beginning of 2020, the Company has continued to conduct business in the ordinary course. Post-closing events are described in Note 24 (Post-closing events) to the consolidated financial statements as of December 31, 2019.

The documents required by law and by the by-laws were sent out and/or made available to you within the deadlines set.

Please note that the Board of Directors has approved all of the resolutions submitted to the general shareholders' meeting.

8.2.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

The 1st through 16th and 29th resolutions fall within the remit of the Ordinary General Shareholders' Meeting.

Approval of the 2019 Company and consolidated financial statements and allocation of net income (1st, 2nd and 3rd resolutions)

The draft 1st and 2nd resolutions concern the approval of the 2019 Company and consolidated financial statements, approved by the Board of Directors on March 25, 2020, in accordance with the provisions of Article L. 232-1 of the French Commercial Code.

You are asked, under the 3rd resolution, to allocate the 2019 net income, amounting to €21,073,268 as follows:

- In accordance with applicable legal requirements, to allocate €1,053,663 of this profit to the legal reserve;
- To note that the balance of the remaining 2019 profit is €20,019,605; and
- To allocate the distributable profit of €20,019,605 to "Other reserves," which would thus stand at €28,926,991 post allocation.

Setting the overall compensation package for Board members (4th resolution)

You are asked, under the 4th resolution, to set the overall compensation package for members of the Board of Directors at €300,000 per year for current and subsequent periods and until any new decision is taken. The Board of Directors may then share this amount freely between its members, in accordance with the Company's compensation policy.

It is specified that the overall compensation package for Board members set by the general shareholders' meeting of June 28, 2019, was €207,500. The Board of Directors is asking you to increase this amount so as to be able to (i) increase the maximum individual amount of compensation that may be allocated by the Board of Directors to each Board member on the basis of their corporate office, given the importance of the Board's work and in line with market practice; and (ii) follow the established practice among the Company's peers of reserving a portion of the directors' compensation that is not allocated for ordinary recurring duties provided by the Board and its Committees for one-off assignments.

Approval of agreements subject to Articles L. 225-38 et seq. of the French Commercial Code (5th resolution)

Under the 5th resolution, you are asked to approve the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 and L. 225-40-1 of the French Commercial Code in all its provisions, as well as the new agreements of which it takes

note and which were approved by the Board of Directors during the fiscal year ended December 31, 2019.

Approval of information referred to in Article L. 225-37-3 I of the French Commercial Code included in the corporate governance report (ex-post "say on pay") (6th resolution)

In accordance with Article L. 225-100 II of the French Commercial Code, we submit for your approval the information referred to in Article L. 225-37-3 of the French Commercial Code, as presented to you in Section 3.3 of the corporate governance report.

Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Xavier Barbaro, Chairman and CEO (7th resolution)

You are asked, under the 7th resolution, in accordance with Article L. 225-100, III of the French Commercial Code, on the basis of the corporate governance report, to approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Xavier Barbaro, Chairman and CEO, for fiscal year 2019, as presented in Section 3.3 of the corporate governance report.

It is noted that the General Shareholders' Meeting of June 28, 2019, had approved, in its 9th resolution, in accordance with the requirements of Article L. 225-37-2 of the French Commercial Code, principles and criteria for determining and distributing the fixed, variable and exceptional items comprising the total compensation and benefits of any kind that can be awarded to the Chairman and Chief Executive Officer on the basis of his corporate office for fiscal year 2019.

Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Romain Desrousseaux, Deputy CEO (8th resolution)

You are asked, under the 8th resolution, in accordance with Article L. 225-100, III of the French Commercial Code, on the basis of the corporate governance report, to approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2019 or granted in respect of fiscal year 2019 to Romain Desrousseaux, Deputy CEO, as presented in Section 3.3 of the corporate governance report.

Approval of the compensation policy applicable to members of the Board of Directors for fiscal year 2020 (9th resolution)

You are asked, under the 9th resolution, in accordance with Article L. 225-37-2, II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation

policy applicable to members of the Board of Directors in respect of fiscal year 2020, as presented in Section 3.3 of the corporate governance report.

Approval of the compensation policy applicable to the Chairman and CEO for fiscal year 2020 (10th resolution)

You are asked, under the 10th resolution, in accordance with Article L. 225-37-2, II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation policy applicable to the Chairman and CEO in respect of fiscal year 2020, as presented in Section 3.3 of the corporate governance report.

Approval of the compensation policy applicable to the Deputy CEO for fiscal year 2020 (11th resolution)

You are asked, under the 11th resolution, in accordance with Article L. 225-37-2, II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation policy applicable to the Deputy CEO in respect of fiscal year 2020, as presented in Section 3.3 of the corporate governance report.

Renewal of Simon Veyrat's directorship (12th resolution)

You are asked, under the 12th resolution, to renew Simon Veyrat's directorship for a 4-year term ending at the close of the ordinary general shareholders' meeting to approve the financial statements for the fiscal year ending December 31, 2023.

In particular, the Board of Directors has determined that this renewal would ensure representation for Impala, the Company's principal shareholder, as well as the stability of the corporate bodies.

Attached to this report you will find information about Simon Veyrat, the renewal of whose directorship is proposed (Exhibit 2).

Renewal of the directorship of Fonds Stratégique de Participations (13th resolution)

You are asked, under the 13th resolution, to renew the directorship of Fonds Stratégique de Participations for a 4-year term ending at the close of the ordinary general shareholders' meeting to approve the financial statements for the fiscal year ending December 31, 2023.

The Board of Directors has reviewed the position of Fonds Stratégique de Participations with regard to the recommendations of the AFEP-MEDEF Governance Code and, on the advice of the Nomination and Compensation Committee, has concluded that Fonds Stratégique de Participations remains independent.

Fonds Stratégique de Participations is an investment vehicle intended to boost long-term investment in French companies. CARDIF Assurance Vie (BNP Paribas Group), CNP Assurances, PREDICA (Crédit Agricole Group), SOGECAP (Société Générale Group), Groupama, BPCE Vie (Natixis Assurances Group) and SURAVENIR (Crédit Mutuel ARKEA Group) are investors.

It is noted that Fonds Stratégique de Participations has appointed Christophe Gégout as its permanent representative on the Company's Board of Directors.

In light of the current composition of the Board of Directors, the Board has determined that this renewal would ensure balance in its composition and is part of the Company's commitments under the agreement entered into with Fonds Stratégique de Participations on October 2, 2018.

Attached to this report you will find information about Fonds Stratégique de Participations, the renewal of whose directorship is proposed (Exhibit 3).

Renewal of Deloitte & Associés as principal statutory auditor (14th resolution)

You are asked, under the 14th resolution, to renew the term of Deloitte & Associés as statutory auditor for an additional 6-year term ending at the close of the ordinary general shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2025.

Non-renewal of BEAS as alternate statutory auditor (15th resolution)

You are asked, under the 15th resolution, not to renew the term of BEAS as alternate statutory auditor, which term expires on the date of the general shareholders' meeting, in accordance with applicable laws and regulations.

Authorization to be given to the Board of Directors to trade in the Company shares (16th resolution)

You are asked, under the 16th resolution, to authorize the Board of Directors to purchase Company shares, or to have them purchased by third parties, with a view to:

- Implementing any Company share purchase option plan pursuant to Articles L. 225-177 et seq. of the French Commercial Code or any similar plan; or
- Allocating or selling shares to employees to enable them to share in the fruits of the Company's expansion or the introduction of any company or group savings plan (or similar plan) under the conditions provided for by law, in particular, Articles L. 3332-1 et seq. of the French Labor Code, as well as any other shareholding plan for executives and employees of the Company and its subsidiaries; or
- Allocating free shares under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code; or
- Generally speaking, honoring obligations under stock option plans or other share allocations to Company employees or officers or those of an associated company; or
- Delivering shares when rights attached to transferable securities giving access to the share capital by redemption, conversion, exchange or the presentation of warrants, or by any other means, are exercised; or

- Cancelling some or all of the securities bought back in this way, subject to the adoption of the 27th resolution of this general shareholders' meeting or any other resolution of the same kind; or
- Delivering shares (in exchange, as payment or otherwise) in connection with acquisitions, mergers, spin-offs, or contributions; or
- Stabilizing the secondary market or the liquidity of Company shares by an investment service provider under a liquidity agreement complying with market practices approved by the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) (as amended, if applicable).

This program would also be intended to enable any market practice that may be approved by the French Financial Markets Authority to be implemented as well as, more generally, any other transaction that complies with applicable regulations. Under such circumstances, the Company would inform its shareholders by means of a press release.

The Company would be able to purchase a number of shares such that, on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program (including those that are the subject of such buyback) is no more than 10% of the shares comprising the Company's share capital on that date (taking into consideration transactions affecting the share capital after the date of the general shareholders' meeting), or, for informational purposes, as of December 31, 2019, a maximum buyback of 8,508,874 shares. It is specified that (i) the number of shares acquired with a view to retention and subsequent delivery as part of a merger, spin-off, or contribution could not be more than 5% of its share capital and (ii) if shares were bought back to boost liquidity under the conditions defined by the French Financial Markets Authority's general regulation, the number of shares taken into consideration when calculating the 10% cap provided for above would correspond to the number of shares purchased, less the number of shares resold during the authorization period.

Shares could be acquired, sold or transferred at any time, except during a tender offer, within the limits set by current legislation and regulations, and by any means, particularly on regulated markets, multilateral trading facilities, via systematic internalizers or over-the-counter transactions, including via block trades, tender or exchange offers, or the use of options or other futures traded on regulated markets, multilateral trading systems, via systemic internalizers or over-the-counter or by the delivery of shares following the issuance of transferable securities giving access to the Company's share capital by conversion, exchange, redemption or the exercise of warrants, either directly or indirectly via an investment services provider, or by any other means (with no limit on the percentage of the buyback program that can be carried out using any one of these methods).

The maximum share purchase price would be €45 per share (or the equivalent of that amount, on the same date, in any other currency). This maximum price would apply only to acquisitions decided after the date of the shareholders' meeting and not to future transactions concluded under an authorization granted by a previous general shareholders' meeting and providing for share acquisitions after the date of the meeting. The general shareholders' meeting would authorize the Board of Directors, in the event of a change in the share's par value, an increase

in the share capital through the incorporation of reserves, free share grants, stock splits or reverse stock splits, a distribution of reserves or any other assets, the redemption of capital, or any other transaction affecting the share capital or equity, to adjust the aforementioned maximum purchase price to take into account the impact of these operations on the share value.

The maximum funds designated for use by the buyback program would be €50 million (or the equivalent of that amount on the buyback dates in any other currency).

The Board of Directors would have full authority, with the right to subdelegate in accordance with the law, to implement this authorization.

This authorization would be granted for a period of eighteen months from the date of the general shareholders' meeting.

Powers to carry out formalities (29th resolution)

You are asked, under the 29th resolution, to fully authorize bearers of originals, copies or extracts of the minutes of your deliberations to file any papers or carry out any formalities required by law.

8.2.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

The 17th through 28th resolutions fall within the remit of the extraordinary general shareholders' meeting.

Delegation of authority to the Board of Directors to decide to increase the share capital of the Company by issuing shares and/or transferable securities giving immediate or future access to the share capital, with preferential subscription rights (17th resolution)

You are asked, under the 17th resolution, to authorize the Board of Directors to increase the share capital, with preferential subscription rights, on one or more occasions, by issuing (i) Company shares (apart from preference shares) and/or (ii) transferable securities resold during the period of validity of the authorization.

The maximum nominal amount of the capital increases that could be carried out immediately or in the future pursuant to this delegation would be €85 million, it being specified that the overall maximum nominal amount of the capital increases that could be carried out pursuant to this delegation and those granted by the 18th, 19th, 20th, 22nd, 23rd, 24th, 25th, and 26th resolutions of the combined shareholders' meeting would be €85 million, or the equivalent in any other currency or monetary unit established in reference to a basket of currencies. It is specified, to the extent necessary, that the maximum amount of the capital increases that could be carried out pursuant to the 21st resolution of the general shareholders' meeting would not be counted towards the overall maximum nominal amount referred to above.

