



UNIVERSAL
REGISTRATION
DOCUMENT

2022, 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.

2022

UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

This document is a free translation into English of the original 2022 Universal Registration Document issued in French Language and is provided solely for information purposes. In case of discrepancy between the French and the English version, the French language version of the Universal Registration Document shall prevail.



This Universal Registration Document has been filed on April 7, 2023 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in ESEF format and is available on the issuer's website <https://www.neoen.com/en/investors#regulated-information>.

Since the company was founded in 2008, Neoen has become a well-known independent player in the worldwide renewable energy sector, with a presence in 16 countries at the end of 2022.

Our rapid and profitable growth is grounded in the geographical and technological diversification of our assets and our project portfolio, which strengthens our approach to development and our performance.

As one of the world's leading independent producers of exclusively renewable energy, we develop our own projects, arrange their financing and project management and operate them for the long term.

Our business model is based on retaining control of our assets and we currently own more than 92 % of the facilities we operate. Thanks to this strategy, we guarantee the long-term quality and performance of our assets.

Audacity, integrity, commitment and esprit de corps: these company values form the basis of all our relations with business partners, customers and end-users. Shared by our diverse team of 360+ employees, which includes 42 nationalities, they underpin our corporate identity and are borne out in the way we conduct our day-to-day business.

OUR MISSION

We design and implement the means to produce the most competitive renewable electricity sustainably and on a large scale.



SOLAR POWER

The sun is the most widely available source of energy on earth and the quickest to deploy. Solar power was Neoen's first sector and remains our main business line.



WIND POWER

Onshore wind farms are a mature source of renewable energy at competitive rates. We are focusing our wind farm development in Australia, El Salvador, Finland, France, Ireland, Portugal, and Sweden.



STORAGE

Energy storage is the answer to the volatile nature of renewable energy sources. At 300 MW / 450 MWh, the Victorian Big Battery is one of the world's largest lithium-ion batteries. We now have storage units in Australia, France, Finland, Sweden and El Salvador.

« We are increasingly becoming a true accelerator of the energy transition »

Since our inception, we have taken a long-term view in the development of our projects, driving growth that is both strong and creates value. Five years into our listing on the Euronext Paris stock exchange, we continue to develop our portfolio with the same passion. At the end of 2022, our total capacity stood at 6.6 GW in operation or under construction – a six-fold increase in six years. This achievement makes us more confident than ever in our ability to meet our target of 10 GW in operation or under construction by 2025.

Our pure-player strategy centres on a comprehensive mix of three key renewable technologies – solar, wind and storage. Thanks to our expertise, we were awarded over 1,300 MW of new projects across our various technologies and regions (Australia, Europe, and the Americas) in 2022. Responding to client expectations on carbon footprint reduction and competitiveness, we have signed several Corporate PPAs this year : our tenth in the Nordics, our first in France, and even more importantly a baseload PPA in Australia - demonstrating our growing strength when it comes to integrating our production assets. We have also consolidated our leadership in the storage sector, with Western Downs Battery in Queensland and Blyth Battery in South Australia, which will take their place among the world's largest batteries.

On the topic of storage, our capacity for innovation has allowed us to broaden our range of services, with a virtual battery and the world's first grid-scale inertia service in Australia, and support services for the commissioning of Finland's Olkiluoto 3 nuclear reactor. These achievements complement the critical role played by our big batteries in driving the energy transition by creating new sources of value from our assets.

In 2022, Neoen strengthened its presence in each of our regions, ensuring our people are as close as possible to our projects and taking our team to a total of over 360 employees. Our local presence is the driving force of Neoen's growth and our values of audacity, integrity, commitment and esprit de corps are brought to life on a daily basis through the actions of each member of our team.



XAVIER BARBARO
Président-directeur général

In 2022, we extended our strong financial track record, posting a net profit for the 12th consecutive year. We strengthened our position with a successful issue of green convertible bonds in September and capital gains from farmdown operations that create additional capacity for investment. We also delivered on the commitment made in our IPO to pay our first dividend in 2022, based on our 2021 results.

Renewables are the best response to the three-fold challenge of our time – environmental, economic and strategic. Faced with the need to act on climate change, renewables have proven that they can produce green energy on a large scale – and quickly. For years now, renewables have also shown themselves to be the cheapest option, far ahead of nuclear and thermal energy. Lastly, they are the most effective way to increase domestic electricity production and to increase energy sovereignty.

The quality of our people and our projects, together with our flexibility and resilience, mean Neoen's commitment to playing a leading role in the electricity mix of the 21st century remains stronger than ever.



DEVELOPMENT AND DESIGN

First, we assess the technical, economic, societal and environmental feasibility of our projects.

Then we define the project, based on the characteristics of the site and the resources available. This process includes engaging in constructive dialogue with stakeholders, local residents and communities, elected representatives and government agencies.



FINANCE

We finance our projects through a combination of equity contributions and long-term debt, mainly through non-recourse financing, and the creation of a separate company for each project developed.

Our equity increases regularly, thereby providing us with a solid and sustainable financial base and a growing investment capacity.



CONSTRUCTION MANAGEMENT

As project owner, we are closely involved in supervising the construction of our power plants. We ensure that each plant is a high quality and sustainable asset, with a life span of several decades.

We deal with tier-1 contractors and other suppliers and seek to involve local suppliers in the construction work.

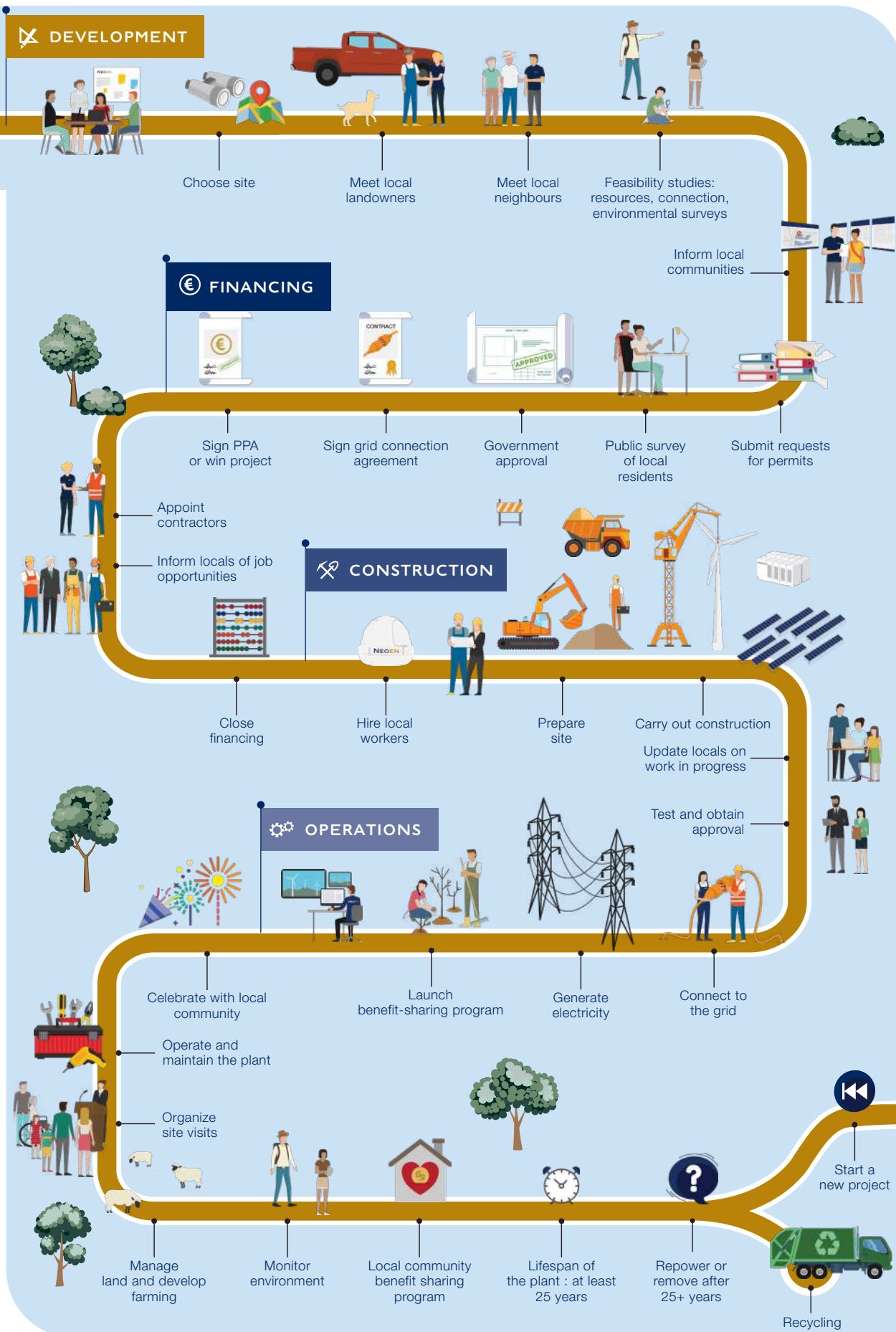


OPERATIONS

As an energy producer, we are particularly attentive to the operating performance of our power plants worldwide.

They are monitored in real time by our team of specialists and their maintenance is performed by our subcontractors under O&M contracts.

Through our Energy Management expertise, we supply customised, integrated renewable energy solutions which leverage our asset portfolio and in depth market knowledge.



A LEADING PLAYER IN MULTIPLE COUNTRIES

Neoen is one of the world's leading independent producers of exclusively renewable energy.

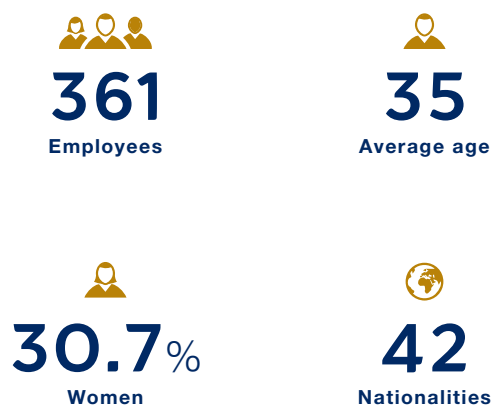
Neoen is the leading French independent producer of renewable energy in France and Australia's number #1 renewable energy producer.

Neoen focuses on organic growth through empowering local teams who drive the development of new projects.

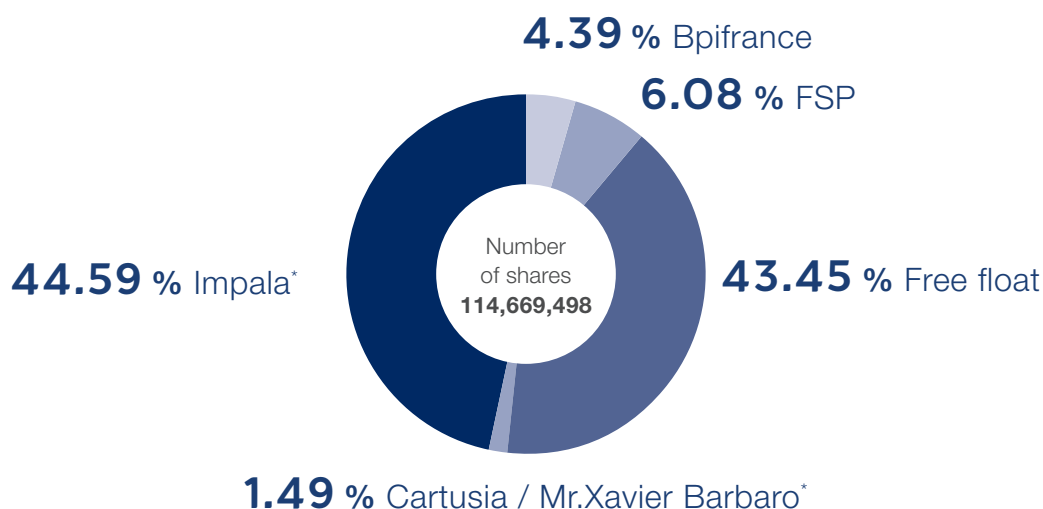


- Assets in operation or under construction
- ▨ Projects awarded
- Projects under development

A UNIQUE WORKFORCE





SHAREHOLDING STRUCTURE AS OF DECEMBER 31, 2022¹

* Impala and Cartusia are acting in concert.

Cartusia is a long-term investment vehicle controlled by M. Xavier Barbaro and his family.

IMPALA

44.59 %¹

Impala, a group owned and managed by Jacques Veyrat and his family, invests in projects with strong development potential, in different business sectors and with variable levels of participation: Energy (stakes in Neoen, Tag Energy and Castleton Commodities International), Technologies (stakes in Technoplus Industries, Edgyn, Inexto), Cosmetics (stakes in Laboratoire Native, owner of the Roger & Gallet, Lierac, Phyto, stakes in Pharma and Beauty Group and Augustinus Bader), Culture, Entertainment and Fashion (stakes in Pullin, L'Exception, Rosa Bonheur and La Caserne), Finance (stake in Eiffel Investment Group and in high-growth projects in China), Real estate projects and Hotels (residential real estate projects in the Paris region, Luxembourg and Spain and a hotel group in Portugal and France). Impala is a long-term investor.

FSP

6.08 %¹

Fonds Stratégique de Participations (FSP) is an open-ended investment company (société d'investissement à capital variable) registered with the French financial markets authority (Autorité des Marchés Financiers - AMF), that promotes long-term equity investment. FSP's purpose is to acquire "strategic" equity stakes in the capital of French companies and participate in their governance by holding a seat on their Board of Directors and governance board. The fund is financed by seven major insurance companies seeking long term investments in French companies to help them with their development and transition projects. FSP's shareholders are BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Société Générale Assurances, Groupama, BPCE Assurances and Suravenir. As of December 31, 2022, FSP held nine equity investments, Arkema, Seb, Eutelsat Communications, Tikehau Capital, Elior Group, Neoen, Valeo, Believe and Soitec. FSP continues to study equity investment opportunities in French companies. FSP is managed by ISALT, an independent management company which monitors the companies in which FSP invests and coordinates relations with the permanent representatives of FSP who sit on the Boards of Directors or supervisory boards of those companies. FSP has appointed Mr Christophe Gégout as its permanent representative on the Company's Board of Directors.

bpi|france

4.39 %¹

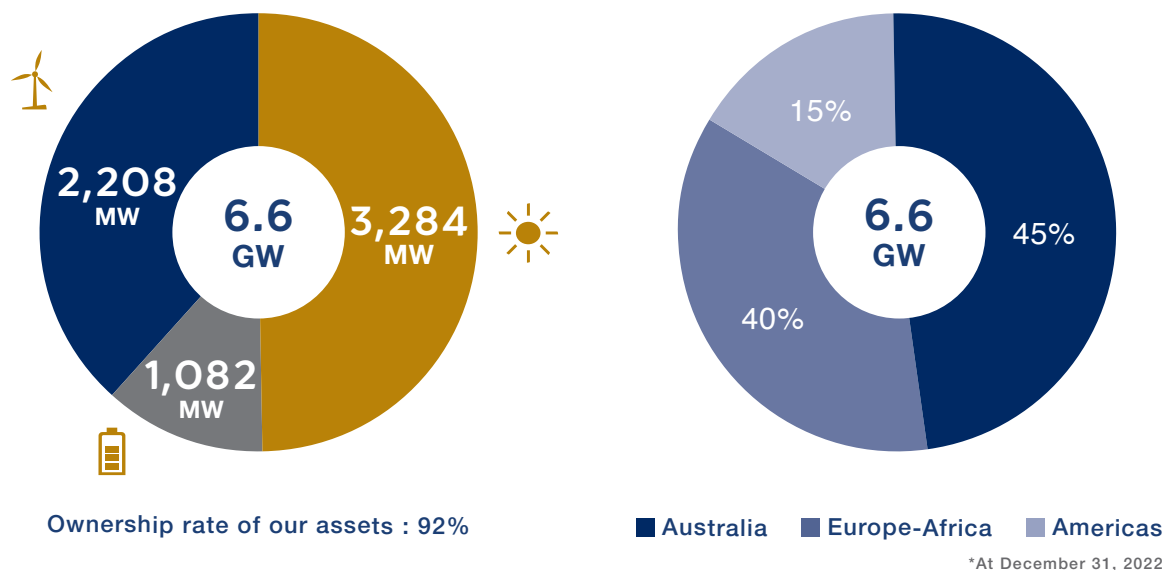
Bpifrance finances businesses at each stage of their development through loans, guarantees and equity. Bpifrance provides support with their innovation projects and international activities through a wide range of products and services. Bpifrance is particularly involved in the renewable energy sector and sees companies in this sector as genuine catalysts of competitiveness for the French economy, which it intends to support in the coming years through its climate plan (€13.6 billion dedicated to renewable energy over 2020-2024).

¹ Following the completion of the capital increase on March 29, 2023, this information has been updated, detailed in section 2.7.





CAPACITY IN OPERATION OR UNDER CONSTRUCTION*



+1.1 GW

Of new capacity in operation or under construction in 2022

45

Plants under construction

115

Plants in operation

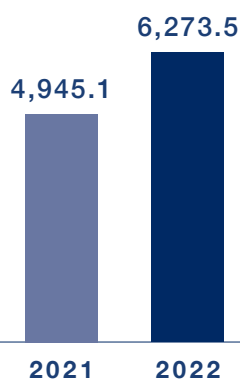
FINANCIAL RESULTS

503.2 M€
2022 revenue

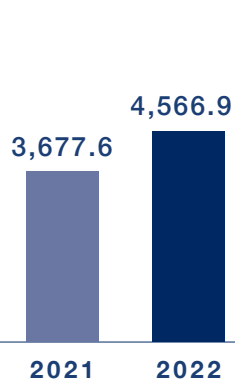
414.0 M€
2022 adjusted EBITDA¹

48.0 M€
2022 adjusted net income¹ of the consolidated Group

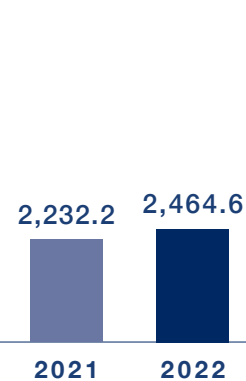
Balance sheet (M€) at December, 31



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



Consolidated net debt (M€) at December, 31



¹ The definition and calculation of these aggregates are detailed in section 2.1 "alternative performance indicators" of this document.



6.6 GW IN OPERATION OR UNDER CONSTRUCTION, INCLUDING CLOSE TO 3 GW IN AUSTRALIA AND 1.5 GW IN FRANCE

At the end of 2022, Neoen owns just under 6.6 GW in operation and under construction, meaning it is well on the way to achieving our goal of 10 GW by year end 2025. Australia, with 3 GW in operation or under construction, and France, with nearly 1.5 GW, are the company's two largest markets, followed by Finland, Mexico, and Portugal.

PROJECT FUNDING AND CONVERTIBLE BONDS TO SUSTAIN OUR GROWTH

In 2022, Neoen raised over €350M of new project debt in Australia and France, with the intention of carrying out an ambitious investment plan.

The funds were raised among long-standing partners as well as new lenders; Neoen strives to keep its banking pool as wide as possible. The company also issued convertible bonds for the third time, its second issuance of green bonds, for €300M, reinforcing its project investment capacity. The high oversubscription is a sign of the keen interest in convertible bonds issued by a group with a profile such as Neoen's.



STRONG GROWTH IN 2022 : 1,340 MW OF NEW PROJECTS AWARDED ACROSS ALL OUR GEOGRAPHIES AND TECHNOLOGIES

In 2022, Neoen's pace of growth increased. Not only did the company win projects in countries where it has been operating for years – Australia, France and Portugal – it was also awarded capacity in Finland, Sweden and Canada, where local presence and competent teams enable it to rapidly develop wind, solar and storage solutions. Neoen continues to win projects in government tenders, for example in France, where it is the main winner in the latest tender. It is also diversifying its customer base by signing more and more PPAs with private companies.



AT OVER 1 GW OF STORAGE, NEOEN IS A WORLD-LEADING BATTERY OPERATOR

Neoen's total battery capacity in operation or under construction reached 1 GW in 2022 with the construction of Western Downs Battery (200 MW / 400 MWh) and Blyth Battery (200 MW / 400 MWh) in Australia and Storen Power Reserve (40 MW / 40 MWh) in Sweden. Neoen has broadened its offer by designing a bespoke flexible battery solution, and supplying the network with large-scale inertia services, a world first. The company is proud to be a true accelerator of the energy transition.

FIRST RENEWABLE BASELOAD PPA

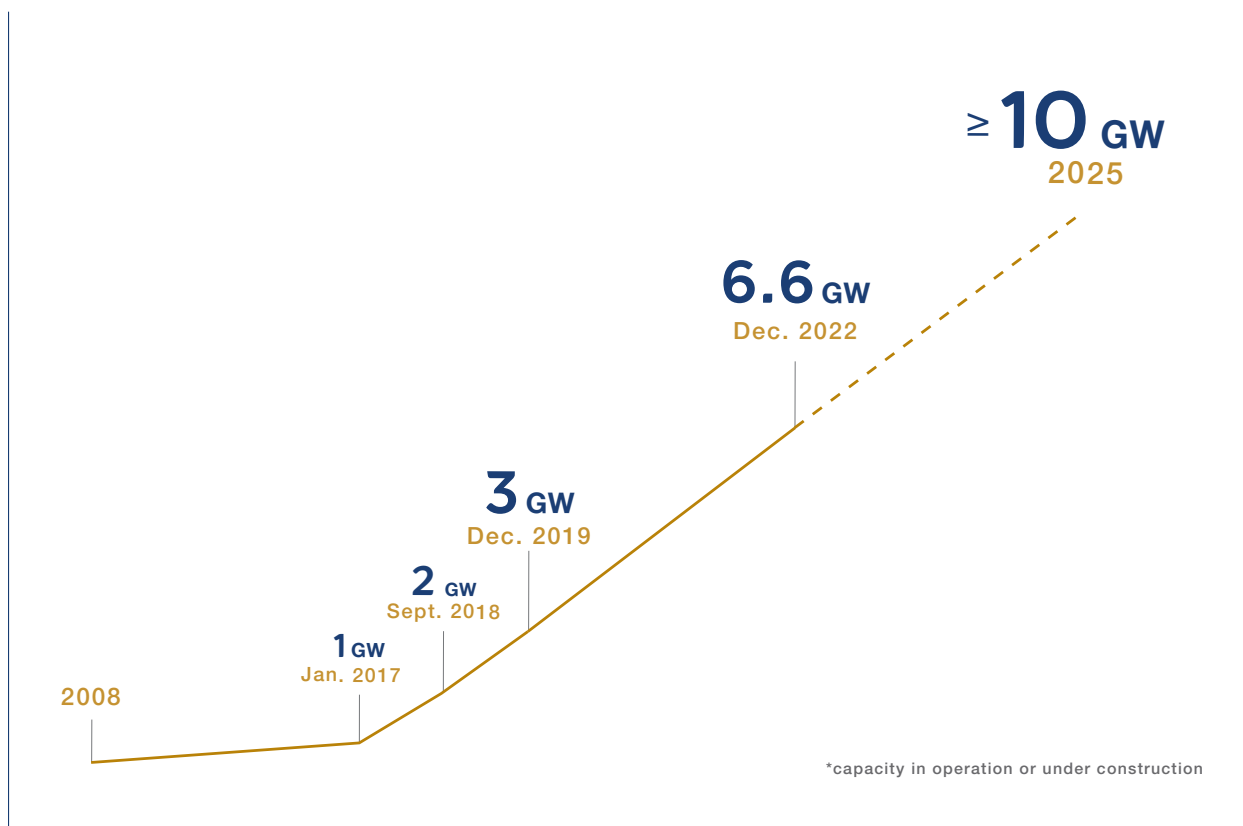
Neoen signed its first baseload PPA last year – using its storage and energy management expertise to make up for the intermittent output inherent to renewables. This first contract demonstrates the company's ability to innovate and to integrate our production and storage assets to meet customer demands.



PUTTING DOWN ROOTS IN SWEDEN AND CANADA

Neoen's presence in Canada became a reality with the start of construction at Fox Coulee solar park (93 MWp) in Alberta, and the company now operates across the whole continent, from North to South America. 2022 was also a momentous year for Sweden where construction began on the Storbränkullen wind farm (57.4 MW) and the Storen Power Reserve (40 MW / 40 MWh battery). Neoen also signed a PPA for Hultsfred (90 MWp) solar farm with construction scheduled for 2023.

CAPACITY TARGETED BY THE END OF 2025*

OUTLOOK¹ AND TRENDS

For 2023, Neoen expects an adjusted EBITDA² between €460 million and €490 million, with an adjusted EBITDA margin close to 80%.

The Group aims also to target a double-digit annual growth in adjusted EBITDA over the 2023-25 period.

Neoen's ambition is to achieve an adjusted EBITDA over €600 million in 2025.

Neoen reiterates the target of reaching at least 10 GW of assets in operation or under construction³ by year-end 2025.

These targets reflect the best estimate to date of the likely completion dates of its projects.

Lastly, Neoen also confirms its target of a net debt to adjusted EBITDA ratio between 8.0x and 10.0x at year-end 2025.

FINANCIAL AGENDA

- 01.03.2023** ● Full-year 2022 results
- 02.05.2023** ● First-quarter 2023 revenue and operational highlights
- 10.05.2023** ● Annual general meeting
- 27.07.2023** ● First-half 2023 results
- 02.11.2023** ● Nine-month 2023 revenue and operational highlights

¹ This outlook has been prepared in accordance with the accounting policies applied in the Group's consolidated financial statements for the year ended December 31, 2022, on the basis of the consolidation and business scopes existing at the closing date of the Group's 2022 financial statements (February 28, 2023) and on the assumption of a relative stability in the Group's operating environment. They also assume no delay in the commissioning of the projects scheduled to become operational in 2023.

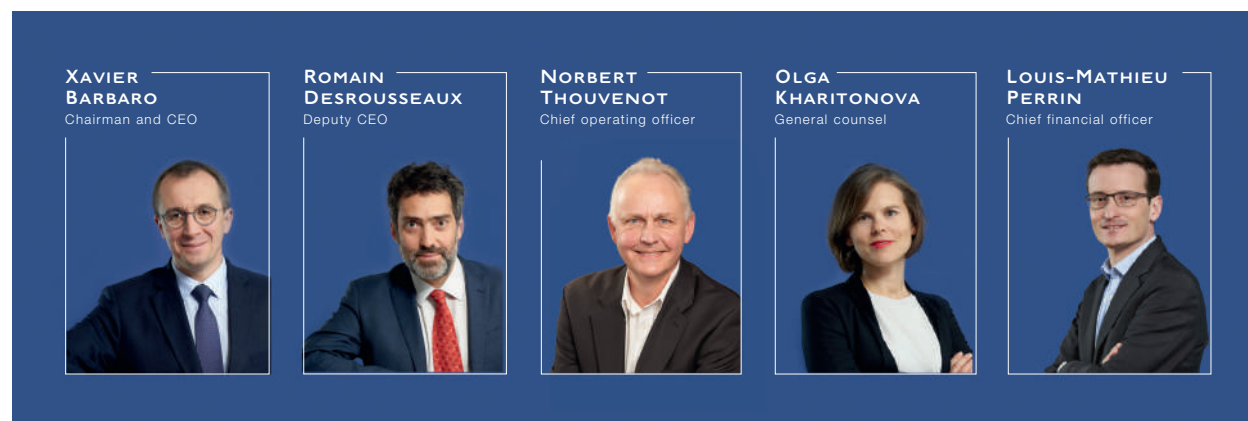
² The definition of adjusted EBITDA is identical to that used at December 31, 2022.

³ Consolidated capacity on a post-farm-down basis.





MANAGEMENT



BOARD OF DIRECTORS

	XAVIER BARBARO Chairman and CEO		HELEN LEE BOUYGUES Lead independent director	At December, 31 2022* 42 % Independent directors 42 % Female directors 46 Average age 100 % Average attendance rate *2022 statistics based on the total number of directors, excluding the observer.
FSP¹ Represented by Christophe Gégout Board member		SIXTO Represented by Bertrand Dumazy Board member		
	BPIFRANCE INVESTISSEMENT Represented by Vanessa Giraud Board member		STÉPHANIE LEVAN Board member	
SIMON VEYRAT Board member		JACQUES VEYRAT Observer		

¹ Fonds Stratégique de Participations.

1



PRESENTATION

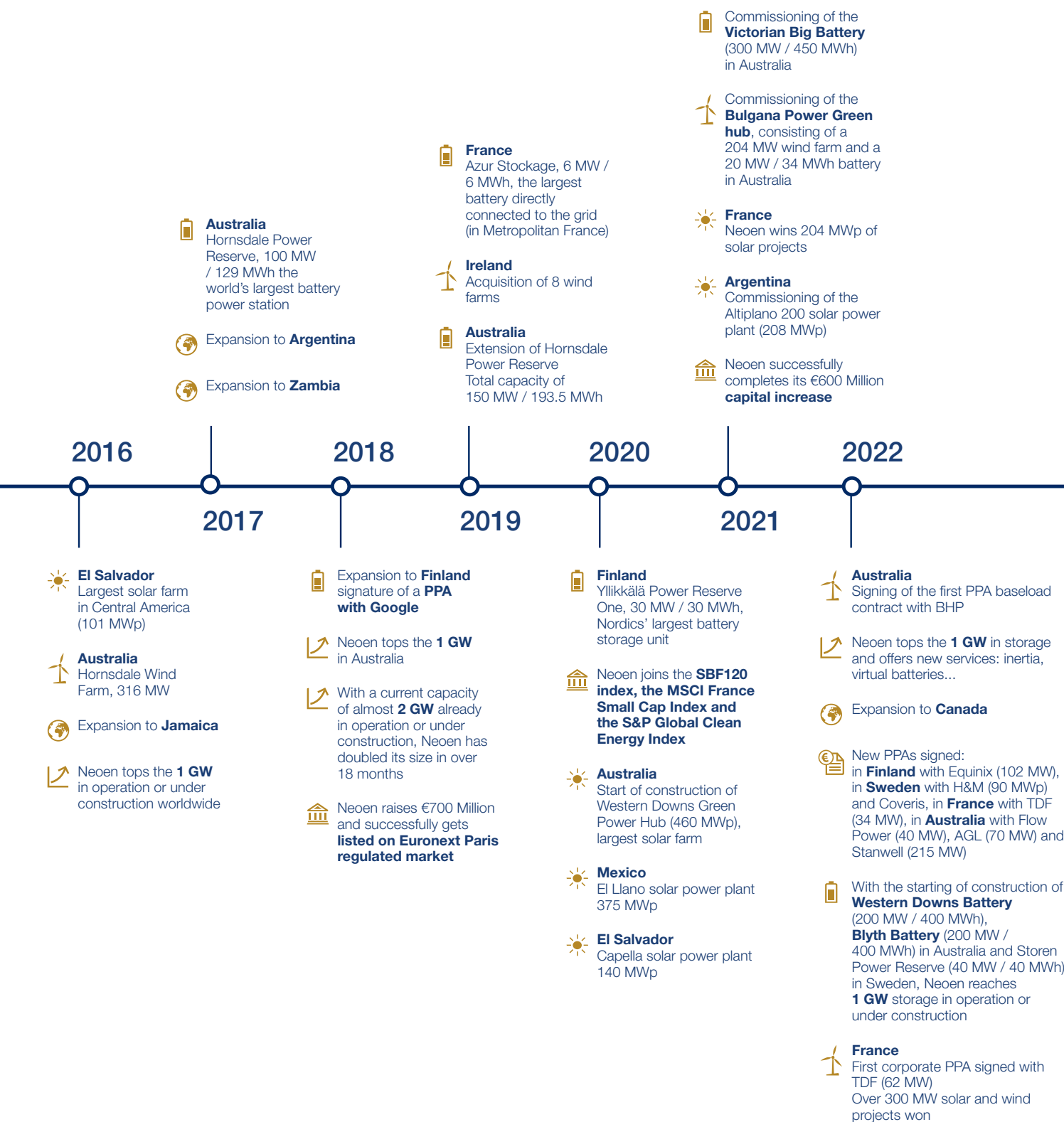
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			1.4.3	Licenses	57



1.1 OVERALL PRESENTATION

1.1.1 HISTORY AND GROUP EVOLUTION





1.1.2 STRATEGY

Our vision

Renewable energies deployment is evident, as they respond to a triple emergency: ecological, economic and strategic.

Only specialised, independent, locally based and financially strong energy producers will provide the most sustainable and efficient solutions to accelerate this revolution.

Our mission

Wherever we are present, designing and implementing locally the means to produce the most competitive renewable electricity sustainably and on a large scale.

Our strategy

Consolidating our existing geographical positioning

Neoen is a geographically widespread player operating in 16 countries and three geographical regions (the Americas, Europe & Africa, and Australia) through its local teams.

In the future, the Group plans to grow mainly in the countries in which it is already established, where it aims to develop a balanced portfolio between solar, wind and storage projects. By strengthening its operations in existing countries and regions, Neoen will be able to take advantage of the resources already present and its experience curve to increase the number of its projects, their average size and their competitiveness.

Neoen also wants to develop in selected new countries, mainly in the OECD zone, which will continue to account for at least 80% of its capacity currently in operation. This geographical expansion will be carried out in countries where solar and wind power are intrinsically competitive energies or where there is a need for energy storage. These countries must also offer significant development potential enabling the Group to build a leading position. Neoen will seek contracts denominated in strong currencies and will favour non-recourse financing from local and international lenders.

By 2030, Neoen aims to be a local leader in 12 to 14 countries within the 3 geographical zones where it operates.

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

Neoen is an integrated company with a complete technological mix (solar, wind and storage). Its presence across all three segments, which goes hand-in-hand with geographical diversification, reduces the Group's exposure to weather hazards and stabilises its production. Its storage strategy is part of a broader approach: large batteries make it possible to provide numerous services to the grid, and thus to integrate more and more renewable assets into the energy matrix of a country. Moreover, Neoen improves the overall attractiveness of the projects by integrating the possibility of adding batteries from the design and structuring of the projects. Finally, thanks to its expertise in energy management, Neoen integrates and optimizes its various assets to better meet its customers' expectations (PPA baseload, etc.).

By 2030, Neoen aims to rely on its expertise in storage and energy management as a key differentiator from its competitors.

Selling our energy through different channels

In addition to electricity sales agreements with public counterparties, particularly government ones, and electricity distributors, which continue to offer solid revenue prospects for Neoen, the Group plans to keep diversifying its customer base with private off-takers in the form of power purchase agreements (PPAs), preferably in the medium-and long-term. There is a very strong demand from these private counterparties, for which the Group is ideally positioned thanks to its portfolio of dedicated projects, Energy Management team and sophisticated PPA offerings that can be supported by its storage activity.

In addition, while continuing to focus on securing stable, long-term revenues through off-take contracts, Neoen strategically targets additional market revenues by taking advantage of favourable market prices in countries where spot markets are developed, amounting to up to 20%¹ of its installed non-storage capacity.

Mainly organic growth

The Group's growth is overwhelmingly organic, enabling it to create value throughout project development, from the industrial and financial structuring of projects to their commissioning and beyond.

However, as in the past, the Group could opportunistically carry out targeted and value-creating external growth operations, particularly devalued assets or offering repowering potential.

Being the long-term shareholder in the assets we have developed

Neoen's model is above all to retain control of the assets it has developed and being the majority and often sole shareholder. This develop-to-own strategy enables the Group to guarantee the quality and performance of its assets, thereby giving it a significant competitive advantage in private or public tenders. The strategy also enables it to capture the long-term value of the power plants throughout their lifetime and benefit from their repowering potential.

Implementing additional farm-down activity

Since 2021, Neoen proceeds regularly but selectively with the total or majority sale of projects in its secured portfolio (farm-down). This activity is intended to be implemented up to a limit of 20% of the volume of projects won each year. These farm-down transactions strengthen the Group's financial capacity and therefore contribute to financing the construction of new assets. Neoen plans, as far as possible, to maintain a minority stake in the projects in question, to ensure their administrative and operational management and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

¹ This threshold excludes assets selling their production on the spot markets prior to the entry into force of their PPA (the so-called early generation phase).

Building a long-term procurement strategy

Neoen is careful not to rely on a single supplier or subcontractor for its solar panels, wind turbines and other system components.

The Group works with suppliers that are all Tiers one and meet the most demanding health, safety, environment and quality standards. Regardless of the country where the project is located, Neoen works solely with first-tier EPC contractors that can only be selected after a rigorous pre-selection process.

Obtaining financing mainly at the asset level

Neoen mainly finances its assets through debt, the bulk of which consists of non-recourse, long-term debt — fixed-rate 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.

The Group believes that the implementation of this strategy should enable it to reach a total capacity in operation or under construction of at least 20 GW by 2030.

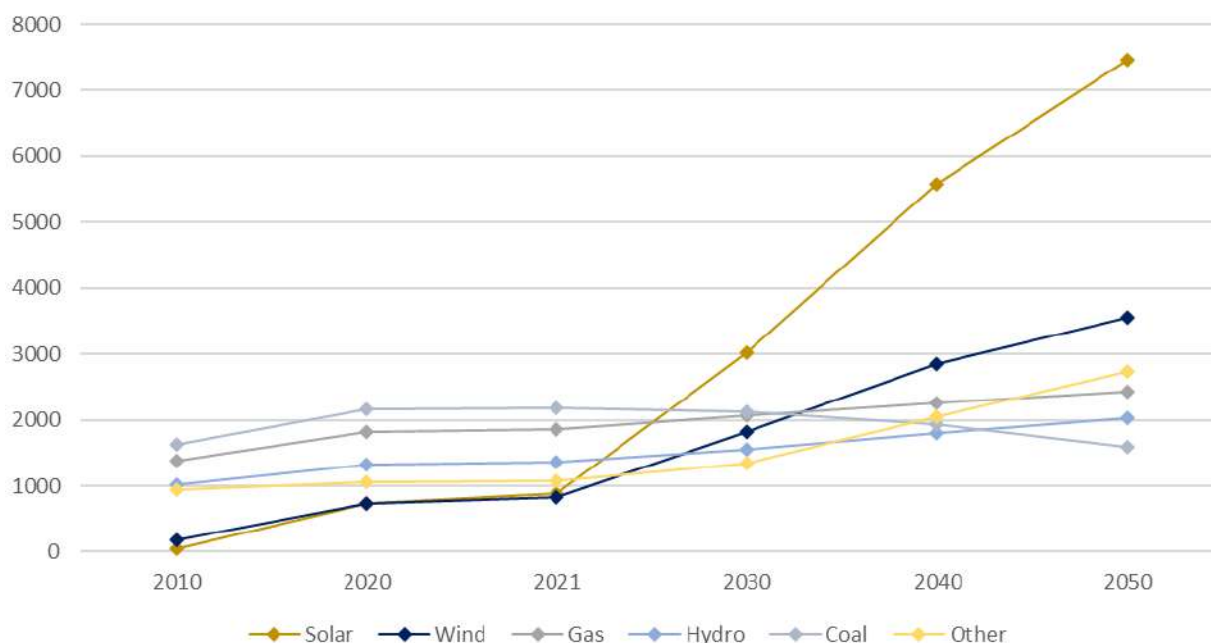
1.2 DESCRIPTION OF THE RENEWABLE ENERGY MARKET

1.2.1 A RAPIDLY GROWING GLOBAL RENEWABLE ENERGY MARKET

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

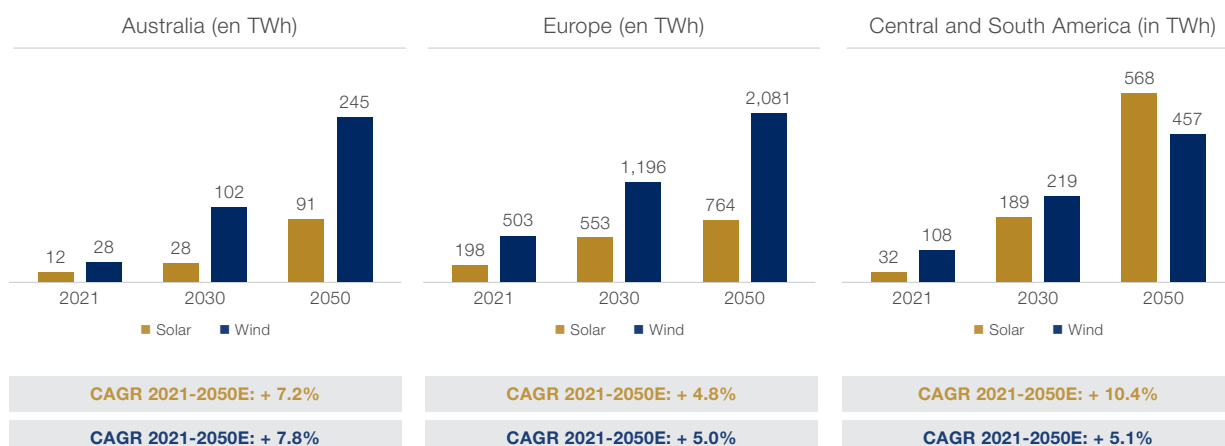
In its latest World Energy Outlook (2022), the International Energy Agency (IEA) estimates that energy generation capacity from all sources is likely to increase from 8.2 TW in 2021 to 19.8 TW in 2050, i.e., more than double. Among these energy sources, solar should increase fastest with an average annual growth rate close to 8% over the period, followed by wind at more than 5%. Within this generation capacity, the share of solar and wind power is expected to increase from about 21% in 2021 to 56% in 2050.

Projected global operational capacity (in GW)



Source: International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris

Forecast of changes in renewable production by geographic area



CAGR: Compound Annual Growth Rate

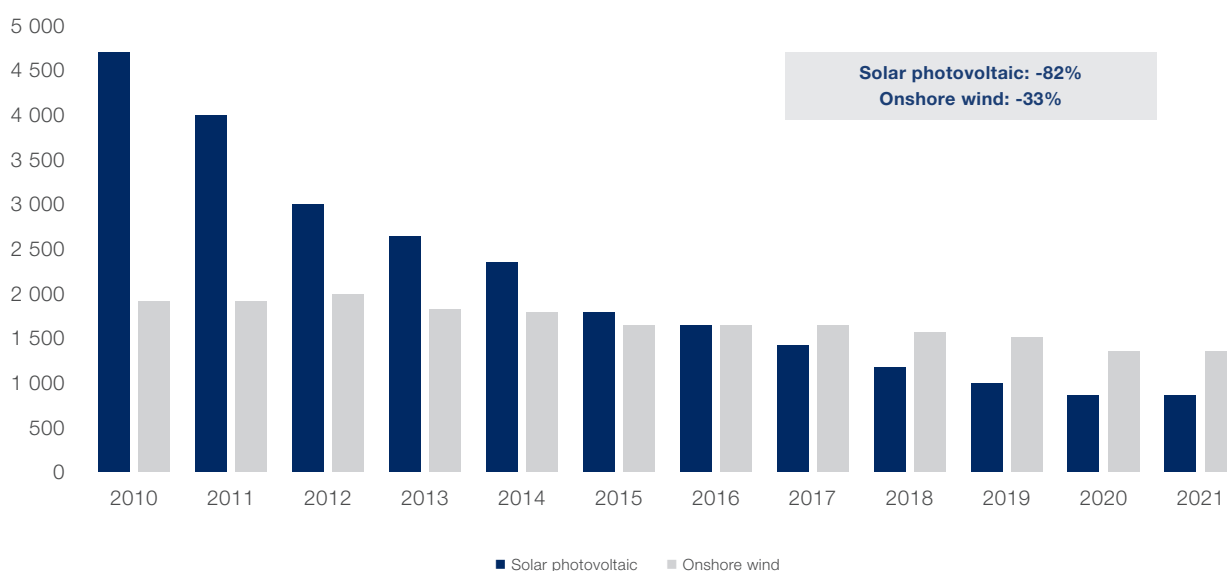
Source: World Energy Outlook 2022, IEA & Baringa study Australia NEM reference case projections.

The IEA “World Energy Outlook 2022” and the study “Baringa Australia NEM Reference Case projections” also estimate that Australia, Europe and Central and South America will see significant growth in their wind and solar production by 2050. As regards wind energy, Australia is likely to post the strongest growth, at an annualised average rate of +7.8%, followed by Central and South America with an estimated growth of +5.1% per year and by Europe with an estimated growth of +5% per year. As regards solar, energy production capacity in Central and South America is expected to increase by +10.4% per year. Australia and Europe are expected to see their solar energy production grow by +7.2% and +4.8% per year, respectively, until 2050.

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

- the commitment of States to fight global warming, as displayed by international agreements such as the Paris Agreement. Energy is one of the areas in which most can be done to reduce CO2 emissions today, since low-carbon solutions such as renewable energies exist and are effective;
- the competitiveness of solar and wind power, which are currently the cheapest energy production solutions in many parts of the world. Over and above the political will, replacing ageing thermal power generation facilities by renewable technologies is often an economic no-brainer. The growing competitiveness of renewable energies is reflected in the fact that their costs have decreased considerably due to technological and operational factors.

Decrease in average facility costs since 2010 (in USD/kW)



Source: IRENA (2022), Renewable Power Generation Costs in 2021, International Renewable Energy Agency

- government support now goes beyond subsidies for electricity production and is part of the long-term approach consisting of an energy transition. Some countries see this as an opportunity to boost their economies, ensure sustainable, sovereign and cheap electricity production and create jobs to offset the loss of those traditionally found in declining carbon-intensive industries. “Hydrogen plans” or support for electric cars in Europe are some of the most recent examples. These new areas of electricity use should also increase medium-term demand and stimulate renewable energies because of their competitiveness;
- the desire to green the energy mix is also evident in the private sector, for civic, economic or marketing reasons. We are seeing an increasing number of corporate purchase agreements, which stand out from the rest in initiatives such as the “RE100”² and highlight their renewable energy acquisition strategy, enabling them to be recognised as “green” companies committed to clean energy policies. Their use of renewables also enables these companies to reduce their costs and mitigate the risk of price volatility affecting their electricity requirements. Neoen expects that a substantial market for corporate off-take agreements for renewables will develop in the coming years, as the grid parity extends and these energy consumers become increasingly sophisticated. In fact, the market for power purchase agreements with private off-takers (corporate PPAs) represented a volume of 36.7 GW in 2022, involving more than 167 companies. This represents an increase of 18% compared to 2021, and 45% compared to 2020 (Source: BNEF’s 1H 2023 Corporate Energy Market Outlook).

1.2.2 THE GROWING IMPACT OF STORAGE SOLUTIONS

Traditionally, the major disadvantage associated with solar and wind has been their intermittency. A grid with a large proportion of renewable energy sources was exposed to potential problems of stability and maintaining the balance between supply and demand. To cope with the unpredictable hazards of renewable energy production, grid operators preferred to restrict the number of connected intermittent power plants.

Storage technologies now provide a greater source of market penetration by renewable energies. They have the double advantage of being able to respond to imbalances between supply and demand more quickly than a thermal power plant, and using the energy produced by solar and wind plants when this production exceeds the demand on the grid, which would have normally been “lost” (curtailment).

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

Forecast of global evolution of storage capacities

In 2021, 27 GW / 56 GWh of batteries were connected to the electricity grid. Global battery storage capacity is expected to increase 15-fold between 2021 and 2030, with 411 GW / 1,194 GWh of batteries installed worldwide by 2030 according to the latest BloombergNEF research report (BNEF, 2022).

The United States and China are expected to account for more than half of new global storage facilities by 2030. However, Europe is in the process of catching up in the context of this energy crisis. According to the BNEF study, 61% of energy storage built by 2030 will be used for energy transfer, such as storing solar or wind energy for later use. Policies to support renewable energy, government climate commitments and the growing need for flexible resources are common drivers of this growth.

In this context, however, the sector is facing some difficulties that could slow down the trend in the short term. Pandemic-related supply problems, inflation, rising transport costs and raw material prices have impacted on the costs of installing storage solutions during 2022. However, the increasing penetration of renewable energies makes energy storage a flexible and essential resource for many electric power systems.

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. For further details, refer to paragraph 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 paragraphs 1.3.4.1 «customers» and 1.3.4.2 «power purchase agreement» 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 power, 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 10 to 15 years for wind and solar, and 7 to 15 years for batteries. In some restricted cases, these contracts may be shorter, but not shorter than 5 years.

² RE100 is an international initiative led by two NGOs, The Climate Group and the Carbon Disclosure Project (CDP). Launched in 2014 during Climate Week in New York, it aims to bring together international companies that pledge to purchase 100% renewable electricity.

The vast majority of contracts are take-or-pay contracts and do not involve any volume risk, since the commitment is for a price per MWh, regardless of the volume injected into the grid. In a limited number of cases, contracts may provide for minimum volume commitments that must be delivered over a given period. In addition, some customers are now applying for baseload contracts, which include commitments to supply electricity 24/7.

Off-take agreements are generally 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 strong 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 (paragraph 1.3.4.1 (iv) « spot market sales » of this document). These sales can also be made through short-term contracts or physical or financial hedges, 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 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 or Guarantees of Origin (GO) in Europe;
- remuneration through a service commitment contract or availability contract for certain storage plants: this is generally a contractual fee paid to enable a grid operator or a State to benefit from the services provided by the battery;
- frequency regulation remuneration: this involves paying stabilisation services sold to the system operators;
- an income 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.

It should be noted that the last 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. Part of the electricity may therefore be sold to private players. In addition, spot-market sales or short-term hedging, although they are opportunistic, may generate additional gains compared with the contractual feed-in tariffs fixed in tenders. This is particularly the case in the Group's key countries, namely Australia, France and Finland, as renewable energies are at grid parity there and so the prices of long-term purchase agreements are generally lower than on the spot market. 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 the development of 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 one of these energy sources.

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 long-term decrease in capex costs, combined with two other positive dynamics 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. The events of 2022 (increase in post-covid costs and electricity prices in the context of the energy crisis in Europe) have not fundamentally altered this trend, despite the increase in the renewable electricity's unit price.

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 and suppliers' 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 OX2, and small players operating locally, whose proportion is tending to decrease. In addition, a new category of pure solar players is taking off, such as Solaria. Also, leading energy companies such as Engie or Total energies 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 such as Squadron Energy in Australia.

Neoen is one of the leading independent producers of exclusively renewable energy in the countries where the Group operates or plans to become it in the next few years. Neoen is thus the leading French independent producer of renewable energy exclusively. It is also the leading independent producer of exclusively renewable energy in Australia.

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 exceeding the budgeted costs. 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 national markets

Country	Markets	Players	Capacity of assets in operation (in MW)
Argentina	Wind and solar power 2022	Genneia S.A.	866
		Central Puerto	374
		Petroquímica Comodoro Rivadavia	325
		Pampa Energia	321
		JEMSE	300
		Neoen	208
Australia	Wind and solar power 2022	Tilt / PowAR	1,311
		Neoen	979
		Igneo	927
		Palisade	805
		Iberdrola	677
Alberta, Canada	Wind and solar power 2022	Transalta	636
		Capital Power	619
		Copenhagen Infrastructure Partners	465
		EDF EN	300
		EDP	300
		Enmax	253
		Potentia	242
Finland	Wind power 2022	Taaleri Energia	681
		Neoen	515
		EPV Tuulivoima	511
		Exilion	454
		Gigawatti	284
France	Wind and solar power 2022	Engie	4,094 ¹
		EDF Renouvelables	2,609
		Total Energies	1,405
		Boralex	1,121
		Neoen	1,046
Mexico	Wind and solar power 2022	Enel	2,936
		Acciona Energia	1,480
		Iberdrola	1,163
		Enova (Semptra)	1,031 ²
		Engie	1,000
		Zuma Energia	818
		EDF	781.5
		X-Elio	536
		Gemex	271
		Atlas	129.5
Portugal	Wind and solar power 2022	EDP Renewables	1,168
		Finerge	1,474
		Ventient	708
		Trustenergy	489
		Generg	454
		Neoen	255
El Salvador	Wind, solar power, and storage activities 2022	BOSFORO (AES partnership)	140
		Real Infrastructure	74
		Ventus	50
		Grupo Borja	24
		MPC	21
		AES	8

(1) Data as of the first half of 2022.

(2) Of which 263 MW are installed in Mexico to export energy to the United States.

Source: Annual reports and press releases from the companies concerned.



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. Since 2021, Neoen proceeds on a regular but selective basis to the total or majority sale of projects in its secured portfolio (farm-down). This activity is intended to be implemented within the limit of 20% of the volume of projects won each year. As of December 31, 2022, the Group had 361 employees. The activity is deployed in 16 countries and on 4 continents.

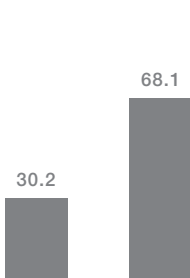


This operating segment solely, as reported in our financial statements, comprises independent storage facilities directly connected to the electricity grid, as opposed to behind the meter storage solutions whose action is coupled upstream with the production of energy by solar or wind power plants. As of December 31, 2022, the Group owned 16 storage facilities in operation or under construction, with a cumulative capacity of 1,082 MWh for 1,781 MWh of storage capacity, of which 11 are directly connected to the network.

Revenues
(millions of euros)



Adjusted EBITDA⁽¹⁾
(millions of euros)

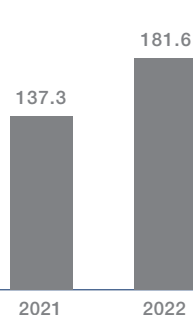


The Group develops and operates solar power facilities in numerous countries, including the Cestas plant which is France's most powerful solar power plant. As of December 31, 2022, the Group had 89 solar parks in operation or under construction with cumulative capacity of 3,284 MWp.

Revenues
(millions of euros)



Adjusted EBITDA⁽¹⁾
(millions of euros)



(1) The notion of adjusted EBITDA is defined in paragraph 2.1.1.

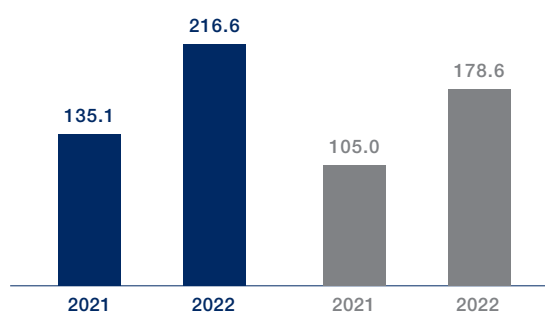


The Group currently operates wind farms in Australia, Ireland, Finland, France and Sweden. As of December 31, 2022, the Group had 55 wind farms in operation or under construction, with a combined capacity of 2,208 MW.



Revenues
(millions of euros)

Adjusted EBITDA⁽¹⁾
(millions of euros)



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, 2022:

Activity	Region	Number of assets in operation as of 31.12.2022	Peak capacity of assets in operation (in MW)	Average availability of assets in operation in 2022	Production of assets in operation in 2022 (in GWh)	Number of assets under construction as of 31.12.2022	Peak capacity of assets under construction (in MW)
Solar	Europe-Africa	47	706	99.3%	618	27	691
	Australia	6	458	97.1%	817	1	460
	Americas	7	875	78.0%	1,560	1	93
Wind	Europe-Africa	41	957	97.8%	1,458	6	162
	Australia	4	521	96.8%	1,504	4	569
	Americas	-	-	N/A	N/A	-	-
Storage	Europe-Africa	3	44	N/A	N/A	2	48
	Australia	4	476	N/A	N/A	4	500
	Americas	3	14	N/A	N/A	-	-
TOTAL		115	4,051	91.5%	5,957	45	2,523

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, through collaborators or partners. 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 minimising 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 capitalised 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, in particular through the financial and industrial structuring of the project.

(ii) Bidding for projects or search for private PPAs

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 paragraph 1.3.4.2 “power purchase agreements” of this document.

In a very limited number of cases, the Group may decide to launch the construction of a wind or photovoltaic power plant or a storage facility without a prior sales contract, provided that the prospects for sales on the spot markets offered by the local markets concerned are sufficiently high, and subject to a limit of 20% of its total operating capacity, excluding dedicated storage facilities directly connected to the grid.

(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 long term and 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 lenders 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 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

In non-OECD countries, construction itself generally begins after financial closing has been completed. In OECD countries, construction may begin prior to financial closing but only after the relevant material permits are secured and the award of a tender procedure or the signing of a power purchase agreement (PPA). In a very limited number of cases, however, the Group may decide to initiate construction without a prior sales contract. 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 its assignments and as required, the construction project manager is supported by the Group's legal, finance and development teams.

(v) Farm-Down of projects

Since 2021, Neoen proceeds regularly but selectively with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects won each year. These farm-down transactions strengthen the Group's financial capacity and therefore contribute to financing the construction of new assets. Neoen plans, as far as possible, to maintain a minority stake in the projects in question, to ensure their administrative and operational management and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

After having sold four solar power plants in operation and two wind plants under construction in France in 2021, Neoen sold 95% of its shares in the operating Saint-Sauvant wind farm in France in 2022. In 2022, the Group also announced its intention to sell 100% of the Cabrela solar farm in Portugal, a transaction that was formally concluded on February 22, 2023.

(vi) Operating assets

In line with its mainly “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.

Classification of projects

Neoen tracks project development according to a defined set of categories, as projects move through their lifecycle from initial planning to commercial operation date (COD). The Group defines each of these categories across geographies and for solar, wind and storage facilities 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 finalised.
Projects in “advanced development” phase	Projects for which the following elements have been achieved: • 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	Projects for which the following elements have been achieved: • 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. • 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: • the market dynamics of renewable energies in the country in question remain unchanged; and • 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	A: 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 B: the project was won through a competitive auction process or a long-term PPA was signed. 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 advanced 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 remains in this category until it enters operation in accordance with the requirements specified below.
Projects in “in operation” phase	All the equipment in a solar or wind power plant or a storage facility is installed, commissioned and connected, and the facility is authorised to operate at full power. Performance tests and/or the production of the documentation provided for in the EPC contract may still be in progress up to the provisional acceptance date. 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 grids, such as South Australia, require candidates to commit to setting up an energy storage facility. The Group believes this kind of obligations will become more common.

As of the date of this document, the Group operates four independent energy storage facilities (directly connected to the grid): Hornsdale Power Reserve and the “Victorian Big Battery”, commissioned in December 2021 and is one of the largest batteries in the world, in Australia, Azur Stockage in France and Ylikkälä Power Reserve, which is the first high-capacity independent battery to be connected to the Finnish grid. These are supplemented by a storage solution connected to the DeGrussa³ off-grid solar plant in Australia, the one connected to the Bulgana wind power plant in Australia, as well as the one in Capella, Providencia and Albireo in El Salvador.

In addition, Neoen has also launched the construction of the Capital Battery (100 MW / 200 MWh), Blyth Battery (200 MW / 400 MWh), and Western Downs Battery (200 MW / 400 MWh) in Australia, as well as Storen Power Reserve (40 MW / 40 MWh), its first battery in Sweden. In France, a storage battery with a capacity of 8 MW / 8 MWh is also under construction.

(i) Frequency regulation

Electric power grids transmit power from generators 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 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 their stability. This therefore applies to all countries in which the Group operates.

The batteries directly connected to the power grid and equipped with appropriate software are capable of responding to frequency fluctuations in either direction. They can absorb excess electricity when the frequency is too high or discharge electricity when the frequency is too low. This service, which is categorised in Australia under the name of frequency control ancillary services (FCAS), comes in two forms:

- primary reserve (“Regulation FCAS”). The electricity grid operator continuously specifies (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;
- security reserve (“Contingency FCAS”). 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. The Contingency FCAS service is a special form of primary reserve in which the battery directly regulates its production based on the grid frequency it detects and not when instructed by an external signal.

As batteries respond very rapidly (their production can be adjusted in milliseconds), they are particularly efficient at automatically performing this frequency control service and are often more competitive than thermal power plants, which were historically the main providers of this service.

For example, Hornsdale Power Reserve in Australia provides this service on the state of South Australian grid in return for a fee proportional to the capacity it makes available. The Azur Stockage power plant in France and Ylikkälä Power Reserve in Finland provide a similar service.

(ii) Inertia

Inertia is a stabilisation service that prevents the sudden movements that can occur on a power grid. The security of electrical grids demands a minimum, inertia level 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. The rapid response offered by batteries means that they can provide the equivalent of synthetic inertia to grids.

The Group successfully tested and deployed Tesla’s Virtual Machine Mode (VMM) at its Hornsdale Power Reserve (HPR) site, Australia’s second largest lithium-ion battery with a power of 150 MW / 193.5 MWh. With AEMO approval, HPR’s grid-forming inverters (capable of generating their own voltage and frequency setpoints) began providing inertial services to the South Australian grid.

(iii) Capacity reserve

Another service that batteries can provide is a capacity reserve, 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 case there is a major contingency on the power grid, such as the unplanned shutdown of a power plant or consumption peaks, and will only call on this capacity when needed.

The remuneration method for this capacity depends on each grid operator, but it generally takes the form of an annual or monthly fee proportional to the MW reserved in this way by the grid operator. Capacity tenders vary from country to country. For

³ As it is not connected to the electricity grid, the DeGrussa solar plant was initially planned to have a life span that would follow that of the mine it feeds. As the mine is due to shut down in the financial year 2023, one year longer than originally planned, Neoen will dismantle the plant accordingly.

example, in France, tenders are launched on a multi-year basis.

(iv) Load shifting or arbitrage

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.

Batteries 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. As a result, the batteries are charged at off-peak times (when there is abundant power on the market) and discharged at peak times (when there is insufficient power on the market); this arbitrage activity represents a complementary source of revenue for the batteries.

This operation can be repeated regularly, as soon as prices reach sufficient volatility.

This arbitrage activity 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) Approach to energy storage project development

There are significant synergies between energy storage projects and the Group's solar and wind power activities, mainly consisting of joint development activities by grid operators and public authorities.

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 established links with suppliers and integrators, but with no exclusivity, maintaining the Group's operational and industrial independence. In addition, the Group and its partners purchase batteries from leading suppliers, thereby providing a long-term guarantee regarding aspects including the facility's minimum storage capacity. In addition, the Group is developing energy management expertise to optimise the operation of its storage assets in the multiple markets where it operates.

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

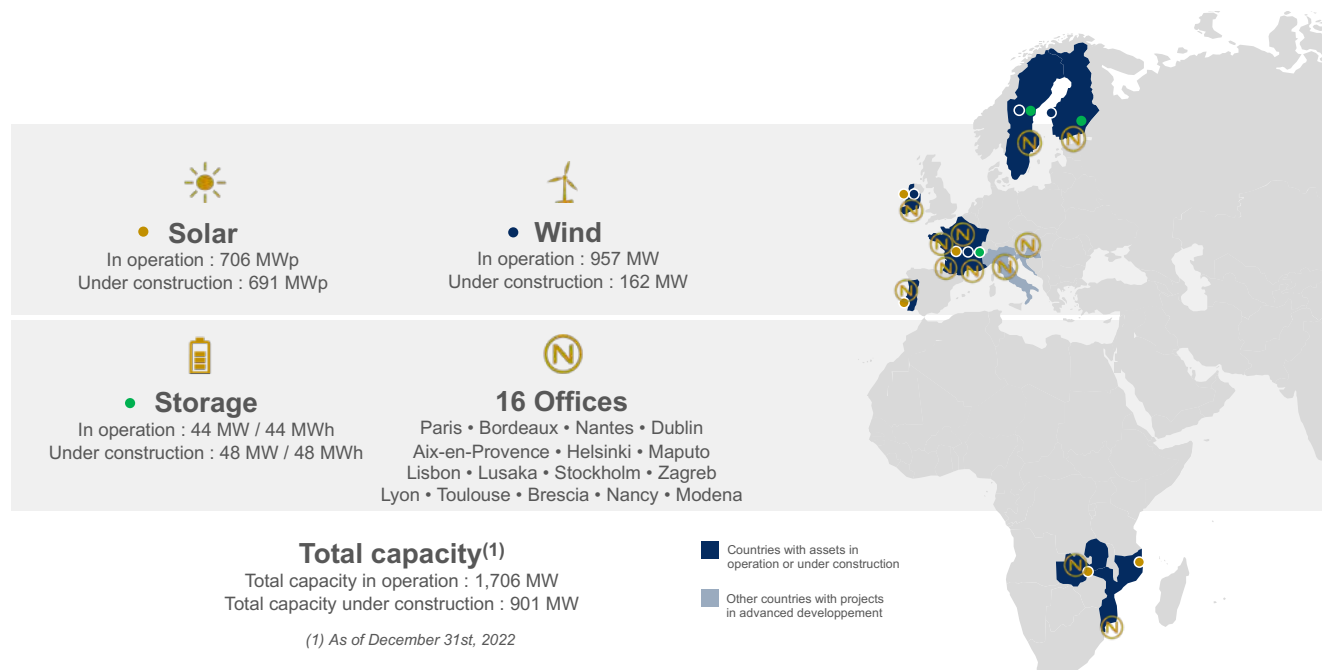
As of the date of this document, the Group has a presence in 16 countries worldwide: Argentina, Australia, Canada, Croatia, Ecuador, Finland, France, Ireland, Italy, Jamaica, Mexico, Mozambique, Portugal, El Salvador, Sweden and Zambia. The Group has diversified its geographic presence over time, while 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, 2022, as the projects initiated in Croatia, Ecuador and Italy are still in the development phase, the Group does not yet sell electricity in these markets.

The 13 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, particularly concerning the trajectories of countries and their renewable energy policies.

1.3.3.1 EUROPE–AFRICA



A. MAIN NATIONAL MARKETS

1. France

Neoen was created in France in 2008, and is now the leading independent French producer of exclusively renewable energies. During the first quarter of 2022, Neoen placed second in the first governmental tender for ground-mounted solar power plants ("PPE2 first period") with 92.5 MWp of projects won, thus confirming its national positioning. Neoen then won 32 MWp of solar projects in a difficult context, impacted by a significant increase in building costs and rising interest rates. Neoen finally took first place in the neutral PPE2 call for tenders with 42 MWp won in solar and 137.8 MWp in wind (most of the projects are still in administrative disputes).

At December 31, 2022, the Group's portfolio in France consisted of:

- 36 wind projects for 482 MW in operation or under construction;
- 64 solar projects for 948 MWp in operation or under construction;
- 3 storage projects for 22 MW / 22.4 MWh in operation or under construction;
- 7 offices located in Aix-en-Provence, Bordeaux, Lyon, Nantes, Nancy, Paris and Toulouse, for a total of 179 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. The electricity is sold either directly to EDF OA, which manages PPAs within the regulatory framework of the purchase obligation, or to aggregators. In this situation, the Group enters into a PPA providing for a contract for differences (CFD) mechanism whereby the Group sells the electricity on the market through the aggregator and receives (or pays, as the case may be) a compensation supplement from or to EDF OA to cover the difference between the market price (on the spot market) and the reference price provided for in the purchase agreement.

On April 21, 2020, the Multi-annual Energy Plan was adopted. This plan defines France's energy guidelines for the period 2019-2028. It has several main objectives, including the following:

- reducing greenhouse gas emissions in 2028 by 40% relative to 1990;
- reducing final energy consumption in 2028 by 16.5% relative to 2012 and, in particular, fossil energy consumption by 35%;
- increasing the proportion of renewables to 33% of total energy consumption by 2028 and double renewable electricity production capacity in 2028 relative to 2017;
- reducing the proportion of nuclear energy in the French energy mix to 50% by 2035;

The following objectives have been fixed for renewables in order to increase installed capacity from 48.6 GW at end-2017 to 73.5 GW in 2023 and to between 101 and 113 GW in 2028:

Installed capacity as of 31.12 (in GW)	2023	2028	2028
		Low option	High option
Hydro (including tidal energy)	25.7	26.4	26.7
Onshore wind	24.1	33.2	34.7
Solar	20.1	35.1	44.0
Offshore wind	2.4	5.2	6.2
Solid biomass	0.8	0.8	0.8
Methanisation	0.3	0.3	0.4
Geothermal energy	0.024	0.024	0.024
TOTAL	73.5	101	113

Source: Summary of the Multi-annual Energy Plan (Ministry of the Energy Transition)

To help achieve these objectives, the indicative schedule for launching tenders for renewable electrical power generation until 2025 is as follows:

- for onshore wind: two tenders per year amounting to 925 MW per period, from 2022;
- for ground-array solar: two tenders per year amounting to 1,850 per period;
- for solar on buildings of more than 500 kW: three tenders per year amounting to 1,100 MW per period (1,200 in 2022);
- for “neutral” tenders: 1 tender per year amounting to 500 MW per period;
- for hydro under a permit: 1 tender per year amounting to 35 MW.

In October 2021, RTE France, France’s electricity transmission system operator, presented the “Future Energy 2050” study. A study commissioned by the French government in 2019, it defines six scenarios intended to achieve carbon neutrality within thirty years. All the scenarios call for a major acceleration of renewable energy (from 50% to 100% of the energy mix), with the need to restructure the power grid and flexibility measures designed to offset variations in renewable production.

The work is unprecedented on a European scale, both in terms of its time horizon (30 years) and the consultation period (2 years to meet with more than 120 bodies: scientific institutes, manufacturers, unions, etc.).

In 2019, the French government announced a review of the feed-in tariffs for solar power plant contracts benefiting from a support scheme before 2011. The decrees and orders were published on October 27, 2021 with effect from December 1, 2021 and an extremely limited impact on the group’s French solar assets (see paragraph 3.1.4 “legal and regulatory risks” of this document).

On September 16, 2022, the draft bill on the acceleration of renewable energy production was presented to the Council of Ministers by Agnès Pannier-Runacher, Minister for Energy Transition. The Senate adopted the draft text at first reading, with amendments, on the night of November 4, 2022 by a very large majority. On January 10, 2023, the draft bill was adopted by the National Assembly on first reading, with numerous amendments including the removal of certain acceleration mechanisms introduced by the Senate. Since the two assemblies adopted

substantially different texts, a joint committee was convened to propose a compromise text. The main implications of this law are to limit the possibilities of carrying out projects in forest areas (for surfaces greater than 25 hectares), to subject all projects in agricultural environments to the approval of the CDPENAF (*Commission départementale de préservation des espaces naturels, agricoles et forestiers*), and finally to impose, through consultation with local stakeholders, the definition (by 2027) of acceleration and exclusion zones for wind and solar projects. The practical consequences of this text remain difficult to grasp, but in the eyes of the Group, they are not likely to accelerate the development of new renewable projects.

On December 28, 2022, the decree setting the threshold price in the context of the removal of the cap on additional remuneration contracts provided for by Article 38 of the amended finance law 2022-1157 of August 16, 2022 was published. The threshold price is set at €44.78/MWh in 2022. Its trajectory evolves by 2% per year to reach €66.55/MWh in 2042.

On December 29, 2022, the Ministry of Energy Transition published a decree amending the decree of May 6, 2017 setting the conditions for additional remuneration of electricity generated by power generation facilities using mechanical wind energy, of up to 6 wind turbines. This decree allows projects for which the complete application for additional remuneration was made before July 1, 2022 and which are commissioned between September 1, 2022 and December 31, 2024 inclusive, to sell the electricity produced on the markets until the completion date, which is postponed by 18 months. Similar conditions are now included in the specifications of the CRE tenders for periods 4.6 to 4.10. The objective of this measure is to allow the construction of projects despite the strong increase in construction costs and financing rates.

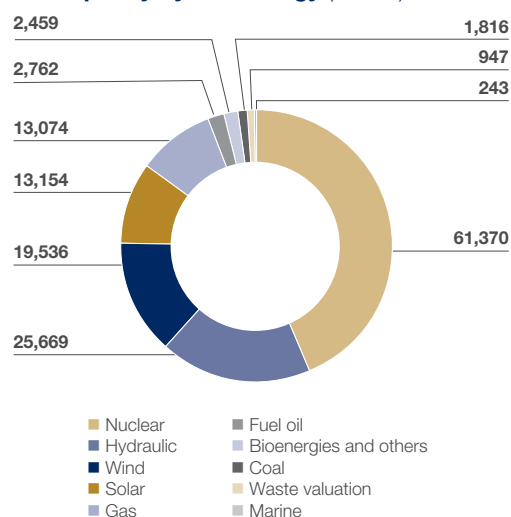
On December 30, 2022, the Finance Law for 2023 was published. It contains an article 54 which transcribes into French law the revenue cap on electricity production resulting from the European regulation on emergency measures to deal with high energy prices adopted on September 30, 2022. This article provides that the operator of the installation is liable for market revenues exceeding a fixed threshold set at €100/MWh for onshore wind and ground-based solar. This measure is also applicable to installations that have left their subsidised contracts before the end of their term.

Electricity generation capacity

At the end of 2022, France's operating capacity was 141.0 GW, particularly including nuclear (61.4 GW), hydro (25.7 GW), wind (19.5 GW), solar (13.1 GW), thermal natural gas (13.1 GW), and fuel oil (2.8 GW).

The demand for electricity in France in 2022 amounted to 467 TWh.

Installed capacity by technology (in MW)



Source: RTE 2022 electricity report (2022 data).

2. Portugal

Neoen was established in Portugal in 2010 and is mainly involved in solar projects. At December 31, 2022, the Group's portfolio in Portugal consisted of:

- 3 solar projects for 24 MWp in operation;
- 1 solar project for 68 MWp in construction;
- 1 solar project for 204 MWp in construction, in which Neoen is a 49% minority shareholder;
- 1 office located in Lisbon and a total of 12 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.

The Portuguese government maintains the goal of achieving 9 GW of solar capacity by 2030 (*Plano Nacional Integrado de Energia e Clima - PNEC 2030*), as part of the ambition to be carbon neutral by 2050.

To this end, the Portuguese government launched a first call for tenders for a capacity of 1.35 GW in June 2019 and awarded in September 2019. Neoen has won a solar project with a total capacity of 65 MWp in this tender.

In 2020, it launched a call for tender for 700 MW of renewable capacity with the option for storage in May 2020, awarded in August 2020. The final awarded capacity amounted to 660 MW in fully merchant scheme (with a capacity payment to the electrical system), with only 10 MW being awarded under the CfD scheme. From the 2020 tender also resulted a minimum of 97 MW in new storage capacity associated with solar. A second call for tender was not launched in 2020 given the COVID-19 crisis. The ministry of environment has already announced its willingness to keep on promoting new renewable capacities via public tenders and confirmed the inclusion of floating solar in the next calls for tenders scheduled.

In parallel, the Portuguese government launched a wide hydrogen development strategy with the objective of achieving 2 GW in electrolyzers by 2030, to further sustain the objectives of decarbonisation and economic recovery in the post-COVID.

During 2021, there was a long-awaited revision of the legislation of the sector, with the new proposal for a Decree-Law of the National Electric System, which transposed the European Market and Renewable Directives. It is thus ensured that the country monitors the development of the tools necessary to meet the targets to which it has set itself as a Member State. With the publication of this piece of legislation, promulgated only on January 3, 2022 by the President of the Republic, it is expected the necessary stimulus to boost the repowering of wind power plants and an important step towards the optimisation of the permitting process, which has been one of the main barriers to the development of the sector, among other measures indispensable to the achievement of the 2030 targets.

Also, in 2021 started the pioneer auction of floating photovoltaic solar energy in reservoirs with 183 MW awarded. Around 56% of the capacity was awarded under the contract-for-difference regime (103 MW), and the rest under the National Electricity System Compensation scheme (80 MW).

The phase-out of coal production was confirmed in 2021 and the last coal plant closed (Pego) at the end of November 2021.

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

In 2022, and apart from the publication of the mentioned Decree-Law no. 15/2022, of January 14, the Portuguese government approved exceptional measures for the implementations of projects for production and storage of energy through renewable sources with a special focus on the simplification of the permitting process, restrictions on the possibility of Municipalities rejecting new projects, additional compensation for Municipalities corresponding to the amount of €13,500 per MVA of connection power allocated, to be borne by the Environmental Fund, priority rules for the conclusion of agreements with the grid operator for new grid connections, and the update of the tariffs awarded during the tenders, applying the consumer price index in mainland Portugal for the previous year, excluding housing, as published by *Instituto Nacional de Estatística*, I.P., from the year of the award until the power plant starts operating.

The Portuguese TSO recently published figures for 2021, renewable production supplied 59% of electricity consumption in Portugal. Wind energy represented 26%, followed by hydroelectric with 23%, biomass with 7% and photovoltaic with 3.5%. Photovoltaics, although continuing to be the least

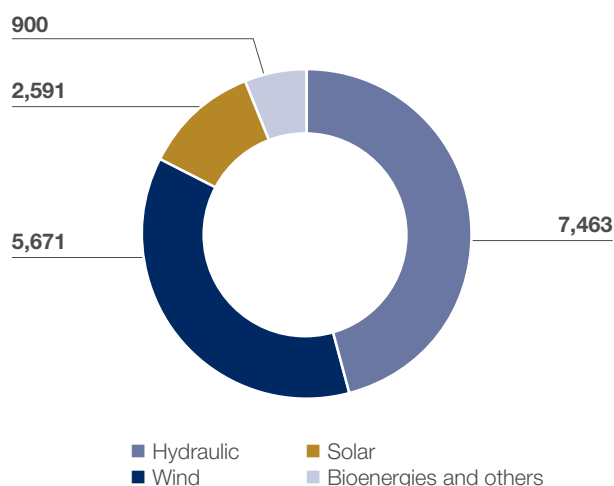
significant, recorded a sharp growth of 37% compared to the same period last year. Non-renewable production supplied 31% of consumption, split between natural gas with 29% and coal representing less than 2%. The import balance supplied the remaining approximately 10%.

Electricity generation capacity

In 2021, electricity production amounted to 53.5 TWh and broke down as follows:

- generation with renewable sources (including hydropower capacities): 32.8 TWh;
- production with fossil sources (and imports): 20.7 TWh.

Installed capacity by technology (in MW)



Source: DGEG - Estadísticas rápidas Dez 2022 (2022 Data).

3. Finland

Neoen was established in Finland in May 2018 following the acquisition of the Hedet and Björkliden wind projects.

As of December 31, 2022, the Group's assets in operation or under construction in Finland consisted of:

- 1 storage project for 30 MW / 30 MWh in operation;
- 2 wind projects for 485 MW in operation;
- 1 wind project for 40 MW in construction;
- 1 office located in Helsinki and a total of 23 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 and a carbon neutrality target by 2035:

- 54% of overall energy production from renewable energies in 2022 (was 53% in 2021);
- CO2 neutral energy production 89% in 2022;

- 11.06 TWh of electricity generation from wind energy in 2022. Estimates of wind power generation by 2030 vary, but there is a potential of more than 30 TWh;
- CO2 emissions from electricity were 4.4 Mt in 2021 – down by 77% since 2010.

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.

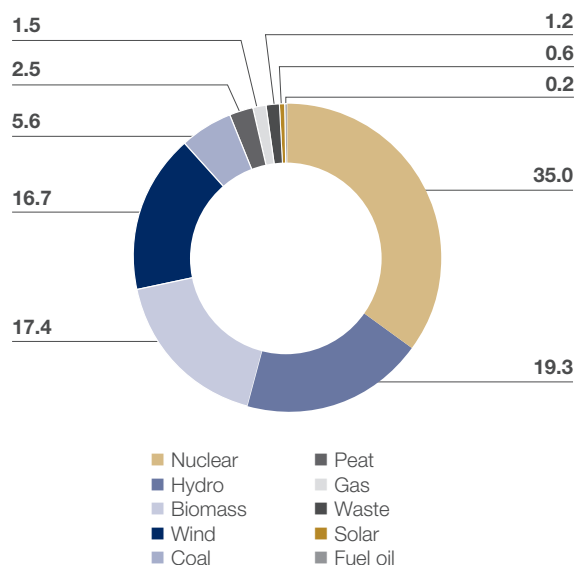
Since the maximum capacity of the feed-in tariff was reached in 2016, a new support programme was drawn up. In May 2018, the Finnish parliament approved the setting up of a tender system for a total capacity of 1.4 TWh for wind, solar, biomass and biogas technologies. Under these tenders, 7 projects were awarded a capacity of 1.36 TWh. No new government tenders planned.

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

In 2022, Finland's electricity consumption was 82 TWh (86 TWh at the end of 2021) while its production was 69 TWh (69 TWh at the end of 2021). Finland is a net importer of electricity. Finland is currently diversifying its import sources and increasing energy self-sufficiency. Since April 2022 energy import from Russia was mostly stopped.

Power generation by technology (in %)



Source: Finnish Energy – Energy Year 2022 (Data 2022).

In 2022 renewables accounted 54% of the total power generation (54% in 2021) and CO2 neutral generation was 89% (87% in 2021). Installed wind power capacity in 2022 was 5,677 MW (3,257 MW in 2021).

The total projected nuclear capacity by 2030 is 4.4 GW including the commissioning of Olkiluoto 3 in 2022. There were plans to build a fifth nuclear power plant in Finland and the approval process of Hanhikivi 1 was underway. However, the approval process as well as the whole project were stopped due to the conflict in Ukraine as the supplier of the Hanhikivi 1 powerplant was a Russian company. Currently there are no plans to re-start the project.

Coal-fired power generation capacity is planned to be decommissioned by 2030 to meet Finland's commitment to the Paris Agreement.

4. Sweden

Neoen was established in Sweden in 2020 and is currently developing projects in its three technologies: wind, solar and storage. At December 31, 2022, the Group's secured portfolio in Sweden consisted of:

- 1 wind project for 57 MWp in construction;
- 1 storage project for 40 MW / 40 MWh in construction;
- 1 solar project backed by a PPA with a capacity of 90 MWp, concluded with H&M, in which Neoen is a 51% majority shareholder;

Its office in Stockholm has 9 employees.

Regulatory context

The Swedish electricity market was reformed in 1996. Trading in the production of electricity has been subject to competition since then, while network operations involve a large number of regulated monopolies.

The Swedish Power market being fully liberalised, there is no specific regulatory regime nor incentives applicable to renewable power production as of January 1, 2022 (electricity certificates mechanism expiration date).

Svenska kraftnät, which operates and administers the Swedish transmission network, is also the authority acting as the system operator for the Swedish transmission system. Svenska kraftnät's job is to administer, run and develop a cost-effective, reliable and eco-friendly power transmission system in a commercial manner, and to provide transmission capacity and otherwise pursue activities linked with the power transmission system. The electricity trading system can be divided into four submarkets: a hedging market, a day-ahead market, an intraday market, and finally a balancing market.

The need to transmit electricity within Sweden and the Nordic Region is largely affected by variations in the availability of hydropower, as well as seasonal variations in consumption. Normally, transmission restrictions in the Swedish transmission network are dependent on extensive hydropower production in the north, which leads to a major need to transmit this electricity southwards; while at the same time, the transmission capacity between bidding areas is restricted. Transmission restrictions also occur in situations where there is a great deal of transmission towards the north, from Denmark and the continent to the west coast of Sweden and on to southern Norway.

Given the integrated nature of the system, electricity prices in Denmark and Germany have a significant effect on prices in neighboring Swedish price zones (SE4 but also SE3). 70% of the electricity consumed in the Nordic region is traded on the Nord Pool day-ahead and intra-day markets, where prices are balanced in geographical bidding zones. The available transmission capacity may vary and congest the flow of power between bidding areas, and therefore different area prices have been established. In Sweden, there are currently four price zones, which have different market dynamics depending on their power mix and notably, the penetration of renewable power. The Nord Pool is one of the world's largest and most liquid power exchanges with a total volume exchanged on the day-ahead market of 723 TWh in 2021.

Sweden's electricity production has extensive degrees of renewable energy in their power mix (63% in 2021). There are strong commitments from Sweden to accelerate renewable share in total generation. According to governmental target, by 2030 Sweden's energy use is to be 50% more efficient than in 2005 and Sweden should reach 100% renewable energy by 2040. Carbon free sources (including nuclear generation) already constitutes 96%⁴ of the total Swedish power mix.

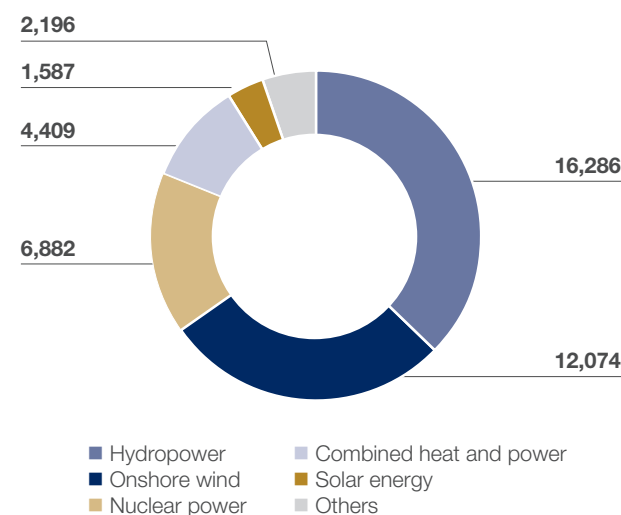
The Swedish electricity market is dominated by state-owned companies where Vattenfall (100% Swedish state-owned) and Fortum (51% owned by the Finnish state) supplies 2/3 of the total energy in Sweden with nuclear power and hydro power mainly. Although a nuclear power capacity of 4 GW has been dismantled, energy production forecast suggest that nuclear energy will still account for a significant part in 2050's production while renewables will see a vast increase by then.

Electricity generation capacity

At the end of 2021, electricity production amounted to 161 TWh and broke down as follows:

- generation with renewable sources (including hydropower capacities): 101 TWh (63%)
- production with fossil sources: 60 TWh (37%)

Installed capacity by technology (in MW)



Sources: (December 2022) Swedish Energy Agency

⁴ Source: International Energy Agency.

B. OTHER NATIONAL MARKETS

(i) Ireland

In 2021, 36% of the electricity production in the Irish Republic comes from renewables. 86% of these renewables are wind-generated, which means that Ireland has the second highest level of wind power generation in Europe (after Denmark) and the highest level of onshore wind generation.

However, 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 51% between 2021 and 2030, and achieve carbon neutrality by 2050 even though its energy needs are likely to grow as a result of an expanding economy and the development of new data centers.

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 and updated in November 2021. According to this plan, whose objectives were increased by the government in July 2022, the share of renewables in the country's total electricity generation should increase from 36% in 2021 to 80% in 2030 thanks to the addition of up to 4 GW of onshore wind power, 7 GW of offshore wind power and between 5.5 GW of solar power and 2 GW of green hydrogen.

The Renewable Electricity Support Scheme (RESS) is the main policy driver for this increase in renewable projects, offering long-term guaranteed prices for wind and solar projects through annual auctions. The first RESS (RESS 1) procedure published its results on September 10, 2020. Out of a total of 2,550 GWh proposed (108 projects), 2,230 GWh were successful (82 projects) and will be eligible for an electricity purchase tariff guaranteed by the Irish government for more than 15 years via a CFD (Contract for Difference) mechanism. This corresponds to a capacity of 796 MW from solar projects and 479 MW from wind projects. The average tariff in the "solar" category is €73/MWh, while the average tariff in the "All projects" category, including wind and solar projects, is €74/MWh. These winning projects are currently being delivered but it was noted that a number of projects have been abandoned.

RESS 2 took place between January and June 2022 with the selection of 80 projects, out of 130, with an average price of €97.87/MWh in the "All projects" category: 1,478 GWh of solar projects, or 1,534 MW, and 1,270 GWh of wind projects, or 414 MW.

Regular tenders are planned by the Irish government by 2025, with the qualification phase for ORESS (for offshore wind) already announced for January 2023 and a consultation underway for a RESS 3 for onshore energy.

Finally, the market for Corporate PPAs is developing in Ireland, with the first signed contracts announced such as that of the AIB bank for the supply of energy with solar power plants.

The national carbon tax plan is another tangible element contributing to eliminating fossil fuel production: the tax is expected to be raised gradually over the next few years, reach €100/tonne by 2030.

While the maximum penetration rate of intermittent renewables in the Republic of Ireland is expected to reach at least 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. Thus, in September 2022 there are some 15 projects connected to the grid with a cumulative capacity of 752 MW.

(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 USD 34 billion, including USD 18 billion in energy project financing.

Regarding on-grid renewable energies more specifically, two tender programmes are planned to help meet the Mozambican timetable.

At the end of September 2020, the Government of Mozambique launched the first Renewable Energy Auctions Programme, PROLER. The auction programme will create more opportunities for the private sector, in creating a transparent bidding process which aims to promote competition between investors, resulting in the choice of least cost solutions, thus ensuring the lowest possible electricity tariffs for end consumers. Attractive investment conditions were ensured, namely the existence of previous feasibility studies, assured DUAT and the facilitation of an optional financial package and guarantees.

This programme, which was promoted by the MIREME (Ministry of Mining Resources and Energy) and implemented by the public electricity company EDM (*Electricidade de Moçambique*) and the ARENE (energy regulatory authority) with the support of international and national consultants, aims to develop the following:

- a solar plant with a total capacity of 40 MWac (*Dondo Solar*) for which the expression of interest ("Eoi") phase was launched in October 2020;
- three renewable power generation plants, each with 30 MWac respectively for Solar, and 50 MWac for wind.

The PROLER Program aims at the addition of 140 MWac by 2025 wind and solar projects to the grid.

Secondly, 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 facilities with storage of 60 MWp;
- phase 2: development of small hydropower facilities of 40 MW to 60 MW;
- phase 3: development of solar facilities with storage of 30 MWp to 60 MWp.

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 over-the-counter projects, amounting to a total capacity of 81 MWp including 41 MWp awarded to Neoen, have reached the financial closure phase. Three other over-the-counter agreements for solar power plant projects, amounting to a total capacity of 80 MWac, were signed in September 2020 (Cuamba I & II, and Mecufi).

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.

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

By end of Q3 2022, the status of the two of the over-the-counter projects which reached FC already as follow; the Mocuba 40 MWp solar PV plant is in its commercial operations phase, and the 41 MWp Metoro PV project, awarded to Neoen, is still under construction. Commercial operations were set to commence within H1 2022, but by June 2022, the construction were halted due to a *Force Majeure* Event declared by the EPC Contractor, in accordance with the EPC Agreements, and Neoen, in accordance with the PPA. At the time of temporarily suspending the construction of the Metoro power plant, it was connected to the grid and already commenced early generation of electricity since March 2022. Unfortunately, due to the security situation in Cabo Delgado worsening dramatically, the site was forced to disconnect, as well as evacuate the site by early June 2022. Construction is nearly 90% complete, while the Cabo Delgado security situation remains high risk.

Furthermore, pertaining to the PROLER program, the status is as follows:

- The Dondo 30 MWac solar PV plant tender was awarded to Total. Construction foreseen to start during Q1 2023;
- Tenders launched for the two solar power plants in Chimbanila (30 MWac) and Manje (30 MWac) in November 2022, start of construction planned by Q1 2024; and,
- Tender for Inhambane Wind Project (50 MWac) planned to be launched during H1 2024.

Progress on other renewable energy projects is as follows:

- 15 MWac Cuamba 1 solar PV project, which includes a 2 MW storage system, is currently under construction;
- EoI launched for the Chicamba Floating Solar plant;
- Feasibility studies progressing on the following projects: Nicoadala 30 MWac solar PV, Chimura 30 MWac solar PV, Zitundo 30 MWac solar PV, Namaacha 120 MWac Wind Project, Macia 20 MWac solar PV; GETFIT 20 MWac, and the IFC small 50 MWac scale solar PV Portfolio; and
- Furthermore, EDM also recorded the signing of the other over-the-counter (PPP) power plants PPA's in 2022, they are the Cuamba II (30 MWac) and Pemba / Mecufi (20 MWac) solar projects.

EDM also continue to be in the progress of finalising the Site Assessment Study, and the Grid Assessment Study (2022-2042), in partnership with the International Renewable Energy Agency (IRENA), for the upgrades to the national transmission system.

(iii) Zambia

The installed on-grid generation capacity in Zambia is around 3618.43 MW. This comprises 83% hydro, 9% coal, 3% heavy fuel oil, 2.3% diesel and 2.5% solar PV.

It is hoped that the increased investment in the sector will result in an increase in electricity generation capacity to 4,457 MW by 2026 from 3,307.43 MW in 2021. The percentage of renewable energy in the national installed electricity capacity, excluding large hydroelectricity generation, is expected to increase to 10% from 3% over the same period.

The Ministry of Finance (MoF) in its 2023 budget speech, introduced incentives for public-private partnerships (PPP) and private-sector businesses, including reducing the tax chargeable on income received by SPV under the PPP for the first five years that a project makes a profit, by 20%.

To date, the penetration of renewable energies, excluding hydraulic technology, is therefore supported by the GET FIT Zambia programme launched in 2017 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, Neoen won a capacity of 54 MWp (Bangweulu Power Plant) out of the 100 MW proposed during the first part of the programme;
- Numerous tenders have since 2017 been launched in partnerships between the IDC and the IFC, but no results have been made public. This while some projects shortlisted from the GET FIT extended tenders have not yet reached financial close, as financiers are unable to fund projects while the Government's debt restructuring with creditors is still not concluded and the country's rating remains at the selective default (SD) level;
- The new government is looking at ways to improve the investment conditions and unlock funding, and has made significant progress as signalled by the improved macroeconomic indicators (e.g. inflation and exchange rates) and the successful conclusion of the International Monetary Fund (IMF) debt relief package of US\$1,3 billion. The program, while the Cost-of-Service Study will help with that process.

Moreover, in February 2020, the Zambian government approved new laws governing the country's energy sector. The new laws also allow for the emergence of new players such as Africa GreenCo, a power aggregator, which will be able to link power producers and consumers through the current Southern African electricity market via the South African Power Pool (SAPP).

As such, the government has continued to support the sector reform agenda: including:

- The development of a market structure and design for Zambian's electricity sector together with supporting market rules and regulations for the open access regime, with financial support from the German government through KfW. Phase 1 of the study was concluded and phase 2 is expected to commence in 2023;
- The development of an integrated resource plan (IRP) for Zambia, funded by the British government. The Ministry of Energy held a public launch of the study on March 24, 2021, which included an address by the British High Commissioner to Zambia. The IRP is a 15-month project to develop and implement a 30-year plan for the energy sector, which will serve as a platform for addressing Zambia's energy challenges. The final IRP expected in Q1 2023.

Following the commissioning, in July 2021, ZESCO announced that it has commissioned two more 150 MW units of the Kafue Gorge Lower (KGL) hydropower plant. KGL has five 150 MW units, including associated transmission evacuation lines, which were built at a total cost of USD 2.3 billion. The plant is expected to be completed soon.

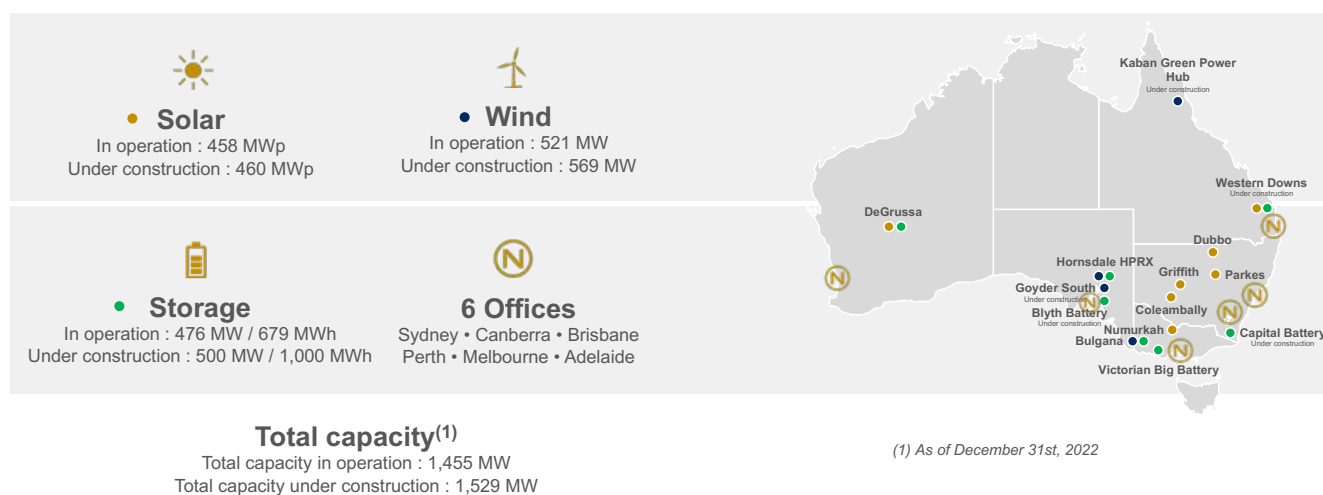
Chariot Limited together with Total Eren and First Quantum Minerals has entered a partnership that will see them develop a 430 MW solar and wind power project in Zambia. This is expected to be an embedded generation project. It is not yet clear if the project is also earmarked for exports, across the ZESCO and potentially the CEC network.

During August 2022, ZESCO launched an expression of interest (EOI) for the development of 50 MW Solar PV projects across three different provinces (one per province). The EOI makes provision for three different implementation options, full IPP model, IPP/Zesco JV (Zesco min 10% equity), and Zesco as IPP sourcing a suitable EPC.

ZESCO's turnaround strategy was launched in the third quarter of 2021, while the long-awaited Cost of Service study was finally released in Q3 2022.

- The Government of Zambia (GRZ) also released a Green Paper in which it outlined its position on the findings and recommendations of the study. Though there is overall support for the recommendations from the study, the key point of deviation is the implementation of cost-reflective tariffs, particularly the fact that the government does not support the study's recommendation to increase tariffs for residential customers and reduce the tariff for the larger customers including mines, Maximum Demand (MD) and Power Purchase Agreement (PPA) customers. The government also does not support the reduction to reduce lifeline tariff band from 0–100 kWh/month to 0–50 kWh per/month;
- The Ministry of Energy and ERB are currently conducting consultations with stakeholders across all the provinces and will soon conclude it and develop a White Paper with the Government's official position. The White Paper will be submitted to Cabinet in 2023 for approval and will form the basis for ZESCO's tariff increase application to ERB.

1.3.3.2 AUSTRALIA



5. 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, 2022, the Group's portfolio in Australia consisted of:

- 4 wind projects for 1,090 MW in operation or under construction;
- 7 solar projects for 918 MWp in operation or under construction;
- 7 storage projects for 976 MW / 1,679 MWh in operation or under construction;
- 6 offices located in Sydney, Canberra, Adelaide, Brisbane, Perth and Melbourne and a total of 65 employees.

The Hornsdale Power Reserve and Victorian Big Battery storage facilities are 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 43% by 2030 compared to their 2005 level.

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. More recently, during COP26, Australia committed to achieving net zero emissions by 2050. The federal government has also launched a AUD 20 billion "Rewiring the Nation" fund for investment in the electricity grid.

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. Coal-fired power plants with a capacity of nearly 10 GW are due to be dismantled by 2030, followed by nearly 8 GW more by 2034. Nearly all of the coal-fired power plants are scheduled for dismantling by 2050.

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 achieved its energy mix target of 100% renewables in 2020, the State of Victoria has fixed itself a target of 65% renewables by 2030 and 95% by 2035, the State of Queensland aims to achieve 50% renewables in 2030, the State of South Australia is aiming to achieve 100% renewables by 2030 and lastly, the State of New South Wales has fixed itself a target of 46% renewables for 2030 and a 50% reduction in its emissions.

In order to achieve these objectives, the states initiated the launch of their own tenders, including in 2022:

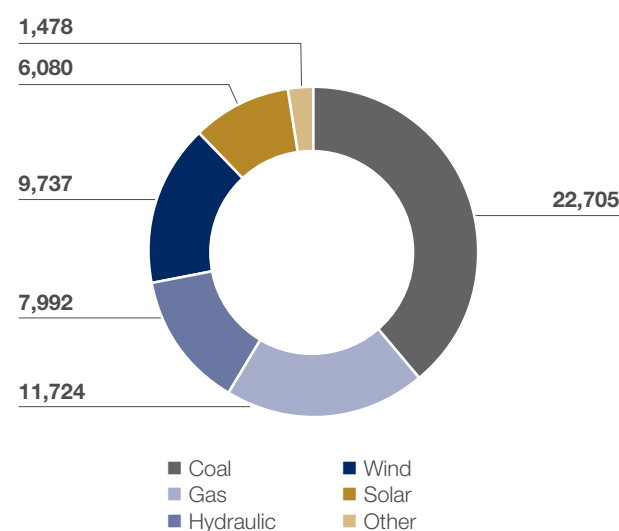
- State of Queensland: continuation of several tenders by CleanCo, Stanwell and CS Energy following the launch of a AUD 2.0 billion fund dedicated to energy transition-related investments;
- State of New South Wales: the launch of a roadmap providing for 10 GW of renewables by 2030 and the launch of the first tender (LTESA) at the end of 2022;
- State of Victoria: the conclusion of the tender (VRET2) for 600 MW by the State of Victoria and the announcement of a target of 6.3 GW of storage by 2035;
- State of Canberra: the launch of a tender for 250 MW of batteries for 2022-23.

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

Electricity generation capacity

In November 2022, the installed electric capacity on the NEM was approx. 59.7 GW, including coal (22.7 GW), natural gas (11.7 GW), hydraulic (8.0 GW), wind (9.7 GW), solar (6.1 GWp) and other (1.5 GW).

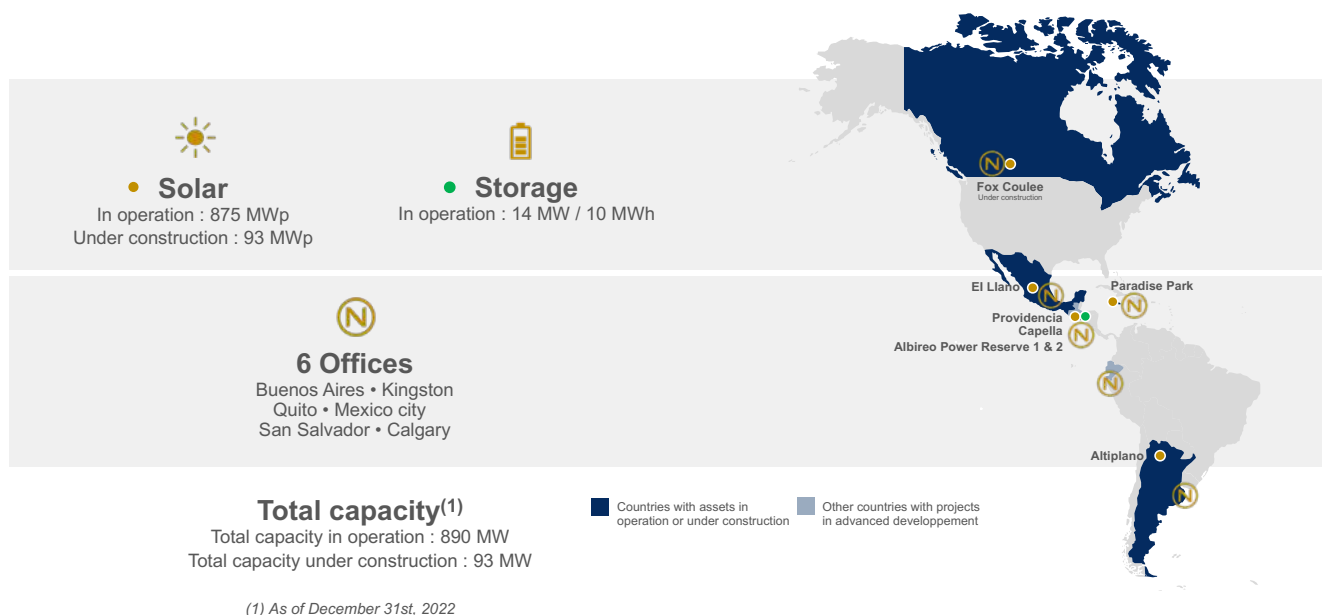
Installed capacity by technology (in MW)



Source: AEMO (november 2022 data).

By 2030, the wind and solar power plants are expected to represent 31 GW and 12.3 GWp of installed capacity respectively, an increase of 20.8 GW and 4.1 GWp over the period. (Source: Baringa, Q3, 2022).

1.3.3.3 AMERICAS



A. MAIN NATIONAL MARKETS

6. El Salvador

Neoen was established in El Salvador in 2014 to develop solar installations and storage solutions. At December 31, 2022, the Group's portfolio in El Salvador consisted of:

- 3 solar projects for 241 MWp in operation;
- 3 storage projects for 14 MW / 10 MWh in operation;
- 1 office located in San Salvador and a total of 10 employees.

Regulatory context

The country's electricity market was fully liberalised in 1996 with the enactment of the General Electricity Law, enabling foundations and rules for a free market, which now has 30 generation companies as of September 2022. The only state-owned producers are the *Comisión Hidroeléctrica del Río Lempa* (CEL), LaGeo, and its subsidiaries, which manage all the hydropower, all geothermal and some thermal capacity connected to El Salvador's grid, and account for 31% of the country's operating capacity.