You are also asked to decide that the maximum nominal amount of debt securities that may be issued immediately or in the future under the 17th resolution of the combined general shareholders' meeting would be €300 million, or the equivalent value in any other currency or monetary unit established by reference to a basket of currencies on the issuance date, it being specified that (i) this amount will be increased, where applicable, by any redemption premium above par, and that (ii) this amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before the general shareholders meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, or L. 228-94 paragraph 3 of the French Commercial Code.

Where applicable, these caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights giving access to the share capital.

The Board of Directors would have full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of authority, in particular in order to determine the issuance price as well the amount of the premium that may be required on issuance.

This authorization would be granted for a period of twenty-six months from the date of the general shareholders' meeting.

Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, by an offering to the public other than the offerings to the public referred to in Article L.411-2 1° of the French Monetary and Financial Code (18th resolution)

You are asked, under the 18th resolution, to authorize the Board of Directors to increase the share capital, without preferential subscription rights, by an offering to the public other than the offerings to the public referred to in Article L. 411-2 1° of the French Monetary and Financial Code, on one or more occasions, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate or future access to the Company's share capital.

Depending on market conditions, the type of investors involved, and the type of securities issued, it may be preferable or even necessary to remove the preferential subscription right in order to carry out a placement of securities on the most advantageous terms, in particular where speed is essential to the transaction's success or where the securities are issued on financial markets outside of France. This authorization could also be used in connection with public exchange offers.

Your Board of Directors wishes to have a certain amount of flexibility in selecting possible issuances and to have the ability to quickly and easily obtain the financial resources needed for the Company to grow.

As a result, you are asked to grant the Board of Directors full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of authority, in particular in order to set the issuance price as well the amount of the premium that may be required on issuance.

The maximum nominal amount of immediate or future capital increases that may be carried out under the 18th resolution would be €60 million or the equivalent in any other currency or monetary unit established by reference to a basket of currencies. It is specified that this amount would be included in the overall cap referred to in paragraph 2 of the 17th resolution of the general shareholders' meeting, or, where applicable, in any overall cap that may be provided for by a resolution of the same type that may supersede this resolution during the period of validity of this authorization.

Where applicable, these caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities or other rights giving access to the share capital.

You are also asked to decide that the maximum nominal amount of debt securities that may be issued immediately or in the future under the 18th resolution of the combined general shareholders' meeting would be €300 million, or the equivalent value in any other currency or monetary unit established by reference to a basket of currencies on the issuance date, it being specified that (i) this amount will be increased, where applicable, by any redemption premium above par, and that (ii) this amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before the general shareholders' meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, or L. 228-94 paragraph 3 of the French Commercial Code.

This resolution could be used to provide the Company with financial flexibility, in particular in order to finance the implementation of its strategy.

The issuance price of the shares issued would be as follows, in accordance with Article L. 225-136 1° paragraph 1 of the French Commercial Code:

- The issuance price for the shares issued directly would be at least equal to the minimum allowed under applicable regulations on the date of the issuance (as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering to the public on the Euronext Paris regulated market, minus 10%), after, if applicable, correction of such average in the event of a difference between the dividend dates; and
- The issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital may give a right,

would be such that the amount received immediately by the Company, plus, where applicable, the amount that it might later receive, would be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined in the previous paragraph.

This authorization would be granted for a period of twenty-six months from the date of the general shareholders' meeting.

Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, by an offering to the public of the type referred to in Article L.411-2 1° of the French Monetary and Financial Code (19th resolution)

You are asked, under the 19th resolution, to authorize the Board of Directors to increase the share capital, without preferential subscription rights, by an offering to the public of the type referred to in Article L. 411-2 1° of the French Monetary and Financial Code, on one or more occasions, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate or future access to the Company's share capital.

This resolution would allow the Company to optimize its access to the capital markets and to obtain the best market terms, since this type of financing is faster and simpler than a capital increase through a public offering, subject to the 18th resolution.

As a result, you are asked to grant the Board of Directors full authority, with the right to subdelegate in accordance with applicable law, to implement this delegation of power, in particular in order to set the issuance price as well the amount of the premium that may be required on issuance.

The maximum nominal amount of immediate or future capital increases that may be carried out under this authorization would be €60 million. It is specified that this amount would be included in the cap referred to in paragraph 2 of the 18th resolution and in the overall cap provided for in paragraph 2 of the 17th resolution.

It is also specified that issuances of equity securities carried out pursuant to this delegation would not exceed the limits provided for by applicable regulations on the date of the issuance (as of the date hereof, 20% of the share capital per year).

Where applicable, these caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital.

You are also asked to decide that the maximum nominal amount of debt securities that may be issued immediately or in the future under the 19th resolution of the general shareholders' meeting would be €300 million, or the equivalent value in any other currency or monetary unit established by reference to a basket

of currencies on the issuance date, it being specified that (i) this amount will be increased, where applicable, by any redemption premium above par, and that (ii) this amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before the general shareholders meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, or L. 228-94 paragraph 3 of the French Commercial Code.

The issuance price for the shares issued directly would be at least equal to the minimum allowed under applicable regulations on the date of the issuance (as of the date hereof, the weighted average of the share prices over the last three trading sessions prior to the offering to the public on the Euronext Paris regulated market, minus 10%).

The issuance price for the securities giving access to the share capital and the number of shares to which the conversion, redemption, or, more generally, the transformation of each security giving access to the share capital could give a right, would be such that the amount received immediately by the Company, plus, where applicable, the amount that it could later receive, would be, for each share issued as a result of the issuance of such securities, at least equal to the minimum share price defined above.

This authorization would be granted for a period of twenty-six months from the date of the general shareholders' meeting.

Authorization to the Board of Directors to issue shares and/or transferable securities giving immediate or future access to shares to be issued by the Company in consideration of contributions in kind consisting of equity securities or transferable securities giving access to share capital (20th resolution)

You are asked, under the 20th resolution, to authorize the Board of Directors to increase the share capital, on one or more occasions, by issuing (i) Company shares (other than preference shares), and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code giving immediate or future access to the Company's share capital, in consideration of contributions in kind to the Company consisting of equity securities or securities giving access to the share capital.

This resolution would enable the Company to carry out potential external growth transactions.

The maximum nominal amount of the immediate or future capital increases that could be carried out under this authorization would be 10% of the share capital, adjusted to take into account transactions affecting the share capital subsequent to the general shareholders' meeting. It is specified that this amount would be included in the overall cap provided for in paragraph 2 of the 17th resolution of the general shareholders' meeting.

Where applicable, these caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual

provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital.

You are also asked to decide that the maximum nominal amount of the capital increases that could be carried out under the 20th resolution of the general shareholders' meeting would be €300 million, it being specified that (i) this amount will be increased, where applicable, by any redemption premium above par, and that (ii) this amount is separate from the amount of debt securities that may be issued as a result of the use of other resolutions brought before the general shareholders' meeting and of debt securities whose issuance may be decided upon or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, or L. 228-94 paragraph 3 of the French Commercial Code.

Issuances of shares and of securities giving access to the share capital carried out pursuant to this authorization would not exceed the limits provided for by applicable regulations on the date of the issuance (as of the date hereof, 10% of the share capital).

The Board of Directors would have full authority, with the right to subdelegate in accordance with the law, to implement this resolution, in particular in order to prepare the list of equity and other securities giving access to the share capital that are contributed, approve the valuation of the contributions, determine the terms of the issuance of the shares and/or other securities in consideration of the contributions, as well as, if applicable, the amount of the cash balance to be paid, approve the granting of specific benefits, and decrease, if the contributors consent, the valuation of the contributions or the consideration for specific benefits.

This authorization would be granted for a period of twenty-six months from the date of the general shareholders' meeting.

Delegation of authority to the Board of Directors to decide to increase the Company's share capital by incorporation of premiums, reserves, profits, or any other amounts (21st resolution)

You are asked, under the 21st resolution, to authorize the Board of Directors to increase the share capital, on one or more occasions, by incorporation of premiums, reserves, profits, or any other amounts the incorporation of which into the share capital is possible under the law and the by-laws, in the form of an issuance of new equity securities or of an increase in the par value of the existing equity securities, or by the combined use of both procedures.

The maximum nominal amount of capital increases that could be carried out under this authorization would be €60 million. It is specified that this maximum amount would be separate from and would not be included in the overall cap provided for in paragraph 2 of the 17th resolution.

Where applicable, this caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital.

This authorization would be granted for a period of twenty-six months from the date of the general shareholders' meeting.

Delegation of authority to the Board of Directors to increase the number of shares to be issued in a capital increase, with or without preferential subscription rights (22nd resolution)

You are asked, under the 22nd resolution, to authorize the Board of Directors to decide to increase the number of shares to be issued in the event of a capital increase of the Company, with or without preferential subscription rights, at the same price as that of the initial issuance, within the time periods and limits provided for by applicable regulations on the date of the issuance (as of the date hereof, within 30 days following the close of the subscription period and up to a maximum of 15% of the initial issuance), to grant an over-allotment option in accordance with market practice.

This resolution would make it possible to reopen a capital increase at the same price as the initially planned transaction in the event of over-subscription (known as a "greenshoe" clause).

It is specified that the maximum nominal amount of the capital increases decided upon pursuant to this authorization would be included in the cap provided for in the resolution pursuant to which the initial issuance was decided and in the overall cap provided for in paragraph 2 of the 17th resolution of the general shareholders' meeting.

The period of validity of this authorization would be twenty-six months from the date of the general shareholders' meeting.

Authorization to be given to the Board of Directors to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, reserved for members of savings plans (23rd resolution)

You are asked, under the 23rd resolution, to authorize the Board of Directors to increase the share capital, without preferential subscription rights, by issuing (i) Company shares (apart from preference shares) and/or (ii) transferable securities governed by Articles L. 228-92 paragraph 1 or L. 228-94 paragraph 2 of the French Commercial Code, giving immediate or future access to the Company's share capital, reserved for members of company or group savings plans.

This resolution would enable the Company to include certain employees and corporate officers in its success by developing an employee share ownership plan.

The maximum nominal amount of the immediate, or future, capital increases that could be carried out under this authorization would be 2% of the share capital on the date of the Board of Directors' decision. It is specified that this amount would be included in the overall ceiling provided for in paragraph 2 of the 17th resolution of the combined general shareholders' meeting.

Where applicable, these caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital.

The subscription price would be determined pursuant to Articles L. 3332-18 et seq. of the French Labor Code and would be at least 70% of the Reference Price (as such expression is defined below) or 60% of the Reference Price where the lockup period provided for by the plan, under Articles L. 3332-25 and L. 3332-26 of the French Labor Code, is ten years or more. For the purposes of this paragraph, the Reference Price would mean the average of the closing prices of the Company's shares on the Euronext Paris regulated market over the 20 trading sessions prior to the date of the decision by the Board of Directors or its delegate setting the opening date of the subscription period for members of a Company or Group savings plan (or similar plan).

The Board of Directors could, however, reduce or cancel the aforementioned discount in view of locally applicable legal, accounting, tax and social security rules.

The period of validity of this authorization would be twenty-six months from the date of the general shareholders' meeting.

Authorization to the Board of Directors to carry out free grants of existing shares or future shares to employees and officers of the Group, or to certain of them (24th resolution)

You are asked, under the 24th resolution, to authorize the Board of Directors to carry out, on one or more occasions, free grants of existing shares or shares to be issued (excluding preferred shares) to the recipients or categories of recipients that it may determine from among the employees of the Company or of related companies or groups as provided for by Article L. 225-197-2 of the French Commercial Code and the corporate officers of the Company or of related companies or groups and who satisfy the conditions provided for in Article L. 225-197-1 II of such Code.

This resolution would enable the Board of Directors to create a mechanism for encouraging employees and officers of the group, or certain of them, to become shareholders.

The total number of existing shares or future shares to be granted pursuant to this authorization could not represent more than 2% of the Company's share capital on the date of the decision of the Board of Directors, it being noted that the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorization will be included in the overall cap provided for by paragraph 2 of the 17th resolution of the general shareholders' meeting.

For each fiscal year, the total number of existing shares or future shares to be granted pursuant to this authorization to the executive officers of the Company could not represent more than 50% of the shares that could be granted pursuant to this resolution.

The free grant of shares to their recipients would vest only at the end of a vesting period the length of which would be decided

by the Board of Directors, provided, that such period may not be shorter than that required by applicable laws on the date of the decision to grant (as of the date hereof, one year). Vested shares, at the end of the above-mentioned vesting period, would be subject to a retention period the length of which may not be shorter than that required by applicable law on the date of the decision to grant (namely, as of the date hereof, one year); however, this retention period could be lifted by the Board of Directors for free share grants for which the vesting period is at least two years.

The Board of Directors would determine the identity of the recipients and the number of free shares that could be granted to each of them, as well as the conditions to be satisfied in order for the granted shares to vest. It is specified that the vesting of the free shares granted would be subject to the satisfaction of one or more performance conditions determined by the Board of Directors.

This authorization would result, as such shares vest, in an increase of the share capital by incorporation of reserves, profits, or issuance premiums for the benefit of the recipients of such shares, and the corresponding waiver by the shareholders, for the benefit of the recipients of such shares, of their preferential subscription rights to such shares;

The Board of Directors would have full authority, with the right to subdelegate in accordance with the law, to implement this authorization, and in particular to:

- Determine whether the free shares granted are future and/or existing shares and, where applicable, to modify its choice prior to the vesting date of the shares;
- Determine the conditions and, if applicable, the criteria for the grant of shares, including the minimum vesting period and the length of the required retention period for each recipient;
- Adjust the number of free shares granted in order to protect the rights of the recipients, as a function of any transactions in the Company's share capital or shareholders' equity, in particular in the event of changes to the par value of shares, capital increases through the incorporation of reserves, free share grants, issuance of new shares with preferential subscription rights reserved for the shareholders, stock splits or reverse stock splits, the distribution of reserves, issuance premiums or any other assets, redemption of capital, modification of the allocation of profits by the creation of preferred shares, or any other transaction affecting the share capital or equity (including in the event of a public tender offer and/or change of control).

The period of validity of this authorization would be twenty-six months from the date of the general shareholders' meeting.

Authorization to the Board of Directors to grant share subscription or purchase options to employees and officers of the Group, or to certain of them (25th resolution)

You are asked, under the 25th resolution, to authorize the Board of Directors to carry out, on one or more occasions, for the benefit of the persons that it may determine from among the employees and officers of the Company and of related companies or groups as provided for by Article L. 225-180 of the French Commercial Code, or to certain of them, options giving the right to subscribe

for new shares of the Company to be issued in a capital increase, as well as options giving the right to the purchase of shares of the Company resulting from buybacks by the Company as permitted by law.

This resolution would enable the Board of Directors to create a mechanism for encouraging employees and officers of the group, or certain of them, to become shareholders.

The total number of subscription and purchase options granted pursuant to this authorization could not give the right to subscribe for or purchase a number of shares that is greater than 2% of the share capital on the date of the Board's decision to grant. It is specified that the maximum nominal amount of the capital increases that could result immediately or in the future pursuant to this authorization would be included in the overall cap provided for by paragraph 2 of the 17th resolution of the general shareholders' meeting.

Where applicable, these caps would also include the shares to be issued in respect of adjustments to protect, in accordance with legal and regulatory provisions, the rights of the option recipients.

For each fiscal year, the total number of subscription or purchase options granted pursuant to this authorization to the executive officers of the Company could not represent more than 1% of the share capital on the date of the decision of the Board of Directors.

The Board of Directors would determine the identity of the recipients or the category or categories of recipients of the options granted and the number of options to be granted to each of them. It is specified that each option grant would have to provide that the exercise of the options would be subject to the satisfaction of one or more performance conditions determined by the Board of Directors.

The price to be paid upon exercise of the subscription or purchase options would be determined on the date on which the options are granted, and (i) in the case of a grant of subscription options, such price could not be less than 80% of the average opening price of the Company's shares on the Euronext Paris regulated market over the 20 trading sessions prior to the date on which the subscription options are granted, and (ii) in the case of a grant of purchase options, such price could not be less than either the amount indicated in (i) above or 80% of the average purchase price for shares held by the Company pursuant to Articles L. 225-208 and L. 225-209 of the French Commercial Code.

This authorization would result, for the benefit of the recipients of the subscription options, in an express waiver by the shareholders of their preferential subscription rights to the shares that would be issued as the options are exercised.

The Board of Directors would have full authority, with the right to subdelegate in accordance with the law, to implement this authorization, and in particular to:

- Determine whether the options granted are subscription and/or purchase options, and, if applicable, to modify its choice prior to the opening of the option exercise period; and
- Determine the terms and conditions of the options, including their period of validity, the option exercise dates or periods, and any provisions restricting the immediate resale of some or all of the shares.

The period of validity of this authorization would be twenty-six months from the date of the general shareholders' meeting.

Authorization of the Board of Directors to increase the Company's share capital by issuing shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, reserved for group employees outside France (26th resolution)

You are asked, under the 26th resolution, to authorize the Board of Directors to increase the share capital, without preferential subscription rights, by issuing Company shares as well as other equity securities giving access to the Company's share capital (except during a period of a tender offer for the securities of the Company filed by a third party). The capital increase would be reserved (i) for the employees, pre-retirees or retirees, and corporate officers referred to in Articles L. 3332-1 and L. 3332-2 of the French Labor Code of Neoen Group companies with their registered offices in one of such countries and employees, pre-retirees or retirees of Neoen Group companies residing in those countries (the "Overseas Employees"); (ii) for UCITS or other entities, whether or not legal entities, that invest in Company securities, whose unit-holders or shareholders are Overseas Employees; and/or (iii) for any banks or entities controlled by a bank within the meaning of Article L. 233-3 of the French Commercial Code, to set up a structured offer for Overseas Employees at the Company's request.

This resolution would enable the Company to include certain overseas employees and corporate officers in its success by developing an employee share ownership plan.

The maximum nominal amount of immediate or future capital increases that could be carried out under this authorization would be 1% of the share capital on the date of the Board of Directors' decision. It is specified that this amount would be included (i) in the overall cap referred to in paragraph 2 of the 17th resolution of the general shareholders' meeting, as well as (ii) in the cap referred to in paragraph 2 of the 23rd resolution (subject to the approval of that resolution).

Where applicable, these caps would also include the nominal amount of shares to be issued to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other adjustments, the rights of holders of transferable securities, or other rights, giving access to the share capital.

The issuance price of the new shares or transferable securities giving access to the share capital issued pursuant to this authorization would be set by the Board of Directors on the basis of the Company's share price on the Paris Euronext regulated market. This price would be the average of the closing prices of the Company's shares over the 20 trading sessions prior to (i) the date of the decision setting the opening date for subscriptions for the corresponding capital increase carried out under this resolution; or (ii) for transactions carried out as part of an overall employee share ownership plan set up in France and abroad, the date of the decision setting the opening date for subscriptions for the corresponding capital increase carried out under the 23rd resolution, less a maximum discount of 30%.

The period of validity of this authorization would be eighteen months from the date of the general shareholders' meeting.

Authorization to be given to the Board of Directors to decrease the share capital by cancelling treasury shares (27th resolution)

You are asked, with regard to the 16th resolution above authorizing the Board of Directors to buy Company shares, including for the purpose of cancelling all, or some, of the shares purchased, to authorize the Board of Directors to decrease the share capital, on one or more occasions, by cancelling any quantity of treasury shares that it sees fit, within the legal limits.

The maximum number of shares cancelled by the Company during the twenty-four month period prior to such cancellation, including the cancelled shares, may not exceed 10% of the shares comprising the Company's share capital on that date.

This authorization would be granted for a period of twenty-six months from the date of the general shareholders' meeting.

Amendment of the Company's by-laws (28th resolution)

You are asked to adopt, article by article and then in its entirety, the revised text of the Company's by-laws, a copy of which is attached as Exhibit 4 to this report.

The planned modifications are intended to bring the Company's by-laws into compliance with new applicable legal and regulatory requirements. To that end, the following modifications are planned:

- Amendment of the cover page to the Company's by-laws in order to add the words "(the "Company")" and to specify that they were approved by the general shareholders' meeting on May 26, 2020.
- Amendment of Article 5 Company's by-laws as follows:

Former version

The Company's duration is 99 years as from its registration with the Trade and Companies Register, unless it is wound up early or extended as provided for by law.

New version

The Company's duration is 99 years as from its registration with the trade and companies register, unless it is wound up early or extended as provided for by law.

- Amendment of paragraphs 3 and 4 of Article 9 of the Company's by-laws as follows (taken from the most recent version of Article L. 228-2 of the French Commercial Code, as amended by the Law of May 22, 2019 on the growth and transformation of businesses (the "Pacte Law")

Former version

As permitted by applicable laws and regulations, the Company has the right at any time to ask the central financial instruments depository, in return for payment of a fee, to provide it with the names or corporate names, nationalities, years of birth or formation, postal addresses, and, if applicable, email addresses of the holders of bearer securities granting an immediate or future right to vote at its own general shareholders' meetings, as well as the number of securities held by each of them and, if applicable, any restrictions that may apply to such securities. The Company, after reviewing the list provided by the above-mentioned organization, has the right to ask the persons on such list whom the Company believes may be registered on behalf of a third party for the above information concerning the beneficial owners of the shares.

Where a person who has been asked for information has not provided that information within the periods provided for by applicable laws and regulations, or has provided incomplete or erroneous information with respect either to its own capacity or to the beneficial owners of the shares, then the shares or securities granting immediate or future access to the share capital and for which such person has been recorded in the shareholder account shall be deprived of voting rights for any general shareholders' meeting taking place until the date on which such identification has been provided, and payment of the corresponding dividend shall be postponed until such date.

New version

As permitted by applicable laws and regulations, the Company or its representative has the right at any time, in return for payment of a fee, to ask either (i) the central depository that manages its share register or (ii) one or more intermediaries, as defined in Article L. 211-3 of the French Monetary and Financial Code, directly, to provide it with the information referred to in Article R. 228-3 of the French Commercial Code with respect to the ownership of its shares and other securities granting immediate or future access to voting rights at its own shareholders' meetings. Where a depository identifies, in the list that it is required to prepare in response to the above-mentioned request, an intermediary of the type referred to in Article L. 228-1, paragraph 7, of the French Commercial Code registered on behalf of one or more third-party owners, it must transmit the request to that intermediary, unless the Company or its representative instructs it to the contrary at the time of its request. The registered intermediary is required to transmit the requested information to the custodian, who must in turn provide it to the Company or its representative, or else to the central depository, as the case may be.

Where a person who has been asked for information has not provided that information within the periods provided for by applicable laws and regulations, or has provided incomplete or erroneous information, then the shares or securities granting immediate or future access to the share capital and for which such person has been recorded in the shareholder account shall be deprived of voting rights for any general shareholders' meeting taking place until the date on which such identification has been provided, and payment of the corresponding dividend shall be postponed until such date.