The National Energy Council (CNE) published a refreshed National Energy Policy for the 2020-2050 horizon. The plan which considers updates to the 2010-2024 plan, maintains the principal private sector role in the electricity infrastructure projects and deepens its support for renewable energies by establishing, among others, the following specific objectives:

- Mitigate the risks of energy shortages associated with the high dependence on oil products, the impact of climate change and national emergency conditions;
- Achieve the national goals of mitigation and adaptation to climate change and sustainable development corresponding to the energy sector adopted in international agreements and treaties.

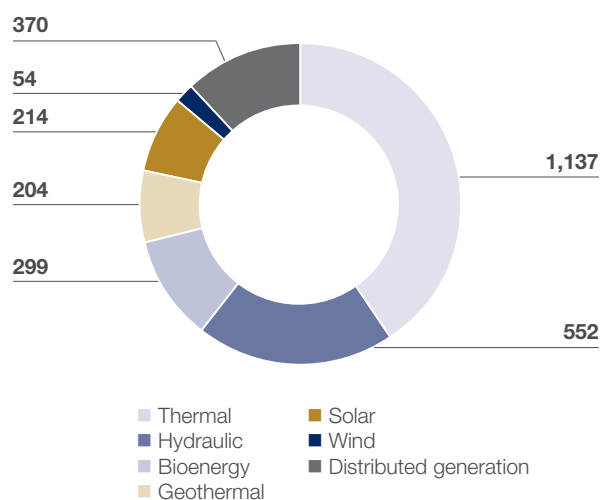
The plan visualises an electricity sector with a modern regulatory and institutional framework that will strengthen the sector competitiveness, facilitate the use of electricity storage and foster the use of digital technologies to manage the electricity demand, among other areas.

The newly formed *Dirección General de Energía, Hidrocarburos y Minas* will concentrate responsibilities of the CNE and the *Dirección de Hidrocarburos y Minas* under the Ministry of Economy for which a transitory commission was formed in October 2022.

Electricity generation capacity

As of June 30, 2022, the total installed capacity in El Salvador was 2,830 MW (compared to 2,080 MW as at December 31, 2021).

Installed capacity by technology (in MW)



Source: Boletín Estadísticas Eléctricas 1st semestre 2022 (SIGET)

According to the *Consejo Nacional de Energía* (CNE) expansion plan published in May 2022, the electricity demand is expected to increase at an average of 2.7% per year for the next 15 years.

7. Argentina

Neoen was established in Argentina in 2017. At December 31, 2022, the Group's portfolio in Argentina consisted of:

- 1 solar project for 208 MWp under operation;
- 1 office located in Buenos Aires and a total of 6 employees.

Regulatory context

The government's climate change strategy for 2030 is based on the following points:

- improving energy efficiency: reducing gas and electricity consumption by 8.5% by 2030;
- promoting low greenhouse gas emitting energy sources: reducing the carbon intensity of Argentina's electricity mix by 50% and encouraging distributed generation (small solar power plants connected to the distribution network) to reach 1 GW by 2030;
- encouraging the transition from certain oil derivatives to gas;
- developing national technical skills;
- strengthening the resilience of the electrical transmission and distribution system;
- developing hydrogen as a new large-scale energy carrier.

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 in the first two rounds of RenovAr, respectively.

In the third round of the so-called «MiniRen» programme - so named because of the reduced capacities it offers - nearly 260 MW of additional 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.

Alberto Fernandez, who was elected president of Argentina in the 2019 elections, has not made any dramatic changes to the country's energy policy guidelines or revised its regulatory framework.

In August 2020, Argentina's Energy Secretariat came under the aegis of the Ministry of Economy, demonstrating the government's desire to make the energy sector a source of foreign currency.

Lastly, Alberto Fernandez has publicly declared his support for renewable energy development in the country, although his government has not drawn up any new specific plans.

No major measures to boost the renewable energy market have been taken since 2021, due to the difficult macroeconomic. If the participation of renewable energies in the Argentine electricity mix has increased noticeably, it is due to the commissioning of several solar and wind farms from previous tenders, including the Neoen solar project.

In a document published in October 2021, the Argentine government presented its 2030 energy transition roadmap and confirmed that no public tenders were planned. Two possible scenarios were put forward on the increasing integration of renewable energy:

- REN 20: achieving 20% of renewable energy in the electricity mix by 2030. Providing 8,700 MW of additional capacity until 2030, including 3,375 MW of renewable energy;
- REN 30: achieving 30% of renewable energy in the electricity mix by 2030. Providing 11,875 MW of additional capacity until 2030, including 6,650 MW of renewable energy.

To achieve this goal, the government relies primarily on:

- the commissioning of renewable energy power generation capacity, awarded in previous RenovAr and MATER tenders (1,650 MW) but not yet built;
- the development and commissioning of new renewable power generation capacity through private initiatives under the MATER mechanism (3,375 to 6,650 MW);
- the development and commissioning of new renewable power generation capacity in distributed generation, connected to the distribution network (1,000 MW);
- the commissioning of new hydroelectric generation capacity (2,220 MW);
- massive investments (USD 5,575m) for the construction of new transmission capacity (power lines).

As no public tenders are planned in the medium term, renewable energy growth is now driven by agreements between private players, through the MATER market. However, this growth remains constrained by the congestion of high-voltage lines, which limits the prospects for large-scale development. In 2022, the government terminated the contracts for several projects awarded during the RenovAr tenders that had never begun construction due to lack of funding. This freed up more than 700 MW on the transmission network, which was immediately made available to the MATER market, where developers compete to reserve available capacity.

The lack of capacity on the transmission network is also driving solar developers to focus on small-scale projects (often less than 1 MW), connected directly to the distribution network. At both the provincial and national levels, the authorities are working to put in place regulations that will promote the development of this distributed generation.

In October 2022, the Energy Secretariat specified the main lines of the energy policy and the budgetary priorities for the year 2023. The stated priorities are:

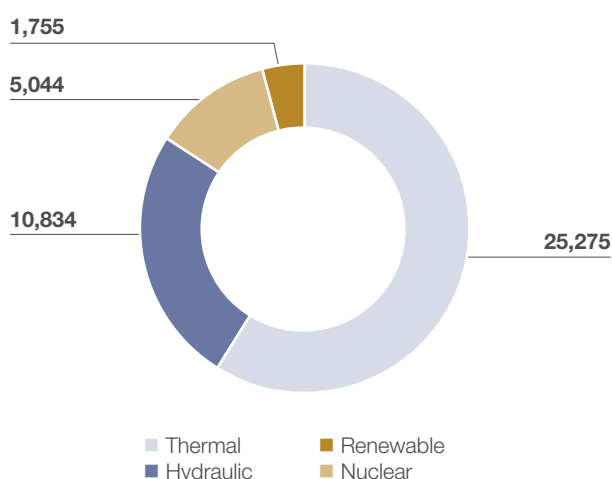
- The promotion of the hydrocarbon sector (particularly the Vaca Muerta deposit), which represents a potential source of exports and foreign currencies;
- Diversification of the energy matrix and strengthening of the medium and high voltage transmission network;
- Promoting energy efficiency;
- Reorientation of energy subsidy policy.

Electricity generation capacity

At the end of 2022, total installed electrical capacity (43 GW no change since the end of 2021) was composed of thermal (59% as at the end of 2021), hydro (25% as at the end of 2021), nuclear (4% as at the end of 2021) and non-hydro renewable sources (12%). Very limited new production capacity has been put into operation in 2022 in Argentina.

In its energy roadmap for 2025, the Argentine government aims to increase total installed capacity by 14 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 (2022 data).

8. Mexico

Neoen was established in Mexico in 2013. At December 31, 2022, the Group's portfolio in Mexico consisted of:

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

Regulatory context

In Mexico, electricity demand grew by nearly 3% (CAGR) in the last decade to 2019, in line with the country's economic development and population growth. As a result of COVID-19, economic growth and demand growth declined in 2020. Although the economic recovery is taking many years, electricity demand has proven to be resilient as it has already bounced back and even increased from its 2019 levels.

The Mexican electricity market is characterised by heavy reliance on CCGT (Combined Cycle Gas Turbine) power plants, which run on natural gas - mainly imported from the United States - as well as conventional power plants (coal and other fossil fuels) and hydropower plants. At the same time, renewable energies have increased sharply over the last five years.

In 2013, the energy sector reform resulted in the following:

- the liberalisation of electricity production and retail activities;
- the creation of an independent system operator (ISO), Mexico's National Energy Control Centre (CENACE);
- the segmentation of the *Comisión Federal de Electricidad* (CFE) into several independent entities;
- the structuring of a cost-based electricity marketplace divided into periods (daily market and real-time market);
- the setting-up of sub-markets for selling electricity-related products such as capacity, clean energy certificates (CEL) and ancillary services.

This reform also resulted in the fixing of new objectives for renewable energy development. These should represent 35% of the Mexican energy mix in 2024. Moreover, 50% of the country's electricity production should be generated from renewable sources by 2050. In order to support these ambitions, the 2013 reform also did the following:

- set up a regulation allowing producers to enter into long-term bilateral agreements with qualified suppliers;
- created clean energy certificates (CEL), the objective of which is to increase the demand for electricity generated using clean technologies;
- organised a series of public tenders leading to the signing of fixed-price and long-term PPAs.

Following the 2013 reform, installed capacity in the interconnected system increased by 26 GW, from 64 GW to 90 GW between 2016 and 2021. Private renewable capacity (wind and solar) increased by 12 GW during this period to represent a 16% share (compared to 4% in 2016).

Since 2018, President Andrés Manuel López Obrador (AMLO) has called for strengthening the national oil and electricity companies, mainly CFE. The government has publicly stated that it wants to make it a priority to:

- avoid any increase in regulated energy tariffs beyond inflation, and
- and maintain CFE's share of electricity generation above 54% of total electricity generation.

To achieve these goals, the Mexican government has taken various measures, as shown in the list below. Legislation passed by the AMLO administration has been suspended by the courts in response to injunctions from the private sector. The new laws have been ruled unconstitutional.

- January 2019: cancellation of the fourth public tender relating to renewable energies — effective;
- January 2019: cancellation of transmission line auctions — effective;
- October 2019: revision of the rules for awarding clean energy certificates to include the former "clean" plants (hydro and nuclear) owned by CFE — suspended in court;
- April 2020: CENACE resolution on grid security in the COVID-19 crisis, involving the suspension of pre-operational testing of all Mexican wind and solar power plants — suspended in court;

- May 2020: implementation of a reliability policy by the Mexican Ministry of Energy (*Secretaría de Energía de México – SENER*) — suspended in court;
- July 2020: SENER publication of the 2020–2024 Energy Sector Plan — suspended in court;
- February 2021: adoption of a new law reforming the law on the energy industry, which gives the state-owned company CFE the priority to distribute electricity produced by private power plants — suspended in court.

In September 2021, the President proposed a radical constitutional reform to reverse the 2013 constitutional reform. The government's proposal includes, inter alia:

- The elimination of the independent regulator (CRE) and the independent grid operator (CENACE);
- The cancellation of all privately held power generation permits and contracts with immediate effect;
- The elimination of renewable energy certificates resulting from the cap-and-trade system introduced following the 2013 reform;
- Limiting private sector participation to 46% of total electricity production.

To pass the reform, the government had to obtain the votes of 2/3 of Parliament.

In April 2022, the constitutional reform was submitted to the Parliament, where it received only 275 votes in favour and 223 against, i.e., less than two-thirds of the votes in favour of the reform. As a result, the constitutional reform was legally rejected.

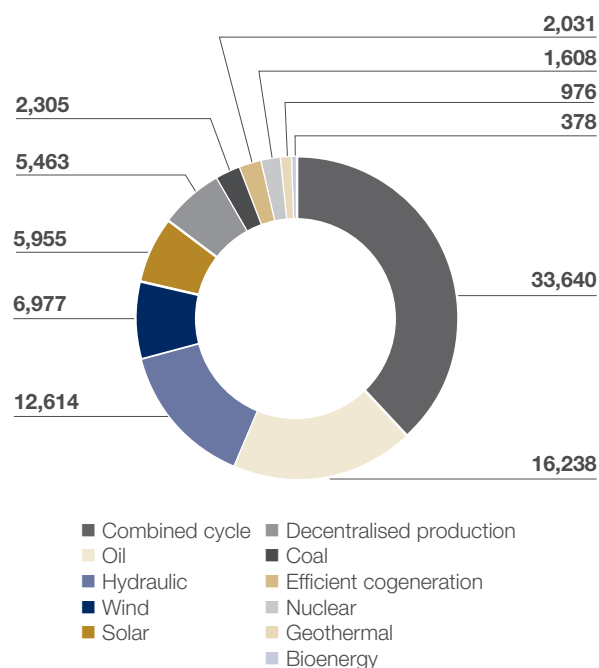
Under the free trade treaty between Mexico, the United States and Canada (USMCA), in July 2022, the respective governments of the latter two countries began a legal dispute against the Mexican government with the argument that the current administration's energy policy, applied from 2019, violates the commitments of the Mexican state to the USMCA, in particular those concerning market access, investment and public enterprises.

It is expected that the dispute will be resolved within 18 months.

Electricity generation capacity

In Mexico, electricity is still largely generated with fossil energy (notably natural gas imported from the United States). At the end of 2021, Mexico's total generation capacity was 86.1 GW for an estimated demand of 322.5 TWh in 2021 (PRODESEN 2022).

Installed capacity by technology (in MW)



Source: Prodesen 2022 (2021 data).

9. Province of Alberta, Canada 🇨🇦

Neoen expanded into Alberta in 2022. As of December 31, 2022, the Group's presence in Alberta was based on:

- 1 solar project for 93 MWp under construction;
- 1 development office, located in Calgary, and a total of 5 employees;

Regulatory context

Canada is a federal state, where the responsibility for structuring and regulating the electricity industry rests with the provinces, under their constitutional jurisdiction over natural resources and electrical energy. While the majority of them operate with vertically integrated utilities (generation, transmission and distribution), Alberta has a deregulated electricity market that encourages competition for generation activities.

Alberta was the first Canadian province to adopt an electricity market in 1996. Since then, the province has gradually moved from a vertically integrated model to a deregulated energy-only market supervised by the Alberta Electric System Operator (AESO). Alberta now has about 16.5 GW of privately owned installed capacity. The power generated is sold on the spot electricity market, which is operated by AESO, whose objectives are to:

- Operate the spot market, which has existed since 2001, in an open and competitive manner;
- Ensure reliable operation of Alberta's electricity system;
- Plan and develop the transport network;
- Facilitate customer access to the transport network.

Electricity transmission and distribution activities remain regulated and are managed by companies such as AltaLink, ATCO and Fortis.

The New Democratic Party (NDP), which was in power in Alberta between 2015 and 2019, embarked on a regulatory transformation to create an electricity capacity market. But the return to power of the United Conservative Party (UCP), coupled with the reluctance of market participants, put an end to this change. Currently, there are no longer any plans to change the structure of Alberta's energy-only market. The Province therefore retains its current system in which generators are paid for the electricity they produce at the spot price, which varies hourly according to electricity supply and demand.

Electricity demand in Alberta has grown by about 2% per year over the past two decades. This demand is driven by the oil and gas industry, which accounts for about 60% of total consumption. Oil and gas extraction and operations, which are very electricity intensive, are expected to remain the main driver of demand growth in the future. The increasing electrification of other industries (heating, transport) will also contribute to the increase in electricity demand in the Province.

In 2016, the Government of Alberta asked AESO to develop and implement a programme to develop new renewable generation capacities, with a target of 30% renewable electricity by 2030. 1,363 MW of wind power was awarded in three rounds of tenders conducted between 2017 and 2019. At the federal level, the government also promotes the reduction of greenhouse gas emissions and the penetration of renewable energy throughout the country.

In 2022, AESO published a new report on the different possible ways to achieve a carbon neutral electricity system in Alberta. This report considers three possible scenarios up to 2041:

- A scenario favouring non-intermittent energy sources, with moderate growth in renewables (+3.5 GW) and continued investment in modern gas-fired power plants. In this scenario, renewables would account for 22% of production in 2041;
- An intermediate scenario with significant growth in renewables (+7 GW) and withdrawal of the most polluting thermal power plants, to reach 35% of electricity production from renewable sources;
- A scenario with aggressive growth in renewables (+11 GW) and storage (+5 GW) and significant withdrawal of thermal power plants, to reach 47% of generation from renewable sources.

While the federal and provincial governments are establishing roadmaps, the evolution of the electricity mix in Alberta is still driven by market competitiveness and private investment decisions. The last public tender for renewables organised by AESO took place in 2019. There are no longer any government programmes to support the development of renewable energy in Alberta, and its growth is driven by market competitiveness. Also, there is no public programme to increase production capacity through tenders for other technologies, and no clear regulatory framework or special tariff to encourage the construction of energy storage facilities. Despite the political will to develop storage in the medium term to support the growth of renewable energies in the electricity mix, it is above all the competitiveness and profitability of these installations that will determine their growth in the short term.

However, public authorities still have an indirect impact on the development of electricity capacity, as political decisions can have an impact on the profitability of different technologies and therefore on investment decisions. The most striking example in Canada and Alberta is the policy of decarbonising the economy. The federal government has committed to reducing its greenhouse gas emissions by 40-45% below 2005 levels by 2030 and to achieving carbon neutrality by 2050. To achieve these objectives, which have been enshrined in law since 2021, a carbon pricing system has been introduced. Each province can design its own pricing system, but it must meet minimum national standards. If a province proposes a system that fails to meet these standards, the federal system is implemented.

In late 2022, Alberta updated and extended the TIER (Technology Innovation and Emissions Reduction) regulation until 2030. This regulation is the provincial adaptation of national carbon pricing targets. This update confirmed that provincial carbon pricing will follow federal pricing (\$65/tCO₂ in 2023, +\$15/tCO₂ per year until reaching \$170/tCO₂ in 2030). It also made the targets for polluting industries to reduce greenhouse gas emissions more stringent.

This carbon pricing has an impact on the operational costs of thermal power plants, which have to pay the carbon tax or find alternative ways to reduce their emissions (purchase of carbon certificates – which can be issued by renewable power plants – or investment in carbon capture technologies). In Alberta, the increase in carbon pricing has accelerated the closure or conversion of many coal-fired power plants, which still accounted for 50% of power generation a few years ago. On the contrary, renewable energies can monetise the sale of carbon certificates and have become more competitive in recent years. Their share of Alberta's electricity mix is therefore growing sharply: in 2021, Alberta accounted for 60% of new wind and solar capacity installed in Canada.

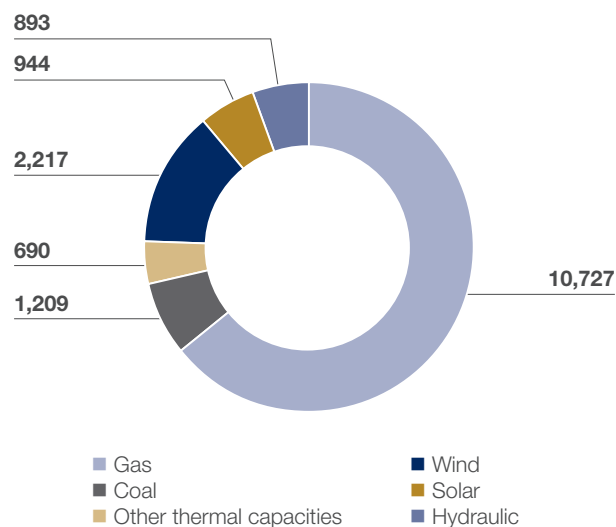
Electricity generation capacity

At the end of 2021, installed power generation capacity in Alberta (17 GW) consisted of thermal (76%), wind (13%), solar (6%) and hydro (5%). Gas-fired power plants (combined cycle, cogeneration, etc.) dominate Alberta's electricity mix, which has seen a significant decline in the share of coal in recent years, while renewable production capacity is increasing rapidly.

In order to meet federal and provincial carbon neutrality targets, Alberta's electricity mix is expected to change over the coming years. The last existing coal-fired power plants are expected to convert to gas to extend their lifespan or be permanently shut down soon, while renewable capacity is expected to increase significantly.

In addition, many power plants are currently under construction: two large gas-fired power plants and several wind and solar farms are expected to come on stream between 2023 and 2025.

Installed capacity by technology (in MW)



Source: AESO (31.12.2021 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 reach these objectives, two successive tenders were held in 2012 and 2015 for a total capacity of 152 MW.

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)".

In February 2020, the government presented the new Integrated Resource Plan (IRP), with ambitious new targets for 2037 in terms of generation expansion and penetration of renewables in the electricity mix:

- installing 1.6 GW of new capacity, including 1.26 GW of renewable capacity (solar and wind);
- achieving 50% of power generation from renewable sources;
- investing USD 7.3 billion in the electricity sector by 2037, including USD 2.3 billion to replace polluting and aging power plants.

The IRP's ambition is to gradually reduce the cost of energy, reduce the sector's environmental impact and improve the quality of service by replacing polluting and inefficient generators with new renewable power generation capacity.

In the shorter term, the objective is to double the share of renewable energy by 2025, from 12% in 2020 to 25% in 2025, which is a milestone with respect to the target set for 2037. To this end, the government in the coming months wants to promote, through tenders organised by JPS, the installation of 320 MW of solar or wind power, 120 MW of gas power plants, and 75 MW of hydro and biomass.

Lastly, 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 is increasingly selling 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, 2022:

Off-taker type	Capacity (in MW)	Capacity (in %)
Utilities	3,524	48%
Governments and state actors	1,462	20%
Corporate off-takers	919	12%
Market	1,451	20%
TOTAL	7,356	100%

As of December 31, 2022, more than 89% of the Group's secured capacity (in MW) covered by existing agreements was allocated to off-takers with an Investment Grade rating at that date.

The following table shows the Group's main clients, broken down by capacity in operation as of December 31, 2022:

Off-taker	Country	Capacity (in MW)	Capacity (in %)
EDF OA	France	974	24%
State of Victoria	Australia	469	12%
Australian Capital Territory (ACT)	Australia	317	8%
Comisión Federal de Electricidad (CFE)	Mexico	239	6%
Other (including markets)	-	2,052	51%
TOTAL		4,051	100%

As of December 31, 2022, the Group's four main purchasers, which together represented 49% of the total capacity in operation, had investment grade ratings at that date.

(i) Governments and state actors

At December 31, 2022, about 75% 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 decarbonise 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.

(iii) Corporate off-takers

As the cost of renewable energy falls and corporates become more cognisant 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. Even if the volume contracted by corporate off-takers is still limited compared to that of state counterparties, the Group believes that this proportion is likely to increase. As such, the Group considers itself to be well placed to enter into relationships with these new customers, due to its good positioning 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, for example in Finland and Australia. In 2021 and 2022, Neoen continued to expand its portfolio of corporate off-takers with:

- The signing of three power purchase agreements (PPAs) in Finland with Equinix, the service provider at the heart of the global digital infrastructure;

- The signing of an innovative 7-year virtual battery contract with AGL Energy, one of Australia's leading electricity producers and distributors, to provide 70 MW / 140 MWh of virtual storage capacity in the New South Wales region of the Australian National Electricity Market;
- The signing with BHP mining Group of its first baseload contract for 70 MW in South Australia, which will enable it to supply energy 24/7, drawing on its Goyder South Stage 1B wind farm, its Blyth battery and its energy management expertise;
- The signing of wind power sales contracts in Australia with Queensland energy Stanwell and Flow Power utilities or with the industrial company Frew Group;
- The signing of a solar electricity supply contract in Sweden with the clothing Group H&M, the largest concluded to date in the country;
- The signing of a 36 MW wind power supply contract in Sweden with the industrial company Coveris;
- The signing of a first electricity sales contract in France with the digital infrastructure and network operator TDF from two solar farms.

(iv) Spot market sales

In some liberalised markets (Australia, Finland, Ireland, Mexico, El Salvador, France), 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 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.

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, GOOs in Europe), 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 paragraph 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) term contracts or bilateral spot sale agreements with respect to green certificates. The principal features of these arrangements are summarised below.

Electricity delivery contracts

A large part of the Group's electricity sales are electricity transfers at a fixed price per MWh. These contracts, mainly secured following calls for tender or through public tenders, offer a feed-in tariff over periods ranging from 15 years (historical French wind power) to 20 or even 25 years. This tariff may be the result of the tender or a price set in advance by regulation, with possible indexation to inflation. It is independent of the electricity market price. The tariff paid may or may not include the associated green certificates.

In this context, each power plant delivers the power generated directly or indirectly to the counterparty, which manages the interfaces with the electricity market, and the Group is limited to optimising production.

This is the simplest solution. It applies in particular to older contracts or in countries where the electricity market is less developed. It also applies to certain corporate PPAs such as those concluded with Google in Finland or TDF in France.

The Group has also contracted with aggregators in order to benefit from a fixed electricity over several months. In this case, it is a matter of short-term hedges against the volatility of electricity prices than corporate PPAs.

Contracts for difference

As the sector of renewable energy has become increasingly mature, an increasing number of the public tenders or PPAs 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 2016.

In the CFD regime, Neoen enters into a long-term PPA (between 10 and 20 years, sometimes between 5 and 10 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. The counterparty within the contract for difference pays the Group

the difference between the reference tariff and the market price. If the market price is higher than the contracted tariff, the Group pays the counterparty. In this context, renewable energies exchange part of the market value of electricity for a long-term price guarantee in order to be able to raise debt.

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

- revenue from electricity sales on the market (through an aggregator) at market prices;
- revenue (or costs) from the remuneration supplements paid by (or to) the counterparty corresponding to the difference between the reference tariff and the market price; and
- in some cases, revenue from the sale of green certificates which may be included in the contract for difference or sold separately.

There are many variations for these contracts, in particular concerning the reference market price (which may even be a theoretical market price rather than the actual price of the power generated) the management of the various costs related to the sale of power on the market (aggregator costs) or indexation (partially or fully) to inflation. In some cases, the contracted tariff may be dependent on the price of electricity (with a guaranteed minimum).

These power purchase agreements concern all or a percentage of the power plant's output. The Group does not therefore take any risks with regard to the generation profile (as only the power generated is sold). However, it may have minimum availability commitments, but the vast majority of these are lower than the commitments made by maintenance providers.

In the case of these contracts, the buyer is not seeking to obtain electricity but wishes to hedge its exposure to the volatility of electricity market prices and possibly benefit from the guarantees of origin associated with the production of renewable energy. There is therefore a separation between the physical flow of electricity and the financial flow. These are known as "Virtual PPAs" or "Financial PPAs".

This is the case, for example, with the contracts signed with Equinix in Finland or H&M in Sweden. The electricity and the guarantees of origin will be produced by Neoen's power plants in Finland or Sweden but the customers' electricity consumption may occur in other European countries. Only the guarantees of origin associated with the production of electricity will be physically delivered to the customer, who will also be the payer/receiver of the difference between the market price of the electricity and the contractual price.

Other structured contracts

With the expertise of its Energy Management teams in Europe and Australia, the Group has also signed contracts that go beyond the sale of part of the production of a solar or wind plant.

In Australia, the Group signed its first baseload contract with BHP for 70 MW in South Australia, which will enable it to supply energy 24/7, drawing on its Goyder South Stage 1B wind farm, its Blyth battery and its energy management expertise.

The contract is therefore:

- a contract for the difference between a fixed price and the South Australian electricity price, on a fixed and constant volume and not just on a share of the volumes produced by the wind farm;
- a firm Guarantees of Origin Delivery Contract (GDC) with a commitment to produce these guarantees primarily from the wind plant.

This 70 MW PPA corresponds in practice to 85% of the output of Stage 1B of the Goyder South power plant. The battery allows positions to be taken in the electricity market to cover the exposure the Group has to guarantee a 24-hour price when the wind plant is intermittent.

Other contracts have been structured by the Group around its storage facilities and in particular, there are:

- long-term contracts for the batteries to provide a service to the grid, for example frequency regulation services or inertia service. Such contracts have been signed with the Hornsdale Power Reserve battery in Australia, or recently with the Victorian Big Battery, Blyth and Western Down Storage batteries;
- contracts to provide emergency services («SIPS»), in which the battery is available to inject power quickly into the grid in the event of an incident. This is the case for the Victorian Big Battery, for example, or for part of 2022 for the Finnish battery Yllikkälä Power Reserve;
- the «Virtual Battery» contract signed with the electricity company AGL in which Neoen offers the capacity to charge or discharge a virtual battery, through a financial contract, and then covers itself with a physical asset.

The Group believes that its expertise in Energy Management will enable it to differentiate over the long term and to offer its customers a service closer to their needs.

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 paragraph 2.5.2 of this document.

The Group has numerous such contracts and is not dependent on any particular one. As indicated in paragraph 2.5.2 of this document, the Group finances its facilities via non-recourse financing only. In addition, as discussed in paragraph 1.3.2.2 (vi) "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" and in paragraph 1.3.4.2 "power purchase agreements".

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 France and Australia, the Group has launched weather forecasting projects for better renewable energy plant integration into the electricity grid;
- 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;
- work is underway in France in partnership with CNRS to study the optimisation of solar tracking systems and the deployment of these solutions at the Group's French power plants;
- in France, the installation of photovoltaic modules of various technologies on the same power plant, particularly monofacial and bifacial, is part of a continuous search for performance evaluation in order to improve the competitiveness of projects under development;
- in 2022, the YPR storage facility in Finland was modified to be able to offer a new service requiring an extremely fast reaction time: from 0 to 100% of power in less than 150 ms. Following these modifications, real-life tests were validated in 2022 and the facility was able to provide this new service to support the power grid for several weeks;
- in 2022, after two years of experimentation, the Hornsdale Power Reserve storage facility was authorised to provide synthetic inertia to the Australian power grid. It is the first large storage unit in the world to provide a large-scale inertia service. This new service will facilitate the integration of renewable energies into the Australian power grid and can be replicated in other countries.

Further, and albeit it is not directly an R&D activity, the Group has created its own competence center, comprising eight persons in 2022, 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" and "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, El Salvador, Mexico and Australia. It is in the process of being registered in Canada.

Finally, semi-figurative brand "Neoen" has been renewed for the European Union on December 7, 2020 for 10 years.

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



COMMENTS ON THE FINANCIAL YEAR

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2.1 ALTERNATIVE PERFORMANCE INDICATORS

The Group presents, in addition to the IFRS measures, several supplementary indicators including adjusted EBITDA, adjusted EBIT, adjusted consolidated net income, 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 Group has gradually signed medium to long-term power purchase agreements with commercial counterparties, known as Corporate Power Purchase Agreements (CPPA). Some of these agreements, recently implemented, provide for a financial settlement between the parties and as such are derivative financial instruments under IFRS 9 "financial instruments". Changes in fair value of these contracts, which are not classified as hedging instruments, are recognised in current operating income in the Group's financial statements (see notes 9 "other current operating income and expenses" and 20.3 "derivative financial instruments"). These changes, associated with price movements in the electricity market, which were exceptionally volatile during the financial year 2022 in the various regions where the Group operates, are volatile and non-controllable, and will extinguish when the underlying physical production is delivered. Therefore, the Group has decided to restate the change in fair value of these energy derivative financial instruments (which has no cash impact) from EBITDA and EBIT, alternative performance indicators used in its segment reporting, and also consolidated net income.

2.1.1 ADJUSTED EBITDA

The reconciliation between current operating income and adjusted EBITDA is as follows:

<i>(In millions of euros)</i>	FY 2022	FY 2021	Change	Change (in %)
Current operating income	262.1	189.6	+ 72.5	+ 38%
Current operating amortisation	151.0	107.6	+ 43.3	+ 40%
IFRS 2 expense	3.8	3.2	+ 0.6	+ 20%
Change in fair value of energy derivative financial instruments	(2.8)	-	- 2.8	N/A
Adjusted EBITDA^(a)	414.0	300.4	+ 113.6	+ 38%

(a) Adjusted EBITDA corresponds to current operating income, which includes net proceeds from the disposal of assets in the secured portfolio resulting from the farm-down activity, restated for:

- current operating amortisation;
- the expense resulting from the application of IFRS 2 "share-based payments", and;
- the change in fair value of energy derivative financial instruments.

2.1.2 ADJUSTED EBIT

The reconciliation between current operating income and adjusted EBIT is as follows:

<i>(In millions of euros)</i>	FY 2022	FY 2021	Change	Change (in %)
Current operating income	262.1	189.6	+ 72.5	+ 38%
Change in fair value of energy derivative financial instruments	(2.8)	-	- 2.8	N/A
Adjusted EBIT^(a)	259.3	189.6	+ 69.7	+ 37%

(a) Adjusted EBIT corresponds to current operating income restated for the change in fair value of energy derivative financial instruments.

2.1.3 ADJUSTED CONSOLIDATED NET INCOME

The reconciliation between consolidated net income and adjusted consolidated net income is as follows:

(In millions of euros)	FY 2022	FY 2021	Change	Change (in %)
Consolidated net income	45.7	40.2	+ 5.4	+ 14%
Change in fair value of energy derivative financial instruments	(2.8)	-	- 2.8	N/A
Tax effect related to the change in fair value of energy derivative financial instruments	5.1	-	+ 5.1	N/A
Adjusted consolidated net income^(a)	48.0	40.2	+ 7.8	+ 19%

(a) Adjusted consolidated net income corresponds to consolidated net income restated for the change in fair value of energy derivative financial instruments and the related tax effect.

2.1.4 NET DEBT

(In millions of euros)	31.12.2022	31.12.2021	Change	Change (in %)
Financial debt^(a)	3,509.3	2,953.4	+ 555.9	+ 19%
Non-controlling investors and others ^(b)	(40.2)	(31.0)	- 9.1	- 29%
Adjusted financial debt	3,469.1	2,922.4	+ 546.8	+ 19%
Total cash and cash equivalents ^(c)	(622.8)	(592.6)	- 30.3	- 5%
Guarantee deposits ^(d)	(79.0)	(67.2)	- 11.8	- 18%
Interest rate derivative assets ^(e)	(302.7)	(30.4)	- 272.3	x10
Total net debt^(f)	2,464.6	2,232.2	+ 232.4	+ 10%

(a) Essentially comprising project financing, the debt component of the convertible bonds into new shares and/or exchangeable for existing shares issued ("OCEANES"), and lease liabilities included in the calculation of net debt under IFRS 16 «leases» (note that adjusted EBITDA therefore excludes lease charges). Financial debts are detailed in section 4.1 - note 20.2 to the 2022 consolidated financial statements.

(b) Notably comprising non-controlling shareholder loans to project companies or project holding companies.

(c) Changes in this item are described in paragraph 2.4.2.4 of this document.

(d) Mainly comprising guarantee deposits in the framework of project financing, in the form of DSRAs (Debt Service Reserve Accounts), or for the purposes of project construction.

(e) Interest rate derivatives with a positive market value. Interest rate derivatives with negative market values are included in total financial debt. The change compared to December 31, 2021, is explained by the increase in the fair value of interest rate derivatives, in a context of rising forward interest rates in 2022 (see section 4.1 note 20.2 of the 2022 consolidated financial statements).

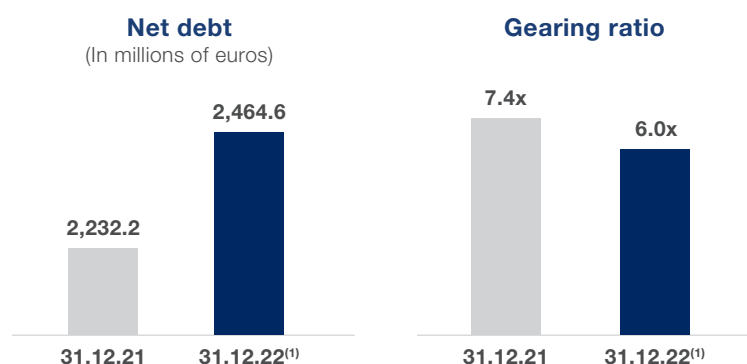
(f) As of December 31, 2022, the net debt calculation includes an amount of €90.3 million in cash and cash equivalents, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA. Furthermore, due to the rise in forward interest rates in 2022, interest rate derivatives with a positive fair value have significantly increased to reach €302.7 million. Excluding these two one-off items, the net debt would have amounted to €2,857.6 million as of December 31, 2022. For further details, see section 4.1 - notes 17 and 20.2 of this document.

2.1.5 GEARING RATIO

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

	31.12.2022 ¹	31.12.2021
Gearing ratio	6.0x	7.4x

Change in the Group's net debt and gearing ratio



The gearing ratio has improved by 1.4, from 7.4x in 2021 to 6.0x in 2022. It is explained by a higher increase in adjusted EBITDA (**+€113.6 million**, or +38%), compared to the net debt's one (**+€232.4 million**, or +10%). The latter benefited from the significant increase in the fair value of interest rate derivative assets, in a context of rising forward interest rates. The calculation of these indicators is detailed in paragraphs 2.1.4 and 2.1.5 of this document, and their evolution is detailed in paragraphs 2.4.2.2 and 2.4.2.4 of this document.

¹ As of December 31, 2022, the net debt calculation includes an amount of €90.3 million in cash and cash equivalents, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA. Furthermore, due to the rise in forward interest rates in 2022, interest rate derivatives with a positive fair value have significantly increased to reach €302.7 million. Excluding these two one-off items, net debt and gearing ratio would have amounted to €2,857.6 million (+€595.0 million, or 26%, compared to 2021) and 6.9x as of December 31, 2022, respectively.

2.2 INFORMATION ON KEY OPERATING DATA

The Group's portfolio amounted to 19.3 GW at December 31, 2022, versus 13.9 GW at December 31, 2021. This change is detailed in the table below and in paragraph 2.4.1.1 "continuing portfolio growth".

	31.12.2022	31.12.2021	Changes
Total assets in operation (in MW)^(a)	4,051	3,480	+ 571
Americas	890	878	+ 11
Australia	1,455	1,455	-
Europe – Africa ^(b)	1,706	1,147	+ 560
Total assets under construction (in MW)^(a)	2,523	1,954	+ 569
Americas	93	11	+ 82
Australia ^(c)	1,529	1,129	+ 400
Europe – Africa	901	814	+ 87
Total assets for projects awarded (in MW)	782	582	+ 200
Americas	-	-	-
Australia ^(d)	215	-	+ 215
Europe – Africa	567	582	- 15
Total for the secured portfolio (in MW)	7,356	6,016	+ 1,340
Total MW for tender-ready and advanced development projects	31.12.2022	31.12.2021	Changes
Americas ^(e)	1,313	1,101	+ 211
Australia ^(f)	4,795	2,650	+ 2,145
Europe – Africa ^(g)	5,830	4,163	+ 1,667
Total MW for the advanced pipeline	11,938	7,914	+ 4,023
Total portfolio (in MW)	19,294	13,930	+ 5,364
Early stage projects	> 10 GW	> 5 GW	

(a) Gross capacity including the participations in projects in which Neoen is a minority shareholder: Cestas (228 MWp), Seixal (8.8 MWp), Les Beaux Monts (24.2 MW), Le Berger (22.6 MW) and Saint-Sauvant (20.6 MW), in which Neoen has sold 95% of its participation in 2022. In 2021, the gross capacity excluded 33 MW corresponding to the Lugos, Grabels, Lagarde and Miremont power plants, which have been sold in their entirety as part of the farm-down activity. For a definition of the various stages of development of the Group's projects, please refer to the section 9.6 "glossary" of this document.

(b) In Europe-Africa, the growth in the capacity of assets in operation results from the commissioning of Mutkalampi power plant in Finland for 404 MW, four French wind farms for 91 MW, four French solar power plants for 43 MWp, the acquisition of three power plants in Plouguin for 14 MW (wind power - France), and the commissioning of the French storage facility Pod-Tredan 1 for 8 MW.

(c) The increase in capacity under construction in Australia is due to the transfer into construction of the Western Downs Storage and Blyth West Battery power plants for 200 MW each.

(d) The increase in the capacity of awarded projects in Australia is due to the transfer into the awarded stage of Mount Hopeful wind project for 215 MW.

(e) In Americas, the growth observed is explained by +226 MW of new projects added to the portfolio in 2022, by +135 MW of projects coming from the early stage and by -150 MW related to the abandonment of the Vientos del Valle project in Argentina.

(f) The increase observed in the Australia region is explained by +440 MW of new projects added to the portfolio in 2022, by +1,300 MW of projects coming from the early stage, +1,120 MW of capacity reassessments, partially offset by -300 MW of abandoned projects and by -415 MW of projects awarded or under construction.

(g) The increase observed in the Europe-Africa region is explained by +1,184 MW of new projects added to the portfolio in 2022 and +941 MW of projects coming from the early stage, partially offset by -75 MW of abandoned projects and the transfer of several projects into the "awarded" phase or "under construction" phase for -443 MW.

	FY 2022	FY 2021	Changes
Production (GWh)	5,957	4,908	+ 21%
Average availability of facilities in operation			
solar power ^(a) (%)	86.4%	94.2%	– 7.7 pt
wind power (%)	97.3%	97.5%	– 0.2 pt
Average load factor^(b) or facilities in operation			
solar power ^(c) (%)	19.1%	19.6%	– 0.5 pt
wind power ^(d) (%)	28.5%	30.5%	– 2.1 pt
Residual duration of electricity supply contracts			
solar power (years, weighted by MWp)	13.5	14.3	– 0.8
wind power (years, weighted by MW)	11.3	12.7	– 1.4

(a) The decrease in the average availability of photovoltaic installations in operation is due to technical difficulties at El Llano power plant in Mexico in the first half of the year, followed by the complete shutdown of generating activities for the entire third quarter before a gradual resumption from the 2022 fourth quarter. Excluding this power plant, the average availability rate of the Group's solar assets would have reached 98.6% in 2022.

(b) 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.

(c) The slight decrease in the solar load factor is mainly due to less favourable irradiation conditions in 2022, partially offset by the positive impact of the commissioning during the fourth quarter of 2021 of the Altiplano 200 power plant in Argentina.

(d) The noticeable decrease in the wind load factor between 2021 and 2022 is the result of unfavourable wind conditions in Europe and Australia, particularly in the second half of 2022.

2.3 OUTLOOK AND TRENDS

2.3.1 OUTLOOK

The forecasts for the year ended December 31, 2023, presented below are based on data, assumptions and estimates that the Group considers reasonable at the date of this document. They are prepared on the basis of the consolidation and business scopes existing at the closing date of the Group's 2022 financial statements (February 28, 2023). However, these data, assumptions and estimates may change or be modified due to uncertainties related in particular to the economic, financial, accounting, competitive, regulatory and tax environment or as a result of other factors or risks of which the Group is unaware at the date of this document. In addition, the materialisation of certain risks described in chapter 3 "risk factors and management" of this document could have an impact on the Group's business, financial situation, results or prospects and therefore call into question these forecasts.

Furthermore, the achievement of these forecasts assumes the success of the Group's strategy (see paragraph 1.1.2 "strategy" of this document).

Accordingly, the Group does not make any commitment or give any guarantee that the forecasts in this section will be achieved.

The forecasts for the financial year ended December 31, 2023, presented below, and the assumptions underlying them, have been established pursuant to the provisions of the Delegated Regulation (EU) No 2019/980 supplementing Regulation (EU) 2017/1129 and the ESMA recommendations on forecasts.

Underlying assumptions

The forecasts for the year ended December 31, 2023, set out below have been prepared in accordance with the accounting policies applied in the Group's consolidated financial statements for the year ended December 31, 2022.

They are mainly based on the following assumptions:

Neoen's internal assumptions

The 2023 forecasts are based on an increase in adjusted EBITDA² compared with the 2022 financial year, which will mainly come from:

- the full-year impact of the contribution from assets commissioned during 2022;
- the commissioning during 2023 of wind, solar and storage assets, which were under construction on December 31, 2022, or which will enter into construction during 2023, in accordance with the contractual schedule planned with the constructors;
- the El Llano power plant in Mexico to reach a full capacity by the end of 2023, after it was affected by technical problems in 2022;
- the total or majority disposal in 2023 of projects or assets in its secured portfolio, which will be carried out within the following two limits:
 - a volume of projects not exceeding 15% of the gross annual growth of its secured portfolio;

² The definition of adjusted EBITDA is defined and described in paragraph 2.1.1 of this section.

- a contribution to consolidated annual adjusted EBITDA² of less than 15%.

They also take into account the expected effect of the following factors:

- in 2023, the Group expects a lower contribution from its Australian batteries, as they benefited in 2022 from a very volatile market environment;
- given the anticipated commissioning schedule for projects supposed to enter into operation in 2023, the Group expects a lower contribution, compared to 2022, from contractual indemnities to compensate for revenue losses associated with delays in the commissioning of certain projects (such contractual indemnities directly affect the adjusted EBITDA margin).

Macroeconomic assumptions

The 2023 forecasts are also based on the following assumptions:

- no significant change in the exchange rates of the currencies of the main countries outside the Eurozone in which the Group generates its income, mainly the Australian dollar and the US dollar, compared with those known at the date of this document;
- a stable political, regulatory and tax environment in the countries in which Neoen operates. With particular regard to the measures to limit electricity prices received by sub-marginal electricity producers (price cap), implemented by certain countries in which the Group operates (European Union Member States), as well as the gas price cap mechanism in Australia, the 2023 forecasts are based on the assumption that the measures in force as of the date of this document will not be strengthened;
- market prices of electricity and frequency control ancillary services (FCAS) that are at least equivalent, after taking into account the price cap mechanisms implemented on a national scale (European Union member states for electricity, and Australia for gas, in particular), to those in force at the closing date of the Group's 2022 financial statements (February 28, 2023) in the different geographical areas where the Group operates;
- network constraints that are not greater than those observed during 2022, in the various countries where the Group operates;
- no deterioration in the global supply chain situation that may affect the commissioning of its projects planned to enter into operation during 2023 compared with their known schedule at the date of this document.

Group forecasts for the financial year ended December 31, 2023

For the financial year ended December 31, 2023, Neoen expects consolidated adjusted EBITDA, which is defined in the same way as at December 31, 2022, to be between €460.0 million and €490.0 million, and that the adjusted EBITDA margin is close to 80%.

2.3.2 INFORMATION ON TRENDS AND OBJECTIVES

2.3.2.1 GENERAL PRESENTATION

The objectives presented below are not forecast data or estimates of the Group's profits, but the result of its strategic guidelines. These objectives are based on data, assumptions and estimates that the Group believes to be reasonable. These data, assumptions and estimates may change or be modified due to uncertainties relating in particular to the economic, financial, competitive and regulatory environment affecting the Group. In particular, the materialisation of one or more of the risks described in chapter 3 "risk factors and management" of this document could have an impact on the Group's business, results, financial situation or prospects and therefore call into question its ability to achieve the objectives presented below. The Group makes no commitment and gives no guarantee that the objectives described in this section will be achieved.

2.3.2.2 BUSINESS TRENDS

A detailed description of the Group's results for the year ended December 31, 2022, is available in section 2.4 "analysis of operations and results" of this document. The reader is also invited to refer to section 2.5 "financing and investments" of this document for a description of the Group's cash flows and net debt. Section 1.2 "description of the renewable energy market" of this document provides an overview of industry trends affecting renewable energy markets.

The Group's medium-term objectives described below are based on the assumption that capital increases will be carried out over the period of execution of its investment plan. These capital increases will be decided, *inter alia*, on the basis of market conditions. The total amount of equity needed to finance the Group's growth objectives for the period 2021-2025 is now estimated at a maximum of €1.350 billion, of which about €600.0 million was raised through a capital increase with preferential subscription rights in the first half of 2021. This gives a residual need for equity of €750.0 million for the period 2023-2025³, i.e., €150.0 million more than the equity needs estimated by the Group at its Capital Markets Day in March 2021. This is due to an extension of its plan to invest in dedicated storage facilities with a longer autonomy period than initially assumed (on average, 2 hours compared with 1 to 1.5 hours previously), and therefore higher investment costs.

³ On March 29, 2023, Neoen carried out a capital increase with preferential subscription rights of €750.4 million. This operation is detailed in section 2.7 of this document.

These medium-term objectives also reflect its expectations regarding key market trends over the period 2023-2025, including the following:

- **Continued growth in the volume of private calls for tenders.** While the Group continues to seek power purchase agreements through public calls for tenders, it expects an ever-increasing number of private sector players to seek power purchase agreements, due to the growing interest of these players in “green” energy and the increasing competitiveness of renewable energy prices;
- **Continued move towards competitively set power purchase prices.** The Group expects that the current trend of setting prices for power purchase agreements through competitive calls for tenders will continue and that the average prices of successful tenders will be lower, for countries that have already reached grid parity, and closer for other countries to the prices observed in local electricity markets. At the same time, the Group expects that project structuring will more frequently, if not systematically, include market revenues. The Group also expects financial institutions and investors to become increasingly comfortable with the risk profile of renewable energy assets, encouraging this development;
- **Stable construction costs per MW except for batteries.** The Group expects construction costs per MW which have risen significantly since the end of the COVID crisis, in a highly inflationary context, to continue to rise slightly from 2023 for wind projects and to begin to fall for solar projects, without, however, returning to pre-COVID levels by end-2025. As for dedicated storage facilities, the Group expects battery costs to continue to rise by end-2025, while remaining highly volatile, given the uncertainties surrounding medium-term global growth forecasts;
- **Continued technological improvements resulting in efficiency gains.** The Group expects the current trend of technological improvements to continue, particularly for wind power, and to lead to continuous improvements in efficiency as well as an increased electricity production per installation.

2.3.2.3 MEDIUM-TERM OBJECTIVES

- **Capacity increase.** The Group still aims to reach a total capacity in operation or under construction of over 10 GW by the end of 2025, the distribution of which between its three main geographical areas (Europe, Australia, the Americas) is unlikely to change significantly from that in force at the end of December 2022, without any major change in terms of technological mix (solar, wind and storage) as reflected in its secured project portfolio in December 2022 (projects in operation, under construction and in the awarded phase), except for the extension of its plan to investments in dedicated storage facilities with a longer autonomy than initially assumed (on average 2 hours compared to 1 to 1.5 hours previously), and therefore a higher investment cost, estimated by the Group at 150 million euros over the 2023-2025 period.
 - The Group expects to achieve this objective, as part of its predominantly development-to-own strategy, by completing projects under construction, by building and completing projects currently in the awarded phase, by transferring part of its pipeline into projects under construction and in

operation, and by gradually increasing its annual volume of awarded projects from slightly more than 1.3 GW in 2022 to 2 GW or more as of 2025. This annual volume of awarded projects is intended to come mainly from countries in which Neoen is already present at the date of this document, with a view to maintaining at least 80% of the Group's installed capacity in OECD countries. At the end of December 2022, the Group's portfolio consisted of 4.1 GW in operation, 2.5 GW under construction and 0.8 GW in the awarded phase. Together, this secured project portfolio represents nearly 7.4 GW of the capacity of over 10 GW in operation or under construction set as a target by 2025. The remaining 3.6 GW of projects (and any project replacing projects currently in the awarded phase that will not be completed) are expected to come mainly from the Group's current project advanced pipeline, which included a total of approximately 11.9 GW as at December 31, 2022, as well as from new projects that will be developed by the Group during the period, and to a lesser extent, projects under development or assets in operation or under construction that may be acquired from third parties, with a preference for assets with restructuring potential or that offer repowering prospects due to their age.

- This objective takes into account the fact that from the development or construction phase of its projects, the Group will continue to regularly but selectively proceed, in order to optimise its balance sheet, financial capacity and profitability, with the total or majority disposal of projects or assets in its secured portfolio (farm-down), within the following two limits:
 - > a volume of projects not exceeding 15% of the gross annual growth of its secured portfolio in 2023, and 20% over the 2024-2025 period;
 - > a contribution to the consolidated annual adjusted EBITDA lower than 15% in 2023, and 20% over the 2024-2025 period.

The Group plans, as far as possible, to maintain a minority stake in the projects in question, to ensure their administrative and operational management and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

- The Group now expects the total capital expenditure for projects included in the over 10 GW target, and which were not yet in operation in March 2021, which had been estimated at €5.3 billion at its Capital Markets Day in March 2021, to be around €6.2 billion over the period 2021-2025 (see paragraphs 2.5.6 “sources of financing for future investment” and 2.5.8.4 “main investment envisaged” of this document). This €900.0 million increase is explained as follows: €750.0 million is due to the increase in investment costs in solar, wind and storage projects, which have risen significantly since the end of the COVID crisis in a highly inflationary context, and €150.0 million is due to an extension of the Group's plan to invest in dedicated storage facilities with a longer autonomy period than initially assumed (on average 2 hours compared with 1 to 1.5 hours previously), and therefore higher investment costs. By structuring the projects to achieve the aforementioned capacity increases and assuming that interest rates will not deviate significantly from their current levels, the Group expects to be able to continue to target, when responding to public and private

calls for tender or bilateral requests from private clients for its projects, internal rates of return (IRR) calculated over a 30-year horizon of:

- > 7.5% (+/- 150 basis points) in Europe;
- > 8.5% (+/- 150 basis points) in Australia and other OECD countries (outside Europe);
- > more than 10% (low double digit) in non-OECD countries.
- In the context of a first project in a new country, or the use of a new technology in a country where the Group already operates, it may nevertheless in exceptional cases, and subject to prior approval by its Board of Directors, accept IRRs lower than these target IRRs, notably taking into account the higher levels of contingencies associated with these types of projects. In these specific cases, the Group has set a minimum IRR target of 5%.
- In addition, the Group still aims to ensure that the share of its operational installed capacity, whose revenues are exposed to market price changes, does not exceed 20% of its total operational capacity, excluding dedicated storage facilities directly connected to the networks. This threshold excludes assets selling their production on the spot markets prior to the entry into force of their PPA (the so-called early generation phase).

Lastly, in keeping with its target of more than 10 GW by 2025, the Group believes that the continuation of its strategy (described in paragraph 1.1.2 of this document) should enable it to reach a total capacity in operation or under construction of at least 20 GW by 2030.

- **Adjusted EBITDA growth.** The Group's objective is still to generate double-digit annual percentage growth between 2023 and 2025. Given this annual growth target, the Group's ambition is for its adjusted EBITDA to exceed €600.0 million in 2025. This level of growth reflects the expected growth in the Group's installed capacity and its expectations in terms of continued growth in the volume of private calls for tender, the trend towards competitively set electricity purchase prices, and trends in the global renewable energy market, as described in section 1.2 of this document. The stark price increase in the electricity market, particularly since the beginning of 2022, is already reflected in the price level included in the long-term electricity sales contracts signed by the Company. As they are put into operation, the additional renewable energy production capacities are therefore expected to generate higher revenues than anticipated in 2021. The realisation of these additional revenues will occur progressively, with a full effect materialising after 2025. For information purposes only, Neoen estimates that its first 10 GW will generate, once fully in operation, an annual adjusted EBITDA of around 750.0 million euros, excluding the contribution of early generation revenues and that of farm-down operations. The definition of adjusted EBITDA is identical to that used at December 31, 2022.

- **Net debt to adjusted EBITDA ratio.** The Group's objective remains to have a net debt to adjusted EBITDA ratio of between 8.0x and 10x at the end of 2025. This level of leverage reflects the financing, whether it is at the project or corporate level, that the Group considers necessary to achieve the investment expenditure described above, as well as its adjusted EBITDA growth targets mentioned above. This objective also assumes that the Group maintains a comprehensive project financing approach similar to that used as at the date of this document, as described in paragraph 2.5.6, and assumes normal repayment of project debt in accordance with its terms and conditions (i.e., without refinancing or early repayment). It also reflects the expected impact of the continued increase in the share of its projects incorporating market revenues, notably dedicated storage facility projects, given that the leverage levels accepted by banks are generally lower for these projects. For the specific case of dedicated storage facilities, it is based on the assumption that their financing will continue to be based mostly on equity contributions made by the Group. This objective still assumes a financial leverage ratio greater than 70% of invested capital on an all-in basis including all Group debt, whether corporate or set up at the level of dedicated project companies, in the form of senior or mezzanine debt.

Dividend policy

In light of its medium-term objectives, the Group will propose to the next annual general shareholders' meeting, to be held in May 2023, the payment of a dividend of €0.125 per share for the financial year 2022. Beyond 2022 and until 2025, the Group intends to gradually and regularly increase its dividend, particularly in light of the evolution of its results and financial situation.

2.4 ANALYSIS OF OPERATIONS AND RESULTS

2.4.1 KEY EVENTS OF THE PERIOD

2.4.1.1 CONTINUING PORTFOLIO GROWTH

Capacity in operation or under construction⁴ amounted to 6.6 GW at the end of December 2022 compared to 5.4 GW at the end of December 2021.

During the financial year 2022, the Group thus commissioned 557 MW: in Finland, the Mutkalampi wind farm (404 MW), and in France, four solar power plants with a total capacity of 43 MWp, seven wind farms with a total capacity of 91 MW, including in particular the Madon-Moselle power plant (40 MW), and a storage facility with a capacity of 8 MW. The storage batteries Providencia Power Reserve and Albireo Power Reserve 2, with a total capacity of 11 MW also entered operation in El Salvador. In addition, the Plouguin power plants (14 MW), acquired at the end of 2022, have been included in the portfolio of operating assets.

Neoen has also launched the construction of 1,126 MW in the financial year 2022, including the Western Downs Battery (200 MW / 400 MWh) and Blyth Battery (200 MW / 400 MWh) in Australia as well as, in Portugal, the solar park composed of the Rio Major and Torre Bela power plants (272 MWp), in Canada, the Fox Coulée solar power plant (93 MWp), in Sweden, the Storbrännkullen wind farm (57 MW) and the Storen Power Reserve storage facility (40 MW / 40 MWh), in France, solar projects with a total capacity of 204 MWp (including the Champblanc solar power plant for 49 MWp) and the Largeasse wind farm (17 MW), and in Finland, the Björkliden wind farm (40 MW).

The secured portfolio⁴ (assets in operation, under construction or awarded⁴) represented 7.4 GW as of December 31, 2022, compared to 6.0 GW at the end of December 2021. In 2022, new awarded projects⁴ represented 1,340 MW. In addition to the projects that went directly into construction for a total of 643 MW, including mainly Western Down Battery, Blyth Battery, Fox Coulée, Storen Power Reserve and Storbrännkullen, and acquired (the Plouguin power plants for 14 MW), these include:

- 215 MW in Australia, with the Mount Hopeful wind farm;
- 208 MW secured in France, including 197 MWp of solar projects and the Granges wind project (11 MW);
- 102 MW in Finland, including 60 MW corresponding to the Storbottet wind project and 42 MW under a new PPA signed with Equinix, a world leader in digital infrastructure, concerning the future Lumivaara wind farm;
- 90 MWp in Sweden, corresponding to the Hultsfred solar power plant;
- 80 MWp won in the second governmental RESS 2 tender in Ireland.

The total portfolio amounts to 19.3 GW at the end of December 2022, compared with 13.9 GW at the end of December 2021.

2.4.1.2 NEOEN CONSOLIDATES ITS POSITION IN THE TOP 2% OF GLOBAL COMPANIES ASSESSED BY MOODY'S ESG SOLUTIONS

Since 2018, Neoen has had its ESG policy and results assessed by the extra-financial rating agency Moody's ESG Solutions (formerly Vigeo Eiris). The assessment covers 21 criteria grouped into 6 themes: Environment, Human Capital, Human Rights, Engagement with Society, Business Ethics and Governance.

In 2022, Neoen consolidated its position in the top 2% worldwide (all sectors and regions combined) of companies assessed by Moody's ESG Solutions. In the first half of 2022, Neoen was awarded the "advanced" ESG score of 65/100, an increase of one point compared to 2021. This score reflects Neoen's commitment and performance on environmental, social and good governance criteria and places the Group at number 11 of the (nearly 5,000) companies assessed in the Gas & Electricity sector.

2.4.1.3 FREE SHARE PLAN

On March 14, 2022, the Board of Directors decided to grant 164,046 free Neoen S.A. shares to certain Group employees. The granting of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan rules and relating in particular to the achievement of financial and development objectives, are met.

In 2022, the Group recorded this transaction in accordance with IFRS 2 "share-based payment". This resulted an impact of €(0.3) million in personnel expenses.

2.4.1.4 CAPITAL INCREASE RESERVED FOR EMPLOYEES

On April 19, 2022, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. The latter offered each beneficiary the possibility of buying 118 new shares at the preferential subscription price of €22.30 per share (benefiting from a 30% discount compared with the average closing price of the share over the last twenty trading days preceding March 14, 2022, the date on which the Chairman and Chief Executive Officer, upon sub-delegation by the Board of Directors, set the price) and a matching contribution on the basis of one share offered for one share subscribed.

In 2022, the Group recorded this transaction in accordance with IFRS 2 "share-based payment". This resulted in an impact of €1.1 million in shareholders' equity and €(0.4) million in personnel expenses.

⁴ For a definition of the different stages of development of the Group's projects, please refer to the section 9.6 "glossary" of this document.

2.4.1.5 PAYMENT OF DIVIDEND IN RESPECT OF 2021

At the general shareholder's meeting of May 25, 2022, the shareholders approved the first distribution in the Group's history of a dividend of €0.10 per share with an option for payment of the dividend in new shares. Each shareholder could thus receive either 100% of the dividend in cash or 100% of the dividend in new ordinary shares.

At the end of the option exercise period (from June 3, 2022, to June 17, 2022, inclusive), nearly 80% of the rights had been exercised in favour of payment of the dividend in shares.

This transaction resulted in the creation of 252,486 new ordinary shares (representing approximately 0.2% of the share capital after the capital increase) and the payment of €2.1 million of dividend in cash.

2.4.1.6 CONVERSION OF CONVERTIBLE BONDS (OCEANES 2019)

On October 28, 2022, Neoen S.A. proceeded with the early redemption of all the convertible bonds ("OCEANES 2019"), issued on October 7, 2019 and maturing in October 2024, in accordance with their terms and conditions, for an amount of approximately €200 million.

Bondholders had the option to exercise their right to receive Neoen shares at a rate of 1.078 shares for 1 bond presented until October 19, 2022. The number of bonds presented for conversion was 6,614,676 (i.e., 99.78% of all the bonds issued), for a total nominal amount of €199,564,774.92. Neoen issued a total of 7,130,619 new shares.

In accordance with IAS 32 "financial Instruments: Presentation", this transaction resulted in the derecognition of the amortised cost of the debt component for €191.3 million, with a corresponding entry in Group equity for €190.8 million and an impact in cash for €0.4 million (corresponding to the 14,425 bonds not presented for conversion and which were repaid in cash on October 28, 2022).

2.4.1.7 ISSUANCE OF GREEN CONVERTIBLE BONDS (OCEANES VERTES 2022)

On September 14, 2022, Neoen S.A. issued green bonds with an option to convert and/or exchange for new or existing shares for a nominal amount of €300 million.

These bonds were issued with a denomination of €100,000 each and bear interest at an annual rate of 2.875% payable semi-annually in arrears on March 14 and September 14 of each year, and for the first time on March 14, 2023.

The conversion/exchange price has been set at €51.4999, corresponding to a premium of 35% over the reference price of the Company's shares. Unless converted, exchanged, repaid, or repurchased for cancellation, the bonds will be redeemed at par on September 14, 2027.

In accordance with the principles set out in IAS 32 "financial Instruments: Presentation", this issue has been treated as a compound instrument, the debt component (i.e., the bonds without the conversion option) amounting to approximately €249.9 million net of issue costs, and the equity component (i.e., the conversion option) amounting to approximately €47.4 million net of issue costs (see notes 18 and 20.2 to the consolidated financial statements). The effective interest rate of the debt component is 7.00%.

2.4.1.8 SALE OF THE SAINT-SAUVANT WIND FARM

On September 29, the Group sold 95% of its shares in the Saint-Sauvant wind farm, based on an enterprise value of €65.5 million, to Sergies, its long-standing partner in the development of the project, a local player and an integrated energy company. With a capacity of 20.6 MW and located in the Vienne department, this plant was commissioned in the first half of 2022. Neoen retains a minority stake, the supervision of the plant for the next two years, a local presence through a community management contract and a buyback option to take control of the project company in 30 years.

This transaction, carried out in the context of the farm-down activity, generated a net income of €16.4 million, which was recognised in other current operating income and expenses (see note 9 to the consolidated financial statements).

2.4.1.9 SITUATION OF THE METORO SOLAR POWER PLANT IN MOZAMBIQUE

Following a sudden and significant deterioration in the security situation near the site of the Metoro solar power plant under construction in Mozambique at the end of the first half of 2022, all the teams mobilised locally were evacuated, the Mozambican armed forces were deployed around the site to ensure its protection, and construction work was halted for an indefinite period. Since then, the security situation has not significantly improved, making any prospect of restarting the project hypothetical.

Given the high degree of uncertainty surrounding the future of the project, the Group has recorded an impairment loss of €(19.9) million in its financial statements at December 31, 2022 (see note 10 "non-current operating items").

2.4.1.10 NON-COMPLIANCE WITH COVENANTS FOR CERTAIN PROJECT FINANCING

At December 31, 2022, one of the Group's assets in Australia remained non-compliant with its minimum debt service coverage ratio, due to operational problems, as was already the case at December 31, 2021. As a result, the Group has maintained the classification in its financial statements of the related non-recourse project financing, which is presented as

current financial debt, for an amount of AUD 128.7 million (€82.0 million) at December 31, 2022. At the same time, the Group is still in the process of negotiating a resolution of this case of default with the lending institutions, which continued to provide financing for this asset during the year.

In addition to the absence of an agreement for the Provisional Acceptance (PA) of the Mexican El Llano power plant, resulting in the maintenance of certain documentary non-compliances under the financing agreements, the operational difficulties encountered by the power plant in 2022 have led to a situation of non-compliance with the minimum debt service coverage ratio of the non-recourse project financing. The non-current portion of the related financial debt thus continues to be presented in current liabilities (for US\$124.1 million, or €116.3 million) in the Group's financial statements at December 31, 2022. The Group is actively working to resolve the operational difficulties with the EPC contractor, which is a prerequisite for the declaration of provisional technical acceptance and for ending the current financial default situation. The lending institutions continue to support the project. In this respect, the Company has obtained a waiver dated February 1st, 2023.

The other companies financed by project and mezzanine debt, as well as Neoen S.A., with respect to its syndicated loan, complied with their covenants on minimum debt service coverage ratios (DSCR) or minimum equity.

Finally, the situation of the Metoro power plant constitutes a technical default in the meaning of the financing documentation. The financial debt relating to this power plant is presented in current liabilities (US\$30.1 million, or €28.2 million) in the Group's financial statements at December 31, 2022.

A total of €226.6 million of debt has thus been transferred from non-current to current in the 2022 consolidated financial statements.

2.4.1.11 RUSSIAN-UKRAINIAN CONFLICT

Neoen has no activities and no assets in Russia and Ukraine.

Thus, to date, the ongoing conflict in Ukraine has no significant direct impact on the Group or on the continuity of its business. However, given the lack of visibility on the continuation of this conflict, Neoen considers that its activities could be affected, in the future, by the potential impacts of this conflict on the world economy; particularly, in terms of the price of electricity, the price of raw materials used in the composition of the components necessary for the construction of renewable electricity production facilities, or the functioning of supply chains.

2.4.2 COMMENTS ON OPERATIONS

The consolidated statements of income for 2022 and 2021 are broken down into two levels of analysis for revenue, adjusted EBITDA and adjusted EBIT: one covering the Group and the other covering the different segments (Australia, Europe - Africa and the Americas, at the geographical level; solar, wind, storage, farm-down as well as development and investments and eliminations at the operational level). The other elements of the consolidated income statement are analysed globally.

Given the nature of its business and its geographical location, the Group's results are affected by changes in exchange rates. For an analysis of the Group's exposure to currency risk, see paragraph 3.1.3 "risk linked to the Group's financial situation" of this document.

The reference to changes in revenue, adjusted EBITDA or adjusted EBIT at constant rates or constant exchange rates ("cer") means that the impact of changes in exchange rates has been restated by recalculating the various items of the relevant aggregate for the year in question on the basis of the exchange rates recorded in the previous year.

The Group's consolidated financial statements for the year ended December 31, 2022, have been audited by the Company's statutory auditors and are presented in their entirety in chapter 4 of this document.

2.4.2.1 KEY FIGURES

(In millions of euros)	FY 2022	FY 2022 (cer)	FY 2021	Change (cer)	Change (cer) (in %)	Change	Change (in %)
Revenues	503.2	486.1	333.6	+ 152.6	+ 46%	+ 169.7	+ 51%
Energy sales under contract	309.2	297.2	249.3	+ 47.8	+ 19%	+ 59.9	+ 24%
Energy sales in the market	171.5	167.3	74.7	+ 92.6	+ 124%	+ 96.9	+ 130%
Other revenues	22.5	21.7	9.6	+ 12.1	+ 126%	+ 12.9	+ 134%
Adjusted EBITDA^(a)	414.0	399.2	300.4	+ 98.8	+ 33%	+ 113.6	+ 38%
Adjusted EBITDA margin	82%	82%	90%				
Adjusted EBIT^(a)	259.3	250.2	189.6	+ 60.6	+ 32%	+ 69.7	+ 37%
Adjusted EBIT margin	52%	51%	57%				
Non-current operating income^(b)	(31.1)	(29.1)	(18.4)	- 10.7	- 58%	- 12.7	- 69%
Net financial result	(152.7)	(142.8)	(117.7)	- 25.1	- 21%	- 35.0	- 30%
Adjusted consolidated net income^(a)	48.0	50.3	40.2	+ 10.0	+ 25%	+ 7.8	+ 19%

(a) For more details on the definition and calculation of those aggregates, the reader is invited to refer to section 2.1 "alternative performance indicators" of this document.

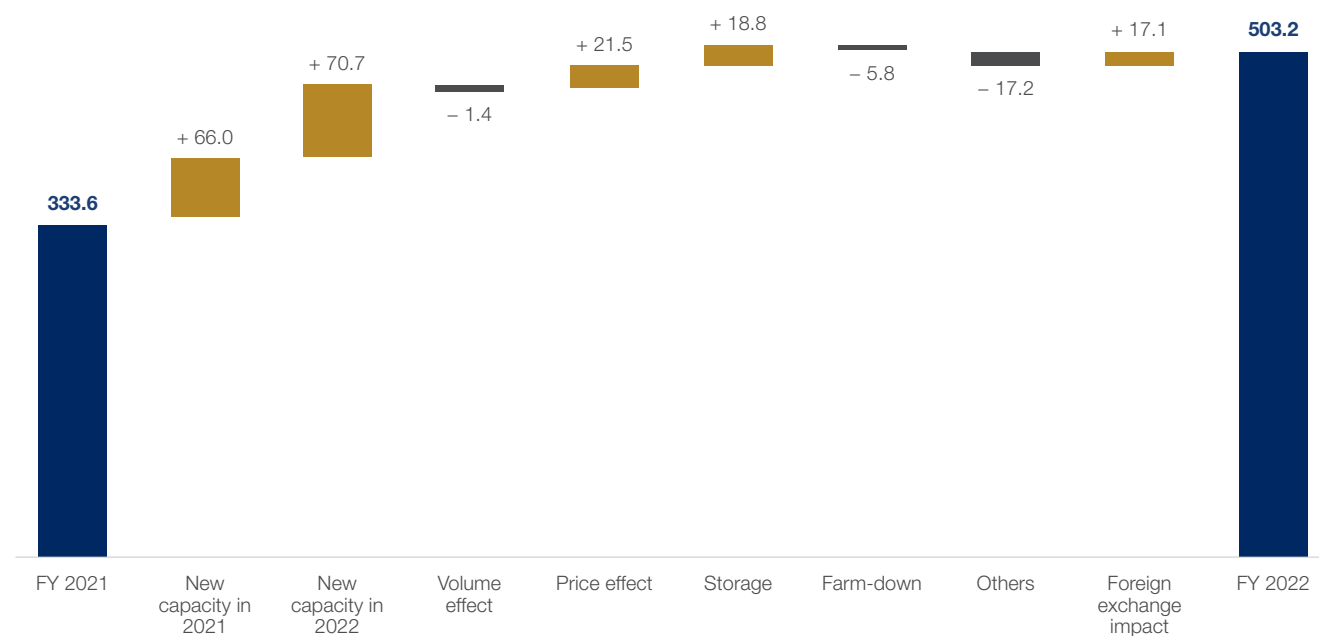
(b) This aggregate is detailed in paragraph 2.4.2.3 of this document.

Evolution of revenue and adjusted EBITDA

The Group's consolidated revenue and adjusted EBITDA have evolved as follows between 2021 and 2022:

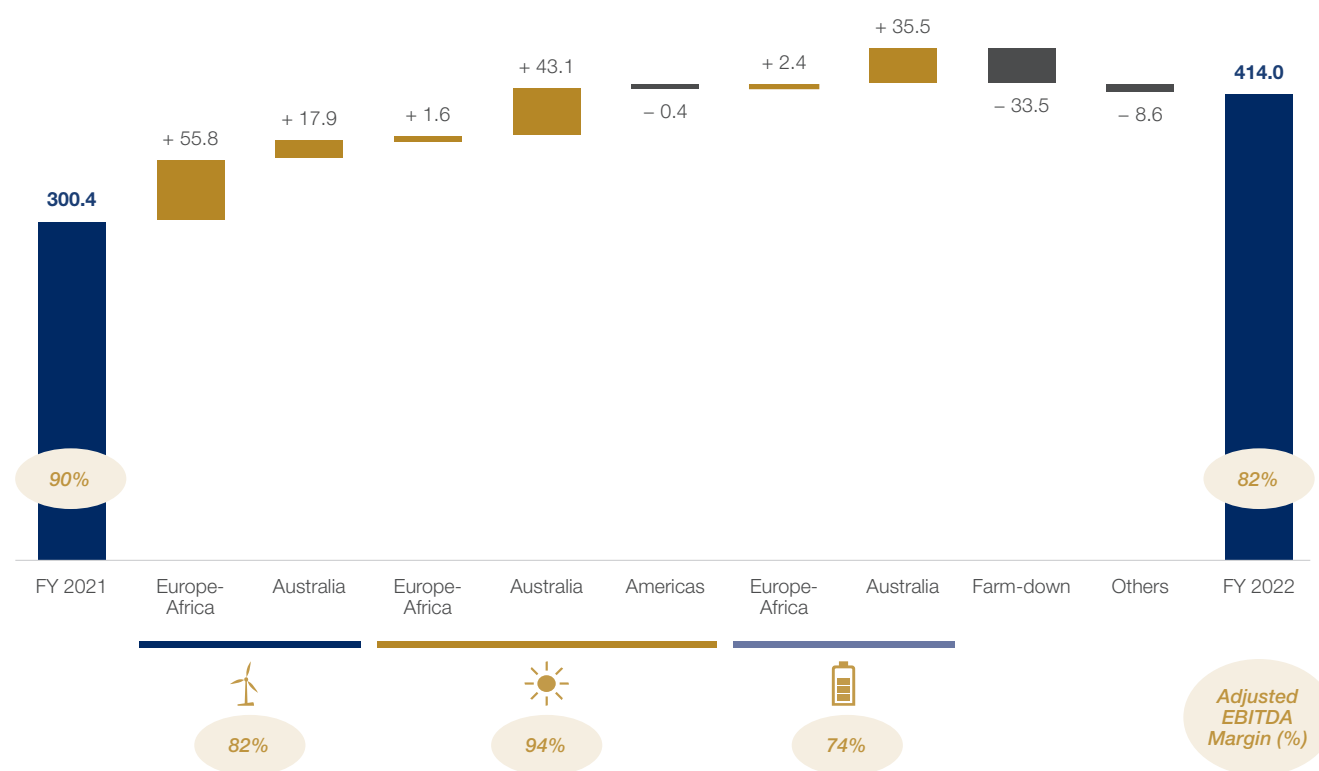
Change in revenue

(in millions of euros)



Change in adjusted EBITDA

(in millions of euros)



2.4.2.2 SEGMENT RESULTS

Segment results for 2021 and 2022 are thus presented for each of the Group's operating segments: solar power, wind power, storage, farm-down, development and investments and, eliminations.

(In millions of euros)	Revenue				Adjusted EBITDA ^(a)				Adjusted EBIT ^(b)			
	FY 2022	FY 2021	Change	Change (in %)	FY 2022	FY 2021	Change	Change (in %)	FY 2022	FY 2021	Change	Change (in %)
Australia												
Wind power	84.5	67.1	+ 17.4	+ 26%	71.9	53.9	+ 17.9	+ 33%	45.6	36.1	+ 9.5	+ 26%
Solar power	53.1	37.6	+ 15.5	+ 41%	73.9	30.7	+ 43.1	+ 140%	56.1	13.7	+ 42.3	x4
Storage	80.2	28.1	+ 52.1	x3	61.9	26.4	+ 35.5	+ 135%	38.8	13.8	+ 25.0	x3
Total	217.8	132.8	+ 85.0	+ 64%	207.6	111.0	+ 96.6	+ 87%	140.5	63.7	+ 76.9	+ 121%
As a %	43% ^(e)	40% ^(e)			95% ^(f)	84% ^(f)			65% ^(g)	48% ^(g)		
Europe - Africa												
Wind power	132.1	68.1	+ 64.1	+ 94%	106.9	51.1	+ 55.8	+ 109%	76.5	21.6	+ 54.9	x4
Solar power	64.4	60.8	+ 3.7	+ 6%	50.9	49.3	+ 1.6	+ 3%	32.4	30.2	+ 2.2	+ 7%
Storage	11.4	6.3	+ 5.1	+ 80%	6.2	3.8	+ 2.4	+ 63%	4.8	2.5	+ 2.3	+ 91%
Farm-down	-	-	-	N/A	16.4	50.0	- 33.5	- 67%	16.4	50.0	- 33.5	- 67%
Total	208.0	135.2	+ 72.8	+ 54%	180.4	154.2	+ 26.2	+ 17%	130.2	104.3	+ 25.9	+ 25%
As a %	41% ^(e)	41% ^(e)			87% ^(f)	114% ^(f)			63% ^(g)	77% ^(g)		
Americas												
Solar power	76.6	63.9	+ 12.7	+ 20%	56.8	57.3	- 0.4	- 1%	30.0	38.1	- 8.1	- 21%
Total	76.6	63.9	+ 12.7	+ 20%	56.8	57.3	- 0.4	- 1%	30.0	38.1	- 8.1	- 21%
As a %	15% ^(e)	19% ^(e)			74% ^(f)	90% ^(f)			39% ^(g)	60% ^(g)		
Others												
Development and investments ^(c)	82.3	77.2	+ 5.1	+ 7%	(8.4)	2.1	- 10.5	x4	(20.5)	(7.6)	- 12.9	x3
Eliminations ^(d)	(81.4)	(75.5)	- 5.9	- 8%	(22.3)	(24.2)	+ 1.9	+ 8%	(20.9)	(8.9)	- 12.0	- 135%
Total	0.9	1.7	- 0.8	- 48%	(30.7)	(22.1)	- 8.6	- 39%	(41.4)	(16.4)	- 24.9	x3
TOTAL	503.2	333.6	+ 169.7	+ 51%	414.0	300.4	+ 113.6	+ 38%	259.3	189.6	+ 69.6	+ 37%
Of which: wind power	216.6	135.1	+ 81.5	+ 60%	178.6	105.0	+ 73.6	+ 70%	122.0	57.7	+ 64.3	+ 111%
Of which: solar power	194.1	162.3	+ 31.9	+ 20%	181.6	137.3	+ 44.3	+ 32%	118.6	82.1	+ 36.5	+ 44%
Of which: storage	91.6	34.4	+ 57.1	x3	68.1	30.2	+ 37.9	+ 125%	43.6	16.3	+ 27.3	x3
Of which: farm-down	-	-	-	N/A	16.4	50.0	- 33.5	- 67%	16.4	50.0	- 33.5	- 67%

(a) For more details on the definition and calculation of this aggregate, please refer to paragraph 2.1.1 of this document "adjusted EBITDA".

(b) For more details on the definition and calculation of this aggregate, please refer to paragraph 2.1.2 of this document "adjusted EBIT".

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

(d) 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 capitalised in accordance with IAS 38 "intangible assets".

(e) The percentages are the contribution of each geographical zone to the Group's revenues (excluding Development and investments and eliminations).

(f) The percentages reflect adjusted EBITDA margin by geographical zone.

(g) The percentages reflect adjusted EBIT margin by geographical zone.

Revenue

The Group's consolidated revenues amounted to €503.2 million in 2022 (€486.1 million at constant exchange rates), up by **+€169.7 million** or +51% compared with 2021 (+46% at constant exchange rates).

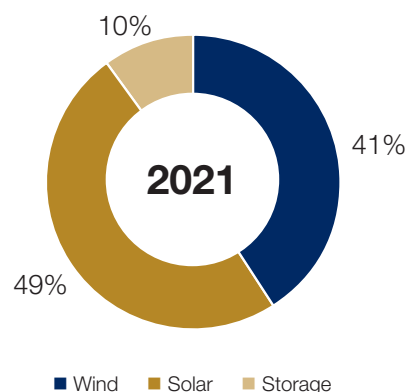
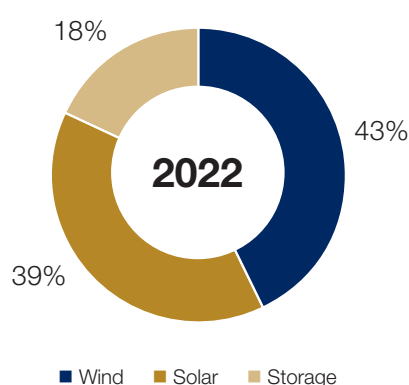
This growth is mainly due to the contribution of assets commissioned during 2021 in Australia, in Argentina and in France, and to the *prorata temporis* contribution of the new power plants that started production in 2022, essentially in Finland, in France and in Australia. It thus includes early generation revenues⁵ which benefited from a context of very high market prices.

This growth was also supported by the increased contribution of assets commissioned before January 1st 2021, mainly in Australia, as a result of (i) favourable market prices, (ii) the entry into force of the purchase agreement for the Bulgana power plant at the end of 2021, and (iii) the very strong performance of the Hornsdale Power Reserve battery.

However, the increase in revenues was limited by the decline in the contribution of the El Llano power plant and by the negative impact associated with the power plants sold at the end of 2021 as part of the farm-down operations.

Revenue breakdown by operating segment

The graphs below show the breakdown of revenue by operating segment and does not include the following segments: development, investments and eliminations and farm-down.



The **wind segment** became the largest contributor to the Group's consolidated revenues (43% in 2022 compared to 41% in 2021).

Revenues for this segment amounted to €216.6 million in 2022, an increase of **+€81.5 million** or +60% compared to 2021.

• Europe-Africa (+€64.1 million)

The increase in revenue was primarily due to the contribution of assets commissioned in 2022 (**+€57.2 million**), mainly from the Mutkalampi power plant in Finland, which benefited from significant early generation revenues⁵ before the entry into force of its purchase agreements, scheduled in 2023, in a context of very high market prices.

This increase was driven, to a lesser extent, by the full-year effect of assets commissioned in 2021 (**+€4.2 million**). In addition, there was a higher contribution from power plants commissioned before January 1st, 2021 (**+€2.7 million**), mainly due to the conclusion of new short-term power sales contracts in Ireland, at prices higher than those of the historical contracts which expired in 2022.

• Australia (+€17.4 million)

Revenue growth was mainly due to an increase in the contribution of:

- the three Hornsdale wind farms (**+€9.5 million**), which benefited from higher wind resources in 2022 than in 2021, and from favourable market prices during the year;
- the Bulgana power plant (**+€7.4 million**), which had only started to produce at full capacity in October 2021 and which, following the start of its purchase agreement in December 2021, benefited from a higher average selling price in 2022 than in 2021 when the power generated was sold on the market in a context of low prices.

The **solar segment** is now the second largest contributor to the Group's consolidated revenues (39% in 2022 compared to 49% in 2021).

Revenues for this segment came to €194.1 million in 2022, an increase of **+€31.9 million** or +20% compared to 2021.

⁵ Short-term energy sales prior to the start of a long-term contract.

• Australia (+€15.5 million)

The growth in revenues is mainly due to the contribution of the Western Downs power plant, which gradually injected electricity into the grid, before the entry into force of its purchase agreement, scheduled for the first half of 2023, in a context of high market prices (+€12.0 million). Revenue also benefited from a better performance by the power plants commissioned before January 1st, 2021 (+€3.6 million) under the effect of favourable price effect.

• Americas (+€12.7 million)

The growth in revenue in the region came exclusively from the contribution of the Altiplano 200 power plant in Argentina, commissioned in 2021 (+€24.3 million).

Revenue in the region was, however, affected by the decrease in the contribution of the El Llano power plant in Mexico (–€15.8 million), due to:

- a higher comparison base in 2021⁶. Indeed, due to the delay in the implementation of the administrative mechanisms required to start the long-term power purchase agreement, and an agreement reached in this context with the *Centro Nacional de Control de Energía* (CENACE) during the second quarter of 2021, its PPA, which was initially scheduled to take effect at the end of June 2020, became effective from July 1st, 2021. As a result, the electricity generated until the start of the PPA had been sold on the market, at a higher price than that of the PPA;
- the shutdown of the power plant due to technical difficulties in June 2022, with the gradual restart of the plant only starting in October 2022.

• Europe-Africa (+€3.7 million)

The increase in revenue was mainly driven by the contribution of power plants commissioned in 2021 and in 2022, particularly in France (+€10.6 million).

However, this increase was partially offset by the impact of the sale of power plants in France, at the end of 2021, as part of farm-down operations (–€5.8 million).

The **storage segment** accounted for 18% of the Group's revenues in 2022 (compared with 10% in 2021).

This segment contributed €91.6 million to the Group's revenues in 2022, up by +€57.1 million compared to 2021.

• Australia (+€52.1 million)

The strong growth in revenue was mainly driven by the contribution of the Victorian Big Battery power plant (+€36.5 million), which entered into operation in December 2021, based on:

- on the one hand, sales of frequency control ancillary services (FCAS)⁷ and arbitrage revenues amid highly volatile market conditions; and
- on the other hand, income associated with its "SIPS" (System Integrity Protection Scheme) contract signed with the Australian regulator, which provides for the unlock of additional peak capacity on the existing Victoria to New South Wales Interconnector during Australian summers.

The storage activity was also underpinned by the strong performance of the Hornsdale Power Reserve battery, which benefited from favourable conditions in a highly volatile market (+€15.6 million).

• Europe-Africa (+€5.1 million)

Revenue growth in the storage activity in the region was underpinned by the strong performance of the Yliikkälä Power Reserve battery in Finland (+€4.4 million), which expanded its grid service sales to several markets in 2022 and benefited from favourable market conditions.

The development and investments and eliminations segments amounted to €0.9 million in 2022, compared to €1.7 million in 2021 (–€0.8 million).

In 2022, the share of energy sales in the market amounted to 34% of consolidated revenues, compared to 22% in 2021. It notably reflects the early generation revenues recorded by the Mutkalampi park in Finland, the contribution of the Victorian Big Battery in Australia, the strong performance of the Hornsdale Power Reserve battery, and finally a context of high market prices.

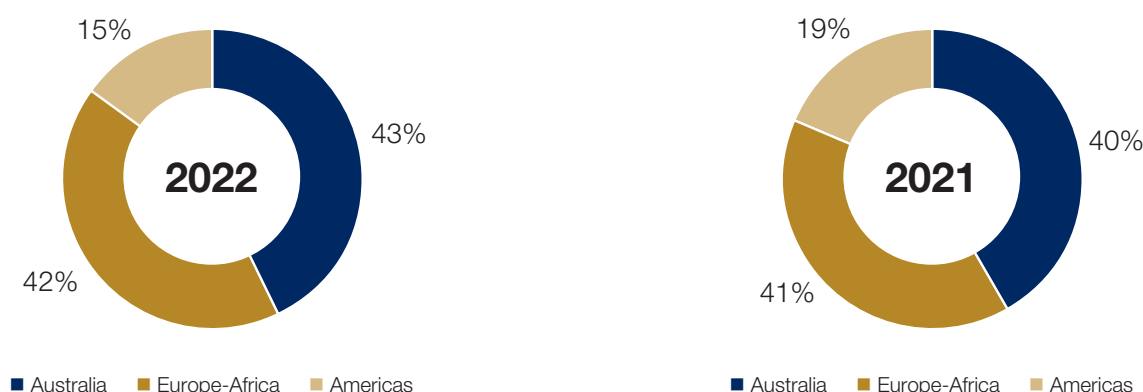
As a proportion of solar and wind revenues (excluding revenues from the storage business), the share of energy sales in the market reached 24% of revenues, compared with 16% in 2021.

⁶ For more details on the 2021 revenue contribution of the El Llano power plant, please refer to section 2.3.2.2 "segment results" of the Universal Registration Document 2021.

⁷ The reader is referred to section 9.6 "glossary" of the present document for the definition of FCAS.

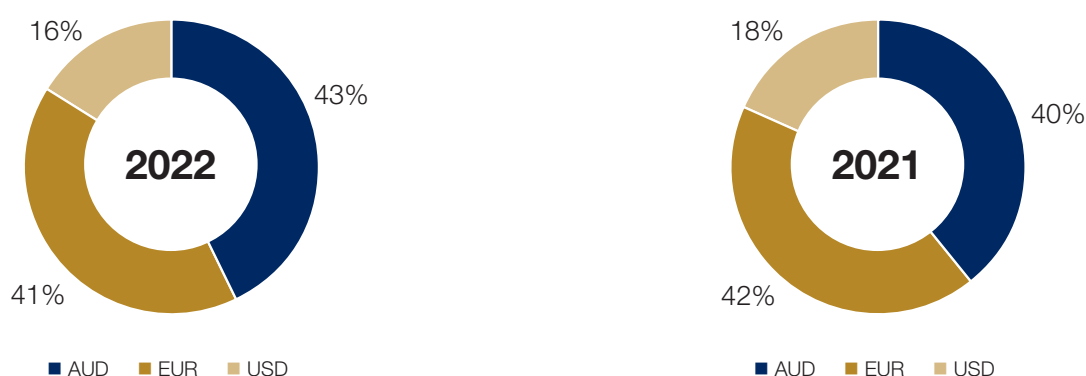
Revenue breakdown by geographic area

The graphs below show the breakdown of revenue by geographic area and does not include the following segments: development, investments and eliminations and farm-down.



Revenue breakdown by currency

The graphs below show the breakdown of revenue by currency and does not include the following segments: development, investments and eliminations and farm-down.



Adjusted EBITDA

In 2022, the Group's consolidated adjusted EBITDA amounted to €414.0 million (€399.2 million at constant exchange rates), up by **+€113.6 million** or +38% compared to 2021.

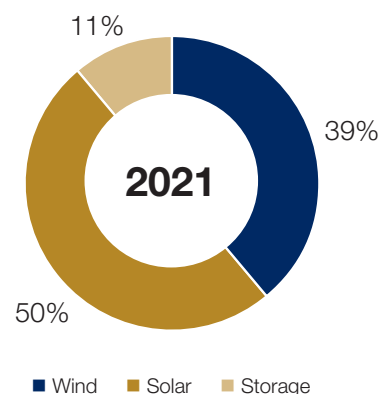
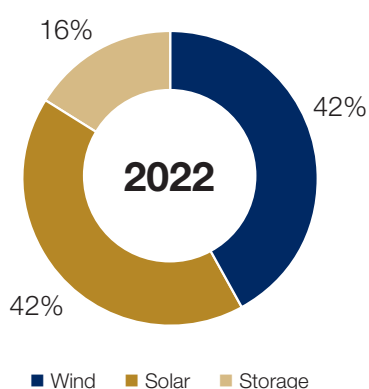
This increase was mainly driven by growth in the Group's revenue (**+€169.7 million** compared to 2021 - see analysis of revenue above), as well as, to a lesser extent, by an increase in contractual indemnities to compensate for lost revenues due to delays in the commissioning of several projects (*LDs*), particularly in Australia, and a partial waiver of penalties historically recognised under a power purchase agreement in Australia (**+€37.2 million**).

However, it was affected mainly by the increase in operating expenses (**–€51.1 million**), associated mainly with the power plants commissioned in 2021 and 2022, and the decline in the contribution from the farm-down activity (**–€33.5 million**).

The Group's adjusted EBITDA margin was 82% in 2022 compared to 90% in 2021.

Adjusted EBITDA breakdown by operating segment

The graphs below show the breakdown of adjusted EBITDA by operating segment and does not include the following segments: development, investments and eliminations and farm-down.



The solar segment contributed €181.6 million to the Group's adjusted EBITDA, an increase of **+€44.3 million**, or +32%, compared to 2021. The adjusted EBITDA margin of this segment was thus 94% in 2022, compared to 85% in 2021, due to an increase in LDs in Australia in particular.

- **Australia (+€43.1 million)**

The growth in adjusted EBITDA was mainly due to the increase in LDs, associated with delays in the commissioning of a solar power plant (**+€25.9 million**) and, to a lesser extent, by the increase in revenues (**+€15.5 million** - see analysis of revenue above). In addition, there was an increase in green certificates recorded in inventory, resulting from an increase in volumes produced (**+€4.3 million**).

- **Europe-Africa (+€1.6 million)**

The growth in adjusted EBITDA was mainly due to the increase in revenues (**+€3.7 million** - see analysis of revenue). This was partially offset by the increase in operating expenses associated with the assets commissioned in 2021 and 2022 (**-€1.8 million**).

- **Americas (-€0.4 million)**

The change in adjusted EBITDA was mainly due to the lower contribution from the El Llano power plant as a result, in particular, of technical problems encountered in 2022, which affected the production of green certificates, stored pending their sale, and a negative base effect mainly associated with the recognition of LDs in 2021 (**-€15.2 million**). In addition, there was an increase in operating expenses (**-€3.9 million**). These effects were offset by the growth in revenues (**+€12.7 million** - see analysis of revenue above) and by a positive base effect resulting from the recognition, in 2021, of expenses associated with the provisioning of historical indemnities (LDs) and penalties, mainly related to the Altiplano 200 plant in Argentina (**+€6.1 million**).

The wind segment contributed €178.6 million to the Group's adjusted EBITDA, representing an increase of **+€73.6 million** or +70% compared to 2021. The adjusted EBITDA margin for this segment thus came to 82% in the financial year compared to 78% in 2021.

- **Europe-Africa (+€55.8 million)**

The increase in adjusted EBITDA for this region was mainly due to the **+€64.1 million** increase in revenue (see analysis of revenue above). This effect was partly offset by an increase in operating expenses (**-€8.1 million**), mainly associated with the power plants commissioned in 2021 and in 2022, in Finland and in France.

- **Australia (+€17.9 million)**

The increase in adjusted EBITDA was essentially due to the growth in revenues (**+€17.4 million** - please refer to the analysis of revenue) and to the partial waiver of penalties historically recognised under a power purchase agreement (**+€11.1 million**). These effects were partially offset by the increase in network connection, supervision and maintenance costs, due in particular to the achievement of the Commercial Operation Date by the Bulgana power plant at the end of 2021 (**-€6.5 million**), and for the Hornsdale power plants, by the contractual revision of maintenance costs, and the increase in regulation costs following the occurrence of incidents on the network during 2022 (**-€4.3 million**).

The storage segment has more than doubled its adjusted EBITDA in 2022 compared to the previous (€68.1 million, an increase of **+€37.9 million**). The adjusted EBITDA margin for this segment was 74% in 2022 compared to 88% in 2021, mainly due to the commissioning of the Victorian Big Battery at the end of 2021.

- **Australia (+€35.5 million)**

The increase in adjusted EBITDA is essentially due to the growth in revenues **+€52.1 million**, resulting from the commissioning of the Victorian Big Battery in December 2021, as well as the strong growth in the contribution of the Hornsdale Power Reserve battery, which benefited from favourable conditions in a highly volatile market environment (see analysis of revenue above). These effects were partially offset by the increase in operating expenses (**-€15.5 million**), mainly due to the increase in electricity purchases required to provide grid balancing services (FCAS) and to arbitrage operations.

• Europe-Africa (+€2.4 million)

The increase in adjusted EBITDA was mainly due to higher revenues and operating expenses at the Ylikkälä Power Reserve storage facility in Finland (+€4.4 million and –€1.8 million respectively), as a result of its strong performance, which benefited from a favourable market environment in 2022.

The farm-down segment generated an adjusted EBITDA of €16.4 million in 2022, corresponding exclusively to the capital gain on the sale of the Saint-Sauvant wind farm in France (see paragraph 2.4.1.8 of this document).

In 2021, this segment generated adjusted EBITDA of €50.0 million, corresponding mainly to the capital gains on the sale of the Lugos (Gironde), Miremont (Haute-Garonne), Grabels (Hérault) and Lagarde (Vaucluse) solar power plants, as well as the Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects in France.

The development and investment and elimination segments contributed a negative €(30.7) million to the Group's adjusted EBITDA in 2022, compared with a negative €(22.1) million in 2021. The –€8.6 million increase was mainly due to an increase in personnel costs as a result of the growth in the workforce and continued development of the Group.

Adjusted EBITDA breakdown by geographic area

The graphs below show the breakdown of adjusted EBITDA by geographic area and does not include the following segments: development, investments and eliminations and farm-down.

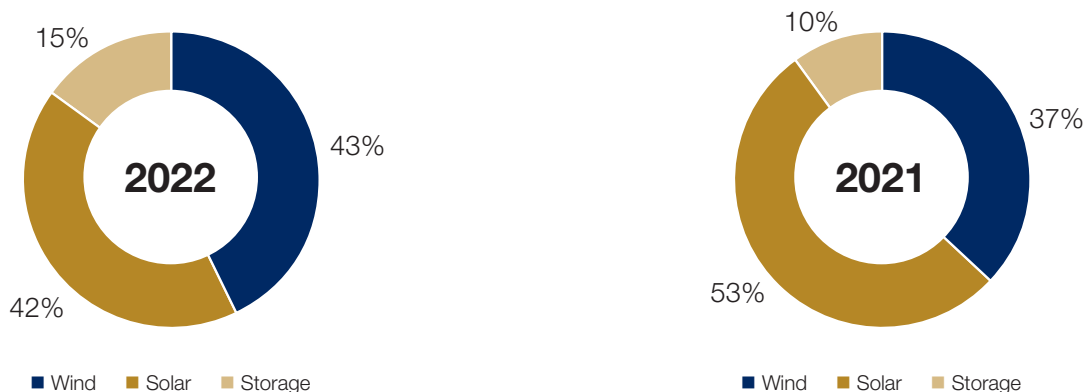


Adjusted EBIT

Adjusted Group EBIT amounted to €259.3 million in 2022 (€250.2 million at constant exchange rates), an increase of +€69.7 million or +37% relative to 2021. This increase was mainly due to growth in adjusted EBITDA for +€113.6 million (see analysis of adjusted EBITDA above). These effects were partly offset by the increase in depreciation expenses resulting from the growth in the number of assets in operation, as a result of the commissioning carried out in 2021 and in 2022 for –€39.9 million.

Adjusted EBIT breakdown by operating segment

The graphs below show the breakdown of adjusted EBIT by operating segment and does not include the following segments: development, investments and eliminations and farm-down.



The wind segment contributed €122.0 million to the Group's adjusted EBIT (**+€64.3 million**). This was mainly due to the **+€73.6 million** increase in adjusted EBITDA of this segment (see analysis of adjusted EBITDA above). This effect was partly offset by the increase in depreciation expenses resulting from the growth in the number of assets in operation (**-€9.3 million**).

- **Europe-Africa (+€54.9 million)**

The increase in adjusted EBIT was mainly due to growth in adjusted EBITDA (**+€55.8 million** - see analysis of adjusted EBITDA above).

- **Australia (+€9.5 million)**

The progression in adjusted EBIT was mainly due to growth in adjusted EBITDA (**+€17.9 million**), partially offset by the increase in depreciation expenses for the Bulgana power plant, resulting from a full-year effect (**-€8.6 million**).

The solar segment contributed €118.6 million to the Group's adjusted EBIT, representing an increase of **+€36.5 million** or +44% compared to 2021. This was mainly due to the **+€44.3 million** increase in adjusted EBITDA for this segment (see analysis of adjusted EBITDA above). This effect was partly offset by the **-€7.8 million** increase in depreciation expenses resulting from the growth in the number of assets in operation.

- **Australia (+€42.3 million)**

The increase in adjusted EBIT in the region was mainly attributable to the **+€43.1 million** increase in adjusted EBITDA, and by the gradual entry into the end of operation phase of the Degruessa power plant (**+€1.9 million**). These effects were partly offset by the increase in depreciation expenses resulting from the growth in the number of assets in operation (**-€2.7 million**).

- **Europe-Africa (+€2.2 million)**

The increase in adjusted EBIT in the region was mainly due to the **+€1.6 million** increase in adjusted EBITDA (see analysis of adjusted EBITDA above).

- **Americas (-€8.1 million)**

The decrease in adjusted EBIT was mainly due to the decrease in adjusted EBITDA for **-€0.4 million** and an increase in depreciation expenses in connection with the commissioning of the Altiplano 200 power plant in Argentina at the end of 2021 (**-€6.3 million**).

The storage segment contributed for €43.6 million to the Group's adjusted EBIT in 2022 (**+€27.3 million** compared with 2021). This change is mainly due to the (**+€37.9 million** increase) in adjusted EBITDA for this segment (see analysis of adjusted EBITDA above) and was partly offset by an increase in depreciation expenses resulting from the growth in the number of assets in operation (**-€10.6 million**).

- **Australia (+€25.0 million)**

The increase in adjusted EBIT was mainly due to the increase in adjusted EBITDA (**+€35.5 million**). This was partly offset by an increase in depreciation expenses relating to the commissioning of the Victorian Big Battery in December 2021 (**-€9.9 million**).

- **Europe-Africa (+€2.3 million)**

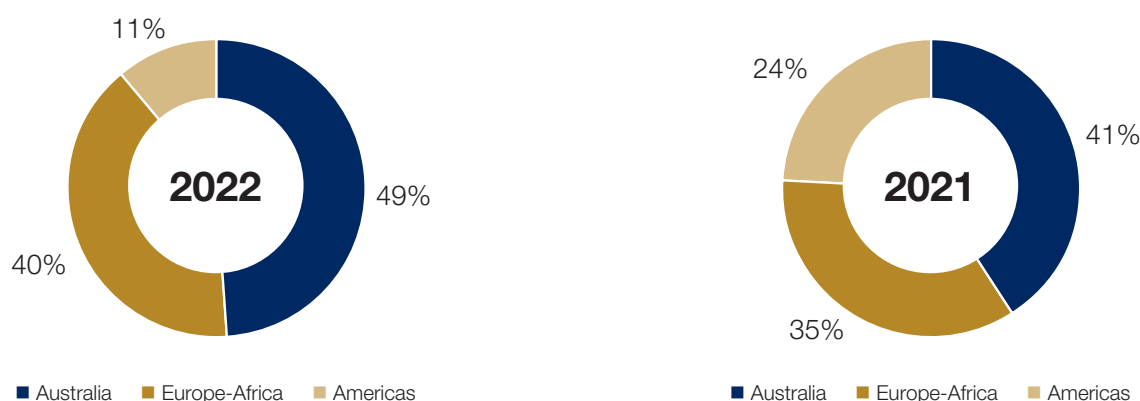
The increase in adjusted EBIT in the region was mainly attributable to the **+€2.4 million** increase in adjusted EBITDA (see analysis of adjusted EBITDA above).

The farm-down segment contributed for **€16.4 million** to the Group's adjusted EBIT (see the analysis of adjusted EBITDA above).

The development and investments and elimination segments contributed €(41.4) million to the Group's adjusted EBIT, compared to €(16.4) million in 2021, in line with the evolution of the Group's activities.

Adjusted EBIT breakdown by geographic area

The graphs below show the evolution of the breakdown of adjusted EBIT by geographic area, excluding development, investments and eliminations and farm-down.



Current operating income

The Group's current operating income was €262.1 million in 2022, corresponding to an increase of **+€72.5 million**, or +38%, compared with 2021. This change is explained by the increase in adjusted EBIT (see analysis of adjusted EBIT), as well as by the change in fair value of energy derivative financial instruments recorded in 2022 in the amount of +€2.8 million (see paragraph 2.1.2 of this document).