- Amendments of paragraphs 4 and 6 of Article 14.2 and 14.3 of the Company's by-laws as follows, in order to give the Board of Directors the ability to use written consultation for certain listed types of decisions:

Former version	New version
Article 14.2 - Bureau Chairman of the Board of Directors The Chairman shall organize and direct the work of the Board of Directors and report on that work to the general shareholders' meeting. The Chairman shall supervise the functioning of the Company's corporate bodies, ensuring, among other things, that the directors are able to fulfill their responsibilities. [...] Secretary The Board of Directors shall also appoint and set the term in office of a secretary, who may be chosen from among the directors or from outside the Board. In the Chairman's absence, the Board of Directors shall appoint one of its members to chair the meeting.	Chairman of the Board of Directors The Chairman shall organize and direct the work of the Board of Directors and report on that work to the general shareholders' meeting. The Chairman shall supervise the functioning of the Company's corporate bodies, ensuring, among other things, that the directors are able to fulfill their responsibilities. The Chairman chairs meetings of the Board of Directors. In the Chairman's absence, the Board of Directors shall appoint one of its members to chair the meeting. [...] Secretary The Board of Directors shall also appoint and set the term in office of a secretary, who may be chosen from among the directors or from outside the Board.
Article 14.3 - Deliberations Directors may, by any written means, give a power of attorney to another director to represent them at a meeting of the Board of Directors. The power of attorney shall be valid for one meeting only, and each director may hold only one power of attorney for a given meeting. The Board of Directors may validly deliberate only if at least one-half of its members are present. Decisions are made by a majority of members present or represented. In the event of a tie, the vote of the meeting's chairman shall prevail. The internal regulations adopted by the Board of Directors shall provide that for purposes of calculating quorum and majority, directors who participate in the meeting by video conference or telecommunications in accordance with applicable regulations shall be deemed present. This provision shall not apply with respect to the adoption of the decisions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code Deliberations of the Board of Directors shall be recorded in minutes prepared in accordance with law.	Meetings of the Board of Directors Directors may, by any written means, give a power of attorney to another director to represent them at a meeting of the Board of Directors. The power of attorney shall be valid for one meeting only, and each director may hold only one power of attorney for a given meeting. The Board of Directors may validly deliberate only if at least one-half of its members are present. Decisions are made by a majority of members present or represented. In the event of a tie, the vote of the meeting's chairman shall prevail. The internal regulations adopted by the Board of Directors shall provide that for purposes of calculating quorum and majority, directors who participate in the meeting by video conference or telecommunications in accordance with applicable regulations shall be deemed present. This provision shall not apply with respect to the adoption of the decisions referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code Deliberations of the Board of Directors shall be recorded in minutes prepared in accordance with law. Written Consultation In accordance with Article L. 225-37 of the French Commercial Code, decisions within the purview of the Board of Directors and provided for in Article L. 225-24, in the last paragraph of Article 225-35, in the second paragraph of Article L. 225-36, and in Article L. 225-103 I, as well as decisions to transfer the registered office within the same department may be made by written consultation of the directors. The procedures for written consultation are set forth in the internal regulations.

- Amendment of paragraphs 1, 4, and 8 of Article 15 of the Company's by-laws as follows:

Former version	New version
The Board of Directors shall determine the Company's strategic direction and supervise its implementation. Subject to the powers expressly attributed to the shareholders' meetings and within the limit of the corporate purpose, the Board may address any question concerning the Company's operations and shall settle the matters concerning it through its deliberations. [...] All directors shall receive all information necessary to carry out their responsibilities and may obtain all documents necessary to carry out such responsibilities from the Chairman or the CEO. [...] Members of the Board of Directors are prohibited, even after they cease to be directors, from disclosing information that they possess about the Company and the disclosure of which could harm the Company's interests, except for situations in which such disclosure is required or permitted by applicable laws and regulations or in the public interest.	The Board of Directors shall determine the broad strategic direction of the Company's activity, and supervise its implementation in accordance with its corporate purpose, taking into consideration the social and environmental implications of its business. Subject to the powers expressly attributed to the shareholders' meetings and within the limit of the corporate purpose, the Board may address any question concerning the Company's operations and shall settle the matters concerning it through its deliberations. [...] All directors shall receive all information necessary to carry out their responsibilities and may obtain all documents necessary to carry out such responsibilities from the Chairman or the CEO. [...] Members of the Board of Directors are prohibited, even after they cease to be directors, from disclosing information that they possess about the Company and the disclosure of which could harm the Company's interests, except for situations in which such disclosure is required or permitted by applicable laws and regulations or in the public interest.

- Amendment of paragraph 2 of Article 16.1 and paragraph 5 of Article 16.2 of the Company's by-laws as follows:

Former version	New version
Where the Company's senior management duties are performed by the Chairman of the Board of Directors, the legal, regulatory, and bylaw provisions relating to the CEO shall apply to the Chairman, who shall take the title of Chairman and CEO (Président-Directeur Général). [...] The CEO may not be older than 70. Where this age limit is reached during the CEO's term in office, the CEO's term shall automatically end at the close of the ordinary annual shareholders' meeting voting on the financial statements for the fiscal year in which the CEO reaches the age of 70.	Where the Company's senior management duties are performed by the Chairman of the Board of Directors, the legal, regulatory, and bylaw provisions relating to the CEO shall apply to the Chairman, who shall take the title of Chairman and CEO (Président-Directeur Général). [...] The CEO may not be older than 70. Where this age limit is reached during the CEO's term in office, the CEO's term shall automatically end at the close of the ordinary annual shareholders' meeting voting on the financial statements for the fiscal year in which the CEO reaches the age of 70.

- Amendment of Articles 17 and 18 (paragraphs 4 and 7) of the Company's by-laws with respect to director compensation, in order to replace the notion of "attendance fees" with that of "compensation."

Former version	New version
Article 17	
The general shareholders' meeting may allocate attendance fees to the directors in a fixed annual amount, which it shall determine for the current fiscal year and/or later fiscal years until a new decision replaces it. The Board of Directors will then share this amount freely between its members. The Board of Directors may also allocate exceptional compensation, which shall be subject to the approval of the ordinary general shareholders' meeting, for specific assignments or responsibilities given to directors (separately from compensation for participation in specialized Board committees paid as attendance fees). The Board of Directors shall determine the compensation of the CEO and, if applicable, of the Deputy CEOs.	The general shareholders' meeting may allocate compensation to the directors in a fixed annual amount, which it shall determine for the current fiscal year and/or later fiscal years until a new decision replaces it. The Board of Directors may freely distribute such compensation among its members. The Board of Directors may also allocate exceptional compensation, which shall be subject to the approval of the ordinary general shareholders' meeting, for specific assignments or responsibilities given to directors (separately from compensation for participation in specialized Board committees). The Board of Directors shall determine the compensation of the CEO and, if applicable, of the Deputy CEOs.
Article 18	
[...] Observers may not be older than 70. Any observer who reaches this age shall be automatically deemed to have resigned at the close of the next ordinary annual shareholders' meeting following the date of the observer's seventieth birthday. [...] Any compensation paid to observers shall be determined by the Board of Directors. The Board of Directors may decide to pay a portion of the attendance fees allocated by the general shareholders' meeting to the observers and may authorize the reimbursement of expenses incurred by observers in the Company's interest.	[...] Observers may not be older than 70. Any observer who reaches this age shall be automatically deemed to have resigned at the close of the next ordinary annual shareholders' meeting following the date of the observer's seventieth birthday. [...] Any compensation paid to observers shall be determined by the Board of Directors. The Board of Directors may decide to pay a portion of the total annual compensation allocated to it by the general shareholders' meeting to the observers and may authorize the reimbursement of expenses incurred by observers in the Company's interest.

- Amendment of paragraphs 2 and 3 of Article 19 of the Company's by-laws relating to agreements subject to authorization as follows, in order to reflect the changes resulting from Law No. 2019-744 of July 19, 2019, on the simplification, clarification, and updating of the corporate law with respect to Article L. 225-35 of the French Commercial Code.

Former version	New version
The Board of Directors shall set an overall amount each year within which the CEO may give commitments in the name of the Company in the form of endorsements, sureties, or guarantees, beyond which amount none of the above commitments may be given; the Board of Directors must grant special authorization to exceed the overall limit or the maximum amount set for a particular commitment.	The Board of Directors shall set an overall amount each year within which the CEO may give commitments in the name of the Company in the form of endorsements, sureties, or guarantees, beyond which amount none of the above commitments may be given; the Board of Directors must grant special authorization to exceed the overall limit or the maximum amount set for a particular commitment. However, the Board of Directors may grant an overall, annual authorization with no maximum amount to guarantee the commitments made by the controlled companies, within the meaning of Article L. 233-16 II of the French Commercial Code. It may also authorize the CEO to grant, overall and with no maximum amount, endorsements, sureties, or guarantees to guarantee commitments made by companies controlled by the Company within the meaning of such Article L. 233-16 II, provided that the CEO reports on such commitments at least once a year. The CEO may also be authorized to grant endorsements, sureties, or guarantees to tax and customs authorities, with no maximum amount.

- Amendment of paragraph 4 of Article 20 of the Company's by-laws as follows:

Former version	New version
[...] If the ordinary general shareholders' meeting fails to elect a statutory auditor, any shareholder may petition the court to appoint one, with the Chairman of the Board of Directors being duly notified. The term of the court-appointed statutory auditor shall end when the ordinary general shareholders' meeting has appointed one or more statutory auditors.	[...] If the ordinary general shareholders' meeting fails to elect a statutory auditor, any shareholder may petition the court to appoint one, with the Chairman of the Board of Directors being duly notified. The term of the court-appointed statutory auditor shall end when the ordinary general shareholders' meeting has appointed one or more statutory auditors.

- Amendment of paragraphs 4, 6, 7, 10, and 12 of Article 21 of the by-laws relating to general shareholders' meetings as follows, in order to (i) provide shareholders with the ability to give a proxy to their civil partner or any other person and (ii) reflect legislative changes relating to the counting of votes at the general shareholders' meeting:

Former version	New version
[...] Shareholders who do not personally attend the meeting may choose one of the three following options: - They may give a proxy to another shareholder or to their spouse; or - They may vote by correspondence; or - They may send a proxy to the Company without indicating a representative, as provided for by laws and regulations. [...] Meetings are chaired by the Chairman of the Board of Directors, or, in the Chairman's absence, by a director specifically delegated for the purpose by the Board. Otherwise, the meeting shall appoint its own Chairman. The role of scrutineer (scrutateur) shall be filled by the two shareholders with the greatest number of voting rights who are present and agree to perform the function. [...] Decisions of the ordinary shareholders' meeting are made by a majority vote of shareholders present or represented. [...] Decisions of the extraordinary shareholders' meeting are made by a two-thirds majority of the votes cast by shareholders present or represented.	[...] Shareholders who do not personally attend the meeting may choose one of the three following possibilities: - They may give a proxy to another shareholder, to their spouse or their civil partner (pacsé), or to any other person; - They may vote by correspondence; or - They may send a proxy to the Company without indicating a representative, as provided for by laws and regulations. [...] Meetings are chaired by the Chairman of the Board of Directors, or, in the Chairman's absence, by a director specifically delegated for the purpose by the Board. Otherwise, the meeting shall appoint its own Chairman. The role of scrutineer (scrutateur) shall be filled by the two shareholders with the greatest number of voting rights who are present and agree to perform the function. [...] Decisions of the ordinary shareholders' meeting are made by a majority of the votes cast by shareholders present or represented. Votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid vote. [...] Decisions of the extraordinary shareholders' meeting are made by a two-thirds majority of the votes cast by shareholders present or represented. Votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid vote.