2.4.2.3 ANALYSIS OF THE OTHER CONSOLIDATED INCOME STATEMENTS ITEMS

Non-current operating income

Non-current operating income amounted to €(31.1) million, down **-€12.7 million**, and break down as follows:

(In millions of euros)	FY 2022	FY 2021	Change	Change (in %)
Prior period development costs ^(a)	(4.0)	(8.1)	+ 4.1	+ 51%
Gains and losses on disposal of assets	0.1	0.1	- 0.0	N/A
Other non-current operating income and expenses	(3.8)	(8.0)	+ 4.2	+ 52%
Impairment of capitalised development costs ^(b)	(15.7)	(5.7)	- 10.0	x3
Other asset impairment ^(c)	(13.1)	(10.5)	- 2.7	N/A
Reversal of impairment of capitalised development costs ^(d)	1.6	5.8	- 4.2	- 73%
Impairments of non-current assets	(27.3)	(10.4)	- 16.9	x3
Non-current operating income	(31.1)	(18.4)	- 12.7	x2

(a) Capitalised development costs for which the Group considers that the criteria for capitalisation set out in IAS 38 "intangible assets" are no longer met, as a result of external events beyond its control, are recognised in other non-current operating expenses for the period (see section 4.1 - notes 9 and 10 to the consolidated financial statements). In 2022, these are mainly related to the abandonment of projects in Australia, Ireland and France. In 2021, they mainly corresponded to the abandonment of projects in Australia, France, United States and Ireland.

(b) In 2022, this item concerns the impairment loss related to the Metoro power plant in Mozambique for €(8.8) million (see note 1.3 "events of the financial year" of the consolidated financial statements) and to an integrated project in Australia, which became less competitive due to the completion of another project in the same geographical area, for €(2.5) million.

(c) In 2022, other impairment of assets mainly corresponds to the impairment recognised on the Metoro power plant in Mozambique, in addition to the impairment of development costs (as indicated in the previous note) for €(11.1) million (see note 1.3 "events of the financial year").

(d) Reversals of impairment of capitalised development costs related to abandoned projects.

Net financial result

<i>(In million of euros)</i>	FY 2022	FY 2021	Change	Change (in %)
Cost of debt	(135.6)	(106.5)	– 29.1	– 27%
Total other financial income and expenses	(17.1)	(11.2)	– 5.9	– 52%
Shareholder loan interest income and expenses	(1.0)	(0.8)	– 0.2	– 27%
Foreign exchange gains and losses	(6.9)	(4.3)	– 2.6	– 60%
Other financial income and expenses	(9.2)	(6.1)	– 3.1	– 50%
Net financial result	(152.7)	(117.7)	– 35.0	– 30%

The change in net financial result was mainly due to:

- the increase in the cost of financial debt of **–€29.1 million**, resulting mainly from the increase in the number of power plants in operation under financing, effect partially offset by the impact of the gradual repayment of the financing of the plants in operation. The increase in interest rates in 2022 has had only a limited impact on the increase in the cost of financial debt due to the Group's hedging strategy.

In 2022, the cost of financial debt thus corresponded to interest expense on borrowings resulting from financing relating to generation assets of €(113.9) million (compared to €(77.2) million in 2021), interest expense on interest rate derivatives of €(14.9) million (compared to €(23.9) million in 2021) and interest expense on rights of use of €(6.8) million (compared to €(5.4) million in 2021).

- the negative impact of the change in other financial income and expenses (**–€3.1 million**). These consist mainly of (i) commissions and bank charges, (ii) the cost of security deposits and guarantees, (iii) the undiscounting of provisions for decommissioning and other non-current liabilities, which have increased due to the growth in the number of operating assets, and (iv) other non-recurring financial income and expenses.

In 2022, they include €(1.4) million of net expenses related to the refinancing of Neoen Production 2.

In 2021, the financial expense of €(6.1) million included €(1.6) million of expenses incurred in connection with early repayment of loans.

- the negative impact of changes in foreign exchange gains and losses (**–€2.6 million**). In 2022, foreign exchange gains and losses amount to €(6.9) million, of which €(5.2) million relates to the Group's exposure in Argentina (notably in respect of VAT credits denominated in Argentine pesos).

In 2021, foreign exchange gains and losses amounted to €(4.3) million and consisted mainly of foreign exchange losses on VAT credits denominated in Argentine pesos.

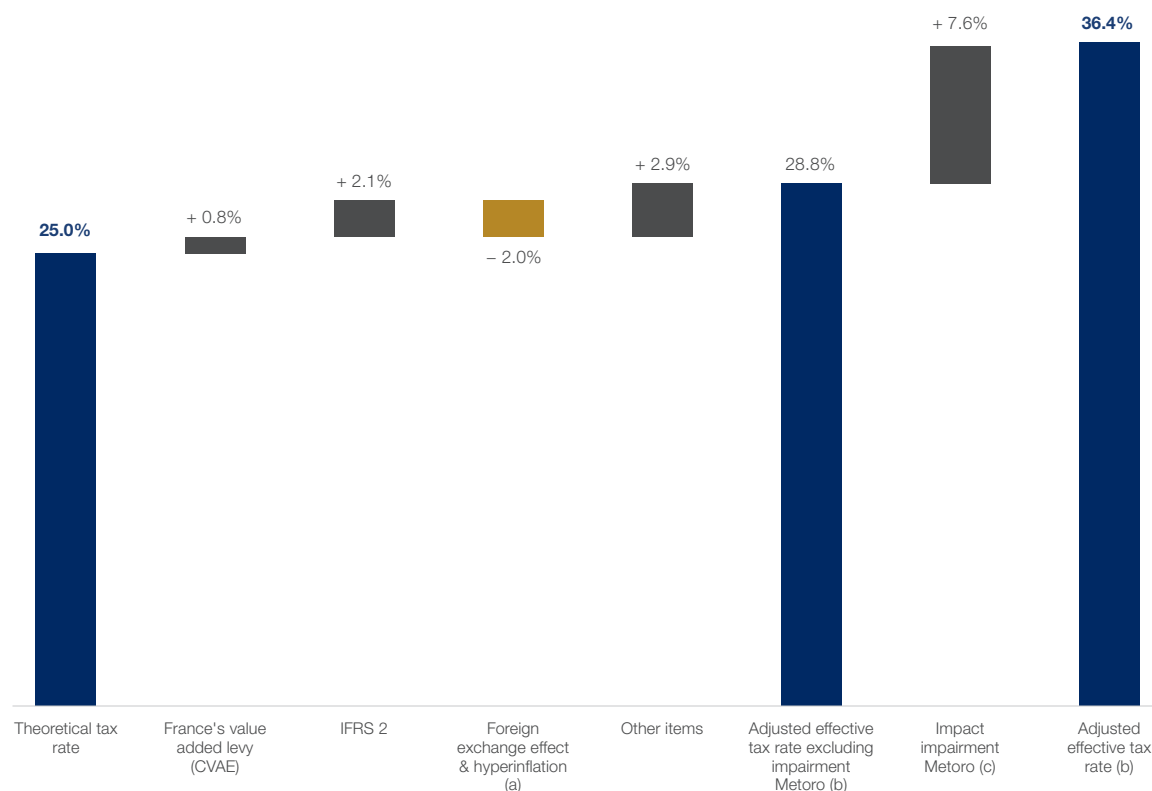
Income tax

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 recognised. Other fiscal charges are excluded, such as local taxes recognised in "taxes, duties and similar payments" 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 it operates, of the extent of non-deductible expenses and of the impact of thin capitalisation mechanisms.

The tax expense amounted to €(32.6) million in 2022 (of which €(22.6) million in current tax and €(10.0) million in deferred tax), compared with €(13.3) million in 2021 (of which €(14.6) million of current tax and €1.4 million of deferred tax). After adjustment for the tax effect of the change in fair value of energy derivative financial instruments (€5.1 million), the adjusted tax expense amounted to €(27.5) million for financial year 2022, representing an adjusted effective tax rate of 36.4% compared with 24.8% for financial year 2021.

In 2022, the difference between the theoretical tax rate of 25.0% and the adjusted effective tax rate of 36.4% (+11.4 points) breaks down as follows:

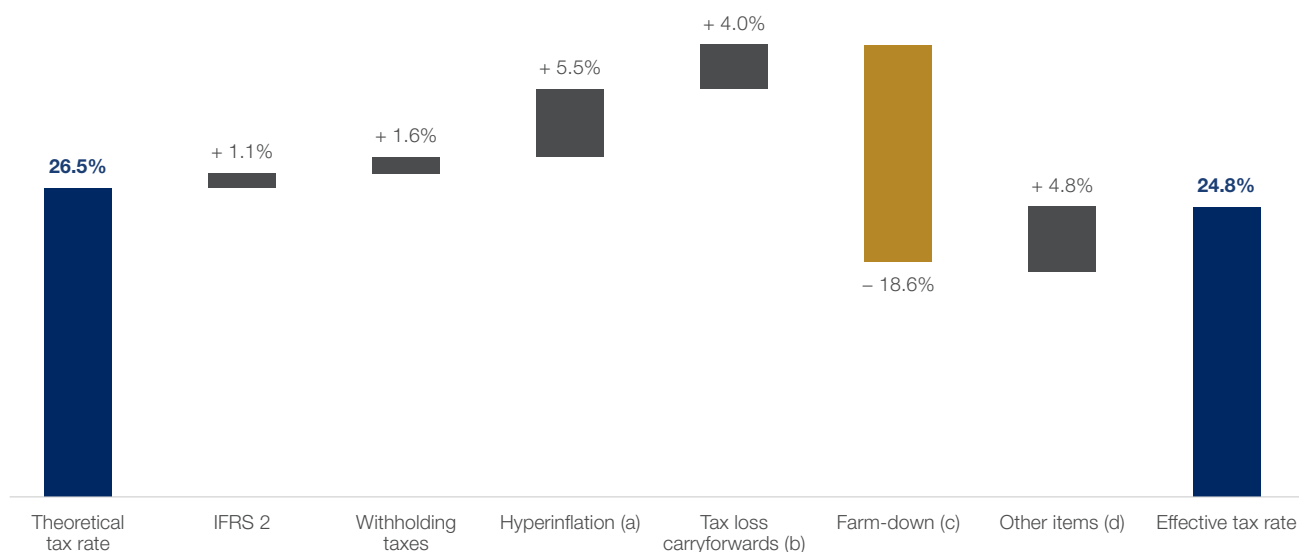


(a) Impact of current local tax rules relative to the impacts of currency effects, inflation (Mexico) and hyperinflation (Argentina).

(b) The adjusted effective tax rate is calculated after restatement of the tax effect related to the change in fair value of energy derivative financial instruments presented in paragraph 2.1.3 of this document.

(c) Impact related to the non-recognition of deferred taxes on the impairment of the Metoro power plant in Mozambique, as well as the impairment of the existing deferred tax asset position.

In 2021, the difference of -1.7 percentage points between the theoretical tax rate of 26.5% and the effective tax rate of 24.8% broke down as follows:



(a) Impact of the hyperinflationary tax rules in force in Argentina.

(b) Given the earnings outlook for certain regions and time limitations in the use of tax losses, no deferred tax assets were recognised for certain tax losses.

(c) Impact of farm-down transactions carried out in France, which are mainly subject to the long-term capital gains regime.

(d) Permanent differences not individually material.

Adjusted net income of the consolidated Group

Details of the calculation of the adjusted net income for the consolidated group are provided in paragraph 2.1.3 of this document.

As a result of the aforementioned changes, the adjusted net result of the consolidated group increased by **+€7.8 million**, from €40.2 million in 2021 to €48.0 million in 2022.

Net income of the consolidated Group

In light of the above-mentioned changes, as well as the change in fair value of energy derivative financial instruments (€2.8 million) and the related tax effect ((€5.1) million), net income for the consolidated group rose by **+€5.4 million**, from €40.2 million in 2021 to €45.7 million in 2022.

• Net income attributable to the Group

Net income attributable to the Group increased by **+€4.2 million** to €45.2 million in 2022 from €41.0 million 2021. This change was mainly due to the increase in net income mentioned above.

• Net income attributable to non-controlling interests

Net income attributable to non-controlling interests amounted to €0.5 million in 2022 compared with €(0.8) million in the previous year. This represents other shareholders' share in the income generated by companies in which Neoen is not the only shareholder, mainly in Australia, Mozambique, Jamaica, Zambia and Finland.

2.4.2.4 SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(In million of euros)</i>	31.12.2022	31.12.2021	Change	Change (in %)
Non-current assets	5,362.9	4,147.0	+ 1,215.9	+ 29%
Of which: property, plant and equipment	4,566.9	3,677.6	+ 889.4	+ 24%
Of which: Interest rate derivative financial instruments ^(a)	271.7	30.4	+ 241.3	x9
Of which: energy derivative financial instruments ^(b)	41.3	-	+ 41.3	N/A
Current assets	883.9	798.2	+ 85.7	+ 11%
Of which: cash and cash equivalents	622.8	592.6	+ 30.3	+ 5%
Assets held for sale^(c)	26.8	-	+ 26.8	N/A
Total assets	6,273.5	4,945.1	+ 1,328.4	+ 27%
Of which: Equity^(d)	1,914.3	1,373.9	+ 540.4	+ 39%
Of which: Liabilities^(a)	3,509.3	2,953.4	+ 555.9	+ 19%
Of which: senior financing of projects	2,717.6	2,199.6	+ 518.1	+ 24%
Of which: bond financing of projects	77.4	117.5	- 40.2	- 34%
Of which: corporate financing	409.7	338.8	+ 70.8	+ 21%
Of which: lease liabilities	264.4	219.7	+ 44.7	+ 20%
Of which: Liabilities associated with assets held for sale^(c)	28.2	-	+ 28.2	N/A
Total equity and liabilities	6,273.5	4,945.1	+ 1,328.4	+ 27%

(a) Interest rate derivatives and financial debt are discussed in paragraph 2.5.4 of this document.

(b) As of December 31, 2022, energy derivative financial assets amounted to €46.1 million, of which €41.3 million were non-current and €4.8 million current. They are detailed in section 4.1 - note 20.3 "derivative financial instruments".

(c) At December 31, 2022, the assets and liabilities held for sale correspond solely to those of the Cabrela solar power plant in Portugal, which was formally sold as part of its farm-down activity on February 22, 2023, (see section 4.1 - note 3.4 "assets and liabilities held for sale").

(d) Movements on the Group's equity during the financial years 2021 and 2022 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 18 "shareholders' equity and details of dilutive instruments").

Property, plant and equipment increased by +24% in 2022, due to the increase in the number of power plants in operation and under construction (see section 4.1 - note 12.3 "Property, plant and equipment" and paragraph 2.4.1.1 of this present document). The Group's investments are detailed in paragraph 2.5.8.2 of this document.

The increase in the Group's cash position over the year (**+€30.3 million**) is mainly due to cash and cash equivalents:

- located in the project companies and associated holding companies for €376.0 million, with a change in 2022 of **+€63.0 million** compared with 2021, that results from the following:
 - for assets under construction, from drawings on senior debt and equity contributions to finance the construction of power plants; and,
 - for assets in operation and finance companies, from cash flow generated by the business, intended in particular to ensure the repayment of project financing and the remuneration of contributions made by shareholders.
- held by Neoen S.A. for €246.9 million, with a change in 2022 of **–€32.7 million** compared with 2021, that is mainly due to:
 - the issue of new green convertible bonds ("OCEANes vertes 2022") maturing in 2027 for **+€300.0 million** (see paragraph 2.4.1.7);
 - payment by project companies of development services for **+€97.3 million**, notably in France and Finland;
 - dividends received and repayments of shareholder loans by project companies for **+€46.8 million**.

These effects were more than offset by:

- investments in the form of equity and shareholder loans in new projects and assets under construction for **–€390.3 million**, particularly in Australia, France, Portugal, Sweden, Canada and Finland; and;
- the financing of development activities and structural costs for **–€87.1 million**.

As of 31 December 2022, the cash position of the operating assets includes an amount of €90.3 million in cash and cash equivalents, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA (see section 4.1 - notes 17 and 20.2 of the consolidated financial statements).

The increase in equity over the year (**+€540.4 million**) was mainly due to:

- the positive change in other comprehensive income (**+€263.1 million**), mainly resulting from the changes in the fair value of interest rate swaps classified as cash flow hedging instruments, in a context of rising forward interest rates during the year (+€252.0 million net of tax);
- the conversion into shares of a large majority of the 2019 convertible bonds (**+€199.6 million**). See paragraph 2.4.1.6 of this document;
- the net income for the period (**+€45.7 million**);
- the impact of green convertible bonds issued in September 2022, corresponding to the equity component of this compound instrument within the meaning of IFRS (**+€35.6 million** net of deferred taxes);
- the payment of the first dividend in the history of the Group (**–€10.7 million**, of which –€2.1 million in cash and –€8.6 million in shares).

The Group's financial structure is solid, with 88% of its total financial debt at end of December 2022 backed by its electricity generation facilities which are for the most part financed by long-term project debt denominated in strong currencies (the euro, US dollar and Australian dollar). The Group's liabilities are detailed in paragraph 2.5.4 of this document.

2.5 FINANCING AND INVESTMENTS

2.5.1 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 through long term non-recourse or limited recourse project financing, with some exceptions, at the level of the project companies or holding companies that hold them and mezzanine loans at the level of intermediate holding companies. This debt is then repaid through cash flows generated by project companies with operating assets, the resources of which come mainly from the sale of energy under long-term contracts (PPAs) and, to a lesser extent, under short-term contracts and in wholesale markets (for more details see paragraph 2.5.2 "debt project financing").

The Group structures its project debt in the currency of expected revenue flows.

In addition to the existing project financings, the Group provides equity to the project companies, which has so far been covered mainly by capital increases at the level of the Company, by corporate and mezzanine loans and, to a lesser extent, by the surplus cash flows generated by operating activities and from operating assets.

On April 9, 2021, Neoen had successfully completed a capital increase with preferential subscription rights for a total gross amount of €599.0 million. The proceeds of this capital increase were intended to finance the first investment cycle of the Group's development plan aimed at reaching more than 10 GW of capacity in operation or under construction by the end of 2025 (see paragraph 2.4.1 "key events of the period" and section 2.3 "outlook and trends" of this document)⁸.

With regard to corporate financing, and in line with its commitment to sustainable finance, the Group once again issued green convertible bonds on September 14, 2022, for a nominal amount of €300 million, maturing in 2027, in accordance with the Green Bond Framework (framework document) that governs its use. This transaction followed two previous convertible bond issues, in 2019 for a nominal amount of approximately €200 million (OCEANES 2019) and in 2020 for a nominal amount of approximately €170 million (OCEANES vertes 2020). On September 7, 2022, the Company decided to redeem early all of the remaining outstanding 2019 convertible bonds. On this occasion, the vast majority of the bondholders exercised their right to receive Neoen shares at the rate of 1.078 Neoen shares for 1 bond presented, resulting on October 28, 2022, in a capital increase of a total amount of approximately €199.6 million including the issue premium.

In addition, in March 2020, the Group set up a syndicated credit

facility, which has since been amended several times, for a nominal amount of €200 million, including a term loan of €125 million and a revolving credit facility for a nominal amount of €75 million, whose financial conditions are indexed to Environmental, Social and Governance (ESG) indicators, and whose maturity was extended during 2021 to 2026. This syndicated loan, whose term loan component was increased to €175 million in 2022, remained undrawn at December 31, 2022.

These various corporate financing transactions have strengthened the Group's financial resources as part of the execution of its growth strategy. They have thus contributed to the continuation of its investment in the development of new projects and to the optimisation of its balance sheet, in compliance with a leverage ratio of more than 70% of the capital invested on an all-in basis including all of the Group's debt, whether corporate or set up at the level of dedicated project companies, in the form of senior or mezzanine debt.

To finance its working capital requirements and development, the Group essentially uses the surplus cash flows generated by its operations, the €75 million revolving credit facility maturing in 2026 described above, as well as the revenues associated with its developer activity (mainly in the form of development agreements).

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

2.5.2 DEBT PROJECT FINANCING

2.5.2.1 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 thereby prepare its applications for the anticipated tender procedures or power production contracting procedures. Once the power sale contract or mechanism has been concluded, including in particular the use of aggregation contracts, the Group organises the project's financing as part of a detailed and structured process, involving due diligence by the lenders and the negotiation of financing contracts. For the purpose of these negotiations, the Group is supported by its Paris-based legal department and financing team for all contracts outside Australia, where the Group has a specific financing team and local in-house legal support.

⁸ On March 29, 2023, Neoen carried out a capital increase with preferential subscription rights of €750.4 million. This operation is detailed in section 2.7 of this document.

2.5.2.2 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 favourable 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.

2.5.2.3 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 merchant 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 Ipx, Société Générale, BPCE, BNP Paribas, Banque Postale, Clean Energy Finance Corporation, HSBC, NORD/LB or Bpifrance, but retains the option of selecting other lenders, notably Australian and Japanese lenders, for its assets in Australia, 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 Development Finance 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 several factors, including in particular those described above, 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.

2.5.3 INDICATORS MONITORED BY THE GROUP

The average remaining maturity of the financing for the Group's consolidated projects in operation as of December 31, 2022 and December 31, 2021 is as follows:

Weighted average remaining maturity of financing (in years)	Solar power	Wind power	Total
AUD	12.7	18.2 ⁹	16.3
EUR	15.5	17.4	16.8
USD	13.6	N/A	13.6
TOTAL 31.12.2022	13.4	17.7	15.9
TOTAL 31.12.2021	14.2	16.9	15.8

The increase between December 31, 2021 and December 31, 2022 in the wind power segment reflects the commissioning of the Mutkalampi power plant in Finland.

⁹ The Australian assets Western Downs (solar - 460 MWp), Kaban (wind - 157 MW) and Goyder 1A (wind - 209 MW), which are currently under construction, were financed individually in the form of short-term project financing (mini-perm type) with a term of 5 years. They will be included in the weighted average remaining maturity of financing indicator as soon as they become operational.

The weighted average ratio of project debt to investment expenditure for the project's development and construction, for all the Group's projects in operation as of December 31, 2022 and December 31, 2021 is as follows:

Ratio of project debt to investment expenditure	Solar power	Wind power	Total
AUD	64%	79%	73%
EUR	90%	70%	75%
USD	64%	N/A	64%
TOTAL 31.12.2022	70%	73%	72%
TOTAL 31.12.2021	70%	77%	73%

The decrease in the wind power segment between December 31, 2021 and December 31, 2022, is mainly due to the commissioning of the Mutkalampi power plant in Finland.

In addition, 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, was 72% at December 31, 2022.

The weighted average interest rate associated with project financing for all the Group's projects in operation, 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 summarised as follows:

All-in weighted average interest rate for project financing	Solar power	Wind power	Total
AUD	5.0%	4.1%	4.4%
EUR	2.0%	2.5%	2.3%
USD	6.9%	N/A	6.9%
TOTAL 31.12.2022	5.0%	3.1%	4.0%
TOTAL 31.12.2021	4.4%	2.9%	3.7%

The increase between December 31, 2021 and December 31, 2022 is mainly due to a context of rising interest rates, which has affected the unhedged portion of project financing for assets in operation, and, for euro-denominated debt, the effect of the start-up of the Mutkalampi wind farm in Finland.

In addition, as of December 31, 2022, the weighted average interest rate of the Group's various debts (project, mezzanine and corporate debt) was about 2.6% in euros, 4.3% in Australian dollars and 6.9% 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 at December 31, 2022, (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.

At December 31, 2021, the weighted average interest rate for the Group's project, mezzanine and corporate debt was about 2.1% in euros, 4.0% in Australian dollars and 6.0% in US dollars.

The increase in the weighted average interest rate of the Group's euro-denominated debt between December 31, 2021 and December 31, 2022 is mainly due to (i) the drawdowns made for the financing of the Mutkalampi wind farm in Finland (ii) the issue in September 2022 of new green convertible bonds with an annual coupon of 2.875% (iii) a context of rising interest rates that affected the uncovered portion of project financing in euros.

The increase in the weighted average rate of the Group's debt in U.S. dollars and Australian dollars between December 31, 2021 and December 31, 2022, is mainly due to a rise in interest rates, which affected the unhedged portion of project financing denominated in these two currencies.

At December 31, 2022, the overall average interest rate for the Group is about 3.8%, compared with about 3.5% at December 31, 2021, due in particular to the global rise in interest rates, which affected the portion of project financing not covered (see section 4.1 - note 22.1 "interest rate risks").

The Group's financial debt terms and conditions and financing structure are detailed in section 4.1 – note 20 "financing and financial instruments".

2.5.4 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 million of euros)	31.12.2022	31.12.2021	Change	Change (in %)
Financial debt^(a)	3,509.3	2,953.4	+ 555.9	+ 19%
Non-controlling investors and others ^(b)	(40.2)	(31.0)	– 9.1	– 29%
Adjusted financial debt	3,469.1	2,922.4	+ 546.8	+ 19%
Total cash and cash equivalents ^(c)	(622.8)	(592.6)	– 30.3	– 5%
Guarantee deposits ^(d)	(79.0)	(67.2)	– 11.8	– 18%
Interest rate derivative assets ^(e)	(302.7)	(30.4)	– 272.3	x10
Total net debt^(f)	2,464.6	2,232.2	+ 232.4	+ 10%

(a) Essentially comprising project financing, the debt component of the convertible bonds into new shares and/or exchangeable for existing shares issued ("OCEANES"), and lease liabilities included in the calculation of net debt under IFRS 16 «leases» (note that adjusted EBITDA therefore excludes lease charges). Financial debts are detailed in section 4.1 - note 20.2 to the 2022 consolidated financial statements.

(b) Notably comprising non-controlling shareholder loans to project companies or project holding companies.

(c) Changes in this item are described in paragraph 2.4.2.4 of this document.

(d) Mainly comprising guarantee deposits in the framework of project financing, in the form of DSRAs (Debt Service Reserve Accounts), or for the purposes of project construction.

(e) Interest rate derivatives with a positive market value. Interest rate derivatives with negative market values are included in total financial debt. The change compared to December 31, 2021 is explained by the increase in the fair value of interest rate derivatives, in a context of rising forward interest rates in 2022 (see section 4.1 note 20.2 of the 2022 consolidated financial statements).

(f) As of December 31, 2022, the net debt calculation includes an amount of €90.3 million in cash and cash equivalents, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA. Furthermore, due to the rise in forward interest rates in 2022, interest rate derivatives with a positive fair value have significantly increased to reach €302.7 million. Excluding these two one-off items, the net debt would have amounted to €2,857.6 million as of December 31, 2022. For further details, see section 4.1 - notes 17 and 20.2 of this document.

Analysis of liabilities by type

(In million of euros)	Non-current	Current	31.12.2022	Non-current	Current	31.12.2021	Change
Senior financing of projects	2,331.0	386.7	2,717.6	1,795.1	404.5	2,199.6	+ 518.1
Bond financing of projects	73.9	3.5	77.4	102.3	15.3	117.5	– 40.2
Lease liabilities	257.5	6.9	264.4	212.1	7.7	219.7	+ 44.7
Corporate financing	407.9	1.8	409.7	337.5	1.3	338.8	+ 70.8
Non-controlling investors and others	39.9	0.3	40.2	30.8	0.3	31.0	+ 9.1
Interest rate derivative liabilities	-	-	-	23.3	23.3	46.7	– 46.7
Total financial liabilities	3,110.2	399.1	3,509.3	2,501.0	452.4	2,953.4	+ 555.9

Senior project financing (+€518.1 million)

During the financial year 2022, new loans were issued in connection with the financing of Group projects for **+€856.3 million**, including in particular:

- in the Europe-Africa zone for **+€535.0 million** (including Mutkalampi in Finland for +€306.4 million, several wind and solar power plants in France for +€165.1 million and +€49.1 million respectively, and several solar power plants in Ireland for +€14.3 million);
- in Australia for **+€319.6 million** (including mainly Kaban for +€140.0 million, Western Downs for +€84.9 million, Victorian Big Battery for +€45.6 million, Goyder for +€33.1 million and Capital Battery for +€15.6 million).

In addition to this:

- **-€307.8 million** in loan repayments;
- change in the scope of consolidation related to the farm-down of the Saint-Sauvant wind farm in France for **-€30.7 million**;
- **-€25.1 million** of project financing reclassified as liabilities associated with assets held for sale, corresponding to the Cabrela solar power plant in Portugal;
- impact of exchange rate fluctuations for **+€19.3 million**;
- change in amortised cost of borrowings for **+€7.0 million**.

As of December 31, 2022, senior project financings were reclassified as current financial debt for an amount of €226.6 million, compared with €252.4 million as of December 31, 2021 (see paragraph 2.4.1.10 and section 4.1 - notes 1.3 and 20.2).

Bond financing of projects (-€40.2 million)

Bond financing mainly comprises junior debt on project entities. The decrease in bond financing is mainly due to the refinancing of the mezzanine debt of Neoen Production 2. This resulted in the full repayment of the three historical tranches (euros, Australian dollars, US dollars) for **-€110.7 million**, and the issuance of new debt, exclusively in euros, for **+€77.7 million** net of issuance costs.

Lease liabilities (+€44.7 million)

The increase compared with the previous year is mainly due to the entry into force of new leases or revaluations for **+€52.4 million**, and to reimbursements for **-€5.8 million**.

Corporate financing (+€70.8 million)

As of December 31, 2022, corporate financing mainly corresponds to the green convertible bonds issued in June 2020 and September 2022. The increase of +€70.8 million over the period corresponds mainly to the issue of the 2022 green convertible bonds for **+€249.8 million** (debt component, net of issue costs), offset by the conversion of the 2019 OCEANES for **-€190.8 million** (plus **-0.4 million** repaid in cash), as well as the amortisation of the issue premium relating to the convertible bonds and green convertible bonds for **+€10.6 million**.

Non-controlling investors and others (+€9.1 million)

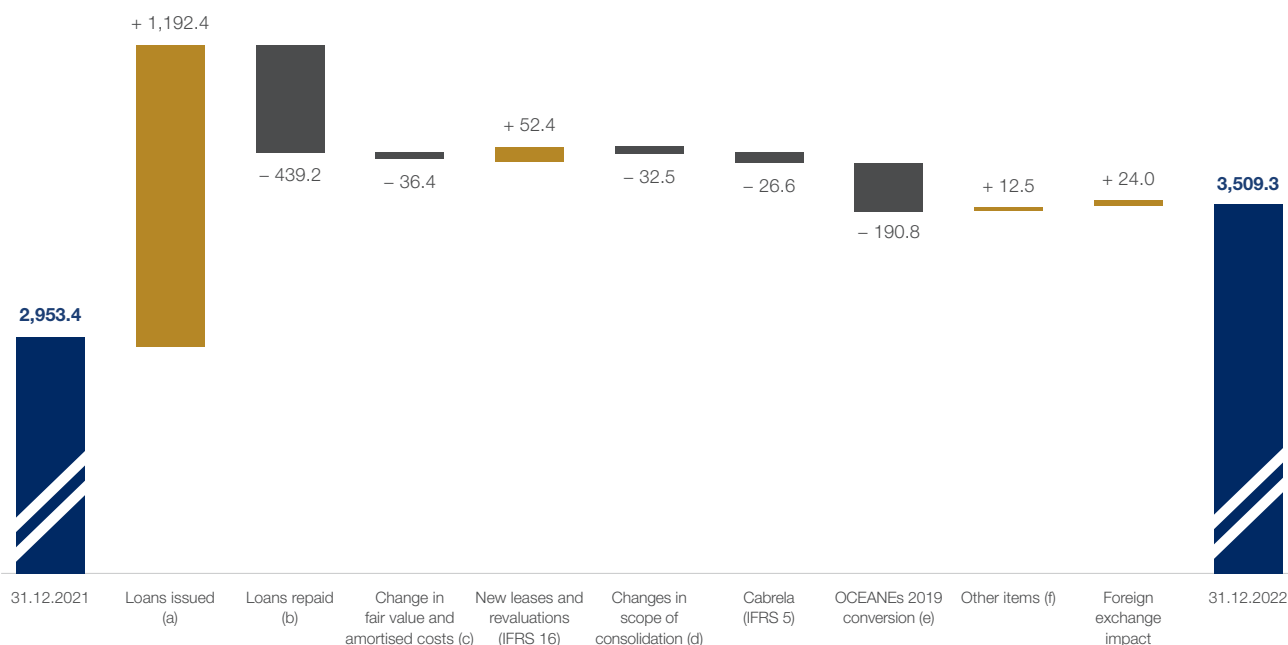
This item consists mainly of current account contributions from minority shareholders in the context of project financing.

Interest rate derivative liabilities (-€46.7 million)

On December 31, 2022, all interest rate derivatives had a positive value due to the significant increase in forward interest rates over the period in all geographical areas where the Group operates, and are therefore presented as assets.

Evolution of the Group's liabilities

The evolution of the Group's liabilities in the year 2022 may be summarised as follows. The amounts are expressed in millions of euros.



(a) Loans issued mainly correspond to senior financing for the Group's new electricity production and storage assets in the form of senior debt (+€856.3 million), the issue of the 2022 green convertible bonds (+€249.8 million, corresponding to the debt component net of issue costs), and the debt raised in the context of the refinancing of Neoen Production 2 (+€77.7 million net of issuance costs). Please refer to the paragraph above entitled "analysis of liabilities by type - senior project financing" of this document.

(b) They mainly include loan repayments made over the period in respect of senior assets financing for (-€307.8 million) and in the context of the refinancing of Neoen Production 2 for (-€110.7 million). Please refer to the paragraph above "analysis of liabilities by type - senior project financing".

(c) Including mainly -€48.2 million of decrease in the fair value of interest rate derivative liabilities due to the significant increase in forward interest rates over the year and +€11.9 million change in amortised cost.

(d) Of which -€32.4 million related to the farm-down of the Saint-Sauvant wind farm in France.

(e) See paragraph 2.4.1.6 "conversion of convertible bonds (OCEANes 2019)" of this document.

(f) This item mainly includes the amortisation of issue premiums relating to the convertible bonds and the green convertible bonds (+€10.6 million).

2.5.5 EVENTUAL RESTRICTIONS ON THE USE OF CAPITAL

The Company's financing contracts are subject to compliance with a number of commitments described in paragraph 3.1.3 "risk linked to the financial covenants included in project financing agreements".

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 equity distribution or repayment of shareholder's loans. 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 service. 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.

Financial covenants

At December 31, 2022, two of the Group's assets, one in Australia (already affected by an event of default at the end of 2021) and the other in Mexico, were non-compliant with their minimum debt service coverage ratio, mainly due to operational problems.

As a result, the Group has accelerated in its financial statements the related non-recourse project financings, which are presented as current financial debts, for amounts of AUD 128.7 million (€82.0 million) and US\$124.1 million (or €116.3 million), respectively. At the same time, the Group has entered into negotiations with a view to resolving these events of default. In this respect, the Company has obtained a waiver dated February 1, 2023, for the event of defaults affecting the Mexican asset. As for the Australian asset, negotiations are still in progress with the lending institutions at the date of publication of this document.

The other companies financed by project and mezzanine debt complied with their covenants on minimum debt service coverage ratios (DSCR) or minimum shareholders' equity.

For more information on the description of financing contracts and related risks, please refer to paragraph 3.1.2 "risks linked to projects in the process of development and construction".

Corporate Financing

The syndicated credit facility set up in March 2020, which has since been amended several times, contains specific restrictions, in particular making the distribution of dividends by the Company subject to the fact that it does not exceed a maximum level expressed as a percentage of the net income of Neoen S.A.

For more information on the dividend policy, see paragraph 7.3.8 "dividends" of this document.

Situation in Argentina

The rules put in place by the Central Bank of the Republic of Argentina during the second half of 2019, aimed at restricting access to foreign currencies for Argentine companies and individuals in order to stem the devaluation of the Argentine peso (ARS) against the US dollar (USD), have still the consequence, at the date of publication of the Group's financial statements 2022, of substantially restricting the possibility of buying dollars on the Argentine foreign exchange market for the purposes of:

- repayment of shareholder loans denominated in USD in favour of the Altiplano 200 power plant (amounting to US\$101.2 million, including accrued interest for US\$16.4 million, at December 31, 2022);
- dividend payments.

However, these restrictions do not affect payments in respect of servicing USD denominated debt (repayment of principal or interest), to the foreign lenders on this project.

2.5.6 SOURCES OF FINANCING FOR FUTURE INVESTMENT

The Group plans to continue financing the majority of its cash requirements for the construction of its future facilities through long-term, non-recourse project financing at the level of the project companies or the holding companies that own them. These may be supplemented by other financing, outside the project companies, including corporate financing, in accordance with an objective of a leverage ratio of more than 70% of the capital invested on an all-in basis including all of the Group's debt, whether corporate or set up at the level of dedicated project companies.

The Group keep aiming to have more than 10 GW of capacity under construction and in operation by the end of 2025. The Group expects that the total capital expenditure for the projects included in this over 10 GW target, which were not yet in operation in March 2021, will amount to approximately €6.2 billion over the period 2021-2025.

This investment plan announced by Neoen on the occasion of its Capital Markets Day 2021, combined with the commitments already taken on by the Group, implies the mobilisation of additional resources of an estimated amount of approximately €335.0 million over the next twelve months.

In this context, in addition to the long-term non-recourse project financing that the Group plans to set up at the level of the project companies or the holding companies that hold them, the planned refinancing of its corporate financing at maturity and the issue of additional corporate financing, the net cash flows generated by its activity, after repayment of the principal and interest on its loans, and the net income generated by its farm-down activity, as announced during the presentation of the progress of its 2021-2025 strategic plan, following the publication of its 2022 annual results, the Group will have to raise additional equity for an amount estimated at a maximum of €750.0 million by the end of 2025¹⁰, period of achieving this over 10 GW target, in addition to the €600 million already raised in the context of the capital increase carried out on April 9, 2021 (refer to section 2.3 of this document).

This need has been estimated by taking into account, in particular, growth in installed capacity for solar, wind and electricity storage technologies, the investment costs per MW installed expected over the period 2023-2025, for each of these three technologies and the average leverage ratio observed in the financing of solar, wind and storage projects in the different geographical areas where the Group operates.

Given the Group's flexibility in terms of the timetable for carrying out its projects, its available and usable resources are nevertheless sufficient to enable it to cover its non-deferrable spending commitments for the next twelve months.

As of December 31, 2022, the Group disposed of a gross cash and cash equivalents of €622.8 million¹¹ and €288.0 million of unused corporate borrowing facilities.

¹⁰ On March 29, 2023, Neoen carried out a capital increase with preferential subscription rights of €750.4 million. This operation is detailed in section 2.7 of this document.

¹¹ At December 31, 2022, cash and cash equivalents include €90.3 million in cash and cash equivalents, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA (please refer to notes 17 and 20.2 of the consolidated financial statements).

2.5.7 CASH POSITION AND CASH FLOWS

(In million of euros)

	FY 2022	FY 2021	Change
Net cash flows from operating activities	457.0	276.0	+ 181.0
Net cash flows from investing activities	(1,113.7)	(709.2)	– 404.4
Net cash flows from financing activities	681.3	643.5	+ 37.8
Impact of foreign exchange rate fluctuation	9.4	7.3	+ 2.1
Effect of reclassification of cash related to assets held for sale	(3.9)	-	– 3.9
Change in cash and cash equivalents	30.2	217.6	– 187.4

2.5.7.1 NET CASH FLOWS FROM OPERATING ACTIVITIES

(In million of euros)

	FY 2022	FY 2021	Change
Consolidated net income	45.7	40.2	+ 5.4
Elimination of change in fair value of energy derivative financial instruments ^(a)	(2.8)	-	– 2.8
Other eliminations ^(b)	349.7	202.0	+ 147.7
Impact of changes in working capital ^(c)	81.6	44.3	+ 37.3
Taxes paid (received) ^(d)	(17.2)	(10.6)	– 6.6
Net cash flows from operating activities	457.0	276.0	+ 181.0

(a) In 2022, the elimination of the change in fair value of energy derivative financial instruments, with no impact on the Group's cash position, concerned power plants in Finland for €(42.9) million and in Australia for €45.7 million.

(b) This cash flow mainly includes the elimination of amortisation and provisions (€176.9 million in 2022 compared with €117.5 million in 2021), capital gains and losses on disposals ((€12.5) million in 2022 compared with (€42.0) million in 2021), the cost of financial debt (€135.6 million in 2022 compared with €106.5 million in 2021) and deferred and current tax expenses (income) (€32.6 million in 2022 compared with €13.3 million in 2021). Please refer to the consolidated cash flow statement - section 4.1 and paragraph 4.1.5 of this document.

(c) The changes in working capital requirement amounted to +€81.6 million, compared with +€44.3 million in 2021. This increase (+€37.3 million) is mainly due to the effect of:

- the increase in other liabilities (contribution to the change in working capital requirement of +€114.6 million in 2022 compared with +€1.4 million in 2021). In 2022, they include €90.3 million in cash and cash equivalents, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA.
- the increase in trade receivables (contribution to the change in working capital requirement of –€37.2 million in 2022, compared with +€4.4 million in 2021), due to a higher level of activity at the end of 2022, mainly in Finland and Australia.
- the increase in other receivables (contribution to the change in working capital requirement of –€2.2 million in 2022 versus +€25.3 million in 2021). The positive impact on working capital requirement observed in 2021 resulted mainly from the collection of VAT receivables, mainly in Finland and Argentina.

In 2021, the impact of the change in working capital requirements resulted from receipts of contractual indemnities compensating for loss of revenues related to delays in the commissioning of certain power plants, and from the receipt of historical VAT receivables on power plants under construction.

(d) The change in taxes paid between the two periods (–€6.6 million) is mainly due to an increase in tax paid within the scope of the Neoen S.A., tax consolidation, associated mainly with the payment, in 2022, of advance payments based on the 2021 taxable income (see the consolidated cash flow statement - section 4.1 - paragraph 4.1.5 of this document and note 11 "taxes").

The increase in net cash flow from operating activities (+€181.0 million) between 2021 and 2022, is mainly due to the increase in adjusted EBITDA (+€113.6 million), detailed in paragraph 2.4.2.2 of this document, and a greater contribution from the changes in working capital requirement as detailed above.

2.5.7.2 NET CASH FLOWS FROM INVESTING ACTIVITIES

(In million of euros)

	FY 2022	FY 2021	Change
Acquisitions of subsidiaries net of treasury acquired ^(a)	(15.6)	(32.2)	+ 16.5
Sales of subsidiaries net of cash transferred ^(b)	26.2	72.1	- 45.9
Acquisition of intangible and tangible fixed assets ^(c)	(1,111.2)	(754.5)	- 356.7
Sale of intangible and tangible fixed assets	1.1	0.2	+ 0.9
Change in financial assets ^(d)	(15.4)	3.2	- 18.6
Dividends received	1.2	1.9	- 0.7
Net cash flows from investing activities	(1,113.7)	(709.2)	- 404.4

(a) In 2022, acquisitions of subsidiaries net of treasury acquired mainly concerned projects under development in Canada, Finland, and Ecuador (see paragraph 2.4.1.1 "continued portfolio growth" of this document). In 2021, this flow corresponded mainly to the acquisition of projects under development in Ireland, Finland, Sweden and France (please refer to the consolidated cash flow statement - section 4.1 - paragraph 4.1.5 of this document).

(b) In 2022, sales of subsidiaries net of cash transferred correspond to the farm-down transaction of the Saint-Sauvant wind farm, and the receipt of a component of the sale price of a farm-down transaction concluded in 2021 (see paragraph 2.4.1.8 and section 4.1 - note 1.3 "events of the financial year"). In 2021, sales of subsidiaries net of cash transferred corresponded mainly to farm-down transactions of the Grabels (Hérault) and Lagarde (Vaucluse) solar power plants, the Lugos (Gironde) and Miremont (Haute-Garonne) solar power plants, and Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects.

(c) These flows are detailed below and in paragraph 2.5.8.2 "main investments made" of this document.

(d) The change over the period is mainly due to the net impact of the release and constitution of security deposits related to the construction and financing of production assets. In 2022, acquisitions amounted to €(17.2) million and disposals to €1.9 million. In 2021, acquisitions amounted to €(23.8) million and disposals to €27.0 million.

In 2022, the **-€404.4 million** increase in investment activities compared to 2021, is mainly due to an increase in acquisitions of property, plant and equipment and intangible assets (**-€356.7 million**), which had experienced a temporary slowdown in 2021, as a direct result of the Group's project completion timetable.

In addition, there is the net impact of the farm-down operations carried out in 2021 and 2022 (**-€45.9 million**).

In 2022, investments in projects (acquisitions of property, plant and equipment and intangible assets net of changes in payables to suppliers of fixed assets) amounted to €1,111.2 million, and mainly concerned the projects and power plants at Bulgana (€12.5 million), Capital Battery (€35.7 million), Victorian Big Battery (€38.4 million), Kaban (€139.7 million), Western Downs (€147.3 million) and Goyder (€155.7 million) in Australia, Björkliden (€19.7 million) and Mutkalampi (€268.0 million) in Finland, Storen (€34.1 million) in Sweden, Torre Bela (€3.4 million) and Rio Maior (€27.9 million) in Portugal, Itzoteno (€15.1 million) in Mexico, as well as wind (€40.9 million), solar (€61.6 million) and storage projects (€5.0 million) in France, solar projects in Ireland (€18.6 million), as well as development costs (€23.4 million).

In 2021, investments in projects resulted in acquisitions of property, plant and equipment and intangible assets (net of changes in fixed asset supplier debts) amounted to €754.5 million, and were mainly related to the projects Bulgana (€52.3 million), Kaban (€62.5 million), Victorian Big Battery (€85.5 million) and Western Downs (€150.6 million) in Australia, Mutkalampi (€123.7 million) in Finland, Metoro (€17.3 million) in Mozambique, Altiplano 200 (€10.8 million) in Argentina, Itzoteno (€12.1 million) in Mexico, as well as solar (€73.8 million) and wind (€91.0 million) projects in France, and development costs (€38.5 million).

Investments made during the period are detailed in paragraph 2.5.8.2 of this document.

2.5.7.3 NET CASH FLOWS FROM FINANCING ACTIVITIES

(In million of euros)	FY 2022	FY 2021	Change
Share capital increase by the parent company ^(a)	48.1	592.1	– 544.0
Contribution of non-controlling interests to share capital increases (reductions)	(1.5)	(2.4)	+ 0.9
Transactions with non-controlling interests ^(b)	(6.0)	-	– 6.0
Net sale (acquisition) of treasury shares	(2.1)	(12.1)	+ 10.0
Issue of loans ^(c)	1,192.4	419.3	+ 773.1
Dividends paid ^(d)	(2.1)	(0.2)	– 1.9
Repayment of loans ^(c)	(439.2)	(272.0)	– 167.3
Interests paid	(108.3)	(81.3)	– 27.0
Net cash flows from financing activities	681.3	643.5	+ 37.8

(a) In 2022, this flow corresponds mainly to the equity component of the green convertible bonds issued in September 2022 (+€47.4 million - see paragraph 2.4.1.7 of this document and section 4.1 - note 1.3 of the consolidated financial statements). In 2021, this flow mainly corresponded to the capital increase carried out on April 9, 2021 for €591.2 million after taking into account the issue costs.

(b) In 2022, transactions with non-controlling interests correspond to the residual amount paid in connection with the put option of 19.9% related to the Mutkalampi power plant (put option exercised in 2021).

(c) Details of loan issues and repayments in 2022 are provided in paragraph 2.5.4 of this document. In 2021, loan issues corresponded mainly to the financing of the Group's new projects in the form of senior debt for +€413.0 million.

(d) In 2022, this flow corresponds mainly to the dividend paid in cash by Neoen S.A. for the 2021 financial year (see section 4.1 – note 1.3 of this document).

The increase in net cash flow from financing activities between 2021 and 2022 was mainly attributable to the increase in loan issues net of repayments, directly associated with the timing of the Group's projects under project financing, as well as the issue of 2022 green convertible bonds, an effect partly offset by the impact of the 2021 capital increase.

Investments in 2022 were financed, for a large part, by the issue of new loans by the project companies as well as by the issue of 2022 green convertible bonds 2022 by Neoen S.A., and to a lesser extent, from equity, resulting in particular from the capital increase carried out in 2021.

2.5.8 CAPITAL INVESTMENTS

2.5.8.1 INVESTMENT POLICY

The Group's investment expenditure is mostly on solar and wind farm projects and storage facilities, both under development and under construction, and consists of acquisitions of property, plant and equipment and intangible assets. 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 €20 million and (ii) any investment or other expenditure by the Company or a subsidiary for a project included in the budget, or previously authorised by the Board of Directors, for an amount requiring an increase in excess of 15% of the budgeted equity or amount previously authorised by the Board of Directors for the project.

2.5.8.2 MAIN INVESTMENTS MADE

The table below details the consolidated investments made in 2022 and 2021:

(In million of euros)	FY 2022	FY 2021	Change	Change (in %)
Acquisitions of intangible and tangible fixed assets^(a)	1,111.2	754.5	+ 356.7	+ 47%
Of which: Property, plant and equipment	44.5	38.5	+ 6.0	+ 15%
Of which: Intangible assets	1,066.7	715.9	+ 350.7	+ 49%
Financial investments^(b)	32.8	56.0	- 23.2	- 41%
Of which: Acquisitions of financial assets ^(c)	17.2	23.8	- 6.6	- 28%
Of which: Acquisitions of subsidiaries net of treasury acquired ^(d)	15.6	32.2	- 16.5	- 51%

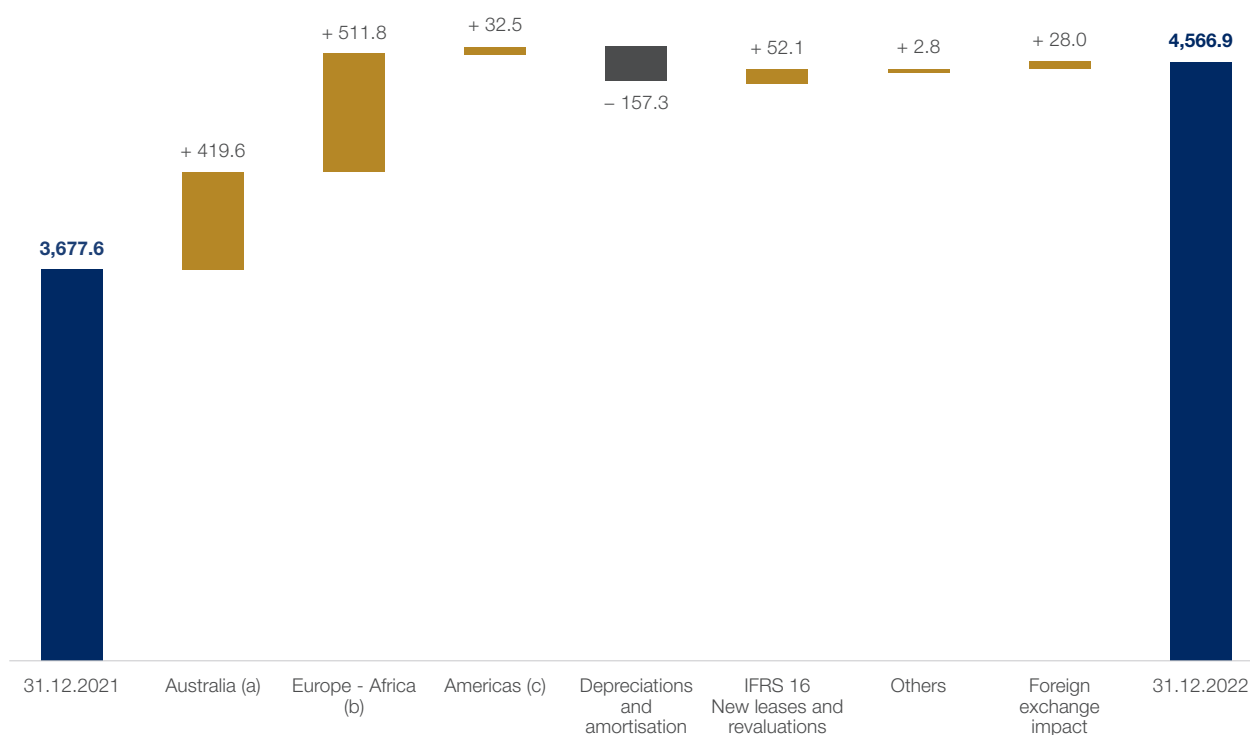
(a) The gross amounts of acquisitions presented above include any change in the applicable supplier payables thereby facilitating reconciliation of their amounts with the corresponding cash payments. The gross amounts of these changes, excluding payables to suppliers of fixed assets, for 2022 and 2021 are €1,008.6 million and €881.5 million respectively. For more details, please refer to paragraph 2.5.7.2.

(b) Financial investments are analysed in paragraph 2.5.7.2 of this document.

(c) The change in financial assets is mainly due to guarantee deposits related to the construction and financing of production assets. In 2022, acquisitions amounted to €(17.2) million and disposals to €1.9 million. In 2021, acquisitions amounted to €(23.8) million and disposals to €27.0 million.

(d) Acquisitions of subsidiaries net of treasury acquired are detailed in paragraph 2.5.7.2 of this document.

The change between December 31, 2021, and December 31, 2022 in the Group's property, plant and equipment may be broken down as follows (amounts are expressed in millions of euros):



(a) Acquisitions during the period correspond to power plants under construction or in pre-construction, mainly Kaban (€143.1 million), Western Downs (€127.6 million), Goyder (€110.2 million) and Capital Battery (€35.5) million.

(b) Acquisitions during the period correspond to power plants under construction or in pre-construction, mainly Mutkalampi (€285.5 million) and Björkliden (€19.7 million) wind farms in Finland, wind and solar power plants in France (€31.1 million and €59.7 million respectively), two solar power plants in Portugal (€38.6 million), three solar power plants in Ireland (€21.8 million), and Storen in Sweden (€34.8 million).

(c) Acquisitions during the period correspond to power plants under construction or in pre-construction, mainly the Itzoteno power plant (€15.8 million) in Mexico, and the Providencia and Capella storage facilities in El Salvador (€6.4 million).

2.5.8.3 MAIN INVESTMENT IN PROGRESS

The Group's main investments in progress correspond to assets under construction at December 31, 2022. Property, plant and equipment in progress amounted to €1,066.2 million in financial year 2022, compared with €708.6 million in financial year 2021 (see section 4.1 - note 12 "goodwill, intangible assets and property, plant and equipment" and section 4.3 - note 14 "property, plant and equipment and intangible assets" of this document).

2.5.8.4 MAIN INVESTMENT ENVISAGED¹²

The Group mainly pursues a strategy of develop-to-own under which it develops its projects with the intention of controlling and operating its production assets.

In addition, since 2021, Neoen has been regularly but selectively disposing of all or most of some projects in its secured portfolio (farm-down), up to a limit of 20% of the gross annual growth of its secured portfolio. These farm-down operations enable the Group to strengthen its financial capacity and thus to contribute to the financing of the construction of new assets. Neoen plans, as far as possible, to maintain a minority holding in the projects concerned, to ensure their administrative and operational management, and to retain the related land rights, so as to be able to take part in the subsequent repowering phase of these projects.

In this context, the investments it plans to make in the future will mainly consist of adding new projects to its portfolio and continuing to advance existing projects until the facilities are commissioned or sold as part of its farm-down activity.

The latter concerns projects that have entered the awarded phase¹³ (for a total volume of 782 MW as of December 31, 2022) but for which construction has not yet been launched. The Group also continues to develop its advanced development¹³ and tender ready¹³ project, with a volume of 11,938 MW as of December 31, 2022.

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

Environmental constraints that may affect the use of the various facilities owned and/or operated by the Group are described in chapter 5 "sustainable development and corporate social responsibility" of this document.

Dismantling provisions are dealt with in section 4.1 – note 19 "provisions" of this document.

2.6 LEGAL AND ARBITRATION PROCEEDINGS

The Group may be involved in legal, administrative or regulatory proceedings in the normal course of its business. Whenever there is a sufficient probability that such proceedings will result in costs for the Company or one of its subsidiaries and the amount can be reasonably estimated, the Group records a provision in its financial statements.

At the date of this document, the Group is not aware of any governmental, administrative, legal or arbitration proceedings other than those mentioned below that may have, or have had in the last twelve months, a material adverse effect on the financial position or results of the Company or the Group.

HPR/AER

Hornsedale Power Reserve Pty Ltd ("HPR") has resolved in June 2022 the claim brought against it by the Australian Energy Regulator (AER) in the Federal Court of Australia. In resolving the litigation, HPR notably admitted to certain contraventions under the National Electricity Rules between July 23, 2019, and November 14, 2019, and paid a pecuniary penalty of AUD 900,000 and a contribution towards the AER's legal costs. HPR had recorded a provision in respect of this litigation in its consolidated financial statements as of December 31, 2021, in an amount corresponding to the amounts mentioned above, some of which it has recovered from the contractor to whom it has contracted to operate and maintain the electricity storage asset.

HWF1/SIEMENS

HWF1 Pty Ltd ("HWF1") has been granted amicable resolution of the arbitration claim made against Siemens Ltd in March 2022 following the judgment in the proceedings brought by the Australian Energy Regulator (AER) in the Federal Court of Australia against HWF1 in connection with the Black System Event on September 28, 2016, in South Australia.

Altiplano 200

In Argentina, the Group's EPC contractors on the Altiplano project, which began to produce electricity in the fall of 2021, filed a request for arbitration at the end of December 2021, which was notified to the Group in early 2022. This claim concerns both (i) the dispute over the Group's right to apply, as from 2020, in accordance with the contractual stipulations, the delay indemnities intended to compensate for the loss of revenue associated with a delay in the start-up of production of the solar power plant in relation to the contractual schedule (Liquidated Damages), and (ii) the construction overruns that they have allegedly incurred, for which they consider that the Group would be liable, which the Group disputes. The three-member arbitral tribunal was constituted in August 2022.

¹² On March 29, 2023, Neoen carried out a capital increase with preferential subscription rights of €750.4 million, providing it with additional resources to finance its investment program. This operation is detailed in section 2.7 of this document.

¹³ For a definition of the various stages of development of the Group's projects, the reader is invited to refer to section 9.6 "glossary" of this document.

In view of the terms of the turnkey construction contract with these EPC contractors, the timetable and conditions for the completion of the construction site, the financial impact resulting from delays incurred in relation to the contractual timetable, and its assessment of its potential exposure in the context of

this arbitration, carried out with the assistance of its external legal advisors, no significant provision for risk or impairment of receivables has been made by the Group in its financial statements for either 2021 or 2022.

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

This section presents additional information to the management report as approved by the Company's Board of Directors on February 28, 2023 (refer to the management report cross-reference table presented in paragraph 9.5.2 of this document).

2.7.1 CAPITAL INCREASE

Description of the operation

On March 29, 2023, Neoen successfully completed a capital increase with preferential subscription rights, launched on March 7, 2023, for which the subscription period ran from from 10 to 22 March 2023 inclusive.

The net proceeds of the capital increase correspond to the portion of equity required to finance the Company's entire investment plan for the period 2023-2025. These investments will be devoted to the construction of solar power plants, wind farms and batteries. They will enable the Company to reach a capacity in operation or under construction of more than 10 GW by the end of 2025, as anticipated in 2021, but also to expand its storage capacity, notably by investing in batteries with a longer autonomy per installed MW than initially planned, significantly increasing the potential for associated revenues.

Results of the operation

The gross proceeds of the capital increase (including the issue premium) amount to €750.4 million and result in 36,694,552 new shares being issued with a nominal value of €2 at a subscription price of €20.45 per new share.

Following the subscription period, which ended on 22 March 2023, total demand amounted to c. €1,219 million. The transaction has been largely oversubscribed with a subscription rate of approximately 162.4%, breaking down as follow:

- 35,927,464 new shares were subscribed on an irreducible basis ("*à titre irréductible*"), representing approximately 98% of the new shares to be issued;
- orders submitted on a reducible basis ("*à titre réductible*") represented 23,679,313 new shares and has therefore only be partially allocated for a number of 767,088 new shares allocated according to a coefficient of 0.010971306 calculated according to the number of rights submitted in support of irreducible subscriptions.

The issue, settlement-delivery and admission of the new shares to trading on the regulated market of Euronext Paris took place on March 29, 2023. New shares entitle their holders to receive dividends declared by Neoen as from the date of issuance. They are fungible with existing shares of the Company and are traded on the same line as the latter under the ISIN code FR0011675362.

Subscription and other undertakings of Neoen's key shareholders

The subscription commitments undertaken by Impala SAS, the Fonds Stratégique de Participations ("FSP") and the FPCI Fonds ETI 2020 (represented by fund manager Bpifrance Investissement) represented, at the launch date of the capital increase, a minimum amount of approximately €329 million, representing approximately 43.9% of the capital increase.

Impala SAS

Impala exercised 38,346,650 preferential subscription rights («PSR») leading to a subscription of 12,270,928 new shares on an irreducible basis and 420,707 new shares on a reducible basis, representing an aggregate subscription amount of c. €260 million.

Fonds Stratégique de Participations ("FSP")

FSP exercised 10,970,450 preferential subscription rights and subscribed to 3,510,544 new shares for an amount of c. €72 million. As a reminder, FSP acquired 4 million preferential subscription rights as part of the placement of PSR carried out on March,7 2023, allowing it to increase its stake in the capital of Neoen (see table below in paragraph 2.7.2).

FPCI Fonds ETI 2020 (represented by Bpifrance Investissement)

Bpifrance Investissement exercised 5,030,850 preferential subscription rights and subscribed to 1,609,872 new shares for an aggregate amount of approximately €33 million.

Cartusia SAS

Cartusia (long-term investment vehicle controlled by Xavier Barbaro and his family members) jointly with Xavier Barbaro and members of his family, exercised 1,523,525 preferential subscription rights and subscribed to 487,528 new shares on an irreducible basis and 4,561 new shares on a reducible basis for an aggregate net investment amount of more than €2 million.

2.7.2 IMPACT OF THE CAPITAL INCREASE ON THE ALLOCATION OF THE SHARE CAPITAL

Following the realisation of the capital increase, Neoen's share capital amount to €302,730,100 divided into 151,365,050 shares with a nominal value of €2 each. The breakdown is as follows:

Shareholders	Number of ordinary shares	% of share capital	Number of theoretical voting rights ^(b)	% of voting rights ^(b)
Impala SAS	63,820,376	42.16%	63,820,376	42.16%
Cartusia SAS	1,274,024	0.84%	1,274,024	0.84%
Xavier Barbaro and members of his family (directly or indirectly)	691,472	0.46%	691,472	0.46%
Total concert party^(a)	65,785,872	43.46%	65,785,872	43.46%
Fonds Stratégique de Participations (FSP)	10,480,991	6.92%	10,480,991	6.92%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	6,640,741	4.39%	6,640,741	4.39%
Treasury shares ^(c)	187,505	0.12%	187,505	0.12%
Public	68,269,941	45.10%	68,269,941	45.10%
TOTAL	151,365,050	100%	151,365,050	100 %

(a) The action in concert results from a shareholders' agreement entered into between Impala SAS and Cartusia SAS, the latter being a long-term investment vehicle owned by Mr. Xavier Barbaro and members of his family.

(b) The number and percentage of voting rights include the voting rights attached to treasury shares. Treasury shares, however, may not be voted at general shareholders' meetings.

(c) Position as of March 24, 2023 after market close.

Lock-up commitment of the Company

From March 6, 2023, date of approval by the *Autorité des Marchés Financiers* ("AMF") of the prospectus relating to the capital increase, and for a period expiring 120 calendar days following the settlement-delivery date of the new shares, subject to certain customary exceptions, the Company has undertaken not to trade in its securities.

Lock-up commitments from Impala, FSP and FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)

From March 6, 2023, date of approval by the AMF of the prospectus relating to the capital increase, and for a period expiring 90 calendar days following the settlement-delivery date of the new shares, subject to certain usual exceptions, Impala, the *Fonds Stratégique de Participations* and the FPCI Fonds ETI 2020 (represented by fund manager Bpifrance Investissement) have each made a commitment to retain the Company shares they hold.

2.8 OTHER INFORMATION

2.8.1 SUBSEQUENT EVENTS

Please refer to section 4.1 - note 26 "subsequent events" of this document.

2.8.2 OTHER INFORMATION RELATING TO THE NEOEN S.A. PARENT COMPANY

2.8.2.1 ACTIVITIES

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

2.8.2.2 COMMENTS ON THE ACTIVITY OF NEOEN S.A.

Key figures

<i>(In millions of euros)</i>	FY 2022	FY 2021	Change	Change (in %)
Revenue	85.8	79.2	+ 6.6	+ 8%
Operating result	0.8	3.8	- 3.0	- 79%
Operating margin	+ 1%	+ 5%		
Net financial result	46.8	38.1	+ 8.7	+ 23%
Current profit (loss) before tax	47.6	41.9	+ 5.7	+ 14%
Non-current profit (loss)	1.5	1.0	+ 0.5	+ 56%
Profit-sharing / employee participation in the Company's result	(1.2)	(1.0)	- 0.1	- 14%
Income tax	(0.2)	(6.1)	+ 5.9	+ 96%
Net income	47.7	35.8	+ 12.0	+ 33%
Equity	1,615.7	1,369.8	+ 245.9	+ 18%
Financial debt	493.6	391.2	+ 102.4	+ 26%
Cash and cash equivalents	246.4	279.6	- 33.3	- 12%

Revenue

Revenues reached €85.8 million in 2022, (up **+€6.6 million** compared to 2021, or +8%). It consists mainly of development services (+€6.0 million) which have increased due to the growth in the portfolio of power plants under construction and in operation. These generally take place from the start of the construction of the underlying assets or its financial closing.

Operating result

It amounted to €0.8 million in 2022 compared to €3.8 million in 2021. This decrease (**–€3.0 million**) is mainly due to the increase in development costs on international projects, aimed at accelerating the growth of the project portfolio (–€9.1 million), which was partially offset by the increase in revenues (+€6.6 million).

Payroll costs fell by –12% and amounted to €(24.4) million compared to €(27.8) million in 2021, due to a less significant impact in 2022 of the free shares plans for certain employees (+€6.1 million including social security contributions). This saving was partially offset by the increase in payroll and related social security contributions of –€2.7 million, due to the +18% increase in the number of employees over the period.

The increase in other external expenses (–€4.7 million) was mainly due to the increase in external fees during the year (–€2.4 million).

Net financial result

In 2022, the financial result amounted to €46.8 million (**+€8.7 million**) compared to 2021. This improvement was mainly due to an (+€11.2 million) increase in interest income on shareholders loans linked to the continued growth of investments in new projects, an effect partially offset by financial interest expenses (following the issue of new convertible bonds “OCEANes” in September 2022) and higher foreign exchange losses than in 2021 (–€4.3 million and –€1.5 million respectively).

This aggregate is detailed in section 4.3 - note 10.1 “net financial income (expenses)” of this document.

Non-current profit (loss)

It amounted to €1.5 million in 2022, slightly higher than in 2021 (**+€0.5 million**). It is mainly composed of proceeds from internal sales of subsidiaries carried out as part of the structuring of new project financing.

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

Income tax

In 2022, the Company accounted an income tax of €(0.2) million compared to €(6.1) million in 2021. This change is mainly due to the recognition in 2022 of tax credits relating to the financing of the Group’s solar power plants in Argentina through shareholder loans, which were subject to local withholding taxes, and the recognition, in 2021, of non-payable taxes related to costs incurred and transferred to issue premium as part of the capital increase.

This aggregate is detailed in section 4.3 - note 12 “taxation” of this document.

Net income

Net income thus amounted to €47.7 million in 2022 (**+€12.0 million** compared to 2021).

Financial position

The Company’s equity amounted to €1,615.7 million at December 31, 2022, compared to €1,369.8 million at December 31, 2021. The increase of **+€245.9 million** is explained mainly through the conversion into share of convertible bonds (“OCEANes”) carried out on October 26, 2022 (see section 4.3 - note 2 “activity and key events”), and to a lesser extent by the net income for the year.

The +€102.4 million increase in financial debt (€493.6 million at December 31, 2022 compared to €391.2 million at December 31, 2021) is mainly explained by the issue of new green convertible bonds (“OCEANes vertes”) maturing in 2027, carried out on September 14, 2022 (refer to paragraph 2.4.1.7 of this document), and the conversion/redemption of the convertible bonds (“OCEANes”) maturing in 2024, carried out in October 2022 (see section 4.3 - note 2 “activity and key events”).

Cash and cash equivalents stood at €246.4 million compared to €279.6 million a year earlier (**–€33.3 million**), after taking into account the proceeds from the issuance of new convertible bonds maturing in 2027 for a nominal amount of €300 million, mainly due to the sustained pace of investments made in equity as part of the development and construction of new power plants.

2.8.2.3 RESULTS OF THE LAST FIVE YEARS

Amounts	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
I. Financial position at the year-end (in millions of euros)					
a) Share capital ^(a)	229.3	214.1	171.1	170.2	169.9
b) Number of shares comprising the share capital ^(a)	114,669,498	107,056,685	85,550,712	85,088,748	84,957,498
Shares issued with a par value of €1	-	-	-	-	830,000
Shares issued with a par value of €2	7,612,813	21,505,973	461,964	131,250	30,560,428
c) Number of convertible bonds into shares ^(b)	9,791,917	11,081,909	10,308,754	6,629,101	-
II. Results from operations (in millions of euros)					
a) Revenue net of taxes	85.8	79.2	61.5	57.5	50.7
b) Profit before tax, depreciation, amortisation, impairment and provisions	50.6	43.9	29.1	24.1	14.5
c) Taxes on income	(0.2)	(6.1)	(0.8)	(2.2)	(3.1)
d) Profit after tax, depreciation, amortisation, impairment and provisions	47.7	35.8	26.6	21.1	9.4
e) Profit distributed ^(c)	10.7	-	-	-	-
III. Result per share from operations (in euros)					
a) Profit after tax but before depreciation, amortisation, impairment and provisions	0.4	0.4	0.3	0.2	0.1
b) Profit after tax, depreciation, amortisation, impairment and provisions	0.4	0.3	0.3	0.2	0.1
c) Dividend per share	0.1	-	-	-	-
IV. Personnel (in millions of euros)					
a) Number of employees	169.1	143.3	126.6	107.0	90.0
b) Gross payroll	13.3	11.3	10.3	9.5	7.9
c) Amounts paid for social security and other benefits ^(d)	11.1	16.5	20.0	7.5	4.2

(a) 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 per value from €1 to €2.

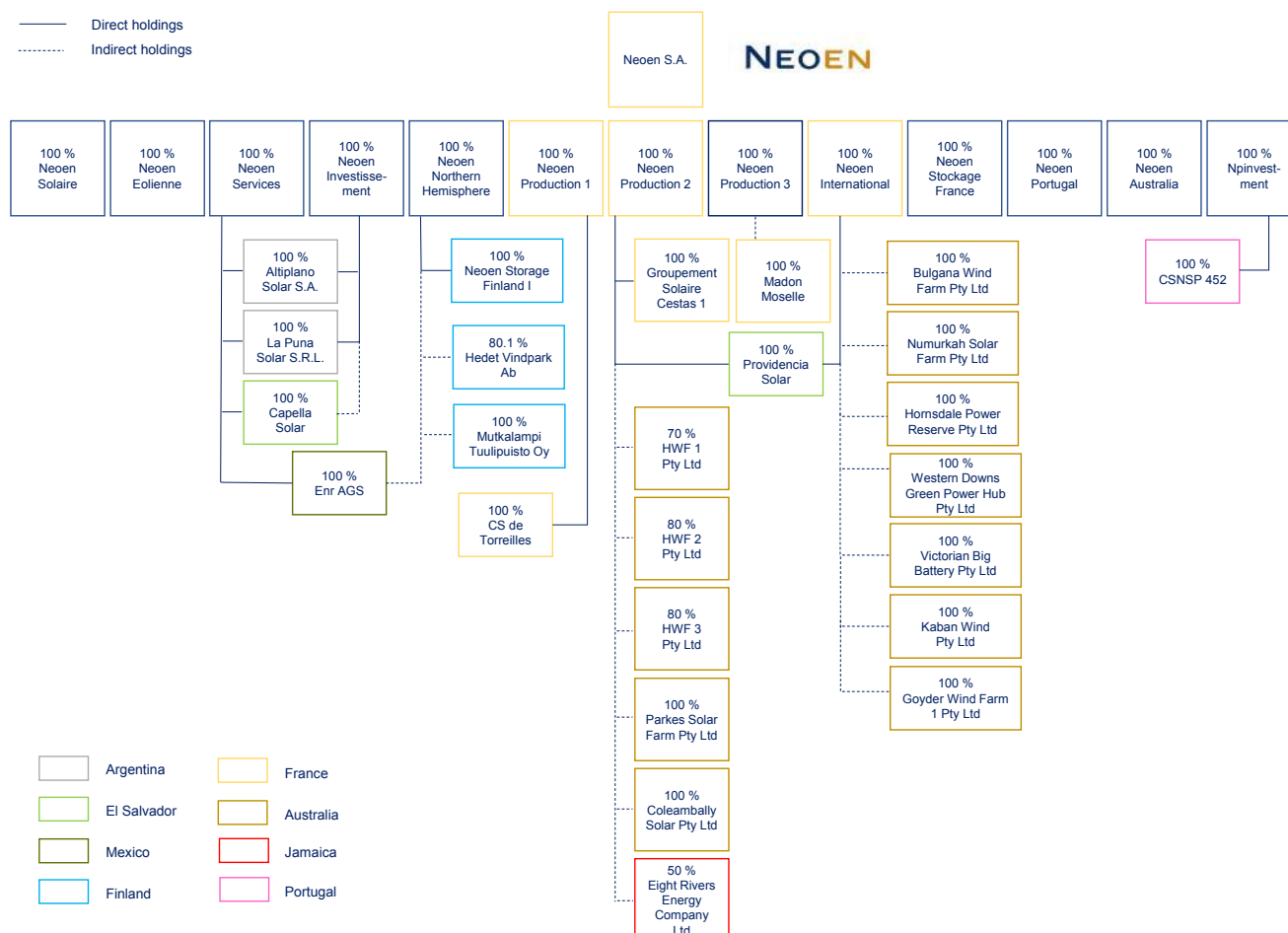
(b) In accordance with the terms and conditions of the convertible bonds ("OCEANes") issued by Neoen S.A. on October 7, 2019 ("OCEANes 2019") and on June 2, 2020 ("OCEANes vertes 2020"), by a decision dated April 7, 2021, the Chairman and Chief Executive Officer, acting on delegation of the Board of Directors, adjusted the rights of the beneficiaries of the convertible bonds ("OCEANes 2019") and the green convertible bonds ("OCEANes vertes") (application of a coefficient of 1.075). In 2022, the company converted the convertible bonds ("OCEANes 2019") and issued new green convertible bonds ("OCEANes vertes") (see paragraphs 2.4.1.6 and 2.4.1.7 of this document).

(c) The net income for 2021 of €35.8 million was partially distributed in dividends for €10.7 million.

(d) The decrease in this item is mainly related to a lower volume of company shares acquired in 2022 with the aim of serving the free share allocation plan expiring in 2023.

2.8.2.4 GROUP STRUCTURE

The following simplified organisational chart shows the legal organisation of the Group as of the date of this present 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 on “shareholding structure”. It also holds intermediate holding companies for each of its operating sectors (wind, solar and storage) and/or for certain geographical zones described in section 7.3 “shareholding structure” of this document.

Thus, Neoen S.A. generally directly or indirectly owns 100% of the companies carrying the projects, with the exceptions presented below.

Significant subsidiaries

See section 4.1 – note 3.3 “changes in scope” of this document 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 occasions to acquire companies holding assets in the process of exiting long-term (e.g. PPA) contracts and thereby offering significant potential for repowering.

Canada

In May 2022, the Group acquired the entire stake in the limited partnership Subra LP (including 100% of the shares of general partner Subra GP).

Ecuador

In June 2022, the Group acquired 100% of the shares of Cumandacobuendo S.A.S, which was subsequently merged with Ambi Solar SA.

Finland

In July 2022, the Group acquired 80.1% of the shares of PK Lumivaara Oy.

Farm-down

Since 2021, Neoen has been proceeding regularly but selectively with the total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the gross annual growth of the secured portfolio.

In this context, on September 29, 2022, the Group sold 95% of the shares it held in the Company Centrale Eolienne Saint-Sauvant S.A.S.

Sales

During the year ended December 31, 2022, the Group also disposed of certain stakes for financial or strategic reasons (including under co-investment agreements entered into by Group companies):

- on January 3, 2022, the Group sold its entire 75% stake in the Jamaican company Blue Mahoe Energy Company to its co-shareholder Rekamniar Capital Limited;
- on July 6, 2022, the Group also sold 30% of the shares in Delta Stockage S.A.S to Arec Efficacité Énergétique.

Liquidations

Finally, in order to simplify its legal and operational organisation, the Group has been led to dissolve and then write off the Argentine company Atria Solar S.A. and the Salvadoran company Nahualpa Solar S.A. at the end of 2022.

Investments and joint ventures

For a presentation of the Group’s investments, see section 4.1 – note 3.3 “changes in scope” of this document.

For a presentation of the Group’s joint venture investments, see section 4.1 – note 3.3 “changes in scope” of this document.

2.8.2.5 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	91 days and more	Total (1 day and more)
(A) Payment delay bands						
Number of applicable invoices	55	10	5	3	17	35
Total invoice amounts inclusive of VAT	11,537,261	963,304	87,862	183,815	421,526	1,656,507
Percentage of total purchases of the year inclusive of VAT	17%	1%	0%	0%	1%	2%
(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					

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	91 days and more	Total (1 day and more)
(A) Payment delay bands						
Number of applicable invoices	6	1	0	1	6	8
Total invoice amounts inclusive of VAT	2,968,384	98,149	-	16,198	12,147,756	12,262,103
Percentage of total revenue of the year inclusive of VAT	3%	0%	0%	0%	12%	12%
(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					

Receivables due in more than 91 days amounting to €12.1 million correspond to the invoicing by Neoen S.A. of the balance of the Group agreement for the development of the Mont de Malan wind power plant, now in operation, and of which the settlement is expected in the first quarter of 2022.

2.8.2.6 PECUNIARY SANCTIONS

None.

2.8.2.7 EXPENDITURE ON LUXURIES

Lease charges for company cars not deductible for tax purposes amounted to €115,578.76 for 2022.

2.8.2.8 OVERHEAD EXPENSES DISALLOWED FOR TAX PURPOSES FOLLOWING INSPECTION

None.

3



RISK FACTORS AND MANAGEMENT

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3.1 MAIN RISK FACTORS TO WHICH THE GROUP IS EXPOSED

The main risks to which the Group is exposed are mapped every three years with the aim of revising their classification in the light of changes in the environment in which it operates.

Thus, in the second half of 2022, the Group carried out an in-depth review of this risk mapping and its risk management system in a general context marked by the end of the health crisis, significant geopolitical and macroeconomic instability, particularly in Europe, high inflation and high volatility in commodity markets. This review was carried out with the involvement of representatives of all Neoen departments and the Executive Committee.

During the fourth quarter of 2022, this updated map and, more generally, the risk environment were analysed by the Executive Committee and validated by the Audit Committee.

In a context of general tension in the job market in the main countries where the Group operates, particularly exacerbated for key skills mobilised throughout the value chain of renewable activities, the Group has observed two notable phenomena during the year 2022. On the one hand, an increase in the number of requests from competitors or emerging players for key Group employees, and more generally for functions that are essential to the completion of its projects (development, construction and financing in particular). Secondly, inflation in the job market in terms of remuneration offered to qualified profiles sought by the Group, making the recruitment process more complex for functions that are central to its continued growth. The Group has therefore decided, in agreement with the Audit Committee, to reassess the risk related to the ability to retain key employees and to hire and retain qualified new employees to "high".

It does not seem that the net level of other risks has increased or changed compared to the previous situation. Consequently, the main risks mentioned in the following table are, as at the date of this document, those to which the Group believes it is exposed because of its business model and activities.

They are classified under a limited number of categories depending on their nature. Their level of importance is assessed according to their likelihood and the related negative impact in case of realisation. The risks are ranked in order of decreasing importance within each of these categories. The risks were assessed by taking into account the risk management system implemented within the Group.

These risks, as well as other unidentified risks or risks that the Group does not consider significant, may arise as a result of external factors outside the Group's on control and could potentially have a material adverse effect on its business activities, financial position or development prospects.

Lastly, it should be noted that the non-financial performance disclosure contains a description of the non-financial risks, some of which are included here if they are considered significant.

CATEGORY	RISK	NET POTENTIAL IMPACT ¹
Risks related to the Group's line of business	Risk linked to competition in the renewable energy sector	HIGH
	Risk linked to variations in the price of components necessary for the production of renewable equipment and their maintenance	HIGH
	Risk linked to connection to the distribution or transmission networks and to their use	MODERATE
	Wholesale electricity market price risk	MODERATE
Risks related to the Group's activity and strategy	Risk linked to the employment of third-party contractors Chapter 5	HIGH
	Risk linked to financing arrangements obtained from various sources and particularly external debt financing	HIGH
	Risk linked to the Group's expansion in emerging markets Chapter 5	HIGH
	Risk relating to projects in the process of development and construction	MODERATE
	Risk linked to the ability to obtain power purchase agreements	MODERATE
	Risk linked to the termination of an electricity sales contract or defaults or late payments by counterparties	MODERATE
	Risk linked to repairs and renovation of electricity production plants	LOW
Risks related to the Group's financial position	Risk linked to the Group's level of gearing and means of financing	HIGH
	Risk linked to the financial covenants included in project financing agreements	MODERATE
	Risk linked to the recoverability of deferred tax assets	MODERATE
	Risk linked to changes in tax rules	MODERATE
	Foreign exchange risks	MODERATE
Legal and regulatory risks	Risk linked to unfavorable changes in the regulatory environment or in public policies to promote the development of renewable energies	MODERATE
	Risks linked to the ability to obtain the necessary permits, licenses and authorisations for the conduct of the Group's business or the construction of its facilities	MODERATE
	Risk linked to the reduction or questioning of regulated prices and tariffs for the purchase of renewable electricity	MODERATE
Environmental, social and corporate governance risks	Risk linked to IT infrastructure	HIGH
	Risk linked to the ability to retain key employees and to hire and retain qualified new employees Chapter 5	HIGH
	Risk linked to the approval of facilities by local communities or any challenge to permits, licenses and authorisations once granted to the Group Chapter 5	MODERATE
	Risk linked to weather conditions and the effects of climate change Chapter 5	MODERATE

¹ The risks were assessed by taking into account the risk management measures implemented within the Group.

3.1.1 RISKS RELATED TO THE GROUP'S LINE OF BUSINESS

Risk linked to competition in the renewable energy sector

The solar and wind energy markets are highly competitive. This is mainly the result of the following:

- the increase in the number of players in the renewable energy field, given its strong growth prospects associated with international ambitions to reduce global greenhouse gas emissions, as well as the desire of a growing number of states to improve their energy independence;
- a historical long-term downward trend in the costs of photovoltaic panel, wind turbine and other system component as well as construction, maintenance, capital and other costs (although the post COVID-19 economic recovery, and a recent sharp increase in global inflation, have temporarily suspended it);
- the current level of electricity prices, which are well above their historical trends, due to a sharp increase in the price of fossil fuels and in particular gas, especially in Europe in the context of the energy crisis associated with the Russian-Ukrainian conflict, which makes renewable energies particularly competitive, and thus creates a conducive market environment for players of all sizes; or
- rapid technological changes affecting the sector, causing some competitors to consider choosing longer asset lives than those chosen by the Group.

All these factors are liable to make it more difficult for the Group to win tenders, or to conclude power sales contracts with counterparties at prices guaranteeing the desired returns. This competition had historically helped to create a downward trend in the prices proposed during bidding processes, hence the increasingly low prices observed in competitive bidding processes, such as the government tender that took place in Portugal in August 2020. The combination of increasing costs for photovoltaic panels, wind turbines, and storage facilities, in a general context of global inflation since the beginning of 2022, and a rapid rise in interest rates, particularly marked in the second half of 2022, put an end to this trend. While this has led to a material rebound in the prices offered in the context of bidding processes or competitive bidding processes, it is possible that these will not always be sufficient, given the current highly competitive context, to fully cover the cost increases affecting the wind, solar and storage projects developed by the Group. In addition, it is possible that prices resulting from competitive bidding processes will resume their downward trend.

In each of the markets in which it operates, the Group faces both local and worldwide competitors, many of which have extensive experience (both domestically and internationally) in developing and operating electricity production plants, as well as financial resources that can be superior to those of the Group.

Among the Group's competitors are companies in which the Company's significant shareholders hold or could hold an equity interest, which could give rise to potential conflicts of interest.

Depending on the rules applicable to calls for tender, particularly government tenders, where competitors are considered to be under common control with the Company, the Group could be faced with restrictions on its participation in such calls for tender. While the Group has not been confronted with such restrictions in any significant respect to date, this type of situation would be examined in the context of the conflict of interest management mechanisms put in place by the Company, notably through the appointment of a Lead Director since April 2019, whose role includes the management of conflicts of interest brought to her attention by members of the Board.

In addition, the renewable energy sector has in recent years been marked by a trend towards consolidation, in particular with international energy groups joining the market. Leading energy companies such as Total, Iberdrola and RWE have strengthened their positions in the renewable energy market through acquisitions of independent solar and wind power developers and producers and are increasingly diversifying into renewable energy (with increasingly large budgets). Lastly, other competitors have sought to increase their market share through company mergers and alliances, while investment funds have purchased renewable energy developers and independent power producers, that have resulted in larger players with significant financial resources, exceeding those of the Group in many cases.

Risk management approach

By developing its projects internally whenever possible, with teams that are fully aware of local contexts, the Group tends to optimise their development costs and can select the most suitable sites and technological options. This enables it to be more competitive than competitors which may be obliged to make acquisitions instead.

The Group has also embarked on a continuous improvement initiative of its operation and maintenance processes, with the aim of improving its production costs and increasing its competitiveness in future developments.

In addition, the Group has set itself objectives for return on investment (internal rates of return (IRRs)) calculated over a 30-year horizon of 7.5% (+/- 150 basis points) for Europe, 8.5% (+/- 150 basis points) for Australia and other OECD countries (outside Europe), and greater than 10% (low double digit) for non-OECD countries. In the context of a first project in a new country, or the use of a new technology in a country where the Group is already present, it may nevertheless exceptionally, and subject to prior approval by its Board of Directors, aim for IRRs lower than these target IRRs, taking into account in particular the higher levels of contingencies associated with these types of projects. In these specific cases, the Group sets a minimum IRR target of 5%. Compliance with these IRRs, validated by its Board of Directors, is constantly monitored at all project phases from development through to final construction.

The Group's presence in several markets also enables it to follow attentively the measures of optimisation implemented by the various players in the industry (more so than for purely local players). Its long-term strategy, which is based on the principle of majority ownership of its assets over their operating life, excluding projects and assets in the secured portfolio sold as part of its farm-down² activity, gives it also an advantage in negotiating PPAs with private players.

² Total or majority sale of projects in the secured portfolio (farm-down), up to a limit of 20% of the volume of projects secured each year. These farm-down operations strengthen the Group's financial capacity and thus contribute to financing the construction of new assets.

Finally, the Group has chosen to develop innovative forms of contracting for some of its assets, aimed at differentiating it from its competitors. For example, in the second quarter of 2022, it signed a seven-year virtual battery agreement for 70 MW in Australia's New South Wales region. This enables its counterpart, AGL Energy, to hedge its customer load by virtually charging and discharging a battery, as and when it chooses, via a highly flexible solution designed by the Group. In the fourth quarter of 2022, it also signed a 70 MW renewable energy baseload contract with BHP in Australia, providing energy 24/7 using both a wind farm and a battery, supported by its energy management expertise.

Net risk impact: High.

Risk linked to variations in the price of components necessary for the production of renewable equipment and their maintenance

The prices of wind turbines, photovoltaic panels, storage facilities and other system components (BOS or BOP units), as well as transportation costs of these components, have increased very significantly since the first quarter of 2021, against a backdrop of widespread global inflation, which accelerated in 2022. This increase has also affected operating and maintenance costs, of which those related to projects in operation are mostly subject to indexing mechanisms generally based on inflation.

In this context, during its Capital Markets Day of March 1, 2023, the Group has announced an increase of €900.00 million of its 2021-2025 investment plan, resulting from the growth of solar, wind and storage projects' investment costs (see paragraphs 2.5.6 "sources of financing for future investment" and 2.5.8.4 "main investment envisaged" of this document).

All of these costs mentioned above are, by the way, likely to continue to fluctuate in the future due to many factors beyond the control of the Group, including the following:

- the impact of the end of the COVID-19 health crisis and its recent developments in China (prolonged lock down situation in several major production areas, followed by a rapid lifting of restrictions);
- the evolution of the Russian-Ukrainian conflict and its consequences on the level of energy prices necessary for the manufacture of renewable equipment, particularly in Europe;
- the variations in the price of the raw materials needed to produce renewable power plant equipment (polysilicon, steel, lithium, cobalt, etc.);
- the unavailability of certain components (due to worldwide demand currently exceeding available supply) which may lead to delays in the construction phase. This is the case in particular for the lithium used in both electric vehicle batteries and dedicated storage facilities, whose market continues to grow at a rate exceeding that of the opening of new mines;
- the disruption of supply chains affecting the pace of production and delivery of components necessary for the construction of equipment for renewable power installations;
- the supply chain imbalances affecting the international freight market;
- the changes in exchange rates, in particular the US dollar against the euro and the Australian dollar, currencies in which a very substantial proportion of the Group's investments are made;

- the growing concentration seen in certain segments of the value chain, restricting the choice of potential contractors, especially in the production of polysilicon, which represents a significant part of the manufacturing cost of photovoltaic panels, or wind turbines in certain local markets, including Australia which is now *de facto* in a duopolistic situation;
- the accumulated losses of most turbine suppliers that lead them to significantly increase their prices for new wind power projects;
- the anti-dumping measures aimed at Chinese panel manufacturers, and the adoption of any other intergovernmental commercial measure or sanctions regime targeting materials or suppliers having a key role for the plants;
- the changes in general price and wage indexes in the countries where the Group operates.

These measures could continue to increase the Group's supply costs (in particular the cost of photovoltaic panels, the cost of wind turbines, the cost of batteries, which are the main component of storage facilities, or international transport costs), as well as its operation and maintenance costs, which could reduce the value of its projects, render certain projects non-viable or require the Group to postpone their completion schedule, 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, with exceptions associated to the specificities of certain local markets. The cost trends for materials such as polysilicon, lithium, steel, copper, cobalt, aluminium, silver are monitored on a monthly basis with the support of recognised research and data exploitation platforms from international markets, for the main critical components.

Depending on the importance of each project, the procurement team secures the price, power class and capacity of solar modules through framework contracts so as to prevent the Group from being subject to excessive price volatility (impact of fluctuating Chinese market demand and US anti-dumping barriers). The procurement team is also constantly expanding and renewing, for all technologies, its strategic supplier base to avoid, as far as possible, situations of abuse of a dominant position or a single source for critical components of the corresponding supply chains.

The integrated contract model (EPC Full Wrap) that the Group favours also leaves a significant part of the impact of potential changes in component costs to the EPC counterparty, with the exception of a small number of costs relating to critical components, which may be indexed (for limited periods of time) to the price of certain raw materials (lithium, steel) or transport cost indices.

In addition, the Group only confirms orders to its suppliers (Notice to Proceed), which irrevocably binds the Group, once it has sufficient visibility as to its ability to carry out its projects under satisfactory profitability conditions with regard to its return on investment targets. It also systematically includes contingencies in its investment budgets for each project to be able to absorb all, or at least part, of the impact of changes in the prices of the components and equipment it is likely to face.

To cover changes in the costs of operations and maintenance services carried out by third parties, which are generally subject to inflation-based indexing mechanisms, the Group tends to favour at least partial indexation of sales prices to inflation in the power purchase agreements it enters into. At the end of 2022, 73% of the Group's power purchase agreements were partially or totally indexed to inflation.

Net risk impact: High.

Risk linked to connection to the distribution or transmission networks and to their use

In order to sell the electricity produced by the plants it operates, the Group must have these plants connected to the public electricity distribution or transmission networks. Consequently, the possibility of building an electricity production plant in a specific place greatly depends on the options for connecting it to the distribution and/or transmission networks. Electricity grids allowing for limited power transmission, the Group cannot guarantee that it will obtain adequate network connections, within the planned deadlines and budget, for installing its future power plants. This can lead to a significant delay in bringing projects into production (as has been the case in Mexico and Australia for example) and a loss of revenue that is difficult to recover from the EPC contractors or the need to implement additional equipment, at the request of the grid operator.

Moreover, insufficient network capacity caused by its congestion, over-production by connected facilities or excessive fluctuations in electricity market prices (in the event of a negative price situation) 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 calls on the guarantees put in place for the Group with the network manager in the context of connection to a given project.

Thus, the temporary imbalance between renewable energy supply and demand in certain markets may lead to periods of negative prices leading to the temporary shutdown of production, in the event that PPAs do not provide for adequate protection mechanisms, or a partial or total capping imposed by the operator in the event of a significant imbalance. In Australia, the rapid penetration of self-generation (solar panel installations on the roofs of individual houses) is increasingly competing with wholesale production in the states of New South Wales and Victoria, for example.

Technical limitations could also cause the network manager to ask the Group to cap its electricity generation so that the quantity of power it supplies to the network is less than the production capacity of the power plants ("grid curtailment"). In the state of South Australia and in the state of Victoria, the network's limited capacity has led the operator to regularly restrict the injection of wind energy into the network there, depending on the number of gas-fired power plants operating at the same time. This partially curtails output, resulting in lost revenue. Another phenomenon found in Australia is the marginal loss factors (MLF) coefficient. The revenue of power producers is affected by the MLF, according to the estimated network losses. The construction of many new renewable energy plants in recent years has increased these

losses and so reduced this coefficient. These effects impact the profitability of the 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 stabilisation of the electricity network (the so-called FCAS 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, 2021, and 2022 are set out in the table below:

(In Australian dollars)	31.12.2022	31.12.2021
FCAS revenue	47,151,239	27,245,844
FCAS contributions	(5,866,549)	(3,139,123)
BALANCE	41,284,690	24,106,721

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 equivalent revenues 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 draws up financial models that take into account forecast grid curtailment and MLF values. These values are based on scenarios prepared by independent experts and deemed realistic at the financial closing date. It is also continuously working on improving its operational production forecasting capability communicated to grid operators.

Given the recent network changes in Australia, whenever the Group is choosing a site it pays particular attention to the network's robustness and any additional investments needed to carry out its projects, in order to limit the risks during the operation phase.

In Australia, the Group has also developed the ability of certain assets (wind farms in particular) to participate in the regulation market by becoming a frequency control ancillary services (FCAS) provider.

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

Net risk impact: Medium.

Wholesale electricity market price risk

In 2022, market revenues amounted to €171.5 million, or 34% of the Group's total revenues. Excluding revenues associated with dedicated storage facilities, market revenues represented in 2022, 24%³ of total Group revenues. The Group's current policy consists of keeping market prices exposure below the 20% threshold of plant capacity, excluding dedicated storage facilities

³ This percentage reflects in particular the early generation revenues recorded by the Mutkalampi park in Finland.

directly connected to the networks. This threshold excludes assets selling their production on the spot markets prior to the entry into force of their PPAs (the so-called early generation phase). Thus, at the end of 2022, 16% of the Group's installed capacity, excluding dedicated storage facilities, was exposed to market prices.

Thus, the Group is exposed to price risks on the wholesale electricity market (spot market), including the prices of green certificates or any other similar 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.

A fall in market prices of more than 20% was observed in Australia at the peak of the COVID-19 epidemic, affecting plants for which part of their production was exposed to price volatility in the wholesale markets. Due to its temporary nature, this price decrease did not have a significant effect on a consolidated level. Conversely, there was a very significant rise in market prices in Europe, and to a lesser extent in Australia, in 2022, under the effect of a general increase in commodity prices, and particularly gas at the global level, and, specifically for Europe, the consequences of the Russian-Ukrainian conflict on energy supply conditions. This increase benefited plants whose production had not been fully sold under long-term PPAs. In the specific case of power plants with exposure to market prices in Europe, this positive impact has been limited by the regulatory measures implemented by some States, aimed at imposing, in accordance with the recommendations of the European Union, a cap on the market prices of electricity captured by power generation assets operating at predominantly fixed costs, including renewable assets.

In general, a noticeable and prolonged decline in market prices compared to their current level, could have a significant impact, either in terms of reduced revenues, competitiveness or profitability prospects for certain projects, or the Group's ability to finance its projects through dedicated project financing, based in particular on the long-term outlook for electricity prices.

Wholesale electricity prices have slumped at the peak of the COVID-19 epidemic before rebounding in an extremely strong manner, particularly in Europe, as a result of the global economic recovery following the COVID-19 crisis and the impact of the Russian-Ukrainian conflict on energy supplies. They currently display a very high volatility, are very specific to a given market and are dependent on many factors, such as:

- the level of demand;
- the price of fossil fuels;
- the time, availability and cost of production of the available capacity needed to meet demand; and
- the structure of the wholesale markets (the order in which production capacity is distributed, and factors affecting the volume of electricity that can be distributed by the available infrastructure at given points and times).

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, 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 (please refer to paragraph 3.1.4 of this document).

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 capitalise 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. In addition, in the Group's markets with significant photovoltaic energy production capacity, the simultaneous increase in electricity supply during periods of high solar generation capacity can lead to lower market prices, or even make prices negative at times, as has been observed, temporarily but increasingly frequently, in some Australian states over the past two years, due in part to the high penetration rate of solar self-generation. This type of situation has also been observed from time to time in markets where the penetration rate of wind power generation capacity is high, such as the Nordic markets. This correlation between low prices and the profile of renewable generation tends, generally, to increase as the penetration of renewables increases.

A plant revenue is less predictable when it sells all or part of its electricity on the wholesale market than if it sells it through a contract for the sale of electricity covering the entire production of the installation. The greater volatility of income from a plant exposed to market prices also reduces the percentage of the financing of a project by debt and is likely to affect its ability to comply with its financial covenants in terms of ensuring the servicing of its debt through available cash.

In return, market prices are, on average, and with the exception of special situations such as those observed at peak of the COVID-19 epidemic, significantly higher than the long-term contractual prices. They are based on a concept of value (supply-demand balance) rather than cost, which is normally the case in sales contracts. They therefore help to generate higher, but more volatile, revenues.

Lastly, the Group generates income from the sale of renewable energy certificates or green certificates (LGCs in Australia and CELs in Mexico or GOOs in Europe), which it obtains by producing electricity in its wind and photovoltaic power plants. It then sells those certificates either as part of bundled packages together with the power produced under an electricity sales contract, or in over-the-counter sales on the market via brokers or directly to distributors, or else under certificate sales contracts. In the latter cases, the Group is exposed to the risk of the certificate sale prices decreasing or being highly volatile. In 2022, revenues from the sale of green certificates amounted to €45.6 million, mainly in the context of energy sales contracts, or 9% of the Group's total revenues.

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' resilience and their ability to comply with their financial covenants in the event of more unexpected circumstances. In certain cases, the Group develops certain alternative scenarios directly as a means of testing its models;
- market risk hedging: in markets where power plants are in the production phase and exposed to price risk in wholesale markets (such as in Australia), the Group has teams dedicated to minutely analysing the market risks over shorter periods (ranging from a few months to a few years). These teams develop futures market risk hedging strategies validated by a committee comprising the management teams. Their first practical applications apply to LGC certificates in Australia, as well as to the short-term uncontracted portion of the energy produced by solar and wind power plants with market exposure in Europe and Australia. The Group also intends to extend its market risk hedging policy to 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 24/7 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;
- active contribution to real-time regulation of the grid frequency through the provision of different types of reserve or frequency regulation services to market operators, e.g., in Australia, particularly through the use of storage facilities, which offer unique characteristics of very fast load ramp-up that conventional technologies (e.g., gas-fired power plants) are unable to offer;
- asset complementarity: market risk can also be managed through other assets such as storage facilities. Storage facilities enable the Group to reap the benefit of market volatility with low exposure to structural price increases or decreases. Storage facilities provide effective revenue protection against intra-day price distortions, including negative prices. The Group has acquired extensive experience in operating storage facilities.

Net risk impact: Medium.

3.1.2 RISKS RELATED TO THE GROUP'S ACTIVITY AND STRATEGY

Risk linked to the employment of third party contractors

The Group uses various service providers to construct its projects and provide operational and maintenance (O&M) services as well as for certain aspects of project development, such as technical and environmental studies. If the Group's service providers (or their subcontractors) do not fulfil their contractual obligations, provide services that do not meet the Group's quality standards, encounter financial difficulties or do not comply with the laws and regulations in force, including HSE and social responsibility guidelines, its reputation could suffer as well as it being exposed to the risk of criminal sanctions or significant third party liability. The Group's ability to obtain indemnities from its subcontractors may be limited by their financial solvency or contractual limitations of liability, and the guarantees provided by such subcontractors or their affiliates may not fully cover its losses.

In particular, commissioning delays can have a substantial impact on the Group's income for the current year, if their financial consequences exceed the amount of the guarantees given by the EPC contractors in respect of the performance of their obligations as set out in the related contracts, and notably covering the risk of failure to meet deadlines. Beyond a certain date, contracts for the sale of electricity may also involve late penalties for the Group or be cancelled owing to their strict deadlines for commissioning plants.

Furthermore, the Group's contractors, particularly in the context of the performance of EPC contracts, may be required to formulate claims for additional construction costs that could increase the initially planned investment and thus affect the profitability assumptions projected. They may also refuse to pay compensation for loss of revenue associated with a delay in the start-up of a power plant (Liquidated Damages), in particular in the case of situations that may fall under *force majeure* in the contractual sense. In the event of a disagreement regarding liability or refusal of payment of late penalties, as per the contractual provisions, for the assumption of these additional construction costs, the Group may be required to engage in amicable resolution procedures, resolution by a group of experts (dispute adjudication board), arbitration, or legal proceedings. These may result in rulings that require the Group's subsidiaries to assume additional construction costs that exceed the budget contractually provided for, or in the impossibility of recovering late payment indemnities, and thus potentially affect the amount of capex investments, the cash flow of the asset concerned through uncompensated revenue losses, and consequently the return on investment.

Thus, in Argentina, the Group's EPC contractors on the Altiplano 200 power plant, which began producing electricity in the fall of 2021, filed a request for arbitration at the end of December 2021, which was notified to Neoen in early of 2022, and which resulted in the launch of an arbitration procedure, which is currently still in progress. This claim relates to (i) the dispute over Neoen's right to apply, as from 2020, in accordance with the contractual stipulations, the delay indemnities intended to compensate for the loss of revenue associated with a delay in the start-up of production of the solar power plant in relation

to the contractual schedule (Liquidated Damages), and (ii) the construction overruns that they have allegedly incurred, for which they consider that the Group would be liable, which the Group disputes. Legal and arbitration proceedings are detailed in section 2.6 of this document.

Lastly, the Group may see its ability to transfer certain execution risks to its industrial contractors reduced relative to its wishes or its historical practice. Although it does not depend on a single supplier/provider for essential products and services, in some cases and depending on the geographical location, there may be few potential suppliers/providers that would be acceptable to lenders, or even very few in the case of wind power, meaning that the withdrawal of a major player may affect the availability, price or guarantees of 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 or offers in bilateral negotiations, which are effective, at prices and terms complying with the Group's expectations.

Risk management approach

The Group enters into contracts with Tier 1 suppliers, and to the extent that the local market or its competitiveness allows it, in an essentially turnkey contract format, with allotment contracts currently accounting for a small proportion of its portfolio of construction contracts. These contracts are negotiated by highly experienced and dedicated teams of professionals from the Group's procurement and legal departments, assisted by technical experts and lawyers as and when necessary. The Health, Safety, Environmental and Social (HSES) obligations of contractors, as well as their compliance, are systematically subject to specific clauses that comply with industry best practices in the contracts entered into by the Group.

Contractual performance is monitored by a highly experienced and dedicated construction team assisted by leading consultants and technical experts in the construction phase, and by a highly experienced and dedicated operating team in the O&M phase. In the event of a disagreement regarding the performance of its contracts, the Group may be required to seek the services of leading law firms specialised in such matters.

The Group does not generally enter into framework contracts with its EPC suppliers and their selection is made on a project-by-project basis according to strict competitiveness criteria (HSES, quality, costs and deadlines). It may nevertheless sign framework agreements with some of its suppliers of critical components (photovoltaic modules or batteries, for example). In addition, EPC suppliers provide the Group with performance guarantees, covering in particular the risk of delays in the construction phase or performance of power plants in the operating phase, within contractually negotiated limits. Such guarantees are generally provided by leading financial institutions. The Group pays close attention to the renewal of these guarantees when they expire.

In addition, the Group pays particular attention to ensuring that its service providers respect human rights, and to this end has initiated a specific approach based on the implementation of appropriate measures (see paragraph 5.3.2 "responsible sourcing" of Chapter 5).

Net risk impact: High

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

The Group's development and construction of photovoltaic plants and wind farms, supplemented in some cases by energy storage facilities, are capital-intensive and require significant financing, mainly through the use of equity and external debt. This external financing generally covers between 50% to 90% of project costs for projects in OECD countries or between 50% and 70% for projects outside the OECD. For projects with power sales contracts of limited duration and high exposure to market prices, cost coverage by external financing can fall to 35% - 40%.

In a limited number of cases, the Group may decide to launch the construction of a wind or photovoltaic power plant or a storage facility solely from equity, and financing may be arranged at a later date, once the facility is in operation or after a long-term power purchase agreement has been signed. Some dedicated storage facility projects can also be implemented without external financing, given the lack of possibility of setting up capacity mechanisms or long-term network service supply contracts. This is the case for Ylikkälä Power Reserve in Finland. As of December 31, 2022, 0.1 GW of projects in operation were thus not backed by project financing (out of a total of 4.1 GW of projects in operation).

As at December 31, 2022, the Group's outstanding bank debt amounted to €2,717.6 million in project financing, plus €77.4 million in project bond financing (mainly mezzanine debt) for energy production plants and €470 million in two convertible bonds into new shares and/or exchangeable for existing shares ("OCEANes") issued by the Company in June 2020 and in September 2022 in the form of green bonds for €170 million and €300 million respectively.

The Group's ability to obtain financing for its projects can vary from country to country and no guarantee can be given as to whether the banks and financial players that financed the Group's projects in the past will continue to do so for new projects or markets, as the Group expands into new markets, or under similar conditions, particularly in terms of leverage, maturity or cost of credit, to those seen for previous projects in markets where the Group already operates. The significant rise in interest rates, underway since the beginning of 2022 compared to their historical levels is also likely, if it increases from current levels, to affect the competitiveness of the Group's projects currently in the development or secured, but not yet building phase, and therefore make it difficult to finance them on terms that will enable them to be carried out in accordance with the return on investment objectives set by the Group.

In some cases, the Group may not be able to close its financing after obtaining initial financing commitments, if it cannot obtain the necessary permits or administrative authorisations or if there are extreme weather conditions or political problems, for example. In most countries in which it operates, the Group is often required to provide financial guarantees or deposits in order to participate in competitive tenders.

Risk management approach

In these cases, the Group strongly focuses on developing projects in OECD countries and spreading its geographical exposure. In order to control its risk exposure, the Group currently

has a policy of aiming to spread its installed capacity, locating at least 80% of it inside OECD countries and a maximum of 20% outside the OECD. Moreover, before any significant investment in a project, the Group systematically begins by assessing its “bankability” by consulting credit institutions or development banks.

The Group also tries to diversify its financing counterparties by ensuring that, on the one hand, in the various regions in which it operates, it forms a pool of regular lending banks capable of meeting the needs associated with the development of its projects there, and, on the other hand, it broadens the range of potential lenders by developing relationships with infrastructure funds, debt funds and insurers active in the renewable energy sector, as it was able to do in Finland for the financing of Mutkalampi wind power plant.

Net risk impact: High

Risk linked to the Group's expansion in emerging markets

The main markets in which the Group currently operates are Australia, France and Finland. In 2022, it generated nearly 79% of its revenue from solar and wind farms and electricity storage facilities.

To a lesser extent, the Group also operates solar and wind farms in selected markets in the rest of Europe as well as solar farms and storage facilities in Latin America (a market in which the Group generated 15% of its revenue in 2022 but which represents 13% of the MW in its portfolio of secured projects as at December 31, 2022) and Africa.

Current and planned operations in emerging countries, particularly in Latin America and Africa, expose the Group to the following specific risks:

- the developmental disparities in these markets can result in increasing health and safety risks for personnel, particularly during the construction phase, and also increase the risk of failure or insufficiency of the network operators' infrastructure. In particular, the safety of personnel or even subcontractors may be affected in fragile geopolitical situations (including the risk of terrorism as it is currently the case in Mozambique);
- the development and construction of renewable energy plants and their timely connection to the electricity network could cause problems if some network managers and other key counterparties have limited or no experience relating to the technical requirements (please refer to paragraph 3.1.1 of this document);
- the political instability of certain countries could expose the Group to the risk of losses (if the assets and property are expropriated, nationalised or confiscated), restrictions on foreign investment and repatriation of invested capital, or adverse regulatory changes that were not anticipated when the investments were made;
- deteriorating local security conditions may make it difficult to access the Group's assets, prevent construction operations from being carried out, or lead to impairment, as in Mozambique, where the worsening terrorist risk has led the Group and its suppliers to suspend construction operations for an indefinite period, resulting in the recognition of an asset impairment of €(19.9) million in the 2022 consolidated financial statements;

- the imposition of foreign exchange controls or a lack of acceptable foreign currency could result in restrictions on the exchange of local currency into foreign currency and the transfer of funds abroad, as is currently the case in Argentina, which could limit upstream dividend payments or repayments of shareholder loans to the Company;
- the economic difficulties following the COVID-19 epidemic and the rapid increase in inflation, and their consequences on the public debt to finance support measures in response may limit the ability of the Group's public counterparties to meet their payment maturities within the contractual deadlines or even result in some of these countries defaulting on their sovereign debt or having to restructure it, potentially constituting cross-default events for some of the project financing put in place by the Group (refer to the paragraph 3.2.2.4 counterparty risk of the document);
- the elimination of certain measures taken to encourage foreign investment, including tax benefits, could adversely affect the Group's results or else the cost or even the availability of its project financing in some countries;
- weaknesses in the legal systems and legislation of certain countries may create uncertainty for the Group's investments and activities there;
- the perceived risk of corruption may be higher in some of these countries than in others. Although the Group has adopted a code of conduct designed to address these risks, its controls and procedures may not be capable of preventing breaches of anti-corruption legislation and regulations and its ethics charter or its anti-corruption code of conduct.

The Group's inability to cope with the risks in connection with operations and investment in emerging 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 expansion of its business activity to new countries, sometimes in geopolitically fragile regions, creates new potential exposure. The Group has a policy of taking out special insurance policies to protect its assets against the risks of material damage and the associated loss of income, including those caused by terrorism.

This expansion nevertheless creates a risk dispersion effect, which remains latent in sensitive geographical areas even when the Group's business becomes more mature locally.

In addition, the Group's HSES policy is constantly being strengthened and includes elements dedicated to the health and safety of its employees.

Lastly, whenever the Group chooses its future investments, it minutely monitors the economic, political and regulatory situation of the countries in which it is likely to invest. It is also careful to diversify its investments in order to limit its risk exposure in emerging countries and its sources of external financing, mainly relying on international Development Finance Institutions (DFIs). The Group currently has a policy of aiming to spread its installed capacity, locating at least 80% of it inside OECD countries and a maximum of 20% outside the OECD.

Corruption risk

Integrity is one of the Neoen values that guide its relationship and activities with all contacts, partners, customers and local populations. Shared by all Group employees, these values are the foundations on which Neoen's identity and the intangible benchmarks for the everyday behaviour of its employees are built.

The Group chooses partners whose actions follow the same principle of absolute integrity in all situations. This integrity enables the Group to be completely transparent when conducting its projects.

Following the compliance audit carried out in 2018 by an external consultant and focusing on anti-corruption issues, an action plan was drawn up and training was provided to Group employees deemed to be most exposed to corruption risks in early 2019 (this training being one of the measures in the action plan). During the second half of 2022, the Group, with the help of an external consultant, updated its anti-corruption risk mapping established in 2019. This updated anti-corruption risk mapping was validated first by the Executive Committee and then by the Audit Committee. A new action plan was drawn up on this basis to strengthen the anti-corruption system implemented within the Group.

At the end of 2020, the Group reviewed its ethics charter. As part of this review, the Group decided to formalise its corruption risk prevention measures in a separate code of conduct published on its website.

Lastly, for the syndicated credit facility put in place by the Company in March 2020, the Company pledged to set up a training plan on anti-corruption issues, provided face-to-face for those deemed to be the most exposed and via online training for the rest of the teams. Face-to-face trainings under this framework were conducted in September 2020, in September 2021 and finally in October 2022 and online training campaigns were conducted during November-December 2020, November 2021 and finally July and November 2022.

Net risk impact: High

Risk 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, 2022, the Group's pipeline of projects under development was made up of 248 projects at various stages of development (tender ready and advanced development projects, excluding early stage⁴ projects), please refer to section 2.2 of this document.

The obstacles faced by the Group during the project development phases particularly in securing the necessary permits and authorisations, or in extending or renewing their validity 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 (see note 12 of the consolidated financial statements of the year ended December 31, 2022 for more information on the accounting of these development costs, including their amount recorded on the balance sheet at that date). 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 difficulty 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 due to potential requests by contracting parties which may not be fully covered or adequately provided for by guarantees, indemnification clauses or EPC insurance.

On December 31, 2022, the Group's projects under construction represented 2,523 MW⁵.

Risk management approach

The Group favours organic growth through a multi-local leadership strategy. It relies on local teams, serving as a strong catalyst for the development of new projects.

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 and/or compensation, up to a contractually defined limit, for related revenue losses, 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.

Net risk impact: Medium

⁴ 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.

⁵ At 31 December 2022, the projects in operation represented 4,051 MW (see section 2.2 of this document).

Risk linked to the ability to obtain power purchase agreements

The value and viability of its renewable energy projects depend notably on its ability to sell the electricity generated by these projects under contracts signed with creditworthy counterparties at sufficiently high prices, including in public tenders or the conclusion of bilateral PPAs.

As at 31 December 2022, 76.9% of the Group's capacity in operation and under construction (in terms of MW) benefited from electricity sale contracts resulting from tendering (or open-ended) procedures or bilateral contracts concluded directly with private counterparts, with a duration of more than 5 years. The residual capacity was intended to be sold on the market, hedged or covered by short-term contracts (with a duration of less than 5 years).

The 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.

Bilateral contracts (corporate PPAs) are most often entered into at the end of competitive processes, the results of which depend mainly on the price offered and the commitments made in terms of the project's completion schedule.

If the Group is unable to secure power purchase agreements for a given project under a public tender or under sufficiently favorable terms and with counterparties that have a sufficiently high credit risk rating by rating agencies, it will generally be unable to finance that project or will not be able to do so on favorable financing terms.

Moreover, 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 capitalised in the balance sheet will be written off and a corresponding expense will be recognised 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 bilateral negotiations or future tenders, but cannot guarantee that such tenders will take place or that it will be successful in winning them.

The Group may also consider selling these projects to third parties, as part of the implementation of its farm-down⁶ operations, within an annual limit of a volume of projects concerned not exceeding 20% of the gross annual growth of its secured portfolio, its priority continuing to be a develop-to-own strategy.

The Group may also design and develop some of its projects with a view to selling their electricity production on the future or spot markets, in accordance with the objectives set for exposure to electricity market risks.

It now aims to ensure that the share of its operational installed capacity, whose revenues are exposed to market price changes, does not exceed 20% of its total operational capacity, excluding dedicated storage facilities directly connected to the networks. This threshold excludes assets selling their production on the spot markets prior to the entry into force of their PPAs (the so-called early generation phase).

In 2022, excluding storage facilities, 16% of its capacities in operation and under construction was exposed to market pricing whilst the Group's merchant revenues amounted to 24% of total consolidated revenues excluding storage facilities.

Net risk impact: Medium

Risk linked to the termination of an electricity sales contract or defaults or late payments 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 but growing 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. At December 31, 2022, 90% of the Group's secured capacity (in MW) under contract was allocated to buyers with an investment grade rating at that date.

Similarly, the Group may not be able to fully limit its exposure to regional economic crises, and the associated credit risk, despite locating its facilities in different geographical areas and therefore the resulting risk diversification. These risks may increase when the global economy or regional economies experience periods of volatility, as is currently the case in Europe on the energy markets following the Russian-Ukrainian conflict, or recession.

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

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

The financial performance of its facilities depends both on the quality of credit and on the Group's counterparties regularly fulfilling their contractual obligations under electricity sales contracts. The Group's business, financial position and results may be materially and adversely affected if its counterparties fail to meet their obligations under their electricity purchase contracts and/or fail to meet payment deadlines.

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.

⁶ Total or majority sale of projects in its secured portfolio (farm-down), up to a limit of 20% of the volume of projects secured each year. These farm-down operations strengthen the Group's financial capacity and thus contribute to financing the construction of new assets.

It seeks to reduce its counterparty risk in electricity sales contracts, partly by entering into contracts with states, state-owned power distribution companies or other highly creditworthy customers and by obtaining guarantees covering the obligations of the customers concerned. However, whenever one of the Group's current or future counterparties does not have, or ceases to have, an investment grade credit rating and the Group cannot obtain state guarantees, the Group is or will be exposed to a higher counterparty risk. In non-OECD countries, the Group also tends to finance its projects through development banks, which are likely to support it in its relationship with its counterparties whenever there is a known counterparty risk, or prior to its realisation.

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

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.

Net risk impact: Medium

Risk linked to repairs and renovation of electricity production plants

The operation of Group facilities involves risks of all or part of the equipment or some of its components or procedures breaking down or failing as well as the risk of them failing to reach the expected levels of production or efficiency. These failures and performance problems can be caused by a number of factors such as human error, lack of maintenance and general wear and tear over time. Unexpected interruptions to production units, or other problems related to the Group's production facilities, may also occur and are a risk inherent in its business.

Unexpected interruptions to the Group's electricity production units generally result in a loss of revenue, as was the case for several weeks during the second semester of 2022 for the EL Llano power plant in Mexico, and increase O&M costs. Revenue losses may be only partially covered by the commissioning, availability and performance guarantee mechanisms provided for in the contracts entered into with the Group's EPC and O&M counterparties, or by the insurance policies taken out by the project companies. It may not be possible to recover operating and maintenance costs under the electricity sales contracts, thereby reducing the Group's revenue due to the sale of less electricity or forcing the Group to incur significant expenses due to the increased cost of operating the facility. In extreme cases, such increased O&M costs could even constitute a case of default under an electricity sales contract, resulting in its termination and potentially causing early repayment of the corresponding project financing. In addition, essential equipment and components may not always be immediately available when needed, especially when their production is no longer assured by the original manufacturer, potentially resulting in significant downtime and delaying the resumption of facility operation, involving a loss of earnings that may not be fully offset by the penalties foreseen

in the O&M contracts. Some custom-designed equipment and parts require considerable production and delivery times and costs: if these items do not operate as planned or are damaged, their replacement may require significant Group expenditure and cause significant downtime for the facility in question.

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, covered by guarantees and sanctioned by penalties in case of underperformance.

Net risk impact: Low

3.1.3 RISKS LINKED TO THE GROUP'S FINANCIAL POSITION

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

As part of the financing of its projects, the Group uses significant leverage to limit its capital contribution. At December 31, 2022, the Group's leverage ratio, defined as the ratio between its net debt and its adjusted EBITDA (calculated over the previous 12 months) was 6.0 (please refer to paragraph 2.1.5 of this document). The Group's medium-term objectives, including its net debt/adjusted EBITDA ratio target between 8 and 10 by 2025, require a gearing ratio higher than 70%⁷ of the capital invested, taking into account all financing, whether corporate or set up at the level of dedicated project companies, in the form of senior or mezzanine debt. The Group's project financing therefore involves significant use of debt by the project company, which includes the risks described below and in paragraph 3.2.2.4 of this document. Furthermore, the Group may not be able to maintain the level of leverage required to achieve its growth objectives for various reasons (including a continuation in interest rate hike currently in progress or a higher capital requirement by lenders, notably if a greater proportion of electricity generated by a power plant is sold at market prices or a fall in wholesale electricity prices on the market), which would require greater demands on its shareholders in order to meet the Group's equity needs.

At its first Capital Markets Day in March 2021, the Group had indicated that the financing of its investment plan for the period 2021-2025 would require equity contributions estimated at a maximum of €1.2 billion, of which approximately €600 million was raised in the first half of 2021 through a capital increase with preferential subscription rights. During the presentation of the progress of its 2021-2025 strategic plan, following the publication of its 2022 annual results, this equity requirement was re-evaluated at €1.35 billion⁸, i.e., an additional €150 million, mainly due to the Group's ambition to deploy dedicated storage facilities with a longer autonomy than initially assumed (on average 2 hours compared to 1 to 1.5 hours previously), and therefore a higher investment cost. The level of

⁷ This target takes into account the level of coverage of project costs by external financing (see paragraph 3.1.2 "risk linked to financing arrangements obtained from various sources and particularly from external debt financing" of this document) and the Group's ambitions in terms of installed capacity in operation and under construction by 2025, set at over 10 GW.

⁸ On March 29, 2023, Neoen carried out a capital increase with preferential subscription rights of €750.4 million. This operation is detailed in section 2.7 of this document.

leverage of these dedicated storage facilities, when they can be financed by external debt, is significantly lower than the average for the Group's other assets, which are themselves financed by dedicated project financing.

Beyond this recent specific development, a decrease in the level of leverage below the assumptions used by the Group or a higher equity requirement at the project company level may affect in the future this equity contribution requirement upwards by the time its 2021-2025 investment plan is implemented.

The Group would therefore be exposed to market risk, as its ability to raise additional equity from its shareholders depends on the general situation of the capital markets, and also on investors' appetite to finance Neoen's growth through capital increases.

On December 31, 2022, the Group's consolidated financial debt amounted to €3,509.3 million, of which €2,717.6 million of project financing debts contracted by project companies or intermediate holding companies, €77.4 million of bonds and €409.7 million⁹ of corporate financing contracted by the Company. The remaining €304.6 million comprise (following application of IFRS 16) lease liabilities (€264.4 million), shareholder loans granted to project companies or project company holding companies by minority shareholders (€40.2 million). For a description of the Group's indebtedness, please refer to paragraph 2.5.4 "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).

As of December 31, 2022, two Group assets, one in Australia and the other in Mexico, were not meeting their minimum debt service coverage ratio (DSCR), mainly due to operational problems.

As a result, the Group has accelerated in its financial statements the related non-recourse project financing, which are presented as current financial debts, for amounts of AUD 128.7 million (€82.0 million) and US\$124.1 million (or €116.3 million), respectively. For further details, please refer paragraph 2.4.1.10 of this document.

At the same time, the Group has entered into negotiations with a view to resolving these events of default. In this respect, the company has obtained a waiver dated February 1st, 2023 for the event of default affecting the Mexican asset. As for the Australian asset, negotiations are still in progress with the lending institutions at the date of publication of this document.

In the case of the Company, failure to meet its payment obligations under its corporate financing or to comply with the financial ratios provided for in the syndicated loan implemented in March 2020 which has since been the subject of several amendments, would render all of these corporate debts immediately due.

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 reorganisation of any project company, its creditors (including suppliers, adjudicated creditors and tax authorities) would be entitled to full payment of their claims from the project's revenues before the Group could be authorised 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

The debt of each project company in the Group contracted for the amount of the project is non-recourse or limited-recourse for the Company and the other entities outside the scope of the specific financing, excluding isolated and temporary exceptions.

Consequently, the debt can be repaid solely from the revenues generated by the relevant project company or its direct holding company (if projects are combined), and the repayment of such borrowings (and interest thereon) is generally secured by the project company's equity shares, the facility's physical assets and the contracts, insurance policies and cash flows of the project company or its direct holding company, as the case may be.

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 or with limited recourse against the Company and other entities beyond the scope of the specific financing.

With regard to the Group's corporate financing, including the syndicated credit facility put in place in March 2020¹⁰, having since benefited from several amendments¹¹, and which is subject to compliance with specific covenants¹² which remained undrawn as at December 31, 2022, the principal and interest payments are made by dividend and shareholder loans repayment flows from the various projects, once any principal and interest associated with interim mezzanine debt has been repaid and paid. These flows undergo special monitoring and regular forecasts intended to continuously manage the terms and conditions for covering the principal and interest of this financing.

Net risk impact: High

⁹ This amount corresponds to the debt component, net of issue costs, of the issued green convertible bonds ("OCEANES vertes 2022"), considered as compound instruments under IFRS. The nominal amount of these bonds is €470 million. Please refer to paragraph 2.4.1 and section 4.1 – note 1.3 of this document for more information.

¹⁰ The nominal amount of the syndicated loan is €250 million, comprising a term loan of €175 million and a revolving credit facility with a nominal amount of €75 million.

¹¹ This syndicated loan matures in 2026.

¹² The covenants are described in detail in the paragraph entitled "Risk linked to the financial covenants included in project financing agreements".

Risk 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. 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 contract contains financial and non-financial covenants for which the project company is responsible. In particular, the financing contracts generally contain a minimum debt service coverage ratio (minimum DSCR), which is generally 1.05x to 1.10x, depending on the contract. The standard financing contract imposes terms and conditions governing the distribution of funds to shareholders or the repayment of current account advances, including compliance with a lock-up DSCR, which is generally fixed at a higher value than the minimum DSCR (generally from 1.10x to 1.15x, depending on the contract, or even higher for projects located in countries that are not members of the OECD or which are highly exposed to market prices), and the maintenance of a debt service reserve account. Some financing contracts set a maximum gearing ratio to ensure a minimum percentage of equity in the project in question. Lastly, certain contracts also include cross-default clauses with respect to the project company or its direct holding company and, in some cases, with respect to the Company's financial position.

Failure by the Group to comply with these covenants, which has occurred a limited number of times in the past, could lead in the future to default in respect of project financing, and could have adverse consequences such as the blocking of project distribution, increased costs or even early repayment of the project debt, and in the latter case, this could have a material adverse impact on the Group's ability to obtain financing in the future or affect the cost of its future financing. Furthermore, should the Company encounter significant financial difficulties, this could activate the cross-default clauses included in certain financing contracts and so result in the project companies simultaneous defaulting on several projects.

As of December 31, 2022, two Group assets, one in Australia and the other in Mexico, were not meeting their minimum debt service coverage ratio (DSCR), mainly due to operational problems.

As a result, the Group has accelerated in its financial statements the related non-recourse project financings, which are presented as current financial debts, for amounts of AUD 128.7 million (€82.0 million) and US\$124.1 million (or €116.3 million), respectively. For further details, please refer to paragraphs 2.4.1.10 « non-compliance with covenants for certain project financing » and 2.5.5 « financial covenants ».

At the same time, the Group has entered into negotiations with a view to resolving these events of default. In this respect, the company has obtained a waiver dated February 1st, 2023 for the event of default affecting the Mexican asset. As for the Australian asset, negotiations are still in progress with the lending institutions at the date of publication of this document.

The other companies financed by project and mezzanine debt, on the other hand, complied with their minimum debt service coverage ratio (DSCR) and minimum equity covenants¹³.

The green convertible bonds issued by the Company in 2020 for a nominal amount of approximately €170 million and in 2022 for a nominal amount of €300 million are not subject to special financial covenants. However, they require compliance with a number of commitments (including a negative pledge clause and a change of control clause) and cases of default consistent with market practice for this type of financing.

The syndicated credit facility set up by the Company in March 2020 and amended several occasions since, for a nominal amount of €250 million, including a term loan of €175 million, and a revolving credit facility for a nominal amount of €75 million, whose maturity was extended in 2021 to 2026 and, which remained undrawn as at December 31, 2022, is subject to two specific financial covenants. These covenants provide for a minimum level of debt service coverage ratio and a maximum level of loan-to-value, measured as the ratio between the sum of its net financial debt and its financial guarantees issued on the one hand and its financial assets on the other. This syndicated credit facility is also subject to compliance with a number of undertakings (and in particular negative pledge and change of control) and to cases of default in accordance with market practice for this type of financing.

Risk management approach

The Group closely monitors compliance with the covenants defined in all its financing contracts. Should it anticipate any non-compliance with these covenants over a given period, it would begin discussions with the counterparties with the aim of obtaining a waiver.

Please refer to paragraph 2.5.5 of this document and the above paragraph.

Net risk impact: Medium

Risk 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 incurred by Group entities. This difference includes the deferred impact of any reduction in tax on losses carried forward. On December 31, 2022, deferred tax assets net of liabilities stood at – €137.2 million including the deferred tax assets equating with Group tax losses carried forward, and tax credits, for + €112.3 million (see section 4.1 – note 11.2 “deferred taxes”).

The actual realisation 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 realisation 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

¹³ Debts relating to three of the Group's assets have been reclassified as “current financial debts” because of non-compliance with financial covenants or documentary non-compliances within the meaning of the financing contracts for these power plants (see paragraph 2.4.1.10 of this document).

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. In 2022, given the profit outlook for certain regions and the time limitations on the use of tax losses, no deferred tax assets were recognised in respect of certain tax losses for an impact of 2.24% on the Group's effective tax rate, as detailed in paragraph 2.4.2.3 of this document.

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.

Net risk impact: Medium

Risk 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. In particular, such modifications might affect the VAT rules applicable to construction works, the withholding tax mechanisms applicable to distributed income, 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.

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 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.

Net risk impact: Medium

Foreign exchange risks

The foreign exchange risk to which the Group is exposed firstly includes the "conversion" risk, i.e., the risk associated with converting any financial statements of Group subsidiaries that are prepared in currencies other than the euro, which is the consolidation currency. To date, this risk has mainly involved the Group's Australian subsidiaries, which prepare their accounts in Australian dollars, as well as the solar power plant in El Salvador, whose accounts are prepared in US dollars, the solar power plant in Mexico, whose functional currency is the US dollar, and the solar power plants in Argentina. The operating currency of these plants is the US dollar but they are exposed to the foreign exchange risk relating to the Argentine peso, mainly when recovering the VAT credits associated with the construction phase, and to a lesser extent, the operation phase, as well as the current exchange control measures applied by the Argentine government, which reduce the Group's ability to convert pesos into US dollars.

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 minimises 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, as is the case in Argentina, Mexico and Jamaica, which the Group must then convert without delay into US dollars to guarantee the servicing of debt and distribute any excess cash to shareholders. In this context, the Group is exposed to a convertibility risk.

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

This risk is specific to the Group regarding the Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council. A description of this risk is in paragraph 3.1.3 “Foreign exchange risk”.

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 may enter into 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

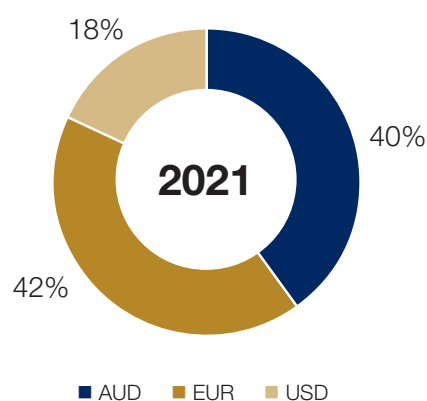
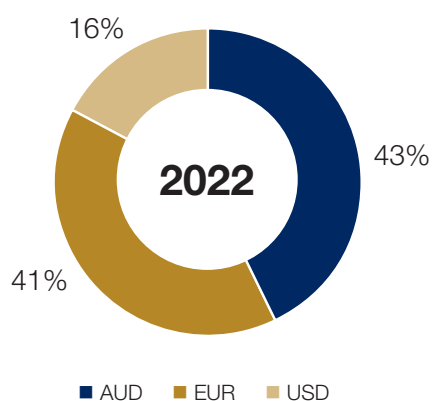
are generally subscribed if and when the Group has clear visibility as to the investment expenditure and debt/equity ratio applicable to the project, for example immediately after the signing of an EPC contract.

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 proceeds with forex hedging at the time of the financial closing in order to ensure that the resources provided for the project will be sufficient for its proper completion.

The following table provides details of the Group's debt by currency type on December 31, 2021 and 2022 (excluding lease liability and minority investments):

(In millions of euros)	31.12.2022	31.12.2021
Debt denominated in euros	1,563.3	1,213.1
Debt denominated in Australian dollars (converted into euros)	1,112.4	948.3
Debt denominated in US dollars (converted into euros)	529.1	541.2
Debt denominated in other currencies (converted into euros)	-	-
TOTAL DEBT	3,204.8	2,702.6

The revenue breakdown by currency between 2021 and 2022 is as follows:



Net risk impact: Medium

3.1.4 LEGAL AND REGULATORY RISKS

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

The Group's activities, to a certain extent, subject to the public incentive policies of the countries in which the Group operates, aimed in particular at encouraging the production and sale of renewable energy. Depending on the country, these measures may notably 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. 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. 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.

Furthermore, the organising of public tenders, which are still a significant market for the Group's electricity production, despite the gradual increase in PPAs signed with private players, largely depends on states or regions being willing to promote the production of renewable energies in their territories, or even planning tools such as the multi-annual programming of energy production in France. For example, in Mexico, following the 2018 federal elections, the Centro Nacional de Control de Energía (CENACE) announced the postponement and then abandonment of its competitive tenders initially planned for the end of 2018, for which the Group was one of the short-listed candidates. These decisions are likely to delay the Group's ability to conclude electricity sales contracts and find markets for the electricity it produces in the country.

In addition, on March 23, 2021, the Mexican Congress also passed a bill to amend the Electricity Industry Act¹⁴ (the "Amended LIE"). This amendment affects independent power producers as it grants exclusive prerogatives to the Federal Electricity Commission (Comisión Federal de Electricidad, or "CFE"), Mexico's state-owned electric utility, and modifies the rules of priority of injection to the benefit of the CFE. The Amended LIE further affects power producers as it restricts open access to transmission and distribution grids and relieves CFE's regulated distribution subsidiary from its obligation to purchase power through regulated public tenders. Accordingly, CFE is able to purchase power from its subsidiaries and pass on the cost through the tariffs offered to regulated consumers.

More generally, 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 (including site rehabilitation, removal of materials and, depending on the country, recycling of the various components). If the Group does not comply or make its facilities compliant with the applicable provisions, it may have its authorisations (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.

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 many countries are aware of the problem posed by global warming, in particular as the result of the pressure exercised by populations on their governments (marches for the climate etc.), and the necessary role of renewable energies in this respect;
- the current energy crisis in Europe following the outbreak of the Russian-Ukrainian conflict, and in general the substantial rise in electricity prices from historical levels, have prompted many governments to implement measures to accelerate the deployment of renewable energies;
- the Group is supported by the banks, notably development banks, financing its production facilities;
- continuous improvements in the competitiveness of wind, solar and storage assets enables them to achieve grid parity in most countries in which the Group operates, especially in the current context of very high electricity prices on the wholesale markets in Europe and to a lesser extent in Australia.

In addition, the Group strives to defend its interests before the courts.

Thus, with respect to the Amended LIE, on March 12 and April 20, 2021, ENR AGS, S.A. de C.V. («ENR AGS») and ENR NL, S.A. de C.V. («ENR NL»), subsidiaries of the Company, each filed appeals in Mexican courts challenging the constitutionality of the Amended LIE (amparos). On March 22 and April 29, 2021, the local courts seized issued judicial orders to ENR AGS and ENR NL suspending the effects of the Amended LIE until the court's final decision on the merits (the "Suspension Orders"). The local authorities have appealed these Suspension Orders. The hearing of these appeals before the two collegiate courts is still pending.

¹⁴ The Electricity Industry Act is a law that provides a framework for regulating the electricity industry.

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 analysing regulatory trends.

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

Net risk impact: Medium

Risks linked to the ability to obtain the necessary permits, licenses and authorisations 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 authorisations required by the regulation in force and delivered by local or national authorities. Depending on the country, such permits, licenses and authorisations may take the form of planning permission (such as building permits), mandatory environmental surveys and impact surveys, authorisations to produce and operate, network connection authorisations and other specific authorisations 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 authorisations 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 authorisations and permits lengthy, complex and costly.

As a result, the Group cannot guarantee that it will be able to obtain at reasonable cost, or within the anticipated timetable, the necessary permits, licenses and authorisations. Finally, for projects at the development stage, the Group may have committed resources without obtaining the permits and authorisations 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.

In Mexico, the Group began construction in 2020 of the high-voltage facilities for the 380 MWp Puebla solar project, in order to respect the initial validity schedules of the generation permit (December 2022) and the studies and interconnection contract of which it was the beneficiary. These facilities are now completed, and the Group is now awaiting confirmation from the network operator (CENACE) of the validity of the interconnection studies in order to launch the construction of the adjoining solar park.

The CENACE, which has been closed since March 2020 for sanitary reasons, has just resumed its activities. A standard has thus just been published concerning the progressive resumption of interconnection studies suspended since its closure. This should allow the deadline for commissioning this solar power plant to be extended to December 2026 and thus give CENACE time to validate the studies submitted to it by the Group.

At the same time, and for the sake of consistency, the Group has applied to the Energy Regulatory Commission (CRE) for an extension of its generation permit to that same date (December 2026).

The interconnection contract, of which interconnection studies are an appendix, can only be amended with CFE once the agreement of CRE has been obtained and the interconnection studies validated by CENACE. The interconnection works and the adjacent solar power facilities, which the group is still planning to build in the near future, can only be finalised under these conditions.

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. However, some non-critical permits can only be obtained after the EPC has completed the detailed studies. In addition, administrative processes can sometimes delay the issuance of a permit that has been duly approved by the authorities. The Group may therefore decide, in a very limited number of cases and after prior legal, technical and regulatory analysis, to notify the EPCs to start construction of a project without having formally obtained all the permits, being understood that the work will not be carried out until these permits have been obtained.

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.

Net risk impact: Medium.

Risk 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 participated to the RenovAr program which included provision for requests for tenders further to which the successful bidders, including the Group, were 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.

In addition, the Group may sell electricity produced by its power plants on the wholesale markets for the portion exceeding the capacity benefiting from mandatory feed-in tariffs, feed-in premiums, or bilateral contracts (so-called "corporate" PPAs). In this case, the Group is exposed to the risk of direct intervention by governments or public authorities on the wholesale markets or indirect intervention in the form of exceptional taxes. In the second half of 2022, the European Union announced the introduction of a price cap of up to €180/MWh for electricity sold on wholesale markets by renewable energy production facilities. Although the practical terms, scope and duration of this measure have been defined differently in the various member countries, some of which have set the cap at a much lower level than the European Union's recommendations and for a longer period, this type of measure is likely to limit the Group's ability to achieve its target IRR objectives, if the cap proves to be more important than the assumptions made by the Group in its investment plans. Electricity volumes sold on the market are generally sold at prices higher than the feed-in tariffs, feed-in premiums and corporate PPA prices, thus constituting a lever for improving the projects' IRR.

Moreover, if the Group is not able to control its costs, notably on the others system components (BOS and/or BOP components), to adapt to changes in the level of 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 reaches grid parity, particularly in the current context of high electricity prices, especially in Europe, 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.

The Group uses a combination of internal models and projections by market experts to determine the price assumptions for electricity sold on the markets, using central curves, which tend to be significantly lower than the prices currently observed on the electricity markets under pressure. This lowers the risk that public intervention will significantly affect the price levels captured by the Group's assets exposed to wholesale prices, compared with the assumptions used in investment business plans.

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.

Net risk impact: Medium

3.1.5 ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE RISKS

Risk linked to IT infrastructure

The Group's activity is based on the effective, secured and uninterrupted operation of its information system which includes complex and sophisticated IT systems, including the critical infrastructure component, telecommunications systems, control, accounting and reporting and systems for the acquisition and processing of operational and tertiary data. 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 the distribution and supply of electricity. These can be caused by system upgrade issues, natural disasters, cyber-attacks, the number, complexity and sophistication of which have increased substantially during the last two years, 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 due in particular to cyber-attacks, such as ransomware, could seriously hinder administrative and commercial 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 may lead to loss of revenue, non-compliance with contractual, regulatory or tax obligations and give rise to fines and penalties.

Risk management approach

In order to secure its IT infrastructure, and in particular to preserve the integrity of its most critical information systems and sensitive data, in a context of strong growth, the Group has entered into several contracts with qualified external service providers to ensure the integrity, performance, continuity of service and protection of these systems. These contracts contain special performance obligations, which are subject to regular, detailed monitoring.

The Group has an internal IT function headed by the Chief Information Officer. As part of a medium-term plan currently being implemented, the CIO is responsible for strengthening the Group's investment in staff and equipment around cybersecurity,

the monitoring and security of the tools used to measure the performance of the production assets, and IT development involving some of the Group's key functions (including operations, financing and human resources). In 2022, the Group continued to overhaul its IT infrastructure, based on the use of hybrid multicloud solutions to ensure greater resilience to the most critical attacks, such as ransomware¹⁵.

As the main channel for cyber-attacks is now the human vector, in 2022 the Group pursued its efforts to raise employee awareness of cyber risk by implementing a dedicated training program and conducting phishing test campaigns.

This awareness-raising is accompanied by the gradual implementation, which is still in progress currently, of systems and processes for incident detection and response. For detection purposes, the Group uses proven solutions (Security Operating Center / Security Information and Event Management) that enable permanent, proactive and automated monitoring of possible cyber-attacks against information system components. To ensure that the incident response is appropriate and timely, the Group will use the services of qualified companies with cyber-security expertise.

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.

In addition, since 2020, following the arrival of its Chief Information Officer, the Group has had regular external audits of its cybersecurity risk exposure, which led to the strengthening and implementation of several internal policies, the deployment of dedicated protection tools focusing in particular on securing data exchanges and workspaces, and ensuring that all employees are made aware of the risks associated with cybersecurity by providing e-learning courses on the subject.

Dedicated 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).

During 2022, online training courses covering the entire spectrum of cybersecurity risks, including employee control of their digital footprint, the main source of information used by attackers to perpetrate attacks, were provided to all employees. Their content is adapted to their respective level of knowledge and expertise. Their effective implementation is monitored by the Group IT Department with the support of team managers.

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.

Net risk impact: High

Risk linked to the ability to retain key employees and to hire and retain qualified new employees

The Group's success and its ability to achieve its growth objectives depend on key personnel and skilled employees, including certain Group executives and employees with particular expertise in project development, structuring and financing, engineering, construction, operation and maintenance. Given their expertise in the 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 individuals could have a significant adverse impact on the Group's growth, project development, financial position and income.

As the Group extends its activities, portfolio and geographical footprint, its operational success and its ability to execute its business plan depend for a large part on its ability to attract and retain additional qualified personnel with specific technical or industry expertise, including in the many international locations where it operates.

For example, the presence of the Group's personnel and engineering capabilities in the field are crucial for the development of new projects and the operation of existing assets. The success of these projects depends on hiring and retaining personnel throughout the Group with sufficient expertise to enable the Group to complete the various project development stages with accuracy and on a timely basis. There is significant and growing competition in the renewable energy industry to attract qualified personnel with the necessary expertise, and the Group cannot guarantee that it will be able to recruit sufficient number of such talents to support its business plan and growth. The inability to recruit and retain qualified personnel could have a material adverse effect on the Group's activities.

In addition, executives and other employees with technical or sectoral expertise may sometimes leave the Group. As the Group's visibility and reputation grow, its employees also become more sought after.

Thus, in a context of general tension on the job market in the main countries where the Group operates, particularly exacerbated for key skills mobilised throughout the value chain of renewable activities, the Group has observed two notable phenomena

¹⁵ Ransomware is a malicious software that blocks access to the computer or files by encrypting them and demands the victim to pay a ransom to get access again, it is a common attack technique of cybercrime.

during the year 2022. On the one hand, an increase in the number of requests from competitors or emerging players for key Group employees, and more generally for functions that are essential to the completion of its projects (development, construction and financing in particular). Secondly, inflation on the job market in the terms of remuneration offered to qualified profiles sought by the Group, making the recruitment process more complex for functions that are central to its continued growth.

If the Group is unable to quickly appoint qualified and effective successors or cannot effectively manage temporary gaps in expertise or other disruptions created by such departures, this could have a significant adverse impact on its business 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 talents among its personnel, in particular by exposing them to new positions and experiences within the Group's various subsidiaries.

The Group conducts an annual review of its workforce and identifies key functions and employees for which special retention policies and succession plans are put in place.

For that reason, the Group strongly encourages cross-functional and international mobility among its employees.

The Group has also historically offered its key employees stock option plans and free share award plans, as described in chapters 4, 6 and 7 of this document.

Lastly, an incentive plan was set up in France in 2019 and an employee shareholding scheme for the Group's French employees in March 2020, April 2021 and March 2022. These offered each beneficiary the opportunity to acquire new shares at a preferential price (see chapters 4, 6 and 7 of this document).

Net risk impact: High.

Risk linked to the approval of facilities by local communities or any challenge to permits, licenses and authorisations once granted to the Group

The wind power and, to a lesser extent, solar power projects developed and operated by the Group may be subject to low acceptance and, in some cases, opposition from local populations and associations specialising in the fight against wind power installations, particularly in France.

In particular the permits, authorisations 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 also arise, in less systematic way, for projects located in the other countries where the Group is present, notably in Finland, Sweden and Canada.

When the permits and authorisations 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, 2022 none of the Group's 123 solar power projects were the subject of an appeal and 24.5% of its 50 wind power projects (i.e., 12 projects) in awarded, tender-ready and advanced development¹⁶ 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). Outside France, one Group project in Sweden, was under appeal. During 2022, no Group project has been abandoned as a result of appeals, the communities' views being taken into account to adapt the projects in case of strong opposition. Two wind power projects, one awarded and the other in operation, have been released from appeal.

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 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 acceptancy 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, the Group gives priority to information and consultation with local communities. The Group also seeks to avoid, reduce and compensate for the impacts of a project through detailed environmental analysis. These analysis and consultations, combined with the implementation of compensatory measures, make it possible to limit the impact of a project or local opposition, particularly by complying with the IFC's Performance Standards for projects financed by development banks.

That is why the Group has established a framework for sustainable development, summarised in its Sustainability Framework¹⁷, to which it is committed:

- to have environmental impact studies carried out by specialist environmentalists for 100% of its advanced development¹⁶ projects and to compensate, where appropriate, for unavoidable environmental impacts, in accordance with local requirements. The Group is also committed, for each project to be built, to adopt a biodiversity initiative that goes beyond the requirements of local regulations;
- to consult the community and share information, even when not required by law;
- to develop a Community Engagement Plan¹⁸ for 100% of its new projects with a capacity exceeding 50 MW;

¹⁶ 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.

¹⁷ The Sustainability Framework is the framework that Neoen has given itself to formalise its commitments to sustainable development. Neoen wants to develop responsible and sustainable practices in its modus operandi, its interactions with the communities and the control of its environmental footprint. The Sustainability Framework is available on the Neoen website (<https://neoen.com/fr/rse/> / <https://neoen.com/en/csr/>).

¹⁸ The Community Engagement Plan is a complete internal tool, guiding and marking out all the consultations and interactions that will take place during the life of a project, from the early stages of the feasibility study to its dismantling.

- to maximise its impact on the local economy by interacting with local businesses and professional networks, favoring local suppliers and workers whenever possible, and developing a Local Participation Plan¹⁹ for projects with a capacity exceeding 100 MW;
- to implement local initiatives and sustainable development projects for each project with a capacity exceeding 50 MW;
- to strengthen our ties with local communities by creating a work of art that highlights renewable energy and local culture for each project with a capacity exceeding 50 MW.

For wind power projects, early concertation with local communities makes it easier for facilities to be accepted. Neoen's teams engage in discussion and provide information prior to any submission of requests for authorisations as a means of involving local residents in a project's development and taking local issues on board. The means employed are adapted according to the context (presence of other wind turbines nearby, degree of local influence of the associations opposing wind turbines): involvement of local elected representatives, organisation of meetings or information sessions for local residents, canvassing, distribution of information sheets, visits to existing facilities, setting up a website dedicated to the project.

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 specialised consultants for certain regions (Latin America, Africa or Europe), as a means of ensuring positive relationships over the long term.

Outside Europe, the Group conducts environmental and social impact assessments (ESIA) during the development phase. The social component of these assessments is used not only to establish the Community Engagement Plan, but also to draw up action plans with the communities involved during the construction and operation phases of the project.

Finally, for some projects, in order not to delay the construction and operation of a power plant, the Group may consider the benefits of taking out insurance providing protection against the financial consequences suffered in the event of successful appeal (against the permits obtained by the Group) if such coverages are available and their implementation is financially justified.

Net risk impact: Medium

Risk linked to weather conditions and the effects of climate change

The Group is investing and expects to continue to invest in electricity generation projects dependent on solar and wind resources. As of December 31, 2022, the Group's photovoltaic facilities and wind farms in operation represented 2,309 MW and 1,477 MW, respectively, or approximately 50% and 36% of its total operational capacity.

The production levels of the Group's photovoltaic and wind farms are dependent respectively and significantly on the degree of irradiation of the solar installations and the kinetic energy of the wind to which the wind turbines are exposed. These resources are beyond the Group's control and are likely to vary significantly

from period to period. General weather conditions, such as seasonal variations in resources, are thus complex to predict.

Insufficient levels of irradiation or wind may result in a reduction in electricity production. Excessive temperatures can also lead to a reduction in the production of electricity from photovoltaic installations, and winds exceeding a certain speed can damage wind turbines and force the Group to interrupt the operation of turbines.

This weather-related risk is increased by climate change. 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, such as hurricanes, floods or forest fires, it is likely to have an adverse effect on the Group's facilities and business. Moreover, extreme weather events may damage 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 floods in Australia. It also suffered earthquakes in El Salvador.

Risk management approach

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

- a strategy of geographic and technological diversification of its project portfolio: as of the date of this document, although the Group conducts most of its business in Australia (36% of the MW in operation as of December 31, 2022), in France (26% of the MW in operation as of December 31, 2022), and in the Americas (22% of the MW in operation as of December 31, 2022), the pursuit of this strategy of diversification should limit the potential impact of the occurrence of this risk in the future at consolidated level;
- real-time monitoring of the climatic conditions in which the Group's assets operate. On the one hand, this monitoring enables the Group to make electricity production forecasts based on statistical studies of the historical weather conditions of the sites. The Group's internal rate of return («IRR») and financial covenants negotiated in the context of project financing generally assume that these forecasts will be statistically verified over the long term. In addition, this monitoring should make it possible to identify and better anticipate any actions to be taken in the event of excessive variations. Indeed, estimates of the level of irradiation and wind resources at sites, based on the Group's experience and on studies conducted by independent engineers, may not reflect the actual level of solar and wind resources at a site for a given period. The Group may therefore need to carry out further studies in the event of persistent discrepancies between its initial estimates and the actual level of resources affecting certain assets, and revise its forecasts accordingly for a specific asset, but also for future projects with similar characteristics;
- the construction of assets in line with robust (seismic, wind, flooding, etc.) standards;
- insurance cover for its assets, in which weather issues play a fundamental role. The transfer of risks to the insurance market is defined based on clear criteria regarding the financial

¹⁹ The Local Participation Plan It identifies and lists all potential economic benefits of a project in terms of local and regional development.

strength of the partner insurers and their ability to cover the major weather events and natural disasters that could affect the Group's assets. Given the continued tightening of the global insurance market, the Group may be obliged to conduct technical studies to define the level of guarantees appropriate to the risks of each asset. The insurance includes cover for physical assets (property damage), the expected income from assets (operating losses), or debt and fixed operating costs, as applicable, as well as additional O&M costs incurred during the repair of a disaster. This revised cover, as described in section 3.2, "insurance and risk management", protects the Group and its assets as much as possible against uncertainty

due to extreme weather events. In addition, 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 solar 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.

Net risk impact: Medium

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 implemented insurances:

- at the Company level, essentially to cover 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 and corporate officers;
- at the level of project companies, covering insurable risks relating to the development, construction and operation of their solar, wind and storage facilities.

Insurance policies are defined and managed in-house by specific department, under the responsibility of the General Counsel, who works closely with various teams (operation, development and legal teams) worldwide and with the Group's insurance brokers. Given the continuous hardening global insurance market, the Group is making every effort to obtain suitable insurance cover for each risk (i) by creating partnerships with major market players, and (ii) by conducting technical studies to accurately determine the risks of a project, including in the event of a natural disaster or terrorist attack.

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 and corporate officers 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:

- international public liability insurance taken out with HDI, the purpose of which is to protect the Group, its representatives and employees located in France and in the other countries in which the Group operates against the financial consequences of any liability that they may incur as a result of bodily injury and material and consequential damage resulting from faults, errors of fact or law, oversights, omissions or inaccuracies committed by them or their employees and caused to third parties, including the Group's customers, in the performance of their professional activities. This insurance also includes a "criminal defence" component that covers the payment of the fees of the agents (lawyers, solicitors, bailiffs and experts) and the costs necessary to defend the Group if it is prosecuted for a serious claim. The total amount of all these guarantees is capped per claim and per insurance year, with sub-limits per type of damages. This insurance consists of a "master" policy and "local" policies in the countries in which the Group operates in accordance with local regulations. The "master" policy is intended to supplement the "local" policies;
- a third party liability insurance program for executives and corporate officers, provided by AIG (as lead 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, 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 probability that the Group may be obliged to pay indemnities, and/or expenses that are insufficiently or not covered by its insurance policies, cannot be excluded in certain cases.

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 “construction all risks” policy covering both the Company and the project company against the risks of accidental damage to assets and associated loss of revenue as well as third party liability (including accidental pollution risks) that may occur during the construction of the facility. The use of a “construction all risks” or “construction and erection all risks” policy provides insurance proceeds without seeking liability, to avoid delay during construction;
 - 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.);
 - a specific liability insurance policy that includes accidental environmental risks if this component is not included in the construction or operation policies;
 - depending on the project risks, the Group may also take out a specific insurance policy to cover property damage and associated loss of revenue in the event of an act of terrorism, both during the construction phase and during operations.
- although each project has its own cover separate from that of the other projects, this cover must be consistent with the Group's policy on insurance cover. In the particular case of French solar projects, standard terms and conditions have been set out in framework policies negotiated beforehand by the Group with leading insurers, including insurance brokers. Thus, as at the date of this document, framework policies have been taken out with AXA France and Gothaer to cover the Group's photovoltaic and wind farm assets located in France, both under construction and in operation in order to cover respectively, the third party liability risks as well as the risks of accidental damage to assets and associated loss of revenue;
- concerning its international business, the Group has undertaken a project to harmonise and rationalise its international insurance policies. In 2020, it took out several operating insurance policy with leading insurers, with HDI as lead insurer for the photovoltaic and storage facilities in Australia and AGCS for the other operating facilities located internationally, to cover the risks of accidental property damage

and associated loss of revenue or debt and fixed operating costs. Construction policies covering these projects are taken out at the end of requests for quotations organised with the support of an international broker;

- 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;
- 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 lenders.

In view of the increased risk of terrorism in Mozambique, the construction policy covering the Metoro photovoltaic project was terminated at the end of June 2022 at the insurers' initiative due to the complete evacuation of the site following the attacks perpetrated in 2022 in the vicinity of the site. This project remains insured through an insurance policy covering the risks of political violence. The Group is in contact with a local broker to study the feasibility of a construction policy with local insurers.

In addition to this general policy, certain mandatory local insurance policies are put in place based on the country concerned.

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, analyse 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, behaviours 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, analyse 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 organisation and tools to provide structure have been put in place to support these measures at all levels of the Group's organisation.

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 paragraph 3.1.1 "risks related to the Group's line of business" of this document, with support from a specialised 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.

The main risks to which the Group is exposed are mapped every three years with the aim of revising their classification in the light of changes in the environment in which it operates.

Thus, in the second half of 2022, the Group carried out an in-depth review of this risk mapping and its risk management system in a general context marked by the end of the health crisis, significant geopolitical and macroeconomic instability, particularly in Europe, high inflation and high volatility in commodity markets. This review was carried out with the involvement of representatives of all Neoen departments and the Executive Committee.

During the fourth quarter of 2022, this updated map and, more generally, the risk environment were analysed by the Executive Committee and validated by the Audit Committee.

In a context of general tension in the job market in the main countries where the Group operates, particularly exacerbated for key skills mobilised throughout the value chain of renewable activities, the Group has observed two notable phenomena during the year 2022. On the one hand, an increase in the number of requests from competitors or emerging players for key Group

employees, and more generally for functions that are essential to the completion of its projects (development, construction and financing in particular). Secondly, inflation in the job market in terms of remuneration offered to qualified profiles sought by the Group, making the recruitment process more complex for functions that are central to its continued growth. The Group has therefore decided, in agreement with the Audit Committee, to reassess the risk related to the ability to retain key employees and to hire and retain qualified new employees to "high".

It does not seem that the net level of other risks has increased or changed compared to the previous situation.

3.2.2.2 ORGANISATIONAL 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 its design, 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.

More specifically, the CFO of the Group is responsible for coordinating the implementation, management and reporting of the internal control system, with the support of internal teams and dedicated external service providers. He also coordinates the process of updating the risk map. 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 key 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. This report is compiled 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.

These are prepared on a half-yearly and annual bases, respectively for the consolidated financial statements and for both the statutory and consolidated financial statements, 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 centralised consolidation tool.

At each period end the Group's central financial control teams review the accounts submitted, perform period to period analytical review and analyse variances against budget and rolling forecast.

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 particularly based on the corporate culture disseminated by the Company. The Group has defined and deployed an ethical charter and actively demonstrates a managerial culture sensitive to risk management. The Group's organisation and its clearly defined roles and responsibilities, supported by the chart of authorities it has put in place, also contribute to a solid control environment. Its chart of authorities is regularly reviewed for consistency with the Group's needs as it grows.

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 2022, all control activities related to the ten major processes were reviewed by the business process owners and adapted where necessary. In addition to this organisation, 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 harmonised manner across all territories.

Finally, implementation of the internal control system is assessed annually. Historically, internal control self-assessment campaigns have been carried out, the first of which was launched in 2017 and a second cross-audit between departments was carried out at the end of 2018. 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.

From the second half of 2019, the Group initiated an external audit campaign, firstly, to ensure that the defined controls were properly implemented and secondly, to check that the measures for controlling major risks — as well any other major risks identified between two risk map updates — were working properly. This audit, which specifically covered the controls used to prepare the financial statements and to produce the Group's financial information for France, was carried out in 2020 on the Group's Australian entities, then in 2021 on the scope of the Group's Salvadorian entities and on certain controls applicable to the French entities and to the Company, and finally in 2022 on the scope of the Group's Finnish entities and certain controls applicable to the Group's French entities which had not previously been subject to external control. It is due to be extended in 2023 to other Group countries, by geographical rotation and by process.

Lastly, internal controls on compliance are described in paragraph 3.2.2.1 "risk mapping" of this document. 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 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.

This risk is described in paragraph 3.1.3 « Risk linked to the Group's level of gearing and means of financing », which is a specific risk regarding the Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council.

The following table summarises the Group's exposure by interest rate type on December 31, 2021 and 2022:

(In millions of euros)	31.12.2022	31.12.2021
Fixed rate borrowings	1,690.0	1,213.5
Floating rate borrowings	1,819.3	1,693.3
Interest rate derivative liabilities	-	46.7
Interest rate derivative assets	(302.7)	(30.4)
TOTAL BORROWINGS AFTER HEDGING	3,206.6	2,923.0

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. The changes in the fair values are recorded in the consolidated statement of comprehensive income in the section 4.1 – note 20.2 “net debt” 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, 2021 and 2022 for the purpose of hedging its exposure to interest rate risk:

(In millions of euros)	Notional value per maturity			Fair value	Recorded as equity	Recorded as income
	Less than 5 years	More than 5 years	Total			
At December 31, 2021						
Interest rate swaps - Solar	(340.3)	(336.4)	(676.7)	(12.1)	15.8	-
Interest rate swaps - Wind	(200.6)	(435.9)	(636.5)	(6.9)	28.8	-
Interest rate swaps - Holdings	112.5	-	112.5	(0.2)	0,2	-
Interest rate caps	62.6	84.3	146.9	2.9	1.7	-
TOTAL	(365.7)	(688.0)	(1,053.7)	(16.3)	46.4	-
At December 31, 2022						
Interest rate swaps - Solar	(184.4)	(508.5)	(692.9)	110.6	114.3	-
Interest rate swaps - Wind	(378.6)	(488.3)	(866.8)	182.6	168.8	-
Interest rate swaps - Holdings	-	-	-	9.6	9.6	-
Interest rate caps	-	-	-	-	1.9	-
TOTAL	(562.9)	(996.8)	(1,559.7)	302.7	294.6	-

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 description of this risk is detailed in paragraph 3.1.2 of this document, the following categories “Risk linked to the Group's expansion in emerging markets” and “Risk linked to the termination of an electricity sales contract or defaults or late payments by counterparties”, which are specific risks regarding the Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council.

The following table summarises the situation of the Group's trade receivables on December 31, 2021 and 2022:

(In millions of euros)	31.12.2022	31.12.2021
Trade receivables	106.6	81.6
Impairment of trade receivables	-	-
TOTAL	106.6	81.6

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 expected to increase in the future.

The Group could also design and develop some of its projects with a view to selling their electricity production on the future or spot markets, in accordance with the objectives set for exposure to electricity market risks. It should be remembered that the Group aims to ensure that the share of its operational installed capacity whose revenues are exposed to market prices does not exceed 20% of its total capacity in operation, excluding dedicated storage facilities directly connected to the networks. This threshold excludes assets selling their production on the spot markets prior to the entry into force of their PPAs (the so-called early generation phase).

In cases where the counterparty to the electricity sales contract is a private company, its credit rating is taken into account when calculating the target internal rate of return (IRR) of the underlying project. When all or part of a power plant's electricity sales are made on the market, a specific risk premium, depending on the proportion of electricity sales made on the markets, 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.

The table below summarises the Group's available resources (liquidity position) as of December 31, 2021 and 2022 (see the section 4.1 - note 22.5 "liquidity risks" of this document):

(In millions of euros)	31.12.2022	31.12.2021
Cash and cash equivalents:	622.7	592.6
of which short-term investments	40.6	67.9
of which available cash resources	582.2	524.6
- of which cash to be returned to EDF OA ⁽¹⁾	90.3	-
Overdrafts available	288.0	238.0
TOTAL	910.7	830.5

(1) As of December 31, 2022, cash and cash equivalents taken into account in the calculation of net debt include an amount of €90.3 million corresponding to the difference, for some French power plants, between the market price they received and the price of their purchase contract, which the Group considers should be returned to EDF OA, in accordance with the regulatory provisions in force (please refer to section 4.1 – note 20.2 of the present document).

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.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its immediate or short-term financial commitments. It is described in paragraph 3.1.3 « risk linked to the Group's financial situation», which is a specific risk regarding the Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council.

Thus, in order to prevent this risk, the Group performs an analysis of its liquidity requirements several times a year over a rolling 12-month period.

At the date of closing of the financial statements, and taking into account its current obligations and the investments planned as part of the Company's execution of its investment plan over the next twelve months, the Company does not have sufficient financial resources for the period under review.

The net additional cash required to continue the Company's activities over the next twelve months is estimated at approximately €335.0 million.

A capital increase is therefore the Company's preferred solution for financing the continuation of its activities necessary for its development over the period in question²⁰. However, in the event that the Company delays certain projects planned as part of the execution of its investment plan, the cash shortfall would no longer occur over the next twelve months.

²⁰ A prospectus was approved by the Autorité des Marchés Financiers ("AMF") on March 6, 2023 and published on March 7, 2023. On March 29, 2023, Neoen carried out a capital increase with preferential subscription rights of €750.4 million. This operation is detailed in section 2.7 of this document.

4



FINANCIAL STATEMENTS AND STATUTORY AUDITORS REPORTS

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4.1 NEOEN GROUP CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2022

4.1.1 CONSOLIDATED INCOME STATEMENT

<i>(In millions of euros, except for earnings per share data)</i>	Notes	FY 2022	FY 2021
Energy sales under contract		309.2	249.3
Energy sales in the market		171.5	74.7
Other revenues		22.5	9.6
Total Revenue	5	503.2	333.6
Purchases net of changes in inventories	6.1	(2.2)	2.5
External expenses and payroll costs	6.3 and 7.1	(135.3)	(86.0)
Duties, taxes and similar payments	8	(10.0)	(7.5)
Other current operating income and expenses	9	56.8	54.4
Share of net income of associates	14	0.5	0.3
Current operating amortisation	12.2 and 12.3	(151.0)	(107.6)
Current operating income		262.1	189.6
Other non-current operating income and expenses	10	(3.8)	(8.0)
Impairment of non-current assets	10	(27.3)	(10.4)
Operating income		231.0	171.2
Cost of debt		(135.6)	(106.5)
Other financial income and expenses		(17.1)	(11.2)
Net financial result	20.1	(152.7)	(117.7)
Profit before tax		78.3	53.5
Income tax	11	(32.6)	(13.3)
Net income from continuing operations		45.7	40.2
Consolidated net income		45.7	40.2
Group share of net income		45.2	41.0
Net income attributable to non-controlling interests		0.5	(0.8)
Basic earnings per share (in euros)		0.41	0.39
Diluted earnings per share (in euros)		0.37	0.35

4.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In millions of euros</i>	Notes	FY 2022	FY 2021
Consolidated net income		45.7	40.2
Foreign exchange differences ⁽¹⁾		11.1	37.0
Cash flow hedging (interest rate derivatives)	20.3	348.7	100.6
Deferred tax for cash flow hedging		(96.7)	(26.9)
Others		-	0.5
Items recyclable through profit or loss		263.1	111.2
Total comprehensive income		308.8	151.4
<i>of which: Net Income - Group share</i>		297.3	145.9
<i>of which: Net Income - attributable to non-controlling interests</i>		11.4	5.5

(1) In 2022, the foreign exchange differences are mainly due to the favourable change in the exchange rate of the US dollar against the euro, amounting to €28.9 million, offset by unfavourable changes in the exchange rate of the Australian dollar against the euro, amounting to €(17.2) million. In 2021, the foreign exchange differences are mainly due to the favourable change in the exchange rate of the US dollar and the Australian dollar against the euro, amounting to €27.7 million and €8.8 million respectively.

4.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In millions of euros</i>	Notes	31.12.2022	31.12.2021
Goodwill	12.1	0.7	0.7
Intangible assets	12.2	290.5	269.3
Property, plant and equipment	12.3	4,566.9	3,677.6
Investments in associates and joint ventures	14	24.4	16.6
Non-current derivative financial instruments	20.3	312.9	30.4
Non-current financial assets	15	99.9	83.0
Other non-current assets ⁽¹⁾		10.7	11.1
Deferred tax assets	11.2	56.8	58.3
Total non-current assets		5,362.9	4,147.0
Inventories	6.2	10.6	8.7
Trade receivables	5.2	106.6	81.6
Other current assets	16	108.0	115.3
Current derivative financial instruments	20.3	35.9	-
Cash and cash equivalents	17	622.8	592.6
Total current assets		883.9	798.2
Assets held for sale	3.4	26.8	-
Total assets		6,273.5	4,945.1

<i>In millions of euros</i>	Notes	31.12.2022	31.12.2021
Share capital		229.3	214.1
Share premium		1,247.4	1,053.4
Reserves		375.1	59.2
Treasury shares		(3.2)	(3.1)
Group share of net income		45.2	41.0
Group share of equity	18	1,893.7	1,364.7
Non-controlling interests	18	20.5	9.2
Total equity	18	1,914.3	1,373.9
Non-current provisions	19	115.3	75.8
Non-current project finance	20.2	2,702.3	2,140.1
Non-current corporate finance	20.2	407.9	337.5
Non-current derivative financial instruments	20.3	32.2	23.3
Other non-current liabilities ⁽²⁾		17.9	31.6
Deferred tax liabilities	11.2	194.0	85.7
Total non-current liabilities		3,469.8	2,694.1
Current provisions	19	1.0	0.3
Current project finance	20.2	397.3	427.7
Current corporate finance	20.2	1.8	1.3
Current derivative financial instruments	20.3	12.6	23.3
Trade payables	6.4	242.4	340.4
Other current liabilities	21	206.2	84.1
Total current liabilities		861.2	877.1
Liabilities associated with assets held for sale	3.4	28.2	-
Total equity and liabilities		6,273.5	4,945.1

(1) Other non-current assets mainly correspond to discounts recognised in advance by the Group, in accordance with its contractual obligations, in connection with the execution of a long-term power purchase agreement in Australia. The liabilities associated with these contractual obligations are recognised in other non-current and current liabilities.

(2) Other non-current liabilities correspond mainly to deferred payments, due in more than one year, related to the acquisition of assets under development in Europe.

4.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In millions of euros</i>	Number of shares	Share capital	Share premium	Reserves and retained earnings	Treasury shares	Group share of equity	Non-controlling interests	Total equity
Total equity as of December 31st, 2020	85,550,712	171.1	502.3	(36.5)	(0.1)	636.8	4.8	641.6
Net income of the period		-	-	41.0	-	41.0	(0.8)	40.2
Other comprehensive income		-	-	104.9	-	104.9	6.2	111.2
Comprehensive income for the period	-	-	-	145.9	-	145.9	5.5	151.4
Share capital increase and reductions	21,505,973	43.0	551.2	0.0	-	594.1	(2.4)	591.7
Distribution of dividends		-	-	0.0	-	0.0	(0.2)	(0.2)
Share-based payments		-	-	8.5	-	8.5	-	8.5
Transactions with non-controlling interests		(0.0)	-	0.7	-	0.7	1.6	2.2
Change in treasury shares		-	-	(9.0)	(3.0)	(12.1)	-	(12.1)
Changes in consolidation scope and other changes		0.0	0.0	(9.4)	-	(9.3)	(0.0)	(9.3)
Total equity as of December 31st, 2021	107,056,685	214.1	1,053.4	100.3	(3.1)	1,364.7	9.2	1,373.9
Net income of the period		-	-	45.2	-	45.2	0.5	45.7
Other comprehensive income		-	-	252.1	-	252.1	11.0	263.1
Comprehensive income for the period	-	-	-	297.3	-	297.3	11.4	308.8
Share capital increase and reduction ⁽¹⁾	7,612,813	15.2	194.0	(0.3)	-	208.8	(1.5)	207.4
Distribution of dividends		-	-	(10.7)	-	(10.7)	-	(10.7)
Share-based payments		-	-	7.9	-	7.9	-	7.9
Transactions with non-controlling interests ⁽²⁾		0.0	-	(1.3)	-	(1.3)	1.3	0.0
Change in treasury shares ⁽³⁾		-	-	(1.9)	(0.1)	(2.1)	-	(2.1)
Changes in consolidation scope and other changes ⁽⁴⁾		(0.0)	-	29.0	-	29.0	0.0	29.0
Total equity as of December 31st, 2022	114,669,498	229.3	1,247.4	420.3	(3.2)	1,893.7	20.5	1,914.3

(1) See note 18.

(2) In 2022, transactions with non-controlling interests correspond to additional acquisitions of equity interests in entities already controlled by the Group.

(3) In 2022, Neoen S.A. bought 51,000 of its own shares for allocation under stock option or free share plans, and increased its number of treasury shares (+ 20,561) under a liquidity contract (entrusted to Kepler Chevreux and in accordance with the code of ethics recognised by the Autorité des marchés financiers (AMF)), for a total amount of €2.1 million.

(4) In 2022, changes in consolidation scope and other changes correspond to the issuance of green convertible bonds ("OCEANes vertes 2022"), of which €35.6 million were recognised as equity component, net of deferred taxes, in accordance with IFRS 9 - Financial Instruments, partially offset by the derecognition of the equity component of the convertible bonds ("OCEANes 2019") upon their conversion, for €(6.5) million net of deferred taxes (see note 1.3).

4.1.5 CONSOLIDATED CASH FLOW STATEMENT

<i>In millions of euros</i>	Notes	FY 2022	FY 2021
Consolidated net income		45.7	40.2
Eliminations:			
of the share of net income of associates	14	(0.5)	(0.3)
of depreciation, amortisation and provisions	10, 12 and 19	176.9	117.5
of change in fair value of energy derivative financial instruments	9	(2.8)	(0.0)
of gains and losses on sale ⁽¹⁾	9 and 10	(12.5)	(42.0)
of calculated income and expense related to share-based payments	7.3	3.8	3.2
of other income and expense without cash impact ⁽²⁾		13.8	3.9
of the tax charge	11	32.6	13.3
of the cost of net borrowings	20.1	135.6	106.5
Impact of changes in working capital ⁽³⁾		81.6	44.3
Taxes paid (received)		(17.2)	(10.6)
Net cash flows from operating activities		457.0	276.0
Acquisitions of subsidiaries net of treasury acquired ⁽⁴⁾		(15.6)	(32.2)
Sales of subsidiaries net of cash transferred ⁽⁵⁾		26.2	72.1
Acquisition of intangible and tangible fixed assets ⁽⁶⁾		(1,111.2)	(754.5)
Sale of intangible and tangible fixed assets		1.1	0.2
Change in financial assets		(15.4)	3.2
Dividends received		1.2	1.9
Net cash flows from investing activities		(1,113.7)	(709.2)
Share capital increase by the parent company ⁽⁷⁾	18	48.1	592.1
Contribution of non-controlling interests to share capital increases (reductions)	01.4	(1.5)	(2.4)
Transactions with non-controlling interests ⁽⁸⁾		(6.0)	-
Net sale (acquisition) of treasury shares	01.4	(2.1)	(12.1)
Issue of loans	20.2	1,192.4	419.3
Dividends paid ⁽⁹⁾		(2.1)	(0.2)
Repayment of loans	20.2	(439.2)	(272.0)
Interests paid		(108.3)	(81.3)
Net cash flows from financing activities		681.3	643.5
Impact of foreign exchange rate fluctuation		9.4	7.3
Effect of reclassification of cash related to assets held for sale	3.4	(3.9)	0.0
Change in cash and cash equivalents		30.2	217.6
Opening cash and cash equivalents	17	592.5	374.9
Closing cash and cash equivalents	17	622.7	592.5
Change in net cash and cash equivalents		30.2	217.6

(1) In 2022, gains and losses on sale correspond mainly to net proceeds from farm-down transactions for €16.4 million and to write-offs of capitalised development costs for €(4.0) million. In 2021, gains and losses on sale corresponded mainly to net proceeds from farm-down transactions for €50.0 million and to write-offs of capitalised development costs for €(8.1) million.

(2) In 2022, other income and expense without cash impact mainly include financial expenses related to the refinancing of the mezzanine debt located within Neoen Production 2.

(3) In 2022, the impact of the change in working capital requirements essentially includes (i) +€90.3 million in debts, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones, which the Group considers to be returned to EDF OA in accordance with the current regulation (see note 20.2), (ii) +€16.3 million in contractual indemnities recognised in the event of a delay in the construction of the power plants, or in the context of non-compliance with obligations relating to purchase contracts, and (iii) +€8.8 million in trade payables, offset by an increase in trade receivables for €(37.2) million corresponding mainly to the year's commissioning. In 2021, the impact of the change in working capital requirements resulted from the recognition of cash inflow related to contractual indemnities to compensate for lost revenues due to delays in the commissioning of certain power plants, and to historical VAT receivables in relation to assets under construction.

(4) In 2022, acquisitions of subsidiaries net of treasury acquired relate mainly to projects under development in Canada, Ecuador and Finland. In 2021, acquisitions related to projects under development in Ireland, Finland, Sweden and France.

(5) In 2022, sales of subsidiaries net of cash transferred correspond to the farm-down transaction of the Saint-Sauvant wind farm for €14.9 million, and the receipt of a component of the sale price of a farm-down transaction concluded in 2021 for €11.3 million. In 2021, sales of subsidiaries net of cash transferred corresponded mainly to farm-down transactions of the Grabels (Hérault) and Lagarde (Vaucluse) solar power plants, the Lugos (Gironde) and Miremont (Haute-Garonne) solar power plants, and Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects.

(6) Acquisitions during the year include investments in intangible assets for €(44.5) million (see note 12.2) and property, plant and equipment for €(964.2) million (see note 12.3) and include the change in payables to suppliers of fixed assets for €(102.5) million.

(7) In 2022, the capital increase corresponds mainly to the equity component of the green convertible bonds issued in September 2022 (see note 1.3), for €47.4 million. In 2021, this amount mainly corresponded to the capital increase carried out on April 9, 2021 for €591.2 million after taking into account the issue costs.

(8) In 2022, transactions with non-controlling interests correspond to the residual amount paid in connection with the 19.9% put option related to the Mutkalampi power plant (put option exercised in 2021).

(9) In 2022, Neoen S.A. made the first dividend payment in its history, of which €(2.1) million in cash (see note 1.3).

4.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1. GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

NOTE 1.1. GENERAL INFORMATION

Neoen is a public limited company incorporated and domiciled in France and listed on Compartment A of Euronext, whose registered office is located at 22 rue Bayard, 75008 Paris as of February 21, 2022. Neoen's consolidated financial statements include the Company and those subsidiaries over which it has control, as well as interests in associates and joint ventures (together referred to as "the Group").

The Neoen Group develops and operates power plants to generate electricity from renewable energies (solar, wind), as well as energy storage facilities.

With more than 6.6 GW of projects in operation and under construction (including 228 MW under management) and 0.8 GW of projects awarded¹ at December 31, 2022 (secured portfolio¹ of nearly 7.4 GW), Neoen is the leading independent producer of exclusively renewable energies in France.

The Group also has an advanced development pipeline of 11.9 GW (advanced¹ pipeline) and more than 5.0 GW of early-stage¹ projects.

The Group operates in the geographic regions of Australia, Europe-Africa, and the Americas.

The consolidated financial statements of the Group as of December 31, 2022 were authorised for issue by the Board of Directors on February 28, 2023. They will be submitted to the shareholders for approval on May 10, 2023.

NOTE 1.2. STATEMENT OF COMPLIANCE AND ACCOUNTING STANDARDS

Declaration of compliance

The consolidated financial statements of the Group as of December 31, 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union at that date.

All the texts adopted by the European Union are available on the European Commission's website at the following address:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1126-20220101>

Evolution of the accounting standards

In preparing its financial statements for the year ended December 31, 2022, the Group has applied the same accounting standards, interpretations and methods as in its financial statements for the year ended December 31, 2021, with the exception of the texts

that came into force on January 1st, 2022, mentioned in the paragraph below.

New mandatory texts as of January 1st, 2022

- Amendments to IAS 16: Property, Plant and Equipment - Proceeds Before Intended Use;
- Amendments to IAS 37: Onerous Contracts-Cost of Fulfilling a Contract;
- Amendments to IFRS 3: Updating the Reference to the Conceptual Framework;
- IFRS standards annual improvements (2018 - 2020 cycle).

The financial statements have not been impacted by the application of these amendments and improvements.

Final Interpretations of the Interpretation Committee for the financial year 2022

- IFRIC agenda decision on the presentation rules for demand deposits restricted by a contract with a third party (IAS 7) - April 2022.

The financial statements have not been impacted by the application of this interpretation.

New texts as of January 1st, 2022, with non-mandatory application

- Amendments to IAS 1: Presentation of financial statements and Practice Statement 2 - Disclosure of Accounting Policies, mandatory application on January 1st, 2023
- Amendments to IAS 8: Definition of accounting estimates and change in method, mandatory application on January 1st, 2023
- Amendment to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction, mandatory from January 1st, 2023
- Amendment to IAS 1: Classification of liabilities as current or non-current, mandatory from January 1st, 2024 (subject to adoption by the European Union)
- Amendment to IFRS 16: Lease liability under sale and leaseback transactions, mandatory from January 1st, 2024 (subject to adoption by the European Union).

These new texts have not been applied prospectively by the Group or are not applicable.

¹ For a definition of the various stages of development of the Group's projects, the reader is invited to refer to the section 9.6 "glossary" of this present document.

NOTE 1.3. EVENTS OF THE FINANCIAL YEAR

Free share plan

On March 14, 2022, the Board of Directors decided to grant 164,046 free Neoen S.A. shares to certain Group employees. The granting of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan rules, and relating in particular to the achievement of financial and development objectives, are met.

In 2022, the Group recorded this transaction in accordance with IFRS 2 “share-based payment”. This resulted in an impact of €(0.3) million in personnel expenses.

Capital increase reserved for employees

On April 19, 2022, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. The latter offered each beneficiary the possibility of buying 118 new shares at the preferential subscription price of €22.30 per share (benefiting from a 30% discount compared with the average closing price of the share over the last twenty trading days preceding March 14, 2022, the date on which the Chairman and Chief Executive Officer, upon sub-delegation by the Board of Directors, set the price) and a matching contribution on the basis of one share offered for one share subscribed.

In 2022, the Group recorded this transaction in accordance with IFRS 2 “share-based payment”. This resulted in an impact of €1.1 million in shareholders' equity and €(0.4) million in personnel expenses.

Payment of dividend in respect of 2021

At the General Shareholders' meeting of May 25, 2022, the shareholders approved the first distribution in the Group's history of a dividend of €0.10 per share with an option for payment of the dividend in new shares. Each shareholder could thus receive either 100% of the dividend in cash or 100% of the dividend in new ordinary shares.

At the end of the option exercise period (from June 3, 2022, to June 17, 2022, inclusive), nearly 80% of the rights had been exercised in favour of payment of the dividend in shares.

This transaction resulted in the creation of 252,486 new ordinary shares (representing approximately 0.2% of the share capital after the capital increase) and the payment of €2.1 million of dividend in cash.

Conversion of convertible bonds (“OCEANes 2019”)

On October 28, 2022, Neoen S.A. proceeded with the early redemption of all the convertible bonds (“OCEANes 2019”), issued on October 7, 2019 and maturing in October 2024, in accordance with their terms and conditions, for an amount of approximately €200 million.

Bondholders had the option to exercise their right to receive Neoen shares at a rate of 1.078 shares for 1 bond presented until October 19, 2022. The number of bonds presented for conversion was 6,614,676 (i.e., 99.78% of all the bonds issued), for a total nominal amount of €199,564,774.92. Neoen issued a total of 7,130,619 new shares.

In accordance with IAS 32 “Financial Instruments: Presentation”, this transaction resulted in the derecognition of the amortised cost of the debt component for €191.3 million, with a corresponding entry in Group equity for €190.8 million and an impact in cash for €0.4 million (corresponding to the 14,425 bonds not presented for conversion and which were repaid in cash on October 28, 2022).

Issuance of green convertible bonds (“OCEANes vertes 2022”)

On September 14, 2022, Neoen S.A. issued green bonds with an option to convert and/or exchange for new or existing shares for a nominal amount of €300 million.

These bonds were issued with a denomination of €100,000 each and bear interest at an annual rate of 2.875% payable semi-annually in arrears on March 14 and September 14 of each year, and for the first time on March 14, 2023.

The conversion/exchange price has been set at €51.4999, corresponding to a premium of 35% over the reference price of the Company's shares. Unless converted, exchanged, repaid, or repurchased for cancellation, the bonds will be redeemed at par on September 14, 2027.

In accordance with the principles set out in IAS 32 “Financial Instruments: Presentation”, this issue has been treated as a compound instrument, the debt component (i.e., the bonds without the conversion option) amounting to approximately €249.9 million net of issue costs, and the equity component (i.e., the conversion option) amounting to approximately €47.4 million net of issue costs (see notes 18 and 20.2). The effective interest rate of the debt component is 7.00%.

Sale of the Saint-Sauvant wind farm

On September 29, the Group sold 95% of its shares in the Saint-Sauvant wind farm, based on an enterprise value of €65.5 million, to Sergies, its long-standing partner in the development of the project, a local player and an integrated energy company. With a capacity of 20.6 MW and located in the Vienne department, this plant was commissioned in the first half of 2022. Neoen retains a minority stake, the supervision of the plant for the next two years, a local presence through a community management contract and a buyback option to take control of the project company in 30 years.

This transaction, carried out in the context of the farm-down activity, generated a net income of €16.4 million, which was recognised in other current operating income and expenses (see note 9).

Situation of the Metoro solar power plant in Mozambique

Following a sudden and significant deterioration in the security situation near the site of the Metoro solar power plant under construction in Mozambique at the end of the first half of 2022, all the teams mobilised locally were evacuated, the Mozambican armed forces were deployed around the site to ensure its protection, and construction work was halted for an indefinite period. Since then, the security situation has not significantly improved, making any prospect of restarting the project hypothetical.

Given the high degree of uncertainty surrounding the future of the project, the Group has recorded an impairment loss of €(19.9) million in its financial statements at December 31, 2022 (see note 10 “non-current operating items”).

Non-compliance with covenants for certain project finance facilities

At December 31, 2022, one of the Group's assets in Australia remained non-compliant with its minimum debt service coverage ratio, due to operational problems, as was already the case at December 31, 2021. As a result, the Group has maintained the classification in its financial statements of the related non-recourse project financing, which is presented as current financial debt, for an amount of AUD 128.7 million (€82.0 million) at December 31, 2022. At the same time, the Group is still in the process of negotiating a resolution of this case of default with the lending institutions, which continued to provide financing for this asset during the year.

In addition to the absence of an agreement for the Provisional Acceptance (PA) of the Mexican El Llano power plant, resulting in the maintenance of certain documentary non-compliances under the financing agreements, the operational difficulties encountered by the power plant in 2022 have led to a situation of non-compliance with the minimum debt service coverage ratio of the non-recourse project financing. The non-current portion of the related financial debt thus continues to be presented in current liabilities (for US\$124.1 million, or €116.3 million) in the Group's financial statements at December 31, 2022. The Group is actively working to resolve the operational difficulties with the EPC contractor, which is a prerequisite for the declaration of provisional technical acceptance and for ending the current financial default situation. The lending institutions continue to support the project. In this respect, the company has obtained a waiver dated February 1st, 2023.

The other companies financed by project and mezzanine debt, as well as Neoen S.A., with respect to its syndicated loan, complied with their covenants on minimum debt service coverage ratios (DSCR) or minimum equity.

Finally, the situation of the Metoro power plant constitutes a technical default in the meaning of the financing documentation. The financial debt relating to this power plant is presented in current liabilities (US\$30.1 million, or €28.2 million) in the Group's financial statements at December 31, 2022.

A total of €226.6 million of debt has thus been transferred from non-current to current in the 2022 consolidated financial statements.

Russia and Ukraine conflict

Neoen has no activities and no assets in Russia and Ukraine.

Thus, to date, the ongoing conflict in Ukraine has no significant direct impact on the Group or on the continuity of its business. However, given the lack of visibility on the continuation of this conflict, Neoen considers that its activities could be affected, in the future, by the potential impacts of this conflict on the world economy; particularly, in terms of the price of electricity, the price of raw materials used in the composition of the components necessary for the construction of renewable electricity production facilities, or the functioning of supply chains.

NOTE 1.4. ESTIMATES AND ASSUMPTIONS

In preparing the Group's financial statements, and to the extent that items included in the financial statements cannot be accurately measured, management makes estimates, exercises judgement and makes assumptions that may have an impact on the amounts of the assets, liabilities, income and expenses included in the financial statements, as well as on the information disclosed in the notes to the financial statements. Management exercises its judgement by taking into account past experience and other factors deemed relevant in light of the economic conditions and reviews its estimates and assessments on a regular basis. Since assumptions are by nature uncertain, the amounts in future financial statements may differ from current estimates.

The main items significantly impacted by estimates and assumptions at December 31, 2022, were the following:

- determining the recoverable amount of goodwill, intangible assets and property plant and equipment (notes 12.1 “goodwill”, 12.2 “intangible assets” and 12.3 “property, plant and equipment”);
- useful lives of production assets (note 12.3 “property, plant and equipment”);
- 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 11 “taxes”);
- determining the lease term and the discount rate to be applied to the lease payments, in connection with the application of IFRS 16 “Leases” (note 12.3 “property, plant and equipment”);
- capitalisation of development costs (note 12.2 “intangible assets”);
- assessing dismantling provisions (note 19 “provisions”);
- measurement of the fair value of energy derivative financial instruments (note 20.4 “fair value of financial assets and liabilities”);
- the determination of the fair value of free shares and stock options (Note 7.1 “payroll costs”).

NOTE 1.5. INTEGRATION OF CLIMATE ISSUES IN THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Neoen sees the growing interest about climate issues as an opportunity, as it promotes the emergence of national and international policies in favor of renewable energies. Indeed, Neoen's business actively contribute to the reduction of greenhouse gas emissions, which is often a priority policy objective announced by governments and international institutions. The development, construction, ownership and operation of solar and wind farms and storage facilities throughout the world contribute to the acceleration of the energy transition. Neoen therefore pays priority attention to local and global climate issues in its strategy and financial decisions.

Neoen has thus identified, in its financial statements closing process, the main risks associated with these climate issues in order to assess their potential impact on the financial statements, in particular by:

- reviewing the useful life of certain assets that could be particularly exposed to climate issues;
- including in the asset impairment tests the expected impacts on future cash flows, particularly with regard to maintenance requirements and insurance cover;
- assessing risks to determine the amount of provisions that may be required.

The main risks identified result from both the possible materialisation of a physical risk and a transition risk related to regulatory changes. The physical risk relates to the occurrence of extreme weather events, the intensity of which is likely to increase, and which could have an adverse impact on the Group's facilities and operations.

In this respect, although the risk associated with the occurrence of extreme weather events is moderate, the Group did not see any material impact in its financial statements for the year ended December 31, 2022, as it benefited from:

- the geographic and technological diversification of its project portfolio, as all projects built were subject to a climate risk analysis during their development phase that ruled out the most exposed sites;
- the construction of assets in line with robust (seismic, wind, flood, etc.) standards;
- real-time monitoring of climate conditions in the areas in which the Group's assets operate, enabling electricity production forecasts to be made based on statistical studies of local weather conditions;
- insurance cover for its assets, in which weather issues play a fundamental role. The insurance includes cover for physical assets (property damage), the expected income from assets (business interruption) or debt and fixed operating costs, as appropriate, as well as additional O&M costs incurred during the repair of a damage. This tailor-made cover protects the Group and its assets as much as possible against uncertainty due to extreme weather events.

Neoen is also exposed to the regulatory challenges of its sector (nature and scope of the support measures for renewable energies aimed at speeding up the energy transition, constraints on the use of low-carbon materials and equipment, and specific recycling and dismantling obligations). The Group has exercised judgment in assessing the impact of these regulatory risks on the consolidated financial statements for the year. Known or foreseeable regulatory changes in the short term, and in particular the Price Cap schemes introduced by various European countries, which are intended to limit the ability of renewable energy producers to benefit from the currently high market prices for electricity for the uncontracted portion of their production, are included in the forecast cash flows. Known or foreseeable regulatory changes in the medium term are taken into account through sensitivity tests. Given the need to continue decarbonising electricity production in the various countries where the Group operates, it believes that regulatory changes are unlikely to have a significant impact on the life of its assets.

The consideration of climate change issues therefore had no material impact in 2022 on the judgements made and the main estimates used in the preparation of the financial statements.

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.

The functional currency of Neoen S.A. and its subsidiaries located in the euro zone is the euro. For the other entities of the Group, the functional currency is the local currency with the exception of certain assets and development companies,

whose functional currency is the US dollar with regard to the functional currency determination factors. This specifically concerns the Group's assets and development companies in Mexico, Argentina, Jamaica, Mozambique and Zambia.

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 translated at the closing exchange rate. Any resulting exchange differences are recognised in the income statement for the financial year;

- 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: these average rates are approximate values of the rates on the transaction date in the absence of significant fluctuation. 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.

NOTE 3. GROUP COMPOSITION

NOTE 3.1. ACCOUNTING PRINCIPLES

Consolidation methods

Subsidiaries that are controlled within the meaning of IFRS 10 “consolidated financial statements”, are fully consolidated. The Group controls an entity when it is exposed to, or has a right to, variable returns from its involvement with the entity and has the ability to influence those returns through its control of the entity. The Group mainly owns holding companies that in turn own, directly or indirectly, project companies that operate the power plants or storage facilities.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities and any non-controlling interests and other equity items relating to that subsidiary. The gain or loss, if any, resulting from the loss of control is recognised in net profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date control is lost.

All intercompany transactions, income and expenses, and balance sheet balances of subsidiaries are eliminated on consolidation.

In accordance with IFRS 11 “joint arrangements”, a joint arrangement is a company over which the Group and one or more other parties exercise joint control by virtue of a contractual agreement. The Group has joint control over a joint arrangement when decisions about the relevant activities require the unanimous consent of the Group and the other parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets.

Associates are entities in which the Group has significant influence over financial and operating policies but does not have control or joint control.

The Group's interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes goodwill and transaction costs. Subsequent to initial recognition, the consolidated financial

statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees until the date that significant influence or joint control ceases.

The list of the main subsidiaries, joint ventures and associates is presented in note 3.2.

Business combinations

In accordance with the provisions of IFRS 3, “business combinations”, business combinations are accounted for using the acquisition method when all the activities and assets acquired meet the definition of a business, control of which is transferred to the Group.

Under this method, the assets acquired, liabilities and contingent liabilities assumed are measured at fair value subject to exceptions. Goodwill is the difference between the fair value of the consideration transferred in the business combination increased, if applicable, by the fair value of the share previously held and the value of non-controlling interests, and the amount of identifiable assets, liabilities and contingent liabilities assumed at the acquisition date. It is provisionally determined on acquisition and reviewed within a period of 12 months from the acquisition date.

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.

In accordance with IFRS 3, “business combinations” as amended:

- acquisition costs are recognised in other non-recurring operating income and expenses when they are incurred;
- conditional price adjustments are initially estimated at fair value and included, where applicable, in the consideration transferred. After the twelve-month measurement period, subsequent changes in the value of the related liabilities are recognised in the income statement.

Acquisition of assets outside the scope of IFRS 3

To determine whether a set of activities and assets constitutes a business, and thus whether there is a business combination and not the acquisition of a group of isolated assets, the Group assesses whether the elements of the acquired entity include at least one substantial input and one substantial process, which together contribute significantly to the generation of goods and services.

For project entities that do not yet produce an output, it is generally considered that there are no substantial acquired processes as there is no takeover of employees and no contracts relating to the operation of the underlying asset.

The Group decided to carry out a “concentration test” to assess whether a set of acquired activities and assets does not constitute a business. The test is conclusive if substantially all of the fair values of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets. In the context of the acquisition of a project entity, the test meets these conditions.

To the extent that the acquired processes cannot be considered substantial and the concentration test is met, it is generally considered that the project entities in the development stage do not meet the definition of a business. Their acquisition is therefore accounted for as the acquisition of a group of isolated assets outside the scope of IFRS 3.

If the transaction is treated as a stand-alone asset acquisition, then the acquisition cost (including acquisition-related costs) must be allocated to the individual identifiable assets and liabilities based on their relative fair values at the acquisition date, *i.e.*, no goodwill or deferred tax is recognised. In this context, the Group has chosen to apply the following approach:

- measure assets and liabilities that were not initially measured at cost in accordance with the initial measurement provisions of the standards applicable to them;
- deduct the value of these assets and liabilities from the acquisition cost;
- then allocate the residual acquisition cost to the various assets and liabilities in proportion to their fair value.

Assets and liabilities held for sale

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is expected to be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should meet the criteria for recognition as a completed sale within one year of classification.

When the Group is committed to a sale plan involving the loss of control of a subsidiary, it must classify all of the assets and liabilities of that subsidiary as held for sale when the above criteria are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

When the Group, particularly in the context of its farm-down activity, is committed to a sale plan involving the disposal of an investment, or part of an investment, in an associate, the investment or part of the investment in the associate to be disposed of is classified as held for sale when the above criteria are met. The Group then ceases to apply the equity method for this part which is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

NOTE 3.2. SUBSIDIARIES AND ENTITIES CONSOLIDATED USING THE EQUITY METHOD

As of December 31, 2022, the Group consisted of 362 consolidated companies (“full consolidation method”) and 5 companies consolidated using the equity method.

As a reminder, at December 31, 2021, the Group consisted of 340 consolidated companies (“full consolidation method”) and 4 companies consolidated using the equity method.

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 financial year 2022, 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 their financial statements, their management report and the publication of their annual accounts.

The Group's main subsidiaries are:

Consolidation method	Entity	Country	Percentage interest 31.12.2022	Percentage interest 31.12.2021
Parent company	Neoen S.A.	France	Parent company	Parent company
Full consolidation	Altiplano Solar	Argentina	100%	100%
	La Puna Solar	Argentina	100%	100%
	Bulgana Windfarm	Australia	100%	100%
	Coleambally Solar	Australia	100%	100%
	Goyder Wind Farm 1 Pty Ltd	Australia	100%	100%
	Hornsedale Power Reserve	Australia	100%	100%
	HWF 1	Australia	70%	70%
	HWF 2	Australia	80%	80%
	HWF 3	Australia	80%	80%
	Kaban Wind Pty Ltd	Australia	100%	100%
	Numurkah Solar Farm	Australia	100%	100%
	Victorian Big Battery	Australia	100%	100%
	Western Downs Green Power Hub	Australia	100%	100%
	Hedet	Finland	80%	80%
	Mutkalampi	Finland	100%	100%
	Yliskälä Power Reserve One	Finland	100%	100%
	Centrale Eolienne du Pays entre Madon and Moselle	France	100%	100%
	Neoen International	France	100%	100%
	Neoen Production 1	France	100%	100%
	Neoen Production 2	France	100%	100%
	SPV AGS	Mexico	100%	100%
	Capella Solar	El Salvador	100%	100%
	Providencia Solar	El Salvador	100%	100%

NOTE 3.3. CHANGES IN SCOPE

As part of its development, the Group regularly creates companies, and may be required to acquire entities in a relatively advanced development phase or offering growth or repowering prospects. Furthermore, since the 2021 financial year, the Group proceeds on a regular basis to the disposal of all or a majority of the stakes in entities holding projects or assets in its secured portfolio (farm-down).

Farm-down transaction - sale of shares

On September 29, the Group sold 95% of its shares in the Saint-Sauvant wind farm. This transaction generated net proceeds of €16.4 million, which were recognised in other current operating income and expenses (see note 9).

Acquisitions of projects under development

In the 2022 financial year, the main transactions that affected the Group's scope were acquisitions of projects under development. These acquisitions of subsidiaries were qualified as acquisitions of individual assets rather than business combinations within the meaning of IFRS 3 "business combinations".

The following projects were acquired and included in the consolidation scope using the full consolidation method:

- acquisition of 100% of the equity investment in the Fox Coulee solar project in Canada;

- acquisition of 100% of the equity investment in the Cumandacobuendo solar project in Ecuador.

In addition, the Group acquired 80.1% of the shares in the Lumivaara wind farm project in Finland (consolidated using the equity method).

The Group has allocated the purchase prices to the various identifiable assets acquired and liabilities assumed, resulting in the recognition of intangible assets of €1.5 million and property, plant and equipment of €4.6 million in the financial year 2022.

Purchase of non-controlling interests

The Group acquired the stake of the minority shareholders of the French entity Zambia Sunlight One S.A.S, increasing its stake in the entity from 68.7% to 100%. As a result, the Zambian entity Bangweulu Power Company Ltd, itself owned by Zambia Sunlight One S.A.S, is now 80.35% owned, compared to 58.75% previously. This transaction did not have a material impact on the Group's financial statements.

Other disposals and liquidations

The 100% owned entities Pedregal Solar and Nahualpa Solar (El Salvador), as well as Atria Solar (Argentina) have been liquidated. The Group also sold 100% of its stake in the entity Blue Mahoe Energy Company Ltd (Jamaica). These transactions did not have a material impact on the Group's financial statements.

NOTE 3.4. ASSETS AND LIABILITIES HELD FOR SALE

As of December 31, 2022, the assets and liabilities held for sale presented in the consolidated statement of financial position correspond solely to those of the Cabrela solar power plant in Portugal, which the Group has undertaken to sell, concluded in February 2023, as part of its farm-down activity (see note 26).

The main categories of assets and liabilities classified as held for sale are as follows:

<i>In millions of euros</i>	31.12.2022
Non-current assets	22.3
Current assets	0.6
Cash and cash equivalents	3.9
Assets held for sale	26.8
Non-current liabilities	25.7
Current liabilities	2.5
Liabilities associated with assets held for sale	28.2

NOTE 4. SEGMENT REPORTING

Accounting principles

Under IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker;
- for which discrete financial information is available.

In accordance with IFRS 8 "operating segments", segment information is presented based on the internal organisation and reporting used by the members of the Executive Committee and the Board of Directors who are the Group's main operational decision-makers.

The Group uses the following breakdown for its operating segments:

- solar: this segment includes photovoltaic energy production;
- wind: this segment includes wind turbine production;
- storage: this segment includes the activity related to independent batteries, directly connected to the grid;
- farm-down: this segment corresponds to the disposal of all or a majority stake in entities holding projects or assets in the Group's secured portfolio;
- development and investments: this segment include mainly development and financing activities.

For additional information, the main financial indicators published are broken down by geographical region. These are defined below:

- Australia: this region includes production operations in Australia;
- 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.

Adjusted EBITDA

Adjusted EBITDA is used in the assessment of performance because the Management Committee and the Board of Directors consider that this information is the most relevant for understanding the results of each segment compared to other entities involved in that business.

Adjusted EBITDA corresponds to current operating income, which includes net proceeds from the disposal of assets in the secured portfolio resulting from the farm-down activity, restated for:

- current operating amortisation;
- the personnel expense resulting from the application of IFRS 2 "share-based payments";
- and changes in the fair value of energy derivative financial instruments (see note 20.3) recorded in other current operating income and expenses.

Neoen has chosen to gradually sign medium to long-term power purchase agreements with commercial counterparties, known as Corporate Power Purchase Agreements (CPPA). Some of these agreements, recently implemented, provide for a financial settlement between the parties and as such are derivative financial instruments under IFRS 9 "financial Instruments". Changes in fair value of these contracts, which are not classified as hedging instruments, are recognised in current operating income in the Group's financial statements. These changes, associated with price movements in the electricity market, which were exceptionally volatile during the financial year 2022 in the various regions where the Group operates, are volatile and non-controllable, and will extinguish when the underlying physical production is delivered. Therefore, the Group has decided to restate the change in fair value of these energy derivative financial instruments (which has no cash impact) in both EBITDA and EBIT, alternative performance indicators used in its segment reporting (see note 20.3).

The reconciliation between current operating income and adjusted EBITDA is as follows:

<i>In millions of euros</i>	FY 2022	FY 2021
Current operating income	262.1	189.6
Current operating amortisation	151.0	107.6
IFRS 2 expense	3.8	3.2
Change in fair value of energy derivative financial instruments	(2.8)	-
Adjusted EBITDA	414.0	300.4

Adjusted EBIT

The reconciliation between current operating income and adjusted EBIT is as follows:

<i>In millions of euros</i>	FY 2022	FY 2021
Current operating income	262.1	189.6
Change in fair value of energy derivative financial instruments	(2.8)	-
Adjusted EBIT	259.3	189.6

Segment reporting

Segment results for 2022 and 2021 for each of the Group's operating segments (solar, wind, storage, farm-down, development and investments), including eliminations are presented as follows:

The information on geographical regions corresponds to the revenue generated in each country and the assets located in these countries.

<i>In millions of euros</i>	Wind power	Solar power	Storage	Farm-down⁽²⁾	Development & Investment⁽³⁾	Eliminations⁽⁴⁾	FY 2022
AUSTRALIA	Income statement						
	Revenue	84.5	53.1	80.2			217.8
	Adjusted EBITDA ⁽¹⁾	71.9	73.9	61.9			207.6
	Adjusted EBIT ⁽¹⁾	45.6	56.1	38.8			140.5
	Balance Sheet						
	Intangible assets and property, plant and equipment	1,048.8	708.4	327.4			2,084.6
	Cash flow statement						
	Acquisition of intangible and tangible fixed assets	315.8	147.3	89.5			552.6
	Income statement						
	Revenue	132.1	64.4	11.4	-		208.0
EUROPE-AFRICA	Adjusted EBITDA ⁽¹⁾	106.9	50.9	6.2	16.4		180.4
	Adjusted EBIT ⁽¹⁾	76.5	32.4	4.8	16.4		130.2
	Balance Sheet						
	Intangible assets and property, plant and equipment	1,335.2	717.3	25.7			2,078.1
	Cash flow statement						
	Acquisition of intangible and tangible fixed assets	413.8	129.5	5.7	-		549.0

In millions of euros		Wind power	Solar power	Storage	Farm-down ⁽²⁾	Development & Investment ⁽³⁾	Eliminations ⁽⁴⁾	FY 2022
of which France	Income statement							
	Revenue	66.9	50.5	2.3	-			119.8
	Balance Sheet							
	Intangible assets and property, plant and equipment	597.8	492.3	10.8				1,100.9
AMERICAS	Income statement							
	Revenue		76.6					76.6
	Adjusted EBITDA ⁽¹⁾		56.8					56.8
	Adjusted EBIT ⁽¹⁾		30.0					30.0
	Balance Sheet							
	Intangible assets and property, plant and equipment	7.1	819.4					826.5
TOTAL	Cash flow statement							
	Acquisition of intangible and tangible fixed assets	0.3	29.9					30.2
	Income statement							
	Revenue	216.6	194.1	91.6	-	82.3	(81.4)	503.2
	Adjusted EBITDA ⁽¹⁾	178.6	181.6	68.1	16.4	(8.4)	(22.3)	414.0
	Adjusted EBIT ⁽¹⁾	122.0	118.6	43.6	16.4	(20.5)	(20.9)	259.3
TOTAL	Balance Sheet							
	Intangible assets and property, plant and equipment	2,391.1	2,245.0	353.1	-	30.5	(162.3)	4,857.4
	Cash flow statement							
	Acquisition of intangible and tangible fixed assets	729.9	306.7	95.1	-	8.4	(28.9)	1,111.2

<i>In millions of euros</i>		Wind power	Solar power	Storage	Farm-down ⁽²⁾	Development & Investment ⁽³⁾	Eliminations ⁽⁴⁾	FY 2021
AUSTRALIA	Income statement							
	Revenue	67.1	37.6	28.1				132.8
	EBITDA ⁽¹⁾	53.9	30.7	26.4				111.0
	Adjusted EBIT ⁽¹⁾	36.1	13.7	13.8				63.7
	Balance Sheet							
	Intangible assets and property, plant and equipment	822.5	602.3	310.5				1,735.3
	Cash flow statement							
EUROPE-AFRICA	Acquisition of intangible and tangible fixed assets	102.0	152.6	103.6				358.2
	Income statement							
	Revenue	68.1	60.8	6.3	-			135.2
	EBITDA ⁽¹⁾	51.1	49.3	3.8	50.0			154.2
	Adjusted EBIT ⁽¹⁾	21.6	30.2	2.5	50.0			104.3
	Balance Sheet							
	Intangible assets and property, plant and equipment	943.6	595.0	20.4				1,559.0
of which France	Cash flow statement							
	Acquisition of intangible and tangible fixed assets	262.6	113.0	3.8	-			379.4
	Income statement							
	Revenue	49.8	49.8	1.6	-			101.3
	Balance Sheet							
	Intangible assets and property, plant and equipment	574.3	424.9	5.4				1,004.6
	Cash flow statement							
AMERICAS	Acquisition of intangible and tangible fixed assets	-	53.2					53.2
	Income statement							
	Revenue	-	63.9					63.9
	EBITDA ⁽¹⁾	-	57.3					57.3
	Adjusted EBIT ⁽¹⁾	-	38.1					38.1
	Balance Sheet							
	Intangible assets and property, plant and equipment	3.5	759.9					763.4

In millions of euros		Wind power	Solar power	Storage	Farm-down ⁽²⁾	Development & Investment ⁽³⁾	Eliminations ⁽⁴⁾	FY 2021
TOTAL	Income statement							
	Revenue	135.1	162.3	34.4	-	77.2	(75.5)	333.6
	EBITDA ⁽¹⁾	105.0	137.3	30.2	50.0	2.1	(24.2)	300.4
	Adjusted EBIT ⁽¹⁾	57.7	82.1	16.3	50.0	(7.6)	(8.9)	189.6
	Balance Sheet							
	Intangible assets and property, plant and equipment	1,769.7	1,957.2	330.9	-	22.7	(133.6)	3,946.9
	Cash flow statement							
	Acquisition of intangible and tangible fixed assets	364.6	318.8	107.4	-	(1.7)	(34.7)	754.5

(1) The concepts of adjusted EBITDA and adjusted EBIT are defined above.

(2) The farm-down business segment was set up following the Group's decision to proceed, on a regular but selective basis as from 2021 financial year, with the disposal of all or a majority share of interests in entities holding projects or assets in its secured portfolio.

(3) Revenues in this segment are mainly generated through sales of services by Neoen S.A. to other entities of the Group (eliminated on consolidation, except for amounts invoiced to Group holdings that are not fully consolidated) but also through sales of services to third parties.

(4) The eliminations mainly concern the cancellation of invoices for services rendered by Neoen S.A. to its project companies for the development, supervision and administrative management of the production assets as well as the capitalisation of development costs in accordance with IAS 38 "intangible assets".

NOTE 5. SALES

NOTE 5.1. REVENUE

Accounting principles

Revenue is recognised when each performance obligation is satisfied, i.e., when control of the good or service is transferred to the customer for the amount the Group expects to receive. Revenue is shown net of any discounts and rebates.

Revenues consist mainly of:

- sales of electricity produced by the wind and photovoltaic power plants;
- sales of electricity and services produced by storage units (frequency regulation, inertia or capacity reserve services and load shifting or arbitrage);
- sales of green certificates proportional to production, in accordance with applicable regulation;
- other supervision and administrative services.

Electricity sales and green certificates

The Group mainly distinguishes between contract revenue, which is predominantly long-term, from that from sales on the market. 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 following bilateral negotiations;
- or on the market.

Revenue is recognised based on the quantities produced and/or injected during the financial year. Revenue from the sale of green certificates are recognised upon physical delivery, i.e., on the date of transfer of ownership.