- Amendment of paragraphs 2 and 10 of Article 24 of the Company's by-laws relating to the allocation and distribution of profits, as follows:

Former version	New version
The fiscal year's results shall be determined in accordance with applicable laws and regulations. Out of the fiscal year's profits, less, if applicable, any prior losses, a minimum of 5% shall be set aside to constitute the reserve required by law. This allocation ceases to be required when the reserve reaches one-tenth of the share capital. [...] Where a balance sheet prepared during or at the end of the fiscal year and certified by the statutory auditor or auditors shows that the Company – since the close of the prior fiscal year, after taking the necessary depreciation, amortization, and provisions, after deducting any prior losses and any amounts to be allocated to reserves pursuant to law or these by-laws, and taking into account profits carried forward – has earned a profit, the Board of Directors may decide to distribute interim dividends prior to the approval of the financial statements for the fiscal year and set the amount and date of the distribution. [...]	The fiscal year's results shall be determined in accordance with applicable laws and regulations. Out of the fiscal year's profits, less, if applicable, any prior losses, a minimum of 5% shall be set aside for allocation to the legal reserve required by law. This allocation ceases to be required when the legal reserve reaches one-tenth of the share capital. [...] Where a balance sheet prepared during or at the end of the fiscal year and certified by the statutory auditor or auditors shows that the Company – since the close of the prior fiscal year, after taking the necessary depreciation, amortization, and provisions, after deducting any prior losses and any amounts to be allocated to reserves pursuant to law or these by-laws, and taking into account profits carried forward – has earned a profit, the Board of Directors may decide to distribute interim dividends prior to the approval of the financial statements for the fiscal year and set the amount and date of the distribution. [...]

8.3 STATUTORY AUDITORS' REPORTS ON SECURITIES TRADING

8.3.1 STATUTORY AUDITORS' REPORT ON SHARE CAPITAL INCREASES WITH RETENTION OR CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS (17TH TO 20TH AND 22ND RESOLUTIONS)

Combined Shareholders' Meeting of May 26, 2020

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de Commerce*), we hereby present our report on the proposed delegations of authority to the Board of Directors to perform various issues of shares and/or marketable securities, transactions on which you are asked to vote.

Based on its report, the Board of Directors asks that you delegate to it, for a period of 26 months for the 17th to 22nd resolutions, the authority to decide the following transactions, set the final issue terms and conditions and cancel, where necessary, your preferential subscription rights:

- issue shares and/or marketable securities granting immediate or future access to share capital, with retention of preferential subscription rights, up to a maximum par value amount of €85 million, or its equivalent in any other currency or currency unit established by reference to a basket of currencies, it being specified that the total maximum nominal amount of share capital increases that may be performed under this authorization and those conferred by the 18th, 19th, 20th, 22nd, 23rd, 24th, 25th and 26th resolutions of the combined shareholders meeting of May 26, 2020, was also set at €85 million or its equivalent in any other currency or currency unit established by reference to more than one currency (17th resolution);
- issue shares and/or marketable securities granting immediate or future access to share capital, with cancellation of preferential subscription rights, as part of a public offering other than a public offering referred to in Article L. 411-2 1 of the French Monetary and Financial Code (*Code monétaire et financier*), up to a maximum nominal amount of €60 million, or its equivalent in any other currency or currency unit established by reference to a basket of currencies. It is specified that this amount shall be deducted from the overall limit set in the 17th resolution of the combined shareholders' meeting of May 26, 2020 or, where applicable, the overall limit that may be set in a resolution of the same type that may supersede this resolution during the validity of this delegation (18th resolution);
- issue shares and/or marketable securities granting immediate or future access to share capital, with cancellation of preferential subscription rights, as part of a public offering referred to in Article L. 411-2 1 of the French Monetary and Financial Code (*Code monétaire et financier*), up to a maximum nominal amount of €60 million, or its equivalent in any other currency or currency unit established by reference to a basket of currencies. It is specified that this amount shall be deducted from the limit set in paragraph 2 of the 18th resolution and the overall limit set in paragraph 2 of the 17th resolution or, where applicable, the limits that may be set in resolutions of the same type that may supersede these resolutions during the validity of this delegation. In all events, equity securities issued pursuant to this authorization may not exceed 20 % of the share capital per year (19th resolution);
- issue shares and/or marketable securities granting immediate or future access to share capital to be issued by the Company, in consideration for contributions in kind of equity securities or marketable securities granting access to share capital, up to a maximum nominal amount equal to 10 % of the share capital as of the transaction date. It is specified that this amount shall be deducted from the overall limit set in the 17th resolution of the combined shareholders' meeting of May 26, 2020 or, where applicable, the overall limit that may be set in a resolution of the same type that may supersede this resolution during the validity of this authorization (20th resolution).

The maximum nominal amount of share capital increases that may be performed immediately or in the future pursuant to the 17th, 18th, 19th, 20th, 22nd, 23rd, 24th, 25th, and 26th resolutions of the Shareholders' Meeting of May 26, 2020, is set at €85 million or its equivalent in any other currency or currency unit established by reference to a basket of currencies; it is specified that, as necessary, the maximum nominal amount of share capital increases that may be performed pursuant to the 21st resolution of the combined shareholders' meeting of May 26, 2020 will not be deducted from the overall maximum nominal amount referred to above.

These limits take into account the additional number of securities to be created in the context of the implementation of the delegations set

forth in the 17th, 18th, 19th, 20th, 22nd, 23rd, 24th, 25th, and 26th resolutions, under the terms and conditions stipulated in Article L. 225-135-1 and R. 225-118 of the French Commercial Code, should you adopt the 22nd resolution.

When appropriate, the Board of Directors will set the final issue terms and conditions of these transactions.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 and R. 225-114, of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposed cancellations of preferential subscription rights and on certain other information concerning these transactions, contained in this report.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the process for determining the issue price of the future securities to be issued.

Subject to a subsequent review of the terms and conditions of the share capital increases that will be decided, we have no comments to make on the process for determining the issue price of the future ordinary shares presented in the Board of Directors' report.

As the final terms and conditions of the share capital increases have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellations of preferential subscription rights submitted to you.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, should these delegations be used by your Board of Directors.

Paris-La Défense and Paris, April 15, 2020

The Statutory Auditors

Deloitte & Associés

François Xavier AMEYE

RSM Paris

Etienne de BRYAS

8.3.2 STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND/OR MISCELLANEOUS MARKETABLE SECURITIES OF THE COMPANY RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN (23RD RESOLUTION)

Combined Shareholders' Meeting of May 26, 2020

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegation of authority to the Board of Directors to decide the issue in France or abroad, of (i) Company shares (excluding preferred shares) and/or (ii) marketable securities governed by Article L. 228-92 section 1 or Article L. 228-94 section 2 of the French Commercial Code granting immediate or future access, at any time or on a fixed date, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the Company's share capital (including shares conferring entitlement to the allocation of debt securities), with cancellation of preferential subscription rights, reserved for members of one or more company saving plans (or any other plan for whose members a share capital increase may be reserved on equivalent terms pursuant to Articles L. 3332-1 *et seq.* of the French Labor Code (*Code du travail*) or any similar law or regulation) set up within a French or non-French company or group of companies included in the consolidation or combination scope of the Company's financial statements in accordance with Article L. 3344-1 of the French Labor Code, it being specified that this resolution may be used to implement levered schemes, transactions on which you are asked to vote.

The maximum nominal amount of share capital increases that may be performed, immediately or in the future under this authorization, is set at 2 % of the share capital as of the date of the Board of Directors' decision. It is specified that this amount shall be deducted from the overall limit set in paragraph 2 of the 17th resolution of the Shareholders' Meeting of May 26, 2020 or, where applicable, the overall limit that may be set in a resolution of the same type that may supersede this resolution during the validity of this delegation.

Based on its report, the Board of Directors asks that you delegate to it, with the option to sub-delegate in accordance with applicable law, for a period of 26 months, the authority to decide an issue and cancel your preferential subscription rights to the marketable securities to be issued. When appropriate, it will set the final issue terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issue, contained in this report.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the process for determining the issue price of the future securities.

Subject to a subsequent review of the terms and conditions of the proposed issue, we have no comments on the process for determining the issue price of the future securities presented in the Board of Directors' report.

As the final terms and conditions of the issue have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights submitted to you.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, should this delegation be used by your Board of Directors.

Paris-La Défense and Paris, April 15, 2020

The Statutory Auditors

Deloitte & Associés

François Xavier AMEYE

RSM Paris

Etienne de BRYAS

8.3.3 STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT FREE SHARES, EXISTING OR TO BE ISSUED (24TH RESOLUTION)

Combined Shareholders' Meeting of May 26, 2020

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Article L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby present our report on the proposed authorization to grant free shares, existing or to be issued, to employees and corporate officers of the Company and related companies or groups, a transaction on which you are asked to vote. The total number of shares that may be granted pursuant to this authorization may not represent more than 2 % of the share capital as of the date of the Board of Directors' decision. It is specified that the maximum par value amount of share capital increases that may be performed, immediately or in the future, under this authorization, shall be deducted from the overall limit set in paragraph 2 of the 17th resolution of the combined shareholders' meeting of May 26, 2020, or where applicable, the overall limit that may be set in a resolution of the same type that may supersede this resolution during the validity of this authorization. In all events, the total number of free shares granted may not exceed the limits set by Articles L.225-197-1 et seq. of the French Commercial Code. This limit does not take account of any adjustments that may be performed to preserve the rights of beneficiaries of free share grants. For each fiscal year, the total number of shares, existing or to be issued, granted pursuant to this authorization to corporate officers of the Company, may not represent more than 50 % of free shares that may be granted pursuant to this delegation.

Based on its report, the Board of Directors asks that you authorize it, for a period of 26 months, to grant free shares, existing or to be issued.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to carry out. Our role is to express our comments, if any, on the information presented to you on the contemplated transaction.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in verifying that the contemplated terms and conditions as described in the Board of Directors' report comply with applicable law and regulations.

We have no comments on the information presented in the Board of Directors' report on the proposed authorization to grant free shares.

Paris-La Défense and Paris, April 15, 2020

The Statutory Auditors

Deloitte & Associés

François Xavier AMEYE

RSM Paris

Etienne de BRYAS

8.3.4 STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT SHARE SUBSCRIPTION OR PURCHASE OPTIONS (25TH RESOLUTION)

Combined Shareholders' Meeting of May 26, 2020

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Articles L. 225-177 and L. 225-186-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the authorization to grant share subscription or purchase options to employees and corporate officers of the Company and related companies or groups within the meaning of Article L. 225-180 of the French Commercial Code, or to certain categories of employees and corporate officers, a transaction on which you are asked to vote.

The total number of share subscription and purchase options granted pursuant to this authorization may not confer entitlement to subscribe or purchase a number of shares representing more than 2 % of the share capital as of the date of the Board of Directors' decision to grant. The maximum nominal amount of share capital increases resulting from the exercise of share subscription options granted pursuant to this authorization shall be deducted from the overall limit set in paragraph 2 of the 17th resolution of the combined shareholders' meeting of May 26, 2020, or where applicable, the overall limit that may be set in a resolution of the same type that may supersede this resolution during the validity of this authorization. These limits will be increased, where applicable, by the number of shares to be issued in respect of adjustments to preserve, in accordance with legal and regulatory provisions, the rights of option holders. For each fiscal year, the total number of share subscription and purchase options granted pursuant to this authorization to corporate officers of the Company, may not confer entitlement to subscribe or purchase a number of shares exceeding 50 % of options that may be subscribed or purchased pursuant to this delegation.

Based on its report, the Board of Directors asks that you authorize it, for a period of 26 months, to grant share subscription or purchase options.

The Board of Directors is responsible for preparing a report on the reasons for granting share subscription or purchase options, as well as the terms and conditions proposed for setting the share subscription or purchase price. Our role is to express an opinion on the terms and conditions proposed for setting the share subscription or purchase price.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in verifying if the terms and conditions for setting the share subscription or purchase price were specified in the Board of Directors' report and are compliant with applicable laws and regulations.

We have no comments on the terms and conditions proposed for setting the share subscription or purchase price.