Breakdown of revenue

<i>In millions of euros</i>	Solar	Wind	Storage	Other	FY 2022	Solar	Wind	Storage	Other	FY 2021
Electricity	138.9	134.4	-	-	273.3	118.4	80.0	(0.0)	-	198.4
Green certificates	17.7	18.2	-	-	35.9	16.6	34.3	-	-	50.9
Energy sales under contract	156.5	152.7	-	-	309.2	135.0	114.3	(0.0)	-	249.3
Electricity	30.4	58.0	73.5	-	161.9	23.9	12.1	28.4	-	64.3
Green certificates	6.0	3.7	-	0.0	9.7	2.4	7.9	-	-	10.3
Energy sales in the market	36.3	61.7	73.5	0.0	171.5	26.3	20.0	28.4	-	74.7
Services rendered ⁽¹⁾	-	-	-	0.6	0.6	-	-	-	1.6	1.6
Other items ⁽²⁾	1.2	2.3	18.1	0.3	21.9	0.9	0.9	6.0	0.1	8.0
Other revenues	1.2	2.3	18.1	0.9	22.5	0.9	0.9	6.0	1.7	9.6
Total revenue	194.1	216.6	91.6	0.9	503.2	162.3	135.1	34.4	1.7	333.6

(1) This mainly concerns administrative management, supervision and development services for non-group entities.

(2) Corresponds mainly to services provided to the network by the Australian batteries.

NOTE 5.2. TRADE RECEIVABLES

Accounting principles

Trade receivables

The Group mainly sells the electricity it produces under contracts subject to purchase obligations (the conditions of which are specified in decrees or tenders regulations) and a minority part, but growing one, under bilateral contracts with commercial counterparties.

Receivables recognised at the reporting date corresponded mainly to invoices not yet due for the sale of electricity and green certificates, the change in which is due mainly to the growth in the number of power plants in operation. In addition, there are contractual indemnities offsetting revenue losses due to delays in the commissioning of certain assets.

Given the quality of the signing parties to PPAs, the Group considers that the counterparty risk related to its trade receivables is negligible.

Impairment of trade receivables

IFRS 9 “financial Instruments” 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 not yet past due.

At December 31, 2022, the Group carried out a review, based on the quality and the solvency of the 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

<i>In millions of euros</i>	31.12.2022	31.12.2021
Trade receivables (net value) - start of period	81.6	73.2
Change of activity	25.9	6.9
Scope change	(1.7)	(1.1)
Reclassifications and others	(0.3)	0.0
Effect of exchange rate changes	1.1	2.6
Trade receivables (net value) - end of period	106.6	81.6

In 2022, change in activity correspond mainly to the impact of power plants commissioned during the year.

There were no material overdue trade receivables at December 31, 2022 or December 31, 2021.

NOTE 6. PURCHASES AND INVENTORIES

NOTE 6.1. PURCHASES NET OF CHANGES IN INVENTORIES

Purchases of goods and changes in inventories during the financial year 2022 mainly consist of:

- purchases for €(3.9) million;
- changes in inventories of green certificates generated by power plants in Australia and Mexico for €1.7 million.

In 2021, this item included purchases of €(1.3) million, and changes in inventories of green certificates of €3.8 million.

NOTE 6.2. INVENTORIES

Accounting principles

Inventories consist mainly of green certificates in Australia and Mexico.

The Australian project companies operating solar and wind power plants generate green certificates (Large-Scale Generation Certificates - LGCs) at the rate of their production which, for the portion exceeding the commitments provided for in their Power Purchase Agreement with their counterparties, are intended to be sold on the market. With the aim of hedging price risk in order to limit its exposure to spot market volatility, the Group created the company Neoen Energy Management Australia (NEMA) in 2020. This company now acquires quarterly from project companies (as long as their financing contracts allow them to do so) the green certificates that exceed the commitments made under the Power Purchase Agreements. Furthermore, in accordance with a risk policy subject to prior approval by the management bodies, it hedges the price risk over the accessible liquidity horizon through forward sales to external counterparties, giving rise to physical delivery in the year following the production of these green certificates.

In addition, NEMA also makes occasional sales on OTC markets of green certificates acquired from Australian project companies that have not been subject to forward sales contracts.

Green certificates are recognised in inventories in accordance with the principles set out in IAS 2 "Inventories", until they are physically transferred to external counterparties in the year following their production, at which point the associated proceeds are recognised as revenue. These green certificates are recognised under "Purchases net of changes in inventories" in the income statement and under "Inventories" in the balance sheet.

The Clean Energy Certificates (CECs) produced by the El Llano power plant in Mexico are also recognised under "Purchases net of changes in inventories" in the income statement and under "Inventories" in the balance sheet until they are physically delivered in accordance with the obligations under its PPA.

Inventories details

Inventories amount to €10.6 million on December 31, 2022, compared to €8.7 million on December 31, 2021. They mainly include inventories of green certificates in Australia and Mexico.

NOTE 6.3. EXTERNAL EXPENSES

<i>In millions of euros</i>	FY 2022	FY 2021
Maintenance and repair expenses	(35.9)	(26.0)
Other external expenses	(75.8)	(42.4)
Total of external expenses	(111.7)	(68.3)

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 (network connection costs, costs associated with managing network frequency and operating insurance);
- electricity purchases through dedicated storage facilities;
- structural costs (fees, consulting, subcontracting, IT, insurance);
- non-capitalised development costs because they do not meet the capitalisation criteria laid down by IAS 38 “intangible assets”.

The increase in external expenses is mainly due to the growth of the Group's activities.

NOTE 6.4. TRADE PAYABLES

<i>In millions of euros</i>	31.12.2022	31.12.2021
Payables	60.3	51.6
Fixed asset suppliers	182.1	288.7
Total trade payables - end of the period	242.4	340.4

Fixed asset suppliers include mainly liabilities relating to the construction of power plants. The change mainly corresponds to a decrease of – €114.3 million in Australia linked to the progress of projects, and – €20.1 million in France, partially offset by an increase of + €17.7 million in Finland and + €6.5 million in Portugal.

NOTE 7. EMPLOYEE EXPENSES AND BENEFITS

NOTE 7.1. PAYROLL COSTS

Accounting principles

Payroll costs

Payroll costs allocated to project development are recognised as assets when the projects meet the capitalisation criteria laid down by IAS 38 “intangible assets”. 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 as expenses in the income statement.

Post-employment benefits

Employee benefits include defined contribution plans and defined benefit plans.

Defined contribution plans are post-employment plans under which the Group has no obligation beyond the payment of contributions to various social security organisations.

Contributions payable to a defined contribution plan are recognised as an expense when the related service is rendered.

Defined benefit plans guarantee employees additional benefits such as retirement indemnities. These guaranteed additional benefits represent an obligation for the Group which is quantified. The liability is calculated by estimating the amount of benefits that employees will have accrued in exchange for services rendered during the current and prior years.

Payroll costs

In 2022, payroll costs amounted to €(23.6) million compared with €(17.6) million in 2021. The increase in payroll costs is mainly due to the increase in the number of employees.

Given the average age of the Group's workforce, no liability has been recognised for defined benefit plans, the provision not being material at the closing date.

NOTE 7.2. EXECUTIVE COMPENSATION

The executives represent the members of the Group's Management Committee.

<i>In millions of euros</i>	FY 2022	FY 2021
Short-term employee benefits	3.0	2.4
Share-based payments	3.1	2.3
Total executive compensation	6.0	4.7

NOTE 7.3. 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. For equity-settled plans, the fair value is determined at the grant date.

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 amount recognised as an expense is adjusted to reflect the number of rights for which it is estimated that the service and non-market performance conditions will be met, so that the amount ultimately recognised is based on the actual number of rights that meet the service and non-market performance conditions at the vesting date.

For share-based payment rights with other conditions, the fair value measurement at the grant date reflects these conditions and differences between the estimate and actual results do not give rise to any subsequent adjustment.

The fair value of free 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 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 free 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.

Details of share subscription plans

	2016 Plan	2018 Plan	2018 Plan	TOTAL
Date of General Shareholders' meeting	17/03/2014	29/05/2018	04/07/2018	
Date of the Chairman's decision	23/12/2016	30/05/2018	05/07/2018	
Total number of shares that can be subscribed or purchased	235,000	45,000	65,000	
Start of option exercise period	24/12/2019	31/05/2021	06/10/2020	
End of option exercise period	23/12/2021	30/05/2023	05/07/2023	
Subscription or purchase price	6.00 €	10.00 €	10.00 €	
Adjusted subscription or purchase price following the capital increase of April 9, 2021 ⁽¹⁾	5.55 €	9.25 €	9.25 €	
Number of options				
Existing at January 1st, 2021	63,166	40,000	35,000	138,166
Notified	-	-	-	-
Cancelled	-	-	-	-
Exercised	66,339	16,215	4,000	86,554
Adjustment following the capital increase of April 9, 2021 ⁽¹⁾	3,173	3,240	2,835	9,248
Existing at January 1st, 2022	-	27,025	33,835	60,860
Notified	-	-	-	-
Cancelled	-	-	-	-
Exercised	-	11,215	23,025	34,240
Existing at December 31, 2022	-	15,810	10,810	26,620

To assess the fair value of these plans, the Group used the Black & Scholes model 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 grant plans

	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	TOTAL
Date of General Shareholders' meeting	29/05/2018	02/10/2018	26/05/2020	26/05/2020	25/05/2021	
Date of the decision to allocate by the Chairman/Board of Directors	30/05/2018	10/07/2019	02/07/2020	10/03/2021	14/03/2022	
Total number of free shares allocated	107,500	297,000	140,000	272,302	164,046	
Shares vesting date	31/05/2021	11/07/2022	03/07/2023	11/03/2024	14/03/2025	
End of holding period	-	-	-	-	-	
Total number of free shares allocated						
Existing at January 1st, 2021	105,000	292,000	140,000	-	-	537,000
Notified	-	-	-	272,302	-	272,302
Cancelled	-	18,903	5,406	9,108	-	33,417
Vested	113,510	-	-	-	-	113,510
Adjustment following the capital increase of April 9, 2021 ⁽¹⁾	8,510	22,348	11,354	22,058	-	64,270
Existing at January 1st, 2022	-	295,445	145,948	285,252	-	726,645
Notified	-	-	-	-	164,046	164,046
Cancelled	-	2,703	30,657	5,946	-	39,306
Vested	-	292,742	-	-	-	292,742
Existing at December 31, 2022	-	-	115,291	279,306	164,046	558,643

(1) Following the capital increase with preferential subscription rights carried out on April 9, 2021, and in accordance with the applicable legal provisions and the stipulations of the free share and stock option plans, the Chairman and Chief Executive Officer, acting on a delegation of authority from the Board of Directors, adjusted the rights of beneficiaries of free shares and stock options (coefficient of 1.081).

The free share grant plan of July 10, 2019, expired on July 11, 2022. The 292,742 shares allocated were made through the use of 129,724 existing shares held by Neoen S.A. and the creation of 163,018 new shares with the impact of the recognition of €(4.9) million in reserves.

The expense related to the allocation of free shares and options amounts to €(3.8) million for the financial year 2022, compared with €(3.2) million during the financial year 2021.

NOTE 8. TAXES, DUTIES AND SIMILAR PAYMENTS

In accordance with IFRIC 21, the Group recognises tax as soon as it becomes payable. The expense associated with taxes, duties and similar payments amounts to €(10.0) million in 2022 compared to €(7.5) million in 2021.

NOTE 9. OTHER CURRENT OPERATING INCOME AND EXPENSES

Accounting principles

Other current operating income and expenses mainly comprise:

- the changes in fair value of energy derivative financial instruments not qualifying as hedging instruments, in respect of Corporate Power Purchase Agreements (CPPA) entered into to hedge the economic risk associated with changes in electricity prices and related to the production of certain power plants;
- capital gains on the sale of entities holding projects or assets in the secured portfolio, as part of the farm-down activity. These capital gains correspond to the proceeds of the sale less the book value of the net assets of the entities sold and the sale costs. Any additional consideration to be received in cash in the future is recognised in this item at its fair value at the date of sale and is revalued at each balance sheet date until it is paid or derecognised. When the Group retains a minority interest in the project entity, the revaluation at fair value of the retained interest is also included in this item;
- contractual compensation for loss of revenue resulting from delays in the commissioning of certain power plants by the contractors responsible for their construction, as well as penalties resulting from delays in the commissioning of power plants or in the start of power purchase agreement concluded by the Group's power plants.

Other current operating income and expenses

<i>In millions of euros</i>	FY 2022	FY 2021
Change in fair value of energy derivative financial instruments	2.8	-
Farm-down	16.4	50.0
Other current operating income	40.9	20.2
Other current operating expenses	(3.4)	(15.8)
Other current operating income and expenses	56.8	54.4

The change in fair value of energy derivative financial instruments correspond to the Corporate Power Purchase Agreements ("CPPAs") not qualified as hedging instruments and entered into to provide economic hedge against the risk associated with changes in electricity prices in Finland and Australia for €(42.9) million and €45.7 million respectively.

During the financial year 2022, farm-down proceeds correspond to the sale of 95% of the Saint-Sauvant wind farm, for net proceeds of €15.2 million and a €1.2 million revaluation of the 5% share retained.

In 2021, the farm-down proceeds corresponded to the net capital gains on the sale of the Lugos (Gironde), Miremont (Haute-Garonne), Grabels (Hérault) and Lagarde (Vaucluse) solar power plants, as well as the Le Berger (Meuse) and Les Beaux Monts (Yonne) wind farm projects in France.

In 2022, other current operating income mainly comprises contractual compensation for loss of revenue resulting from delays in the commissioning of certain power plants, due to the contractors responsible for their construction, in the amount of €25.9 million, and a partial waiver of penalties historically recognised in connection with electricity sales contracts in the amount of €12.1 million.

NOTE 10. 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 3.3 and 12.1).

Details of non-current operating items

<i>In millions of euros</i>	FY 2022	FY 2021
Prior period development costs	(4.0)	(8.1)
Gains and losses on disposal of assets	0.1	0.1
Other non-current operating income and expenses	(3.8)	(8.0)
Impairment of capitalised development costs	(15.7)	(5.7)
Other asset impairment	(13.1)	(10.5)
Reversal of impairment of capitalised development costs	1.6	5.8
Impairment of non-current assets	(27.3)	(10.4)

Capitalised development costs for which the Group considers that the criteria for capitalisation set out in IAS 38 "intangible assets" are no longer met, as a result of external events beyond its control, are recognised in other non-current operating expenses for the financial year.

In 2022, impairment of capitalised development costs mainly concerns the impairment loss related to the Metoro power plant in Mozambique for €(8.8) million (see note 1.3 "events of the financial year") and to an integrated project in Australia, which became less competitive due to the completion of another project in the same geographical area, for €(2.5) million.

Other asset impairments in 2022 corresponds for €(11.1) million to the impairment recognised on the Metoro power plant in Mozambique (please refer to note 1.3 "events of the financial year"). Other asset impairment in 2021 corresponded to the impairment of the Numurkah power plant in Australia.

Reversals of impairment losses on capitalised development costs relate to projects abandoned by the Group.

NOTE 11. TAXES

Accounting principles

Income taxes

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, in other comprehensive income (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 financial year, 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:

- taxable temporary differences arising from the initial recognition of goodwill;
- temporary differences arising from 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;
- temporary differences arising from 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 financial year 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, the changes in which are charged in other comprehensive income, in particular in respect of the fair value accounting of hedging instruments, or in equity.

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 systematically to the extent of the reversal of taxable temporary differences. Beyond that, it 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 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.

The Group currently has no significant tax uncertainties within the scope of IFRIC 23 “uncertainty about tax treatments”.

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 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 11.1. INCOME TAX

Income tax expense breaks down as follows:

<i>In millions of euros</i>	FY 2022	FY 2021
Profit before tax	78.3	53.5
Income tax	(32.6)	(13.3)
Current tax	(22.6)	(14.6)
Deferred tax	(10.0)	1.4
Effective tax rate	41.6%	24.8%

The tax charge was €(32.6) million in 2022 compared with €(13.3) million in 2021, representing an effective tax rate of 41.6% compared with 24.8%. The tax payable of €(22.6) million, compared with €(14.6) million in 2021, is composed of:

- €(16.2) million in corporate income tax in 2022 compared with €(11.3) million in 2021. This increase is mainly due to:
 - the increase in current tax in Australia, resulting in particular from the increase in taxable income of the Hornsdale Power Reserve battery and the Western Downs solar power plant;
 - an increase in income tax in other geographical areas, notably in France, due to the full consumption of ordinary tax losses on certain power plants;
- €(5.5) million in withholding taxes in 2022, used as tax credits for €4.8 million, compared with €(2.5) million in 2021, used as tax credits for €1.7 million;
- €(0.9) million in corporate value added contribution (CVAE) in 2022, stable compared with 2021.

The difference between the effective tax charge and the theoretical tax charge breaks down as follows:

<i>In millions of euros</i>	FY 2022	FY 2021
Profit before tax	78.3	53.5
Tax rate applicable to the parent company	25.0%	26.5%
Theoretical tax charge	(19.6)	(14.2)
Tax rate differences	(4.6)	(0.5)
Effects of rate changes	-	1.9
Permanent differences	(6.9)	4.9
Tax without base	(2.3)	(1.6)
Change in tax assets on tax loss carryforwards	0.3	0.4
Tax losses generated during the period for which deferred tax assets have not been recognised	(2.0)	(2.2)
Offset of previous losses for which deferred tax assets have not been recognised	2.6	-
Others	(0.2)	(2.0)
Effective tax charge	(32.6)	(13.3)

The €13.0 million difference between the theoretical tax charge of €(19.6) million and the actual tax charge of €(32.6) million in 2022 is mainly due to:

- differences between the tax rate of the parent company and the tax rate of foreign subsidiaries for €(4.6) million;
- permanent differences for €(6.9) million. They mainly include:
 - the impact of farm-down operations (€1.4 million) corresponding to the consolidated gain on the sale of the Saint-Sauvant power plant;
 - the impact of income incurred in connection with the application of IFRS 2 “Share-based payments” for €(1.6) million;
 - the impact of the impairment of the Metoro solar power plant in Mozambique for €(5.8) million;
 - the impact of income not giving rise to a tax expenses savings in several regions for a total of €1.8 million;
- taxes without base in the amount of €(2.3) million, corresponding mainly to the corporate value added contribution (CVAE) and withholding taxes that cannot be used as a tax credit;
- earnings outlook and time limits on the use of tax losses for certain regions, which led the Group to write down or not recognise deferred tax assets in respect of certain tax losses, for €(1.8) million;
- the use of previously unrecognised losses of €2.6 million, mainly in Mexico.

In 2021, the difference of €(0.9) million between the theoretical tax charge of €(14.2) million and the actual tax charge of €(13.3) million was mainly due to:

- the effect of the change in the tax rate in Argentina (from 25% to 35%), which had a positive impact on the deferred tax base on capitalised tax loss carryforwards (€1.9 million);
- permanent differences of €4.9 million. They mainly included:
 - the impact of farm-down transactions (€10.0 million) carried out in France, which are subject to the long-term capital gains regime;
 - the effect of expenses incurred in connection with the application of IFRS 2 “share-based payments” for €(0.6) million;
 - the impact of expenses not giving rise to tax savings in several geographical areas for a total of €(3.4) million;
- taxes without base in the amount of €(1.6) million, which mainly corresponded to the tax on business value added (CVAE) in the amount of €(0.6) million, as well as withholding tax in the amount of €(0.8) million;
- earnings outlook and time limitations in the use of tax losses for certain regions, which led the Group to write down or not recognise deferred tax assets in respect of certain tax losses, for €(1.8) million;
- other impacts, including mainly the consequences of the tax rules in force in Argentina with regard to hyperinflation.

NOTE 11.2. DEFERRED TAXES

Deferred tax assets and liabilities recorded in the balance sheet arise from:

<i>In millions of euros</i>	31.12.2022	31.12.2021
Excess tax depreciation	(170.6)	(155.0)
Financial instruments	(81.0)	5.3
Tax loss carryforwards and unused tax credits	112.3	128.2
Others	2.1	(5.9)
Net deferred taxes	(137.2)	(27.4)
<i>Deferred tax assets</i>	56.8	58.3
<i>Deferred tax liabilities</i>	194.0	85.7

The change in deferred tax assets on excess tax depreciation is mainly due to the difference between the tax depreciation period and the accounting depreciation period of certain fixed assets.

The increase in deferred tax liabilities on financial instruments is due mainly to the change in fair value of interest rate derivatives recorded in other comprehensive income, as a result of the impact of the significant increase in forward interest rates over the financial year in all of the geographical areas where the Group operates.

The change of €(15.9) million in deferred taxes on tax loss carryforwards and unused tax credits is due to:

- the recognition of new deferred taxes amounting to €12.3 million, mainly in Australia;
- consumption of losses for €(28.2) million mainly in Australia for €(22.9) million, France for €(2.4) million and Zambia for €(1.3) million.

The amount of unrecognised ordinary tax losses at December 31, 2022 is €4.3 million, corresponding to a deferred tax asset of €0.7 million.

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 - start of the period	58.3	85.7	(27.4)
Recognised in net income	42.9	52.9	(10.0)
Recognised in other items of comprehensive income	12.7	105.6	(92.8)
Recognised directly in equity ⁽¹⁾	-	9.6	(9.6)
Effect of changes in consolidation scope	(0.1)	(2.8)	2.7
Offsetting of deferred taxes	(57.0)	(57.0)	0.0
Net deferred tax - end of the period	56.8	194.0	(137.2)

(1) The €9.6 million change in deferred tax liabilities recognised directly in equity corresponds to the recognition of deferred taxes on the equity component of the green convertible bonds ("OCEANes vertes") issued in 2022 for + €11.9 million, partially offset by the reversal of deferred taxes relating to the equity component of the convertible bonds ("OCEANes 2019") issued in 2019 and converted in 2022 for - €2.2 million.

NOTE 12. GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

NOTE 12.1. GOODWILL

Accounting principles

Goodwill

Refer to note 3.1 “accounting principles”.

Impairment

Refer to accounting principles in note 13 “impairment of goodwill and fixed assets”.

The goodwill presented relates to the acquisition in 2019 of Irish wind power plants in operation. The latter was tested for impairment as of December 31, 2022. No impairment was detected.

NOTE 12.2. INTANGIBLE ASSETS

Accounting principles

The main intangible assets recognised by the Group relate to project development. Projects are capitalised in accordance with IAS 38 “intangible assets”. Direct and indirect, external or internal development costs are capitalised as soon as the criteria for capitalisation are met. These 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 “impairment of non-current assets”. When a project is abandoned, the development expenses related to this project are expensed within “other non-recurring operating income and expenses” (see note 10).

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 asset 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 30 years, in line with the estimated useful life of power plants and storage facilities.

Changes in intangible assets

In millions of euros		Capitalised development costs - Operation	Capitalised development costs - Studies ⁽⁴⁾	Other intangible assets ⁽⁵⁾	Total
Gross amounts	As of December 31st, 2021	114.2	68.4	109.4	292.0
	Acquisitions ⁽¹⁾	8.2	35.9	0.4	44.5
	Disposals ⁽²⁾	(0.6)	(4.0)	-	(4.5)
	Impact of changes in consolidation scope ⁽³⁾	-	-	1.5	1.5
	Impact of fluctuation in foreign exchange rates	0.4	(0.2)	0.9	1.1
	Reclassifications and others	9.2	(5.0)	(6.2)	(2.0)
	As of December 31st, 2022	131.4	95.1	106.0	332.5
Amortisation and impairment	As of December 31st, 2021	(11.8)	(3.8)	(7.0)	(22.7)
	Charge for amortisation	(2.7)	0.0	(2.6)	(5.3)
	Impairment loss ⁽⁶⁾	(8.8)	(6.9)	-	(15.7)
	Reversal of impairment loss	0.0	1.6	-	1.6
	Impact of fluctuation in foreign exchange rates	0.0	0.1	0.0	0.1
	Reclassifications and others	0.0	(0.0)	0.0	0.0
	As of December 31st, 2022	(23.3)	(9.1)	(9.5)	(42.0)
Net amounts	As of December 31st, 2021	102.4	64.5	102.4	269.3
	As of December 31st, 2022	108.1	85.9	96.5	290.5

(1) In 2022, the Group capitalised expenses directly attributable to project development in the amount of €44.5 million. These investments mainly concern projects located in Australia, France, Finland, Ireland, Portugal, Sweden, Ecuador, Mexico, Italy and Canada.

(2) The decreases relate to scrapping during the financial year.

(3) Changes in the scope of "Other intangible assets" include valuation differences relating to entities acquired during the year.

(4) At December 31, 2022, "Capitalised development costs - Studies" amounted to €85.9 million in net value, and included €11.3 million in capitalised expenses relating to projects for which the tariff is secured.

(5) Other intangible assets consist mainly of assets relating to projects under development, which have been acquired from third parties.

(6) The development costs of the Metoro power plant in Mozambique have been fully written down in the amount of €8.8 million (see note 1.3 "events of the financial year", paragraph "situation of the Metoro solar power plant in Mozambique"). Other impairments mainly relate to projects in Australia, France and Mexico.

NOTE 12.3. 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 qualified assets (power plants) 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: 30 years;
- power storage plants: 10 to 20 years;
- fixtures and fittings: 3 to 10 years;
- office equipment and furniture, computers: 3 to 4 years.

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Production assets in progress correspond mainly to power plants under construction.

Accounting policies applied to leases

The Group leases land for its power generation facilities 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 renewal periods to the extent that the Group believes that it is reasonably certain that the renewal clauses will be exercised (given the strategic nature of the locations in question).

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.

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 cost, which includes the initial amount of the 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 “impairment of assets”;
- the lease liability is initially measured at the present value of lease payments that have not yet been made, discounted using the lessee's incremental borrowing rate (the interest rate that the lessee would have to pay to borrow, for a similar term and with a similar guarantee, the funds necessary to obtain a property of similar value to the asset under the right of use in a similar economic environment).

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 an 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-the 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.

Impairment of assets retained under the right of use

Refer to accounting principles in note 12.2.

Change in property, plant and equipment

<i>In millions of euros</i>		Production assets	Production assets in progress	Lease rights of use ⁽⁵⁾	Other property, plant and equipment	Total
Gross amounts	As of December 31st, 2021	3,215.5	709.6	223.6	30.3	4,179.0
	Acquisitions ⁽¹⁾	(0.0)	955.8	-	8.3	964.1
	Disposals	-	(1.1)	(1.5)	(0.4)	(3.1)
	Impact of changes in consolidation scope ⁽²⁾	(27.1)	3.5	(1.8)	4.6	(20.7)
	Impact of fluctuation in foreign exchange rates	39.7	(12.3)	0.4	0.8	28.6
	Reclassifications and others ⁽³⁾	593.0	(575.5)	50.4	0.1	68.1
	As of December 31st, 2022	3,821.2	1,080.1	271.2	43.7	5,216.2
Depreciation and impairment	As of December 31st, 2021	(484.7)	(1.0)	(13.2)	(2.6)	(501.5)
	Depreciation	(136.3)	(0.0)	(8.4)	(0.9)	(145.6)
	Impairment loss ⁽⁴⁾	-	(13.0)	-	(0.1)	(13.1)
	Disposals	-	0.0	1.0	0.4	1.4
	Impact of changes in consolidation scope ⁽²⁾	0.5	-	0.1	-	0.6
	Impact of fluctuation in foreign exchange rates	(0.7)	0.1	(0.0)	(0.0)	(0.6)
	Reclassifications and others	9.3	0.0	0.3	(0.0)	9.6
	As of December 31st, 2022	(612.0)	(13.8)	(20.2)	(3.2)	(649.2)
Net amounts	As of December 31st, 2021	2,730.8	708.6	210.5	27.7	3,677.6
	As of December 31st, 2022	3,209.2	1,066.2	250.9	40.5	4,566.9

(1) Acquisitions over the financial year correspond to plants under construction, including:

- in Australia: €419.6 million, mainly including the power plants Kaban (€143.1 million), Western Downs (€127.6 million), Goyder (€110.2 million) and Capital Battery (€35.5 million);
- in Europe - Africa: €511.8 million, of which mainly the Mutkalampi power plant (€285.8 million), Björkliden (€19.7 million) in Finland, wind and solar power plants in France (€31.1 million and €59.7 million respectively), two solar power plants in Portugal (€38.6 million), three solar power plants in Ireland (€21.8 million), and the Stören power plant in Sweden (€34.8 million);
- in the Americas: €32.5 million, mainly the Itzoteno solar power plant in Mexico (€15.8 million), and the Providencia and Capella storage plants in El Salvador (€6.4 million).

(2) The changes in the scope of consolidation correspond to:

- the Saint-Sauvant farm-down in France for €(26.7) million in net production assets and a net €(1.7) million in rights of use;
- the acquisition of a project under development in Canada for €3.7 million and of a land in Ecuador for €4.6 million.

(3) Reclassifications and others on production assets include €21.7 million related to decommissioning assets of newly commissioned power plants, €17.5 million related to revaluation of provisions for decommissioning (see note 19), and the reclassification of €(17.0) million of the net production assets of the Cabrela solar power plant in Portugal according to the principles of IFRS 5 "non-current assets held for the purpose of disposal" (refer to note 3.4). Reclassifications and other reclassifications in rights of use (€50.4 million) mainly correspond to new leases entered into fixed assets according to IFRS 16 "lease contracts", as well as extensions or indexings of leases in progress.

(4) In 2022, an impairment loss of €(11.1) million was recognised on the Metoro power plant in Mozambique, given the precarious security situation and the high degree of uncertainty regarding the future of the project (please refer to note 1.3 "events of the financial year").

(5) This mainly concerns land use rights (for power plants under construction and in operation), for an amount of €234.5 million, as well as usage rights relating to offices, for an amount €16.5 million.

NOTE 13. IMPAIRMENT OF GOODWILL AND FIXED ASSETS

Accounting principles

In accordance with IAS 36 “impairment of assets”, at the end of each reporting period, the Group reviews the financial information for indications of impairment of intangible assets and property, plant and equipment. If such evidence exists, the Group performs an impairment test to assess whether the net carrying amount of the asset exceeds its recoverable amount, defined as the higher of fair value less costs to sell and value in use.

In addition, for intangible assets with indefinite useful lives (goodwill) and fixed assets in progress, an impairment test is carried out annually whether or not there is an indication of impairment.

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 determined useful duration, are tested for impairment whenever impairment indicators appear.

In the 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, with the exception of those associated with the volumes of electricity sold on the spot markets, the risk of not generating the expected level of cash flow is relatively low.

The value in use of an asset is measured by discounting the future cash flows generated by the asset. Assets that do not generate largely independent cash flows are grouped with other assets to form 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, 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 date when the test is performed.

Impairment of assets

In 2022, the Group recognised an impairment loss on all of the development costs and on part of the property, plant and equipment of the Metoro solar power plant in Mozambique, amounting to €(8.8) million and €(11.1) million respectively (refer to note 1.3). The impairment loss is recognised in non-current operating income (see note 10).

In 2021, the Group had observed an operating and financial performance gap in relation to the initial business plan for its Australian solar assets, in the context of a downward revision by the main market players of long-term forecasts for electricity prices captured by the solar assets in Australia. The impairment tests had led to the recognition, in non-current operating income, of an impairment loss on the Numurkah power plant in the amount of AUD (16.4) million, or €(10.4) million. As of December 31, 2022, a new test was performed on the valuation of these assets. The results show that the impairment loss recognised in 2021 remains the same. The Group has therefore not recognised any additional impairment losses.

A change of + 1% in the cost of equity would have an impact of AUD (5.7) million on the valuation of the Numurkah power plant, or €(3.8) million.

In 2020, the property, plant and equipment of the Argentinean power plants were tested for impairment following indications of loss of value due to delays in the reimbursement of VAT receivables. An impairment loss of US\$(15.3) million, or €(13.4) million, was recognised in the consolidated financial statements at December 31, 2020. The test has been updated in 2022, using a cost of equity of 13%, and no additional impairment loss has been recognised.

A change of + 1% in the cost of equity would result in an additional impairment loss of US\$(6.6) million, or €(6.2) million.

There is no other indication of impairment requiring additional impairment tests on property, plant and equipment in the Group's balance sheet at the date of publication of its consolidated financial statements.

NOTE 14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Changes in investments in associates and joint ventures are as follows:

<i>In millions of euros</i>	31.12.2022	31.12.2021
Total investments in associates and joint ventures - start of the period	16.6	7.3
Dividends paid	(0.7)	(1.1)
Impact of changes in consolidation scope	7.2	9.8
Share of net income of associates	0.5	0.3
Change in fair value	0.8	0.2
Total investments in associates and joint ventures - end of the period	24.4	16.6

The investments in associated companies correspond to the Group's holdings in Seixal in Portugal and in Storbottet Vind AB (investment acquired in 2021) and Pk Lumivaara Oy (investment acquired in 2022), in Finland.

NOTE 15. OTHER NON-CURRENT FINANCIAL ASSETS

Accounting principles

Other non-current financial assets consist of security deposits related to financing contracts, term deposits, loans and non-consolidated securities.

Other non-current 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 in accordance with IFRS 9 "financial instruments".

Other non-current financial assets

<i>In millions of euros</i>	31.12.2022	31.12.2021
Security deposits	79.0	67.2
Available-for-sale (AFS) financial assets	5.0	3.8
Loans due in more than one year	15.9	12.1
Total other non-current financial assets	99.9	83.0

Security deposits correspond mainly to:

- the financing reserve accounts set up in connection with project financing relating to production assets (Debt Service Reserve Account or DSRA);
- deposits made in response to calls for tenders.

The non-consolidated shares correspond to the minority interests in the Cestas solar power plant and, following the farm-down operations of 2021 and 2022, in the Le Berger, Les Beaux Monts and Saint-Sauvant wind farms.

NOTE 16. OTHER CURRENT ASSETS

<i>In millions of euros</i>	31.12.2022	31.12.2021
Tax and employee-related receivables	65.8	63.8
Prepaid expenses	9.8	8.2
Trade accounts payable in debit and other debtors	32.3	43.2
Total other current assets	108.0	115.3

Tax and social security receivables consist mainly of VAT credits pending recovery associated with the construction of power plants.

Trade accounts payable in debit and other debtors consist mainly of advance payments made to suppliers in connection with the construction of power plants.

NOTE 17. 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.

Cash and cash equivalents

<i>In millions of euros</i>	31.12.2022	31.12.2021
Cash	582.2	524.6
Cash equivalents	40.6	67.9
Total cash and cash equivalents	622.8	592.6

Cash and cash equivalents at December 31, 2022 stood at €622.8 million, compared with €592.6 million as of December 31, 2021, a change of + €30.3 million, and mainly corresponds to cash and cash equivalents:

- held by Neoen S.A. for €246.9 million, with a change in 2022 of – €32.7 million that is mainly due to:
 - the issue of new green convertible bonds ("OCEANes vertes 2022") maturing in 2027 for + €300.0 million;
 - dividends received and repayments of shareholder loans by project companies for + €46.8 million;
 - investments in the form of equity and shareholder loans in new projects and assets under construction for – €390.3 million, particularly in Australia, France, Portugal, Sweden, Canada and Finland;
 - the financing of development activities and structural costs for – €87.1 million;
 - payment by project companies of development services for + €97.3 million, notably in France and Finland;
- located in the project companies and associated holding companies for €376.0 million, with a change in 2022 of + €63.0 million that results from the following:
 - for assets under construction, from drawings on senior debt and equity contributions to finance the construction of power plants; and
 - for assets in operation and finance companies, from cash flow generated by the business, intended in particular to ensure the repayment of project financing and the remuneration of contributions made by shareholders.

As of December 31, 2022, the cash position of the operating assets includes an amount of €90.3 million corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA (see note 21.2).

Cash equivalents mainly correspond to term accounts opened by Neoen S.A. for €35.5 million.

The reconciliation between the amount of cash and cash equivalents in the balance sheet and the amount of net cash in the cash flow statement is as follows:

<i>In millions of euros</i>	31.12.2022	31.12.2021
Cash and cash equivalents	622.8	592.6
Overdrafts	(0.2)	(0.1)
Net cash and cash equivalents of cash flow statement	622.7	592.5

NOTE 18. SHAREHOLDERS' EQUITY AND DETAILS OF DILUTIVE INSTRUMENTS

Capital management policy

Neoen group 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 group more specifically monitors its net debt-to-adjusted 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 group 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 group is not subject to any external minimum capital requirements, except as required by law.

Equity

Movements affecting the Group's equity during financial years 2021 and 2022 are detailed in the consolidated statement of changes in shareholders' equity.

Share capital

During the financial year, the share capital was increased as a result of:

- the exercise of 34,240 stock-options at an exercise price of €9.25;
- the creation of 32,450 shares in connection with a capital increase reserved for employees;
- the creation of 252,486 shares for the portion of a dividend paid in shares in respect of the 2021 financial year (see note 1.3 "events of the financial year").
- the creation of 163,018 shares in connection with a free share plan that expired on July 11;
- the creation of 7,130,619 shares in connection with the conversion of the convertible bonds ("OCEANes 2019") issued on October 7, 2019 (see note 1.3 "events of the financial year").

These operations for a total amount of €209.2 million, including €15.2 million in share capital and an issue premium of €194.0 million, brought the share capital to €229.3 million and the issue premium to €1,247.4 million.

Treasury shares

At December 31, 2022, the Company held directly or indirectly 146,347 treasury shares, resulting from a share buyback programme with a view to allocating them and executing a liquidity contract, representing €3.2 million at the closing date.

Dividends

The General Shareholders' meeting of May 25, 2022 approved the distribution of a dividend of €0.10 per share with an option for payment of the dividend in new shares. This option resulted in the subscription of 252,486 new shares, *i.e.*, a reinvestment rate of around 80%, and the payment of €2.1 million in cash (see note 1.3 "events of the financial year").

Non-controlling interests

<i>In millions of euros</i>		Percentage of interest uncontrolled		Net profit from investments attributable to non-controlling interests	Investments attributable to non-controlling interests	Net profit from investments attributable to non-controlling interests	Investments attributable to non-controlling interests
Entity	Country	31.12.2022	31.12.2021	FY 2022	31.12.2022	FY 2021	31.12.2021
HWF 1 & Holdco	Australia	30.0%	30.0%	0.7	6.2	0.3	2.1
HWF 2 & Holdco	Australia	20.0%	20.0%	0.5	4.4	0.4	2.1
HWF 3 & Holdco	Australia	20.0%	20.0%	0.6	5.8	0.2	3.0
Hedet	Finland	19.9%	19.9%	(0.1)	(0.2)	(0.0)	(1.0)
Hexagone	France	40.0%	40.0%	(0.0)	3.6	(0.0)	3.7
EREC	Jamaica	50.0%	50.0%	(0.4)	(1.6)	(1.1)	(1.1)
Metoro	Mozambique	25.0%	25.0%	(0.6)	(0.4)	(0.1)	0.2
Aura Power - Rio Maior SA	Portugal	51.0%	51.0%	(0.3)	0.5	(0.1)	(0.1)
Bosona	Sweden	49.0%	49.0%	(0.0)	0.5	(0.0)	0.6
Bangweulu Power Company	Zambia	19.7%	41.2%	0.2	1.8	(0.2)	0.1
Others				(0.2)	(0.2)	(0.1)	(0.3)
Total non-controlling interests				0.5	20.5	(0.8)	9.2

The comprehensive income, the net assets and the cash flow statement of non-controlling interests at December 31, 2022 break down as follows:

<i>In millions of euros</i>	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	Björkliden Vindpark Ab	EREC	Aura Power – Rio Maior SA	Metoro	Bangweulu Power Company	Others
Income statement										
Revenue	22.4	18.1	19.7	8.1	-	6.9	-	0.2	4.8	0.1
Net income	2.5	2.6	3.0	(0.5)	(0.4)	(0.8)	(0.5)	(2.6)	1.0	(0.3)
- Of which: Net income - Group share	1.7	2.1	2.4	(0.4)	(0.3)	(0.4)	(0.2)	(1.9)	0.8	(0.2)
- Of which: Net income - attributable to non-controlling interests	0.7	0.5	0.6	(0.1)	(0.1)	(0.4)	(0.3)	(0.6)	0.2	(0.1)
Comprehensive income	4.7	2.8	3.2	0.7	(0.1)	(0.5)	0.7	(0.6)	0.8	(0.2)
Statement of financial position										
Current assets	5.6	4.4	6.2	2.9	17.1	3.9	0.4	8.4	3.3	2.1
Non-current assets	131.0	122.0	131.8	91.7	24.7	54.0	45.5	21.8	43.4	9.1
Current liabilities	8.5	7.1	7.6	37.8	31.5	12.9	32.7	43.6	11.7	4.2
Non-current liabilities	129.1	114.4	127.2	58.4	10.8	48.5	12.1	2.8	32.8	3.2
Net assets	(0.9)	4.8	3.0	(1.5)	(0.5)	(3.5)	1.1	(16.3)	2.2	3.8
Change in cash										
Net cash flows from operating activities	14.3	13.5	16.0	4.0	26.6	3.7	27.9	0.4	2.1	1.4
Net cash flows from investing activities	(0.8)	(0.6)	(0.6)	0.0	(19.7)	(0.3)	(27.9)	(6.3)	(0.2)	(2.1)
Net cash flows from financing activities	(15.1)	(13.7)	(14.8)	(4.7)	6.9	(4.5)	(0.0)	0.3	(3.4)	1.8
of which dividends paid	0.0	-	-	-	-	-	-	-	-	-
Impact of foreign exchange rate fluctuation	0.0	(0.0)	(0.1)	-	-	0.2	-	0.7	0.2	0.0
Net change in cash from continued activities	(1.6)	(0.8)	0.6	(0.6)	13.7	(0.9)	0.0	(4.9)	(1.2)	1.1
Opening cash and cash equivalents	2.5	1.6	1.7	1.5	0.3	3.4	0.2	10.5	3.2	0.6
Closing cash and cash equivalents	0.9	0.8	2.3	0.9	14.0	2.5	0.2	5.6	2.0	1.7

The comprehensive income, the net assets and the cash flow statement of non-controlling interests at December 31, 2021 break down as follows:

<i>In millions of euros</i>	HWF 1 & Holdco	HWF 2 & Holdco	HWF 3 & Holdco	Hedet	EREC	Metoro	Bangweulu Power Company	Others
Income statement								
Revenue	19.0	15.3	16.4	7.9	6.2	-	4.5	0.0
Net income	1.1	1.8	0.9	(0.2)	(2.2)	(0.4)	(0.5)	(0.5)
- Of which: Net income - Group share	0.8	1.4	0.7	(0.2)	(1.1)	(0.3)	(0.3)	(0.4)
- Of which: Net income - attributable to non-controlling interests	0.3	0.4	0.2	(0.0)	(1.1)	(0.1)	(0.2)	(0.2)
Comprehensive income	2.5	1.9	1.7	0.2	(1.1)	(0.1)	0.3	0.1
Statement of financial position								
Current assets	4.4	3.1	3.3	3.3	5.5	13.8	4.4	1.4
Non-current assets	118.2	110.3	119.4	91.5	51.9	28.2	40.5	16.6
Current liabilities	9.5	7.9	8.6	38.0	12.9	42.9	12.1	13.3
Non-current liabilities	128.9	114.0	126.6	61.9	47.2	1.8	34.3	1.7
Net assets	(15.8)	(8.5)	(12.5)	(5.1)	(2.6)	(2.8)	(1.5)	2.9
Change in cash								
Net cash flows from operating activities	17.4	15.1	17.4	3.1	3.3	(1.4)	1.4	2.0
Net cash flows from investing activities	(0.0)	(0.0)	(0.1)	(2.9)	(0.4)	(17.3)	(0.0)	(3.3)
Net cash flows from financing activities	(17.3)	(15.4)	(16.6)	(5.2)	(3.9)	22.4	(3.2)	0.6
<i>of which dividends paid</i>	(0.6)	-	-	-	-	-	-	-
Impact of foreign exchange rate fluctuation	0.1	0.1	0.1	-	0.3	0.7	0.3	0.0
Net change in cash from continued activities	0.1	(0.2)	0.8	(4.9)	(0.7)	4.4	(1.5)	(0.7)
Opening cash and cash equivalents	2.4	1.8	0.9	6.4	4.1	6.0	4.7	1.8
Closing cash and cash equivalents	2.5	1.6	1.7	1.5	3.4	10.5	3.2	1.1

Dilutive instruments

Accounting principles

Basic earnings per share and diluted earnings per share are calculated in accordance with IAS 33 “earnings per share”.

Basic earnings per share: earnings for the financial year (Group share) are divided by the weighted average number of shares outstanding after deduction of treasury shares held.

Diluted earnings per share: earnings for the financial year (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)		31.12.2022	31.12.2021	30.12.2021	31.12.2020
Before dilution					
Number of shares		114,669,498	107,056,685	107,056,685	85,550,712
Number of treasury shares		146,347	204,510	204,510	10,639
Number of other shares		114,523,151	106,852,175	106,852,175	85,540,073
Average number of shares before dilution⁽¹⁾		110,687,663		96,196,124	
<i>Average number of adjusted shares⁽³⁾</i>		<i>110,687,663</i>		<i>103,136,139</i>	
Dilutive instruments⁽²⁾	Free shares	558,643	726,645	726,645	537,000
	Stocks options	26,620	60,860	60,860	138,166
	Convertible bonds 2019 (“OCEANES”)	-	7,126,283	7,126,283	6,629,101
	Convertible bonds 2020 (“OCEANES”)	3,966,664	3,955,626	3,955,626	3,679,653
	Convertible bonds 2022 (“OCEANES”)	5,825,253			
	TOTAL	10,377,180	11,869,414	11,869,414	10,983,920
After dilution					
Number of shares		125,046,678	118,926,099	118,926,099	96,534,632
Number of treasury shares		146,347	204,510	204,510	10,639
Number of other shares		124,900,331	118,721,589	118,721,589	96,523,993
Average number of shares after dilution⁽¹⁾		121,810,960		107,622,791	
<i>Average number of adjusted shares⁽³⁾</i>		<i>121,810,960</i>		<i>115,022,621</i>	

(1) Average number of shares over the financial year excluding treasury shares and before taking into account the adjustment factors described in note (2) below.

(2) Following the capital increase of April 9, 2021 with preferential subscription rights and in accordance with the applicable legal provisions and the stipulations of the free share plans and stock option plans and the terms and conditions of the convertible bonds “OCEANES” issued by Neoen S.A. on October 7, 2019 (the “OCEANES 2019”) and of the green convertible bonds issued in June 2, 2020 (the “OCEANES vertes 2020”), the Chairman and Chief Executive Officer proceeded, on delegation of the Board of Directors, to adjust the rights of the beneficiaries of free shares, stock options (coefficient of 1.081), convertible bonds (“OCEANES 2019”) and green convertible bonds (“OCEANES vertes 2020”) (coefficient of 1.075).

Following the distribution of a first dividend in the first half of 2022 and in accordance with the applicable legal provisions and the stipulations of the terms and conditions of the convertible bonds (“OCEANES 2019”) and of the green convertible bonds (“OCEANES vertes 2020”), the Chairman and Chief Executive Officer proceeded to adjust the convertible bond (“OCEANES 2019”) and the green convertible bonds (“OCEANES vertes 2020”) (coefficient of 1.078), on delegation of the Board of Directors.

The vast majority of the convertible bonds (“OCEANES 2019”) were converted in 2022, and were repaid for the residual portion (see note 1.3 “events of the financial year”).

(3) In accordance with IAS 33 « earnings per share », the number of ordinary shares (used to calculate basic and diluted earnings per share) for all periods prior to the capital increase with preferential subscription rights on April 9, 2021 has been adjusted by a factor of 1.075 to reflect the effect of the capital increase.

NOTE 19. 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 provisions

When there is a legal or contractual obligation to dismantle a power plant, a provision for dismantling is recognised against the related asset. Provisions for dismantling are regularly estimated on the basis of quotes from external service providers. In the event of a significant change in the estimate, the change in the provision is added to or deducted from the cost of the related asset. In the case of an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If any such indication exists, an impairment test is performed. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognised in net income. Once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in net income as they occur.

Current and non-current provisions

The main movements affecting provisions in 2022 were as follows:

In millions of euros	Non-current provisions			Current provisions			Total
	Dismantling provision	Other provisions	Total	Dismantling provision	Other provisions	Total	
As of December 31, 2021	75.4	0.4	75.8	0.3	0.0	0.3	76.1
Constituted over the period	21.7	-	21.7	-	-	-	21.7
Effect of discounting rates ⁽¹⁾	17.5	-	17.5	-	-	-	17.5
Discounting	2.0	-	2.0	-	-	-	2.0
Impact of changes in consolidation scope	(1.1)	(0.0)	(1.1)	-	-	-	(1.1)
Impact of exchange rate changes	0.2	-	0.2	(0.0)	-	(0.0)	0.2
Reclassifications and others	(0.7)	-	(0.7)	0.7	-	0.7	(0.0)
As of December 31, 2022	115.0	0.4	115.3	1.0	0.0	1.0	116.3

(1) In the current context of a significant increase in interest rates and inflation since the beginning of the year, the Group has reviewed the parameters for calculating its decommissioning provisions at December 31, 2022. These changes have been accounted for in accordance with IFRIC 1, "Changes in Existing Decommissioning, Restoration and Similar Liabilities", and have resulted in an increase in decommissioning provisions of €17.5 million, with a corresponding increase in the cost of the related assets.

NOTE 20. FINANCING AND FINANCIAL INSTRUMENTS

NOTE 20.1. NET FINANCIAL RESULT

<i>In millions of euros</i>	FY 2022	FY 2021
Loan interest	(113.9)	(77.2)
Interest associated with derivatives	(14.9)	(23.9)
Interest associated with lease obligations	(6.8)	(5.4)
Cost of debt	(135.6)	(106.5)
Shareholder loan interest income and expenses	(1.0)	(0.8)
Foreign exchange gains and losses	(6.9)	(4.3)
Other financial income and expenses	(9.2)	(6.1)
Total other financial income and expenses	(17.1)	(11.2)
Net financial result	(152.7)	(117.7)

The change in the cost of financial debt is explained:

- mainly by the increase in the number of plants in operation under financing;
- effect partially offset by the impact of the gradual repayment of the financing of the plants in operation.

The increase in interest rates in 2022 has had only a limited impact on the increase in the cost of financial debt due to the Group's hedging strategy (see note 20.2 "net debt").

Financial expenses on interest rate derivatives correspond to the recycling through profit or loss of the fair value of the interest rate derivatives considered as effective, previously accumulated in other comprehensive income.

In 2022, foreign exchange gains and losses amount to €(6.9) million, of which €(5.2) million relates to the Group's exposure in Argentina (notably in respect of VAT credits denominated in Argentine pesos).

In 2021, foreign exchange gains and losses amounted to €(4.3) million and consisted mainly of foreign exchange losses on VAT credits denominated in Argentine pesos.

Other financial income and expenses consist mainly of commissions and bank charges, the cost of security deposits and guarantees, the accretion of provisions for decommissioning and other non-current liabilities, which have increased due to the growth in the number of operating assets, and other non-recurring financial income and expenses. In 2022, they include in particular €(1.4) million of net expenses related to the refinancing of Neoen Production 2. In 2021, they included €(1.6) million of expenses incurred in connection with early repayment of loans.

NOTE 20.2. 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.

Interest rate derivatives

The objective of Neoen Group's finance department is to hedge the risk of variability in the future interest expense resulting from the variable rate financing of a substantial part of the Group's investments.

To hedge its interest rate risk exposure, the Group uses derivatives mainly in the form of interest rate swaps. Most of the interest rate derivatives used by the Group 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 (cash flow hedge reserve) for the "effective portion" of the hedge and in profit or loss for the financial year, within the net financial result, 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.*, net financial result 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, within the net financial result.

Derivative financial instruments with a positive fair value are recognised as assets and those with a negative fair value are recognised as liabilities.

Net debt analysis

<i>In millions of euros</i>	31.12.2022	31.12.2021
Senior financing of projects	2,717.6	2,199.6
Bond financing of projects	77.4	117.5
Lease liabilities	264.4	219.7
Corporate financing	409.7	338.8
Non-controlling investors and others	40.2	31.0
Interest rate derivative liabilities	-	46.7
Financial debt	3,509.3	2,953.4
Non-controlling investors and others	(40.2)	(31.0)
Adjusted financial debt	3,469.1	2,922.4
Cash equivalents	(40.6)	(67.9)
Cash	(582.2)	(524.6)
Total cash and cash equivalents	(622.8)	(592.6)
Guarantee deposits	(79.0)	(67.2)
Interest rate derivative assets	(302.7)	(30.4)
Total other assets	(381.7)	(97.6)
Total net debt	2,464.6	2,232.2

Net debt increased by +€232.4 million at December 31, 2022. This change is mainly due to the issuance of senior financing for assets under construction and new green convertible bonds issued in 2022, partially offset by the conversion of the convertible bonds ("OCEANES 2019"), the refinancing of Neoen Production 2's mezzanine debt, and the increase in the fair value of interest rate derivatives over the period, in a context of rising forward interest rates.

As of December 31, 2022, the cash taken into account in the net debt calculation includes €90.3 million, corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA. Moreover, due to the sharp rise in forward interest rate over the year, the positive fair value of interest rate financial instruments rose to reach €302.7 million. Excluding these two temporary items, the net debt would have amounted to €2,857.6 million.

Breakdown of current / non-current financial debt

<i>In millions of euros</i>	Non-current	Current	31.12.2022	Non-current	Current	31.12.2021
Senior financing of projects	2,331.0	386.7	2,717.6	1,795.1	404.5	2,199.6
Bond financing of projects	73.9	3.5	77.4	102.3	15.3	117.5
Lease liabilities	257.5	6.9	264.4	212.1	7.7	219.7
Corporate financing	407.9	1.8	409.7	337.5	1.3	338.8
Non-controlling investors and others	39.9	0.3	40.2	30.8	0.3	31.0
Interest rate derivative liabilities	-	-	-	23.3	23.3	46.7
Total financial debt	3,110.2	399.1	3,509.3	2,501.0	452.4	2,953.4

Breakdown of financial debt by currency

<i>(Equivalent in millions of euros at closing price)</i>	EUR	USD	AUD	Others	31.12.2022
Senior financing of projects	1,076.2	529.1	1,112.4	-	2,717.6
Bond financing of projects	77.4	-	-	-	77.4
Lease liabilities	200.4	4.0	48.8	11.2	264.4
Corporate financing	409.7	0.0	0.0	0.0	409.7
Non-controlling investors and others	24.0	13.9	2.2	0.1	40.2
Interest rate derivative liabilities	-	-	-	-	-
Total financial debt	1,787.7	547.0	1,163.3	11.3	3,509.3

<i>(Equivalent in millions of euros at closing price)</i>	EUR	USD	AUD	Others	31.12.2021
Senior financing of projects	811.1	515.7	872.8	-	2,199.6
Bond financing of projects	50.9	12.7	54.0	-	117.5
Lease liabilities	161.4	12.7	45.4	0.3	219.7
Corporate financing	337.7	-	1.2	-	338.8
Non-controlling investors and others	15.9	12.8	2.3	0.1	31.0
Interest rate derivative liabilities	13.5	12.8	20.4	-	46.7
Total financial debt	1,390.4	566.8	995.9	0.3	2,953.4

Breakdown of financial debt by interest rate type

<i>In millions of euros</i>	31.12.2022	31.12.2021
Fixed rate	1,690.0	1,213.5
Variable rate	1,819.3	1,693.3
Interest rate derivative liabilities	-	46.7
Interest rate derivative assets	(302.7)	(30.4)
Total financial liabilities after hedging	3,206.6	2,923.0

The financing of projects generally subscribed at variable rates and the variable interest rates flows are hedged, which generally represents 75% or more of the amount financed at variable rates.

Breakdown of total financial debt by maturity

<i>In millions of euros</i>	Less than 1 year ⁽¹⁾	Between 1 and 5 years	More than 5 years	31.12.2022
Senior financing of projects	386.7	713.9	1,617.1	2,717.6
Bond financing of projects	3.5	16.7	57.2	77.4
Lease liabilities	6.9	20.3	237.3	264.4
Corporate financing	1.8	156.1	251.8	409.7
Non-controlling investors and others	0.3	3.6	36.3	40.2
Interest rate derivative liabilities	-	-	-	-
Total financial debt	399.1	910.6	2,199.6	3,509.3

<i>In millions of euros</i>	Less than 1 year	Between 1 and 5 years	More than 5 years	31.12.2021
Senior financing of projects	404.5	511.5	1,283.6	2,199.6
Bond financing of projects	15.3	32.3	70.0	117.5
Lease liabilities	7.7	15.4	196.6	219.7
Corporate financing	1.3	337.5	-	338.8
Non-controlling investors and others	0.3	3.8	27.0	31.0
Interest rate derivative liabilities	23.3	14.1	9.2	46.7
Total financial debt	452.4	914.6	1,586.4	2,953.4

(1) As of December 31, 2022, senior financing of projects due within one year include the acceleration of the debts of the El Llano power plant in Mexico for €116.3 million (US\$124.1 million), of the Coleambally power plant in Australia for €82.0 million (AUD 128.7 million), and of the Metoro power plant in Mozambique for €28.2 million (US\$30.1 million) (please refer to note 1.3 "events of the financial year").

Breakdown of financial debt by flow

Change without cash impact								
<i>In millions of euros</i>	31.12.2021	Cash flows	Effect of exchange rate changes	Change in consolidation scope	Changes in fair value and amortised cost	Accrued interest	Other changes	31.12.2022
Senior financing of projects	2,199.6	548.5	19.3	(30.7)	7.0	(0.6)	(25.4)	2,717.6
Bond financing of projects	117.5	(46.1)	1.9	-	3.9	0.2	-	77.4
Lease liabilities	219.7	(5.8)	0.4	(1.8)	-	0.7	51.1	264.4
Corporate financing	338.8	248.2	0.0	-	1.0	1.8	(180.2)	409.7
Non-controlling investors and others	31.0	8.4	0.8	(0.1)	-	-	(0.0)	40.2
Interest rate derivative liabilities	46.7	-	1.6	-	(48.2)	-	-	-
Total financial debt	2,953.4	753.2	24.0	(32.5)	(36.4)	2.1	(154.6)	3,509.3

Change without cash impact								
<i>In millions of euros</i>	31.12.2020	Cash flows	Effect of exchange rate changes	Change in consolidation scope	Changes in fair value and amortised cost	Accrued interest	Other changes	31.12.2021
Senior financing of projects	1,948.7	198.2	53.7	(7.6)	5.3	1.1	0.2	2,199.6
Bond financing of projects	154.4	(37.4)	0.0	-	0.6	(0.0)	(0.0)	117.5
Lease liabilities	167.9	(4.4)	1.8	(5.4)	-	(2.2)	62.0	219.7
Corporate financing	339.4	(10.1)	0.0	-	1.1	(0.0)	8.5	338.8
Non-controlling investors and others	29.2	1.1	1.0	(0.4)	-	-	0.1	31.0
Interest rate derivative liabilities	109.8	(0.0)	2.0	(0.3)	(64.9)	-	(0.0)	46.7
Total financial debt	2,749.4	147.3	58.5	(13.6)	(57.9)	(1.1)	70.8	2,953.4

Senior project financing

In 2022, senior project financing increased by + **€518.1 million**, mainly due to:

- new loans issued in connection with the financing of Group projects for **€856.3 million**, including in particular:
 - in the Europe-Africa zone for €535.0 million (including Mutkalampi in Finland for €306.4 million, several wind and solar power plants in France for €165.1 million and €49.1 million respectively, and several solar power plants in Ireland for €14.3 million);
 - in Australia for €319.6 million (including mainly Kaban for €140.0 million, Western Downs for €84.9 million, Victorian Big Battery for €45.6 million, Goyder for €33.1 million and Capital Battery for €15.6 million).
- **€(307.8) million** in loan repayments;
- change in the scope of consolidation related to the farm-down of the Saint-Sauvant wind farm in France for **€(30.7) million**;
- **€(25.1) million** of project financing reclassified as liabilities associated with assets held for sale (corresponding to the Cabrela solar power plant in Portugal);
- the impact of exchange rate fluctuations for **€19.3 million**;
- the change in amortised cost of borrowings for **€7.0 million**.

As of December 31, 2022, senior project financings were reclassified as current financial debt for an amount of €226.6 million, compared with €252.4 million as of December 31, 2021 (see note 1.3 “events of the financial year”).

Bond financing of projects

Bond financing mainly comprises junior debt on project entities. The decrease of – €40.2 million in bond financing is mainly due to the refinancing of the mezzanine debt of Neoen Production 2. This resulted in the full repayment of the three historical tranches (euros, Australian dollars, US dollars) for – €110.7 million, and the issuance of new debt, exclusively in euros, for + €77.7 million net of issuance costs.

Lease liabilities

The increase of + €44.7 million compared with the previous year is mainly due to the entry into force of new leases or revaluations for €52.4 million, and to reimbursements for €(5.8) million.

Corporate financing

As of December 31, 2022, corporate financing mainly corresponds to the green convertible bonds issued in June 2020 and September 2022. The increase of + €70.8 million over the period corresponds mainly to the issue of the 2022 green convertible bonds for + €249.8 million (debt component, net of issue costs), offset by the conversion of the convertible bonds (“OCEANES 2019”) for – €190.8 million (plus – 0.4 million repaid in cash), as well as the amortisation of the issue premium relating to the convertible bonds and green convertible bonds for + €10.6 million.

Non-controlling investors and others

This item consists mainly of current account contributions from minority shareholders in the context of project financing.

Interest rate derivative liabilities

On December 31, 2022, all interest rate derivatives had a positive value due to the significant increase in forward interest rates over the period in all geographical areas where the Group operates, and are therefore presented as assets.

NOTE 20.3. DERIVATIVE FINANCIAL INSTRUMENTS**Accounting principles****Interest rate derivatives**

See note 20.2 “net debt”.

Energy derivative financial instruments

In order to hedge against the variation in spot electricity prices associated with the production of certain of the Group’s renewable assets, which do not benefit from support mechanisms in the form of feed-in tariffs or additional remuneration obtained in open-window frameworks or government calls for tender, Neoen has chosen to gradually sign medium to long-term power purchase agreements with commercial counterparties, known as Corporate Power Purchase Agreements (CPPA). Some of these agreements, recently implemented, provide for a financial settlement between the parties (calculated as the difference between a fixed price and the spot price of electricity, with the production of the associated physical asset as the underlying) and, generally, the delivery by the Group of green certificates (guarantees of origin or LGCs) generated by the production. These financially settled contracts with commercial counterparties are derivative financial instruments within the meaning of IFRS 9 “financial Instruments”.

As of December 31, 2022, these derivative financial instruments, entered into to hedge the economic risk associated with changes in electricity prices, have not been designated as hedging instruments. As a result, the related changes in fair value are recognised in the income statement under other current operating income and expenses (see note 9 “other current operating income and expenses”).

Specifically, the valuation of energy derivative financial instruments is based on specific valuation methods and relies in particular on non-observable data (related to the term of the contracts), justifying a level 3 classification under IFRS 13 “fair value measurement”.

In order to remedy the lack of observable forward prices, resulting in particular from the intermittent production profile of renewable assets, the Group has simulated future electricity prices using internal models that take into account, in the short term, spot and forward trends in wholesale prices observed in local electricity markets, adjusted for the intermittent production profile of the assets in question, and in the medium and long term, market prospects based on analyses carried out by specialised forecasting firms, recognised as experts in these local markets.

In accordance with IFRS 13 “fair value measurement”, an adjustment has been made to reflect the credit risk of the counterparty (credit valuation adjustment) and the Company’s own credit risk (debit valuation adjustment) in the fair value of these energy derivative financial instruments.

Analysis of derivative financial assets and liabilities measured at fair value

As of December 31, 2022 (In millions of euros)	Assets			Liabilities		
	Non-current	Current	Total	Non-current	Current	Total
Energy derivative financial instruments	41.3	4.8	46.1	32.2	12.6	44.9
Interest rate derivative financial instruments	271.7	31.1	302.7	-	-	-
Total	312.9	35.9	348.8	32.2	12.6	44.9

As of December 31, 2021 (In millions of euros)	Assets			Liabilities		
	Non-current	Current	Total	Non-current	Current	Total
Energy derivative financial instruments	-	-	-	-	-	-
Interest rate derivative financial instruments	30.4	-	30.4	23.3	23.3	46.7
Total	30.4	-	30.4	23.3	23.3	46.7

NOTE 20.4. 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. IFRS 13 “fair value measurement” distinguishes between three levels of fair value:

- 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.

For derivative financial instruments, see notes 20.2 and 20.3.

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.

Analysis of the fair value of financial assets and liabilities

As of December 31st, 2022 <i>In millions of euros</i>	Level	Carrying amount	Fair value	Amortised cost	Fair Value through profit or loss	Cash-flow hedge derivatives
Interest rate derivatives	2	302.7	302.7			302.7
Energy derivative financial instruments	3	46.1	46.1		46.1	
Non-current financial assets	2	99.9	99.9	99.9		
Other assets (current and non-current)	2	118.7	118.7	118.7		
Trade receivables	2	106.6	106.6	106.6		
Cash and cash equivalents	1	622.8	622.8		622.8	
Total financial assets		1,296.8	1,296.8	325.2	668.9	302.7
Non-current financial liabilities	2	3,110.2	2,938.9	3,110.2		
Other liabilities (current and non-current)	2	224.2	224.2	224.2		
Interest rate derivatives	2	-	-	-		
Energy derivative financial instruments	3	44.9	44.9		44.9	
Current financial liabilities	2	399.1	399.1	399.1		
Trade payables	2	242.4	242.4	242.4		
Total financial liabilities		4,020.7	3,849.3	3,975.8	44.9	

As of December 31st, 2021 <i>In millions of euros</i>	Level	Carrying amount	Fair value	Amortised cost	Fair Value through profit or loss	Cash-flow hedge derivatives
Interest rate derivatives	2	30.4	30.4			30.4
Non-current financial assets	2	83.0	83.0	83.0		
Other assets (current and non-current)	2	126.3	126.3	126.3		
Trade receivables	2	81.6	81.6	81.6		
Cash and cash equivalents	1	592.6	592.6		592.6	
Total financial assets		914.0	914.0	291.0	592.6	30.4
Non-current financial liabilities	2	2,477.7	2,533.3	2,477.7		
Other liabilities (current and non-current)	2	115.7	115.7	115.7		
Interest rate derivatives	2	46.7	46.7			46.7
Current financial liabilities	2	429.1	429.1	429.1		
Trade payables	2	340.4	340.4	340.4		
Total financial liabilities		3,409.4	3,465.1	3,362.8	-	46.7

NOTE 21. OTHER CURRENT LIABILITIES

NOTE 21.1. TAX AND EMPLOYEE-RELATED LIABILITIES

<i>In millions of euros</i>	31.12.2022	31.12.2021
Tax liabilities	35.6	27.4
Employee-related liabilities	13.1	11.7
Total of tax and employee-related liabilities	48.6	39.1

NOTE 21.2. OTHER CURRENT LIABILITIES

<i>In millions of euros</i>	31.12.2022	31.12.2021
Prepaid income	15.1	15.8
Other creditors	142.5	29.1
Total other current liabilities	157.6	45.0

Prepaid income consists mainly of operating subsidies that are transferred to the income statement on a straight-line basis according to the useful life of the underlying asset.

As of December 31, 2022, other creditors include €90.3 million corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA. The remaining balance mainly corresponds to debts related to acquisitions of assets under development in Europe.

NOTE 22. RISK MANAGEMENT

NOTE 22.1. INTEREST RATE RISKS

The 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 is hedged using over-the-counter instruments with first-rate counterparties. The Group contracts financial instruments to hedge its variable-rate financing, with the aim of hedging at a fixed rate a minimum of 75% of the variable-rate financing requirements for projects. In this respect, the Group has entered into interest rate swaps that qualify as cash flow hedges.

Notional value by maturity

As of December 31 st , 2022 (In millions of euros)	Less than 5 years	More than 5 years	Total	Fair value ⁽¹⁾	Recorded as other elements of comprehensive income ⁽²⁾	Recorded as income ⁽³⁾
Interest rate swaps - Solar	(184.4)	(508.5)	(692.9)	110.6	114.3	-
Interest rate swaps - Wind	(378.6)	(488.3)	(866.8)	182.6	168.8	-
Interest rate swaps - Holding	-	-	-	9.6	9.6	-
Interest rate caps	-	-	-	-	1.9	-
Total	(562.9)	(996.8)	(1,559.7)	302.7	294.6	-

(1) The fair value is only composed of €302.7 million of interest rate derivative assets at the closing date.

(2) This concerns the stock recorded in other comprehensive income in the Group's equity.

(3) Where applicable, the ineffective portion of interest rate derivatives is recorded in the income statement.

A 1% increase in interest rates would, given the interest rate hedging instruments in force, cause an annual increase of + €1.4 million in the Group's cost of debt. A 1% decrease in interest rates would cause an annual decrease of – €1.4 million on the Group's annual cost of debt.

NOTE 22.2. ENERGY PRICE RISKS

The energy price risk is linked to the sale on the wholesale markets at the spot price of the electricity production of some of the Group's wind and solar assets (particularly in Australia and Finland). In order to limit this risk, the Group secures its future revenues over a long period through feed-in tariffs or additional remuneration obtained in connection with public tenders, as well as by entering into physical and financial power purchase agreements.

Notional value by maturity

As of December 31 st , 2022 (In millions of euros)	Less than 5 years	More than 5 years	Total	Fair value	Recorded as other elements of comprehensive income	Recorded as income
Energy derivative financial instruments	160.1	206.1	366.2	1.2	-	2.8
Total	160.1	206.1	366.2	1.2	-	2.8

A 5% increase in electricity prices would lead to a decrease in the fair value of energy derivative financial instruments of – €13.8 million. A 5% decrease in electricity prices would lead to an increase in the fair value of energy derivative financial instruments of + €14.0 million.

NOTE 22.3. 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 22.4. 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 "financial instruments: presentation" to allow for the offsetting of asset and liability derivatives on the balance sheet.

In millions of euros

	31.12.2022	31.12.2021
Cash and cash equivalents	622.7	592.5
Corporate credit lines available	288.0	238.0
Total	910.7	830.5

Corporate credit lines available

The Group has short-term credit lines totaling €288.0 million, including a syndicated loan of €250.0 million, composed of a corporate loan of €175.0 million that has not been drawn down to date, an increase of €50.0 million compared to December 31, 2021 following the signing of an amendment with its lending banks during the year, and a revolving credit line of €75.0 million, to meet the working capital requirements of the parent company.

Credit lines granted to projects

As of December 31, 2022, the Group benefits from commitments received in respect of its projects and operating financing in the amount of €547.3 million not used at that date (see note 23.2 "off-balance sheet commitments received").

NOTE 22.5. LIQUIDITY RISKS

Liquidity risk is the Group's inability to meet its immediate or short-term financial commitments.

In order to prevent this risk, the Group performs an analysis of its liquidity requirements several times a year over a rolling 12-month period.

At the date of closing of the financial statements, and taking into account its current obligations and the investments planned as part of the Company's execution of its investment plan over the next twelve months, the Company does not have sufficient financial resources for the period under review.

The net additional cash required to continue the Company's activities over the next twelve months is estimated at approximately €335.0 million.

A capital increase is therefore the Company's preferred solution for financing the continuation of its activities necessary for its development over the period in question.

However, in the event that the Company delays certain projects planned as part of the execution of its investment plan, the cash shortfall would no longer occur in the next twelve months.

The cash held by the holding and development companies amounted to €292.6 million as of December 31, 2022, compared to €330.3 million for the project companies (assets under operation and construction). The cash of the project companies comprises 90.3 million euros corresponding, for some French power plants, to the difference between the market prices and their power purchase agreement ones. In accordance with the current regulation, the Group considers that this amount will have to be returned to EDF OA.

NOTE 22.6. RISKS RELATED TO REGULATORY CHANGES

The Group sells electricity mainly under long-term contracts with firm commitments from its counterparties, including many states.

In some countries, governments may retroactively call into question certain subsidised feed-in tariffs, as was the case in France in 2021, without any material impact on the Group's accounts. A reconsideration of certain feed-in tariffs in the future could have a material impact on the Group's financial statements.

The Group still considers that its multi-sector and multi-country strategy has the effect of limiting the risk linked to regulatory changes by reducing its exposure to a particular technology or country. The particularly competitive price of the electricity produced by the Group in the vast majority of its contracts also constitutes a natural hedge against this risk.

NOTE 23. OFF-BALANCE SHEET COMMITMENTS

NOTE 23.1. OFF-BALANCE SHEET COMMITMENTS GIVEN

<i>In millions of euros</i>	31.12.2022	31.12.2021
Guarantees given to suppliers	1,036.1	416.4
Maintenance	1,712.1	1,425.0
Other commitments given	358.8	283.1
Commitments given associated with operating activities	3,107.0	2,124.4
Assets provided as surety	4,728.4	3,836.2
Commitments given associated with financing activities	4,728.4	3,836.2
Total off-balance sheet commitments given	7,835.4	5,960.6

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 23.2. OFF-BALANCE SHEET COMMITMENTS RECEIVED

<i>In millions of euros</i>	31.12.2022	31.12.2021
Energy purchase commitments received	7,079.1	6,188.8
Other commitments received	4,162.2	2,897.3
Commitments received associated with operating activities	11,241.4	9,086.1
Project credit lines granted	547.3	753.8
Corporate credit lines available	288.0	238.0
Commitments received in connection with financing activities	835.3	991.8
Total off-balance sheet commitments received	12,076.6	10,077.9

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, usually for periods from 10 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 24. RELATED PARTY TRANSACTIONS

Neoen's consolidated financial statements are fully consolidated in the consolidated financial statements of Neoen's parent company, Impala, which owns 44.59% of its share capital. In 2022, transactions with Impala were carried out. The expenses with Impala mainly relate to management fees. Transactions with Impala and its subsidiaries were carried out under normal market conditions for immaterial amounts.

The remuneration of key management personnel is provided in note 7.2.

NOTE 25. STATUTORY AUDITORS' FEES

<i>In millions of euros</i>	Deloitte	RSM	Other networks	FY 2022
Neoen SA				
Statutory Audit	0.2	0.1	-	0.3
Non-audit services	0.0	0.0	-	0.0
Subsidiaries				
Statutory Audit	0.9	-	0.2	1.1
Total	1.1	0.1	0.2	1.4

<i>In millions of euros</i>	Deloitte	RSM	Other networks	FY 2021
Neoen SA				
Statutory Audit	0.1	0.1	-	0.2
Non-audit services ⁽¹⁾	0.2	0.1	-	0.2
Subsidiaries				
Statutory Audit	0.9	-	0.2	1.1
Total	1.2	0.1	0.2	1.5

(1) Non-audit services mainly include fees relating to the capital increase of April 9, 2021.

NOTE 26. SUBSEQUENT EVENTS

Sale of the Cabrela solar power plant in Portugal

On October 28, 2022, the Group signed an agreement to sell to Cubico 100% of its shares in the Cabrela solar power plant in Portugal, with a capacity of 13.2 MWp, and on the basis of an enterprise value of €50.7 million. This sale was formally concluded on February 22, 2023 for net proceeds of more than €25.0 million, which will be recorded in 2023 under other current operating income in the Group's accounts.

4.2 STATUTORY AUDITORS' CERTIFICATION REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEOEN GROUP AS OF DECEMBER 31ST, 2022

Year ended December 31, 2022

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, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 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 engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from January 1, 2022, 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.

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 relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

A. Internally generated intangible assets

(Note 12.2 to the consolidated financial statements)

As stated in Note 12.2 "Intangible assets" to the consolidated financial statements, the development expenses for various renewable energy production facility projects, comprising external and internal direct and indirect costs relating to development, are capitalized from the point in time when the success of the corresponding project 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. Furthermore, when the Group estimates that the probability of success has reduced, development expenses are impaired. When a project is discontinued, the related development expenses are expensed under "Other non-current operating income and expenses."

As of December 31, 2022, the net value of development projects totaled €194.0 million, the Group having capitalized expenses directly attributable to project development of €44.1 million in 2022.

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 sample 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 12 to the consolidated financial statements.

B. Hedging financial instruments

(Note 20 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 20 “Financing and financial instruments” to the consolidated financial statements, 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 with regard to IFRS 9 criteria.

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 their 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 20 to the consolidated financial statements provides appropriate disclosures.

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.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Constantin Associés was appointed as statutory auditor of Neoen by the Shareholders' Meeting of September 13, 2008 and replaced by Deloitte & Associés at the Shareholders' Meeting of April 22, 2014. RSM Paris was appointed as statutory auditor by the Shareholders' Meeting of September 12, 2018.

As of December 31, 2022, Deloitte & Associés and RSM were in their 15th and 5th 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 and Paris-La Défense, March 1st, 2023

The Statutory Auditors

RSM Paris

Etienne de Bryas

Deloitte & Associés

Benoit Pimont

4.3 ANNUAL FINANCIAL STATEMENTS OF NEOEN S.A. AS OF DECEMBER 31ST, 2022

4.3.1 INCOME STATEMENT

<i>In millions of euros</i>	Notes	2022	2021
Revenue	3.1	85.8	79.2
Other income ⁽¹⁾		3.0	1.8
OPERATING INCOME		88.8	81.0
Other purchases and external expenses	5.1	(59.6)	(46.1)
External charges	5.1	(59.6)	(46.1)
Duties, taxes and similar payments		(1.2)	(1.0)
Wages and salaries	8.1	(15.7)	(20.4)
Social security contributions	8.1	(8.7)	(7.4)
Payroll costs	8.1	(24.4)	(27.8)
Amortisation and impairment on assets	14 and 15	(0.6)	(0.8)
Amortisation of operating expenses ⁽²⁾		(2.0)	(1.2)
Foreign exchange gains and losses		(0.0)	(0.1)
Other expenses ⁽³⁾		(0.3)	(0.3)
OPERATING EXPENSES		(88.1)	(77.2)
OPERATING PROFIT (LOSS)		0.8	3.8
Financial income	10.1	68.9	54.0
Financial expenses	10.1	(22.1)	(15.9)
Net financial income (expenses)	10.1	46.8	38.1
CURRENT PROFIT (LOSS) BEFORE TAX		47.6	41.9
Non-current income	11	9.0	14.7
Non-current expenses	11	(7.5)	(13.8)
Non-current profit (loss)	11	1.5	1.0
Employee profit-sharing		(1.2)	(1.0)
Income tax	12	(0.2)	(6.1)
PROFIT (OR LOSS) FOR THE PERIOD		47.7	35.8

(1) Includes in 2022, transfers of expenses relating to the issue of the convertible bonds "OCEANES" maturing in 2027, of a nominal amount of €300 million, effected on September 14th, 2022 (€2.7 million), as well as foreign exchange gains on liabilities and trade receivables (€0.3 million).

In 2021, these were mainly transfers of expenses relating to costs and fees for €0.9 million related to the two-year extension of the maturity of a syndicated loan, the reversal of the impairment of the current account of BE Laneuveville following the absorption of this entity by Neoen Services for € 0.6 million, as well as foreign exchange gains on commercial debt and receivables for €0.2 million.

(2) Corresponds to the amortisation of expenses related to the setting up of the convertible bonds "OCEANES" and "syndicated loan" financings.

(3) Mainly corresponds to remuneration received by non-executive directors.

4.3.2 STATEMENT OF FINANCIAL POSITION - ASSETS

<i>In millions of euros</i>	Notes	Gross 31.12.2022	Amortisation/ impairment	Net 31.12.2022	Net 31.12.2021
Intangible assets	14	2.7	(2.1)	0.6	0.5
Property, plant and equipment	14	4.0	(1.3)	2.7	1.5
Equity investments	15	78.2	-	78.2	70.4
Receivables from equity investments	15	1,763.6	-	1,763.6	1,375.7
Deposits and security provided	15	14.8	-	14.8	14.2
Other non-current financial assets	15	5.4	(0.0)	5.3	7.8
Non-current financial assets	15	1,861.9	(0.0)	1,861.9	1,468.1
FIXED ASSETS		1,868.5	(3.4)	1,865.2	1,470.1
Down-payments and advances		2.8	-	2.8	2.2
Trade receivables	3.2	16.2	-	16.2	36.5
Other receivables	3.2	10.2	-	10.2	3.6
Receivables	3.2	29.3	-	29.3	42.2
Liquid assets and miscellaneous		246.4	-	246.4	279.6
CURRENT ASSETS		275.6	-	275.6	321.9
Prepaid expenses	16	0.7	-	0.7	0.4
Deferred expenses	16	5.5	-	5.5	4.5
Unrealised foreign exchange losses	16	0.1	-	0.1	0.6
TOTAL ASSETS		2,150.4	(3.4)	2,147.1	1,797.5

4.3.3 STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

<i>In millions of euros</i>	Notes	31.12.2022	31.12.2021
Share capital	13	229.3	214.1
Additional paid-in capital	13	1,247.4	1,053.4
Legal reserve	13	6.5	4.7
Other reserves	13	76.7	53.8
Retained earnings	13	8.0	8.0
Profit (loss) for the period	13	47.7	35.8
EQUITY	13	1,615.7	1,369.8
Provisions for risks and charges	7	2.5	5.0
Provisions for exchange rate losses	7	0.1	0.6
PROVISIONS	7	2.6	5.6
Convertible bonds	10.2	473.0	371.2
Borrowings and liabilities with lending institutions	10.2	-	0.0
Miscellaneous borrowings and financial liabilities	10.2	20.6	20.0
Financial debt	10.2	493.6	391.2
Trade accounts payable	5.2	18.7	11.2
Payroll and tax liabilities	9	15.2	19.3
Current liabilities		33.9	30.5
Other payables	9	0.2	0.2
Deferred income	9	0.3	0.0
TOTAL PAYABLES		527.9	421.9
Unrealised foreign exchange gains	17	0.9	0.2
TOTAL EQUITY AND LIABILITIES		2,147.1	1,797.5

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, 2022 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 5th, 2014 as well as with all regulations subsequently modifying it and on the same bases as of December 31, 2021.

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

Free share plan

On March 14, 2022, the Board of Directors decided to grant 164,046 free Neoen S.A. shares to certain Group employees. The granting of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan rules and relating in particular to the achievement of financial and development objectives, are met.

Capital increase reserved for employees

On April 19, 2022, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. This plan offered each beneficiary the possibility of buying of a maximum number of 118 new shares at the preferential subscription price of €22.30 per share (benefiting from a 30% discount compared to with average share price over the last twenty trading days preceding March 14, 2022, the date on which the Chairman and Chief Executive Officer, upon sub-delegation by the Board of Directors, set the price) and a matching contribution on the basis of one share offered for one share subscribed.

This transaction resulted in the creation of 32,450 shares with a nominal value of €2 each, corresponding to a capital increase of €394,267.50, including €329,367.50 in issue premium.

Payment of dividend in respect of 2021

At the General Shareholders' meeting of May 25, 2022, the shareholders approved the first distribution in the Group's history of a dividend of €0.10 per share with an option for payment of the dividend in new shares. Each shareholder could thus receive either 100% of the dividend in cash or 100% of the dividend in new ordinary shares.

At the end of the option exercise period (from June 3, 2022, to June 17, 2022, inclusive), nearly 80% of the rights had been exercised in favour of payment of the dividend in shares.

This transaction resulted in the creation of 252,486 new ordinary shares (representing approximately 0.2% of the share capital after the capital increase) and the payment of €2.1 million of dividend in cash.

Issuance of green convertible bonds "OCEANes vertes"

On September 14, 2022, Neoen S.A. issued green convertible bonds with the option of conversion and/or exchange into new or existing shares for a nominal amount of €300 million.

These convertible bonds were issued with a par value of €100,000 each and bear interest at an annual rate of 2.875% payable semi-annually in arrears on March 14 and September 14 of each year, and for the first time on March 14, 2023.

The conversion/exchange price was set at €51.4999, corresponding to a 35% premium over the Company's reference share price. Unless they have been converted, exchanged, redeemed or bought back and cancelled, the bonds will be repaid at par on September 14, 2027.

Conversion of convertible bond "OCEANes"

On October 28, 2022, the company proceeded with the early redemption of all the convertible bonds ("OCEANes 2019"), issued on October 7, 2019 and maturing in October 2024, in accordance with their terms and conditions, for an amount of approximately €200 million.

Bondholders had the option to exercise their right to receive Neoen shares at a rate of 1.078 Neoen's share for 1 bond presented until October 19, 2022. The number of bonds presented for conversion was 6,614,676 (i.e., 99.78% of all the

bonds issued), for a total nominal amount of €199,564,774.92. Neoen issued a total of 7,130,619 new shares by applying the allocation ratio of 1.078 shares per bond.

The 14,425 bonds not presented for conversion were redeemed in cash on October 28, 2022 for a total amount of 435,672.94.

Capital increases

During the year, increases in share capital were made as a result of:

- The exercise of conversion and/or exchange rights the convertible bonds "OCEANES" maturing in 2024, resulting in the creation of 7,130,619 shares;
- The creation of 252,486 shares as part of the dividend payment on June 23;
- The creation of 163,018 shares as part of a free share allocation plan that expired on July 11;

- The creation of 32,450 shares as part of a capital increase reserved for employees;
- Exercise of 34,240 stock options at an exercise price of 9.25 euros.

These operations, amounting to €209,183,736.40, including €193,958,110.40 in issue premium, increased the share capital to €229,338,996 (see note 13).

Russian and Ukrainian conflict

Neoen has no activities and no assets in Russia and Ukraine.

Thus, to date, the ongoing conflict in Ukraine has no significant direct impact on the Neoen S.A. or on the continuity of its business. However, given the lack of visibility on the continuation of this conflict, Neoen considers that its activities could be affected, in the future, by the potential impacts of this conflict on the world economy.

NOTE 3. REVENUE

NOTE 3.1. REVENUE

Revenue consists primarily of services provided by the Company to its subsidiaries, particularly within the context of project development and the management and monitoring of assets in operation, recognised 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	58.5	27.4	85.8
Revenue	58.5	27.4	85.8
Proportion (%)	68%	32%	100%

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 31.12.2022	Impairment	Net amount 31.12.2022	Net amount 31.12.2021
Trade receivables	16.2	-	16.2	36.5
Other receivables	10.2	-	10.2	3.6
Down-payments and advances	2.8	-	2.8	2.2
TOTAL	29.3	-	29.3	42.2

The decrease in trade receivables is mainly due to the decline in receivables relating to development agreements, particularly with French project companies, not yet collected as of December 31, 2022, but expected to be collected during 2023.

Other receivables are mainly composed of tax receivables related to tax credits and recoverable VAT.

NOTE 4. MATURITY OF RECEIVABLES

<i>In millions of euros</i>	Gross amount 31.12.2022	< 1 year	> 1 year	Of which: related companies
Receivables from equity investments	1,763.6		1,763.6	1,763.6
Equity investments	78.2		78.2	78.2
Deposits and security	14.8	0.1	14.7	
Other financial assets	5.4	2.6	2.8	
Total non-current financial assets	1,861.9	2.7	1,859.2	1,841.8
Trade receivables	16.2	16.2		
Value added taxes	4.1	4.1		
Other duties and taxes	5.1	5.1		
Miscellaneous debtors	3.8	3.8		
Total current assets	29.3	29.3	-	-
Prepaid expenses	0.7	0.7		
TOTAL	1,891.9	32.6	1,859.2	1,841.8

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>	2022	2021
Development costs - France	(6.1)	(6.5)
Development costs - International	(34.5)	(25.3)
Surveys and subcontracting	(2.0)	(1.6)
Professional fees	(9.8)	(7.4)
Other charges	(7.3)	(5.3)
TOTAL	(59.6)	(46.1)

The Group has intensified its investments in the development of its international projects (+ €9.1 million), mainly in Australia, Finland and Italy.

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>	31.12.2022	31.12.2021
Trade payables - Group	11.4	5.3
Trade payables - third parties	1.8	3.0
Accrued invoices - Group	1.0	0.0
Accrued invoices - third parties	4.5	2.9
TOTAL	18.7	11.2

Trade payables – Group are composed of the re-invoicing of development costs of international projects by local development companies.

Trade payables – third parties are mainly composed of various fees.

NOTE 6. MATURITY OF TOTAL PAYABLES

<i>In millions of euros</i>	Gross amount 31.12.2022	< 1 year	From 1 to 5 years	> 5 years	<i>Of which: related companies</i>
Convertible bonds	473.0	3.0	470.0		
Miscellaneous borrowings and financial liabilities	20.6			20.6	16.7
Trade payables	18.7	18.7			
Payroll liabilities	4.9	4.9			
Social security liabilities	3.9	3.9			
Tax liabilities:	6.5	6.5			
> Value added taxes	5.8	5.8			
> Other duties and taxes	0.7	0.7			
Other payables	0.2	0.2			
Deferred income	0.3	0.3			
TOTAL	527.9	37.3	470.0	20.6	16.7

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:

<i>In millions of euros</i>	31.12.2021	Increases	Reversals for use	Reversals without use	31.12.2022
Provisions for disputes	0.4				0.4
Provisions for risks	-				-
Provisions for charges ⁽¹⁾	4.7	2.7	(5.3)		2.1
Provisions for exchange rate losses	0.6	1.2	(1.7)		0.1
TOTAL	5.6	3.9	(7.0)	-	2.6

(1) At December 31, 2022, provisions for treasury shares amount to €2.1 million. These shares are intended to be allocated to beneficiaries of free share plans when these expire in 2023, 2024 and 2025 respectively. They were therefore impaired in proportion to the time elapsed over the full term of the plans.

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 organisations 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 and their average age, it has not been recognised.

NOTE 8.1. PAYROLL COSTS AND AVERAGE EMPLOYEE NUMBERS

<i>In millions of euros</i>	2022	2021
Payroll costs		
Wages and salaries	(15.7)	(20.4)
Social security contributions	(8.7)	(7.4)
PAYROLL COSTS	(24.4)	(27.8)
Full-time equivalent employees (FTE) - Average		
Executives	166	140
Employees and supervisors	3	3
EMPLOYEES NUMBER	169	143

The decrease in wages and salaries is mainly due to:

- The impact of free share plans for employees for +€6.6 million. Treasury shares are impaired in proportion to the time elapsed over the full term of the plans, generating an expense of €(2.4) million in the 2022 financial year. In 2021, €(9.0) million had been recognised for the impact of free share plans.
- The -€1.9 million increase in the payroll, mainly due to the increase in the workforce over the year.

However, social security costs increased by -€1.3 million mainly due to:

- The increase in the payroll (€0.8 million);
- The increase in provisions for social security contributions in the context of the current free share plans expiring in 2023, 2024 and 2025 (€ 0.5 million).

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
30/05/2018	45,000	31/05/2021	30/05/2023	9.25 €	15,810
05/07/2018	65,000	06/10/2021	05/07/2023	9.25 €	10,810
TOTAL	110,000				26,620

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 ⁽¹⁾
02/07/2020	140,000	03/07/2023	-	115,291
10/03/2021	272,302	11/03/2024	-	279,306
14/03/2022	164,046	14/03/2025	-	164,046
TOTAL	576,348			558,643

(1) Following the capital increase with preferential subscription rights carried out on April 9, 2021, and in accordance with the applicable legal provisions and the stipulations of the free shares and stock options plans, the Chairman and Chief Executive Officer, acting on a delegation of authority from the Board of Directors, adjusted the rights of beneficiaries of free shares and stock options (coefficient of 1.081).

NOTE 9. BREAKDOWN OF OTHER LIABILITIES

In millions of euros	31.12.2022	31.12.2021
Payroll liabilities	8.7	7.5
Tax liabilities	6.5	11.8
Other payables	0.2	0.2
Deferred revenue	0.3	0.0
TOTAL	15.6	19.4

The decrease of €5.3 million in tax liabilities is mainly related to :

- VAT liabilities collected on invoicing of development agreements (€3.0 million);
- Corporate income tax (€2.3 million) due in particular to the recognition in 2022 of a receivable from the State relating to tax credits for the activity of Argentine subsidiaries.

NOTE 10. FINANCIAL ITEMS

Accounting policy

Investment securities

Investment securities represent temporary cash positions invested in mutual funds 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 recognised 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 closing date, receivables and payables denominated in foreign currencies are converted and recorded in the balance sheet on the basis of the latest exchange rate, with an offsetting entry in the balance sheet under "conversion differences - assets/liabilities".

Unrealised foreign exchange gains are not included in the accounting profit. A provision for foreign exchange losses is established for unrealised foreign exchange losses that are not offset by a foreign exchange hedge.

Hedging

Hedge accounting is obligatorily applied for all documented hedging relationships identified. The impacts of the financial instruments employed by Neoen S.A. to hedge its exposure to foreign currency risk are recognised in its income statement on a symmetrical basis to the hedged item.

NOTE 10.1. NET FINANCIAL INCOME (EXPENSES)

<i>In millions of euros</i>	2022	2021
Financial income	68.9	54.0
Financial income from equity investments	59.7	48.5
Other financial income	5.5	1.3
Reversal of provisions and reclassification of expenses	0.8	2.3
Foreign exchange gains	2.8	1.9
Financial expenses	(22.1)	(15.9)
Financial allocations to amortisation and provisions	(0.1)	(0.6)
Interest and similar expenses	(17.6)	(13.3)
Foreign exchange losses	(4.4)	(2.0)
NET FINANCIAL INCOME (EXPENSE)	46.8	38.1

The increase in financial result is mainly explained by:

- The increase in interest on shareholder loans for + €11.2 million, linked to the continued growth of investments made in new projects;
- The increase in capital gains on the sale of securities under the liquidity contract (+€0.7 million);
- The increase in interest expense associated with the convertible bonds ("OCEANes") (-€1.8 million). The new convertible bonds ("OCEANes") were issued in September 2022 for a nominal amount of €300 million and an interest rate of 2.875%, whereas the convertible bonds ("OCEANes") converted and redeemed in October 2022 were for €200 million at an interest rate of 1.875%;
- Net foreign exchange losses, associated with the Company's activity, increased (-€1.5 million).

NOTE 10.2. BREAKDOWN OF FINANCIAL DEBT

<i>In millions of euros</i>	31.12.2022	31.12.2021
Borrowings	470.0	370.0
Accrued interest	3.0	1.2
Other financial debt	20.6	20.0
TOTAL	493.6	391.2

The increase in borrowings during 2022 is mainly due to the issuance of new green convertible bonds "OCEANes vertes" maturing in 2027 (€300 million) partially offset by the conversion and redemption of convertible bonds "OCEANes" issued in 2019 (€200 million).

NOTE 11. NON-CURRENT PROFIT (LOSS)

<i>In millions of euros</i>	2022	2021
Non-current income	9.0	14.7
Non-current income from management transactions	-	-
Non-current income from capital transactions	1.7	1.1
Reversals on provisions and reclassification of expenses	7.3	13.7
Non-current expenses	(7.5)	(13.8)
Non-current expenses from management transactions	(2.5)	(9.0)
Non-current expenses from capital transactions	(4.9)	(4.8)
NON-CURRENT PROFIT (LOSS)	1.5	1.0

The non-current income from capital transactions is related to the income from the sale of subsidiaries to other entities of the Group in the context of the structuring of new projects financings.

Non-current expenses are mainly composed of a loss on treasury shares of €(7.3) million, linked on the one hand to the shares that were definitively allocated when a free share allocation plan expired on July 11, 2022, and on the other hand to the treasury shares impaired in proportion to the time elapsed over the full term the remaining plans still open.

These expenses are fully offset by a transfer of expenses of the same amount to non-current income (the expense associated with the free share allocation is thus recognised under payroll costs).

NOTE 12. TAXATION**Tax consolidation**

With effect from January 1, 2010 the Company opted for the tax consolidation scheme provided for by Articles 223A et seq. of the French General Tax Code and including, as of December 31, 2022, its following direct or indirect subsidiaries: Neoen Biopower, Neoen Solaire, Neoen Services, Neoen Éolienne, Neoen International and Neoen Production 2, Neoen Investissement, Neoen Northern Hémisphère, Neoen Holding Jamaica, Neoen Holding Mexico, Neoen Holding El Salvador, Neoen Mexico, Neoen Investissement II, Zambian Sunlight, Neoen Production 3, Neoen Zéphyr, Neoen Finland III.

The following subsidiaries joined the tax consolidation Group as of January 1, 2022: Zambian Sunlight, Neoen Production 3, Neoen Zéphyr, Neoen Finland III.

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, 2022, Neoen S.A. recognised a tax charge of €2.6 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	47.7	7.8	14.6	40.9		40.9
Neoen International	(6.6)	10.2	4.4	(0.8)		(0.8)
Neoen Services	(0.2)	0.2	-	(0.0)		(0.0)
Neoen Eolienne	1.6	0.0	1.5	0.1		0.1
Neoen Solaire	0.0	0.1	-	0.1		0.1
Neoen Préfinancement France	(0.0)	-	-	(0.0)		(0.0)
Neoen Production 2	(6.9)	1.5	2.2	(7.5)		(7.5)
Neoen Production 3	(0.0)	-	-	(0.0)		(0.0)
Neoen Investissement	0.8	3.6	0.0	4.4		4.4
Neoen Northern Hemisphere	(5.6)	4.5	0.0	(1.0)		(1.0)
Zambian Sunlight One	(0.7)	0.2	0.1	(0.6)		(0.6)
Neoen Holding Jamaica	0.3	0.2	-	0.6		0.6
Neoen Holding Mexico	5.0	1.6	0.4	6.1		6.1
Neoen Holding El Salvador	(0.6)	0.5	0.4	(0.5)		(0.5)
Neoen Zephyr	4.3	1.5	-	5.7	(1.8)	4.0
Neoen Holding Finland III	(1.8)	0.0	-	(1.8)		(1.8)
Neoen Holding Mexico II	(1.1)	0.1	-	(1.0)		(1.0)
Neoen Investissement II	(0.0)	-	-	(0.0)		(0.0)
TOTAL	36.2	32.0	23.7	44.5	(1.8)	42.8

Reinstatements/deductions specific to the tax consolidation (15.7)

Consolidated taxable profit (loss) 27.0

Use of consolidated tax losses -

Result after use of consolidated tax losses 27.0

Tax payable 6.8

Tax surcharge payable 0.2

Tax credits (0.1)

Tax consolidation gain (4.3)

Income tax 2.6

Determination of individual taxable profits (losses)

	Calculated in the absence of tax consolidation				Theoretical income tax
	Taxable profit (loss)	Losses carried forward at 31.12.2021	Use of losses brought forward	Taxable amount	
Neoen	40.9	-	-	40.9	10.5
Neoen International	(0.8)	11.4	-	(0.8)	-
Neoen Services	(0.0)	-	-	(0.0)	-
Neoen Eolienne	0.1	-	-	0.1	0.0
Neoen Solaire	0.1	-	-	0.1	0.0
Neoen Préfinancement France	(0.0)	0.2	-	(0.0)	-
Neoen Production 2	(7.5)	18.2	-	(7.5)	-
Neoen Production 3	(0.0)	0.1	-	(0.0)	-
Neoen Investissement	4.4	-	-	4.4	1.1
Neoen Northern Hemisphere	(1.0)	2.1	-	(1.0)	-
Zambian Sunlight One	(0.6)	0.8	-	(0.6)	-
Neoen Holding Jamaica	0.6	-	-	0.6	0.1
Neoen Holding Mexico	6.1	-	-	6.1	1.6
Neoen Holding El Salvador	(0.5)	1.6	-	(0.5)	-
Neoen Zephyr	5.7	1.8	(1.8)	4.0	1.0
Neoen Holding Finland III	(1.8)	1.1	-	(1.8)	-
Neoen Holding Mexico II	(1.0)	-	-	(1.0)	-
Neoen Investissement II	(0.0)	0.0	-	(0.0)	-

NOTE 13. EQUITY**Share capital**

On April 19, 2022, 32,450 shares with a nominal value of €2 were created in the context of a capital increase reserved for employees for a total amount of €394,267.50, including a share premium of €329,367.50, bringing the share capital to €214,178,270.

On the same day, 14,215 stock options were exercised at an exercise price of €9.25, for a total amount of €131,488.75, including a share premium of €103,058.75, bringing the share capital to €214,206,700.

Between April 19, 2022, and June 23, 2022, 3,000 share subscription options at an exercise price of €9.25 were exercised, for a total amount of €27,750, including €21,750 in share premium, bringing the share capital to €214,212,700 on June 23, 2022.

On June 23, 2022, it was issued, as part of the share dividend payment option attached to fiscal year 2022, 252,486 new shares at a unit price of €33.99, an increase in capital of a nominal amount of €504,972, with an issue premium of €8,077,027.14.

The share capital was increased to €214,717,672.

On July 11, 2022, 163,018 shares were created as part of the maturity of a free share plan, bringing the share capital to €215,043,708.

On October 26, 2022, 7,130,619 shares were created as part of the conversion of convertible bonds "OCEANES" maturing on October 7th, 2024, bringing the share capital to €229,304,946. The capital increase was accompanied by an issue premium of a total amount of €185,303,475.76.

During the second half of 2022, 17,025 stock options at an exercise price of € 9.25 were exercised, for a total amount of € 157,481.25, including €123,431.25 in share premium, bringing the share capital to €229,338,996.

At December 31, 2022, the share capital is thus divided into 114,669,498 fully paid-up ordinary shares with a par value of 2 euros.

Treasury shares

As of December 31, 2021, Neoen S.A. held 204,510 shares (including 52,961 from a liquidity contract).

On March 17, 2022, Neoen signed a mandate to buy back a maximum of 50,000 shares over a period from March 17, 2022, to May 24, 2022, for a maximum purchase price of €35 per share. As part of this mandate, 1,000 shares were acquired over the period for an amount of €35,000.

On July 11, 2022, the Company used 129,724 of its treasury shares to serve a free share plan that has expired.

On October 3, 2022, Neoen signed a mandate to buy back a maximum of 50,000 shares over a period from October 4, 2022, to December 31, 2022, for a maximum purchase price of €36 per share. Under this mandate, 50,000 shares were acquired for an amount of €1.7 million.

As of 31 December 2022, Neoen S.A. held 146,347 own shares (including 73,522 from a liquidity contract) for a net amount of €3.2 million.

Statement of changes in equity

<i>In millions of euros</i>	Opening	Increase	Decrease	Closing
Share capital	214.1	15.2		229.3
Additional paid-in capital	1,053.4	194.0	0.0	1,247.4
Legal reserve	4.7	1.8		6.5
Other reserves	53.8	23.3	0.4	76.7
Retained earnings	8.0			8.0
Net income for the year	35.8	47.7	35.8	47.7
TOTAL	1,369.8	282.0	36.1	1,615.7

The income for 2021 of €35.8 million was partially distributed in dividends for €10.7 million. In addition, €23.3 was allocated to "Other reserves" and €1.8 million to the legal reserve in accordance with the income allocation rules.

NOTE 14. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Accounting policy

Intangible assets mainly consist of software, concessions, patents and similar rights. They are recognised at acquisition cost.

Assets are depreciated or amortised 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 amortisation 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>	31.12.2021	Acquisitions	Disposals	31.12.2022
Software	-	-	-	-
Other intangible assets	2.3	0.1	-	2.3
Intangible assets under development	0.1	0.3	-	0.3
Intangible assets	2.3	0.3	-	2.7
Land	0.0	-	-	0.0
Computer and office equipment and furniture	1.3	0.3	-	1.6
Other property, plant and equipment	0.3	2.0	-	2.3
Property, plant and equipment under construction	0.9	-	0.9	0.0
Property, plant and equipment	2.5	2.3	0.9	4.0
TOTAL	4.8	2.7	0.9	6.6

Breakdown of the applicable amortisation and impairment

<i>In millions of euros</i>	31.12.2021	Amortisation		Impairment		31.12.2022
		Allocations	Reversals	Allocations	Reversals	
Software	-	-	-	-	-	-
Other intangible assets	(1.9)	(0.2)	-	-	-	(2.1)
Intangible assets under development	-	-	-	-	-	-
Intangible assets	(1.9)	(0.2)	-	-	-	(2.1)
Computer and office equipment and furniture	(1.0)	(0.7)	0.5	-	-	(1.3)
Other property, plant and equipment	-	-	-	-	-	-
Property, plant and equipment	(1.0)	(0.7)	0.5	-	-	(1.3)
TOTAL	(2.9)	(0.9)	0.5	-	-	(3.3)

NOTE 15. NON-CURRENT FINANCIAL ASSETS

Accounting policy

Equity investments and associated receivables

The gross amount of equity investments is recognised 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 comparable) taking notably into account the medium and long-term outlook for profitability.

An impairment allowance is recognised 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, to its subsidiaries to finance the construction of renewable power plants and storage facilities. They are recognised at their nominal amounts. An impairment allowance is recognised at the year-end for any excess of carrying amount over value in use.

Other non-current financial assets

At December 31st 2022, other non-current financial assets consisted of treasury shares in the Company (see note 13 "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 recognised as part of financial assets. An impairment allowance is recognised 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 recognised as part of cash and cash equivalents.

Breakdown of the gross values of non-current financial assets

<i>In millions of euros</i>	31.12.2021	Increase	Decrease	31.12.2022
Equity investments	70.4	7.9	(0.2)	78.2
Receivables from equity investments	1,375.7	429.0	(41.1)	1,763.6
Deposits and security provided	14.2	0.8	(0.2)	14.8
Other non-current financial assets	7.8	6.5	(8.9)	5.4
TOTAL	1,468.1	444.3	(50.4)	1,861.9

The increase in equity securities (+€7.9 million) and receivables related to equity investments (+€429.0 million) is mainly due to capital and current account contributions partners in connection with the financing of the construction of the Group's power plants, in particular in Australia for €204 million and in Europe for €167 million, to which should be added interest related to the remuneration of current accounts for €15 million.

The decrease in receivables by (€41.1 million) is mainly related to cash inflows from operating plants.

Other financial assets decreased by €-2.4 million during the year due to the final allocation of shares under the free share allocation plan which expired on July 11th, 2022, for (€4.9) million. This allocation is offset by the acquisition of new treasury shares for €1.7 million and the acquisition of shares under the liquidity contract for €0.8 million.

Breakdown of the applicable amortisation and impairment

<i>In millions of euros</i>	31.12.2021	Increases	Reversals	31.12.2022
Equity investments	-			-
Receivables from equity investments	-			-
Deposits and security provided	-			-
Other non-current financial assets	-	(0.6)	0.5	(0.0)
TOTAL	-	(0.6)	0.5	(0.0)

NOTE 16. ASSET ADJUSTMENT ACCOUNTS

<i>In millions of euros</i>	31.12.2022	31.12.2021
Prepaid expenses	0.7	0.4
Deferred expenses ⁽¹⁾	5.5	4.5
Unrealised foreign exchange losses	0.1	0.6
TOTAL	6.3	5.5

(1) Corresponds to the costs and fees of €3.1 million associated with a syndicated loan signed on March 12, 2020, and amended on June 25, 2021, and on June 15, 2022, €2.3 million associated with the issue of green convertible bonds into new shares and/or exchangeable into new or existing shares ("OCEANes vertes") carried out on June 2, 2020, as well as €2.7 million associated with the issue of green convertible bonds "OCEANes vertes" carried out on September 14, 2022. As of 31 December 2022, €2.7 million has been amortised.

NOTE 17. LIABILITY ADJUSTMENT ACCOUNTS

<i>In millions of euros</i>	31.12.2022	31.12.2021
Unrealised foreign exchange gains	0.9	0.2
TOTAL	0.9	0.2

NOTE 18. INVESTMENTS IN SUBSIDIARIES

(In thousands of euros)	Currencies of subsidiary data	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
NEOEN INTERNATIONAL	EUR	100	(9,692)	(6,592)	100.0%	100	100	633,628	0	0	0
NEOEN SERVICES	EUR	539	539	(189)	100.0%	9	9	1,708	0	0	1,000
NEOEN EOLIENNE	EUR	37	16,435	1,608	100.0%	37	37	18,221	0	0	4,000
NEOEN SOLAIRE	EUR	37	2,141	7	100.0%	37	37	31,463	0	10	300
NEOEN BIOPOWER	EUR	37	7	(10)	100.0%	37	37	0	0	0	230
NEOEN PRODUCTION 1	EUR	10	(4,834)	2,676	100.0%	10	10	0	0	0	0
NEOEN PRODUCTION 2	EUR	50,003	52,312	(6,910)	100.0%	50,003	50,003	62,941	0	0	0
NEOEN PRODUCTION 3	EUR	3	(76)	(10)	100.0%	3	3	123,773	0	0	0
EOLIENNES VESLY	EUR	10	(75)	(9)	100.0%	10	10	423	0	0	0
CENTRALE EOLIENNE CHAMPS AU ROY	EUR	10	(71)	(5)	100.0%	10	10	68	0	0	0
CENTRALE SOLAIRE ORION 9	EUR	5	(37)	(12)	100.0%	5	5	332	0	0	0
PV LE CHAMP DE MANOEUVRE	EUR	5	(95)	(7)	100.0%	5	5	99	0	0	0
NEOEN INVESTISSEMENT	EUR	20	6,694	806	100.0%	20	20	172,410	0	0	0
NEOEN NORTHERN HEMISPHERE	EUR	20	(3,827)	(5,565)	100.0%	20	20	578,576	0	0	0
NEOEN STOCKAGE	EUR	3	437	530	100.0%	3	3	1,030	0	1,977	0
NEOEN STOCKAGE FRANCE	EUR	3	(22)	20	100.0%	3	3	7,408	0	0	0
NEOEN INVESTISSEMENT II	EUR	1	(29)	(43)	100.0%	1	1	6,366	0	0	0
NEOEN ARGENTINA	ARS	163	(368)	(1,942)	99.8%	2,357	2,357	1,374	0	56	0
NEOEN AUSTRALIA	AUD	10,798	(2,632)	(1,235)	100.0%	10,545	10,545	(0)	0	27,279	0
NEOEN ECUADOR SA	USD	609	22	77	100.0%	568	568	0	0	1,107	0
NEOEN RENEWABLES FINLAND OY	EUR	1,647	124	(346)	100.0%	1,647	1,647	0	0	5,399	0
NEOEN RENEWABLES CROATIA LLC	HRK	50	42	251	100.0%	51	51	321	0	893	0
NEOEN IRELAND	EUR	0	(146)	(321)	100.0%	0	0	8,202	0	2,390	0
NEOEN RENEWABLES ITALIA SRL	EUR	10	1,143	42	100.0%	1,110	1,110	1,227	0	2,061	0
NEOEN RENEWABLES JAMAICA LIMITED	JMD	330	(186)	(87)	100.0%	365	365	0	0	203	0
NEOEN MEXICO	MXN	794	(277)	(42)	100.0%	759	759	0	0	107	0
NEOEN SERVICIOS MEXICO	MXN	2,159	(1,176)	(216)	99.0%	1,917	1,917	0	0	1,468	0
NEOEN MOZAMBIQUE	MZN	738	(554)	(242)	99.8%	659	659	0	0	0	0
NDEVELOPMENT	EUR	50	612	(68)	100.0%	50	50	500	0	1,990	0
NPINVESTMENT	EUR	50	10,393	2,590	100.0%	602	602	7,250	0	0	0
NPINVESTMENT II	EUR	85	6,015	(474)	100.0%	4,425	4,425	7,393	0	0	0
NPI III	EUR	155	1,191	(151)	100.0%	155	155	43,202	0	0	0
NEOEN RENEWABLE SWEDEN AB	SEK	2	339	63	100.0%	2	2	214	0	2,040	0
NEOEN EL SALVADOR	USD	412	(71)	191	100.0%	376	376	0	0	1,419	0
SPICA SOLAR	USD	2	0	0	100.0%	2	2	0	0	0	0
NEOEN ZAMBIA RENEWABLES	ZMW	14	165	(154)	100.0%	1,784	1,784	0	0	169	0
NEOEN NEW ZEALAND LIMITED	NZD	0	0	(2)	100.0%	0	0	169	0	0	0
NEOEN RENEWABLES CANADA INC	CAD	347	0	(13)	100.0%	371	371	169	0	498	0

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 29th, 2008.

Name and registered office of the company preparing consolidated financial statements for the largest group of companies	NEOEN S.A., 22 rue Bayard - 75008 Paris, SIREN 508 320 017
Name and registered office of the company preparing consolidated financial statements for the smallest group of companies	NEOEN S.A., 22 rue Bayard - 75008 Paris, SIREN 508 320 017
Place at which copies of those consolidated financial statements may be consulted	NEOEN S.A., 22 rue Bayard - 75008 Paris, SIREN 508 320 017

Information on corporate officers

The remuneration (short-term benefits: fixed and variable share, benefits in kind and attendance fees) paid by the Company to the members of the Executive Committee and the members of the Board of Directors respectively amounts to:

<i>In millions of euros</i>	2022	2021
Remuneration paid to members of the Executive Committee	1.5	1.7
Remuneration paid to members of the Board of Directors	0.2	0.2
TOTAL	1.7	1.9

Information on related parties

On January 14, 2021, Neoen S.A. repaid the entire loan taken out with BPI, thus reducing the liability of Neoen S.A. by €10.5 million.

In 2022, transactions with related parties corresponded exclusively to the management agreement with Impala for €0.1 million.

NOTE 20. CONTINGENT ASSETS AND LIABILITIES

Hedging transactions

The hedging transactions recognised 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.

Contingent liabilities

Neoen S.A. has provided the following security for certain of its subsidiaries in the framework or bids, of financing projects and the construction of power plants, under the following conditions:

<i>In millions of euros</i>	Total	< 1 year	1 to 5 years	> 5 years
Financing guarantees	53.3	36.3	0.0	16.9
Development guarantees	63.3	31.1	32.0	0.2
Operating guarantees	883.8	337.0	517.8	28.9
TOTAL	1,000.3	404.5	549.8	46.0

Contingent assets

<i>In millions of euros</i>	Total	< 1 year	1 to 5 years	> 5 years
Financing guarantees	0.5	-	0.4	0.1
TOTAL	0.5	-	0.4	0.1

NOTE 21. SUBSEQUENT EVENTS

None.

4.4 STATUTORY AUDITORS' CERTIFICATION REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF NEOEN S.A. AS OF DECEMBER 31ST, 2022

Year ended December 31, 2022

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, 2022.

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, 2022 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 engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2022 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.

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 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 taken as a whole 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 and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and consistency with the financial statements of the payment period disclosures required by Article D.441-6 of the French Commercial Code.

Information relating to corporate governance

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information presented in accordance with the requirements of Article L.22-10-9 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.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

Constantin Associés was appointed as statutory auditor of Neoen by the Shareholders' Meeting of September 13, 2008 and replaced by Deloitte & Associés at the Shareholders' Meeting of April 22, 2014. RSM Paris was appointed as statutory auditor by the Shareholders' Meeting of September 12, 2018.

As of December 31, 2022, Deloitte & Associés and RSM Paris were in their 15th and 5th 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 and Paris-La Défense, March 1st, 2023

The Statutory Auditors

RSM Paris
Etienne de Bryas

Deloitte & Associés
Benoit PIMONT



5



SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSABILITY

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5.1 SUSTAINABILITY, AT THE HEART OF OUR ORGANISATION

Sustainability is at the heart of the activities of Neoen, an independent producer of 100% renewable energies.

“Produce the most competitive renewable electricity sustainably and on a large scale.”

Neoen is involved in the fight against climate change by deploying its large-scale solar, wind farms and storage units around the world, and thus contributes to the acceleration of the energy transition.



PROVIDE GREEN ENERGY TO REDUCE EMISSIONS

Neoen is involved in the fight against climate change by developing, owning and operating large-scale solar, wind power plants and storage facilities around the world. The size of our existing power plants and our ambition for future plants contribute to accelerate the pace of the energy transition.



PROMOTING ACCESS TO AFFORDABLE AND CLEAN ENERGY

Neoen's solar and wind parks provide competitively priced energy, driving down electricity prices. Battery storage also plays its part in reducing energy costs by offering competitive solutions to grid problems. In Australia, for example, the Hornsdale Power Reserve storage facility has saved consumers more than €95 million in its first two years of operation.

Beyond our core business as a leading renewable energy developer and producer, we also want to develop responsible and sustainable practices related to our modus operandi, our interactions with communities and the control of our environmental footprint. In this way, we assume our responsibility, our role to play and our contribution to the achievement of the UN Sustainable Development Goals.



PRIORITISE SECURITY

Promote a strong culture of health, safety and environment (HSE) for our employees, service providers and our subcontractors.



REDUCE OUR EMISSIONS, PROMOTE RECYCLING

Calculate and limit our carbon footprint. Anticipating the future dismantling of our power plants and recycling of materials.



PROMOTING DIVERSITY

Respect the principles of equity, inclusion and non-discrimination, remedy gender inequalities.



PROTECTING BIODIVERSITY

Avoid, reduce and compensate for impacts on environment and biodiversity, throughout the life of our projects.



PROMOTE THE LOCAL ECONOMY

Provide local and regional economic benefits through job creation, opportunities for local suppliers and skills development.



WORKING ETHICALLY

Respect and implement our values, in particular integrity, at all levels of the company.



REDUCE INEQUALITIES

Respect the principles of equity, inclusion and non-discrimination, remedy gender inequalities.



CONSULT AND SHARE

Develop transparent and regular relationships with stakeholders and local communities. Sharing the benefits of the energy transition by supporting numerous initiatives of local communities.

5.1.1 GROUNDED IN VALUES

Neoen's work is grounded in core values that guide its relationships and actions with all its stakeholders:

- audacity, i.e. the ability to become one of the world leaders in renewable energies, by designing and implementing innovative, competitive and effective energy solutions;
- integrity, which ensures that projects are conducted in complete transparency, anywhere in the world. Neoen selects partners who act according to the same principle;
- commitment, by placing fulfilment of commitments made to internal and external counterparties at the heart of its development;
- esprit de corps, with loyalty and solidarity guiding the employees' actions on a daily basis.

Neoen has expressed its attachment to these values and the associated commitments in its ethical chart. This chart is distributed to all its employees and which each employee undertakes to comply with. Neoen has also committed itself in 2022 to integrate the United Nations Global Compact into its strategy, its culture and its daily operations.

5.1.2 SUSTAINABLE FINANCING

In line with its positioning and convictions, Neoen was keen from the outset to adopt an environmental component in its project financing. Thus, since 2015, Neoen has launched several green bond issues to finance its activities. This financing was certified as green bonds in accordance with the green bond principles as published by the International Capital Market Association (ICMA). This certification was carried out by Moody's ESG Solutions (formerly Vigeo Eiris), a recognised expert in sustainable development, following its "ESG" (Environmental, Social and Governance) due diligence.

Neoen pioneered the first issue of green convertible bonds in Europe in 2020, Green OCEANes. In 2022, Neoen continued on this path by launching a new issue for a nominal amount of €300 million. The proceeds from the issue of these new Green OCEANes were allocated to the financing or refinancing of renewable energy production projects (photovoltaic solar and wind energy) or energy storage projects.

In March 2020, Neoen also entered into an initial syndicated loan agreement of €200 million, indexing the terms of the loan to environmental, social and governance (ESG) indicators. In keeping with its commitments, Neoen has chosen to integrate ESG criteria into this loan agreement: the prevention of corruption and its own ESG rating calculated by Moody's ESG Solutions. A third criterion was adopted in June 2021, relating to recycling commitments for its new equipment supply agreements during the period 2021-2025. The terms of the loan are adjusted according to Neoen's ESG performance on these three criteria, measured annually.

5.1.3 SUSTAINABILITY FRAMEWORK

Neoen has decided to adopt its «*Sustainability Framework*», a framework for an ambitious sustainable development policy. A first version of the Framework established in March 2021, is now a common reference for all Neoen countries. The Framework is built around three pillars:

- Our teams;
- Our projects;
- Our communities;

The commitments made under the Sustainability Framework can be identified in the Non-Financial Performance Statement by means of the logo **SF**.

5.1.4 THIRD PARTY ASSESSMENT

Neoen is regularly assessed for its extra-financial performance:

 65/100 Scale D- / A Top 2% of assessed companies	 AA Leader Scale CCC / AAA	 22.8 Scale 100/0
 B Prime Scale D- / A+ ESG performance above the sector	 A Scale F / A Indice Vérité40	 77/100 Scale 0 / 100 Top Performer
	 C Scale D- / A	

5.2 PRESENTATION OF THE MAIN NON-FINANCIAL RISKS

Neoen's risk mapping has been used as a reference for identifying the main non-financial risks that fall within the scope of the Non-Financial Performance Statement (NFPS). Updated in the second half of 2022 and approved by the Audit Committee, it presents and classifies risks according to their potential impact and their probability of occurrence. Neoen's non-financial risks are managed according to the same methodology as the operational risks related to its business, such as legal or financial risks.

All of the risks presented are described in detail in chapter 3.

Among all the Group risks, Neoen has identified several important risks, including a non-financial dimension detailed in the table below. This table links the strategic priorities of the Sustainability Framework with the Group's risks and opportunities and the key performance indicators monitored. The policies, mechanisms and actions implemented are detailed in chapters below.

Also, in 2021, Neoen carried out a materiality analysis with the support of a leading consulting firm, with the aim of ensuring that the company had properly identified the expectations of internal and external stakeholders - employees, customers, suppliers, lenders, shareholders in particular - and reflected them in its strategic priorities.

Strategic priorities*	Risks/ Material issues	Policies, due diligence procedures	Indicators	Results 2020	Results 2021	Results 2022	Target
Working ethically	Corruption risk in the context of the Group's expansion into emerging markets	§ 5.3.1 Working with integrity § 3.1.2 Risks related to the Group's activity and strategy	Percentage of employees committed to respecting Neoen's Ethical Charter	58%	100%	100%	100%
			Percentage of employees trained to provide anti-corruption and compliance Training***	39%	95.9%	95.8%	100%
			Percentage of employees trained in high-risk populations***		52%	62.2%	100%
	Risk relating to suppliers and contractors whose practices are contrary to human rights (child labour, forced labour, health and safety, etc.), which can lead to a violation of human rights and harm the Company's reputation	§ 5.3.2 Responsible procurement	Share of Tier-1 contractors***	100%	100%	100%	100%
			Share of major suppliers certified ISO 9001 and 14001		100% ISO 9001 96% ISO 14001	96% ISO 9001 96% ISO 14001	100% ISO 9001 100% ISO 14001
Attracting talent and building staff loyalty	Risks associated with the capacity to retain executives and key employees	§ 5.3.3 Managing talents	Percentage of employees having completed at least one training course during the year***	79.8%	100%	100%	-
			Attrition rate in the permanent workforce***	14.7%**	15.4%**	19.4%	-
Reducing emissions	Contribution to the energy transition	§ 5.3.4 Committing to the climate	Tons of CO2 equivalent avoided through Neoen's Production***	1,994,589	2,230,831	2,587,092	-
Prioritising safety	Risks related to the health and safety of employees and subcontractors	§ 5.4.1 Prioritising safety	LTIFR***	n.a.	5.5	2.3	2.75
			Percentage of sites under construction that have undergone an HSE audit in 2022***	n.a.	48%	79%	100%
			% of maintenance providers audited in 2022	n.a.	n.a.	62%	100%
Protecting biodiversity	Protection of natural resources	§ 5.4.2 Using resources responsibly	Percentage of plants commissioned in 2021 that have had an environmental impact assessment completed***	n.a.	100%	91%	100%
Integrating/ promoting recycling	Waste and circular economy	§ 5.4.3 Promoting the circular economy	New MW covered by a recycling clause (photovoltaic and batteries)***	n.a.	250MW	975MW	-
Consulting and interacting	Risks associated with local opposition to the construction of a facility	§ 5.5.1 Consulting and engaging	Percentage of assets commissioned that were the subject of a consultation or information process***	85%	100%	100%	100%

*Strategic axes of the Sustainability Framework (https://neoen.com/app/uploads/2021/06/NEOEN_SUSTAINABILITY_FRAMEWORK_UK.pdf)

** Change of method in 2022 with the exclusion of internal mobility and correction of 2021 and 2020 data

*** Key performance indicators

The energy transition is a growth opportunity for the Group, given the significant role Neoen plays in reducing greenhouse gas emissions by producing entirely renewable energy. However, it remains very mindful of the environmental footprint of its projects and assets.

5.3 OUR TEAMS

Neoen has 361 employees in 16 countries working on more than 300 projects in advanced development or under construction, and more than 115 plants in operation.



*“Speeding up
the transition
to a more
sustainable
future”*

5.3.1 WORKING ETHICALLY

Integrity is one of Neoen's four values and part of the compass that guides its daily activities. Neoen's employees are trained to identify corruption risks in each where the Group operates.



POLICY

As part of Neoen's expansion and exposure to potential corruption risks associated with certain Group sites, strengthening culture of integrity in all our countries is essential.

The anti-corruption policy, which has been in force for several years, was consolidated in 2022 with the appointment of a Compliance Officer and the strengthening of the various existing processes and systems.

This anti-corruption policy is based on:

- A corruption risk mapping, updated in 2022;
- An ethics charter and an anti-corruption code of conduct to which all employees must adhere. These documents were completed in 2022 following the update of the corruption risk mapping and regulatory changes;
- An employee awareness system based on the deployment of anti-corruption training courses for new employees and more specific training for the most exposed employees. In 2022, the programme was revised to offer up-to-date training in line with the updated corruption risk mapping;
- An outsourced alert system whose purpose is to collect reports on the existence of situations contrary to Neoen's formalised integrity values;

- A third-party evaluation system aimed at applying actions commensurate with the corruption risks. This system, which was already in place, has been systematised in 2022 and monitoring has been centralised;
- An internal control mechanism incorporating compliance procedures and backed up by external audits of procedures. This system is described in paragraph 3.2.2.3 "system of internal control" of this document.

No case of corruption has been detected since the Company was created in 2008. No alerts related to corruption were raised in 2022.

ACTIONS IMPLEMENTED

- Strengthening governance in the matter of corruption;
- Updating of the corruption risk mapping;
- Systematisation of third party evaluation;
- Continued roll-out of the anti-corruption training for all new employees and more specific face-to-face training for the most exposed employees.

KEY FIGURES


100%
of employees having signed
the ethics charter ^{SF}


95.8%
of employees have taken
the anti-corruption and
compliance training
(95.9% in 2021) ^{SF}


62.2%
of «exposed» employees
have received an additional
anti-corruption training
(52% in 2021)

5.3.2 RESPONSIBLE PROCUREMENT

Neoen endeavours to work with responsible suppliers and contractors who comply with the most exacting standards. It ensures that these standards are adhered to, by incorporating them into its EPC contracts and implementing an audit and assessment system.

This responsible procurement strategy allows us to efficiently manage the potential risks within our supply chain (non-respect of human rights, health and safety, etc.) and the associated reputational risk.



POLICY

Neoen is committed to respecting the fundamental human rights of its employees, subcontractors and suppliers. These commitments are set out in the ethics charter and the anti-corruption code of conduct and are implemented throughout the supply chain through a series of measures.

Selection of suppliers

Prior to selection, Neoen asks its suppliers to provide their certificates, HSE and quality results as well as their sustainable development report. The analysis of responses is supplemented by Ecovadis assessments, for the ones already available at this stage. If the contractor or supplier is not registered on the platform, Neoen will request that it initiates an ESG assessment by Ecovadis if the supplier is awarded the contract.

During the selection phase (RFP), suppliers undertake to comply with the ESG clauses, including a section dedicated to the protection of human rights, the fight against forced labour and corruption, as well as commitments in terms of HSE policy and management. These are all incorporated into the contracts.

Neoen also shares with the EPC contractor the conclusions of the environmental studies undertaken, as well as the social surveys in emerging countries. The Contractors are required to implement environmental and social (in emerging countries) action plans during construction and operation of the asset.

Monitoring and assessment mechanism

Neoen carries out 360° audits and/or factory visits of its suppliers of major components (modules, turbines, trackers and inverters) as well as site visits of its EPC contractors, as soon as it initiates a new business relationship (when the health/political situation allows it). Site visits include a review of topics relating to health, safety, the environment and quality assurance.

Where a major breach of standards is revealed in an audit conducted either by Neoen or an independent auditor, Neoen may have to exclude the supplier depending on the severity of the breach. Due to the constraints related to the Covid 19 pandemic, the audits and visits conducted by Neoen were mainly carried out in Europe in 2022.

ACTIONS IMPLEMENTED

- Contracts with Tier 1 suppliers of major or critical components, also ISO 9001 and ISO 14001 certified, for the supply and/or installation of photovoltaic modules, wind turbine generator, inverters, and battery cells;
- Realisation, since early 2021, of monthly reporting of HSE data from EPC contractors;
- ESG assessment of the Group's suppliers using the Ecovadis platform since the end of 2021.

KEY FIGURES


100%
Tier-1 suppliers


96%
major suppliers certified
ISO 9001 and 14001

5.3.3 ATTRACTING TALENT AND BUILDING STAFF LOYALTY

Neoen attaches great value to its human capital, one of its fundamental strengths, and seeks to encourage the emergence of talents among its employees.

8 DECENT WORK AND ECONOMIC GROWTH



POLICY

Neoen's inability to retain its best employees and build staff loyalty would result in a loss of skills and expertise that could adversely affect its performance. Career development (in terms of mobility, training, taking responsibility, quality of life at work) is therefore an important dimension of the Human Resources policy.

ATTRACTING NEW TALENT

As of December 31, 2022, Neoen had 361 employees worldwide, compared to 299 as of December 31, 2021, i.e. an increase of 20.7% that reflects the Group's growth both in France and internationally. Most employees, 97.2%, are executives.

Neoen continued its sustained recruitment drive, with the hiring in 2022 of 125 employees. In 2022, 57.6% of the new hires were on international markets, mainly on business development positions, with the opening of a new country, Canada (Alberta), the opening of a new office in France (Nancy) and three new offices in Australia (Perth, Melbourne and Brisbane). The proportion of new hires in the total workforce was 34.6% as of December 31, 2022 (33.4% in 2021), fulfilling the need to attract new talent in order to sustain the Group's development momentum. To this end, Neoen publishes the open positions on its website and relays them through various recruitment channels, in particular on the Alumni pages of different schools, websites dedicated to environmental and sustainable development recruitment, as well as via social media to make them accessible to as many people as possible.

The attrition rate (19.4% in 2022) is up compared to 2021 (15.4%) due to the dynamism of the renewable sector. The demand for specialised profiles is driving movements and encouraging us to continue our efforts in terms of Human Resources policy in order to retain our employees.

ACTIONS IMPLEMENTED

- Strengthening of the Human Resources Department to support the teams on a daily basis and to develop the employees' skills while encouraging them to adhere to Neoen's culture and values;
- Formalisation of Human Resources policies by country;
- Systematic implementation of a pre-audit on local practices in terms of compensation and benefits when new countries are opened. This system is part of an effort to harmonise practices within the Group while remaining competitive at the local level.

KEY FIGURES


19.4%
 Attrition rate in 2022
 (15.4% in 2021)


361
 Employees
 (299 in 2021)



ENCOURAGING EMPLOYEE COMMITMENT AND THE QUALITY OF LIFE AT WORK

The quality of life at work for employees has a direct impact on their loyalty, commitment and performance. In order to promote the quality of life at work, Neoen implements measures in favour of work/life balance of its employees.

- In 2022, definition of a parenthood policy for each European country, that takes into account the specificities of each country while guaranteeing a minimum level for employees. This will complete the minimum three days paternity leave planned for all Neoen employees, which was implemented in 2019, and the parenthood policy already in place in Australia.
- For employees in France, renewal of the various employee savings schemes, i.e. matching contributions under the company savings plan (PEE) and the collective company retirement savings plan (PER COL) agreements, the Spring 2022 employee share ownership as well as profit-sharing (for which the amount was increased in 2022).
- Introduction of benefits specific to each country to encourage employees to use bicycles or public transport for their home-to-work journeys. These benefits vary according to local conditions (sustainable mobility package in France, the possibility of buying a bicycle or a public transport pass through the employer with the Tax saver scheme in Ireland, or monetary compensation for using public transport in Finland).
- Organisation of Neoen's Solidarity Day in nine countries, allowing employees to donate time during a day to a NGO of their choice and to have a positive impact beyond Neoen's commitment to the energy transition: 174 employees participated for a total of over 870 hours of impact.
- Organisation of events to strengthen team cohesion both internally (team seminar, celebration of Neoen's 10th anniversary in Australia) and externally, through participation in sports events of the sector (Finergreen's Solar Foot, Renewable Energies World Race, solidarity races, sports challenge).

- Raising employee awareness of the importance of respectful and trusting relationships at all levels of the hierarchy in order to prevent the risks of harassment and discrimination.

ENCOURAGING MOBILITY

There is no standard career path at Neoen. Each employee can adapt their career path according to their own individual goals and the opportunities that arise. In-house career mobility is a major factor in developing employees' skills. Neoen provides employees with opportunities to take on new positions and acquire new experience throughout its various subsidiaries.

Neoen encourages international mobility. For instance, in 2022, seven employees (including International Corporate Volunteer - VIE) who had been hired by a Group company subsequently joined another Neoen company on a temporary or permanent basis. This trend is also reflected in the mobility between business lines, with six employees switching to different positions in 2022.

To enable employees to project themselves for the long term within the Group, Neoen gives preference to permanent contracts that provide its employees with a stable working environment. In 2022, 99.4% employees were employed under long-term contracts (permanent or equivalent).

PROVIDING RESPONSIBILITY

The average age within Neoen is 35.2 years. Employees aged 35 and less (63.2%) remain predominant in 2022, due in particular to significant recruitment in this age group (75.2% of the total). Accordingly, the company offers opportunities of rapid promotion and possibilities of increasing responsibilities. The average age of managers is 41.4 years (40.4 years in 2021).



MONITORING AND REWARDING PERFORMANCE

The annual appraisal is a key feature of employee development. It allows a discussion with the manager on performance and development, assessment and setting of annual goals. It is also an opportunity to review the development plan and to define the actions to be taken in light of past performance and the objectives assigned to the employee. In 2022, all Neoen employees had an annual performance review with their managers.

Since 2021, interviews are also conducted at mid-year to monitor the objectives set, and allow time for reflection and to update goals.

Neoen has an attractive remuneration policy. The overall remuneration of employees takes into account the position held, the degree of responsibility as well as the individual and Group's performance. Remuneration may also include benefits that can vary according to the practices and regulations in force in the countries, such as lunch or commuting benefits, health insurance, pension plans, profit-sharing and incentive schemes. In addition, Neoen has set up solutions that give certain employees the possibility of share ownership (employee shareholding, free share plan). Please refer to section 7.2.11 "employee shareholders" of this document.

DEVELOPING SKILLS

In 2022, Neoen's training policy was reviewed and formalised to support employee development.

The company ensures a level of skills that meets both:

- The company's specific needs;
- The employee's development wishes.

The training policy has three objectives:

- Complying with regulatory requirements, including safety training (in particular, training to obtain accreditation for working at heights and with electricity);
- Supporting the Group's development and growth to meet the challenges of the business (opening of new countries and changes in the business). In addition, in 2022, the training curriculum was supplemented by an e-learning course on cybersecurity given to all employees;
- Supporting teams to help them develop the skills required for their position, such as training in negotiation techniques or management for new managers.

Neoen attaches great importance to training all its employees in the fight against corruption. New employees systematically receive awareness training. The most exposed employees receive appropriate training. In 2022, following the review of the corruption risk mapping, the content of the training course was updated.



Ongoing training is also a tool for building employee loyalty. This includes management and negotiation training to go beyond mere technical skills. In 2022, 100% of employees received training and the average number of hours of training per employee was 16.5 hours (24.4 hours in 2021). In 2021, a special training effort was made with the Development teams in France, which explains the variation in this indicator.

Neoen promotes internal skills in the implementation of the training plan. In 2022, 30% of the training courses were done internally, compared to 15% in 2021. This sharing of expertise creates better conditions for teamwork and facilitates communication between the different teams.

KEY FIGURES



100%

**of employees attended at least one training course
(including e-learning) during the year
(100% in 2021)**



16.5

**hours of training on average per employee
(24.4 in 2021)**

5.3.4 ENCOURAGING DIVERSITY

Diversity is a source of pride and dynamism for Neoen, with over 40 nationalities represented amongst the team. The recruitment process is open to all, upholds the principles of fairness and non-discrimination. Neoen has a zero tolerance policy towards harassment in the workplace.



POLICY

The diversity of its executive workforce fuels the Group's performance and hinges, in particular, on the different cultures and the balance between men and women.

Neoen firmly believes that gender diversity can be a performance driver and it pays particular attention to diversity at all levels. Its current priority is to improve gender parity in all its countries. As of December 31, 2022, 30.7% of its employees were women^{SF} and 22.8% of management positions were held by women^{SF}. The share of women within Neoen is increasing in 2022, as well as the share of women being recruited, which will eventually increase the share of women in management.

Neoen aims, under its Sustainability Framework, to exceed the threshold of 32% of women in the different regions (global average for the energy sector in 2021) and to increase the share of management positions held by women.

On an equivalent skills basis, Neoen is careful to ensure that recruitment is equally distributed among women and men and is committed during the annual remuneration review to not creating a gap between men and women. The implementation and monitoring of the wage policy is reflected in the gender equality index, which was higher in 2022. Neoen obtained this year a score of 100/100 in the gender equality index (France), compared with 98/100 for 2021.

In order to attract candidates with disabilities, Neoen continues to post job offers on a French recruitment website specifically geared towards people with a disability. In 2022, none of the Group's employees was recognised as having a disability.

ACTIONS IMPLEMENTED

- Highlighting our commitment to diversity on our Careers page and including our commitments in all job offers published on our website. Raising awareness of gender parity targets among managers and recruitment agencies;
- Better anticipation of recruitment to ensure choice between candidates of both genders;
- Continuing Neoen's efforts to recruit people with disabilities and increase purchases from sheltered employment sectors;

KEY FIGURES


30.7%
 of women^{SF}
 (28.8% in 2021)


 More than **40**
 nationalities

5.3.5 REDUCING EMISSIONS

As a specialised and independent energy specialist, Neoen's mission is to design and implement the means to produce the most competitive renewable electricity sustainably and on a large scale. In doing so, Neoen is actively participating in the decarbonisation of energy.



POLICY

Climate change is an opportunity for Neoen, as it encourages the emergence of national policies in favour of renewable energies. Neoen's activities make an active contribution to reducing greenhouse gas emissions, which is often a stated political objective. The development, ownership and operation of large-scale solar and wind farms and storage facilities around the world help speed up the pace of the energy transition. Thus, in the past three years, Neoen has, according to its own calculations, avoided the emission of more than 6,800,000 tons of CO₂ as a result of the strict application of the specific methodology developed by the European Investment Bank (EIB).

In addition, in its Sustainability Framework, Neoen has set itself the objective of calculating the carbon footprint (scope 1, 2 and 3) and deploying at least one new "Greener Neoen"¹ initiative each year. Neoen also wants to reduce emissions related to its business and has already introduced several initiatives: dialogue with key suppliers, promotion of «low-carbon» travel (trains, electric cars), mobility package for employees who commute by bicycle, recycling computer equipment worldwide...

ACTIONS IMPLEMENTED

- In 2021, calculation of Neoen's ^{SF} carbon footprint for all its activities in 2020 (scopes 1, 2 and 3) including the carbon footprint of the power plants during the construction and operation phases;
- Addition of a re-use clause to all wind turbine maintenance contracts authorising the use of re-used parts (with equivalent warranty and certification), which will reduce CO₂ emissions;

- 208 MW of low-carbon solar panels purchased in 2022 and two power plants with carbon-neutral concrete foundations (in Finland and Sweden) put into production;
- Response to *CDP Climate change* questionnaire for the first time in 2022: grade obtained C;
- In 2022, offsetting 100% of the company's business travel emissions in 2021 (tons of CO₂) by financing "clean" cooking stoves for low-income families in Mozambique and Guatemala;
- Deployment of concrete actions in favor of energy savings in France by the end of 2022.

KEY FIGURES


2,587,092
 tons of CO₂ avoided through production of
 its power plants
 (2,231,000 tons of CO₂ in 2021)


464,000
 tons of CO₂ emitted
 in scopes 1, 2 and 3 in 2020

¹ "Greener Neoen" is an internal think tank formed spontaneously by a group of employees. Its objective is to push Neoen to go "ever further" in terms of reducing emissions and respecting the environment.

5.4 OUR PROJECTS

As well as generating clean electrons, Neoen's power plants are the crucible for a range of different and emerging sustainable initiatives and outcomes.

*“ Striving to deliver
excellence in
sustainability ”*

5.4.1 PRIORITISING SAFETY

Neoen is engaged in activities that may expose its employees and subcontractors to health and safety risks at all of its sites, primarily at its construction sites and production facilities, but also in its offices, and in particular in high-risk countries or areas.

For this reason, Neoen is committed to ensuring the health and safety of its employees and all of those working on its sites, by implementing strict measures to control and reduce risks, as well as procedures for reporting and investigating incidents and accidents.

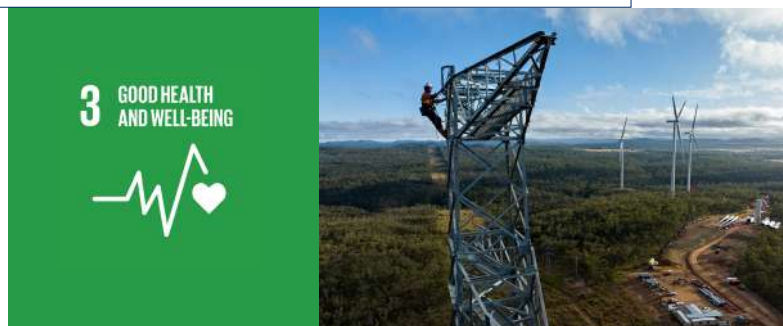
POLICY

The construction, operation and maintenance of energy infrastructures exposes the company to events that may affect the safety and/or health of individuals: technical risks related to the use of equipment, live electrical environment, traffic within at-risk areas, etc.

Neoen promotes a strong health, safety and environment (HSE) culture through its HSE approach, which ensures that contractors and suppliers meet the Group's expectations in strict compliance with the relevant legal and regulatory constraints. This approach aims to limit harm to people (Neoen employees and contractors), property and the environment in the workplace, whether on the sites of Neoen's power plants under construction or during their development and operation phases. This approach was strengthened in 2022 through an internal assessment of the level of maturity of the HSE culture, enabling the definition of a three-year strategy that was validated by the Executive Committee and distributed to employees. This policy should make it possible to maintain our lost time injury frequency rate (LTIFR) under 2 in the long term.

The new strategy is based on five themes: the HSE management system, sourcing, monitoring and control, proactivity and finally leadership and skills. The objectives are set out operationally in the HSES Management Plan (appended to the EPC and O&M contracts):

- avoid serious injury to personnel;
- improve working conditions and reduce the risks associated with each work;
- promote proactive reporting of information on near-miss and unsafe situations;
- investigate each accident, near-accident and high-potential event (integration of this concept, in order to analyse and correct potentially tragic events);
- promote the Group's HSE culture (by site inspections, toolbox talks, audits, training, ...).



Its deployment involves :

- strengthening the HSE Department at the Group and country level;
- training and raising the awareness of the Executive Committee as well as project and Asset managers;
- carrying out a more systematic HSE audit campaign at Neoen's sites of its service providers.

Within the framework of its HSE Committee, including the members of its Executive Committee, Neoen ensures quarterly control of the Group's performance in terms of HSE policy and the monitoring of indicators relating to the aforementioned objectives.

Also, Neoen is committed to collecting and analysing the frequency rates of service providers, as well as conducting an HSE compliance audit on all sites under construction.

ACTIONS IMPLEMENTED

- Creation of a regional HSE manager position in Australia and Europe;
- Rollout of the HSE leadership training programme for the Executive Committee and for project and Asset managers in all countries where Neoen operates;
- Clarification of the objectives and frequency of HSE audits. During the construction phase, sites under construction with a capacity of more than 20MW are audited every three months and every two months for lower capacity sites.

KEY FIGURES

2.3

Lost Time Injury
Frequency Rate (LTIFR)
(Neoen employees
and contractors)

62%

of O&M Contractor
audited

79%

of sites under
construction that
underwent a HSE audit ^{SF}
(target 100%)

17

Number of reported
near-miss for each lost
time incident
(Lost Time Injury)

5.4.2 PROTECTING BIODIVERSITY

Beyond our commitment to addressing climate change through renewable energy, Neoen's environmental stewardship is reflected in our projects through the implementation of the "Avoid, Reduce, Offset" principles.



POLICY

As its footprint is often significant, Neoen is often confronted with issues relating to land use and the protection of biodiversity. Neoen takes particular care to respect ecosystems of the land where its projects are located, throughout the life cycle of its facilities. It ensures that all development, construction and operating teams are aware of the importance of protecting the environment and biodiversity.

The development of a project begins with the selection of a site, rigorously chosen in the light of mapping and field analyses aimed at identifying possible impacts on the fauna, flora, heritage and archaeological sites, etc. Every project is therefore established on the basis of an environmental impact study which allows the pressures on the environment to be avoided, reduced or compensated for, in accordance with the commitments made in the Sustainability Framework.

In addition, in rural areas, Neoen is developing agrisolar projects in partnership with farmers that make it possible to reconcile agricultural production with energy production.

Neoen has made several commitments to the environment and to biodiversity:

- The design of our solar farms includes, when possible, drilling holes in fences (hedges, etc.) to facilitate the mobility of native animal species;
- The construction of our assets respects the reproduction periods of the surrounding species;
- During the construction and operation of our power plants, Neoen establishes fire prevention and management strategies tailored to the local context;
- Similarly, during the operation phase of its solar power plants, Neoen favours the use of sheep grazing to control vegetation;
- At the end of the life, Neoen undertakes to dismantle the installations in order to restore and enhance the environment.

ACTIONS IMPLEMENTED

- Environmental impact studies carried out by specialist ecologists for Neoen's development projects;
- Drafting of biodiversity "guidelines";
- Continued and enhanced deployment of an "agrisolar" approach in France (employment of an in-house agrisolar expert), in Australia, El Salvador and more recently in Croatia and Ireland.

KEY FIGURES



91%

of the power plants commissioned in 2022 have undergone an environmental impact assessment ^{SF}



AUSTRALIA

To prevent the spread of invasive species, all vehicles arriving at Kaban Green Power Hub site are checked by a certified inspector for the presence of invasive species in the form of leaves, flowers, grasses and/or seeds. If necessary, the vehicle is cleaned in a dedicated washing area to remove any residual contamination or sludge. The residues are then drained into a retention basin, which stores them to prevent their spread on the site.

FRANCE

For wind projects in France, Neoen compensates for the possible destruction of hedges and also plants, and also plants additional hedges (even in the event that no destruction occurs). For each meter of hedge destroyed in 2022, at least 3 metres of additional hedging was planted.

Furthermore, for each hectare of wetland impacted, Neoen compensates by creating a wetland of at least the same size, even in cases where the impacted wetland is restored after the construction of the wind farm.



IRELAND

The badger is a protected species in Ireland. During the construction of the Hortland solar park, exclusion zones prohibiting all work were defined and marked to protect any badgers that may be present on site.

JAMAICA

Given the wet tropical climate in Jamaica, vegetation rapidly proliferates. However Neoen has forbidden the use of chemical weed killers to protect the environment and only manual cutting is allowed.



MEXICO

Neoen, in partnership with the Instituto Tecnológico de El Llano (ITEL), a neighbor of its project, has decided to launch a reforestation program of 47 ha over 3 years. The greenhouse financed by Neoen and installed on the ITEL grounds will house a nursery of local trees to fight against desertification. These shrubs are also melliferous, to support local beekeepers.

5.4.3 INTEGRATING RECYCLING

Neoen designs and operates plants with a long useful life - at least 25 years - but is very aware of the key legacy issue of recycling the main equipment from its plants (photovoltaic panels, batteries, etc.). For this reason, Neoen is committed to analysing the various recycling channels for the materials across its three technologies of solar, wind and batteries.



POLICY

As a long term owner and operator of its projects Neoen is particularly attentive to future decommissioning and recycling challenges. The company maintains a regular dialogue with its technology suppliers on this topic, many of whom are making significant investments in innovation.

During the construction and operation phases, Neoen takes care to properly manage the waste generated on all its sites. The EPC and O&M contractors are required to treat waste in accordance with local regulations.

Even if no dismantling of installations has yet taken place due to the youth of its fleet, Neoen is anticipating the future dismantling of panels by asking its suppliers to join Soren or equivalent organisations in Europe and in Canada. This recycling clause will be gradually integrated for other countries as soon as a recycling channel emerges.

For its wind farms, pending the need to dismantle them, Neoen has added a reuse clause in all wind maintenance contracts that allows for the use of reuse parts (guarantee and equivalent certification) to promote the circular economy and reduce its CO2 emissions.

Dialogue with suppliers on recycling is also underway for battery storage. The lithium-ion batteries used by Neoen can be recycled using the pyrometallurgy and hydrometallurgy process (recycling rate >80%, with >90% for lithium and >99% for metals). A recycling clause has been included in the most recent battery purchase contracts.

ACTIONS IMPLEMENTED

- Including a recycling clause in any new supply agreement in countries with a mature recycling industry. This commitment is reflected in the syndicated loan that Neoen signed in 2020, which has a target of 400 MW covered by this clause by 2024 (solar power - excluding France, and batteries);
- A seat on the Board of Directors of Soren, the French eco-organisation that manages the recycling of photovoltaic panels;
- For new solar farms in France, encouraged use of solar panels with a share of recycled raw material, especially polycrystalline silicon: 208MW in 2022;
- Implementation of office computer equipment recycling.

KEY FIGURES


975
 new MW covered in 2022
 by a recycling clause ^{SF*}

* Total capacity of projects (MW) for which a recycling clause has been negotiated for main equipment, for PV modules or batteries.

5.5 OUR COMMUNITIES

As a long-term owner and operator, Neoen is committed to sustainable relationships with local residents and communities.

Neoen works in consultation and cooperation with local stakeholders, contributes to local and regional economic development, and seeks to share the benefits of the transition with its communities.

*“ Participating
in the transition
alongside us ”*



5.5.1 CONSULTING AND ENGAGING

Neoen understands that the success of a project is dependent to a large extent on developing genuine, open, and ongoing relationships with key stakeholders and members of the local community.

Therefore, Neoen recognises the importance of ensuring a “no surprises” dynamic and is committed to engagement that starts early, tailored to the local context, and provides opportunities for the community to participate.



POLICY

Neoen is committed to a structured approach with local stakeholders that goes beyond meeting regulatory requirements. The location of each facility is decided in consultation with the local authorities and communities in all countries where the Group operates.

To begin with, prior discussions are held with local elected officials to ensure the project is compatible with regional policies. Then, Neoen takes steps to inform and communicate with the community (local residents, local associations...) in order to present the project and the issues at stake and help residents understand them, via meeting, letters, posters, and/or a website dedicated to face-to-face meetings.

During the development phase, public meetings are often held. They allow Neoen staff to present the planned work, the integration of the proposed facility into the landscape, the conclusions of social (in emerging countries and in Australia) and environmental impact studies, the planned support measures and, more generally, to consult local populations in order to come up with solutions that work for the community.

Outside Europe, community consultation is systematically managed by the project manager during the development phase. The relationships with the community may also be supported by a Community Liaison Officer in projects of significant scale or complexity.

In addition, to meet the commitments made in the Sustainability Framework, a Community Engagement Plan¹ is developed for projects with a capacity of over 50 MW.

ACTIONS IMPLEMENTED

- Community consultation and information sharing, even if not mandated (e.g.: launch of the new projects websites in 2022);
- Strengthening of community engagement expertise with the creation of dedicated positions in Australia and Europe.

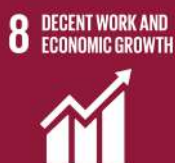
KEY FIGURES


100%
 of assets commissioned in 2022 were the subject of
 a consultation or information process ^{SF}

¹ The Community Engagement Plan is a comprehensive internal tool, guiding and marking out all the consultations and interactions that will take place during the life of a project, from the early stages of the feasibility study through to its dismantling.

5.5.2 ECONOMIC DEVELOPMENT

The construction and operation of power plants has the potential to deliver significant local and regional economic development through, creation of jobs, supply chain outcomes, multiplier effect of the income and expenditure generated by the investments. But Neoen also intend to bring positive social and cultural benefits to the areas in which the Group operates.



POLICY

The impact of Neoen's projects is not only economic. As a long-term owner and operator, Neoen is committed to ensuring that the regions where the projects are located benefit from the impacts of the projects, by identifying and financing local initiatives and sustainable development projects. The social and cultural investment in the regions is fundamental to all the projects developed and operated by Neoen.

Since 2021, Neoen is committed to:

- Maximising its local economic impact, by interacting with local businesses and business networks, favouring local suppliers and workers whenever possible, and seeking to develop skills, training and learning. A Local Participation Plan* is now developed, particularly for projects with capacity of more than 100 MW. ^{SF}
- Enabling communities to benefit from the impacts of the Group's projects. Neoen sets aside an annual sum towards community building initiatives in the surrounding area, for each project with a capacity of over 50 MW. In emerging countries, a Community Development Plan (CDP)* is drawn up to target priority actions to meet the needs of local communities. ^{SF}
- Create a work of art that celebrates renewable energy and local culture for each project with a capacity of more than 50 MW. ^{SF}

* The Local Participation Plan is a sister document to the Community Engagement Plan which identifies and maps potential local and regional economic development outcomes.

ACTIONS IMPLEMENTED

Neoen has rolled out a number of initiatives in the countries where these projects and plants are located, some of which are presented hereafter.



AUSTRALIA

Through the Community Benefit Funds set up for each of its projects, Neoen has been financing local development initiatives for several years. The program of our Victorian Big Battery includes the financing of three scholarships in engineering for young female students and/or First Nations students at the nearby Deakin University. The scholarship holders will have the opportunity to do internships at Neoen.

FINLAND

In collaboration with the municipality, Neoen is deploying a 40 km fiber optic network to connect four villages near the Mutkalampi wind farm to the Internet. Neoen is also financing a 53 km long «nature trail», which will be used for walking, cycling or cross-country skiing.



FRANCE

Neoen is working with two local associations who are supporting their clients with re-entry to the workplace. Their employees will be in charge of maintaining the access roads, the surroundings and the crane platforms of its two largest wind farms.

MEXICO

The Aguascalientes solar power plant is located in a near-desert region. Ten rainwater harvesting systems (5,000 liters each) were therefore installed in the surrounding communities. These modules allow the filtering and potabilisation of the collected water to ensure greater water security for the inhabitants. The program is expected to be extended further in 2023.



EL SALVADOR

3% of the revenues from Neoen's solar power plants in El Salvador are donated to a social investment fund dedicated to local development projects (health, education and community development). For example, in the «pregnancy and early childhood» program, more than 80 pregnant women and 260 young children have benefited from food support, medical visits and development monitoring.

ZAMBIA

Success of the «Live-Up Project» which benefited 500 households! Thanks to the training and seed selection assistance provided over the past 3 years, farmers have seen their yields increase by nearly 80%. More than 100 households participate in the «pass-on» program, in which a goat or a few chickens are entrusted to a family, while they reproduce. Two agricultural areas have been equipped with solar irrigation systems. Neoen has committed to extending this program to 1,000 households for the next three years.



5.6 OTHER EMPLOYMENT INFORMATION

5.6.1 NON-FINANCIAL INDICATORS

5.6.1.1 SOCIAL INDICATORS

Social indicators	2020	2021	2022	Var.
Workforce				
Total workforce	255	299	361	21%
Europe - Africa	163	197	246	25%
Of which: France	136	153	176	15%
Australia	55	64	76	19%
Americas	37	38	39	3%
Workforce by country	255	299	361	21%
Europe - Africa	163	197	246	25%
France	136	153	176	15%
Finland	4	11	23	109%
Ireland	6	8	12	50%
Portugal	6	8	11	38%
Italy	/	1	9	800%
Sweden	2	7	8	14%
Croatia	2	3	4	33%
Zambia	4	3	2	-33%
Mozambique	3	3	1	-67%
Australia	55	64	76	19%
Americas	37	38	39	3%
Mexico	16	15	15	0%
El Salvador	8	8	10	25%
Argentina	7	8	4	-50%
Ecuador	3	4	4	0%
United States	2	2	3	50%
Canada	0	0	2	
Jamaica	1	1	1	0%
Breakdown of workforce by activity	255	299	361	21%
Management	4	4	4	0%
Support	5	4	4	0%
IT	1	1	4	300%
Legal and Insurance	10	12	16	33%
Human Resources	2	4	4	0%
HSE&S	/	1	1	0%
Development	95	124	163	31%
Energy Management	6	8	10	25%
Finance	49	52	54	4%
Investor Relations	2	2	1	-50%

Social indicators	2020	2021	2022	Var.
Financing	18	17	16	-6%
Procurement	6	6	8	33%
Construction	23	23	26	13%
Competence Center	5	7	11	57%
Asset management	29	34	39	15%
Percentage of employees under 35 years old	59.2%	55.2%	63.2%	14%
Percentage of employees over 50 years old	6.3%	5.7%	5%	-12%
Percentage of women in total workforce	31%	28.8%	30.7%	1.9 bps
Europe - Africa	31.9%	31.0%	31.7%	1.7%
Of which: France	33.8%	33.3%	33.5%	0.2%
Australia	30.9%	28.1%	27.6%	-2%
Americas	27%	18.4%	30.8%	12%
Share of women in management	28.4%	24.7%	22.8%	-2 bps
Percentage of women recruited (excluding mobility)	28%	24.4%	35.2%	11 bps
Number of hires (excluding mobility)	75	90	125	39%
Europe - Africa	49	62	87	40%
Of which: France	34	45	53	18%
Australia	20	21	27	29%
Americas	6	7	11	57%
Number of departures (excluding mobility)	36	45	61	36%
Europe - Africa	18	25	36	44%
Of which: France	11	22	28	27%
Australia	10	14	16	14%
Americas	8	6	9	50%
Average employee seniority	2.5 years	2.6 years	3.1 years	19%
Attrition rate (excluding mobility)	14.7%	15.4%	19.4%	4 bps
Number of inter-business mobilities	8	5	6	20%
Number of geographic mobility (permanent and fixed-term contracts)	5	10	5	-50%
REMUNERATION				
Total declared gross remuneration	€19.5 million	€23 million	€29 million	+26%
SOCIAL DIALOGUE				
Number of collective agreements signed during the year (France)	2	6	4	-33%
% of employees covered by a collective agreement or collective agreement on working conditions	France, Australia, Finland: 76.5%	France, Australia, Finland, Italy: 76.6%	France, Australia, Finland, Italy: 78.7%	2.1 bps
% of employees covered by an occupational health and safety committee	France : 53.3%	France : 51.2%	France : 48.8%	-2.4 bps

Social indicators	2020	2021	2022	Var.
SKILLS AND CAREERS				
Total number of training hours	1,918	6,853	5,591.8	-18%
Number of training hours per employee	8.2	24.4	16.5	-32%
Percentage of employees who have received training (%)	79.8%	100%	100%	-

Distribution of the workforce by gender	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Total workforce	79	176	86	213	111	250
Europe-Africa	52	111	61	136	78	168
Of which: France	46	90	51	102	59	117
Australia	17	38	18	46	21	55
Americas	10	27	7	31	12	27

5.6.1.2 HEALTH AND SAFETY INDICATORS

HSE indicators	2020	2021	2022	Var.
Work-related Lost Time Injury on Neoen sites (Neoen and Contractor employees)	22	19	9	-53
Work-related Lost Time Injury on Neoen sites (Neoen employees)	0	0	0	-
Work-related Lost Time Injury on Neoen sites (Contractors)	22	19	9	-53%
Sites under construction having undergone an HSE audit	-	48%	79%	+64%
Near misses reported	-	173 (H2 2021)	154	N/A
Lost Time Injury Frequency Rate (LTIFR) (Neoen and Contractor employees)	-	5.2	2.3	-56%
Lost Time Injury Frequency Rate (LTIFR) (Neoen employees)	0	0	0	-
Lost Time Injury Frequency Rate (LTIFR) (Contractor)	-	6.1	2.8	-54%
Rate of occupational illnesses among employees	0	0	0	-
Fatal accident rate for Neoen employees	0	0	0	-
Fatal accident rate for contractors	-	0	0	-
Number of high potential events	n.a.	n.a.	23	n.a.
Percentage of Neoen employees having received training on HSE issues	3.4%	7.8%	61.3%	+53 bps

5.6.1.3 SOCIETAL INDICATORS

Societal indicators	2020	2021	2022	Var.
ETHICS AND INTEGRITY				
% of employees who have signed the ethics charter	-	100.0%	100%	-
% of employees who participated in anti-corruption and compliance training	58%	95.9%	95.8%	-0.1 bps
% of «exposed» employees with additional anti-corruption training	39.4%	52.4%	62.2%	+9.8 bps
RESPONSIBLE PURCHASES				
Tier-1 suppliers	-	100%	100%	-
Major suppliers certified ISO 9001	-	100%	96%	-4 bps
Major suppliers certified ISO 14001	-	96%	96%	-
Consultation and information				
Power plants in operation in year N having been the subject of a consultation or information	n.a.	100.0%	100%	-

5.6.1.4 ENVIRONMENTAL INDICATORS

Environmental indicators	2020	2021	2022	Var.
RECYCLING				
New MW covered in by a recycling clause	n.a.	250	975	+290%
MW of low carbon panels purchased	n.a.	n.a.	208	-
CARBON FOOTPRINT AND AVOIDED EMISSIONS				
Tons of CO2 equivalent avoided through Neoen's production	1,995,000	2,231,000	2,587,092	16%
Tons of CO2 emitted in scopes 1, 2 and 3	463,849	n.a.	n.a.	-
Of which scope 1	1,090	n.a.	n.a.	
Of which scope 2	665	n.a.	n.a.	
Of which scope 3	461,941	n.a.	n.a.	
BIODIVERSITY				
Plants commissioned in year N that have had an environmental impact assessment carried out	n.a.	100.0%	91.0 %	-9 bps

Neoen declares that it has not undertaken any lobbying activities, either directly or indirectly. Therefore, the total resources devoted to lobbying practices is €0.

5.7 METHODOLOGICAL NOTE

Neoen voluntarily committed since 2019 to publishing a NFPS in its universal registration document, with reference to the transposition in France of European Directive 2014/95/EU of October 22, 2014 on disclosure of non-financial and diversity information (decree 2017-1180 of July 19, 2017, O.J. of 21; decree 2017-1265 of August 9, 2017, O.J. of 11), as amended by decree 2017-1180 of July 19, 2017 and decree 2017-1265 of August 9, 2017.

The cross-reference table with the employment, environmental and societal information to be included in the NFPS, as well as the list provided for by Article R. 225-105 II of the French Commercial Code, is published in section 5.10 of this document.

This methodological note aims to specify the methods for collecting social, environmental and societal indicators.

NFPS consolidation scope

The following information relates to Neoen's subsidiaries (within the meaning of Article L. 233-1 of the French commercial code) and the companies in which it holds a controlling interest (within the meaning of Article L. 233-3 of said code), i.e. companies included in the Company's full consolidation scope. The local teams, the various Group departments and the Head of CSR have compiled the 2022 data and indicators based on information as of December 31, 2022.

Organisation of CSR and reporting

The Group tasks its various departments with the definition and roll-out of solutions to address issues and challenges within their scope, under the oversight of the Executive Committee. These solutions factor in the expectations of internal and external stakeholders: employees, customers, suppliers, lenders, shareholders and national and international regulatory and governance bodies.

In 2020, Neoen entrusted the monitoring of labour-related, environmental and social criteria to the CSR manager, who became CSR director in 2021 and reports directly to the Chairman and Chief executive officer. Likewise, a number of these topics are addressed by the HSES Manager, recruited in 2021. In addition, a CSR committee was formed, bringing together the members of the Executive Committee and the Head of CSR. It has been meeting every six months since October 2020.

Finally, since 2022, the Governance and CSR Committee of Neoen's Board of Directors, which meets at least once a year, has been steering the Group's CSR strategy.

Employment and health and safety information

Workforce

The workforce includes the number of employees on permanent contracts and those on fixed-term contracts. Employees on work-study contracts are also counted as fixed-term contracts. Employees on an International Corporate Volunteer (VIE) contract and on an internship are excluded from the headcount.

Gender equality index

The gender equality index is calculated on the basis of four indicators: the gender pay gap, the annual pay-rise gap, pay-rises on return from maternity leave and the gender parity among Company's ten highest earners.

Net workforce growth

This is the organic growth in the number of Neoen employees. The growth rate does not take into account new employees following disposals, merger and acquisition.

Number of training hours

Total number of training hours completed during the year. Internal and external training (including e-learning) for all permanent and fixed-term employees is included.

Number of new hires in the total workforce

Number of new hires (permanent and fixed-term contracts) in the Group during year N (excluding Group mobility).

Percentage of employees trained during the year

The percentage of employees trained corresponds to the number of employees having received at least one training course, including e-learning, out of the average workforce.

Attrition rate

Number of departures of employees with permanent contracts in the Group during the year, based on the permanent workforce as of December 31 of the previous year (x100). Mobility between countries is not included.

Percentage of employees trained in anti-corruption and compliance training

Number of employees on permanent or fixed-term contracts who received anti-corruption training during year N and the previous year divided by the number of employees present on December 31 of year N.

Employees who have left are not included in the number of employees trained or in the workforce as of December 31 of year N.

Percentage of exposed employees who have had additional anti-corruption training

Number of employees on permanent or fixed-term contracts among the population at risk who have taken anti-corruption training in years N, N-1, N-2, divided by the number of employees considered to be at risk on September 30 of year N.

Employees who left the company are not taken into account neither in the number of employees trained nor in the workforce on September 30 of year N.

The population at risk corresponds to employees involved in the development and construction of projects in all countries (except Europe and Australia) as well as employees in charge of finance, purchasing, legal and insurance in all countries.

Social dialogue

Regarding labour relations, the Company and the Group's subsidiaries are subject to different legal and regulatory requirements in terms of employee representation, depending on the country in which they are located. Neoen complies with local obligations regarding employee representation and union representation. For example, in France, employee representation is provided by the Social and Economic Council (CSE). The members of the CSE meet with the employer every two months.

Lost Time Injury Frequency Rate (LTIFR)

This is the number of lost-time accidents (each event resulting in more than one day's absence from work is counted) per million hours worked by Neoen's employees but also by its contractors during their work on Neoen's sites. Commuting accidents or accidents not related to work are not considered in this indicator.

Number of Lost Time Injury

These are accidents resulting in more than one day of absence from work. The scope covered includes the activities carried out by Neoen or its contractors. The published indicator covers the year 2022. Commuting or non-work related accidents are not considered in this indicator.

High Potential Event

Any incident or near miss that could otherwise have resulted in one or more fatalities. The scope covered includes the activities carried out by Neoen or its contractors. The published indicator covers the year 2022.

Number of near-miss

This is the number of events that did not result in physical or environmental injury or damage, but had the potential to do so under other circumstances. The scope covered includes the activities carried out by Neoen or its contractors. The published indicator covers the year 2022.

Percentage of sites under construction that have undergone an HSE audit

Percentage of sites under construction that have undergone an HSE audit, including audits by our Owner Engineers, the Corporate HSES Manager and third parties.

Environmental information

Avoided CO2 emissions

Avoided CO2 emissions are equal to the difference between the emissions generated by the renewable electricity production of operating plants and the emissions of a benchmark scenario that would have occurred in the absence of such production. Neoen calculates its emissions according to the EIB methodology (production in kWh x rate of CO2 avoided per kWh) and had a critical review of this methodology carried out in 2021 by the company Carbone 4.

Carbon footprint of the Neoen Group (Scopes 1, 2 and 3)

For the first time in 2021, Neoen commissioned the consultancy firm Carbone 4 to calculate its carbon footprint for its 2020 activities, covering scopes 1, 2 and 3. The calculation method is based on the principles of the ISO 14069 standard and integrates two methodologies: the Greenhouse Gas protocol and the Carbon Footprint method. The emission factors can be taken from the ADEME Carbon Database, calculated by Carbone 4 based on information provided by Neoen or taken from the databases of Carbone 4.

Percentage of projects in operation, that have had an environmental impact assessment

Percentage of projects in operation that are officially recorded in the portfolio of projects reported by Neoen's management, over the past year, that have had an environmental impact study before the start of construction.

Sum of MW covered by a recycling clause under new or renegotiated contracts

Total capacity (MW) of suppliers contracts, new or newly renegotiated, in which a recycling clause has been included.

The scope includes solar and storage technologies, in all geographical areas of Neoen (with the exception of France for solar technologies).

Societal information

Share of Tier-1 contractors

Neoen only works with Tier 1 suppliers for the main equipments of its power plants (modules, inverters, wind generators and battery cells). This classification is established by reference third parties, such as BNEF (Bloomberg) for solar panels or batteries and Wood Mackenzie for inverters or wind turbine suppliers, to name only the best-known.

Tax transparency

Neoen has adopted tax rules applicable to all countries and takes into account the ethical rules of the Group. As an international group, Neoen pays taxes and duties in the countries where it operates. Neoen applies the tax rules rigorously and ensures that it complies with local regulations, international treaties and the directives of international organisations. Neoen only has establishments abroad in order to develop its activities or to meet operational requirements.

Percentage of projects in operation that have been subject to a consultation

Number of public consultation actions (public meetings, open houses) for projects in operation (officially recorded in the portfolio of projects by the management of Neoen) over the past year.

Exclusions

Given the Group's activity, Neoen has not detailed the following topics, as they are considered immaterial in the context of its activity:

- the fight against food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food;
- actions for sport and physical activity.

External verification

The quantitative and qualitative data provided in this report have been externally verified by RSM, appointed as an independent third-party body and the Company's statutory auditor. For the information considered to be the most important, tests of details have been carried out.

5.8 REPORT OF THE INDEPENDENT THIRD-PARTY BODY

NEOEN

Report of one of the statutory auditors, designated as an independent third party, on the consolidated statement of non-financial performance.

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

(Year ended December 31, 2022)

To the General Assembly,

In our capacity as statutory auditors of your company (hereinafter "entity") designated as an independent third party organisation ("third party"), we have carried out work designed to provide a reasoned opinion expressing a conclusion of moderate assurance on the information of a historical or extrapolated nature in the consolidated extra-financial performance statement prepared in accordance with the entity's procedures (here in after the "Reporting Criteria"), for the year ended December 31, 2022 (here in after the "Information" and the "Statement" respectively), presented in the Group's management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Preparation of the extra-financial performance declaration

The absence of a generally accepted and commonly used framework or established practice on which to base the evaluation and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of information related to the Declaration

The Information may be subject to inherent uncertainty given the state of scientific knowledge and the quality of the external public data used (e.g., greenhouse gas emission factors, sectoral climate trajectories, etc.). Some information is sensitive to the methodological choices, assumptions and/or estimates used to establish it and presented in the Statement, (e.g., the reporting scope, extrapolations made on energy consumption, scope 3 greenhouse gases reported, etc.).

Responsibility of the entity

It is the responsibility of the Executive Committee:

- to select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators;
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the entity's Baseline as described above.

Responsibility of the auditor appointed as an independent third-party body

It is our responsibility, based on our work, to express a reasoned opinion with a moderate level of assurance on:

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions relating to the main risks, hereinafter referred to as the "Information";

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements in particular with regard to the due diligence plane and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

We conducted the work described below in accordance with the provisions of Articles A. 225-1 and of the French Commercial Code, with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this work.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Nature and scope of work

We planned and performed our work considering the risks of material misstatement of the Information.

We believe that the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance.

We conducted our work in accordance with an audit program and related specified audit requirements.

- we have examined the activities of all the entities included in the scope of consolidation and the description of the main risks;
- we assessed the appropriateness of the Reporting Criteria with regard to its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, good industry practices;
- we have verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 with regard to social and environmental matters, as well as respect for human rights and the fight against corruption and tax evasion;
- we have verified that the Declaration presents the information required by II of Article R. 225-105 when it is relevant to the main risks and includes an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;

- we have verified that the Statement presents the business model and a description of the principal risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators relating to the principal risks;
- we consulted documentary sources and conducted interviews to:
 - assess the selection and validation process of the main risks and the consistency of the results, including the key performance indicators, with the main risks and policies presented, and
 - corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1. For certain risks, our work was performed at the level of the consolidating entity; for other risks, work was performed at the level of the consolidating entity and in a selection of entities;
- we have verified that the Declaration covers the consolidated perimeter, i.e., all the entities included in the consolidation perimeter in accordance with Article L. 233-16;
- we have examined the internal control and risk management procedures implemented by the entity and have assessed the collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1, we performed:
 - analytical procedures consisting of verifying the correct consolidation of the data collected and the consistency of changes in the data;
 - detailed tests on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities, namely the French and International subsidiaries, and covered between 45% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures performed as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC); a higher level of assurance would have required more extensive verification work.

Means and resources

Our work mobilised the skills of two people and took place between January 2023 and February 2023 over a total intervention period of two weeks.

We called upon our specialists in sustainable development and social responsibility to assist us in our work. We conducted 10 interviews with the people responsible for the preparation of the Declaration.

Conclusion

Based on the procedures we performed, as described in the “Nature and scope of our work” section, and on the information we obtained, nothing has come to our attention that causes us to believe that the non-financial performance statement is not in compliance with the applicable regulations and that the information, taken as a whole, is presented fairly, in accordance with the Standards.

Paris, 03/01/2023

The Statutory Auditor appointed Independent Third-Party Organisation

RSM Paris
Martine Leconte

Director of the CSR Department
Partner

5.9 VIGILANCE PLAN

As of the date of this document, given the number of employees, the Group is not required to prepare a vigilance plan as provided for in Article L. 225-102-4 of the French Commercial Code.

5.10 CROSS-REFERENCE TABLE FOR THE NON-FINANCIAL PERFORMANCE STATEMENT

Required information	Chapter / Section
ELEMENTS OF THE 2022 NON-FINANCIAL PERFORMANCE STATEMENT	
Presentation of the business model	
Main activities of the company: key figures, organisation and governance	Chapter 0. Our mission ; Our expertise ; A multi-local player; Key figures; Governance
Description of the business model	Chapter 0. Our expertise
Strategy: outlook and objectives	Chapter 0. Our ambition for 2025
Presentation of the main non-financial risks related to the company's business	3.1 and 5.2
Description of the policies applied by the company, results and performance indicators	
Risks associated with ethics and corruption	5.3.1
Risks relating to suppliers and contractors whose practices are contrary to human rights	5.3.2
Risks associated with the capacity to retain executives and key employees	5.3.3
Risks related to the health and safety of employees and subcontractors	5.4.1
Risks associated with local opposition to the construction of a facility	5.5.1
Other topics and information mentioned in article L.225-102-1	
Impacts of the activity in terms of respect for human rights	5.3.1 and 5.3.2
Impacts of the activity on the fight against corruption	5.3.1
How the company takes into account the risk of tax evasion	5.7
Climate change	5.3.5
Circular economy	5.4.3
Fight against food waste, fight against food insecurity, respect for animal welfare and fair and sustainable food	N/A
Collective bargaining agreements and impacts	5.3
Fight against discrimination, promotion of diversity and measures regarding employment and integration of disabled people	5.3.4
Social commitments	5.5.1 and 5.5.2
Actions to promote physical activity and sport	N/A

6



CORPORATE GOVERNANCE REPORT

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This chapter constitutes the corporate governance report referred to in Article L. 225-37 of the French Commercial Code.

In this chapter, “Company”, “Neoen S.A.” or “Neoen” refers to the limited company Neoen.

It reports in particular on (i) the composition, conditions for preparing and organising the work of the Board of Directors and its committees and gender balance, (ii) the Corporate Governance Code to which the company refers and (iii) remunerations for corporate officers.

This report was prepared by a working group including inter alios the Legal Department, the Human Resources Department and the Finance Department.

This report was reviewed by the Governance and CSR¹ Committee at its meeting on February 17, 2023, and approved by the Board of Directors on February 28, 2023. It will be presented to the shareholders at the next general shareholders' meeting on May 10, 2023.

6.1 STATE OF GOVERNANCE

The Company is a limited company with a Board of Directors since September 12, 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”). In this chapter, the numbering of the recommendations of the AFEP/MEDEF Code is that of the revised version of December 20, 2022.

6.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

As of February 28, 2023, the date on which the report on corporate governance was prepared by the Board of Directors, it is composed of seven members and an observer. The composition of the Board of Directors is described in the tables below.

There was no change in the composition of the Board during the 2022 financial year or between the end of this financial year and February 28, 2023.

The terms of office of Mr. Xavier Barbaro and Sixto were renewed by the general shareholders' meeting of May 25, 2022, for a period of respectively four and three years.

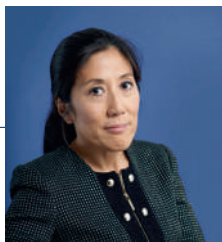
¹ At its meeting of March 14, 2022, the Board of Directors decided to broaden the responsibilities of the Nomination and Compensation Committee to include social and environmental matters, and consequently to change its name to Governance and CSR Committee.



THE BOARD OF DIRECTORS IS COMPOSED OF SEVEN MEMBERS AND AN OBSERVER:



**XAVIER
BARBARO**
President and CEO



**HELEN LEE
BOUYGUES**
Lead Director



FSP⁽¹⁾
*Represented by
Christophe Gégout*
Director



SIXTO
*Represented by
Bertrand Dumazy*
Director



**BPIFRANCE
INVESTISSEMENT**
*Represented by
Vanessa Giraud*
Director



**STÉPHANIE
LEVAN**
Director



**SIMON
VEYRAT**
Director



**JACQUES
VEYRAT**
Observer



- Independent Director
- Audit Committee
- Governance and CSR Committee
- P** President of Committee

Independent
Directors⁽²⁾
42%

Gender Diversity
in the Board of
Directors⁽²⁾

42%
 58%

Average age of
Directors⁽²⁾
46 years

(1) Fonds Stratégique de Participations

(2) These ratios exclude the observer

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

XAVIER BARBARO

Chairman and Chief Executive Officer**Business address:**

22 rue Bayard - 75008 Paris

Age: 47 years**Nationality:** French**Date of expiry of term of office:**

General shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year

Number of Company shares held:1,709,807⁽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 is a graduate of the École Polytechnique, the 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⁽²⁾

- Chairman and Chief Executive Officer of Neoen S.A.*⁽³⁾
- Chairman of Cartusia S.A.S
- Manager of the non-trading company Axholme
- Manager of the non-trading company Casara

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD⁽⁴⁾

- None

(1) Number of shares held directly or indirectly (via Cartusia) by Xavier Barbaro and his family members.

(2) Xavier Barbaro holds positions in certain Group's European subsidiaries.

(3) Main office held by Xavier Barbaro as of the date of this document.

(4) Xavier Barbaro has held positions in certain Group subsidiaries.

* French listed company

INDEPENDENT DIRECTORS

HELEN LEE BOUYGUES

**Independent Director
Lead Director****Business address:**

184 avenue Victor Hugo - 75116 Paris

Age: 50 years**Nationality:** American**Date of expiry of term of office:**

General shareholders' meeting to be held in 2025 to approve the financial statements for the previous financial year

Number of Company shares held:

1,632

Helen Lee Bouygues began her career in 1995 with 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. She was then 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. She 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

- President of LB Associés⁽¹⁾
- Independent Director, Lead Director and member of the Audit Committee and member of the Governance and CSR Committee of Neoen S.A.*
- Chairwoman of the Board of Directors of Conforama S.A.
- Member of the Board of Directors and the Audit and Remuneration Committee of Burelle S.A.*
- Member of the Board of Directors and the Audit and Remuneration Committee of Latécoère S.A.*
- Member of the Board of Directors and the Audit Committee of Fives S.A.S
- Governor and Chairwoman of the Finance Committee of the American Hospital (Association)
- Member of the Board of Directors and the Audit Committee and the Investment Committee of CGG S.A.*
- Member of the Supervisory Board of Arvella Investments S.A.S
- Member of the Board of Directors and the Audit Committee and the IT Strategy Committee of Guarantee Trust Holding Company PLC

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 Novartex S.A.S

(1) Main office held by Helen Lee Bouygues as of the date of this document.

* French listed company

FONDS STRATEGIQUE DE PARTICIPATIONS (FSP)⁽¹⁾

Represented by Christophe Gégout, Independent Director

Business address:

20 rue Royale - 75008 Paris

Age: 46 years

Nationality: French

Date of expiry of term of office:

General shareholders' meeting to be held in 2024 to approve the financial statements for the previous financial year

Number of Company shares held⁽²⁾:

6,970,447

Christophe Gégout began his career in 2001 in the General Directorate of the French Treasury and then, from 2003, in the Budget Department. In 2007, he became an advisor to the Ministry 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 the CEA, since January 2010. In 2018, he became the new President of the Alliance Nationale de Coordination de la Recherche pour l'Énergie (Ancre), and then Senior Investment Director at Meridiam, a global leader in public infrastructure investment and asset management serving the community.

He is now a partner and Chief Executive Officer of Yotta Capital Partners S.A.S. He 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

Offices and positions held by Christophe Gégout

- Partner - Chief Executive Officer of Yotta Capital Partners S.A.S.⁽³⁾
- Permanent representative of the FSP as Director and Chairman of the Audit Committee of Neoen S.A.*
- Member of the Board of Directors and Chairman of the Audit Committee of Soitec S.A.*

Positions and offices held by FSP

- Member of the Board of Directors and Chairman of the Audit Committee of Neoen S.A.*
- Member of the Board of Directors of SEB S.A.*
- Member of the Board of Directors of Arkema S.A.*
- Member of the Board of Directors of Eutelsat Communications S.A.*
- Member of the Supervisory Board of Tikehau Capital SCA*
- Member of the Board of Directors of Tikehau Capital Advisor S.A.
- Member of the Board of Directors of Elio S.A.*
- Member of the Board of Directors of Valeo S.A.*
- Member of the Board of Directors of Believe S.A.*
- Member of the Board of Directors of Soitec S.A.*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

Offices and positions held by Christophe Gégout

- Assistant Director General of the French Alternative Energies and Atomic Energy Commission (CEA)
- Chairman of the Board of Directors of CEA Investissement
- Member of the Supervisory Board of Supernova Invest
- Member of the Board of Directors of Séché environnement
- Permanent representative of CEA, Director of FT1CI
- Permanent representative of CEA Investissement, observer of the Supervisory Board of Kalray*
- Member of the Board of Directors of Allego BV
- Member of the Board of Directors of Zodiac Aerospace S.A.

Positions and offices held by FSP

- Member of the Board of Directors of Safran S.A.*
- Member of the Board of Directors of Zodiac Aerospace S.A.*

(1) For more information on the Fonds Stratégique de Participations (FSP), the reader is invited to refer to paragraph 7.3.1 "Breakdown of share capital and voting rights" of this document.

(2) The Fonds Stratégique de Participations, of which Christophe Gégout is the permanent representative, is a shareholder in the Company (refer to section 7.3 "shareholding structure" of this document).

(3) Main office held by Christophe Gégout as of the date of this document.

* French listed company

SIXTO⁽¹⁾

Represented by Bertrand Dumazy, Independent Director

Business address:

14/16 boulevard Garibaldi - 92130 Issy les Moulineaux

Age: 51 years

Nationality: French

Date of expiry of term of office:

General shareholders' meeting to be held in 2025 to approve the financial statements for the previous financial year

Number of Company shares held:

1,350

Bertrand Dumazy is a graduate of ESCP Europe and holds an MBA (with distinction) from Harvard Business School. He began his career in 1994 as a consultant with Bain & Company, first in Paris and later in Los Angeles. He then became Investment Director at BC Partners in 1999. In 2002 he joined the Neopost group, where he was Director of marketing and strategy. He was appointed Chairman and CEO of Neopost France in 2005 and then Chief Financial Officer of the group in 2008. In 2011, he was appointed CEO of the Deutsch group, a world leader in high performance connectors, a position he held until the group was acquired by TE Connectivity. In 2012, he joined the Materis group as Executive Vice President and then CEO and eventually Chairman and CEO of the renamed Cromology Group. He was appointed CEO of the Edenred group in October 2015.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

Offices and positions held by Bertrand Dumazy

- Chairman and Chief Executive Officer of Edenred SE⁽²⁾
- Permanent representative of Sixto on the Board of Directors and Chairman of the Governance and CSR Committee of Neoen S.A.*
- Independent Director on the Board of Directors of and member of the Nominations and Governance Committee of Air liquide S.A.*

Positions and offices held by Sixto

- Member of the Board of Directors and Chairman of the Governance and CSR Committee of Neoen S.A.*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

Offices and positions held by Bertrand Dumazy

- Chairman of PWCE Participations S.A.S (a company of the Edenred group)
- Chairman of the Supervisory Board of Union Tank Exkstein GmbH & Co. KG (Germany - Edenred group company)

Offices of Sixto

- Member of the Board of Directors of Terreal Holding S.A.S

(1) Sixto is a company specialised in the business consulting sector, including strategy, management and investment consulting.

(2) Main office held by Bertrand Dumazy as of the date of this document.

* French listed company

DIRECTORS

BPIFRANCE INVESTISSEMENT⁽¹⁾

Represented by Vanessa Giraud, Director

Business address:

6/8 boulevard Haussmann - 75009 Paris

Age: 49 years

Nationality: French

Date of expiry of the position:

General shareholders' meeting to be held in 2025 to approve the financial statements for the previous financial year

Number of Company shares held⁽²⁾:

5,030,869

Vanessa Giraud started her career in 1996 in the international banking sector (Société Générale in Germany and then General Inspection of Crédit Agricole Indosuez), before continuing in strategy consulting for Arthur D. Little in 2001 (Telecom/Internet/Media/Electronics, Pharma, Oil & Gas practices). Vanessa joined Caisse des Dépôts' private equity division in 2004 and then Bpifrance in 2013. She is currently Director of the Environmental Impact Funds Unit and the Director of Strategy & ESG of the Private Equity Division. Vanessa is a graduate of HEC, holds a certificate as a company Director from the French Institute of Directors (IFA), and is a Knight of the Order of Agricultural Merit.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT

Positions and offices held by Vanessa Giraud

- Director of the Environmental Impact Funds Unit and Director of Strategy & ESG of the Private Equity Department at Bpifrance Investissement⁽³⁾
- Permanent representative of Bpifrance Investissement on the Board of Directors of Neoen S.A.*
- Member of the Monitoring Committee of Malvaux Group S.A.S
- Observer of the Strategic Committee of Mobililix S.A.S

Offices and positions of Bpifrance Investissement

- Member of the Board of Directors of Neoen S.A.*
- Member of the Board of Directors of Abéo S.A.*
- Member of the Board of Directors of Adocia S.A.*
- Member of the Board of Directors of Advicenne Pharma S.A.*
- Member of the Board of Directors of Arkema S.A.*
- Member of the Board of Directors of Balyo S.A.*
- Member of the Board of Directors of Beneteau S.A.*
- Member of the Board of Directors of Euroapi S.A.*
- Member of the Board of Directors of Eutelsat Communications S.A.*
- Member of the Board of Directors of Fermentalg S.A.*
- Member of the Board of Directors of Forsee Power S.A.*
- Observer of the Board of Directors of Getaround S.A.*
- Member of the Supervisory Board of Kalray S.A.*
- Observer of the Board of Directors of Maat Pharma S.A.*
- Member of the Board of Directors of McPhy Energy S.A.*
- Member of the Board of Directors of Mersen S.A.*
- Member of the Board of Directors of Metabolic Explorer S.A.*
- Member of the Board of Directors of Nacon S.A.*
- Member of the Board of Directors of Seb S.A.*
- Member of the Board of Directors of Sensorion S.A.*
- Member of the Board of Directors of SPIE S.A.*
- Observer of the Board of Directors of Teraet S.A.*
- Member of the Board of Directors of Verallia S.A.*
- Member of the Board of Directors of Villmorin & Cie S.A.*
- Member of the Board of Directors of Vantiva S.A.*
- Observer of the Board of Directors of Voyageurs du Monde S.A.*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

Positions and offices held by Vanessa Giraud

- Permanent representative of Bpifrance Investissement at the Supervisory Board of Bois et Sciages de Sougy S.A.
- Permanent representative of Bpifrance Investissement on the Board of Directors of Josso S.A.
- Permanent representative of Bpifrance Investissement on the Board of Directors of EO2 S.A.
- Permanent representative of Bpifrance Investissement and Chairman of the Strategic Committee of Palettes Gestion Services S.A.S
- Permanent representative of Bpifrance Investissement on the Strategic Committee of Scierie de Savoie Lapiere & Martin S.A.S
- Permanent representative of Bpifrance Investissement on the Monitoring Committee of G.M.I - Groupe Millet Industrie S.A.S
- Permanent representative of Bpifrance Investissement on the Supervisory Committee of Trainvest S.A.S
- Permanent representative of Bpifrance Investissement on the Sirail S.A.S Group Committee
- Permanent representative of Bpifrance Investissement on the Monitoring Committee of Interior Rail S.A.S
- Permanent representative of Bpifrance Investissement on the Strategic orientation of Syntony S.A.S

Offices and positions of Bpifrance Investissement

- Member of the Board of Directors of Albioma S.A.
- Member of the Board of Directors of Bastide le Confort Médical S.A.
- Member of the Board of Directors of EOS Imaging S.A.
- Observer of the Board of Directors of Gensight Biologics S.A.
- Member of the Board of Directors of Lysogène S.A.
- Member of the Board of Directors of Pixium Vision S.A.
- Observer of the Board of Directors of Poxel S.A.
- Member of the Board of Directors of Supersonic Imagine S.A.
- Member of the Board of Directors of Txcell S.A.
- Member of the Supervisory Board of Vergnet S.A.

(1) For more information on Bpifrance Investissement, please refer to paragraph 7.3.1 "Breakdown of share capital and voting rights" of this document.

(2) Bpifrance Investissement, of which Vanessa Giraud has been a permanent representative since September 22, 2021, in replacement of Mrs. Céline André, is a shareholder in the Company, through the FPCI Fonds ETI 2020 (refer to section 7.3 "shareholding structure" of this document).

(3) Main office held by Vanessa Giraud as of the date of this document.

(4) As the fund manager of a large portfolio of investments, the list of Bpifrance Investissement mandates presented above includes only those held in listed companies.

* French listed company

STÉPHANIE LEVAN

Director**Business address:**

4 rue Euler - 75008 Paris

Age: 51 years

Nationality: French

**Date of expiry
of term of office:**

General shareholders' meeting to be held in 2023 to approve the financial statements for the previous financial year

Number of Company shares held:

1,091

Stéphanie Levan began her career at Ernst & Young where she conducted audit and consulting assignments for five years with several listed French and foreign companies. She then joined the Plastic Omnium Group, an automotive equipment manufacturer and specialist in urban waste collection and management, 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 group (formerly Louis Dreyfus S.A.S). Her role in the consolidation department of the Louis Dreyfus group and then of the Impala group has given her a thorough understanding of the Group since the creation of the Company in 2008. Stéphanie Levan is a graduate of the EDHEC and is a certified public accountant.

**POSITIONS AND OFFICES HELD AS
OF THE DATE OF THE DOCUMENT**

- Chief Financial Officer of Impala SAS⁽¹⁾
- Director and member of the Audit Committee of Neoen S.A.*

**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*

(1) Main office held by Stéphanie Levan as of the date of this document.

* French listed company

SIMON VEYRAT

Director**Business address:**

4 rue Euler - 75008 Paris

Age: 32 years

Nationality: French

**Date of expiry
of term of office:**

General shareholders' meeting to be held in 2024 to approve the financial statements for the previous financial year

Number of Company shares held⁽¹⁾:

0

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. He is a graduate of the École des Hautes Etudes Commerciales de Paris (HEC Paris) in business management and law. He also holds a degree in business law and taxation from Sorbonne Paris 1 University, 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**

- Business manager at the Impala Group⁽²⁾
- Director of Neoen S.A.*
- Chairman of Clapioca S.A.S

**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.

(2) Main office held by Simon Veyrat as of the date of this document.

* French listed company

6.1.2 OBSERVER OF THE BOARD OF DIRECTORS

The Board of Directors may appoint observers. In particular, the Board of Directors ensures that observers are aware of the regulations relating to market abuse, and more specifically the rules on abstention, use and disclosure of inside information.

Observers are invited to attend and may be consulted by the Board of Directors as observers. The Board of Directors may entrust specific missions to observers; they may be part of and chair - subject to compliance with the recommendations of the AFEP/MEDEF Code and the Board of Directors' internal regulations, in particular with regard to independence requirements - committees created by the Board of Directors (with the exception of the Audit Committee).

Any remuneration of observers is set by the Board of Directors. The Board of Directors may decide to pay observers a share of the total annual remuneration allocated to it by the general shareholders' meeting and authorise the reimbursement of expenses incurred by observers in the interest of the Company.

JACQUES VEYRAT

Observer⁽¹⁾

Business address:

4 rue Euler - 75008 Paris

Age: 60 years

Nationality: French

Date of expiry of term of office:

General shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year

Number of Company shares held⁽²⁾:

0

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 Chairman of Impala SAS. He is a graduate of 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⁽³⁾
- Observer and member of the Governance and CSR Committee of Neoen S.A.*
- Chairman of the Board of Directors of Fnac-Darty S.A.*
- Director of GBL (Groupe Bruxelles Lambert)**
- Director of Iliad S.A.*
- Observer of the Supervisory Board of Louis Dreyfus Armateurs S.A.S

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- Member of the Supervisory Board of Eurazeo SE*
- Director of Direct Energie S.A.*
- Director of ID Logistics Group S.A.
- Director of Imerys S.A.*
- Director of HSBC France S.A.
- Member of the Supervisory Board of Sucres et Denrées S.A.
- Director of Nexity S.A.*
- Observer of the Board of Directors of ID Logistics Group S.A.*

(1) Mr. Jacques Veyrat was appointed as an observer by the Board of Directors on September 12, 2018. His term of office as observer was renewed for a period of four years at the Board of Directors' meeting of March 14, 2022, on the proposal of the Governance and CSR Committee.

(2) Jacques Veyrat controls Impala SAS, which is the Company's reference shareholder.

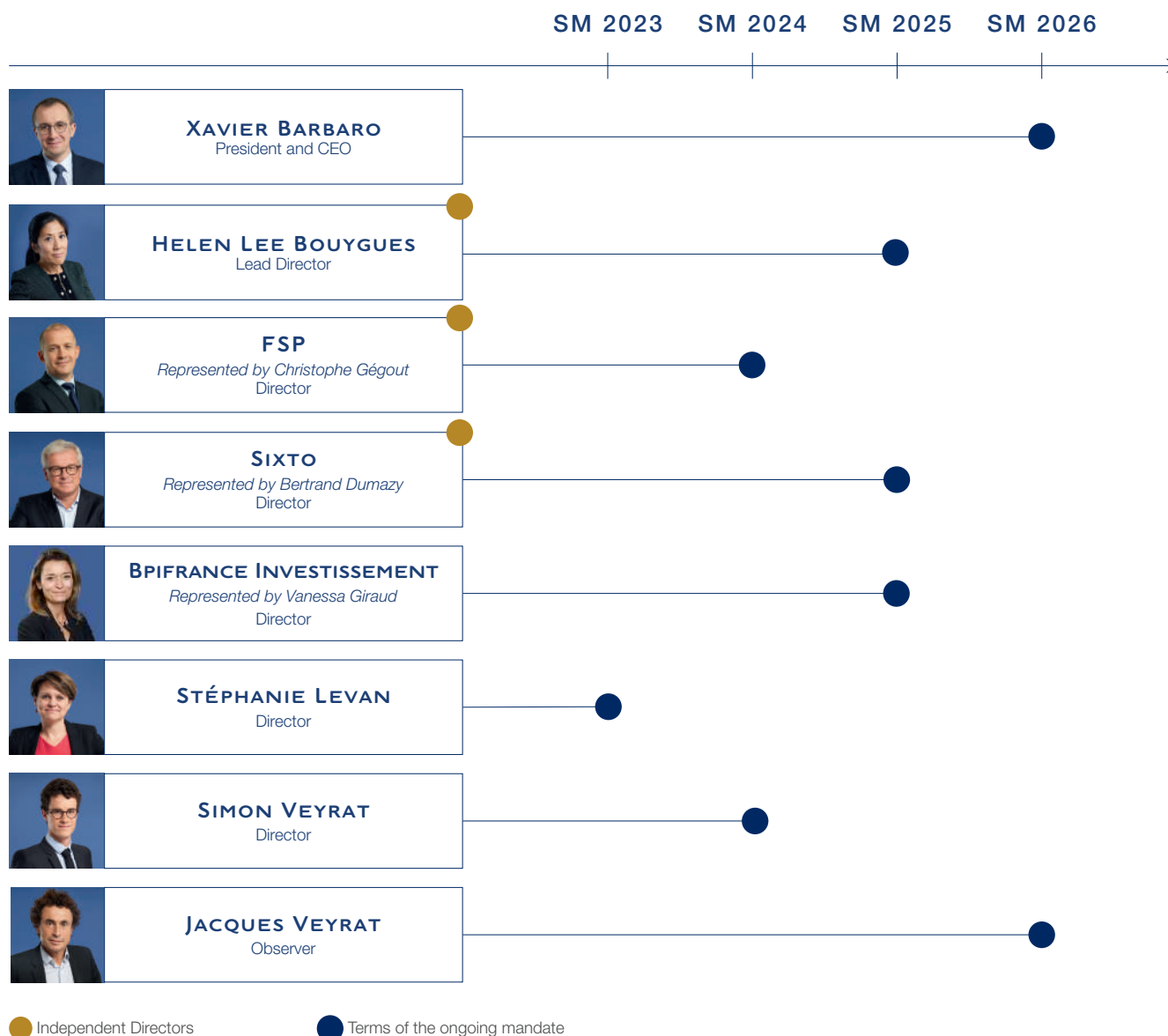
(3) Main office held by Jacques Veyrat as of the date of this document.

* French listed company

** Belgian company listed on Euronext Brussels

6.1.3 RENEWAL OF TERMS OF OFFICE

Expiry of the terms of office of the Directors and the observer



	First appointment	Last renewal of office	Expiry of current office ⁽¹⁾
Xavier Barbaro Chairman and Chief Executive Officer	2018 SM	2022 SM	2026 SM
Helen Lee Bouygues Lead Director	2018 SM	2021 SM	2025 SM
FSP Represented by Christophe Gégout Director	2018 SM	2020 SM	2024 SM
Sixto Represented by Bertrand Dumazy Director	2018 SM	2022 SM	2025 SM
Bpifrance Investissement Represented by Vanessa Giraud Director	2018 SM	2021 SM	2025 SM
Stéphanie Levan Director	2018 SM	2019 SM	2023 SM
Simon Veyrat Director	2018 SM	2020 SM	2024 SM
Jacques Veyrat Observer	2018 Board of Directors	2022 Board of Directors	2026 SM

(1) The terms of office of the members of the Board of Directors expire at the end of the general shareholders' meeting to be held in the year indicated to approve the financial statements for the previous financial year.

Proposal to renew the term of office of Stéphanie Levan

Mrs. Stéphanie Levan's term of office as a Director expires at the end of the general shareholders' meeting to be held in 2023 to approve the financial statements for the previous financial year, i.e. at the next annual general shareholders' meeting.

The annual general shareholders' meeting will be asked to renew Stéphanie Levan's term of office as a Director for a period of four years expiring at the end of the general shareholders' meeting to be held in 2027 to approve the financial statements for the previous financial year.

It is specified that the Board of Directors of December 15, 2022, after consulting the Governance and CSR Committee, that Mrs Stéphanie Levan could not be qualified as independent with regard to the criteria of the AFEP/MEDEF Code to which the Company refers because of her appointment on the proposal of the reference shareholder Impala SAS.

Mrs. Stéphanie Levan is also a member of the Audit Committee. The Board of Directors, on the proposal of the Governance and CSR Committee, has decided to renew this function, subject to the condition precedent and with effect from the renewal of her Director's term of office as a Director, for a period coinciding with that of her term of office.

6.2 ORGANISATION OF CORPORATE GOVERNANCE

6.2.1 PRINCIPLES GOVERNING THE COMPOSITION AND OPERATION 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 general shareholders' meeting.

The proportion of Directors of each gender may not be less than 40% when the Board of Directors is composed of more than eight members. When the Board of Directors is composed of more than eight members, the difference between the number of Directors of each gender may not exceed two.

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 general shareholders' meeting sets 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 general meeting of shareholders 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 general 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 general meeting of shareholders 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, March 25, 2020, December 18, 2020, December 15, 2021, March 14, 2022 and December 15, 2022, internal regulations describing the composition, duties and rules governing its operation and those of the committees, in addition to the applicable legislative, regulatory and statutory provisions. It is posted on the Company's website, in the "investors - governance" section. It provides for the following clarifications.

(i) Participation in Board of Directors meetings by videoconference or any other means of communication - Written consultation of Directors

In accordance with the provisions of Article L. 225-37 of the French Commercial Code and Article 14.3 of the by-laws, the Board of Directors' internal regulations provide for the possibility for Directors to attend Board meetings by any means of videoconferencing or telecommunication that allows Directors to be identified and ensures their effective participation. These methods of participation 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 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.

In addition, in accordance with the provisions of Article L. 225-37 of the French Commercial Code, Article 14.3 of the by-laws and the Board of Directors' internal regulations, certain decisions of the Board of Directors (as provided for by the regulations) may be taken by written consultation.

(ii) Reserved matters of the Board of Directors

According to the terms of Article 15 of the by-laws, 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 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 €20,000,000 (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 €20,000,000;
- (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 authorised 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 tender 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 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 Governance and CSR 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 Governance and CSR Committee in assessing the Board of Directors' operation 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 Governance and CSR Committee, he/she 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 answering 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 Board of Directors' operation provided 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.

Review of the Lead Director's activity

During the past financial year, Helen Lee Bouygues, Lead Director and member of the Audit Committee and the Governance and CSR Committee, attended all meetings of the Board of Directors and its committees. She met regularly with the Chairman and Chief Executive Officer, including in advance of each meeting, to review the anticipated agendas and ensure that important issues were addressed. In addition, her main activities in financial year 2022 included:

- contributing to the preparation of the issue of green convertible bonds into and/or exchangeable for new or existing shares (OCEANes vertes) on September 7th, 2022;
- participating, alongside the Chairman and CEO, in meetings with members of the Executive Committee to discuss the Group's recruitment and talent retention strategy;
- leading and chairing the discussions of the Board meeting held without the presence of the executive officers (executive session) on September 23, 2022;
- reviewing the self-assessment of the Board of Directors' operation and its committees during the 2022 financial year.

In addition, Helen Lee Bouygues ensured that there were no situations of conflicts of interest among the members of the Board of Directors during this financial year.

Lastly, as part of this work, Helen Lee Bouygues considered that the governance bodies functioned satisfactorily during the 2022 financial year. Under these conditions, she did not consider it necessary to ask the Chairman and Chief Executive Officer to call a Board meeting to discuss a specific agenda.

6.2.1.3 CORPORATE GOVERNANCE CODE

The Company shall comply with the recommendations of the AFEP/MEDEF Code in its version prior to December 20, 2022, it being specified that the new recommendations issued from the revised version of this Code published on December 20, 2022, are applicable to the Company at the latest at the time of the general shareholders' meeting to be held in 2024 to approve the financial statements for the previous financial year, in accordance with the time application measures provided for in this latest revision.

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 Governance and CSR 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, and submit its opinions to the Board so it can examine the situation of each person in question with regard to these criteria"*.

In accordance with the AFEP/MEDEF Code, to which the Company adheres, and the Board of Directors' internal regulations (article 1.2), Directors who do not have any relationship with the Company, the 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 Governance and CSR 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, executive officer or Director or of the parent company, of a company or entity of the Group or of a company consolidated by the parent company, 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;
- may not be a significant customer, supplier, investment banker, corporate finance banker or advisor of the Company or its Group, or for which the Company or its Group represents a significant share of its business;
- may not have any close family relationship with an officer of the Company;
- may not have been, during the previous five years, the statutory auditor of the Company;
- 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 date of twelve years.

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 the group is significant must be discussed by the Board of Directors and the quantitative and qualitative criteria that lead to this assessment must be 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.

In addition, the AFEP/MEDEF Code specifies that a non-executive officer cannot be considered independent if he or she receives variable compensation in cash or securities or any compensation linked to the performance of the Company or the Group.

	Xavier Barbaro	Helen Lee Bouygues	FSP	Sixto	Bpifrance Investissement	Stéphanie Levan	Simon Veyrat
Criterion 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		●	●	●	●		
Criterion 2: Must not be an executive officer of a company where the Company holds a directorship	●	●	●	●	●	●	●
Criterion 3: Must not have significant business relationships with the Company	●	●	●	●		●	●
Criterion 4: Must not have a close family relationship with one of the Company's corporate officers	●	●	●	●	●	●	●
Criterion 5: Must not have been an auditor of the Company within the five past years	●	●	●	●	●	●	●
Criterion 6: Must not have been a director of the Company for more than twelve years	●	●	●	●	●	●	●
Criterion 7: Must not have received a significant compensation from the Company as a nonexecutive corporate officer		●	●	●	●	●	●
Criterion 8: Analysis by the Board of the status of the significant shareholder (>10% of the Company's capital) and of its representative director		●	●	●	●		
Independent Director	NO	YES	YES	YES	NO	NO	NO

● Independence Criterion satisfied

Pursuant to these criteria, the following persons were previously considered independent, on the occasion of the Company's IPO in October 2018 and at subsequent Board meetings, and in particular the meeting of December 15, 2022: Helen Lee Bouygues, Sixto represented by Bertrand Dumazy and the *Fonds Stratégique de Participations* (FSP) represented by Christophe Gégout because they each meet all the aforementioned independence criteria.

It is also specified that no Independent Director has a business relationship with the Company.

However, in view of the composition of the Company's capital, two Directors (Stéphanie Levan and Simon Veyrat) were not considered independent given that they were appointed on the proposal of the Company's reference shareholder, Impala SAS. Mr. Xavier Barbaro, who is the Chairman and Chief Executive Officer, was not considered independent because he is an executive officer of the Company.

Bpifrance Investissement's independence was reviewed in detail in December 2022 by the Governance and CSR Committee and the Board of Directors. As Bpifrance is one of the Group's lenders, this relationship does not allow Bpifrance Investissement to be considered an independent member of the Board of Directors at this time.

6.2.1.5 DIVERSITY POLICY APPLIED TO MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE, AND DIVERSITY POLICY IN THE 10% OF POSITIONS WITH THE GREATEST RESPONSIBILITY

Diversity within the Board of Directors and its committees

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 member.

At its meeting of December 15, 2021, the Board of Directors, acting on a proposal from the Governance and CSR Committee, approved the terms of the diversity policy applicable to Directors, assessed on the basis of a number of criteria set out below. At its meeting on December 15, 2022, it examined its implementation during the 2022 financial year and the results obtained during said financial year, from which the following elements emerge:

Criteria	Policy and objectives	Policy implementation and results in 2022
Gender balance	Gender balance on the Board and all committees Compliance with the legal requirement within the Board: when the Board of Directors has more than eight members, the difference between the number of Directors of each gender may not exceed two and the proportion of Directors of each gender may not be less than 40%	<u>Composition of the Board:</u> • 42% women • Difference of one between the number of members of each gender (it being specified that the legal requirement applicable in this matter is a maximum difference of two) <u>Composition of the committees:</u> • Audit Committee: 2/3 women • Governance and CSR Committee: 1/3 women • Difference of one between the number of members of each gender on each committee
Plurality of nationalities - International profiles	International experience of some of the Directors and/or presence of at least one Director of foreign nationality	International dimension of the Board with regard to the presence of: • Helen Lee Bouygues, a US citizen with international experience, • Bertrand Dumazy, who heads a group with a large international presence, and • Xavier Barbaro, Chairman and CEO of Neoen, who has previous professional experience abroad and is currently Chairman and Chief Executive Officer of the Group, which is present in 16 countries.
Independence	Minimum percentage of independent members on the Board and the committees: • Board of Directors: 1/3 • Audit Committee: 2/3 • Governance and CSR Committee: +50%	Representation of Independent Directors on the Board of Directors and the committees: • Board of Directors: 42% independent members • Audit Committee and Governance and CSR Committee: 2/3 independent members
Age	No more than one-third of the Directors may be aged over 70	No Director has reached the age of 70. The Directors are currently between 32 and 51 years old, with an average of 46 years.
Diversity of professional skills and experience	Promoting and maintaining a variety and complementarity of expertise and experience among the Directors, which allows them to quickly and thoroughly apprehend the Company's development challenges and to make well-considered, quality decision.	<u>Diversity of skills:</u> Some Directors have expertise in strategy, others in finance, international business, general management or more specific areas (ethics and compliance, CSR, digital). For further details, please refer to the table of "skills represented on the Board of Directors" below. <u>Diversity of work experience:</u> 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.