Paris-La Défense and Paris, April 15, 2020

The Statutory Auditors

Deloitte & Associés

François Xavier AMEYÉ

RSM Paris

Etienne de BRYAS

8.3.5 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR MARKETABLE SECURITIES WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS (26TH RESOLUTION)

Combined Shareholders' Meeting of May 26, 2020

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegation of authority to the Board of Directors to perform a share capital increase with cancellation of preferential subscription rights, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to a basket of currencies, with or without a premium, for a fee or free of charge, by issuing (i) Company shares (excluding preferred shares) and/or (ii) marketable securities governed by Article L. 228-92 section 1, Article L.228-93 sections 1 and 3 or Article L. 228-94 section 2 of the French Commercial Code granting immediate or future access, , at any time or on fixed dates, by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, to the Company's share capital (including shares conferring entitlement to the allocation of debt securities), reserved for the following category of beneficiaries: (i) Non-French Employees, (ii) investment funds or other entities, either corporate bodies or natural persons, with employee shareholdings in the Company and whose shareholders will comprise Non-French Employees, and/or (iii) any banking institution or entity controlled by such an institution within the meaning of Article L. 233-3 of the French Commercial Code acting at the Company's request to set up a structured offering to Non-French Employees, a transaction on which you are asked to vote.

The maximum nominal amount of share capital increases that may be performed, immediately or in the future, under this delegation, is set at 1 % of the share capital as of the date of the Board of Directors' decision, it being specified that this amount shall be deducted (i) from the overall limit set in paragraph 2 of the 17th resolution of the combined shareholders' meeting of May 26, 2020, and (ii) the limit set in paragraph 2 of the 23rd resolution (subject to its approval by shareholders), or where applicable, the limits that may be set in resolutions of the same type that may supersede these resolutions during the validity of this delegation.

Based on its report, the Board of Directors asks that you delegate to it, for a period of 18 months, the authority to decide an issue and cancel your preferential subscription rights to the ordinary shares or marketable securities to be issued. When appropriate, it will set the final issue terms and conditions of this transaction.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issue, contained in this report.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the process for determining the issue price of the future securities.

Subject to a subsequent review of the terms and conditions of the proposed issue, we have no comments to make on the process for determining the issue price of the future securities presented in the Board of Directors' report.

As the final terms and conditions of the issue have not been determined, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights submitted to you.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, should this delegation be used by your Board of Directors.

Paris-La Défense and Paris, April 15, 2020

The Statutory Auditors

Deloitte & Associés

François Xavier AMEYE

RSM Paris

Etienne de BRYAS

8.3.6 STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL DECREASE (27TH RESOLUTION)

Combined Shareholders' Meeting of May 26, 2020

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of NEOEN SA,

As Statutory Auditors of your Company and pursuant to the engagement set forth in Article L. 225-209 of the French Commercial Code (Code de commerce) concerning share capital decreases by cancellation of any quantity of treasury shares, we hereby present our report on our assessment of the reasons for and terms and conditions of the proposed share capital decrease.

The Board of Directors asks that you delegate it all necessary powers, during a period of 26 months commencing the date of the combined shareholders' meeting of May 26, 2020, to cancel, up to a maximum of 10 % of its share capital during the 24-month period prior to the cancellation, shares purchased by the Company pursuant to the authorization to purchase its own shares, as part of the provisions of the aforementioned article.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in verifying whether the reasons for and the terms and conditions of the proposed share capital decrease, which does not undermine shareholder equality, are compliant.

We have no comments on the reasons for and the terms and conditions of the proposed share capital decrease.

Paris-La Défense and Paris, April 15, 2020

The Statutory Auditors

Deloitte & Associés

François Xavier AMEYE

RSM Paris

Etienne de BRYAS

8.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2019

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the NEOEN Shareholders' Meeting,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Annual General Meeting, if any.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted for approval to the Shareholders' Meeting

Agreements authorized and entered into during the fiscal year

Pursuant to Article R.225-40 of the French Commercial Code, we have been informed that the following agreements entered into during the fiscal year were previously authorized by your Board of Directors.

Person concerned

Romain Desrousseaux, Deputy Chief Executive Officer of the Company

Nature and purpose

Following the appointment by the Board of Directors' meeting of April 17, 2019 of Romain Desrousseaux as Deputy Chief Executive Officer of the Company, his employment contract was amended on July 11, 2019 to introduce, in particular, the principle of variable compensation based on quantitative and qualitative objectives.

Terms and conditions

The Board of Directors' meeting of July 10, 2019 previously authorized the signing of this amendment to the employment contract.

Pursuant to this amendment, variable compensation is equal to a maximum of 100 % of gross annual compensation paid in respect of the reference year if quantitative (representing 75 % of the maximum amount) and qualitative (representing 25 % of the maximum amount) objectives are attained, as determined each year by the Appointments and Compensation Committee.

A trigger threshold is set with respect to the above objectives under which no compensation will be payable. In the event of outperformance, variable compensation may represent a maximum of 200 % of gross annual fixed compensation.

Reasons justifying that the agreement is in the Company's interest

This amendment is in the Company's interests in so far as a variable compensation system based on objective criteria strengthens the commitment of the Deputy Chief Executive Officer and his involvement in the development of the Company and more broadly the Group, and encourages him to contribute to the Group's performance and promotes loyalty.

Agreements previously approved by the Shareholders' Meeting

Previously authorized agreements not implemented during the fiscal year

In addition, we have been informed of the following agreements, previously approved by Shareholders' Meetings in prior years, which had no effect during the year.

Underwriting Agreement

Persons concerned

Impala SAS, FPCI Capenergie II, represented by its management company Omnes Capital, and FPCI Fonds ETI 2020, represented by its management company Bpifrance Investissement (the "Transferring Shareholders")

Nature and purpose of the agreement

Underwriting Agreement between Neoen SA (the "Company") and the Transferring Shareholders, on the one hand, and J.P Morgan Securities PLC and Natixis as Overall Coordinators, and also Barclays PLC and Société Générale as Related Bookrunners, and Carnegie AS as Related Lead Arranger (the "Underwriting Institutions"), on the other hand, signed on October 16, 2018.

Terms and conditions

The signing of this underwriting agreement was previously authorized by the Board of Directors on October 16, 2018.

Under this agreement, the Underwriting Institutions, not acting severally between them, each pledged, for a maximum number of shares offered as part of the Company's IPO, to have purchased and paid, subscribed and freed up, or where necessary, purchase and pay, subscribe and free up themselves, the shares offered at the offer price on the settlement-delivery date.

The commitments undertaken by the Underwriting Institutions were subject to standard conditions precedent.

The underwriting agreement provides that the contracting financial institutions be compensated with the fees stipulated therein.

The total number of Neoen shares offered as part of its IPO following the exercise of the greenshoe option totaled 42,249,457, i.e. 27,272,727 new shares and 14,976,730 existing shares, bringing the size of the offering to around €697 million.

Reasons justifying that the agreement is in the Company's interest

The underwriting agreement falls within the context of the Company's IPO and is an inseparable component in accordance with market practices. Considering the benefits for the Company expected from the IPO, the Board considers that the underwriting agreement complied with the Company's corporate interest.

Paris-La Défense and Paris, April 15, 2020

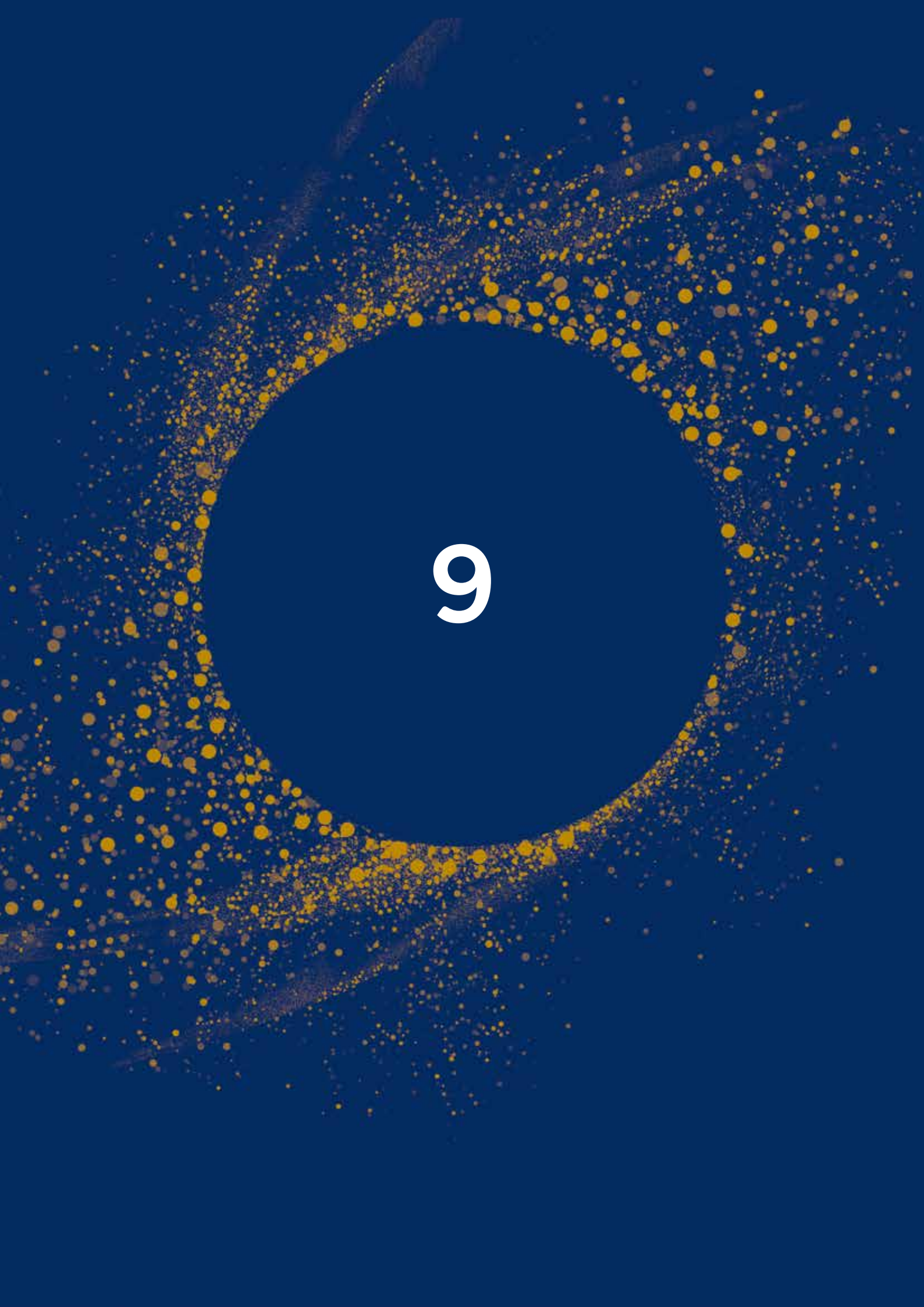
The Statutory Auditors

Deloitte & Associés

François Xavier AMEYE

RSM Paris

Etienne de BRYAS



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9.1 PERSONS RESPONSIBLE

9.1.1 NAME AND JOB TITLE OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Xavier Barbaro, Chairman and Chief Executive Officer of Neoen S.A.

9.1.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby certify, having taken all reasonable measures for this purpose, that the information contained in this Universal Registration Document is, to the best of my knowledge, true and accurate, and does not contain any omission likely to affect its scope or significance.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all the other companies included in the scope of consolidation, and that the elements of the Management Report included in this document, present a fair review of the development and performance of the business and financial position of the Company and all the other companies included in the scope of consolidation, together as well as a description of the main risks and uncertainties that they face."

Paris, April 28, 2020

Xavier Barbaro

Chairman and Chief Executive Officer of Neoen S.A.

9.1.3 NAME AND JOB TITLE OF THE PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Xavier Barbaro

Chairman and Chief Executive Officer of Neoen S.A.