SKILLS REPRESENTED ON THE BOARD OF DIRECTORS

									
		Strategy	Finance	International	General Management	Energy	Ethics and compliance	CSR	Digital
Xavier Barbaro		✓		✓	✓	✓		✓	
Helen Lee Bouygues	● ●	✓	✓	✓	✓	✓	✓	✓	✓
FSP Represented by Christophe Gégout	●	✓	✓	✓	✓	✓	✓		
Sixto Represented by Bertrand Dumazy	●	✓	✓	✓	✓	✓	✓	✓	✓
Bpifrance Investissement Represented by Vanessa Giraud		✓	✓			✓	✓	✓	
Stéphanie Levan	●		✓				✓		
Simon Veyrat		✓	✓	✓	✓	✓			
Jacques Veyrat⁽¹⁾	●	✓	✓	✓	✓	✓			

● Audit Committee ● Governance and CSR Committee

(1) Mr. Jacques Veyrat is an observer of the Board of Directors

In light of the above, the Board of Directors of the Company, meeting on December 15, 2022, after having reviewed the conclusions of the Governance and CSR Committee, noted that all the objectives of the diversity policy had been achieved and would be monitored annually by the Governance and CSR Committee.

The monitoring and implementation of this diversity policy will be ensured in particular through the selection procedure for Directors, which includes all the criteria taken into account in connection with the diversity of the composition of the Board. These criteria will therefore be systematically examined when selecting candidates for the position of Director.

Gender balance on the Executive Committee

As an introduction, it is specified that the Company's management authority at the level of which gender diversity objectives are set in accordance with the AFEP/MEDEF Code is the Executive Committee of the Company.

The offices represented on the Company's Executive Committee are: Chairman and Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Counsel.

The representation of women on the Executive Committee remains at 20%, as in the previous year. The average is 22% in CAC 40 companies and 24% in SBF 120 companies.

However, given the Group's business sector and the predominantly engineering profile of the Executive Committee members, women are less represented in this labour market sector. As a result of these constraints, the Board of Directors, at its meeting of December 15, 2022, acting on a proposal from the Governance and CSR Committee, approved the objective of maintaining a minimum of 20% women on the Company's Executive Committee.

In addition, in the event of a vacancy on the Executive Committee to be filled by external recruitment, the Company will endeavour to have candidates of both sexes to maximise its chances of having a better gender balance on its Executive Committee. However, in the event of internal recruitment in accordance with the succession plan in place, there may not necessarily be any competition between male and female candidates.

Accordingly, the Board of Directors, meeting on December 15, 2022, after reviewing the conclusions of the Governance and CSR Committee, approved the gender diversity policy presented above.

The Company will continue to monitor the number of women on its Executive Committee and the profile of its members on an annual basis, with a view to complying with the aforementioned gender diversity policy in its management bodies.

Results in terms of gender diversity in the 10% of positions with the greatest responsibility

As of December 31, 2022, women accounted for 30.7% of the Group's total workforce (compared with 28.8% in 2021) and 27.8% of the 10% most senior positions (compared to 31% in 2021). The Group's growth is reflected in the workforce growth, which is more than 20% in 2022. This represents 125 hires, of which more than 50% internationally, particularly in engineering and project manager positions, where women are less represented in the labour market. The proportion of women in the Group is increasing in 2022, as well as the proportion of women in employees hired, which could lead to an increase in the proportion of women in management. Neoen's objective remains to exceed 32% of women within the Group.

The Group continues to deploy its efforts and also ensures that there is a satisfactory distribution of men and women and a wide diversity of backgrounds and nationalities (42 nationalities).

6.2.2 PRINCIPLES GOVERNING THE FUNCTIONING OF THE GOVERNANCE

6.2.2.1 METHOD OF GOVERNANCE

(i) Chairman and Chief Executive Officer

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. His term of office as Chairman and Chief Executive Officer was renewed for a period of four years at the end of the annual general shareholders' meeting on May 25, 2022.

Following the opinion of the Governance and CSR Committee, the Board of Directors concluded that not separating the functions of Chairman of the Board of Directors and Chief Executive Officer would ensure continuity with the separation of the powers between the statutory corporate bodies of the Company in its previous corporate 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.

As a reminder, Mr. Xavier Barbaro's term of office as a Director expired at the end of the general shareholders' meeting held in 2022 to approve the financial statements for the 2021 financial year. At this general shareholders' meeting, Mr. Xavier Barbaro was reappointed as a Director for a term of four years expiring at the end of the general shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year. It should also be noted that Mr. Xavier Barbaro was also Chairman and Chief Executive Officer of the Company and that his term of office also expired at the end of the general shareholders' meeting held in 2022 to approve the financial statements for the financial year 2021. The Board of Directors decided at its meeting of March 14, 2022, to reappoint by anticipation Mr. Xavier Barbaro as Chairman and Chief Executive Officer, subject to the condition precedent and with effect from the renewal of his term of office as Director, for a period coinciding with that of his term of office. The Board of Directors also decided to confirm the continuation of the combination of the functions of Chairman of the Board and Chief Executive Officer for the following reasons:

- the combination of functions will continue to ensure responsiveness, efficiency and agility in decision-making: the latter is very characteristic for decision-making within the Group and the "unity of command" would be perfectly consistent with the existing decision-making process within the Group;
- it also allows the Company to speak with one voice and to continue to benefit from a single point of contact and strong and consistent communication;
- the combination of the functions of Chairman of the Board and Chief Executive Officer also makes it possible to continue to maintain the trust and dialogue established between the Company's senior management and the Board of Directors, and thereby ensure consistency between strategy and operational function;
- this combination of functions is also justified in view of the recognised performance and qualities of the current Chairman and Chief Executive Officer.

Lastly, this combination of functions ensure continuity with the previous method of governance, which has proven to be effective in a group with 299 employees at the end of 2021.

Powers of the Chief Executive Officer (Article 16.2 of the by-laws)

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 by-laws 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 by-laws alone shall not in itself be sufficient proof thereof. Nevertheless, the Chief Executive Officer must obtain the prior approval of the Board of Directors for operations listed in paragraph 6.2.1.2 (ii) "Reserved matters of the Board of Directors" of this document.

(ii) Deputy Chief Executive Officer

Appointment of the Deputy Chief Executive Officer

On the 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. The maximum number of Deputy Chief Executive Officers is set at three.

At its meeting of April 17, 2019, on the proposal of the Chairman and Chief Executive Officer and after receiving the opinion of the Governance and CSR Committee, the Company's Board of Directors had decided to appoint Romain Desrousseaux as Deputy Chief Executive Officer.

The term of office of Mr. Romain Desrousseaux as Deputy Chief Executive Officer was renewed at the Board of Directors' meeting of March 14, 2022, on the proposal of the Governance and CSR Committee, for a term coinciding with that of the Chairman and Chief Executive Officer. The renewal of Mr. Romain Desrousseaux's term of office took effect at the end of the annual general shareholders' meeting of May 25, 2022.

ROMAIN DESROUSSEAUX

Deputy Chief Executive Officer

Business address:

22 rue Bayard - 75008 Paris

Age: 47 years

Nationality: French

Date of expiry of term of office:

General shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year

Number of Company shares held:

504,493⁽¹⁾

Romain Desrousseaux is Deputy Chief Executive Officer of Neoen and his main responsibility is to ensure the implementation of the Group's strategy and to support its international development accordingly. He 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.

POSITIONS AND OFFICES HELD AS OF THE DATE OF THE DOCUMENT⁽²⁾

- Deputy Chief Executive Officer of Neoen S.A.*

POSITIONS AND OFFICES HELD DURING THE LAST FIVE YEARS THAT ARE NO LONGER HELD

- None

(1) Number of shares held by Romain Desrousseaux and his family members.

(2) Romain Desrousseaux holds offices in certain Group's foreign subsidiaries.

* French listed company

Powers of the Deputy Chief Executive Officer (Article 16.3 of the by-laws)

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, the Deputy Chief Executive Officer and/or the Deputy Chief Executive Officers must obtain the prior approval of the Board of Directors for operations listed in paragraph 6.2.1.2 (ii) "Reserved matters of the Board of Directors" of this document.

(iii) Executive Committee

As of the date of the corporate governance report approved by the Board of Directors on February 28, 2023, the Executive Committee was comprised of five members:

Xavier Barbaro	Chairman and Chief Executive Officer
Romain Desrousseaux	Deputy Chief Executive Officer
Norbert Thouvenot	Group Chief Operating Officer
Louis-Mathieu Perrin	Chief Financial Officer
Olga Kharitonova	General Counsel

Xavier Barbaro's resume is presented in paragraph 6.1.1 of this document.

Romain Desrousseaux's resume is presented in paragraph 6.2.2.1 (ii) of this document.

Norbert Thouvenot began his career in 1991 at Alcatel as export project manager. In 1998, he joined Louis Dreyfus Communication (LDCOM) where he held various positions (construction, internet and data BU, etc.) before taking over the management of the operational activities of the residential sector. He then joined the Louis Dreyfus Commodities group in 2006 as global Director of industrial operations, procurement and health & safety. He joined Neoen in 2015 as Director of international operations. He was then appointed Group Chief Operating Officer in May 2021. He is a graduate of CentraleSupélec and holds an International Master in Management from EM Lyon.

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 (now CMS Francis Lefebvre). Admitted to the Paris bar in 2006, she then joined the Paris office of Cleary Gottlieb Steel & Hamilton LLP where she advised clients on complex international transactions. Olga Kharitonova joined Neoen in 2018 as the Group's General Counsel. 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.

(iv) Procedure for selecting Directors

The Company has a procedure for selecting new Directors. This procedure is intended to be used when a new member of the Board of Directors is to be appointed in addition to the members in office or to replace a member whose position has become vacant. This selection procedure is implemented by the Governance and CSR Committee. It is managed by the Lead Director, in conjunction with the Chairman of the Governance and CSR Committee.

The main steps in this process, after identifying the selection criteria and the profile sought, are a review of the applications by the Lead Director in conjunction with the Chairman of the Governance and CSR Committee, where appropriate, in light of the work carried out by an external recruitment firm and/or profiles proposed by the Directors, followed by an individual interview with the Governance and CSR Committee, which makes a recommendation to the Board of Directors. The final choice is made by the Board of Directors. If this procedure is implemented, a report will be presented in the corporate governance report for the corresponding year.

(v) Succession plan for corporate officers

Under Article 1 (i) of the Internal Rules of the Governance and CSR Committee, the Committee is required to prepare and maintain a succession plan for the members of the Board of Directors and for 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 February 28, 2023, the Board of Directors, after receiving the opinion of the Governance and CSR Committee, has examined this point and considered, in line with the already existing plan, the following:

- the Deputy Chief Executive Officer appointed by the Board would enable 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 would have 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 that arise when the time comes, 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 Lead Director appointed by the Board could, in turn, play the role of interim successor by immediately assuming the duties of Chairman of the Board of Directors in the event this 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 that may arise when the time comes, 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.

Following its review of this succession plan, the Board of Directors confirmed that said succession plan was still applicable.

With regard to the members of the Board of Directors on the recommendation of the Governance and CSR Committee, the Board of Directors decided at its meeting of February 28, 2023 to continue the process of identifying potential candidates to allow the Group to face an unforeseeable vacancy of a Director; however, it being recalled that three of the seven Directors are legal entities, for which the question of succession does not arise, with the exception of the Company Sixto.

Lastly, in order to ensure continuity of management in the event of an unforeseen vacancy of a member of the Executive Committee, at its meeting of February 28, 2023, the Board of Directors, on the recommendation of the Governance and CSR Committee, decided to maintain the succession plan for the other members of the Executive Committee already in force. This plan was implemented at the time of the departure of Paul-François Croisille by the Governance and CSR Committee, which appointed Norbert Thouvenot as his replacement.

6.2.2.2 RULES APPLICABLE TO THE OPERATION OF THE BOARD OF DIRECTORS

(i) Duties (internal regulations - Article 4.1)

The Board of Directors shall perform the responsibilities and exercise the powers attributed to it by law, the Company's by-laws, and the internal regulations of the Board of Directors 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 general 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 by-laws 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 current agreements entered into under normal conditions, the Board of Directors ensures that a meeting is held each year to re-examine the arms length nature of the continuing agreements. During the financial year, monitoring of current 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 and the reasons for considering it current.

(ii) Directors' competence and expertise (Articles 3.4 and 5 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.

The skills and experience of the members of the Board of Directors are also described in paragraphs 6.1.1 and 6.2.1.5 of this document.

In addition, each member of the Board of Directors may, at his or her request, receive additional training on the specific characteristics of the Company and the companies it controls, their businesses, their sectors of activity and their social and environmental responsibility issues.

(iii) Ethics (criminal record and bankruptcy, family links, conflicts of interest, service contracts)

Criminal record and bankruptcy

To the Company's knowledge, over the course of the last five years:

- none of the members of the Board of Directors or executive officers has been convicted of fraud;
- none of the members of the Board of Directors or corporate officer has been involved in any bankruptcies, receiverships, liquidations or companies put into administration;
- no official public censure and/or sanction has been issued against any member of the Board of Directors or any executive officer by any statutory or regulatory authorities (including any designated professional bodies);
- none of the members of the Board of Directors or executive officers has been disqualified by a court from serving as a member of a management or supervisory body of an issuer or from being involved in the management or conduct of an issuer's business.

Family links

As of the date of this document, and to the Company's knowledge, other than the family relationship between Jacques Veyrat (observer 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 3.3 of the Board of Directors' internal regulations, each member of the Board of Directors must inform the Board of Directors about any conflict of interest (even potential) and must refrain from taking part in the debate and vote in the corresponding deliberation.

As of the date of this document, and 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.

As of the date of this document, and 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 under which any member of the Board of Directors or an executive officer may have been appointed to the Board of Directors.

As of February 28, 2023, the date on which the Board of Directors prepared the corporate governance report, and to the Company's knowledge, the restrictions on the free disposal, within a certain period of time, of the Company's shares held by the members of the Board of Directors listed in paragraph 6.1.1 "composition of the Board of Directors" of this document or members of the Company's Executive Committee 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 (see section 6.3.4.3 concerning free share granted).

Service contracts

As of the date of this document, and to the Company's knowledge, no contract exists between members of the administrative or management bodies and the Company or any of its subsidiaries that provides for the granting of benefits under such a contract.

6.2.2.3 ASSESSMENT AND WORK OF THE BOARD OF DIRECTORS AND THE COMMITTEES

The individual attendance of the members of the Board of Directors at meetings of the Board of Directors and its committees held during financial year 2022 and the nature of their participation are presented in the table below:

	Board of Directors ⁽¹⁾			Audit Committee			Governance and CSR Committee		
Number of sessions/meetings	6			4			3		
Average duration	2h20			2h00			1h30		
Directors and observer	Average attendance rate	Nature of participation		Average attendance rate	Nature of participation		Average attendance rate	Nature of participation	
									
Xavier Barbaro	100%	5	1	-	-	-	-	-	-
Helen Lee Bouygues ●	100%	4	2	100%	3	1	100%	3	-
FSP ● <i>Represented by Christophe Gégout</i>	100%	5	1	100%	4	-	-	-	-
Sixto ● <i>Represented by Bertrand Dumazy</i>	100%	3	3	-	-	-	100%	2	1
Bpifrance Investissement <i>Represented by Vanessa Giraud</i>	100%	5	1	-	-	-	-	-	-
Stéphanie Levan	100%	5	1	100%	3	1	-	-	-
Simon Veyrat	100%	4	2	-	-	-	-	-	-
Jacques Veyrat ⁽²⁾	100%	5	1	-	-	-	100%	3	-
Average attendance rate	100% ⁽³⁾	-	-	100%	-	-	100%	-	-

● Independent Directors

 Face-to-face meetings

 Teleconference/videoconference meetings

(1) In accordance with recommendation 12.3 of the AFEP/MEDEF Code, which recommends that at least one annual meeting be held without the presence of executive officers, the members of the Board of Directors met on September 23, 2022, without the presence of the Chairman and Chief Executive Officer.

(2) Jacques Veyrat is an observer of the Board of Directors.

(3) Average attendance rate not taking into account the attendance of the observer.

(i) Assessment of the operation of the Board of Directors and the Committees

In accordance with recommendation 11 of the AFEP/MEDEF Code, the Board of Directors must conduct an assessment of its operation every year, and a formal assessment at least every three years. In accordance with the internal regulations, the Lead Director is responsible for assisting the Governance and CSR Committee in this regard.

During the assessment of the Board's operation in December 2021, the following areas for improvement were mentioned:

- strengthening the Board's vigilance with regard to (i) growth objectives and (ii) risk assessment;
- strengthening the Board's knowledge of the Group's competitors, their strategy and their performance;
- improving knowledge of the senior management team, in particular by organising off-site meetings to meet the management team of a country in which the Group operates and by organising informal meetings to discuss the Group's long-term prospects;
- paying particular attention to talent retention.

The following measures have been taken in 2022 in order to take into account the ideas formulated during the assessment conducted in 2021:

- vigilance by the Executive Committee throughout the year through monthly reporting in order to strengthen the Board's information on the growth objectives pursued by the Group, in particular the continued external growth; and improvement in the level of detail in the information given to the Board on the identification and assessment of the risks faced by the Group in the course of its activities;
- access given to Directors to business intelligence to enhance the Board's knowledge of the Group's competitors, their strategy and performance;
- a focus on the Group's activities in Australia to enhance knowledge of this geographical area; and dedicated times for the senior management team to meet informally and discuss the Group's long-term perspective;
- regular updates at Board meetings on the subject of talent retention and performance recognition.

In addition, a new evaluation of the Board's operation in 2022 was carried out by means of a questionnaire given to the Directors and the observer at the end of October 2022.

This formal evaluation underlines the exemplary attendance of the Directors and the observer at all the meetings of the Board and the committees held in 2022, with an attendance rate of 100% and effective contributions from each member of the Board.

This formalised evaluation also gave a positive assessment of the composition of the Board and its committees and their operation in 2022, revealing a high quality of debate and good cohesion between members. This cohesion could be further strengthened by the organisation of team building events according to the feedback from the Directors and the observer.

With regard to the information given to the Board, exchanges with the Directors and the observer show that the means and quality of the information made available to them enabled them to make informed decisions on the various subjects on the agenda of the Board and committee meetings.

The quality of relations between the Board and the Executive Committee was also highlighted, particularly the executive session in September 2022, which was appreciated by the Directors and the observer, both in terms of its form, duration and content: it allowed for an open and direct exchange on the various points discussed.

Areas for improvement were identified, including:

- strengthening the Board's vigilance, in particular on the following subjects: (i) constraints on the supply chain; and (ii) geopolitical risks and the resulting uncertainties on the Group's activities;
- continue the Board's education and focus on cyber security;
- improve the Board's knowledge on research and development, innovation and the development of new technologies;
- pay particular attention to the identification and management of potential conflicts of interest;
- further refinement of financial analysis in relation to investment decisions or risks review.

Three topics were considered most important by the Directors and the observer: (i) the impact of constraints on the supply chain; (ii) cyber security; and (iii) research and development and innovation.

(ii) Work of the Board of Directors and the committees

The main work of the Board of Directors and its committees during the 2022 financial year is presented below:

Board of Directors

During the 2022 financial year, the Board of Directors made decisions on the following topics:

Financial statements and financial communication

Approval of the annual financial statements for the year ended December 31, 2021, and the approval of the related annual financial report, review of the half-yearly financial statements and preparation of the half-year financial report, financial communication procedures, monitoring of threshold crossings and changes in the shareholder structure, approval of the 2023 budget with the corresponding financing plan.

Strategy

The Group's strategic guidelines and focus on development in Australia.

Combined general shareholders' meeting of May 25, 2022

Preparation of the combined general shareholders' meeting of May 25, 2022, and, in particular, draft resolutions, implementation of the share buyback programme.

Remuneration and governance

The remuneration of the Chairman and Chief Executive Officer, the granting of free performance shares, an assessment of the level of achievement of the performance conditions of the free shares, the distribution of Directors' remuneration, the composition of the committees, the criteria for the independence of Directors, the annual assessment of the operation of the Board of Directors and its committees, the succession plans, talents retention, the authorisation of sureties, endorsements and guarantees, the updating of Article 3.8 of the internal regulations of the Board of Directors (confidentiality of a permanent representative of a legal entity member of the Board), the inclusion on the agenda of the next general shareholders' meeting of a revised version of the Company's bylaws (technical amendment of Article 9 of the Statutes in connection with the transposition into French law of the European directive on shareholders' rights (SRD2), finalised by the implementing decree dated June 14, 2022).

Corporate social responsibility

The monitoring of the implementation of the policy on professional and wage equality.

Group development projects

Monitoring the Group's growth.

Financing

The preparation of the green convertible bonds ("OCEANES vertes 2022") issue of the exercise of conversion and/or exchange rights in connection with the early redemption of the convertible bonds ("OCEANES 2019").

Audit Committee

At its meetings during the 2022 financial year, the Audit Committee prepared, inter alia, the Board of Directors' sessions and/or deliberations on:

- the review of the annual corporate financial statements, the half-yearly and annual consolidated financial statements and the 2023 budget;
- the proper application of accounting principles;
- the implementation, at the time of the 2022 annual closing, of the plan to speed up the closing of the accounts;
- the comments of the *Autorité des Marchés Financiers* in the context of its review of the Company's 2021 Universal Registration Document on the accounting aspects;
- the preparation of the issue of the green convertible bonds ("OCEANES vertes 2022") and the exercise of conversion and/or exchange rights in connection with the early redemption of the convertible bonds ("OCEANES 2019");
- the statutory auditors' fees;
- the conditions of financial communication;
- the monitoring of the audit work and action plans undertaken in the area of internal control;
- the external review of the internal control system in France and in Finland;
- the cash flow forecasting and financing methods at the Company level;

- the follow-up of farm-down projects initiated by the Group in 2022;
- the review of the corruption risk mapping updated during the summer of 2022;
- the review of the risk mapping updated in the fourth quarter of 2022;
- the insurance management of risks within the Group; and
- the security of the information system.

Organisation of the work

As part of its duties, the Audit Committee may interview:

- the statutory auditors, who attend Audit Committee meetings to review the financial statements and risks and answer questions raised by Committee members;
- the Group Chief Financial Officer, who attends all Audit Committee meetings and answers questions raised by Committee members.

In addition, the Audit Committee's internal rules provide that, as far as possible, the Audit Committee shall review the financial statements two days before they are reviewed by the Board of Directors. In practice, the Audit Committee reviews the financial statements between four and seven days before the Board of Directors does.

Lastly, the Audit Committee's internal rules provide for the possibility of using external experts, as necessary, while ensuring their competence and independence.

Governance and CSR Committee

At its meetings during the 2022 financial year, the Governance and CSR Committee prepared the Board's deliberations on:

- the determination of the remuneration and benefits of the Chairman and Chief Executive Officer, and in particular the variable portion of his 2021 remuneration, the fixed portion and the performance conditions of the variable portion of his 2022 remuneration;
- the remuneration policy for corporate officers;
- the distribution of the Directors' remuneration for the 2022 financial year;
- the granting of free performance shares and the assessment of the performance conditions for free shares;
- the employee shareholding;
- the diversity policy of the Board of Directors and the management bodies;
- the policy on professional and wage equality;
- the renewal of term of office as Director at the general shareholders' meeting of May 25, 2022;
- the composition of the Board of Directors, particularly with regard to criteria of independence, gender balance and skills represented on the Board;
- the annual assessment of the operation of the Board of Directors and its committees;
- the succession plans;
- the review of compliance with the recommendations of the AFEP/MEDEF Code;

- the CSR issues, and in particular the results of the objectives launched at the Capital Markets Day in March 2021 as part of the Sustainability Framework, extra-financial ratings and the results of the carbon assessment;
- the updating of Article 3.8 of the Board of Directors' internal regulations, in order to clarify the possibility for a permanent representative of a legal entity that is a member of the Board of Directors to transmit confidential information to that legal entity under certain conditions;
- the technical amendment of Article 9 of the Articles of Association in connection with the transposition into French law of the European Directive on shareholders' rights (SRD2), finalised by the implementing decree dated June 14, 2022.

Furthermore, the Chairman and Chief Executive Officer also attends meetings of the Governance and CSR Committee, but does not participate in deliberations or proposals relating to his remuneration.

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 Governance and CSR Committee. The possibility for the Board of Directors to create these committees is provided for in the Company's by-laws and the main organisational and operating procedures for these committees are set out in the Board of Directors' rules of procedure. The Audit Committee and the Governance and CSR 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



AUDIT COMMITTEE

FSP

Represented by *Christophe Gégout* ●

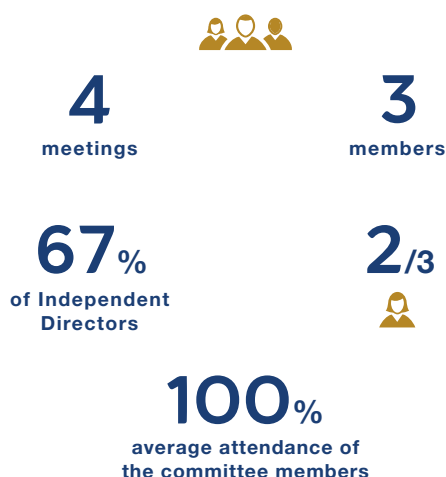
Chairman of the Committee

- Helen Lee Bouygues ●
- Stéphanie Levan ●

● Independent Director

- Monitoring the process for preparing 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
- Supervision of the statutory auditors

In 2022



(A) Composition

The Audit Committee is made up of three members, all of whom are chosen from among the Directors, at least two thirds of whom are Independent Directors as per Article 1.2 of the Board of Directors' internal regulations. In accordance with applicable legal provisions, Committee members must have particular expertise in financial, accounting or auditing matters.

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 Governance and CSR 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) Work of the Audit Committee in 2022

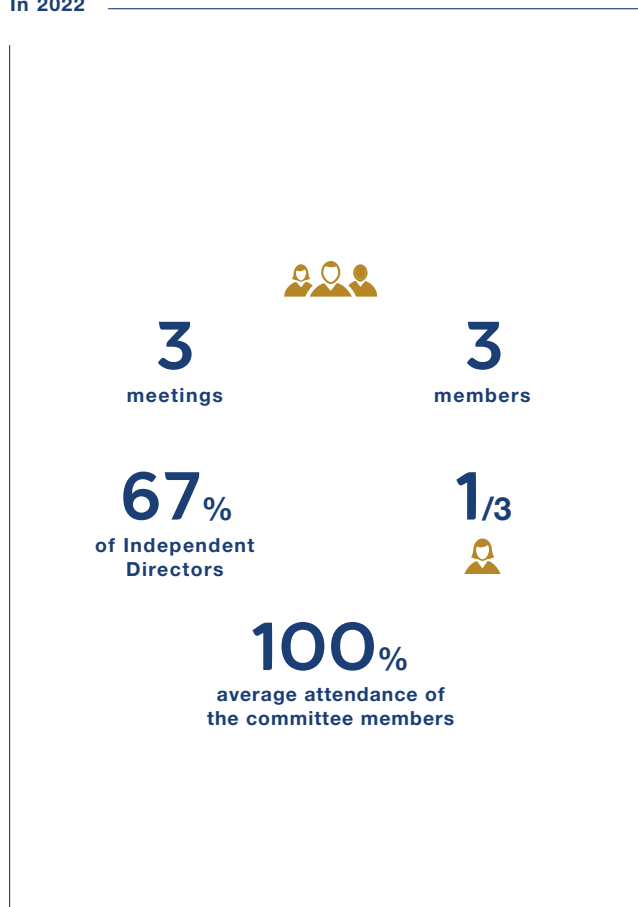
For details of the work of the Audit Committee in 2022, please refer to paragraph 6.2.2.3 (ii) of this document.

(ii) Governance and CSR Committee



- Proposals on the appointment of (i) Directors in accordance with the Director selection procedure, (ii) members of the Committees and (iii) the executive officers of the Company
- Annual assessment of the independence of the members of the Board
- Proposals to the Board concerning all terms and conditions of the compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer
- Determination of the general compensation policy for the other members of the Executive Committee
- Proposals to the Board concerning the method for allocating the overall annual remuneration budget for directors allocated by the general shareholders' meeting
- Monitoring of the policy on professional and wage equality
- Monitoring of the social and environmental risk management policy
- Review of extra-financial information

In 2022



(A) Composition

The Governance and CSR 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' internal regulations. They are appointed by the Board of Directors from among its members or from among the observer, and in view in particular of their independence and their competence in the selection or remuneration of executive officers of listed companies, as well as in the area of CSR. No executive officer may sit on the Governance and CSR Committee.

The term of office of the members of the Governance and CSR Committee coincides with their term of office as members of the Board of Directors or observer. It may be renewed at the same time as the latter.

The Chairman of the Governance and CSR 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) Work of the Governance and CSR Committee in 2022

For details of the work of the Governance and CSR Committee in 2022, please refer to paragraph 6.2.2.3 (ii) of this document.

6.2.2.5 SPECIAL ARRANGEMENTS FOR PARTICIPATION IN THE GENERAL SHAREHOLDERS' MEETING

General shareholders' meetings shall be called and held under the conditions laid down 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 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; or
- vote by correspondence; or
- send a proxy to the Company without voting indication;

under the provisions laid down by the law and the regulations.

Under the conditions provided for by the law and regulations in force, the Board of Directors may organise shareholder participation and voting at the general 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 general 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 general 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 general 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 general 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 general shareholders' meetings exercise their respective powers under the conditions provided for by law.

6.3 REMUNERATION OF ALL CORPORATE OFFICERS

6.3.1 REMUNERATION POLICY

In general, and in particular with regard to remuneration, the Company refers to the recommendations of the AFEP/MEDEF Corporate Governance Code for listed companies, as interpreted by the High Committee on Corporate Governance (HCGE) in its Guide to the application of the AFEP/MEDEF Code, as well as in its activity reports and to the recommendations of the AMF, which are set out, in particular, in its guide for the preparation of universal registration documents, in its 2012-02 recommendation, as well as in its most recent report on corporate governance and executive remuneration at listed companies.

In accordance with Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the remuneration policy for corporate officers established by the Board of Directors, on the proposal

of the Governance and CSR Committee, is the subject of draft resolutions (8th to 10th resolutions) submitted for the approval of the combined general shareholders' meeting of May 10, 2023.

In accordance with the above provisions, the remuneration policy for corporate officers is subject to approval by the general shareholders' meeting each year, and whenever there is a significant change.

The corporate governance report was reviewed by the Governance and CSR Committee on February 17, 2023 and approved by the Board of Directors on February 28, 2023.

In accordance with applicable legal and regulatory requirements, the remuneration policy for corporate officers must include (i) information on all corporate officers and (ii) specific information for each category of corporate officer.

The information on the remuneration policy applied to all corporate officers is summarised in the table below:

Criteria defined in Article R. 22-10-14 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 business strategy (described in paragraph 1.1.2 of this document) and the Company's sustainability by (i) providing for a periodic review to verify whether the level of remuneration remains in line with the performance achieved by both the Company and by the person in question, and (ii) by seeking to remain attractive in relation to the remuneration practised on the market, mainly by comparable companies in the sector, with a view to attracting and retaining talent within its management bodies. In particular, for the executive officers, the performance conditions for their annual variable remuneration have been set in connection with the implementation of the Company's business strategy.
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 Governance and CSR 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. The Directors endeavour to comply with the principles laid down in the AFEF/MEDEF Code and in the Board of Directors' internal regulations, particularly as regards the management of potential conflicts of interest. Deliberations relating to remuneration of executive officers shall take place without their presence.
Consideration of the Company's remuneration and employment conditions		The Company's Governance and CSR Committee and the Board of Directors take into account, in the context of the determination and review the remuneration policy for executive officers, the equity ratios published in the Company's corporate governance report under the global <i>say on pay ex post</i>. These ratios are used to determine the level of remuneration paid to the Chairman and Chief Executive Officer, Deputy Chief Executive Officer, regarding the average and median full-time equivalent remuneration of Company employees, other than corporate officers.
Evaluation methods - performance criteria for variable remuneration and share-based remuneration		The proper achievement of performance criteria is examined by the Governance and CSR 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.

Criteria defined in Article R. 22-10-14 I. of the French Commercial Code

On February 28, 2023, the Board of Directors, at the proposal of the Governance and CSR Committee on February 17, 2023, 2022 and after reviewing the results of the votes of the last meeting on the remuneration policy for Directors, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, as well as the information referred to in I of Article L. 22-10-9 of the French Commercial Code, decided to make the following main changes to the remuneration policies for corporate officers compared with those previously approved:

- remuneration policy for the Chairman and Chief Executive Officer:
 - regarding the annual variable remuneration: update of the qualitative criteria for 2023 each in equal part;
- remuneration policy for the Deputy Chief Executive Officer:
 - concerning this policy as a whole, it is now expressly provided that in the event of any change in the Company's governance, if the Deputy Chief Executive Officer(s) is/are not bound to the Company or to one of its subsidiaries by an employment contract, he/she may be granted, in respect of their office as Chief Executive Officer, compensation and benefits in accordance with the remuneration policy described for the Deputy Chief Executive Officer;
 - regarding annual variable remuneration: update of the qualitative criteria for 2023, each with an equal part, including the addition of a qualitative performance criteria related to CSR (developing sustainable relations with the local communities in which Neoen implements its projects).
- remuneration policy for the Chairman and Chief Executive Officer and Deputy Chief Executive Officer from 2023 financial year: reference is now made to adjusted EBITDA targets (and no longer to EBITDA targets), in accordance with the Company's press release announcing the half-yearly results for 2022 dated July 28, 2022.
- remuneration policy for the Chairman and Chief Executive Officer and Deputy Chief Executive Officer from 2024 financial year:
 - It should be noted that the Governance and CSR Committee, which met on February 17, 2023, in order to take into account the revision of the AFEP/MEDEF Code that came into force on December 20, 2022, recommended that, as from the 2024 annual general shareholders' meeting, at least one criterion related to the Company's climate targets be included in the variable remuneration of executive corporate officers. In this respect, the Governance and CSR Committee meeting of February 17, 2023, recommended that the Board of Directors include a criterion related to an objective of reducing the carbon intensity of the Company's activities in the remuneration policy that would apply to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for the 2024 financial year. This criterion cannot be implemented in the remuneration policy applicable for the 2023 financial year because the Company wishes to apply comparable carbon footprint measurement methods for the 2022 and 2023 financial years.

Clarifications to be made in the event of a change to the remuneration policy

Procedures for applying the provisions of the remuneration policy to newly appointed or reappointed corporate officers, pending, where applicable, approval by the general shareholders' meeting of significant changes to the remuneration policy

The provisions of the remuneration policy applicable to corporate officers are intended to apply to corporate officers newly appointed or whose term of office is renewed after the general shareholders' meeting, pending approval by the general shareholders' meeting of any significant changes to the remuneration policy referred to in Article L. 22-10-8 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, on the recommendation of the Nomination and Compensation Committee, 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. In such a case, the Board will decide on the recommendations of the Governance and CSR Committee and will verify whether the conditions necessary to be able to decide such a waiver are met and will justify its decision. Shareholders will be informed of these justifications in the next corporate governance report. It should be noted that the Chairman and Chief Executive Officer does not attend the deliberations on these issues.

6.3.2 REMUNERATION OF EXECUTIVE OFFICERS

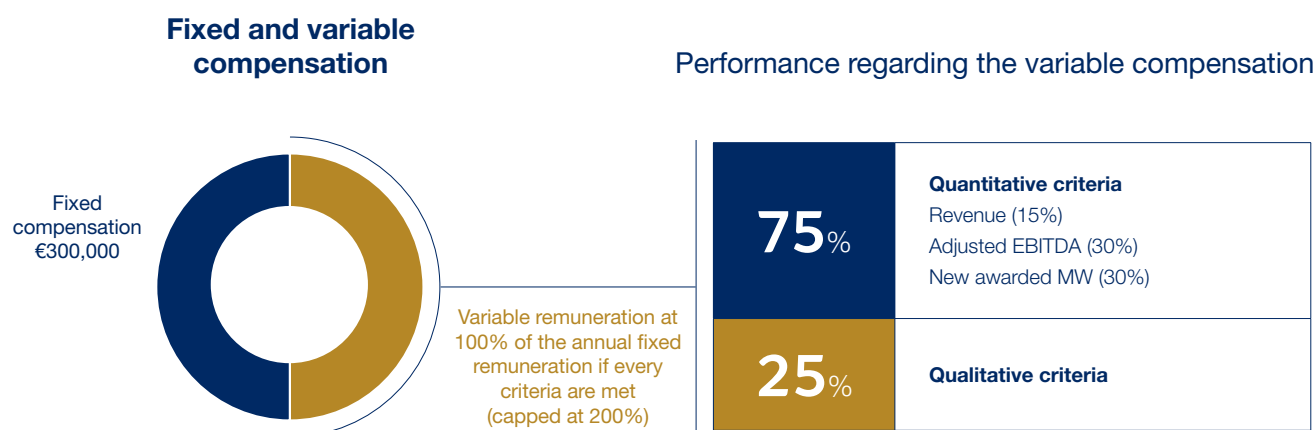
6.3.2.1 DESCRIPTION OF REMUNERATION OF EXECUTIVE OFFICERS

(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.

The term of office of Mr. Xavier Barbaro as Chairman and Chief Executive Officer was renewed at the Board of Directors' meeting of March 14, 2022, subject to the condition precedent and with effect from the renewal of its term of office as director, for a period coinciding with his term of office as Director. Mr. Xavier Barbaro was reappointed as a Director at the May 25, 2022 general shareholders' meeting for a term of four years expiring at the close of the ordinary general shareholders' meeting to be held in 2026 to approve the financial statements for the previous financial year. In respect of his term of office as Chairman and Chief Executive Officer of the Company, Xavier Barbaro's remuneration is determined in accordance with the principles set out below. These principles were reviewed by the Governance and CSR Committee on February 17, 2023 and decided by the Board of Directors on February 28, 2023.

In the chart below, all remuneration and amounts shown are expressed in gross amounts.



Remuneration

The remuneration of the Chairman and Chief Executive Officer includes a fixed component and an annual variable component, with the latter being determined in accordance with performance criteria set by the Board of Directors, after consultation with the Governance and CSR Committee, and these criteria are reviewed regularly by the Board.

The payment of variable and, where applicable, exceptional components of remuneration granted in respect of the last financial year is subject to the approval by an ordinary general shareholders' meeting of the components of remuneration paid during or granted in respect of the last financial year to the Chairman and Chief Executive Officer (individual say on pay ex post).

In the event that the functions of Chairman and Chief Executive Officer are separated, 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 a fixed remuneration of an amount determined in consideration of the importance of his duties, without being able to exceed the amount of the fixed remuneration of the Chairman and Chief Executive Officer.

Fixed remuneration

The amount of the fixed remuneration is determined by the Company's Board of Directors on the recommendation of the Governance and CSR Committee, taking into account market practices and remuneration observed for similar functions in french listed companies in the sector and of comparable size.

The Governance and CSR Committee reviews the remuneration of the Chairman and Chief Executive Officer once a year, without this review necessarily giving rise to a revision of the remuneration.

The gross annual fixed remuneration of the Chairman and Chief Executive Officer, which has been set at €300,000 since June 1st, 2022, remains unchanged for the financial year 2023.

Annual variable remuneration

With respect to annual variable remuneration, it is proposed that 75% be based on quantitative criteria and 25% be based on qualitative criteria, assuming, with respect to the quantitative criteria, achievement of the target objectives set by reference to the Company's budget, as approved by the Board of Directors, or the adjusted EBITDA guidance as the case may be, and, with respect to the MW awarded 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 remuneration with the Group's performance.

In accordance with the AFEP/MEDEF Code, 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 annual variable remuneration may not exceed an amount corresponding to 200% of the annual fixed remuneration.

Concerning 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 adjusted EBITDA criterion in light of the achievement of the budget set by the Board of Directors and the guidance, respectively.

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 (i.e. the sum of reported revenue and any penalties paid to compensate for the missed 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 Chairman and Chief Executive Officer to be paid 50% of the annual gross variable remuneration target for this criterion (i.e., 7.5% of the amount of his annual 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 gross annual 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 fixed remuneration.

- **Adjusted EBITDA criterion:**

Up to 30% of the annual gross variable remuneration (this percentage being applicable if the adjusted EBITDA level corresponding to the mid-point of the adjusted EBITDA guidance range is reached), taking into account the

adjusted EBITDA level reached, with a trigger level as from the achievement of 80% of the amount corresponding to the middle of the adjusted EBITDA guidance range (with linear application to the target amount of the percentage reached between 80% 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 gross annual fixed remuneration;

- **New MW awarded 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 power 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 MW Awarded” 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 MW Awarded 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 MW Awarded, this criterion will enable the Chairman and Chief Executive Officer to be paid 40% of the variable remuneration target for this criterion;
- if the number of New MW exceeds 100% of the Annual Target Number of New MW Awarded 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 MW Awarded, 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 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 MW Awarded for the financial year in question, 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 fixed remuneration.

The Annual Target Number of New MW Awarded is defined by the Board of Directors. The Board of Directors will be able to adjust the objective of New MW Awarded 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 year in question.

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 the following factors each in equal part:

- Leadership and organisation:
 - leading the senior management of Neoen and the whole of the Company;
 - developing and retaining talents in all Neoen sites, particularly in key countries (Australia, France, Northern Europe). Prepare succession plans for key positions;
 - completing the regionalisation of Neoen (Australia, Europe, Americas) in order to speed up development and streamline execution, while supporting information sharing between regions;
- Growth:
 - maintaining the same quality of growth (at least six Neoen countries must contribute, the technology mix as well as the customer mix must be balanced);
 - continuing to ensure the growth of the secured and advanced development portfolio;
- Financial issues:
 - maintain a high level of quality of earnings (i.e., formation of adjusted EBITDA from Neoen's entire geography and technologies and very predominantly from electricity sales and, in a limited manner, from liquidated damages and farm-down);
 - subject to available market windows, successfully fund the second part of the 2021-2025 strategic plan;
- Cross-functional issues:
 - continuing to improve HSE practices (maintaining or improving the levels already achieved) and implementing Neoen's CSR policy (in particular, the reduction of the carbon intensity of Neoen's projects).

The Board of Directors may review the above performance criteria annually to take into account changes in the Company's situation, prospects and strategy.

For each criterion, the performance assessment of the Chairman and Chief Executive Officer results from a comparison between the target set and the result achieved.

The assessment of the achievement of the target, which will be carried out under the supervision of the Governance and CSR Committee, will take into account the competitive environment and the market context, which may require an adjustment to the measurement of certain criteria.

The aforementioned criteria contribute to the objectives of the remuneration policy aimed at respecting the corporate interest, contributing to the Company's sustainability and its business strategy, in particular through a periodic review to verify whether the level of remuneration remains in line with the performance achieved by both the Company and the person in question, and by seeking to remain attractive in relation to the remuneration practised on the market, mainly at the level of comparable

companies in the sector, with a view to attracting and retaining talent within its management bodies.

Under the conditions set out below, the Board of Directors would have discretionary power in the application of the remuneration policy concerning the annual variable remuneration of the Chairman and Chief Executive Officer to ensure that it correctly reflects the Group's performance. Thus, in the event of new circumstances or events occurring during the financial year - unforeseeable at the time the remuneration policy is determined - that significantly impact, upwards or downwards, the level of achievement of the performance criteria attached to annual variable remuneration, the Board of Directors may decide, on the proposal of the Governance and CSR Committee, to use this discretionary power provided that it continues to comply with the principles set out in the remuneration policy and provides shareholders with a clear, precise and complete explanation of its choice. This discretionary power would apply only to a limited portion of the annual variable remuneration and could increase or reduce the amount of the variable remuneration theoretically achieved, in application of the performance criteria, for the financial year (with a maximum amplitude of plus or minus 20%), without this ever exceeding the overall ceiling of annual variable remuneration provided for by the remuneration policy.

It should be noted that the Governance and CSR Committee, which met on February 17, 2023, in order to take into account, the revision of the AFEP/MEDEF Code that came into force on December 20, 2022, recommended that, as of the 2024 annual general shareholders' meeting, at least one criterion related to the Company's climate targets be included in the variable remuneration of executive corporate officers. In this respect, the Governance and CSR Committee meeting of February 17, 2023, recommended that the Board of Directors include a criterion related to an objective of reducing the carbon intensity of the Company's activities in the remuneration policy that would apply to the Chairman and Chief Executive Officer for the 2024 financial year. This criterion cannot be implemented in the remuneration policy applicable for the 2023 financial year because the Company wishes to apply comparable carbon footprint measurement methods for the 2022 and 2023 financial years.

Annual variable remuneration: payment terms and conditions

The payment of the annual variable remuneration components granted in respect of the previous financial year is subject to the approval by the ordinary general shareholders' meeting of the components of the remuneration and benefits of any kind of the Chairman and Chief Executive Officer paid during the previous financial year or granted in respect of said financial year (individual ex post vote).

Exceptional remuneration

No exceptional remuneration, except in specific circumstances linked to transactions that have a structuring effect on the Company, after the Governance and CSR Committee has given its opinion.

The amount of exceptional remuneration that may be granted in this way could not exceed 100% of the gross annual fixed remuneration.

The payment of exceptional remuneration components granted in respect of the most recently completed financial year is, in

any event, subject to the approval by the ordinary general shareholders' meeting of the components of the remuneration and benefits of any kind paid to the Chairman and Chief Executive Officer during the previous financial year or granted in respect of said financial year (individual ex post vote).

Remuneration for Directors' activities

The Chairman and Chief Executive Officer may receive remuneration for his duties as a Director. However, the Chairman and Chief Executive Officer has indicated that he will not receive such remuneration for his participation in the work of the Company's Board of Directors in his capacity as Director and Chairman, for as long as he performs the duties of Chief Executive Officer of the Company.

Benefits of any kind

The Chairman and Chief Executive Officer is provided with a company car, paid for by the Company up to a maximum value of €6,000 per year.

The Chairman and Chief Executive Officer benefits from an unemployment insurance plan that provides him with remuneration over a period of twelve months, equivalent to 70% of his gross annual remuneration.

Other collective benefits

The Chairman and Chief Executive Officer may also benefit from all collective rights and benefits enjoyed by the Company's managers (in particular pension plans, mutual insurance and provident schemes, employee savings plans where permitted by the regulations in force (including, in particular, profit-sharing and incentive schemes), CESU cheques and other benefits set up by the staff representative bodies, etc.).

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 grant of performance shares is decided by the Board of Directors under the terms of the authorisation granted to it by the extraordinary general shareholders' meeting.

The total number of shares that may be granted in this way may not exceed a specific percentage of the share capital provided for in the authorisation granted to the Board of Directors by the general shareholders' meeting. For information purposes, it is specified in this respect that the authorisation regarding the grant of free shares in progress, granted by the general shareholders' meeting of May 25, 2021 provides that for each financial year the total number of existing shares or shares to be issued granted under this authorisation to the Company's executive officers may not represent more than 50% of the shares that may be granted free of charge under said authorisation.

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 Company's practice is to award free performance shares to the Chairman and Chief Executive Officer once every three years. The value of the free shares granted (according to the accounting valuation method used for the consolidated financial statements) to the Chairman and Chief Executive Officer may not exceed an amount equal to the product of:

- a ceiling relative to one year: 200% of the maximum fixed and variable remuneration attributable to him/her for the financial year in question;
- the number of years covered by the plan, i.e. three years.

Any grant of free shares to executive officers would thus be subject to a double cap, in volume and amount.

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 adjusted EBITDA, new MW (growth criterion) and the rate of return (Total Shareholder Return, or TSR) of the Company's share compared with 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.

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.

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.

Severance pay

The Chairman and Chief Executive Officer is entitled to severance pay in the event of cessation or non-renewal of his term of office as Chief Executive Officer of the Company (excluding cases of gross negligence or serious misconduct). This severance pay will be an amount equivalent to six 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).

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 dual condition that (x) the sum of the Group's net profit for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is positive and that (y) the average achievement of the variable remuneration criterion of the number of new MW awarded for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is equal to or higher than the average of 50% of the targets for this same criterion and for the said two financial years.

Non-competition payment

The Chairman and Chief Executive Officer is entitled to a non-competition payment for the cessation of his term of office as Chief Executive of the Company in respect of his obligation 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 activity that could compete with those of the Company, for a period of twelve (12) months from the date of termination of said duties.

This severance pay will be paid monthly during the twelve months following the cessation of the said duties for an amount equal to 70% of his remuneration (a month of remuneration 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).

This indemnity may not be paid if (i) the Chief Executive Officer asserts his pension rights; and/or (ii) he exceeds the age of 65.

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 remuneration policy is subject to the approval of the general shareholders' meeting, pursuant to a resolution reproduced below:

"9th resolution (Approval of the remuneration policy applicable to the Chairman and Chief Executive Officer).

The general shareholders' meeting, deliberating under the conditions of quorum and majority required for ordinary general shareholders' meetings, having taken note of the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the remuneration policy applicable to the Chairman and Chief Executive Officer, as presented in paragraphs 6.3.1 and 6.3.2.1 (i) of the corporate governance report incorporated into the 2022 universal registration document in Chapter 6".

(ii) Deputy Chief Executive Officer

Romain Desrousseaux was appointed Deputy Chief Executive 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 Governance and CSR Committee. Romain Desrousseaux's term of office as Deputy Chief Executive Officer was renewed at the Board of Directors' meeting of March 14, 2022, on the proposal of the Governance and CSR Committee, for a term coinciding with that of the Chairman and Chief Executive Officer. The renewal of Mr. Romain Desrousseaux's term of office took effect when the term of office of the Chairman and Chief Executive Officer was renewed at the close of the annual general shareholders' meeting on May 25, 2022. For more information, refer to paragraph 6.2.2.1 of this document.

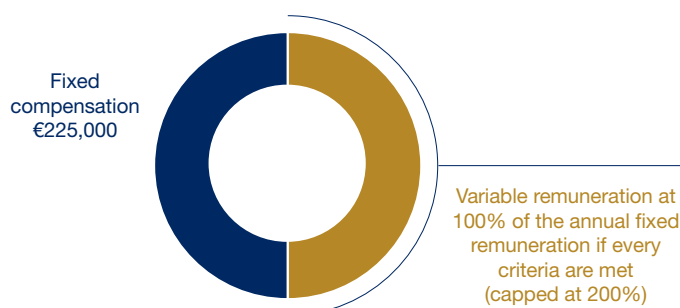
Mr. Romain Desrousseaux is exclusively paid under his employment contract signed with the Company prior to his appointment as Deputy Chief Executive Officer (subject to any free shares allocation that may have been or may be granted to him as a result of his corporate mandate).

Article R. 22-10-14 of the French Commercial Code, by reference to Article L. 22-10-8, states that information relating to the remuneration policy relates to remuneration received for the mandate in question. This text would therefore not apply in principle to the Deputy Chief Executive Officer, insofar as he does not receive any remuneration for his duties as Deputy Chief Executive Officer (subject to any free shares allocation that may have been or may be granted to him as a result of his corporate mandate). Nevertheless, it was decided to submit, on a voluntary basis, all the components of the remuneration of the Chief Operating Officer, as shown below, to a vote at the next general shareholders' meeting.

Article R. 22-10-14 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.

In the chart below, all remuneration and amounts shown are expressed in gross amounts.

Fixed and variable compensation



Performance regarding the variable compensation

75%	Quantitative criteria Revenue (10%) Adjusted EBITDA (20%) New international awarded MW (45%)
25%	Qualitative criteria

Remuneration

In the event of any change in the Company's governance, if the Deputy Chief Executive Officer(s) is/are not bound to the Company or to one of its subsidiaries by an employment contract, he/she may be granted, in respect of their office as Deputy Chief Executive Officer, compensation and benefits in accordance with the remuneration policy described for the Deputy Chief Executive Officer.

In such a case, the payment of the variable and, if applicable, exceptional compensation components granted to the Deputy Chief Executive Officer(s) by reason of the said mandate and in respect of the previous financial year would be conditional upon the approval by an ordinary general meeting of the compensation components paid during or granted in respect of the previous financial year to the beneficiary Deputy Chief Executive Officer (individual ex post say on pay).

Fixed remuneration

The Company pays the Deputy Chief Executive Officer a fixed remuneration under his employment contract. He therefore does not receive any fixed remuneration from the Company in his capacity as Deputy Chief Executive Officer.

The gross annual fixed remuneration of the Deputy Chief Executive Officer, which has been set at €225,000 since June 1st, 2022, remains unchanged for the financial year 2023.

Annual variable remuneration

In accordance with the employment contract of the Deputy Chief Executive Officer, the annual variable portion is expressed as a percentage of the annual fixed remuneration. This annual variable part is calculated based on the degree of achievement of objectives. These are set according to different criteria. These criteria are, for 75%, quantitative criteria in the event that the target objectives set by reference to the Company's budget are achieved, as approved by the Board of Directors or the adjusted EBITDA guidance as the case may be, and, with regard to the MW "awarded" criterion, on the basis of the target objective set by the Governance and CSR Committee for the projects for which he has been given responsibility and, for 25%, qualitative criteria. Each year, the amount of the Deputy Chief Executive Officer's annual variable remuneration for the previous year is determined by the Governance and CSR Committee, which informs the Board of Directors.

In accordance with the AFEP/MEDEF Code, the amount of the annual variable remuneration is capped at 100% of the annual fixed remuneration if the quantitative and qualitative criteria are met, it being specified that in the event of outperformance, the maximum amount of the annual variable remuneration may not exceed an amount corresponding to 200% of his annual fixed remuneration.

For each criterion defined below (i) a trigger level in relation to the objective set would be provided for, (ii) in the event of outperformance of said criterion in relation to the objective set, the weighting relating to this criterion would be increased in order to take account of this outperformance and (iii) a maximum threshold of outperformance in relation to the objective set would be provided for.

The quantitative criteria would be 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 reported revenue and any penalties paid to compensate for the missed 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 would be taken into account linearly. Thus, for example, if 95% of the target revenue is achieved, this criterion would allow the Deputy Chief Executive Officer to receive 50% of the target annual variable remuneration under this criterion;
- if the level of revenue exceeds 100% of the budgeted level of revenue, a multiplier coefficient of two would apply 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% of the budgeted level of revenue.

- Adjusted EBITDA criterion:

Up to 20% of the annual variable remuneration (this percentage is applicable assuming the target objectives are achieved), taking into account the level of adjusted EBITDA achieved, with a trigger threshold as from the achievement of 80% of the amount corresponding to the middle of the adjusted EBITDA guidance range (applied linearly to the target amount of the percentage achieved between 80% and 100%) and performance conditions identical *mutatis mutandis* to those provided for the revenue criterion. It is specified that the level of outperformance taken into account for the purposes of this calculation may not exceed 125% of the amount corresponding to the middle of the adjusted EBITDA guidance range.

- New MW awarded criterion:

Up to 45% of the annual variable remuneration (this percentage being applicable if the target objectives are achieved), taking into account the number of new MW in the awarded phase for the projects for which he has been given 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), new MW corresponding to incremental power under repowering projects (the "New International MW"), with a triggering level as of the achievement of 50% of the number of MW awarded target set by the Governance and CSR Committee for the projects for which he has been given responsibility (the "Annual Target Number of New International MW Awarded" as described below) and the following performance conditions:

- if the number of New International MW is between 50% and 100% (inclusive) of the Annual Target Number of New International MW Awarded for the financial year in question, the percentage achieved would 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 International MW Awarded, this criterion will allow the Deputy Chief Executive Officer to be paid 40% of the target amount of variable remuneration under this criterion;
- if the number of New International MW exceeds 100% of the Annual Target Number of New International MW Awarded for the financial year in question, a multiplier coefficient of two would apply to the percentage of outperformance achieved (i.e., the percentage between 100% and the level reached). Thus, for example, if the number of New International MW reaches 200% of the Annual Target Number of New International MW Awarded, 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 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 International MW Awarded 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% of the target number plus the maximum percentage of outperformance (150%) multiplied by two) of his annual fixed remuneration.

The Annual Target Number of New International MW Awarded is set by the Governance and CSR Committee. It will have the option of adjusting the Annual Target Number of New International MW Awarded 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 budget for the year in question.

The qualitative performance criterion 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 would take into account the following elements each in equal part:

- to ensure growth in at least half of the countries where Neoen is present while rationalising (in a spirit of active portfolio management) its portfolio in others, to materialise Neoen's presence in at least one more European country (Italy or Croatia) and to create the conditions for a rapid start-up in Germany, and potentially in New Zealand;
- recruiting new talents, developing the existing teams, in particular in key countries such as Australia or the Nordic countries;
- further develop Neoen's energy management platform, which is now supported by two full teams in Australia and Europe; and
- developing sustainable relationships with the local communities where Neoen is implementing its projects.

It should be noted that the Governance and CSR Committee, which met on February 17, 2023, in order to take into account the revision of the AFEP/MEDEF Code on December 20, 2022, recommended that, as from the 2024 annual general shareholders' meeting, among the CSR criteria, at least one criterion related to the Company's climate targets be included in the variable remuneration of executive officers. In this respect, the Governance and CSR Committee meeting of February 17, 2023, recommended that the Board of Directors include a criterion related to an objective of reducing the carbon intensity of the Company's activities in the remuneration policy that would apply to the Deputy Chief Executive Officer for the 2024 financial year. This criterion cannot be implemented in the remuneration policy applicable for the 2023 financial year because the Company wishes to apply comparable carbon footprint measurement methods for the 2022 and 2023 financial years.

Variable remuneration: payment terms

As the payment of the Deputy Chief Executive Officer's annual variable remuneration granted in respect of the previous financial year is exclusively linked to his employment contract, he is not subject to approval by the ordinary general shareholders' meeting of the components of his remuneration and benefits of any kind paid during the previous financial year or granted in respect of said financial year (individual ex post vote).

Exceptional remuneration

No exceptional remuneration, except in specific circumstances linked to transactions that have a structuring effect on the Company, after the Governance and CSR Committee has given its opinion. This type of remuneration would be linked to the employment contract.

As a result, the payment of components of exceptional remuneration granted in respect of the previous financial year would not, in any case, be conditional on the approval by the ordinary general shareholders' meeting of the components comprising its remuneration and benefits of any kind, paid during the past financial year or granted in respect of the said financial year (individual ex post vote).

Remuneration for Directors' activities

Not applicable.

Other collective benefits

The Deputy Chief Executive Officer may also benefit from all collective rights and benefits enjoyed by the Company's managers (in particular pension plans, mutual insurance and provident schemes, employee savings plans where permitted by the regulations in force (including, in particular, profit-sharing and incentive schemes), CESU cheques and other benefits set up by the staff representative bodies, etc.).

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, i.e. respect for the corporate interest and contribution to the Group's strategy and sustainable development.

The grant of performance shares is decided by the Board of Directors under the terms of the authorisation granted to it by the extraordinary general shareholders' meeting.

The total number of shares thus allocated may not exceed a specific percentage of the share capital provided for in the authorisation granted to the Board of Directors by the general shareholders' meeting. For information purposes, it is specified in this respect that the authorisation regarding the grant of free shares in progress, granted by the general shareholders' meeting of May 25, 2021, provides that the total number of existing shares or shares to be issued granted under this authorisation to the Company's executive officers may not represent more than 50% of the shares that may be granted free of charge under said authorisation.

The Company is committed to providing for long-term remuneration 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 Company's practice is to award free performance shares to the Deputy Chief Executive Officer once every three years. The value of the free shares granted (according to the accounting valuation method used for the consolidated financial statements) to the Deputy Chief Executive Officer may not exceed an amount equal to the product of:

- a ceiling relative to one year: 200% of the maximum fixed and variable remuneration attributable to him/her for the financial year in question;
- the number of years covered by the plan, i.e. three years.

Any grant of free shares to executive officers would thus be subject to a double cap, in volume and value.

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 objective and to a condition of actual 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 adjusted EBITDA, new MW (growth criterion) and the rate of return (Total Shareholder Return, or TSR) of the Company's share compared with 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.

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 any specific severance pay in the event of termination of his office or employment contract.

Employment contract notice periods

The Deputy Chief Executive Officer is subject to a three-month notice period in the event of resignation under his permanent employment contract.

Conditions for terminating the employment contract

The Deputy Chief Executive Officer may resign from his employment contract.

The Company may make a dismissal, provided that it has 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 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 a monthly financial compensation from the date of termination of his/her employment contract and throughout the application of the clause, calculated as follows:

- 33% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if he/she becomes unemployed; and
- 20% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if he has found a job.

Supplementary pension scheme

The Deputy Chief Executive Officer may be entitled to a supplementary defined contribution pension plan, in accordance with Group practices, in favour of its senior executives.

This remuneration policy for the Deputy Chief Executive Officer was submitted to the general shareholders' meeting of May 10, 2023, pursuant to the resolution reproduced below:

"10th resolution (Approval of the remuneration policy applicable to the Deputy Chief Executive Officer)

The general shareholders' meeting, deliberating under the conditions of quorum and majority required for ordinary general shareholders' meetings, having taken note of the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the remuneration policy applicable to the Deputy Chief Executive Officer, as presented in paragraphs 6.3.1 and 6.3.2.1 (ii) of the corporate governance report incorporated into the 2021 universal registration document in Chapter 6."

6.3.2.2 SUMMARY OF REMUNERATION FOR EXECUTIVE OFFICERS (XAVIER BARBARO AND ROMAIN DESROUSSEAUX)

The tables below follow the standardised presentation recommended in the AFEP/MEDEF Code and by the AMF.

Table 1 - Summary of remuneration and options and shares granted to each executive officer (AMF nomenclature)

(in euros)	2021 ⁽¹⁾	2022 ⁽¹⁾
Xavier Barbaro, Chairman & Chief Executive Officer		
Remuneration granted in respect of the financial year <i>(detailed in Table 2)</i>	452,633.75 ⁽²⁾	621,565.70 ⁽²⁾
Valuation of multi-year variable remuneration granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of free shares granted during the financial year	4,181,143.56	-
Valuation of other long-term remuneration plans	-	-
TOTAL	4,633,777.31	621,565.70
Romain Desrousseaux, Deputy Chief Executive Officer		
Remuneration granted in respect of the financial year <i>(detailed in Table 2)</i>	317,287.80 ⁽³⁾	461,231.25 ⁽³⁾
Valuation of multi-year variable remuneration granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of free shares granted during the financial year	2,787,429.04	-
Valuation of other long-term remuneration plans	-	-
TOTAL	3,104,716.84	461,231.25

(1) On a gross basis (before social security contributions and taxes).

(2) For the purposes of this document, this amount does not include benefits in kind in the amount of €4,580.28 (corresponding to the company car) and €11,266.13 (corresponding to unemployment insurance premiums) taken into account in Table 2 below in 2021 and 2022. This amount does not include the profit-sharing granted in 2022 in respect of 2021 in the amount of €19,000, nor the profit-sharing granted in 2023 in respect of 2022 in the amount of €21,625 (see paragraph 6.3.2.3, in the tables relating to individual say on pay ex-post for executive officers).

(3) For the purposes of this table, this amount does not include (i) the profit-sharing granted in 2022 in respect of 2021 in the amount of €19,000, nor the profit-sharing granted in 2023 in respect of 2022 in the amount of €21,625. Please refer to paragraph 6.3.2.4 (in the tables on individual say on pay ex-post for executive officers); and (ii) the value sharing bonus in respect of 2022 paid to all employees of the Company.

Table 2 - Summary of remuneration of each executive officer (AMF nomenclature)

(in euros)	2021 ⁽¹⁾		2022 ⁽¹⁾	
	Amounts granted ⁽²⁾	Amounts paid ⁽³⁾	Amounts granted ⁽²⁾	Amounts paid ⁽³⁾
Xavier Barbaro, Chairman and Chief Executive Officer⁽⁴⁾				
Fixed remuneration	250,000.00	250,000.00	279,166.70	279,166.70
Annual variable remuneration ⁽⁵⁾	202,633.75	-	342,399	202,633.75
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration of the Director's activities	-	-	-	-
	4,580.28	-	4,580.28	-
	(company car)	-	(company car)	-
Benefits of any kind ⁽⁶⁾	11,266.13	15,846.41	11,266.13	15,846.41
	(unemployment insurance)	-	(unemployment insurance)	-
TOTAL	468,480.16	265,846.41	637,412.11	497,646.86
Romain Desrousseaux, Deputy Chief Executive Officer⁽⁴⁾⁽⁷⁾				
Fixed remuneration	180,000.00	180,000.00	206,250	206,250
Annual variable remuneration ⁽⁵⁾	137,287.80	-	254,981.25	137,287.80
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration of the Director's activities	N/A	N/A	N/A	N/A
Benefits of any kind	-	-	-	-
TOTAL	317,287.80	180,000.00	461,231.25	343,537.80

(1) On a gross basis (before social security contributions and taxes).

(2) For the above-mentioned financial year.

(3) During the above-mentioned financial year.

(4) Xavier Barbaro and Romain Desrousseaux also benefited from a profit-sharing scheme for 2021, paid in 2022, in the amount of €19,000 each. The profit-sharing granted to each person in 2023 for 2022 amounts to €21,625 (see paragraphs 6.3.2.3 and 6.3.2.4 - tables relating to individual say on pay ex-post for executive officers).

(5) The criteria for annual variable remuneration granted for the 2022 financial year and their level of achievement are detailed in paragraphs 6.3.2.3 and 6.3.2.4 (in the tables relating to the individual say on pay ex post for executive officers).

(6) Xavier Barbaro has a company car and unemployment insurance (refer to paragraph 6.3.2.1 (i) of this document for more information on this unemployment insurance).

(7) The remuneration of Romain Desrousseaux is paid under his employment contract.

Equity ratios²

In accordance with paragraphs 6 and 7 of I of Article L. 22-10-9 of the French Commercial Code, the Company must present the ratios between the level of remuneration of the Chairman and Chief Executive Officer and, on the one hand, the average remuneration on a full-time equivalent basis for employees other than corporate officers, and, on the other hand, the median remuneration on a full-time equivalent basis for employees other than corporate officers. It also presents the annual change in the remuneration of the Chairman and Chief Executive Officer, the Company's performance, the average remuneration on a fulltime equivalent basis for employees (other than executives) compared to the ratios mentioned above, during the 2022 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, due or awarded in respect of the 2022, 2021, 2020 and 2019 financial years. 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.

² The equity ratios have been calculated on the basis of items paid, due or granted in respect of the 2022 financial year (in accordance with the calculation method used in the 2021, 2020 and 2019 financial year).

Insofar as the Deputy Chief Executive Officer received a free share grant in 2021 and this grant was made to him in respect of his corporate office, this grant being the first and only element of remuneration of the Deputy Chief Executive Officer in respect of his corporate office since his appointment as Deputy Chief Executive Officer, the Company has decided to calculate the same ratio between the level of remuneration of the Deputy Chief Executive Officer and, on the one hand, the average remuneration on a full-time equivalent basis of employees other than corporate officers, and on the other hand, the median remuneration on a full-time equivalent basis of employees other than corporate officers for the Deputy Chief Executive Officer for the first time in respect of the 2021 financial year. However, this calculation was not made for the 2019 and 2020 financial years, as the entire remuneration of the Deputy Chief Executive Officer in respect of these financial years was paid, due to him solely under his employment contract.

The annual evolution of the remuneration of the Chief Executive Officer, the performance of the Company, the average remuneration on a full-time equivalent basis of the employees (other than executives) in relation to the above-mentioned ratios, during the financial year 2022 is presented.

The remuneration of the Deputy Chief Executive Officer used for the purposes of this calculation includes all components of fixed, variable and exceptional remuneration paid, due or awarded in respect of the 2022 financial year.

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 in France. The ratios were therefore calculated on the basis of all the Company's employees.

The following methodological elements should be highlighted:

- for representativeness purposes, the scope used is that of the Company (representing 100% of the employees in France and 48.75% of the Group's employees), by retaining employees on permanent and fixed-term contracts present both on December 31 of the financial year in question and December 31 of the previous financial year. By way of illustration, on December 31, 2022, this workforce represented 73.86% of the permanent/fixed-term workforce in France;
- the following components were used in accordance with the AFEP guidelines on remuneration multiples published on December 19, 2019 and updated in February 2021 (the "Guidelines"): fixed remuneration, variable remuneration, profit-sharing and incentive schemes, performance shares awarded in respect of the financial year in question, exceptional bonus and any benefits in kind. Severance, non-competition benefits and supplementary pension plans were excluded. With regard to performance shares, in accordance with the Guidelines, the full valuation of the free shares was retained for the financial year in question, even though (x) their definitive grant is conditional on actual presence at the date of definitive grant and the achievement of performance criteria with a three-year vesting period, and (y) the Company's practice is to grant them to corporate officers once every three years.

Change

Insofar as the Company calculates the equity ratios in application of the Guidelines, according to which the remuneration actually paid (such as fixed remuneration), due or granted (such as variable remuneration or profit-sharing) as well as benefits in kind and the valuation of performance shares granted free of charge must be added together, the latter must be taken into account in full for the financial year in question, even though it is subject to a three-year vesting period and to the condition of presence as well as to the achievement of performance conditions, and the Company's practice is to grant them once every three years. As a result, changes in the respective remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer calculated in accordance with the Guidelines are strongly impacted by the valuation of the free shares granted once every three years, the vesting of which is uncertain and staggered over time.

Tables - Comparison of the remuneration of executive officers with the Company's performance and the average and median remuneration of employees

The total remuneration³ paid, due or granted to the Chairman and Chief Executive Officer in 2022 was **€659,037.11**, **85.88%** lower than that paid in 2021⁴, **31.85%** higher than that paid in 2020 and **53.79%** higher than that paid in 2019.

This compares to an increase in adjusted EBITDA⁶ of **37.82%** and a decrease in average compensation of employees of **3.23%** (perimeter effect) compared to 2021 and an increase in adjusted EBITDA of **53.11%** and a decrease in average compensation of employees of **9.85%** (due to the scope of consolidation⁵) compared to 2020 and an increase in adjusted EBITDA⁶ of **91.58%** and a decrease in average compensation of employees of **14.58%** (due to the scope of consolidation⁷) compared to 2019.

	2019	2020	2021	2022
Xavier Barbaro, Chairman and Chief Executive Officer⁽¹⁾				
Remuneration (in euros)	428,543.35	499,854.91	4,668,623.72	659,037.11
Ratio in relation to average employee remuneration ⁽²⁾	3.47⁽³⁾	4.46⁽³⁾	44.70	6.53⁽³⁾
Ratio in relation to median employee remuneration ⁽²⁾	5.23⁽³⁾	6.98⁽³⁾	65.80	9.28⁽³⁾
Adjusted EBITDA ⁽⁶⁾ (in € million)	216.1 ⁽⁴⁾	270.4 ⁽⁵⁾	300.4 ⁽⁶⁾	414.0 ⁽⁷⁾

(1) Remuneration for 2019, 2020, 2021 and 2022 corresponds to the annual amount of remuneration set by the Board of Directors at the time of the Company's IPO on October 17, 2018, so that the information for 2019, 2020, 2021 and 2022 contained herein cannot be compared with the 2018 financial year.

(2) The average and median remuneration of employees includes the remuneration that Romain Desrousseaux received under his employment contract in 2019 and 2020. However, the entire remuneration received by Romain Desrousseaux in 2021 and 2022, including that received under his employment contract, was excluded from the average and median remuneration of employees (see paragraph 6.3.2.1 (ii) of this document).

(3) Insofar as Xavier Barbaro was not granted any free shares during the 2019, 2020 and 2022 financial years, the absence of this remuneration component is reflected in the ratios.

(4) €217.2 million at constant exchange rates.

(5) €274.8 million at constant exchange rates.

(6) €297.2 million at constant exchange rates.

(7) €399.2 million at constant exchange rates.

(8) In accordance with the Company's press release announcing the half-year results for 2022 dated July 28, 2022, the EBITDA targets of the Neoen Group, which until that date were excluding the impact of the change in the fair value of energy derivative financial instruments, are now adjusted EBITDA targets. In 2019, EBITDA was €216.1 million, in 2020 it was €270.4 million and in 2021 it was €300.4 million.

The total compensation paid, due or allocated to the Deputy Chief Executive Officer during 2022 amounts to **€488,856.25**, which is facially **84.35%** lower than that paid during 2021⁸ (the first financial year for which the calculation of the equity ratios for the Company has been carried out).

This compares with an increase in adjusted EBITDA of **37.82%** and a decrease in average employee compensation of **3.23%** (due to the scope effect) compared with 2021.

	2021	2022
Romain Desrousseaux, Deputy Chief Executive Officer⁽¹⁾		
Remuneration (in euros)	3,123,716.84	488,856.25 ⁽⁴⁾
Ratio in relation to average employee remuneration	29.91⁽²⁾	4.84⁽⁵⁾
Ratio in relation to median employee remuneration	44.03⁽²⁾	6.88⁽⁵⁾
Adjusted EBITDA ⁽⁷⁾ (in € million)	300.4 ⁽³⁾	414.0 ⁽⁶⁾

(1) Insofar as Romain Desrousseaux's remuneration as Deputy Chief Executive Officer for the financial years prior to 2021 was paid to him in full under his employment contract, the Company did not calculate the equity ratios concerning him. Following the grant of free shares to Romain Desrousseaux in respect of his corporate office in 2021 (this grant being the first and only element of remuneration for the Deputy Chief Executive Officer in respect of his corporate office since his appointment as Deputy Chief Executive Officer in 2019), the Company decided to calculate the equity ratios for the Deputy Chief Executive Officer for the first time in respect of the 2021 financial year.

(2) Insofar as Romain Desrousseaux was granted free shares during the 2021 financial year, the presence of this remuneration component for the 2021 financial year is reflected in the ratios.

(3) €297.2 million at constant exchange rates.

(4) Including the value sharing bonus for 2022 paid to all the Company's employees.

(5) Insofar as Romain Desrousseaux did not receive a free share grant during the 2022 financial year, the absence of this remuneration component is reflected in the ratios.

(6) €399.2 million at constant exchange rates.

(7) In accordance with the Company's press release announcing the half-year results for 2022 dated July 28, 2022, the EBITDA targets of the Group, which until that date were excluding the impact of the change in the fair value of energy derivative financial instruments, are now adjusted EBITDA targets. In 2021, the EBITDA was €300.4 million.

³ Remuneration is calculated on a gross basis and includes benefits in kind (corresponding to the company car and unemployment insurance) taken into account in Table 2 above and the profit-sharing scheme granted in 2023 in respect of 2022 (see paragraph 6.3.2.3, in the tables relating to the individual ex-post say on pay for corporate officers).

⁴ Insofar as Xavier Barbaro received a free share grant in the 2021 financial year and the Company's practice is to grant shares to corporate officers once every three years, the addition of this remuneration component for the 2021 financial year is reflected of changes in the percentages.

⁵ This decrease is mainly explained by (x) the fact that the average remuneration of employees in 2020 includes the full remuneration of Mr. Romain Desrousseaux unlike the average remuneration in 2021 and 2022, which excludes it, and (y) a number of internal transfers from France to other countries.

⁶ In accordance with the Company's press release announcing the half-year results for 2022 dated July 28, 2022, the EBITDA targets of the Group, which until that date were excluding the impact of the change in the fair value of energy derivative financial instruments, are now adjusted EBITDA targets. For more details on the definition and calculation of this aggregate, please refer to paragraph 2.1.1 of this document "Reconciliation of Adjusted EBITDA".

⁷ This decrease is mainly explained by (x) the fact that the average remuneration of employees in 2019 includes the full remuneration of Mr. Romain Desrousseaux, unlike the average remuneration in 2021 and 2022, which excludes it, and (y) a number of internal transfers from France to other countries.

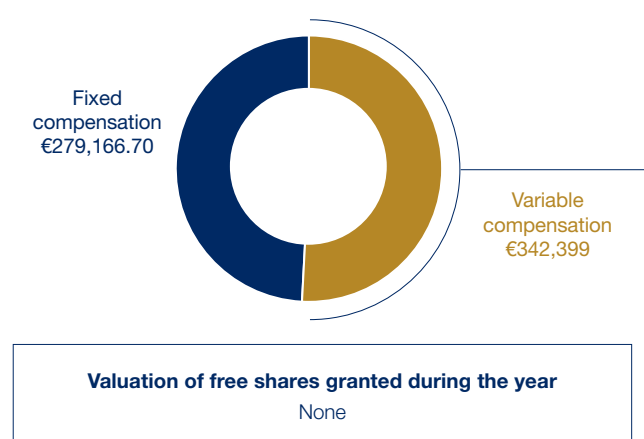
⁸ Insofar as Mr. Romain Desrousseaux benefited from a free share allocation during the 2021 financial year and as the Company's practice is to make its allocations to corporate officers once every three years, the addition of this component of remuneration in respect of the 2021 financial year is reflected in the variations in the percentages.

6.3.2.3 FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE 2022 FINANCIAL YEAR OR GRANTED IN RESPECT OF THE SAME FINANCIAL YEAR TO XAVIER BARBARO, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SUBMITTED TO THE VOTE OF THE GENERAL SHAREHOLDERS' MEETING OF MAY 10, 2023 IN ITS 6TH RESOLUTION (INDIVIDUAL SAY ON PAY EX POST)

Summary tables of the remuneration of the Chairman and Chief Executive Officer granted for the 2022 financial year or paid in that financial year

In the chart below, all remuneration and amounts shown are expressed in gross amounts.

Summary of remuneration



Performance regarding the variable compensation

75%	Quantitative criteria Revenue (15%) EBITDA ⁽¹⁾ (30%) New awarded MW (30%)	Amount €267,399
25%	Qualitative criteria	Amount €75,000

Remuneration for term of office as a director €0	Benefits of any kind €15,846.41	Profit-sharing €21,625	Exceptional remuneration €0	Supplementary pension scheme None

(1) In accordance with the Company's press release announcing the half-year results for 2022 dated July 28, 2022, the EBITDA targets of the Group, which until that date were excluding the impact of the change in the fair value of energy derivative financial instruments, are now adjusted EBITDA targets.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year	Amounts granted in respect of the past financial year or accounting valuation	Presentation
Fixed remuneration	€279,166.70	€279,166.70	The amount of the annual fixed remuneration of the Chairman and Chief Executive Officer paid in 2022 and granted for that financial year was €279,166.70.
Annual variable remuneration	€202,633.75 ⁹	€342,399	The amount of the Chairman and Chief Executive Officer's annual variable remuneration for his duties within the Company is set by the Company's Board of Directors, after consultation with the Governance and CSR Committee, and based on performance criteria. The annual variable portion of the Chairman and Chief Executive Officer's remuneration will amount to 100% of the gross amount of his fixed remuneration if the performance criteria are met, not to exceed 200% of the gross amount of his fixed remuneration. During its meeting of February 28, 2023, the Board of Directors, after receiving the opinion of the Governance and CSR Committee, noted the achievement of the annual variable remuneration performance criteria as follows: • Revenue criterion: €529.7 million, or 121.21% of budgeted revenue, or 142.42% of the 15% target; • EBITDA criterion¹⁰: €414 million, or 112.65% of the amount corresponding to the middle of the EBITDA guidance range⁹, i.e. 125.30% of the 30% target; • New MW awarded criterion: 1,340 MW, or 100.30% of the annual target number of new MW awarded, or 100.60% of the 30% target. Regarding the qualitative performance criteria, the Board of Directors noted: • Regarding the leadership and the management: a year of strong growth (industrial and financial) for Neoen and better diversification of its activities (geographies/technologies/customers); smoother functioning of the management structure (efficient executive Committee and establishment of a regional management structure that is now almost complete); continued internationalisation of the teams (now more than 40 nationalities for 361 employees, emergence of non-French management in key countries for Neoen, such as Finland, Portugal and Italy); team turnover slightly up but still less than 20%. • Regarding the growth: the total secured portfolio and advanced pipeline now exceeds 19 GW; the early-stage portfolio now exceeds 10 GW; an external growth operation (wind repowering) has been completed in France. • Regarding the representation: numerous roadshows and exchanges with investors, analysts and journalists; the coverage of Neoen has been extended; a particular focus on the "quality of earnings" has been pursued with notably less farm-down and liquidated damages (LDs) and a controlled tax rate. • Finally, regarding cross-functional issues: accident indexes halved; Neoen's CSR rating further improved. Thus, in total, the amount of annual variable remuneration granted to Xavier Barbaro for the 2022 financial year is €342,399. The payment of the annual variable remuneration granted for 2022 is subject to approval by the next ordinary general shareholders' meeting of the resolution covered by this table.
Exceptional remuneration	None	None	No exceptional remuneration.
Remuneration for Directors' activities	None	None	The Chairman and Chief Executive Officer has indicated that he will not receive such remuneration for his participation in the work of the Company's Board of Directors as long as he holds the above-mentioned positions.

⁹ The payment of these remuneration components was approved by the general shareholders' meeting of May 25, 2022, under the sixth ordinary resolution.

¹⁰ According to the Company's press release announcing the half year results 2022 dated 28 July 2022, the EBITDA targets of the Neoen Group, which until that date were exclusive of the impact of the change in the fair value of the energy derivative financial instruments, are now adjusted EBITDA targets.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year	Amounts granted in respect of the past financial year or accounting valuation	Presentation
Benefits of any kind	€15,846.41 (accounting valuation)	€4,580.28 (company car)	The Chairman and Chief Executive Officer is provided with a company car, paid for by the Company up to a maximum value of €6,000 per year.
		€11,266.13 (unemployment insurance)	The Chairman and Chief Executive Officer benefits from an unemployment insurance plan that provides him with compensation over a period of twelve months, equivalent to 70% of his gross annual remuneration. (as contractually capped at six times the annual social security ceiling (PASS)).
Profit-sharing	€19,000	€21,625	The profit-sharing scheme was introduced for the first time for the year 2019 and paid in 2020, 2021 and 2022.
Stock options, free shares or any other element of long-term remuneration		Options: None Shares: None	No options to subscribe for or purchase shares were granted to Mr. Xavier Barbaro during the 2022 financial year. No free shares were granted to Mr. Xavier Barbaro during the financial year 2022.
Supplementary pension scheme	N/A		Xavier Barbaro does not benefit from a supplementary defined contribution pension plan.
Severance pay	None	None	The Chairman and Chief Executive Officer is entitled to severance pay in the event of cessation or non-renewal of his term of office as Chief Executive Officer of the Company (excluding cases of gross negligence or serious misconduct). This severance pay will be an amount equivalent to six 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).
			Payment of the severance pay will be subject to the dual condition that (x) the sum of the Group's net profit for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is positive and that (y) the average achievement of the variable remuneration criterion of the number of new MW awarded for the last two financial years preceding his removal or, as the case may be, the expiry of his non-renewed term is equal to or higher than the average of 50% of the targets for this same criterion and for the said two financial years.
Non-competition payment	None	None	The Chairman and Chief Executive Officer is entitled to a non-competition payment for the cessation of his term of office as Chief Executive within the Company in respect of his obligation 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 activity that could compete with those of the Company, for a period of twelve (12) months from the date of termination of said duties.
			This severance pay will be paid monthly during the twelve months following the cessation of the said duties for an amount equal to 70% of his remuneration (a month of remuneration 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). This indemnity may not be paid if (i) the Chief Executive Officer asserts his pension rights; and/or (ii) he exceeds the age of 65.

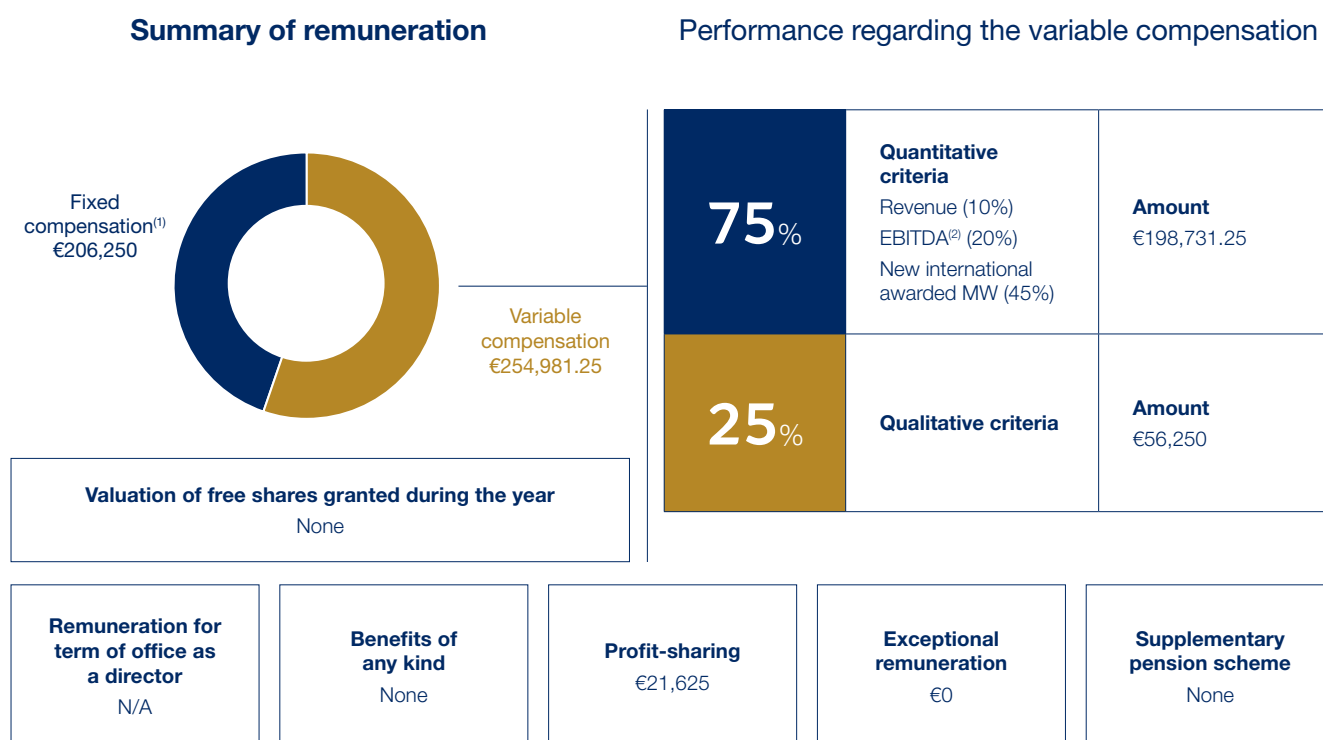
6.3.2.4 FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE 2022 FINANCIAL YEAR OR GRANTED FOR THE SAME FINANCIAL YEAR TO ROMAIN DESROUSSEAUX, DEPUTY CHIEF EXECUTIVE OFFICER, SUBMITTED TO THE VOTE OF THE GENERAL SHAREHOLDERS' MEETING OF MAY 10, 2023 IN ITS 7TH RESOLUTION (INDIVIDUAL SAY ON PAY EX POST)

The payment of the variable and exceptional components granted to Romain Desrousseaux is not subject to approval by an ordinary general shareholders' meeting. However, they are submitted to it for information.

The following information is provided for this purpose:

Summary table of the remuneration of the Deputy Chief Executive Officer granted for the 2022 financial year or paid in that financial year

In the chart below, all remuneration and amounts shown are expressed in gross amounts.



(1) Romain Desrousseaux is paid exclusively under his employment contract.

(2) In accordance with the Company's press release announcing the half-year results for 2022 dated July 28, 2022, the EBITDA targets of the Group, which until that date were excluding the impact of the change in the fair value of energy derivative financial instruments, are now adjusted EBITDA targets.

First, it should be noted that Romain Desrousseaux, Deputy Chief Executive Officer, is remunerated exclusively under his employment contract (subject to shares which may have been or may be granted to him free of charge in respect of his corporate office).

For the financial year 2022, Mr. Romain Desrousseaux did not receive any remuneration or benefits in respect of his corporate office. For this financial year, he was therefore exclusively remunerated under his employment contract with the Company prior to his appointment as Deputy Chief Executive Officer.

However, it was nevertheless decided to submit, for information, the items of the table set out below to a vote at the next ordinary general shareholders' meeting (which recaps, for information purposes only, the components related to its employment contract in the column "Presentation (indicative)").

Accordingly, the items presented in the table below do not show any amount in the columns concerning the remuneration paid during 2022 or granted in respect of that financial year to Romain Desrousseaux in respect of his corporate office.

As the variable remuneration granted in respect of 2022 is exclusively linked to his employment contract, its payment is not conditional on a favourable vote at the next ordinary general shareholders' meeting.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year in respect of the corporate office	Amounts granted in respect of the past financial year or accounting valuation in respect of the corporate office	Presentation (indicative)
Fixed remuneration	None	None	This remuneration is paid by the Company under the employment contract of the Deputy Chief Executive Officer. For information, it amounts to €206,250 for 2022. The Deputy Chief Executive Officer does not therefore receive any fixed remuneration paid by the Company in his capacity as Deputy Chief Executive Officer.
Annual variable remuneration	None	None	The annual variable remuneration of the Deputy Chief Executive Officer for 2022 was set by the Governance and CSR Committee on February 17, 2023, which noted the following performances in respect of the quantitative and qualitative performance criteria set by the Committee at its meeting of March 7, 2022 and whose principles are reflected in his employment contract: • Revenue criterion: €529.7 million, or 121.21% of budgeted revenue, or 142.42% of the 10% target; • EBITDA¹¹ criterion: €414 million, or 112.65% of the amount corresponding to the middle of the EBITDA guidance range¹⁰, i.e. 125.30% of the 20% target; • New international MW awarded criterion: 1,109.5 MW or 104.47% achievement of this criterion (based on the target number), or 108.94% of the 45% target; With regard to the qualitative performance criteria, the Committee noted that: • With regard to the growth in at least the half of the countries where Neoen is present, the acceleration of development in Northern Europe and the creation of the conditions for sustainable and substantial success in Italy: growth (new awarded or MW directly under construction) in seven countries: Australia, France, Finland, Sweden (wind, solar and storage in the same year), Canada, Ireland and Portugal; growth objectives in MW exceeded; Italian team established (more than ten people) and having constituted a portfolio of quality projects, which could lead to first construction starts in 2023; • Regarding the identification of two new countries where the Group could launch its development in 2022, which together could represent more than one additional GW in the medium term: establishment of a small team in Calgary (Canada), launch of the construction of a first project in Canada, and recruitment of a development manager for Germany; • Concerning the materialisation of the Group's expertise in energy management through innovative contracts for energy production (with a non-intermittent profile) or storage (innovative services): signature of a synthetic baseload contract (wind, storage and trading) with BHP in Australia, development and supply of innovative solutions and services: virtual battery, virtual inertia. Thus, in total, the amount of annual variable remuneration granted to the Deputy Chief Executive Officer for the 2022 financial year is €254,981.25. This Deputy Chief Executive Officer's annual variable remuneration is exclusively granted under his employment contract, his payment is not subject to the approval by the general shareholders' meeting of remuneration and benefits of any kind paid during or granted in respect of the last financial year.
Exceptional remuneration	None	None	No exceptional remuneration.

¹¹ According to the Company's press release announcing the half year results 2022 dated July 28, 2022, the EBITDA targets of the Neoen Group, which until that date were exclusive of the impact of the change in the fair value of the energy derivative financial instruments, are now adjusted EBITDA targets.

Remuneration components submitted to the vote of the general shareholders' meeting	Amounts paid during the past financial year in respect of the corporate office	Amounts granted in respect of the past financial year or accounting valuation in respect of the corporate office	Presentation (indicative)
Remuneration for Directors' activities	N/A	N/A	Not applicable.
Profit-sharing	None		An amount of €19,000 was paid in 2022 in respect of 2021. The profit-sharing granted in 2023 in respect of 2022 amounts to €21,625.
Stock options, free shares or any other element of long-term remuneration		Options: None Shares: None	No options to subscribe for or purchase shares were granted to the Deputy Chief Executive Officer during the 2022 financial year. No free shares were granted to the Deputy Chief Executive Officer during the 2022 financial year.
Severance pay	N/A		The Deputy Chief Executive Officer is not entitled to any specific severance pay in the event of termination of his office or employment contract.
Non-competition payment	None	None	The Deputy Chief Executive Officer is entitled to a non-competition payment upon termination of his 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 a monthly financial compensation from the date of termination of his/her employment contract and throughout the application of the clause (for a period of 12 months), calculated as follows: • 33% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if the employee becomes unemployed; and • 20% of the gross fixed monthly remuneration received on the date of termination of the contractual relationship if the employee has found a job.
Supplementary pension scheme	N/A		The Deputy Chief Executive Officer does not benefit from a supplementary.

6.3.3 COMPENSATION OF NON-EXECUTIVE OFFICERS

(i) Remuneration policy for Directors

In accordance with the law, the maximum amount of remuneration allocated to Directors is set by the general shareholders' meeting.

The general shareholders' meeting of May 26, 2020, decided to set this amount at €300,000 per year for the current and subsequent periods, unless a new general shareholders' meeting in the future changes the annual amount. 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 general shareholders' meeting and in accordance with the remuneration policy, 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 the allocation rules as well as the methods for calculating the remuneration allocated for the current financial year.

The criteria for distribution the fixed annual amount allocated by the general shareholders' meeting to the Directors are as follows:

BOARD OF DIRECTORS

- A remuneration of €35,000 is due to each director, adjusted according to their actual presence and time devoted to the work:
 - in case of absence from 20% of the meetings: the amount due is unchanged;
 - in case of absence between 20% and 70% of the meetings: the amount due is reduced in proportion to the presence; and
 - in case of absence from more than 70% of the meetings: the amount due is reduced by 70%.
- An additional remuneration of €17,500 is due to the Lead Director
- The budget allocated to the Directors is set at a maximum total amount of €300,000
- In the event of an increased workload, the Board may allocate the balance of the total annual remuneration remaining available to all or some of its members, depending on their participation in the Board's work
- In accordance with the provisions of Articles L. 22-10-15 and L. 225-46 of the French Commercial Code, exceptional remuneration may be granted to certain Directors for specific assignments or mandates. This remuneration would be charged to operating expenses and would be subject to the procedure for regulated agreements

MEMBERS OF BOARD COMMITTEES

- A remuneration of €17,500 is due to the Chairman of the Audit Committee and the Chairman of the Governance and CSR Committee
- A remuneration of €12,500 is due to each member of the Audit Committee and each member of the Governance and CSR Committee

(ii) Amount of gross remuneration granted in respect of and paid during 2022

In thousands of euros

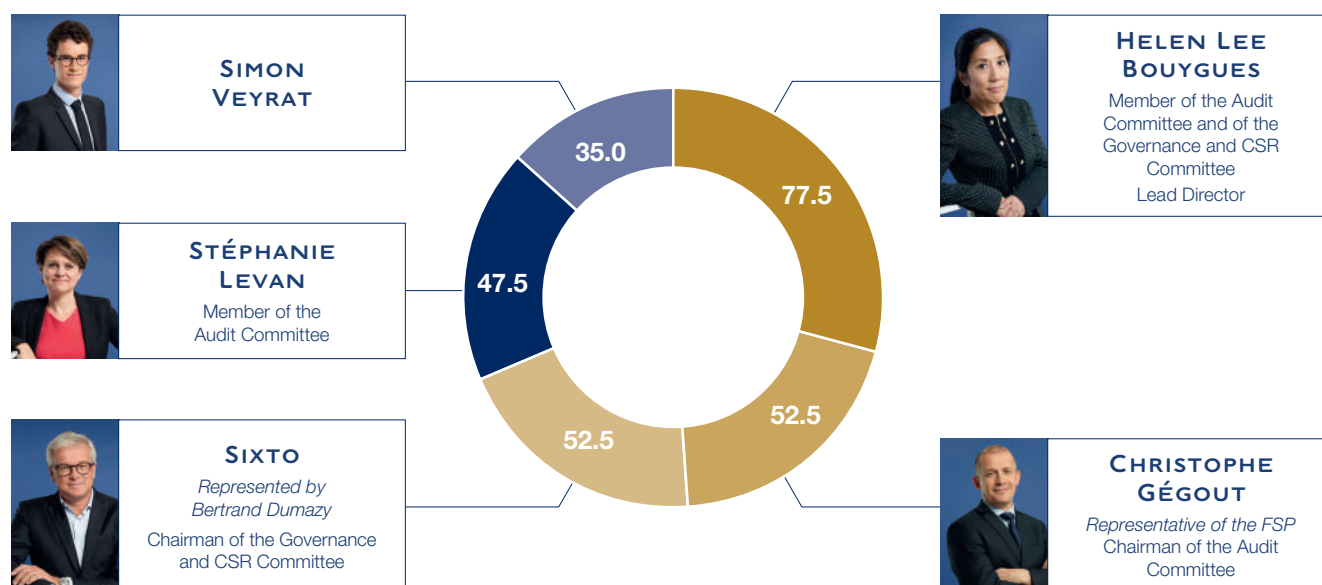


Table 3 - Remuneration granted for the office of Director and other remuneration received by non-executive corporate officers (AMF nomenclature)

Non-executive corporate officers (in euros)	2021 ⁽¹⁾		2022 ⁽¹⁾	
	Amounts granted in respect of 2021	Amounts paid during 2021	Amounts granted in respect of 2022	Amounts paid during 2022
Helen Lee Bouygues				
Remuneration (fixed, variable)	72,500.00	72,500.00	77,500.00	77,500.00
Other remuneration	N/A	N/A	N/A	N/A
Christophe Gégout, as permanent representative of the FSP⁽²⁾				
Remuneration (fixed, variable)	52,500.00	52,500.00	52,500.00	52,500.00
Other remuneration	N/A	N/A	N/A	N/A
Sixto, whose permanent representative is Bertrand Dumazy				
Remuneration (fixed, variable)	50,000.00	50,000.00	52,500.00	52,500.00
Other remuneration	N/A	N/A	N/A	N/A
Bpifrance Investissement, whose permanent representative is Vanessa Giraud⁽³⁾				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	N/A	N/A	N/A	N/A
Stéphanie Levan				
Remuneration (fixed, variable)	47,500.00	47,500.00	47,500.00	47,500.00
Other remuneration	N/A	N/A	N/A	N/A
Simon Veyrat				
Remuneration (fixed, variable)	35,000.00	35,000.00	35,000.00	35,000.00
Other remuneration	N/A	N/A	N/A	N/A
TOTAL	257,500.00	257,500.00	265,000.00	265,000.00

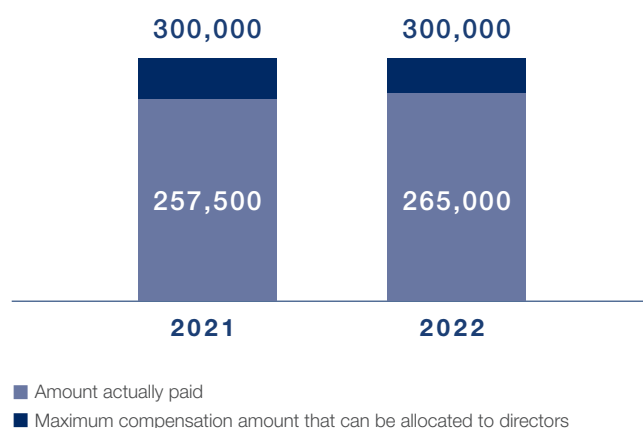
(1) The remuneration shown in the table above also includes the remuneration allocated for participation in the Audit Committee and the Governance and CSR Committee, and the remuneration of the Lead Director.

(2) The remuneration is paid directly to Christophe Gégout as permanent representative.

(3) Bpifrance Investissement did not receive any remuneration in respect of the 2021 and 2022 financial years.

Global annual compensation budget allocated to directors

In euros



6.3.4 REPORT ON OPTIONS AND FREE SHARES

6.3.4.1 POLICY FOR THE GRANT OF OPTIONS AND FREE SHARES

The combined general shareholders' meeting of May 25, 2021, in its 16th resolution, granted authorisation to the Board of Directors, for a twenty-six-month term, to grant existing or new free shares to some or all employees and executive officers of the Group or to some of them.

The existing shares or shares to be issued granted for free under this authorisation may not represent more than 2% of the Company's share capital on the date of the Board of Directors' decision, it being specified that the total number of existing shares or shares to be issued granted to the Company's executive officers may not represent, more than 50% of the shares that may be granted free of charge under the said authorisation;

The 16th resolution on the granting of free shares provides for the Board of Directors to set the condition, in particular the ceilings referred to above, as well as the performance criteria applicable to them, if any, and for the Board of Directors to determine the list of beneficiaries of the free shares.

In accordance with the terms and conditions applicable to free share allocations made during the 2022 financial year, the definitive grant 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 Governance and CSR Committee; It should be noted that the regulations

of the free share allocation plan of March 14, 2022, also include the provision that the number of free shares definitively allocated to each beneficiary will be prorated according to the beneficiary's days of absence during the vesting period that are not assimilated to actual working time within the meaning of Article L. 3314-5 of the French Labour Code or any other equivalent provision within the meaning of applicable local law;

- 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 plan are as follows:
 - the definitive vesting of 40% of the free shares will depend on achieving an EBITDA¹² 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).

¹² In accordance with the Company's press release announcing the half-year results for 2022 dated July 28, 2022, the Neoen Group's EBITDA targets, which until that date were exclusive of the impact of the change in the fair value of energy derivative financial instruments, are now adjusted EBITDA targets.

The level of achievement of each of the three aforementioned performance conditions will be recorded by the Board at the meeting during which it will approve the annual financial statements producing the performance criteria indicators used, under the following conditions:

- in the event that the objectives under one of the criteria are not met, such underperformance under one criterion may be offset by a possible outperformance under another criterion for the same financial year;
- the number of free shares definitively acquired by the beneficiaries will be determined by taking into account the average of the objectives achieved during the three financial years ended during the vesting period;
- the number of free shares definitively granted to each beneficiary depending on the achievement of the performance conditions may not under any circumstances exceed the maximum number of free shares initially granted to the beneficiary in question on the granting date.

It should be noted that the Company has not granted any stock subscription or purchase options since 2018.

6.3.4.2 STOCK SUBSCRIPTION OR PURCHASE OPTIONS

(i) Stock subscription or purchase options awarded during the 2022 financial year to each executive officer by the Company and by any Group company

None.

(ii) Stock subscription or purchase options exercised during the 2022 financial year by each executive officer

None.

(iii) Stock subscription or purchase options granted to the top ten employees who are not corporate officers

Table 9 - (AMF nomenclature)

Share 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 2022 financial year by the issuer and any company included in the scope of the grant of options to the top ten employees of the issuer and any company included in this scope with the highest number of options granted (overall information)	N/A	N/A
Options held on the issuer and the companies referred to above, exercised during the 2022 financial year by the top ten employees of the issuer and these companies with the highest number of options thus purchased or subscribed (overall information)	€34,240	€9.25

(iv) History of stock subscription or purchase option grants**Table 8 - History of share subscription or purchase option grants (after consolidation of shares) (AMF nomenclature)**

	2018 plan (III)	2018 plan (II)	2018 plan (I)
Date of the general shareholders' meeting	04/07/2018	29/05/2018	29/05/2018
Date of the Chairman's ⁽¹⁾ decision approving the list of beneficiaries	05/07/2018	30/05/2018	30/05/2018
Total number of shares that may be subscribed or purchased (on the date of grant of stock subscription or purchase options), the number of which may be subscribed by:	65,000	5,000	40,000
<i>Xavier Barbaro, Chairman & Chief Executive Officer</i>	0	0	0
<i>Romain Desrousseaux, Deputy Chief Executive Officer</i>	0	0	0
Total number of shares that may be subscribed or purchased (after the adjustment to take into account the April 2021 capital increase), the number of which can be subscribed by:	67,835	5,405	42,835
<i>Xavier Barbaro, Chairman & Chief Executive Officer</i>	0	0	0
<i>Romain Desrousseaux, Deputy Chief Executive Officer</i>	0	0	0
Start of option exercise period ⁽²⁾	06/10/2020	31/05/2021	31/05/2021
End of option exercise period	05/07/2023	30/05/2023	30/05/2023
Subscription or purchase price (before adjustment to take into account the April 2021 capital increase)	€10	€10	€10
Subscription or purchase price (after adjustment to take into account the April 2021 capital increase)	€9.25	€9.25	€9.25
Conditions of exercise (if the plan has more than one tranche)	-	-	-
Number of shares subscribed as of December 31, 2022	52,025	5,405	22,025
Aggregate number of stock options or share purchase options cancelled or lapsed (number before adjustment)	5,000	0	5,000
Remaining stock subscription or purchase options as of December 31, 2022 (number after adjustment to take into account the April 2021 capital increase)	10,810	0	15,810

⁽¹⁾ Decisions taken by the Chairman of the Company in its former S.A.S form.⁽²⁾ The 2018 (except the 2018 (III)) plans presented have a vesting period of thirty-six (36) months. The 2018 plan (III) includes a vesting period of 2 years, 3 months and 1 day.

6.3.4.3 ALLOCATION OF FREE SHARES

(i) Conditions set by the Board of Directors relating to the sale of free shares granted to executives

Pursuant to Article L. 225-197-1 II paragraph 4 of the French Commercial Code, the beneficiary of the performance free share plan of March 14, 2022, if he/she is a corporate officer of the Company or an affiliated company, will be required to hold in registered form at least 15% of the free shares granted to him/her until the termination of his/her duties, it being specified that any shares subscribed for by the executive exercising the preferential subscription rights attached to the free shares thus held in registered form shall be freely transferable if the executive has paid for them.