6 rue Ménars – 75002 Paris

Tel. +33 1 70 91 61 50

9.2 STATUTORY AUDITORS

9.2.1 PRINCIPAL STATUTORY AUDITORS

Deloitte & Associés

Represented by Mr. François-Xavier Ameye
Tour Majunga, 6 Place de la Pyramide,
92908 Paris-la-Défense Cedex

Deloitte & Associés was appointed by decision of the general shareholders' meeting of April 15, 2014 for a term of six financial years, i.e. until the end of the general shareholders' meeting called to approve financial statements for the financial year ending December 31, 2019.

Deloitte & Associés is a member of the Paris Regional Institute of statutory auditors (*Compagnie Régionale des Commissaires aux Comptes de Paris*).

RSM Paris

Represented by Mr. Étienne de Bryas,
26 rue Cambacérès,
75008 Paris

RSM Paris was appointed by decision of the general shareholders' meeting of September 12, 2018 for a term of six financial years, i.e. until the end of the general shareholders' meeting called to approve financial statements for the financial year ending December 31, 2023.

RSM Paris is a member of the Paris Regional Institute of statutory auditors (*Compagnie Régionale des Commissaires aux Comptes de Paris*).

9.2.2 ALTERNATE STATUTORY AUDITOR

BEAS

Represented by Mr. Jean-Paul Seguret
Tour Majunga, 6 Place de la Pyramide
92908 Paris-la-Défense Cedex

BEAS was appointed as statutory auditor by decision of the general shareholders' meeting of April 2014 for a term of six financial years, *i.e.* until the end of the general shareholders' meeting called to approve the financial statements for the financial year ending December 31, 2019.

BEAS is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Versailles Regional Association of statutory auditors).

9.2.3 INFORMATION ON THE STATUTORY AUDITORS THAT HAVE RESIGNED, WERE ELIMINATED OR WHOSE MANDATE WAS NOT RENEWED

During the period covered by the historical financial information, there was no resignation of the statutory auditors.

9.2.4 CERTIFICATION OF THE FEES PAID TO THE STATUTORY AUDITORS

The table of fees of the statutory auditors of the Company is shown in Note 23 to the consolidated financial statements for the financial year ended December 31, 2019 contained in Section 4.1 of this document.

9.3 HISTORICAL FINANCIAL INFORMATION INCLUDED BY REFERENCE

In accordance with article 19 of regulation (EU) no. 2017/1129 of June 14, 2017, this 2019 Universal Registration Document includes by reference:

- The consolidated financial statements for the financial year ended December 31, 2018 established in accordance with IFRS, and the statutory auditors' report presented in paragraph 4.1 et 4.2 respectively to the 2018 Registration Document, as filed by the *Autorité des marchés financiers* on June 5, 2019 under number R.19-021;
- The consolidated financial statements for the financial years ended December 31, 2017, December 31, 2016 and December 31, 2015 established in accordance with IFRS, and the statutory auditor's report presented in Appendix II and Appendix III respectively to the Registration Document, as filed by the *Autorité des Marchés Financiers* on September 18, 2018 under number I. 18-065.

9.4 DOCUMENTS AVAILABLE TO THE PUBLIC

The press releases of the Company and the annual registration documents (including historical financial information on the Company filed with the AMF and any revisions) are available on the Company's website at the following address: www.neoen.com, a copy may also be obtained from the registered office of the Company located at 6 rue Ménars, 75002 Paris.

All information published and made public by the Company during the last 12 months in France is available on the Company's website at the above address and on the AMF website at the following address: www.amf-france.org.

Finally, the Articles of Association of the Company, the minutes of the General Meetings, the Statutory Auditors' reports and all other corporate documents may be consulted at the registered office of the Company.

9.5 CROSS-REFERENCE TABLES

9.5.1 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

In order to facilitate the reading of this Universal Registration Document, the cross-reference table hereafter enables to identify the information, required in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the general regulations of the French Financial Markets Authority, which constitute the annual financial report.

Information required	Chapter / Section
2019 annual financial statements (French GAAP)	4.3
2019 consolidated financial statements (IFRS)	4.1
Management report	Dedicated table
Corporate governance report	Dedicated table
Declaration by the person responsible	9.1
Report by the statutory auditors on the 2019 annual financial statements	4.4
Report by the statutory auditors on the 2019 consolidated financial statements	4.2
Statutory auditors fees	4.1 - Note 23

9.5.2 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP

The following cross-reference table enables to identify the main information of the management report of the Company and the Group required by the French Commercial Code.

Information required	Reference text	Chapter / Section
Situation and activity		
Analysis of the change in business, profits or losses and in the financial position of the Company	L. 225-100-1, I 1° of the French Commercial Code	2.2 and 2.3
Activity and results of the Group, of subsidiaries and of controlled companies by branch of activity.	L. 233- 6 of the French Commercial Code	1.3.1 and 2.2
Key performance indicators of a financial nature and any non-financial performance indicators	L. 225-100-1, I 2° of the French Commercial Code	1.3
Main risks and uncertainties	L. 225-100-1, I 3° of the French Commercial Code	3
Financial risks resulting from the effects of the climate change and measures undertaken by the Company	L. 225-100-1, I 4° of the French Commercial Code	3.1.5
Procedures of internal control and risk management relating to the preparation and handling of accounting and financial information	L. 225-100-1, I 5° of the French Commercial Code	3.2.2
Company's objectives, hedging policy and exposure to price, credit, liquidity and cash flows risks	L. 225-100-1, I 6° of the French Commercial Code	3.1.3 and 3.2.2
Add-back of operating expenses and extravagant expenses (Art. 39.4 and 223 quater, Art. 39.5 and 223 quinques of the General Tax Code)		2.5.2.7 and 2.5.2.8
Research and development activities	L. 232-1, II and L. 233-26 of the French Commercial Code	1.4.1
Major events occurred since the close of the fiscal year	L. 232-1, II and L. 233-26 of the French Commercial Code	2.5.1
Company and Group foreseeable trends and outlook	L. 232-1, II and L. 233-26 of the French Commercial Code	2.4
Equity investment in or takeover of companies having their registered office in France	L. 233-6 paragraph. 1 of the French Commercial Code	2.5.2.4
Activities of the Company's subsidiaries	L. 233-6 paragraph. 2 of the French Commercial Code	1.1 and 1.3
Table on the Company's financial results over the last five years	R. 225-102 of the French Commercial Code	2.5.2.3
Information relating to suppliers and clients' terms of payment	L. 441-6-1 and D. 441-4 of the French Commercial Code	2.5.2.5
Legal information and information related to shareholding		
Employee shareholdings at the year - end	L. 225- 102 of the French Commercial Code	7.2.10
Identity of shareholders holding more than 5%; treasury shares	L. 233- 13 of the French Commercial Code	7.2.5 and 7.3
Information on share buybacks	L. 225-211 of the French Commercial Code	7.2.9
Dividends distributed for the last three fiscal years	Article 243 bis of the French Code Tax Code	7.3.8
Equity investment in or takeover of companies having their registered office in France	L. 233- 6 of the French Commercial Code	2.5.2.4
Summary of transactions by corporate officers on Company securities	L. 621- 18- 2 and R. 621- 43- 1 of the French Monetary and Financial Code and 223- 22 A and 223- 26 of the general regulations of the French Financial Markets Authority	7.2.4
Information on loans granted to other companies	L. 511- 6 and R. 511- 2 1- 3 of the French Monetary and Financial Code	N/A
Existing Company branches	L. 232- 1 of the French Commercial Code	N/A
Extra-financial performance		
Consolidated declaration of extra-financial performance	L. 225-102-1 and R. 225-105 of the French Commercial Code	Dedicated table
Vigilance plan	L. 225-102-4 of the French Commercial Code	N/A - 5.9

CROSS-REFERENCE TABLE FOR THE CORPORATE GOVERNANCE REPORT

Information required	Chapter / Section
Information relating to Corporate Governance	
Composition of the Board of Directors	6.1.1
Balanced representation of women and men on the Board of Directors	6.2.1
Review of the independence of its members and of potential conflicts of interest	6.2.1
Duties of the Board of Directors	6.2.1
Conditions for preparing and organising the work of the Board of Directors	6.2.2.2
Agreements concluded between an executive manager or significant shareholder of the Company and a subsidiary	6.4.2
Compensation paid to corporate officers	6.3
Principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of total compensation and benefits of any kind attributable to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers	6.3.1.1
Special terms for the participation of the shareholders in the General Meeting	6.2.3
Factors likely to have an impact in the event of a public offer	6.4.5
Summary table of the status of valid delegations of powers and powers granted by the General Meeting to the Board of Directors with regard to capital increases and the use made of these delegations during the past year	6.4.1

CROSS-REFERENCE TABLE FOR THE NON-FINANCIAL PERFORMANCE STATEMENT

Information required	Chapter / Section
ELEMENTS OF THE 2019 NON-FINANCIAL PERFORMANCE STATEMENT	
Presentation of the business model	
Main activities of the company: key figures, organization and governance	1.1.3. 1.3.1 and 2.6.2.4
Description of the financial model	1.1. 2.3.2 and 2.3.3
Strategy: outlook and objectives	2.4
Presentation of the main extra-financial risks linked to the Company's business	3.1
Description of the policies applied by the company, results and performance indicators	
Health and safety risks	5.3
Reputational risk and risk of non-acceptability of projects	5.4
Risks associated with ethics and corruption	5.5
Risks associated with attractiveness and retention of talent	5.7
Other topics and information mentioned in article L225-102-1	
Effects of the activity in terms of respect for human rights	5.5
Impact of the activity on the fight against corruption	5.5
Way the company considers the risk of tax evasion	5.2.2
Climate change	5.6
Circular economy	5.6
Combating food waste, combating food insecurity, respect for animal welfare and a responsible, fair and sustainable food	N/A
Collective bargaining agreements and impacts	5.7
Combating discrimination, promotion of diversities and measures regarding employment and integration of disabled people	5.7
Societal commitments	5.4

9.5.3 CROSS-REFERENCE TABLE FOR THE PROVISIONS OF ANNEXES 1 AND 2 OF THE 2019/980 DELEGATED REGULATION OF THE EUROPEAN COMMISSION

This cross-reference table identifies the main information required by Annexes 1 and 2 of the 2019/980 Delegated Regulation of the European Commission dated March 14, 2019. This table refers to the sections of this Universal Registration Document on which the information related to each item is indicated.

Information required		Chapter / Section
Section 1	Persons responsible, third party information, expert's reports and competent authority approval	
1.1	Identity of the person responsible	9.1.1. and 9.1.3
1.2	Statement of the person responsible	9.1.2.
1.3	Identity of the person participating as an expert whose statement or report is included in the Universal Registration Document	N/A
1.4	Statement on the information provided by a third party	N/A
1.5	Statement on the competent authority	AMF insert
Section 2	Statutory auditors	
2.1	Identity	9.2
2.2	Change	N/A
Section 3	Risk factors	3
Section 4	Information about the issuer	
4.1	Legal and commercial name	7.1
4.2	Registration place and number, legal entity identifier (LEI)	7.1
4.3	Incorporation date and term	7.1
4.4	Registered office, legal form, applicable legislation, country of incorporation, address and telephone number of the registered office, website	7.1
Section 5	Business overview	
5.1	Principal activities	1.3
5.1.1	Nature of operations and principal activities	1.3
5.1.2	Development of new products and/or services	1.3
5.2	Principal markets	1.3.3
5.3	Important events in the development of the business	2.2.1/4.1 - note 1.2
5.4	Strategy and objectives	1.1.2
5.5	Dependence of the issuer with regards to patents, licences, contracts and manufacturing processes	N/A
5.6	Competitive position of the issuer	1.2.4
5.7	Investments	2.3.8
5.7.1	Material investments made	2.3.8.2
5.7.2	Material investments in progress	2.3.8.3
5.7.3	Information relating to the joint ventures and undertakings likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	2.5.2.4
5.7.4	Environmental issues that may affect the use of the tangible fixed assets	2.3.8.6
Section 6	Organizational structure	
6.1	Brief description of the Group	2.5.2.4
6.2	List of the significant subsidiaries	2.5.2.4
Section 7	Operating and financial review	
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7.1.2	Likely future evolution and activities in the field of research and development	
7.2	Operating results	2.2
7.2.1	Significant factors materially influencing the operating income	2.2
7.2.2	Evolution of net sales	2.2
Section 8	Capital resources	
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8.2	Sources and amounts of the cash flows	2.3
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9.1	Description of the regulatory environment and external factors materially influencing the operations	1.3.3

Information required		Chapter / Section
Section 10	Trend information	2.4
Section 11	Profit forecasts or estimates	N/A
Section 12	Administrative, management and supervisory bodies and senior management	6.1 and 6.2.2
12.1	Information on the members of the administrative and management bodies	6.1
12.1	Conflicts of interests	6.2.2
Section 13	Compensation and benefits	
13.1	Compensation paid and benefits in kind	6.3
13.2	Provisions for pension and retirement obligations	6.3
13.3	Securities giving access to the Company's capital awarded to corporate officers	6.3
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14.2	Service contracts between members of the administrative or management bodies and the issuer or one of its subsidiaries	6.2
14.3	Information on the Board committees	6.1 and 6.2
14.4	Statement of compliance with the corporate governance rules applicable to the issuer	6.2.1.3
14.5	Potential material changes on the corporate governance	N/A
Section 15	Employees	
15.1	Number of employees	5.7
15.2	Equity interests and stock options of corporate officers	N/A
15.3	Agreements involving the employees in the capital of the issuer	7.2.10
Section 16	Major shareholders	
16.1	Identification of the major shareholders	7.3.1
16.2	Voting rights	7.3.1
16.3	Control of the issuer	7.3.1
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Section 17	Related party transactions	
17.1	Details of related party agreements	6.4.4. and 4.1. Note 22
Section 18	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
18.1	Historical financial information	
18.1.1	Audited historical financial information and audit report	4.1 and 4.2
18.1.2	Change of accounting reference date	N/A
18.1.3	Accounting standards	4.1
18.1.4	Change of accounting framework	N/A
18.1.5	Financial statements	4.1
18.1.6	Consolidated financial statements	4.1
18.1.6	Date of latest financial information	12.31.2019
18.2	Interim and other financial information	
18.2.1	Half yearly and quarterly financial information and interim financial information	N/A
18.3	Auditing of historical annual financial information	
18.3.1	Audit report on the historical financial information	4.4
18.3.2	Other information audited by the auditors	5.8 and 8.4
18.3.3	Financial information not extracted from audited financial statements of the issuer	2.1.1 and 2.2.2
18.4	Pro forma financial information	N/A
18.5	Dividend policy	7.3.8
18.6	Legal and arbitration proceedings	3.1.4
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Section 19	Additional information	
19.1	Share capital	7.2
19.2	Memorandum and Articles of Association	
19.2.1	Trade and Companies Register, purposes of the issuer	7.1
19.2.2	Rights, preferences and restrictions attaching to shares	7.1
19.2.3	Provisions that may delay, defer or prevent a change of control	7.3
Section 20	Material contracts	
20.1	Material contracts of the issuer or any member of the group	1.3.4.4
Section 21	Documents available	
21.1	Statement regarding the available documents	9.4

9.6 GLOSSARY

Average availability	Ratio between the energy actually produced by a solar or wind asset during a given period and the energy that could theoretically be produced by the asset during the same period.
Biomass	Process for producing electricity using the heat generated by the combustion of organic materials of plant or animal origin (biomass by combustion) or biogas from the fermentation of these materials.
Certificados de Energías Limpias (CELs)	Green-energy certificate system issued by the CRE (Comisión Reguladora de Energía, energy regulating commission in Mexico) to accredit electrical power generated from clean sources, and to enable users to meet their obligations under the energy transition.
Commercial operation date (COD)	Date at which a solar or wind asset is connected to the grid and starts selling the electricity it produces.
Contract for difference or “CFD”	A contract structure pursuant to which a buyer of electricity (usually a state or state-backed entity) undertakes to pay the electricity producer the difference between a reference tariff and the actual price at which the producer sells the electricity on the market via an aggregator.
EPC (“Engineering, Procurement and Construction”) Contract	Design, supply and installation contracts for solar, wind and storage assets. These contracts generally include the supply of photovoltaic panels or wind turbines and other system components (BOS or BOP components).
Feed-in-tariff or “FiT”	A legal and regulatory structure under which the purchase price of electricity produced by a generating unit is mandated for a given buyer under long-term contracts.
Grid	The combined energy infrastructures used to transport electrical energy from electrical production units to consumers.
Grid curtailment	Situation when an electricity producer is forced to reduce its energy production to a level below its regular production capacity, for reasons beyond its control, usually at the request of the grid operator.
Grid parity	Situation when the levelised cost of electricity (“LCOE”) of a renewable energy source is less than or equal to the purchase price of electricity on the grid.
Installed power	Level of peak power watts or watts, as applicable, for a given solar, wind or storage asset.
Interconnection agreement	Agreement setting forth the mutual obligations and the technical, legal and financial conditions that the electricity producer and the grid operator must respectively fulfill for the connection of an electricity production installation to a given electrical grid.
Internal rate of return (“IRR”) of a project	Ratio between a project’s future cash flows and its foreseeable costs (including the related cost of debt).
Inverter	Device for converting a direct current (“DC”) produced by a solar, or wind asset into an alternating current (“AC”) compatible with electricity transmission and distribution networks.
Irradiation	The level of exposure of a point on the earth’s surface to the sun’s radiation, which determines the level of electricity that a solar power plant can produce.
Kilowatt (“kW”)	Standard unit measuring electrical power, equivalent to 1,000 watts.
Kilowatt-hour (“kWh”)	Standard unit measuring the electrical power generated or consumed (power expressed in kW multiplied by a period expressed in hours).

Levelised Cost of Energy or “LCOE”	An indicator for comparing the competitiveness of different energy sources, calculated by comparing the total cost of electricity production (including development, financing, construction, operation and maintenance costs) for a given plant with the actual electricity production of that installation (expressed in kWh) over its entire lifetime.
Load factor	The load factor is the equivalent time (as a percentage of the period observed) during which grid injection at maximum power would produce the same quantity of energy as that supplied by the facility.
Megawatt (“MW”)	Standard unit measuring electrical power, equivalent to 1,000 kW or one million watts.
Megawatt-hour (“MWh”)	Standard unit measuring the electrical power generated or consumed (power expressed in MW multiplied by a period expressed in hours).
Monocrystalline silicon	Basic material composing photovoltaic cells, produced by melting polycrystalline silicon refined at very high temperatures, then solidifying it into a single large cylindrical crystal.
O&M (“Operation and Maintenance”) contract	Operation and Maintenance contract for a solar, wind or storage asset. Generally, the O&M service provider is the EPC contractor for the construction of the asset.
Other components of the system (“balance of system” or “BOS” components for solar parks and “balance of plant” or “BOP” components for wind parks)	All equipment and components necessary for the construction of a solar power plant other than photovoltaic panels, or of a wind park other than wind turbines, including inverters, transformers, electrical protection devices, wiring and control equipment, and also structural elements such as mounting frames or wind turbine masts.
Peak power	Maximum power produced by a photovoltaic panel under standard test conditions.
Performance ratio (“PR”)	Ratio expressed as a percentage between actual electricity production and theoretical production over a reference period.
Photovoltaic (or solar) panel	The main component of a solar park, consisting of a set of photovoltaic cells electrically connected to each other, encapsulated in a plastic or glass envelope and supported by supporting materials, usually an aluminium structure.
Polycrystalline silicon	Basic material composing photovoltaic cells, produced by re-melting refined silicon pieces and then solidifying them in a cuboid crucible and cutting them into rectangular ingots consisting of multiple small crystals of different sizes and shapes. Each ingot is then cut into very thin wafers. This technology is more widespread but a slightly less efficient than monocrystalline silicon.
Power Purchase Agreement or “PPA”	Contract by which an electricity producer sells, for a fixed price, all or part of its electricity production to a purchaser of electricity.
Projects in “early stage” phase	A project (i) located on land with respect to which the owner has confirmed his or her intention to agree a contract with the Group for the applicable land rights, (ii) in proximity to an electric grid to which the project may be connected and (iii) for which technical studies have been initiated but not yet finalized.
Projects in “advanced development” phase	"At this stage the following elements are expected to be completed: - real-estate: signature of a contract validating the use of the land; - access to the electricity grid: preliminary grid connection; - technical: completed pre-design engineering."

Projects in “tender ready” phase	"A project where either: 1. a building permit has been obtained and all the conditions precedent to the signing of an electricity sales contract have been fulfilled in a country which: a) has a renewable energy development program through recurrent tenders, or b) has a liquid market for electricity sales contracts with private companies. 2. feed-in tariffs are available and a building permit application has been submitted. Based on such criteria, once a project reaches the tender-ready stage, it will not be reclassified to a less advanced stage as long as: 3. the market dynamics of renewable energies in the country in question remain unchanged; and 4. the requirements for obtaining an electricity sales contract remain the same. Projects in “advanced development” phase and projects in “tender-ready” phase constitute the “advanced pipeline”. Projects in “advanced development” that win a tender through a competitive auction process are classified as “awarded” projects without being first classified as tender-ready."
Projects in “awarded” phase	The primary authorisation request for the project (the relevant building permit for a solar project and the relevant environmental permit for a wind project) has resulted in a positive outcome and is no longer subject to an appeal, and there is a guaranteed off-take once the project is built, or the project has won through a competitive auction process. At this stage, certain additional licenses may be required as long as the Group judges them to be secondary to the applicable primary authorisation. Depending on what could be achieved during the initial development phase, land procurement and additional studies may also be underway. Discussion and contracting with an EPC, as well as project financing negotiations, are usually completed during this stage.
Projects in "under construction" phase	The notice to proceed (“NTP”) has been given to the relevant EPC contractor. The asset will remain in this category until the provisional acceptance has been signed, even if the plant has begun producing and selling energy.
Projects in "in operation" phase	The provisional acceptance has been signed. Responsibility for the asset has been handed over by the construction team to the operations team. Projects “awarded”, projects “under construction” and projects “in operation” form the “secured portfolio”.
Provisional acceptance date	The date on which the Group’s EPC provider reaches a contractually defined level of completion of the construction of a solar, wind or storage asset and obtains the necessary certifications and performance to meet the “provisional acceptance” criteria under EPC contracts and other agreements relating to that asset.
PV	Abbreviation of “photovoltaic”.
Photovoltaic	Process for producing an electric current by exposing semiconductor materials to light.

Special purpose vehicle (“SPV”)	Company specifically created or, to a lesser extent, acquired by the Group for the sole purpose of holding a solar, wind or storage asset of the Group while carrying the debt (usually without recourse to the Company or any other Group entities outside of the debt financing perimeter) relating to the energy-producing asset.
Standard test conditions	Standardised test conditions for measuring the nominal capacity produced by photovoltaic cells or panels corresponding to (i) an irradiation level of 1,000 W/m ² , (ii) an air mass level of 1.5 units, and (iii) a cell or panel temperature of 25°C.
Supervisory Control and Data Acquisition (“SCADA”)	Information system used to evaluate, optimize and control energy production, performance, safety and, more generally, the proper operation of a solar or wind asset in real time.
Transformer	Conversion device for changing the voltage and intensity of an electric current into an electric current of different voltage and intensity.
Turbine	Generator producing electricity from kinetic wind energy. The main component of a wind asset.
Turbine Supply Agreement (or “TSA”)	Contract pursuant to which a supplier provides, transports, installs and commissions turbines.
Watt (“W”)	Standard unit measuring (for the Group) the electrical power of a solar, wind or storage asset, established under standard test conditions.
Wind power	Process to transform the kinetic energy of the wind into mechanical energy and then into electrical energy through the use of wind turbines.
Wind kinetic energy	Energy generated by moving air, depending on its mass and speed.



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