(ii) Performance shares granted free of charge to executive officers during the 2022 financial year

Table 6 - Free shares granted to each corporate officer (AMF nomenclature)

	Number of free shares granted	Value of the shares (according to the method used for the consolidated financial statements) (in euros)	Date of the granting decision
Free shares granted during the financial year to corporate officers by the Company and by companies affiliated with them by virtue of the offices they hold in the Company, of which number of shares granted to:			
Xavier Barbaro, Chairman & Chief Executive Officer	N/A	N/A	N/A
Romain Desrousseaux, Deputy Chief Executive Officer	N/A	N/A	N/A
Free shares granted during the financial year to corporate officers by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code in respect of the offices they hold in these companies			
	N/A	N/A	N/A

(iii) Performance shares granted free of charge to each executive officer during the 2022 financial year

Table 7 - Free shares that became available during the financial year for each executive officer (AMF nomenclature)

Free shares definitively vested by each corporate officer	Plan number and date	Number of shares that became available during the year	Vesting conditions
Xavier Barbaro	N/A	N/A	N/A
Romain Desrousseaux	N/A	N/A	

(iv) History of free share grants**Table 10 - History of free share grants (AMF nomenclature)**

	2022 plan	2021 plan	2020 plan	2019 plan
Date of the general shareholders' meeting	25/05/2021	26/05/2020	26/05/2019	2/10/2019
Date of decision to grant the shares by the Board of Directors or the Chairman	14/03/2022	10/03/2021	2/07/2020	10/07/2019
Total number of free shares granted (at the date of grant), of which number of shares granted to:	164,046	272,302	140,000	297,000
Xavier Barbaro, Chairman & Chief Executive Officer	0	88,590	0	0
Romain Desrousseaux, Deputy Chief Executive Officer	0	59,060	0	0
Total number of free shares granted (after adjustment to take into account the April 2021 capital increase), of which number of shares granted to:	N/A	294,360	151,354	321,066
Xavier Barbaro, Chairman & Chief Executive Officer	N/A	95,766	0	0
Romain Desrousseaux, Deputy Chief Executive Officer	N/A	63,844	0	0
Share vesting date	14/03/2025	11/03/2024	3/07/2023	11/07/2022
End of holding period	-	-	-	-
Number of shares vested as of December 31, 2022	0	0	0	292,742
Cumulative number of shares cancelled or lapsed (number after the adjustment is made, if applicable)	0	15,054	36,063	28,324
Remaining free shares as of December 31, 2022 (number after adjustment to take into account the April 2021 capital increase, if applicable)	164,046	279,306	115,291	0

6.3.5 OTHER INFORMATION ON EXECUTIVE OFFICERS

Table 11 (AMF nomenclature)

	Employment contract		Supplementary pension scheme		Allowances or benefits due or likely to be due as a result of termination or change of position ⁽¹⁾		Compensation relating to a non-competition clause ⁽¹⁾	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Xavier Barbaro Chairman and Chief Executive Officer Beginning of the term of office: September 12, 2018 Effective date of last renewal: May 25, 2022 End of term: Annual general shareholders' meeting called to approve in 2026 on the financial statements for the previous financial year	-	X	-	X	X	-	X	-
Romain Desrousseaux Deputy Chief Executive Officer Beginning of the term of office: April 17, 2019 Effective date of last renewal: May 25, 2022 End of term: Annual general shareholders' meeting called in 2026 to approve the financial statements for the previous financial year	X	-	-	X	-	X	X	-

(1) For more information on these possible indemnities, see paragraphs 6.3.2.3 and 6.3.2.4 of this document.

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 VALID DELEGATIONS AND AUTHORISATIONS GRANTED BY THE GENERAL SHAREHOLDERS' MEETING IN THE AREA OF CAPITAL INCREASES (INCLUDING USES MADE IN 2022 ON THE BASIS OF DELEGATIONS VOTED IN 2021)

Securities concerned Date of the general shareholders' meeting (authorisation/delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/delegations
Issues with preferential subscription rights		
Delegation of authority to increase the Company's capital by issuing shares and/or marketable securities giving immediate or future access to the capital or to debt securities SM of May 25, 2022 16 th resolution 26 months	€90 million (independent ceiling)	
Delegation of authority to increase the share capital by capitalising premiums, reserves, profits or any other amounts SM of May 25, 2022 22 nd resolution 26 months	€60 million (independent ceiling)	
Issues without preferential subscription rights		
Delegation of authority to increase the Company's capital by issuing shares and/or marketable securities giving immediate or future access to the capital, or to debt securities by public offer other than the offers mentioned in 1° of Article L. 411-2 of the Monetary and Financial Code and/or as consideration for securities in a public exchange offer (A) SM of May 25, 2022 17 th resolution 26 months	€65 million (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 million Determination of the price Shares: at least equal to the minimum provided by the regulatory provisions applicable on the issue date (as of May 25, 2022, weighted average price over the last three trading sessions on the regulated Euronext Paris market prior to the start of the public offering minus 10%) Securities giving access to capital (price of the underlying share): at least equal to the minimum subscription price described above	
Delegation of authority to increase the Company's capital by issuing shares and/or marketable securities giving immediate or future access to the capital, or debt securities, by an offer referred to in 1° of Article L. 411-2 of the Monetary and Financial Code (B) SM of May 25, 2022 18 th resolution 26 months	€65 million (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 million (in any case, limited to 20% per year: legal limit) Determination of the price Shares: at least equal to the minimum provided by the regulatory provisions applicable on the issue date (on May 25, 2022, weighted average of the prices of the last three trading sessions on the regulated Euronext Paris market prior to the start of the public offering minus 10%) Securities giving access to capital (price of the underlying share): at least equal to the minimum subscription price described above	Use during the 2022 financial year * issuance of debt securities of a nominal amount of €300 million ⁽¹⁾ * capital increase for a nominal amount of €11,650,508 ⁽²⁾

Securities concerned Date of the general shareholders' meeting (authorisation/ delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/ delegations
Delegation of authority to issue shares and/or marketable securities giving immediate or subsequent access to shares to be issued by the Company as consideration for contributions in kind consisting of equity securities or marketable securities giving access to the capital (C) SM of May 25, 2022 21 th resolution 26 months	10% of the share capital on the date of the transaction (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 million	
Delegation of authority to the Board of Directors to decide on a capital increase for the Company by issuing shares and/ or securities giving immediate or future access to the capital, reserved for members of savings plans SM of May 25, 2021 15 th resolution 26 months This delegation is no longer in force since May 25, 2022. This delegation has been replaced by a new delegation of the same type, see D below.	2% of the share capital on the day of the Board's decision (SM 2020 global ceiling) 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 70% or 60% of the average closing price quoted over the twenty trading days preceding the decision setting the subscription opening date, when the lock-in period is greater than or equal to 10 years provided for in the savings plan, respectively.	Use in the 2022 financial year: - capital increase in cash for an amount of €32,450 - capital increase by incorporating reserves in the amount of €32,450, i.e. approximately 0.03% of the capital on the day the capital increase is recorded
Delegation of authority to the Board of Directors to decide on a capital increase for the Company by issuing shares and/ or securities giving immediate or future access to the capital, reserved for members of savings plans (D) SM of May 25, 2022 23 rd resolution 26 months	2% of the share capital on the day of the Board's decision (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 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 70% or 60% of the average closing price quoted over the twenty trading days preceding the decision setting the subscription opening date, when the lock-in period is greater than or equal to 10 years.	
Delegation of authority to the Board of Directors to decide on a capital increase of the Company by issuing shares and/ or securities giving immediate or future access to the capital, reserved for Group employees abroad (E) SM of May 25, 2022 19 th resolution 18 months	1% of the share capital on the date of the Board's decision it being specified that this amount is deducted from the amount referred to in (D) above (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 million Determination of the price (i) Average closing price quoted over the twenty trading sessions preceding the date of the decision setting the subscription opening date less a maximum discount of 30% or (ii) if the transaction is part of a global employee share ownership plan set up in France and abroad, price determined under (D).	

Securities concerned Date of the general shareholders' meeting (authorisation/delegation duration and expiry)	Maximum amount of capital increase and methods used for determining the price	Use of authorisations/delegations
Issues with or without preferential subscription rights		
Authorisation to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights SM of May 25, 2021 14 th resolution 26 months This delegation is no longer in force since May 25, 2022. This delegation has been replaced by a new delegation of the same type, see below.	Ceiling equal to the limit provided by the applicable regulations (15% of the initial issue and within the limits set by the general shareholders' meeting)	
Authorisation to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights SM of May 25, 2022 20 th resolution 26 months	Ceiling equal to the limit provided for by the applicable regulations (on May 25, 2022, 15% of the initial issue and within the limits set by the general shareholders' meeting)	
Grant of free shares or stock options		
Authorisation to grant free existing shares or shares to be issued to some or all of the Group's employees and corporate officers (F) SM of May 25, 2021 16 th resolution 26 months	2% of the share capital on the day of the Board's decision (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 million	Use in the 2022 financial year: 164,046 shares granted, i.e. approximately 0.15% of the share capital on the grant date
Authorisation to grant share subscription and/or purchase options to employees and/or corporate officers of the Group or to some of them (G) SM of May 25, 2022 24 th resolution 26 months	2% of the share capital on the day of the Board's decision (A)+(B)+(C)+(D)+(E)+(F)+(G) is limited to €65 million Determination of the price Subscription options: price at least equal to 80% of the average closing listed price over the twenty trading days preceding the granting decision Purchase options: price at least equal to 80% of the average share price over the twenty trading days preceding the granting decision, and at least equal to 80% of the average purchase price of treasury shares	

(1) Issue of convertible green bonds 2022 ("OCEANes vertes"), by decisions of the Board of Directors dated September 6, 2022 and of the Chairman and Chief Executive Officer dated September 7, 2022.

(2) If all 3,000 convertible green bonds 2022 ("OCEANes vertes") are exercised and subject to adjustments in accordance with the issue contract.

6.4.2 AGREEMENTS ENTERED INTO BY EXECUTIVES OR SHAREHOLDERS WITH COMPANIES CONTROLLED BY 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, the Deputy 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 controlled by the former within the meaning of Article L. 233-3 of the French Commercial Code.

The Company is not aware of any such agreements.

6.4.3 PROCEDURE FOR EVALUATING CURRENT AGREEMENTS

In accordance with Article L. 22-10-12 of the French Commercial Code, the Board of Directors adopted a procedure at its meeting of March 25, 2020 for regularly evaluating whether agreements relating to day-to-day transactions entered into under normal conditions meet these conditions. This policy was updated at its meeting of February 28, 2023.

This procedure aims to identify and qualify, by means of criteria, current agreements entered into under normal conditions to which the Company is a party. It provides for a regular review (at least once a year) by an ad hoc committee composed of the Group CFO and the Company Secretary and applies prior to the conclusion of an agreement and on the occasion of any modification, renewal or termination, including for agreements considered as current at the time of their conclusion to ensure that they continue to meet these conditions. At its last meeting before the closing of the annual accounts, the Board of Directors is informed of the implementation of the assessment procedure, its results and any comments.

The ad hoc committee has reviewed all the agreements for the 2022 financial year, the results of which were communicated to the Board of Directors on February 28, 2023.

6.4.4 MAIN TRANSACTIONS WITH RELATED PARTIES

6.4.4.1 AGREEMENTS BETWEEN THE COMPANY AND ITS SHAREHOLDERS

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 quarterly fee of €25,000 before tax, which can be revised every year by agreement between the parties. During the financial year ended December 31, 2022, 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 main 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.); and
- 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 Articles 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 holding 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".

The scope of the tax consolidation group is also detailed in note 12 to the annual financial statements.

Agreements between the Company and project companies

As part of its activities, the Company intends to conclude, directly or through its intermediary holding companies and/or project companies, all the contracts necessary for the development, financing, construction and operation of the solar, wind and storage facilities carried by these facilities. These contracts generally provide for the provision of the following services:

- project development services and management of the design and construction of the facilities, which include assistance in obtaining land rights, planning and environmental permits, carrying out feasibility studies, diagnostics and impact studies, relations with the project's stakeholders (neighbourhood, local authorities, etc.), selection and management of relationships with suppliers and project company contractors (including the EPC contractor, the module supplier, the turbine manufacturer) or the monitoring of operations prior to the provisional and/or final acceptance of the facility;

- administrative and financial management services; and
- operation and maintenance management services of the facility, which include in particular the management and monitoring of relations with the O&M provider, the processing of information concerning the connection of the facility to the network or the performance of works and studies to improve the performance of the facility.

As part of the implementation of the procedure for evaluating standard agreements, these agreements were considered by the Group to be standard 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 loans 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 loans are subordinated to senior financing and are repayable on demand at the Group's request, subject nevertheless to compliance with 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 agreements in questions include standard cases of accelerated repayment. They are, except in exceptional cases, considered by the Group to be standard agreements entered into under normal conditions, after analysis 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. 22-10-11 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 offer. These include agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company. Accordingly, there are change of control clauses in the financing agreements, the OCEANE issue agreements and the syndicated facilities agreement.

To the Company's knowledge, the factors likely to have an impact in the event of a takeover bid or exchange offer are the following:

- the capital structure as well as the direct or indirect shareholdings known to the Company and all information in this regard are described in chapters 2 and 7 of this document;
- there are no statutory restrictions on the exercise of voting rights, with the exception of the sanction provided for in Article 10 of the Company's by-laws in the event of failure to comply with the obligation to declare the crossing of statutory thresholds (1% of the Company's share capital or voting rights, or any multiple of this percentage, up to 50% of the share capital or voting rights);

- there are no statutory restrictions on share transfers. However, there are extra-statutory restrictions described in paragraph 6.2.2.2 (iii) (Ethics - Conflicts of interest) of this document;
- to the Company's knowledge, there are no agreements or other commitments signed between shareholders other than the shareholders' agreement entered into between Impala SAS and Cartusia S.A.S on December 21, 2020;
- there are no securities with special control rights;
- there are no control mechanisms provided for in a possible employee shareholding system with control rights that are not exercised by employees;
- the rules for appointing and dismissing members of the Board of Directors are the legal and statutory rules provided for in Article 13 of the Company's by-laws;
- with regard to the powers of the Board of Directors, the current delegations (share buyback programme and capital increase delegations) are described in this document in paragraph 6.4.1 above;
- amendments to the by-laws of the Company are made in accordance with legal and regulatory provisions;
- concerning agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, it is specified that there are change of control clauses in the financing agreements, the OCEANES bond issue agreements and the syndicated facility agreement;
- agreements providing for compensation in the event of the termination of the duties of the Chairman and Chief Executive Officer are described in paragraph 6.3.2.3 of this document. There is no agreement providing for compensation for employees if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a takeover bid or exchange offer.



7



CAPITAL AND SHAREHOLDING STRUCTURE

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In this chapter, «Company», «Neoen S.A.» or «Neoen» refers to the limited company Neoen.

Information concerning capital and shareholding structure is presented as of December 31, 2022. Following the completion of the capital increase on March 29, 2023, this information has been updated, detailed in section 2.7 of this document.

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 22 rue Bayard, 75008 Paris.

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 IDENTIFICATION OF THE COMPANY

The Company's registration number is specified in paragraph 7.1.8 of this document.

The Company's LEI code is 969500C0AIAGQWZGJO13.

7.1.5 LEGISLATION

A limited company (*société anonyme*) incorporated under French law.

7.1.6 TERM

The Company was registered on September 29, 2008. The Company was incorporated for a period of ninety-nine years as from the date of its registration, i.e. until September 28, 2107 except in the event of extension or early dissolution.

7.1.7 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.

7.1.8 TRADE AND COMPANIES REGISTER

The Company is registered with the Paris trade and companies register under number 508 320 017.

7.1.9 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://neoen.com/en/investors/#regulated>.

7.1.10 FINANCIAL YEAR

The financial year begins on January 1 and ends on December 31 of each year.

7.1.11 STATUTORY DISTRIBUTION OF PROFITS

(See Article 24 of the bylaws)

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 subject to the restrictions set out in the Company's syndicated credit facility agreement.

7.1.12 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 L22-10-46 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.

The Board of Directors decided at its February 28, 2023, meeting on the agenda for the general shareholders' meeting to be held on May 10, 2023. The draft resolutions on the agenda include a proposal to amend Article 11 of Company's by-laws to introduce a double voting right for registered shares held in the name of the same shareholder for at least two years. For the purpose of calculating this two-year period, the period of registration prior to May 10, 2023, shall not be taken into account.

7.1.13 DECLARATION OF INTENT

None.

7.2 CAPITAL

7.2.1 SHARE CAPITAL¹

As of December 31, 2022, the Company's share capital was set at €229,338,996 and divided into 114,669,498 ordinary shares with a par value of €2 each, of the same class and fully paid up.

7.2.2 POTENTIAL SHARE CAPITAL

As of December 31, 2022, the Company's potential share capital breaks down as follows:

- 558,643 shares under free share allocation plans;
- 26,620 shares under stock option plans;
- 9,791,917 convertible bonds and/or exchangeable for new or existing shares.

Thus, the potential dilutive impact of these instruments would be 9.05% of the Company's share capital as of December 31, 2022.

7.2.3 SECURITIES NOT REPRESENTING SHARE CAPITAL

As of December 31, 2022, the Company has not issued any securities not representing share capital.

¹ Following the completion of the capital increase on March 29, 2023, this information has been updated, detailed in section 2.7.

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 ²	Financial Instrument	Transaction date	Unit price (euros)	Transaction type	Transaction Volume
Romain Desrousseaux	Shares	15/03/2022	35.3406	Disposal	(9,100)
Cartusia	Shares	15/03/2022	37.1000	Acquisition	30,580
Xavier Barbaro	Shares	15/03/2022	37.1000	Disposal	(30,580)
Xavier Barbaro	Shares	21/03/2022	35.3200	Donation	(28,000)
Xavier Barbaro	Shares	21/03/2022	35.3200	Donation	(28,000)
Xavier Barbaro	Shares	21/03/2022	35.3200	Receipt of shares through a donation	14,000
Xavier Barbaro	Shares	21/03/2022	35.3200	Receipt of shares through a donation	14,000
Xavier Barbaro	Shares	21/03/2022	35.3200	Receipt of shares through a donation	14,000
Xavier Barbaro	Shares	21/03/2022	35.3200	Receipt of shares through a donation	14,000
Xavier Barbaro	Shares	29/03/2022	35.3200	Contribution to a company	(14,000)
Xavier Barbaro	Shares	29/03/2022	35.3200	Contribution to a company	(14,000)
Xavier Barbaro	Shares	29/03/2022	35.3200	Contribution to a company	(14,000)
Xavier Barbaro	Shares	29/03/2022	35.3200	Contribution to a company	(14,000)
Xavier Barbaro	Shares	29/03/2022	35.3200	Receipt of shares through a contribution	14,000
Xavier Barbaro	Shares	29/03/2022	35.3200	Receipt of shares through a contribution	14,000
Xavier Barbaro	Shares	29/03/2022	35.3200	Receipt of shares through a contribution	14,000
Xavier Barbaro	Shares	29/03/2022	35.3200	Receipt of shares through a contribution	14,000
Olga Kharitonova	Shares	19/04/2022	11.1500	Acquisition (employee shareholding transaction)	236
Xavier Barbaro	Shares	19/04/2022	11.1500	Acquisition (employee shareholding transaction)	236
Romain Desrousseaux	Shares	19/04/2022	11.1500	Acquisition (employee shareholding transaction)	236
Xavier Barbaro	Shares	21/06/2022	37.5400	Donation	(2,000)
Bpifrance Investissement	Shares	23/06/2022	33.9900	Payment of dividends in shares	14,757
Fonds Stratégique de Participations (FSP)	Shares	23/06/2022	33.9900	Payment of dividends in shares	20,447

² This table only identifies executive officers and related persons without specifying the identity of any of their related persons who carried out the transactions listed in this table.

Person ²	Financial Instrument	Transaction date	Unit price (euros)	Transaction type	Transaction Volume
Cartusia	Shares	23/06/2022	33.9900	Payment of dividends in shares	3,028
Olga Kharitonova	Shares	23/06/2022	33.9900	Payment of dividends in shares	7
Olga Kharitonova	Shares	23/06/2022	33.9900	Payment of dividends in shares	5
Romain Desrousseaux	Shares	23/06/2022	33.9900	Payment of dividends in shares	1,207
Romain Desrousseaux	Shares	23/06/2022	33.9900	Payment of dividends in shares	78
Impala SAS	Shares	23/06/2022	33.9900	Payment of dividends in shares	146,500
Louis-Mathieu Perrin	Shares	11/07/2022	0.0000	Acquisition of free shares	54,050
Norbert Thouvenot	Shares	11/07/2022	0.0000	Acquisition of free shares	43,240
Louis-Mathieu Perrin	Shares	29/07/2022	44.2274	Disposal	(2,300)
Xavier Barbaro	Shares	29/07/2022	44.5000	Disposal	(2,900)
Xavier Barbaro	Shares	03/08/2022	42.5000	Donation	(10,000)
Impala SAS	Shares	07/09/2022	38.5263	Acquisition	427,680
Impala SAS	Shares	08/09/2022	40.0621	Acquisition	87,940
Impala SAS	Shares	23/09/2022	35.5250	Acquisition	70,549
Impala SAS	Shares	26/09/2022	34.5232	Acquisition	128,710
Impala SAS	Shares	27/09/2022	34.4064	Acquisition	51,290
Impala SAS	Shares	28/09/2022	33.8233	Acquisition	50,000
Impala SAS	Shares	29/09/2022	34.4870	Acquisition	50,000
Impala SAS	Shares	30/09/2022	34.2633	Acquisition	40,001
Impala SAS	Shares	03/10/2022	34.5398	Acquisition	28,709
Impala SAS	Shares	12/10/2022	32.9553	Acquisition	86,106
Impala SAS	Shares	13/10/2022	32.3832	Acquisition	81,541
Impala SAS	Shares	14/10/2022	33.8371	Acquisition	48,037
Impala SAS	Shares	17/10/2022	33.6105	Acquisition	35,422
Xavier Barbaro	Shares	08/11/2022	38.9120	Contribution to a company	86,399

7.2.5 TREASURY SHARES AND PURCHASE BY THE COMPANY OF ITS OWN SHARES

As of December 31, 2022, none of the Company's subsidiaries or a third party acting on the Company's account held any of the Company's shares. As of December 31, 2022, the Company held 146,347 of its own shares, representing 0.13% of its share capital (on the basis of the share capital as of December 31, 2022), of which 73,522 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 May 25, 2022, in its 24th 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. This delegation was granted for a period of twenty-six months.

No options to subscribe for or purchase shares for the benefit of the Group's employees and corporate officers were granted under said authorisation of the general meeting.

Information on share subscription options granted or exercised by Neoen's executive officers is described in paragraph 6.3.4.2 of this document.

7.2.6.2 FREE SHARE ALLOCATIONS

The general shareholders' meeting of the Company of May 25, 2021, in its 16th 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. This delegation was granted for a period of twenty-six months.

On March 14, 2022, the Board of Directors decided to allocate 164,046 free shares of Neoen S.A. to certain employees of the Group. The allocation of shares will only be final at the end of a three-year vesting period, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan regulations and relating in particular to the achievement of financial and development objectives, are met.

Information concerning the history and terms of these allocations is described in paragraph 6.3.4.3 of this document. Furthermore, on February 28, 2023, the Board of Directors decided to grant 221 766 free shares of Neoen S.A. to certain employees of the Group. The allocation of shares will only be final after a vesting period of three years, provided that the beneficiaries are still present in the Group and that the performance conditions set by the Board of Directors in the plan regulations and relating in particular to the achievement of financial and development objectives, are met.

7.2.6.3 CONVERTIBLE BONDS INTO NEW SHARES AND/OR EXCHANGEABLE FOR EXISTING SHARES

Convertible bonds (OCEANES 2019)

On October 7, 2019, the Company issued convertible bonds into new shares and/or exchangeable for existing shares ("OCEANES"), in a principal amount of about €200 million (gross amount of the issue) ("OCEANES 2019") with a maturity set on October 7, 2024. The net amount of the issue has been allocated to the Group's general needs and was intended in particular to

finance its development with a view to achieving the Group's targeted capacity by the end of 2021 (more than 5 GW under construction or operation).

The convertible bonds ("OCEANES 2019") bore 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 convertible bonds issued in 2019 ("OCEANES 2019") issued had 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 convertible bonds 2019, on the basis of 1 ordinary share for each convertible bond converted.

In accordance with the terms and conditions of the OCEANES 2019, the Company decided on September 7, 2022, to repay all outstanding OCEANES 2019 early. On October 26, 2022, the Company recorded the conversion of 6,614,676 OCEANES 2019 (i.e. 99.78% of all the OCEANES 2019 issued) with a par value of €30.17, i.e. a total nominal amount of €199,564,774.92. The Company issued a total of 7,130,619 new shares pursuant to the allocation ratio of 1.078 shares per OCEANE 2019. The 14,425 OCEANES 2019 not presented for conversion were repaid in cash on October 28, 2022, at the early repayment price of €30.20263 per OCEANE 2019 (including €0.03263 of accrued interest), i.e. a total amount of €435,672.94.

Green convertible bonds (OCEANES vertes 2020)

On June 2, 2020, the Company issued green convertible bonds into new shares and/or exchangeable for existing shares ("OCEANES vertes 2020"), maturing on June 2, 2025, for a principal amount of approximately €170 million (gross amount of the issue). The net proceeds from the issue has been affected to the financing or refinancing of renewable energy generation projects (solar and wind energy) or energy storage projects, in accordance with the requirements of the European Union taxonomy and the Green bond Framework of May 27, 2020 reviewed by Moody's ESG Solutions (formerly Vigeo Eiris) published and available on the Company's website (the «Green Bond Framework») website, and, in particular, was intended to finance its development with a view to achieving its capacity target at the end of 2021 (more than 5 GW of capacity under construction or in operation).

The OCEANES vertes 2020 bear interest from their issue date at the annual rate of 2% payable semi-annually in arrears at December 2 and June 2 of each year. The unit par value of the 3,679,653 OCEANES vertes 2020 issued is €46.20 and the conversion ratio is 1 share for each exercised OCEANE verte 2020, subject to the usual adjustments provided for by the terms and conditions of the OCEANES vertes 2020.

In certain circumstances defined by the terms and conditions of the OCEANES vertes 2020, in the event of a change of control of the Company or of a defined liquidity incident affecting the market for the Company's shares (as defined in the terms and conditions of the OCEANES vertes 2020), 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 OCEANES vertes 2020.

Green convertible bonds (OCEANes vertes 2022)

On September 14, 2022, the Company issued green convertible bonds into new shares and/or exchangeable for existing shares maturing on September 14, 2027, for a principal amount of €300 million (gross amount of the issue) (the “OCEANes vertes 2022”). The net proceeds from the issue (detailed in paragraph 2.4.1.7 of this document) are used to finance or refinance renewable energy production or storage projects, in accordance with the Green Bond Framework.

The OCEANes vertes 2022 bear interest from their issue date at an annual rate of 2.875% payable semi-annually in arrears on March 14 and September 14 of each year, for the first time on March 14, 2023.

The 3,000 OCEANes vertes 2022 have a nominal value of €100,000 each and the conversion premium has been set at 35% over the Company's reference share price, i.e., a conversion/exchange price of €51.4999.

In certain circumstances defined by the terms and conditions of the OCEANes vertes 2022, in the event of a change of control of the Company, the occurrence of a liquidity event affecting the market for the Company's shares or a delisting of the Company's shares (as such terms are defined in the terms and conditions of the OCEANes vertes 2022, the bondholders will be entitled to request prior to the maturity date the early repayment of the green convertible bonds (“OCEANes vertes 2022”) at their nominal value plus accrued and unpaid interest. The bondholders may equally request their acceleration in the event of the occurrence of certain events of default as defined in the terms and conditions of the OCEANes vertes 2022.

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

Authorisation given by the general shareholders' meeting of May 25, 2022.

The general shareholders' meeting of May 25, 2022, in its 13th resolution, authorised the Board of Directors to trade in the Company's own shares on the stock exchange. This authorisation was given for eighteen months, until November 25, 2023, and terminates the authorisation granted to the Board of Directors by the general shareholders' meeting of May 25, 2021, in its 12th ordinary resolution.

The maximum unit purchase price was set at €80 per share for a maximum amount of €50 million.

The objectives of this programme include:

- the implementation of any stock option plan of the Company pursuant to the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code or any similar plan; or
- the allocation or sale of shares to employees in respect of their participation in the benefits of the company's expansion or the implementation 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 Labour Code as well as any other employee or executive shareholding plan of the Company and its subsidiaries; or
- the allocation of free shares under the terms of Articles L. 225-197-1 *et seq.* of the Commercial Code; or
- generally, to comply with obligations related to stock option programmes or other allocations of shares to employees or corporate officers of the Company or an associated company; or
- the delivery of shares upon the exercise of rights attached to securities giving rights to the share capital through redemption, conversion, exchange, presentation of a warrant or in any other manner; or
- the cancellation of all or part of the securities thus repurchased, in accordance with the authorisation granted or to be granted by the extraordinary general shareholders' meeting; or
- the delivery of shares (as exchange, payment or otherwise) in the context of external growth, merger, demerger or contribution transactions; or
- the stimulation of the secondary market or the liquidity of the Company's shares by an investment service provider acting within the framework of a liquidity contract in accordance with the market practice recognised by the AMF (French financial market authority) (as amended if applicable).

Assessment of the share buyback program

<i>(In number of treasury shares)</i>	Stock market stabilisation	Share buyback program ⁽¹⁾	Total
Positions as of December 31, 2021	52,961	151,549	204,510
Repurchases	1,602,077	51,000	1,653,077
Sales/Transfers	(1,581,516)	(129,724)	(1,711,240)
Positions as of December 31, 2022	73,522	72,825	146,347

(1) The Company acquires its own shares to cover its commitments to grant free shares to its employees.

In 2022, 1,653,077 shares were purchased at an average price of €36.43 per share and 1,711,240 shares were sold or granted in the context of free share plans at an average price of €34.16 per share.

As of December 31, 2022, the Company directly or indirectly held 146,347 of its own shares, representing a value of €5,368,895 based on book value.

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. These plans are open to all employees on a permanent or fixed-term contract once they have been with the company for three months.

In accordance with Article L.3332-25 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 L.22-10-56 *et seq.* 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.

On 31 December 2022, employees held shares in the Company under its employee savings plans (please refer to the paragraph 7.2.11 "employee shareholders" of this document).

7.2.10 EMPLOYEE SAVINGS PLANS

Discretionary profit-sharing agreement

To involve French employees in the Group's performance, a new incentive plan was established in 2021 with the Social and Economic Council (CSE). This agreement was filed with DREETS. This agreement will apply for three financial years, i.e. 2022, 2023 and 2024.

Non-discretionary profit-sharing agreement

It is mandatory for companies with 50 employees or more to establish a profit-sharing agreement, pursuant to Article L. 3322-2 of the French Labour Code.

In 2022, the Company signed a new profit-sharing agreement with the social and economic committee, which was filed with DREETS.

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 L.3323-2 and L.3323-3 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

7.2.11 EMPLOYEE SHAREHOLDERS

Employee shareholding scheme

In 2022, the Company introduced an employee shareholding scheme for all its employees in France for the third time. This mechanism forms part of the framework defined by the employee savings plan.

The employee savings plan in force within the Company allows employees to have the amounts payable to them from the incentive plan and/or their personal employee savings converted to Company shares and to benefit from the employer contribution of shares. The employees' assets are blocked for five years in return for social and tax benefits, except in the event of early release provided for by law.

This operation is detailed in section 4.3 - notes 2 and 13 of this document.

As of December 31, 2022, employees shareholding in the Company's equity, calculated in accordance with article L. 225-102 of the French Commercial Code, amounted to 212,261 shares held under the company savings plan and 525,229 registered shares held directly by employees, i.e., a total of 0.64% of the Company's equity.

Capital increase reserved for employees:

On April 19, 2022, Neoen S.A. carried out a capital increase reserved for its employees and corporate officers in France. This plan offered each beneficiary to buy 118 new shares at a preferential subscription price of €22.30 per share (benefiting from a 30% discount compared to the average closing price of the share over the last twenty trading days preceding the day on which the Chairman and Chief Executive Officer set the price, being March 14, 2022, upon sub-delegation by the Board of Directors) and a matching contribution on the basis of one share offered for one share subscribed.

Neoen intends to renew this plan during the 2023 financial year.

7.2.12 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:

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)
10/04/2020	Share capital increase (exercise of stock options)	170,177,496	85,088,748	85,091,248	2	2.00	170,182,496
10/04/2020	Share capital increase (exercise of stock options)	170,182,496	85,091,248	85,188,540	2	4.00	170,377,080
10/04/2020	Share capital increase (free share award)	170,377,080	85,188,540	85,191,040	2	N/A	170,382,080
29/04/2020	Share capital increase (reserved for employees)	170,382,080	85,191,040	85,203,818	2	19.92	170,407,636
29/04/2020	Share capital increase (reserved for employees)	170,407,636	85,203,818	85,216,596	2	N/A	170,433,192
30/06/2020	Share capital increase (exercise of stock options)	170,433,192	85,216,596	85,252,638	2	4.00	170,505,276
06/10/2020	Share capital increase (free share award)	170,505,276	85,252,638	85,437,212	2	N/A	170,874,424
06/10/2020	Share capital increase (exercise of stock options)	170,874,424	85,437,212	85,462,212	2	2.00	170,924,424
06/10/2020	Share capital increase (exercise of stock options)	170,924,424	85,462,212	85,490,712	2	4.00	170,981,424
31/12/2020	Share capital increase (exercise of stock options)	170,981,424	85,490,712	85,525,712	2	2.00	171,051,424
31/12/2020	Share capital increase (exercise of stock options)	171,051,424	85,525,712	85,550,712	2	8.00	171,101,424
15/03/2021	Share capital increase (exercise of stock options)	171,101,424	85,550,712	85,574,712	2	4.00	171,149,424
09/04/2021	Share capital increase (issue of new shares with preferential subscription rights)	171,149,424	85,574,712	106,968,390	2	26.00	213,936,780
12/05/2021	Share capital increase (reserved for employees)	213,936,780	106,968,390	106,979,909	2	26.25	213,959,818

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)
12/05/2021	Share capital increase (reserved for employees)	213,959,818	106,979,909	106,991,428	2	N/A	213,982,856
12/05/2021	Share capital increase (exercise of stock options)	213,982,856	106,991,428	106,995,752	2	3.55	213,991,504
31/05/2021	Share capital increase (free share award)	213,991,504	106,995,752	106,998,455	2	N/A	213,996,910
30/06/2021	Share capital increase (exercise of stock options)	213,996,910	106,998,455	107,011,665	2	7.25	214,023,330
31/12/2021	Share capital increase (exercise of stock options)	214,023,330	107,011,665	107,056,685	2	7.25 (7,005 shares) 3.55 (38,015 shares)	214,113,370
19/04/2022	Share capital increase (reserved for employees)	214,113,370	107,056,685	107,072,910	2	20.30	214,145,820
19/04/2022	Share capital increase (reserved for employees)	214,145,820	107,072,910	107,089,135	2	N/A	214,178,270
19/04/2022	Share capital increase (exercise of stock options)	214,178,270	107,089,135	107,103,350	2	7.25	214,206,700
23/06/2022	Share capital increase (exercise of stock options)	214,206,700	107,103,350	107,106,350	2	7.25	214,212,700
23/06/2022	Share capital increase (payment of the dividend in shares)	214,212,700	107,106,350	107,358,836	2	31.99	214,717,672
11/07/2022	Share capital increase (exercise of stock options)	214,717,672	107,358,836	107,521,854	2	N/A	215,043,708
26/10/2022	Capital increase (conversion of OCEANES 2024 into shares)	215,043,708	107,521,854	114,652,473	2	25.99	229,304,946
26/10/2022	Share capital increase (exercise of stock options)	229,304,946	114,652,473	114,669,498	2	7.25	229,338,996

7.2.13 DISPOSAL OF CROSS-SHAREHOLDINGS

None.

7.2.14 PLEDGES

To the Company's knowledge, there is no pledge on a significant part of its capital.

7.3 SHAREHOLDING STRUCTURE³

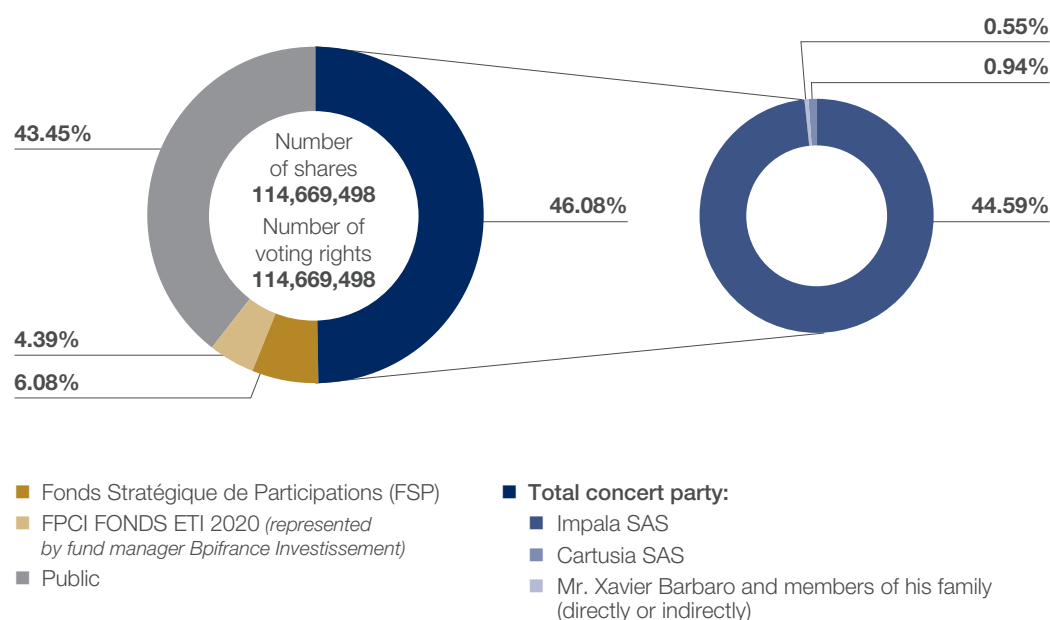
7.3.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

The table below shows the breakdown of share capital and voting rights in the Company as of December 31, 2022. This description reflects the Company's knowledge based on the information available to it as of December 31, 2022:

Shareholder	Number of shares	% of share capital	% of voting rights
Impala SAS	51,128,741	44.59%	44.59%
Cartusia SAS	1,076,498	0.94%	0.94%
Xavier Barbaro and members of his family (directly or indirectly)	633,309	0.55%	0.55%
Total concert party⁽¹⁾	52,838,548	46.08%	46.08%
Fonds Stratégique de Participations (FSP)	6,970,447	6.08%	6.08%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	5,030,869	4.39%	4.39%
Public	49,829,634	43.45%	43.45%
TOTAL	114,669,498	100%	100%

(1) The concert party results from an agreement between shareholders Impala SAS and Cartusia SAS, the latter being a long-term investment vehicle held by Mr Xavier Barbaro and the members of his family.

Share capital as of December 31st, 2022



³ Following the completion of the capital increase on March 29, 2023, this information has been updated, detailed in section 2.7.

Impala SAS

Impala, a group owned and managed by Jacques Veyrat and his family, invests in projects with strong development potential, in different business sectors and with variable levels of participation: Energy (stakes in Neoen, Tag Energy and Castleton Commodities International), Technologies (stakes in Technopius Industries, Edgyn, Inexto), Cosmetics (stakes in Laboratoire Native, owner of the Roger&Gallet, Lierac, Phyto, stakes in Pharma and Beauty Group and Augustinus Bader), Culture, Entertainment and Fashion (stakes in Pullin, L'Exception, Rosa Bonheur and La Caserne), Finance (stake in Eiffel Investment Group and in high-growth projects in China), Real estate projects and Hotels (residential real estate projects in the Paris region, Luxembourg and Spain and a hotel group in Portugal and France). Impala is a long-term investor.

Fonds Stratégique de Participations (FSP)

Fonds Stratégique de Participations (FSP) is an open-ended investment company (*société d'investissement à capital variable*) registered with the French financial markets authority (*Autorité des Marchés Financiers* - AMF), that promotes long-term equity investment. FSP's purpose is to acquire "strategic" equity stakes in the capital of French companies and participate in their governance by holding a seat on their Board of Directors and governance board. The fund is financed by seven major insurance companies seeking long term investments in French companies to help them with their development and transition projects. FSP's shareholders are BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Société Générale Assurances, Groupama, BPCE Assurances and Suravenir. As of December 31, 2022, FSP held nine equity investments, Arkema, Seb, Eutelsat Communications, Tikehau Capital, Elior Group, Neoen, Valeo, Believe and Soitec. FSP continues to study equity investment opportunities in French companies.

FSP is managed by ISALT, an independent management company which monitors the companies in which FSP invests and coordinates relations with the permanent representatives of FSP who sit on the Boards of Directors or supervisory boards of those companies. FSP has appointed Mr Christophe Gégout as its permanent representative on the Company's Board of Directors.

FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)

Bpifrance finances businesses at each stage of their development through loans, guarantees and equity. Bpifrance provides support with their innovation projects and international activities through a wide range of products and services. Bpifrance is particularly involved in the renewable energy sector and sees companies in this sector as genuine catalysts of competitiveness for the French economy, which it intends to support in the coming years through its climate plan (€13.6 billion dedicated to renewable energy over 2020-2024).

7.3.2 COMMITMENTS BY SHAREHOLDERS TO RETAIN THEIR SHARES

As of December 31, 2022, there are no outstanding share retention commitments from the shareholders, as these commitments expired in 2022. As a reminder, they related to the commitments to retain the shares made by Impala SAS for a period of 90 calendar days from the settlement-delivery of the green convertible bonds ("*OCEANes vertes 2022*") in connection with the issue of the latter carried out on September 14, 2022 (as described in paragraphs 2.4.1.7 and 7.2.6.3 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 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

On December 31, 2022, the shareholders who have crossed the legal and/or statutory thresholds are the following:

Date of the market transaction	Registered intermediaries or fund managers	Type of threshold crossing	Number of shares	% share Capital
25/01/2022	Schroders Plc	↓	1,030,589	0.96%
06/04/2022	OMNES	↓	1,063,551	0.99%
29/04/2022	BlackRock	↓	2,180,256	2.04%
03/05/2022	BlackRock	↓	2,079,276	1.94%
06/06/2022	Citigroup Inc.	↑	1,077,291 ⁴	1.01%
18/07/2022	Invesco Ltd	↓	1,057,027	0.98%
09/09/2022	Citigroup Inc.	↑	1,245,784 ⁵	1.16%
26/09/2022	Impala SAS	↑	50,657,635	47.11%
29/09/2022	Norges Bank (the Central Bank of Norway)	↑	4,303,732	4.00%
13/10/2022	Concert Impala – Cartusia and Xavier Barbaro	↑	52,755,089	49.06%
19/10/2022	Citigroup Inc.	↓	871,291 ⁶	0.81%
N.C.	La Banque Postale Asset Management	↓	N.C.	0.99%
19/10/2022	UBS Asset Management	↑	1,679,422 ⁷	1.56%
26/10/2022	Impala SAS	↓	51,128,741	44.59%
26/10/2022	Concert Impala – Cartusia and Xavier Barbaro	↓	52,838,548	46.08%
26/10/2022	Schroders Plc	↑	1,395,530	1.30%
01/11/2022	Norges Bank (the Central Bank of Norway)	↓	4,373,477	3.81%
01/11/2022	Invesco Ltd	↓	1,145,468	0.99%
02/11/2022	La Financière de l'Echiquier	↓	4,429,089	3.86%
11/11/2022	Invesco Ltd	↑	1,156,846	1.00%
15/11/2022	UBS Asset Management	↓	1,111,436	0.97%
29/11/2022	Esta Investment Pte. Ltd	↓	1,095,678	0.95%
02/12/2022	BlackRock	↓	2,285,905	1.99%
05/12/2022	BlackRock	↑	2,402,767	2.10%
16/12/2022	Invesco Ltd	↓	1,139,824	0.99%

⁴ Only OTC derivatives.

⁵ Of which 969,400 OTC derivatives.

⁶ Of which 29,414 OTC derivatives.

⁷ Of which 1,157,091 shares and 522,331 convertible bonds.

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, 2020, December 31, 2021, and December 31, 2022, on an undiluted basis:

Shareholder	Number of ordinary shares and voting rights	Percentage of capital (and theoretical voting rights)	Percentage of potential voting rights
Impala SAS ⁽¹⁾	42,636,236	49.84%	49.84%
Cartusia SAS	720,000	0.84%	0.84%
Mr Xavier Barbaro and members of his family	764,236	0.89%	0.89%
Total concert party⁽²⁾	44,120,472	51.57%	51.57%
Fonds Stratégique de Participations (FSP)	5,700,000	6.66%	6.66%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	4,299,525	5.03%	5.03%
Public	31,430,715	36.74%	36.74%
Total as of December 31, 2020	85,550,712	100%	100%
Impala SAS ⁽¹⁾	49,796,256	46.51%	46.51%
Cartusia SAS	1,000,086	0.93%	0.93%
Mr Xavier Barbaro and members of his family (directly or indirectly)	721,357	0.67%	0.67%
Total concert party⁽²⁾	51,517,699	48.12%	48.12%
Fonds Stratégique de Participations (FSP)	6,950,000	6.49%	6.49%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	5,016,112	4.69%	4.69%
Public	43,572,874	40.70%	40.70%
Total as of December 31, 2021	107,056,685⁽³⁾	100%	100%
Impala SAS ⁽¹⁾	51,128,741	44.59%	44.59%
Cartusia SAS	1,076,498	0.94%	0.94%
Mr Xavier Barbaro and members of his family (directly or indirectly)	633,309	0.55%	0.55%
Total concert party⁽²⁾	52,838,548	46.08%	46.08%
Fonds Stratégique de Participations (FSP)	6,970,447	6.08%	6.08%
FPCI FONDS ETI 2020 (represented by fund manager Bpifrance Investissement)	5,030,869	4.39%	4.39%
Public	49,829,634	43.45%	43.45%
Total as of December 31, 2022	114,669,498⁽⁴⁾	100%	100%

(1) Impala SAS is wholly owned, controlled and managed by Mr Jacques Veyrat and his family.

(2) The concert party results from an agreement between shareholders Impala SAS and Cartusia SAS, the latter being a long-term investment vehicle held by Mr Xavier Barbaro and the members of his family.

(3) On April 9, 2021, the Group carried out a capital increase of €591.2 million (after taking into account issue costs) by issuing 21,393,678 new ordinary shares.

(4) The conversion of the 2019 OCEANES bonds is described in paragraph 2.4.1.6 of this document.

7.3.6 CONTROL STRUCTURE

As of December 31, 2022, the Company is indirectly controlled by Mr Jacques Veyrat and his family who hold 44.59% of the share capital and voting rights via Impala SAS.

As a result, Impala SAS is the reference shareholder of the Company.

As of December 21, 2020, Impala SAS entered into a concert party agreement with Cartusia SAS, a long-term investment vehicle owned by Mr Xavier Barbaro and the members of his family.

As of December 31, 2022, Impala SAS and Cartusia SAS (together with Mr Xavier Barbaro and his family members, directly or indirectly) jointly held an interest in the capital and voting rights of the Company that gives them control of the Company (their total interest in the capital and voting rights of the Company amounting to 46.08%).

In this context, the Company has taken following measures to prevent improper exercise of control:

- of the seven Directors, three directors (more than one third) are independent members, in accordance with the recommendations of the AFEF/MEDEF Code applicable to controlled companies;
- one director has been appointed Lead Director;
- one director is a representative of Fonds Stratégique de Participations (FSP);
- one director is a representative of Bpifrance Investissement;
- two directors (less than half) are related to Impala SAS.

For further details, please see paragraph 6.2.1 “principles governing the composition of the Board of Directors” of this document.

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 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.

The Company paid a dividend for the first time in 2022, in respect of the financial year 2021. At its Capital Markets Day on March 11, 2021, the Company also announced that it would be increasing dividends gradually and steadily. Dividend payments are subject to the restrictions set out in the Company's syndicated credit facility agreement.

Given the achievement of its targets for 2022, and considering its medium-term objectives mentioned in paragraph 2.3.2.3 of this document, the Company will propose to the upcoming general shareholders' meeting, scheduled on May 10, 2023, the payment of a dividend of €0.125 per share for the financial year 2022. After 2023 and until 2025, the Company intends to gradually increase its dividend following the evolution of its results and financial situation.

7.3.8.2 DIVIDENDS DISTRIBUTED OVER THE PAST THREE YEARS

Financial year 2022

The financial year ending December 31, 2022, shows a net profit of €47.7 million. A proposal will be made at the annual general shareholders' meeting in 2023 to pay a dividend of €0.125 per share, payable in full either in cash or in new ordinary shares.

Financial year 2021

At the general shareholders' meeting of May 25, 2022, the shareholders approved the distribution of a dividend of €0.10 per share with an option for payment of the dividend in new shares. Each shareholder could thus receive either 100% of the dividend in cash or 100% of the dividend in new ordinary shares.

At the close of the option exercise period (from June 3, 2022, to June 17, 2022, inclusive), nearly 80% of the rights had been exercised in favour of payment of the dividend in shares. This transaction resulted in the creation of 252,486 new ordinary shares (representing approximately 0.2% of the share capital after the capital increase) and the payment of a cash dividend of €2.1 million.

Financial years 2019 and 2020

The Company did not distribute dividends for the years ended as of December 31, 2019, and 2020.

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: CAC Mid 60, CAC All-share, CAC Mid & Small, CAC Utilities, SBF 120, Next 150, MSCI Small Cap France, S&P Global Clean Energy Index;
- DSS: Eligible;
- SSP: Eligible;
- ISIN code: FR0011675362;
- Date of initial listing: October 17, 2018.

Stock market data

Average price from initial listing until 24.02.2023	€32.57
Average volume from initial listing until 24.02.2023	132,894 shares
Highest price	€44.10 on 08.08.2022
Lowest price	€27.28 on 23.02.2022
Progress of the share from listing until 24.02.2023	+ 118.3%
Change between 01.01.2022 and 24.02.2023	- 10.0%
Market capitalisation at 24.02.2023	€3.9 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 2022	37.98	30.88	151.6
February 2022	34.46	27.28	158.8
March 2022	38.62	31.84	218.4
April 2022	40.98	37.54	194.0
May 2022	40.50	35.33	136.7
June 2022	40.08	35.50	91.4
July 2022	42.87	37.50	126.1
August 2022	44.10	40.40	85.6
September 2022	42.16	33.98	252.6
October 2022	35.59	32.88	129.6
November 2022	39.49	34.72	127.3
December 2022	40.08	37.07	121.6
January 2023	37.46	34.30	140.1
February 2023	36.65	34.18	130.3

Change in the price of Neoen shares



7.4.2 RELATIONSHIP WITH SHAREHOLDERS

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:

- this 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, Capital Markets Day, semestrial financial reports, investor presentations);
- documents relating to the general shareholders' meeting;
- the Company bylaws;
- the Board's internal regulations.

This information can also be sent by post by simply requesting it from the financial communications department of the Company.

The legal information (bylaws, meeting minutes of general shareholders' meetings, statutory auditors' reports), are available for review at the head office of the Company.

7.4.2.2 RELATIONSHIP WITH INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

To ensure good relations with the financial community, the investor relations department of the Company regularly organises events enabling financial analysts and institutional investors to meet senior management.

With regard to financial year 2022, financial publications were presented by senior management at webcasts and conference calls during which it also replied to questions asked by financial analysts.

Furthermore, senior management and the investor relations department joined in meetings with the financial community (financial analysts and institutional investors) in the form of sector conferences and digital roadshows. In 2021, the Group also organised a governance roadshow. These regular contacts contribute to building a relationship of trust.

The Neoen share is monitored by thirteen financial analysis firms.

7.4.2.3 AGENDA

Financial agenda 2023

May 2, 2023

Publication of
1st quarter 2023
revenue

May 10, 2023

General
shareholders'
meeting

July 27, 2023

Publication of
1st semester 2023
financial results

November 2, 2023

Publication of
nine-month 2023
revenue

7.4.2.4 FINANCIAL COMMUNICATION CONTACTS

Investor relations department

22, rue Bayard 75008 Paris

Email: communication@neoen.com



8



GENERAL SHAREHOLDERS' MEETING

8.1	DRAFT RESOLUTIONS	342	8.3	STATUTORY AUDITORS' REPORTS ON SECURITIES TRADING	359
8.1.1	Resolutions within the remit of the ordinary shareholders' meeting	342	8.3.1	Statutory auditors' report on the issue of ordinary shares and/or various marketable securities with cancellation of preferential subscription rights	359
8.1.2	Resolutions within the remit of the extraordinary general shareholders' meeting	345	8.3.2	Statutory auditors' report on the issue of ordinary shares and/or various marketable securities of the company reserved for members of a company savings plan	360
8.1.3	Resolution within the remit of the ordinary shareholders' meeting	351	8.3.3	Statutory auditors' report on the authorization to grant free shares, existing or to be issued	361
8.2	BOARD OF DIRECTORS' REPORT ON THE DRAFT RESOLUTIONS	351	8.4	STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS	362
8.2.1	Resolutions within the remit of the ordinary shareholders' meeting	351			
8.2.2	Resolutions within the remit of the extraordinary shareholders' meeting	355			



8.1 DRAFT RESOLUTIONS

8.1.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

First resolution (Approval of the 2022 Company financial statements and approval of expenses and charges that are not tax deductible)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, after reviewing the report of the Board of Directors and with the report of the statutory auditors, approves as presented the Company financial statements for the 2022 fiscal year, including the balance sheet, income statement, and notes, showing a net profit of €47,725,125.62, as well as the transactions reflected in those financial statements and summarised in those reports.

In particular, the general shareholders' meeting approves the overall amount of €126,621.22 in expenses and charges referred to in Article 39 number 4 of the French General Tax Code, as well as the corresponding tax.

Second resolution (Approval of the 2022 consolidated financial statements)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, after reviewing the report of the Board of Directors and with the report of the statutory auditors, approves as presented the consolidated financial statements for the 2022 fiscal year, including the balance sheet, income statement, and notes, showing a profit, group share, of €45,212,154.31, as well as the transactions reflected in those financial statements and summarised in those reports.

Third resolution (Allocation of net income and determination of the dividend)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, and having noted that the Company financial statements as of December 31, 2022, and approved by this meeting show a net profit of €47,725,125.62:

- in accordance with applicable legal requirements, decides to allocate €2,386,256.28 of this profit to the legal reserve;
- notes that the remaining balance of the 2022 profit is €45,338,869.34; and
- decides to allocate the distributable profits, amounting to €45,338,869.34, as follows:
 - to distribute a total amount of €14,333,687.25 in dividends; and
 - to allocate €31,005,182.09 to "other reserves".

The general shareholders' meeting notes that the gross dividend per share entitled to dividends is €0.125 (before application of (i) the non-definitive, flat rate withholding tax, if applicable, as provided for in Article 117 quater of the French General Tax Code; and (b) any social security withholding that may be due and that is also withheld at the source).

When it is paid to natural persons who are domiciled in France for tax purposes in respect of shares of the Company held other than through an equity savings plan (*plan d'épargne en actions* - PEA), the dividend will be subject either to a single withholding tax on the gross dividend at a flat rate of 12.8% (Article 200 A, 1., B. of the French General Tax Code), or, by express, irrevocable, and global election made annually by the taxpayer, to the progressive income tax, after application of a 40% allowance (Articles 13, 158, 3, 2° and 200 A of the French General Tax Code).

The dividend is also subject to social security withholding at a rate of 17.2%. The ex-dividend date will be May 17, 2023. The dividend will be paid on June 8, 2023.

In the event of a change in the number of shares with dividend rights as against the 114,669,498 shares making up the share capital as of February 28, 2023, the total amount of the dividend will be adjusted accordingly, and the amount allocated to "other reserves" will be determined on the basis of the dividend actually paid.

In accordance with Article 243 bis of the French General Tax Code, the general shareholders' meeting notes that it has been informed that the Company made the following distributions of dividends and income were made during the three previous fiscal years:

Fiscal year	Income eligible for the 40% exemption		Income not eligible for the 40% exemption
	Dividends	Other income distributed	
2019	-	-	-
2020	-	-	-
2021	€10,686,955.30 ⁽¹⁾ or €0.10 per share	-	-

(1) Effective amount paid, namely €2,104,956.16 in cash and the equivalent of €8,581,999.14 in shares.

Fourth resolution (Option to receive dividend payment in cash or in shares)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the report of the Board of Directors and in accordance with Article 24 of the Company's bylaws, noting that the share capital is fully paid up, decides to offer each shareholder, for the entirety of the net dividend in respect of the shares owned by such shareholder, an option to receive payment of the dividend in cash or in new shares.

The price of the shares delivered in payment of the dividend will be 90% of the average closing rate over the twenty trading sessions preceding the date of this general shareholders' meeting, less the net amount of the dividend, if applicable rounded to two decimal places to the next higher euro cent, in accordance with Article L. 232-19 of the French Commercial Code.

If the amount of the net dividend for which the shareholder has exercised the option does not correspond to a whole number of shares, the shareholder may obtain the next lower whole number of shares and the remainder in cash.

Shareholders who wish to opt for payment of the dividend in shares will have from and including May 19 through and including June 2, 2023, to make the request to the financial intermediaries authorised to pay the dividend. As a result, any shareholder who has not opted for payment of the dividend in shares by the end of that period will receive payment of the dividend solely in cash.

For shareholders who opt for payment in cash, payment will take place on June 8, 2023. Delivery of the new shares to shareholders who have opted for payment of the dividend in shares will take place on the same day as payment of the cash dividend, namely, June 8, 2023.

Shares issued in payment of the dividend will bear immediate rights to dividends and will be assimilated with the existing shares.

The general shareholders' meeting gives all powers to the Board of Directors, with the right to subdelegate as permitted by law, in order to implement this resolution, including:

- to specify procedures for its application and execution;
- to carry out all transactions related to or following from the exercise of the option;
- to take note of the number of shares issued and the completion of the capital increase resulting from the exercise of the option to receive payment of the dividend in shares;
- to apply the costs of the capital increase to the amount of the related premium, and to withdraw from that amount the sum necessary to bring the legal reserve to one-tenth of the new share capital;
- to modify the bylaws accordingly;
- more generally, to carry out all legal and regulatory formalities and to carry out any formalities useful for the issuance, listing, and financial servicing of the shares issued pursuant to this resolution.

Fifth resolution (Approval of information referred to in Article L. 22-10-9 I of the French Commercial Code included in the corporate governance report (overall ex-post "say on pay"))

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code, as set forth in paragraphs 6.3.2.2 et seq. of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Sixth resolution (Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2022 or granted in respect of fiscal year 2022 to Mr. Xavier Barbaro, Chairman and CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid during 2022 or granted in respect of that fiscal year to Mr. Xavier Barbaro, Chairman and CEO, as presented in paragraph 6.3.2.3 of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Seventh resolution (Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2022 or granted in respect of fiscal year 2022 to Mr. Romain Desrousseaux, Deputy CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid during 2022 or granted in respect of that fiscal year to Mr. Romain Desrousseaux, Deputy CEO, as presented in paragraph 6.3.2.4 of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Eighth resolution (Approval of the compensation policy applicable to members of the Board of Directors)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy applicable to the members of the Board of Directors, as presented in paragraphs 6.3.1 and 6.3.3(i) of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Ninth resolution (Approval of the compensation policy applicable to the Chairman and CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy applicable to the Chairman and CEO, as presented in paragraphs 6.3.1 and 6.3.2.1(i) of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Tenth resolution (Approval of the compensation policy applicable to the Deputy CEO)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary shareholders' meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy applicable to the Deputy CEO, as presented in paragraphs 6.3.1 and 6.3.2.1(ii) of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Eleventh resolution (Renewal of Ms. Stéphanie Levan's directorship)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, after reviewing the report of the Board of Directors, renews the directorship of Ms. Stéphanie Levan, expiring at the close of this meeting, for a period of four years to end at the close of the general shareholders' meeting held in 2027 to approve the financial statements for the prior fiscal year.

Twelfth resolution (Authorisation to be given to the Board of Directors to trade in the Company's shares in accordance with the procedures set forth in Article L. 22-10-62 of the French Commercial Code, duration of the authorisation, purposes, procedures, cap)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for ordinary general shareholders' meetings, after reviewing the report of the Board of Directors, authorises the Board of Directors, with the right to subdelegate as permitted by law, in accordance with Articles L. 225-10-62 et seq. and L. 225-210 et seq. of the French Commercial Code, to buy shares of the Company or to cause them to be bought, for the purposes of:

1. implementing any Company share purchase option plan pursuant to Articles L. 225-177 et seq. and L. 22-10-56 et seq. of the French Commercial Code or any similar plan; or
2. 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
3. allocating free shares under the provisions of Articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code; or
4. generally speaking, honoring obligations under stock option plans or other share allocations to Company employees or officers or those of an associated company; or
5. 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
6. cancelling some or all of the shares thus acquired, in accordance with the authorisation granted or to be granted by the extraordinary general shareholders' meeting; or
7. delivering shares (in exchange, as payment or otherwise) in connection with acquisitions, mergers, spin-offs, or contributions; or
8. stabilising 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, 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, 2022, a maximum buyback of 11,466,949 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 authorisation period.

The acquisition, sale, or transfer of shares may be carried at any time decided by the Board of Directors, within the limits authorised by applicable laws and regulations.

During a tender offer initiated by a third party for the Company's shares and until the end of the offer period, the Board of Directors will not be able to use this authorisation without the prior authorisation of the general shareholders' meeting.

These transactions may be carried out by any means, including by block trades, or in any other manner (without any restriction on the percentage of the buybacks that may be made using any one method).

The Company reserves the right to use options or other derivatives in connection with applicable legislation. The maximum share purchase price under this resolution will be €80 per share (or the equivalent of that amount, on the same date, in any other currency). This maximum price will apply only to acquisitions decided after the date of this general shareholders' meeting and not to future transactions concluded under an authorisation granted by a previous general shareholders' meeting and providing for share acquisitions after the date of this meeting.

The general shareholders' meeting delegates to the Board of Directors, 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 reserves or any other assets, redemption of capital, or any other transactions affecting the share capital or equity, the power to adjust the maximum share purchase price referred to above in order to take into account the effect of such transaction on the stock 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 authorisation 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 set, 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 authorisation is granted for a period of 18 months from the date of this general shareholders' meeting. This authorisation terminates the authorisation given to the Board of Directors by the thirteenth resolution of the general shareholders' meeting held on May 25, 2022, acting within the remit of the ordinary shareholders' meeting.

8.1.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

Thirteenth 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 and/or debt securities, with cancellation of the preferential subscription right, reserved for group employees outside France, duration of the delegation, maximum nominal amount of the capital increase, issuance price, right to limit to the amount of subscriptions or to distribute the unsubscribed securities)

The general shareholders' meeting, voting pursuant to 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. delegates to the Board of Directors, with the right to subdelegate in accordance with applicable law, its authority to carry out the capital increase, with cancellation of 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) ordinary shares of the Company, and/or (ii) transferable securities giving immediate or future access to the Company's share capital (including equity securities giving rights to a grant of debt securities);
2. decides that the issuance or issuances shall be reserved for the following categories of recipients: (i) employees, pre-retirement or retired, and corporate officers of the foreign companies of the Neoen group, related to the Company pursuant to Article L. 225-180 of the French Commercial

Code and Article L. 3344-1 of the French Labor Code ("the "Overseas Employees") and/or (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 institutions or entities controlled by such institutions within the meaning of Article L. 233-3 of the French Commercial Code, acting at the Company's request to put in place a structured offer to Overseas Employees;

3. decides to set the following limits on the authorised 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 immediately or in the future pursuant to 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 in (i) the overall cap provided for in the 17th resolution of this general shareholders' meeting, as well as in (ii) the cap provided for in the 15th resolution of this general shareholders' meeting, or, if applicable, in the caps that may be provided for by resolutions of the same nature that may replace such resolutions during the period of validity of this delegation;
 - where applicable, these caps will also include the nominal amount of the capital increase carried out 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;
4. decides to cancel the shareholders' preferential subscription rights to the securities referred to in this resolution for the benefit of the above-mentioned recipients;
5. decides that the issuance price of the shares to be issued pursuant to this authorisation will be set by the Board of Directors on the basis of the Company's stock price on the Euronext Paris regulated market. This price will be equal to (i) the average closing price of the Company's shares over the 20 trading sessions preceding the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under this resolution, less a maximum discount of 30%; or (ii) in the alternative, for a transaction carried out as part of an overall employee share ownership plan set up in France and abroad, the price set by the Board of Directors or its delegate on the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under the 15th resolution of this general shareholders' meeting;
6. decides that 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;
7. decides that if subscriptions do not cover the entire issuance referred to in 1. above, the Board of Directors may use one or more of the following options, in the order that it chooses:
 - to limit the amount of the issuance to the amount of the subscriptions, within any limits provided for by regulations,
 - to freely distribute some or all of the unsubscribed shares among the categories of persons defined above;
8. 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 conduct an issuance on the basis of this delegation, and to determine its terms;
 - draw up a list of the beneficiary or beneficiaries of the cancellation of the preferential subscription right within the categories defined above, as well as the number of securities to be subscribed for by each of them;
 - where applicable, 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 the existing or future securities 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 the issuance;
 - provide for the option to suspend any exercise of rights attached to such securities in accordance with legal and regulatory provisions, for a maximum period of three months;
 - set the amounts of the issuances to be carried out pursuant to this delegation, and in particular to set the issuance price and the amount of the premium that may be required on issuance;
 - determine the dates, time periods, issuance procedures, nature, and form and features of the securities to be created, which may, in particular, take the form of subordinated or unsubordinated securities, with a fixed term or not, and the terms and conditions concerning the subscription, payment, delivery, and dividend date (which may be retrospective) of the securities, the reduction rules applicable in the event of oversubscription, as well as the other terms and conditions of the issuances, within applicable legal or regulatory limits;
 - determine and make any adjustments intended to reflect 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 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 capital increases and amend the by-laws accordingly;
 - where applicable, charge the costs of capital increases to related premiums and deducting the sums needed for the legal reserve from this amount;
 - generally speaking, 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 issuances carried out and, more generally, do whatever is necessary;
9. decides that the delegation of authority that is the subject of this resolution will be 18 months from the date of this meeting;
 10. takes note that this authorisation cancels, as from the date of this general shareholders' meeting, any prior authorisation having the same purpose, up to the amount of the unused portion.

Fourteenth resolution (Authorisation to be given to the Board of Directors to increase the number of shares to be issued in a capital increase, with or without cancellation of the preferential subscription right)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for extraordinary general shareholders' meetings, after reviewing the report of the Board of Directors and with the special report of the statutory auditors, in accordance with Article L. 225-135-1 of the French Commercial Code:

1. authorises the Board of Directors, with the right to subdelegate as permitted by 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 and within the limit of the caps set by the general shareholders' meeting;
2. sets the period of validity of the authorisation referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
3. takes note that this authorisation cancels, as from the date of this meeting, any prior authorisation having the same purpose.

Fifteenth resolution (Delegation of authority to be given 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, with cancellation of the preferential subscription right, reserved for participants in company savings plans pursuant to Articles L. 3332-18 et seq. of the French Labor Code, maximum nominal amount of the capital increase, issuance price, right to grant free shares pursuant to Article L. 3332-21 of the French Labor Code)

The general shareholders' meeting, voting pursuant to 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 hand, of Articles L. 3332-18 to L. 3332-24 of the French Labor Code:

1. authorises the Board of Directors, with the right to subdelegate in accordance with applicable law, to decide to increase the 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 euros 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) ordinary shares of the Company and/or (ii) securities giving immediate or future access to the Company's share capital, reserved for participants in one or more employee savings plans (or any other plan with participants for whom Articles L. 3332-1 et seq. of the French Labor Code or any similar law or regulation permits a capital increase to be reserved under the same conditions) put in place within a company or group of companies, French or foreign, within the scope of consolidation or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code, it being specified that this resolution could be used for purposes of implementing leverage formulas;
2. decides to set the following limits on the authorised 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 immediately or in the future pursuant to this delegation 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 in the 17th resolution of this shareholders' meeting, or, if applicable, in any overall cap provided for by a resolution of the same nature that may replace such resolution during the period of validity of this delegation;

- where applicable, these caps will also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital;
3. decides that the issuance price for the new shares or securities giving access to the share capital, 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 term is defined below) or 60% of the Reference Price (as such term is defined below) where the retention 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, it being specified that it may in no event exceed the Reference Price (as such term is defined below). For the purposes of this paragraph, the "Reference Price" means the average of the closing prices of the Company's shares on the Euronext Paris regulated market over 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);
 4. authorises the Board of Directors to carry out free grants to the recipients indicated above, in addition to the shares or securities giving access to the share capital, of existing or future shares or securities giving access to the share capital, as a replacement for all or part of the discount from the Reference Price and/or as a top-up, it being understood that the benefit resulting from such grant may not exceed applicable legal or regulatory limits;
 5. decides to cancel the shareholders' preferential subscription right to the securities that are the subject of this resolution for the benefit of the recipients indicated above; in the event of a free grant to the recipients indicated above of shares or securities giving access to the share capital, the shareholders would also waive any right to such shares or securities giving access to the share capital, including the portion of reserves, profits, or premiums incorporated into the share capital, by reason of the free grant of such securities carried out on the basis of this resolution;
 6. authorises the Board of Directors, pursuant to the terms of this delegation, to sell shares to the participants in a company or group savings plan (or similar plan) as provided for in Article L. 3332-24 of the French Labor Code, it being specified that sales of shares carried out at a discount to participants in one or more employee savings plans as referred to in this resolution will be included, up to the amount of the nominal value of the shares so sold, in the caps 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 recipients 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 applicable, 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 and, in particular, setting 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;
 - 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 authorisation 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 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 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 recipient, 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, deducting the sums needed to pay up such shares from reserves, profits, or issue premiums;
 - record capital increases and amend the by-laws accordingly;
 - 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;
 - generally speaking, enter into any agreement necessary 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 and, more generally, do whatever is necessary;
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. takes note that this authorisation cancels, as from the date of this general shareholders' meeting, any prior authorisation having the same purpose, up to the amount of the portion that has not been used.

Sixteenth resolution (Authorisation to be given to the Board of Directors to grant free existing or future shares to employees of the Company or of related companies or economic interest groups and/or to officers of the group or certain of them, waiver by the shareholders of their preferential subscription right, duration of the authorisation, cap, duration of the vesting period, in particular in the event of disability, and, where applicable, the retention period)

The general shareholders' meeting, voting pursuant to the quorum and majority requirements for extraordinary general 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. and L. 22-10-59 et seq. of the French Commercial Code:

1. authorises 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 of the Company and of its related companies or economic interest groups as provided for by Article L. 225-197-2 of the French Commercial Code and the corporate officers of the Company or its related companies or economic interest groups meeting the criteria set forth in Article L. 225-197-1, II of that Code, grants of free existing or future shares (excluding preferred shares), pursuant to the terms set forth below;
 2. decides that the existing and future shares that are the subject of free grants pursuant to this authorisation may not represent more than 2% of the Company's share capital on the date of the Board of Directors' decision; it is specified that the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorisation shall be counted toward the overall cap provided for in the 17th resolution of this general shareholders' meeting or, if applicable, any overall cap that may be provided for in a resolution of the same kind that may replace that resolution during the period of validity of this authorisation, and that, in any event, the total number of free shares granted may not exceed the limits set forth in Articles L. 225-197-1 et seq. of the French Commercial Code.
- The above-mentioned cap does not take into account any adjustments that may be performed to preserve any rights of the recipients of free share grants;
3. decides that the total number of existing or future shares to be granted pursuant to this authorisation to the executive officers of the Company may not represent more than 50% of the free shares that may be granted pursuant to this delegation;
 4. decides that:
 - the grants of free shares to their recipients shall vest at the end of a vesting period the length of which shall be determined by the Board of Directors, but which may not be shorter than the vesting period required by applicable law on the grant date;
 - after the end of the vesting period referred to above, vested shares shall be subject to a retention obligation the length of which may not be shorter than the retention period required by applicable law on the grant date (namely, as of the date hereof, the difference between a period of two years and the length of the vesting period determined by the Board of Directors); however, the Board of Directors may eliminate the retention obligation for free share grants the vesting period of which has been set at a length of time that is equal to or longer than the minimum retention period provided for by law (namely, as of the date hereof, two years);
 - the forgoing notwithstanding, the free shares granted shall vest and become freely transferable prior to the end of the vesting period or the retention period, as the case may be, 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 the equivalent outside of France;
 5. decides that the vesting of the free shares granted shall be subject, in particular, to the achievement of one or more performance conditions set by the Board of Directors;
 6. grants all powers to the Board of Directors, with the right to subdelegate to the extent permitted by applicable law, to implement this authorisation and, in particular, to:
 - determine whether to grant existing or future shares and, where applicable, to change its decision prior to the time of vesting;
 - determine the recipients of share grants from among the employees and officers of the Company or of the above-mentioned companies and economic interest groups, as well as the number of shares to be granted to each of them;

- determine the conditions and, if applicable, the criteria for granting shares, including the minimum vesting period and, if applicable, the retention period required for each recipient, pursuant to the terms set forth above; it is specified that with respect to free shares granted to corporate officers, the Board of Directors must either (a) decide that the free shares granted may not be transferred by their holders for so long as they remain in their positions as employees or officers, or (b) determine 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 provisionally suspend grant rights;
 - take note of the vesting dates and of the dates from which the shares may be freely transferred, taking into account legal restrictions;
 - record the free shares granted in a registered-share account in the name of their holder, stating any period of non-transferability and the duration of that period, and to reverse any non-transferability of shares under any circumstances in which applicable law permits the non-transferability to be reversed;
7. decides that when new shares are issued, the Board of Directors will also have all powers, with the right to subdelegate as permitted by law, to allocate the amounts necessary for the payment of such shares to reserves, profits, or issuance premiums, to take note of the completion of the capital increases carried out pursuant to this authorisation, to amend the bylaws accordingly, and, more generally, to perform all necessary actions formalities;
 8. decides that the Company may make any necessary adjustments to the number of free shares granted in order to preserve the rights of recipients in the event of any transactions in the Company's capital or equity, including changes to the par value of shares, capital increases by incorporation of reserves, free share grants, issuances of new equity securities with a preferential subscription right for shareholders, stock splits or reverse stock splits, distribution of reserves, issuance premiums, or any other assets, redemption of capital, change in the allocation of profits by the creation of preferred shares or any other transaction in the Company's equity or share capital (including in the event of a tender offer and/or a change of control). It is specified that the shares granted pursuant to such adjustments shall be deemed to have been granted on the same date as the shares initially granted, and shall be added to the cap referred to above;
 9. notes that in the event of a free grant of new shares, this authorisation shall result, as such shares vest, in capital increases by incorporation of reserves, profits, or issuance premiums for the benefit of the recipients of such shares, as well as the corresponding waiver, for the benefit of the recipients of such shares, of the shareholders' preferential right to subscribe for such shares;
 10. takes note that, in the event that the Board of Directors should make use of this authorisation, it will 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, pursuant to the conditions set forth in Article L. 225-197-4 of that Code;

11. sets the period of validity of the authorisation referred to in this resolution at twenty-six months from the date of this shareholders' meeting;
12. takes note that this authorisation cancels, as from the date of this general shareholders' meeting, any prior authorisation having the same purpose, up to the amount of the portion that has not been used.

Seventeenth resolution (Overall limit on the delegations and authorisations provided for in the 13th, 15th, and 16th resolutions of this meeting, as well as in the 17th, 18th, 21st, and 24th resolutions of the general shareholders' meeting of May 25, 2022)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, having reviewed the Board of Directors' report, decides to set a cap of €65 million on the overall nominal amount of the shares that may be issued, immediately or in the future, pursuant to the 13th, 15th, and 16th resolutions of this meeting, as well as pursuant to the 17th, 18th, 21st, and 24th resolutions of the general shareholders' meeting of May 25, 2022, it being noted that, if applicable, the nominal amount of the capital increase necessary to preserve the rights of the holders of securities giving access to the share capital or of other rights giving access to the share capital in accordance with laws and regulations shall be added to that amount.

Eighteenth resolution (Conforming changes to Article 9 of the bylaws with respect to the identification of bearer shares)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, decides to:

- conform Article 9 of the bylaws with respect to the identification of bearer shares to Articles L. 228-2 and L. 228-3-3 of the French Commercial Code; and, as a result;
- amend the third and fourth paragraphs of Article 9 of the bylaws as follows, with the rest of the Article remaining unchanged:

*"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 the intermediaries referred to in **Article L. 228-2 I 1° to 4° of the French Commercial Code** for the information referred to in Article R. 228-3 of the French Commercial Code, with respect to the owners of its shares and of **bearer** shares granting immediate or future access to voting rights at its own shareholders' meetings.*

*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, **bonds**, or other 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 or **bondholders'** 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."

Nineteenth resolution (Establishment of double voting rights and corresponding change to Article 11 of the bylaws)

The general shareholders' meeting, voting pursuant to the quorum and majority conditions required for extraordinary shareholders' meetings, and in accordance with Articles L. 225-123 and L. 22-10-46 of the French Commercial Code:

- decides to establish double voting rights for fully paid-up shares that have been held in registered form for at least two years in the name of the same shareholder, it being specified that any period during which shares were held in registered form prior to May 10, 2023, shall be disregarded for purposes of calculating the two-year period.
- decides, as a result, to change paragraph 2 of Article 11 of the bylaws as follows, with the remainder of the Article to remain unchanged:

"Each share gives its holder the right to participate in and vote at general shareholders' meetings, pursuant to the law and these bylaws.

Subject to legal and regulatory restrictions, the voting right attached to the shares shall be proportional to the percentage of the share capital that they represent, and each share gives its holder the right to one vote.

However, voting rights that are double those granted to other ordinary shares, given the percentage of the share capital that they represent, shall be granted to all shares that are fully paid-up and have been held in registered form for at least two years in the name of the same shareholder. Any period during which such shares were held in registered form prior to May 10, 2023, shall be disregarded for purposes of calculating such two-year period.

This right shall also be granted, immediately upon issuance, in the event of a capital increase by incorporation of reserves, profits, or issuance premiums, to shares in registered form granted free of charge to a shareholder in respect of existing shares for which such shareholder holds such double voting rights.

Registered shares carrying double voting rights shall lose their double voting rights if they are converted into bearer form or their ownership is transferred, except as otherwise provided by law."

8.1.3 RESOLUTION WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

Twentieth resolution (Powers to carry out formalities)

The general shareholders' meeting, voting pursuant to the quorum and majority required for ordinary shareholders' meetings, grants all powers to the bearer of an original, copy or extract of the minutes of these minutes to make any filings or carry out any publicity 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' 2022 management report, which is included in the 2022 universal registration document available on the Company website (www.neo-en.com), and which you are invited to consult.

Since the beginning of 2023, the Company has continued to pursue its activities within the normal course of its business. Post-closing events are described in Section 2.7 and paragraph 2.8.1 of the universal registration document referred to above.

The documents required by law and by the by-laws were sent out and/or made available to you within the deadlines set.

It is specified that the Board of Directors has approved all the resolutions brought before the Shareholders' Meeting.

8.2.1 RESOLUTIONS WITHIN THE REMIT OF THE ORDINARY SHAREHOLDERS' MEETING

The 1st through 12th and 20th resolutions are within the remit of the ordinary shareholders' meeting.

Approval of the 2022 Company financial statements and consolidated financial statements; allocation of net income (1st, 2nd, and 3rd resolutions).

The draft 1st and 2nd resolutions concern the approval of the 2022 Company and consolidated financial statements, approved by the Board of Directors on February 28, 2023, which show, respectively, net income of €47,725,125.62 and net income, group share, of €45,212,154.31.

You are also asked to approve the overall amount of €126,621.22 in expenses and charges referred to in Article 39 number 4 of the French General Tax Code, as well as the corresponding tax.

You are asked in the 3rd resolution to allocate the 2022 net income, amounting to €47,725,125.62, as follows:

- in accordance with applicable legal requirements, to allocate €2,386,256.28 of this profit to the legal reserve;
- to note that the balance of the remaining 2022 profit is €45,338,869.34; and
- to allocate the distributable profits, amounting to €45,338,869.34, as follows:
 - to distribute a total amount of €14,333,687.25 in dividends; and
 - to allocate €31,005,182.09 to “other reserves,” which account will thus be increased to €107,709,537.79.

Therefore, the gross dividend per share entitled to dividends is €0.125 (before application of (i) the non-definitive, flat rate withholding tax, if applicable, as provided for in Article 117 *quater* of the French General Tax Code; and (ii) any social security withholding that may be due and that is also withheld at the source).

When it is paid to natural persons who are domiciled in France for tax purposes in respect of shares of the Company held other than through an equity savings plan (*plan d'épargne en actions* - PEA), the dividend will be subject either to a single withholding tax on the gross dividend at a flat rate of 12.8% (Article 200 A, 1., B. of the French General Tax Code), or, by express, irrevocable, and global election made annually by the taxpayer, to the progressive income tax, after application of a 40% allowance (Articles 13, 158, 3, 2° and 200 A of the French General Tax Code). The dividend is also subject to social security withholding at a rate of 17.2%.

This dividend would be payable on June 8, 2023, and the ex-dividend date would be May 17, 2023.

In accordance with Article 243 bis of the French General Tax Code, it is noted that the Company made the following distributions of dividends and income were made during the three previous fiscal years:

Fiscal year	Income eligible for the 40% exemption		Income not eligible for the 40% exemption
	Dividends	Other income distributed	
2019	-	-	-
2020	-	-	-
2021	€10,686,955.30 ⁽¹⁾ or €0.10 per share	-	-

(1) Effective amount paid, namely €2,104,956.16 in cash and the equivalent of €8,581,999.14 in shares.

Option to receive dividend payment in cash or in shares (4th resolution)

In the 4th resolution, the Shareholders' Meeting is asked to offer shareholders the option to receive payment of the dividend in cash or in new shares, in accordance with Article 24 of the bylaws.

If the general shareholders' meeting were to approve this resolution, each shareholder would have, for the entirety of the dividend net of any mandatory withholding and in respect of the shares owned by such shareholder, an option to receive payment of the dividend in cash or in new shares.

The price of the shares delivered in payment of the dividend would be 90% of the average price of the Company's shares over the twenty trading sessions preceding May 10, 2023 (the date of the Shareholders' Meeting), less the net amount of the dividend, if applicable rounded to two decimal places to the next higher euro cent, in accordance with Article L. 232-19 of the French Commercial Code.

This issuance price would be communicated to the shareholders by press release to be issued by the Company on May 10, 2023, after the close of trading (and which would be available on its website). The press release would also reiterate the timetable for the transactions.

If the amount of the net dividend for which the shareholder exercised the option did not correspond to a whole number of

shares, the shareholder would be able to obtain the next lower whole number of shares and the remainder in cash.

Shareholders who wished to opt for payment of the dividend in shares would have from and including May 19, 2023, through and including June 2, 2023, to make the request to the financial intermediaries authorised to pay the dividend, it being specified that it is up to each shareholder, where applicable, to check with the relevant financial intermediary the deadline (prior to June 2, 2023) that the latter could retain for internal technical reasons. As a result, any shareholder who has not opted for payment of the dividend in shares by the end of that period will receive payment of the dividend solely in cash.

For shareholders who wished to opt for payment in cash, payment would take place on June 8, 2023. Delivery of the new shares to shareholders who opted for payment of the dividend in shares would take place on the same day as payment of the cash dividend, namely, June 8, 2023.

The Shares issued in payment of the dividend would bear immediate rights to dividends and would be assimilated with the existing shares.

The results of the option to receive payment of the dividend in shares, including the number of new shares thus created and the amount of the dividend paid in cash, will be communicated in a press release to be issued by the Company on June 5, 2023, after the close of trading, and which would be available on its website.

Approval of information referred to in Article L. 22-10-9 I of the French Commercial Code included in the corporate governance report (overall ex-post “say on pay”) (5th resolution)

In accordance with Article L. 22-10-34 of the French Commercial Code, in the 5th resolution we are submitting for your approval the information referred to in Article L. 22-10-9 I of the French Commercial Code, as set forth in paragraphs 6.3.2.2 et seq. of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2022 or granted in respect of fiscal year 2021 to Mr. Xavier Barbaro, Chairman and CEO (6th resolution)

In the 6th resolution, you are asked, in accordance with Article L. 22-10-34 II of the French Commercial Code, on the basis of the corporate governance report, to approve the fixed, variable, and exception items comprising the total compensation and benefits of any kind paid in fiscal year 2022 or granted in respect of fiscal year 2022 to Mr. Xavier Barbaro, Chairman and CEO, as set forth in paragraph 6.3.2.3 of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

It is noted that the components of the compensation paid to Mr. Xavier Barbaro, Chairman and CEO, in respect of the 2022 fiscal year comply with the compensation policy applicable to him, which was approved by the general shareholders' meeting held on May 25, 2022, in its 9th resolution.

It is also noted that payment of Mr. Xavier Barbaro's annual variable compensation in respect of the 2022 fiscal year is subject to the approval of this 6th resolution by the Shareholders' Meeting.

Approval of the fixed, variable, and exceptional items comprising the total compensation and benefits of any kind paid in fiscal year 2022 or granted in respect of fiscal year 2021 to Mr. Romain Desrousseaux, Deputy CEO (7th resolution)

In the 7th resolution, you are asked, in accordance with Article L. 22-10-34 II of the French Commercial Code, on the basis of the corporate governance report, to approve the fixed, variable, and exception items comprising the total compensation and benefits of any kind paid in fiscal year 2022 or granted in respect of fiscal year 2022 to Mr. Romain Desrousseaux, Deputy CEO, as set forth in paragraph 6.3.2.4 of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

In that regard, it is noted that Mr. Romain Desrousseaux's compensation in 2022 was granted in cash and solely pursuant to his employment agreement.

Therefore, the items presented in the table included in the paragraph referred to above do not contain any amounts in the columns showing compensation paid to Mr. Romain Desrousseaux in 2022 or granted to him in respect of that fiscal year by reason of his corporate office. As a result, the payment of Mr. Romain Desrousseaux's variable compensation granted in respect of the 2022 fiscal year is not subject to the general shareholders' meeting's approval of this resolution.

However, it was decided to submit the items set forth in the table included in the paragraph referred to above to the Shareholders' Meeting for informational purposes (which table notes, purely for informational purposes, compensation under the employment agreement in the column entitled “Presentation (informational)”).

Approval of the compensation policy applicable to members of the Board of Directors (8th resolution)

In the 8th resolution, you are asked, in accordance with Article L. 22-10-8 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, as set forth in paragraphs 6.3.1 and 6.3.3(i) of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Approval of the compensation policy applicable to the Chairman and CEO (9th resolution)

In the 9th resolution, you are asked, in accordance with Article L. 22-10-8 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, as set forth in paragraphs 6.3.1 and 6.3.2.1(i) of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Approval of the compensation policy applicable to the Deputy CEO (10th resolution)

In the 10th resolution, you are asked, in accordance with Article L. 22-10-8 II of the French Commercial Code, on the basis of the corporate governance report, to approve the compensation policy applicable to the Deputy CEO, as set forth in paragraphs 6.3.1 and 6.3.2.1(ii) of the corporate governance report included in Chapter 6 of the 2022 universal registration document.

Renewal of Ms. Stéphanie Levan's directorship (11th resolution)

In the 11th resolution, you are asked to renew Ms. Stéphanie Levan's directorship for a period of four years to end at the close of the Shareholders' Meeting to be held in 2027 to approve the financial statements for the prior fiscal year.

We note that on December 15, 2022, after receiving the opinion of the Governance and CSR Committee, the Board of Directors decided that Ms. Levan could not, as of that date, be considered an independent director, as she was nominated by the reference shareholder Impala SAS.

Information about Ms. Levan's expertise and experience is provided in paragraph 6.1.1 of the corporate governance report included in Chapter 6 of the 2022 universal registration document. Her nominee information sheet is also available on the Company's website (www.neoen.com) on the Shareholders' Meeting page.

Authorisation to be given to the Board of Directors to trade in the Company's shares in accordance with the procedures set forth in Article L. 22-10-62 of the French Commercial Code (12th resolution)

In the 12th resolution, you are asked to authorise the Board of Directors to buy shares of the Company or to cause them to be bought, in accordance with Articles L. 225-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code.

Objectives of the program

Such purchases could be made for the following purposes:

- implementing any Company share purchase option plan pursuant to Articles L. 225-177 *et seq.* and L. 22-10-56 *et seq.* of the French Commercial Code or any similar plan; or
- a grant or sale of shares to employees for their contributions to the business's expansion or the implementation of any company or group savings plan (or similar plan) as provided for by law, including Articles L. 3332-1 *et seq.* of the French Labor Code, as well as any other share plan for executives and employees of the Company and its subsidiaries; or
- a free grant of shares pursuant to Articles L. 225-197-1 *et seq.* and L. 22-10-59 *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
- the delivery of shares upon the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant, or in any other manner; or
- the cancellation some or all of the shares thus acquired, in accordance with the authorisation granted or to be granted by the Shareholders' Meeting; or
- the delivery of shares (in exchange, payment, or otherwise) in connection with external growth transactions, mergers, demergers, or contributions; or
- the support of the secondary market or the liquidity of the Company's shares by an investment services provider pursuant to a liquidity agreement in accordance with market practice as permitted by the French Autorité des marchés financiers (as modified, 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 and, more generally, any other transaction that complies with current regulations. Under such circumstances, the Company would inform its shareholders by means of a press release.

Cap

Purchases of the Company's shares may related to a number of shares such that, on the date of each buyback, the total number of shares purchased by the Company since the beginning of the buyback program (including the shares that are the subject of that purchase) does not exceed 10% of the shares making up the Company's share capital as of that date (taking into account transactions affecting it after the date of the Shareholders' Meeting), namely, for informational purposes, as of December 31, 2022, a maximum buyback of 11,466,949, it being 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 authorisation period.

Buyback procedures

The acquisition, sale, or transfer of shares may be carried at any time decided by the Board of Directors, within the limits authorised by applicable laws and regulations.

During a tender offer initiated by a third party for the Company's shares and until the end of the offer period, the Board of Directors would not be able to use the authorisation without the prior authorisation of the general shareholders' meeting.

These transactions could be carried out by any means, including by block trades, or in any other manner (without any restriction on the percentage of the buybacks that could be made using any one method).

The Company would reserve the right to use options or other derivatives in connection with applicable legislation.

Maximum price per share and maximum amount of the program

The maximum share purchase price in that context would be €80 per share (or the equivalent of that amount, on the same date, in any other currency). This maximum price will apply only to acquisitions decided after the date of the Shareholders' Meeting and not to future transactions concluded under an authorisation granted by a previous general shareholders' meeting and providing for share acquisitions after the date of the Shareholders' Meeting.

The Shareholders' Meeting would delegate to the Board of Directors, 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 reserves or any other assets, redemption of capital, or any other transactions affecting the share capital or equity, the power to adjust the maximum share purchase price referred to above in order to take into account the effect of such transaction on the stock 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).

Duration

This authorisation would be given for a period of 18 months as from the date of the Shareholders' Meeting and would terminate the authorisation given to the Board of Directors by the thirteenth resolution of the general shareholders' meeting held on May 25, 2022, acting within the remit of the ordinary shareholders' meeting.

Powers to carry out formalities (20th resolution)

In the 20th resolution, you are asked to grant all powers to the bearer of originals, copies or extracts of the minutes of your deliberations to make any filings or carry out any formalities required by law.

8.2.2 RESOLUTIONS WITHIN THE REMIT OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

The 13th through 19th resolutions are within the remit of the Extraordinary Shareholders' Meeting.

The Board of Directors wishes to have the necessary delegations to carry out, if it so chooses, any issuance that may prove necessary in connection with the development of the Company's business, as well as any authorisations necessary to provide it with the tools to maintain an incentive employee shareholding plan and to reinforce the Company's development.

For that reason, you are asked to renew the delegation of power to increase the share capital, with cancellation of the preferential subscription right reserved for the group's employees abroad, as well as the authorisation relating to free share grants, which are both expiring.

In addition, in light of the authorisation that may in the future result in a capital increase in cash, you are asked to vote on a delegation of power to increase the share capital for the benefit of the participants in a company savings plan, in accordance with applicable regulations.

With respect to current authorisations, you will find the table of delegations and authorisations granted by the general shareholders' meeting to the Board of Directors that are currently in effect and the status of their use in paragraph 6.4.1 of the corporate governance report in Chapter 6 of the 2022 universal registration document.

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 capital and/or debt securities, without preferential subscription rights, reserved for group employees outside France (13th resolution)

In the 13th resolution, you are asked to delegate authority to the Board of Directors to decide to increase the share capital, with cancellation of the preferential subscription right, by issuing:

- (i) ordinary shares of the Company; and/or
- (ii) securities giving access, immediately or in the future, to the Company's share capital (including equity securities giving the right to a grant of debt securities).

Issuances under this resolution would be carried out with cancellation of the preferential subscription right for the benefit of the following categories of recipients:

- (i) employees, pre-retirement or retired, and officers of the foreign companies of the Neoen group, related to the Company pursuant to Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code ("Overseas Employees"), in order to enable them to subscribe for the Company's share capital; and/or
- (ii) UCITs or other entities, whether or not they are legal entities, existing for the purpose of employee investment in the Company's shares and the members or shareholders of which consist of Overseas Employees; and/or
- (iii) any banking institution or entity controlled by such an establishment, within the meaning of Article L. 233-3 of the French Commercial Code, acting at the Company's request to set up a structured offer to Overseas Employees.

This resolution would enable the Company to include some overseas employees and corporate officers in its success by developing an employee share ownership plan. In order to ensure consistency between the 13th and 15th resolutions, which pursue a comparable objective, the maximum discount rate proposed under the 13th resolution is set at 30%, i.e. a maximum discount rate equivalent to that provided for in the 15th resolution submitted to the vote of the Shareholders' Meeting.

The maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation would be 1% of the share capital on the date of the Board of Directors' decision; it is specified that this amount will be included in:

- (i) the overall cap provided for in the 17th resolution of Shareholders' Meeting, as well as in
- (ii) the cap provided for in the 15th resolution of the Shareholders' Meeting (delegation of power to issue shares reserved for participants in the company savings plan (PEE) or, where applicable, the caps that may be provided for in resolutions of the same type that may replace these resolutions during the validity of the delegation.

Where applicable, these caps would also include the nominal amount of the capital increase carried out 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 to be issued under this delegation would be set by the Board of Directors on the basis of the Company's stock price on the Euronext Paris regulated market. The price would be:

- (i) equal to the average closing price of the Company's shares over the twenty trading sessions preceding the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under this resolution, less a maximum discount of 30%; or
- (ii) In the alternative, for a transaction carried out as part of an overall employee share ownership plan set up in France and abroad, the price set by the Board of Directors or its delegate on the date of the decision setting the opening date of the subscription period for the corresponding capital increase carried out under the 15th resolution of the Shareholders' Meeting (delegation to carry out issuances for the benefit of employees who are participants in the company savings plan).

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 may 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.

If subscriptions do not cover an entire issuance referred above, the Board of Directors could use one or more of the following options, in order that it chooses:

- to limit the amount of the issuance to the amount of subscriptions, within any limits provided for by regulations; or
- to freely distribute some or all of the unsubscribed shares among the categories of persons defined above.

The duration of this delegation of authority would be eighteen months as from the date of the Shareholders' Meeting.

This delegation would cancel, as from the date of the Shareholders' Meeting, any prior authorisation having the same purpose, up to the amount of the portion that had not been used.

Authorisation to be given to the Board of Directors to increase the number of shares to be issued in a capital increase, with or without cancellation of the preferential subscription right (14th resolution)

In the 14th resolution, you are asked to authorise the Board of Directors, with the right to subdelegate as permitted by 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, carried out pursuant to the 13th and 15th resolution of this Shareholders' Meeting and/or the 16th and 18th resolutions of the general shareholders' meeting of May 25, 2022, 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 and within the limit of the caps set by the Shareholders' Meeting.

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).

The duration of this authorisation would be twenty-six months as from the date of this Shareholders' Meeting.

This authorisation would cancel, as from the date of this meeting, any prior authorisation having the same purpose.

Authorisation 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 company savings plans pursuant to Articles L. 3332-18 et seq. of the French Labor Code (15th resolution)

In the 15th resolution, you are asked to delegate authority to the Board of Directors, with the right to subdelegate as permitted by law, to decide to increase the share capital, with cancellation of the preferential subscription right, by issuing:

- (i) ordinary shares of the Company; and/or
- (ii) securities giving access, immediately or in the future, to the Company's share capital, reserved for participants in one or more employee savings plans (or any other plan with participants for whom Articles L. 3332-1 et seq. of the French Labor Code or any similar law or regulation permits a capital increase to be reserved under the same conditions) put in place within a company or group of companies, French or foreign, within the scope of consolidation or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code, it being specified that this resolution could be used for purposes of implementing leverage formulas.

This resolution would enable the Company to include some employees and corporate officers in its success by developing an employee share ownership plan.

The maximum nominal amount of the capital increases that could be carried out immediately or in the future pursuant to this delegation 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 cap provided for in the 17th resolution of the General Shareholders' Meeting, or, if applicable, in any overall cap provided for by a resolution of the same nature that may replace such resolution during the period of validity of this delegation.

Where applicable, these caps would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities, or other rights giving access to the share capital.

The issuance price for the new shares or securities giving access to the share capital, determined pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, would be at least 70% of the Reference Price (as such term is defined below) or 60% of the Reference Price (as such term is defined below) where the retention 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, it being specified that it may in no event exceed the Reference Price (as such term is defined below). For the purposes of this paragraph, the "Reference Price" means the average of the closing prices of the Company's shares on the Euronext Paris regulated market over 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).

However, the Board of Directors, would be able to reduce or cancel the aforementioned discount on the Reference Price, within legal and regulatory limits.

The Board of Directors would be authorised to carry out free grants to the beneficiaries indicated above, in addition to the shares or securities giving access to the share capital, of shares or securities giving access to the share capital to be issued or already issued, as a replacement for all or part of the discount from the Reference Price and/or as a top-up, it being understood that the benefit resulting from such grant could not exceed applicable legal or regulatory limits.

The shareholders' preferential subscription right to the securities that are the subject of this resolution would be cancelled for the benefit of the recipients indicated above; in the event of a free grant to the recipients indicated above of shares or securities giving access to the share capital, the shareholders would also waive any right to such shares or securities giving access to the share capital, including the portion of reserves, profits, or premiums incorporated into the share capital, by reason of the free grant of such securities carried out on the basis of this resolution.

The Board of Directors would also be authorised, pursuant to the terms of this delegation, to sell shares to the participants in a company or group savings plan (or similar plan) as provided for in Article L. 3332-24 of the French Labor Code, it being specified

that sales of shares carried out at a discount to participants in one or more employee savings plans as referred to in connection with this resolution would be included, up to the amount of the nominal value of the shares so sold, in the caps referred to above.

The duration of this delegation of authority would be twenty-six months as from the date of the Shareholders' Meeting.

The delegation would cancel, as from the date of the Shareholders' Meeting, any delegation of power having the same purpose, up to the amount of the portion that had not yet been used.

Authorisation to be given to the Board of Directors to grant free existing or future shares to employees of the Company or of related companies or economic interest groups and/or to officers of the group or certain of them, waiver by the shareholders of their preferential subscription right, duration of the authorisation, cap, duration of the vesting period, in particular in the event of disability, and, where applicable, the retention period (16th resolution)

In the 16th resolution, you are asked to authorise the Board of Directors to carry out, on one or more occasions, for the benefit of the persons that it shall determine from among the employees of the Company and of its related companies or economic interest groups as provided for by Article L. 225-197-2 of the French Commercial Code and the corporate officers of the Company or its related companies or economic interest groups meeting the criteria set forth in Article L. 225-197-1, II of that Code, grants of free existing or future shares (excluding preferred shares).

This resolution would enable the Company to include some employees and corporate officers in its success by developing an employee share ownership plan.

The existing and future shares that are the subject of free grants pursuant to this authorisation could not represent more than 2% of the Company's share capital on the date of the Board of Directors' decision; it is specified that the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorisation shall be counted toward the overall cap provided for in the 17th resolution of the Shareholders' Meeting or, if applicable, any overall cap that may be provided for in a resolution of the same kind that may replace that resolution during the period of validity of this authorisation, and that, in any event, the total number of free shares granted could not exceed the limits set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code. The above-mentioned cap does not take into account any adjustments that may be performed to preserve any rights of the recipients of free share grants.

The total number of existing or future shares to be granted pursuant to this authorisation to the executive officers of the Company could not represent more than 50% of the free shares that could be granted pursuant to this delegation.

The grants of free shares to their recipients would vest only at the end of a vesting period the length of which shall be determined by the Board of Directors, but which may not be shorter than the vesting period required by applicable law on the grant date

(namely, as of the date hereof, one year). After the end of the vesting period referred to above, vested shares would also be subject to a retention obligation the length of which could not be shorter than the retention period required by applicable law on the grant date (namely, as of the date hereof, the difference between a period of two years and the length of the vesting period determined by the Board of Directors); however, the Board of Directors could eliminate the retention obligation for free share grants the vesting period of which would have been set at a length of time that is equal to or longer than the minimum retention period provided for by law (namely, as of the date hereof, two years).

The forgoing notwithstanding, the free shares granted would vest and become freely transferable prior to the end of the vesting period or the retention period, as the case may be, 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 the equivalent outside of France.

The vesting of the free shares granted would be subject, in particular, to the achievement of one or more performance conditions set by the Board of Directors.

The Board of Directors would have all powers, with the right to subdelegate to the extent permitted by law, to implement this authorisation.

The Board of Directors would also have all powers to allocate the amounts necessary for the payment of such shares to reserves, profits, or issuance premiums, to take note of the completion of the capital increases carried out pursuant to this authorisation, to amend the bylaws accordingly, and, more generally, to perform all necessary actions and formalities.

This authorisation would result, as such shares vest, in capital increases by incorporation of reserves, profits, or issuance premiums for the benefit of the recipients of such shares, as well as the corresponding waiver, for the benefit of the recipients of such shares, of the shareholders' preferential right to subscribe for such shares;

The duration of this authorisation would be twenty-six months as from the date of this Shareholders' Meeting.

This authorisation would cancel, as from the date of the Shareholders' Meeting, any prior authorisation having the same purpose, up to the amount of the portion that had yet not been used.

Overall limit on delegations provided for in the 13th, 15th, and 16th resolutions of the Shareholders' Meeting, as well as in the 17th, 18th, 21st, and 24th resolutions of the general shareholders' meeting of May 25, 2022 (17th resolution)

In the 17th resolution, you are asked to set a cap of €65 million on the overall nominal amount of the shares that could be issued, immediately or in the future, pursuant to the 13th, 15th, and 16th resolutions of the Shareholders' Meeting, as well as in the 17th, 18th, 21st, and 24th resolutions of the general shareholders' meeting of May 25, 2022, namely:

- Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the capital and/or debt securities, without preferential subscription rights, **reserved for group employees outside France** (13th resolution of the Shareholders' Meeting).
- Delegation of authority to be given to the Board of Directors to increase the Company's capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the share capital, without preferential subscription rights, **reserved for members of company savings plans** pursuant to Articles L. 3332-18 et seq. of the French Labor Code (15th resolution of the Shareholders' Meeting).
- Authorisation to be given to the Board of Directors to carry out **free grants of existing shares** or future shares to employees and officers of the Company or of the companies or related companies or economic interest groups and/or to executive officers of the group, or to certain of them (16th resolution of the Shareholders' Meeting).
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by an **offering to the public** excluding the offerings referred to in Article L. 411-2 of the French Monetary and Financial Code and/or in consideration of securities in connection with an exchange offer (17th resolution of the general shareholders' meeting of May 25, 2022).
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving immediate or future access to the share capital, and/or debt securities, with cancellation of preferential subscription rights, by an offering referred to in Article L. 411-2 1° of the French Monetary and Financial Code (**private placement**) (18th resolution of the general shareholders' meeting of May 25, 2022).
- Authorisation to be given to the Board of Directors to issue shares and/or transferable securities giving immediate or future access to the Company's share capital **in consideration of contributions in kind** consisting of equity securities or transferable securities giving access to the share capital (21st resolution of the general shareholders' meeting of May 25, 2022).

- Authorisation to be given to the Board of Directors to grant **share subscription and/or purchase options** to employees and/or certain officers of the Company or of related companies or economic interest groups or to certain of them (*24th resolution of the general shareholders' meeting of May 25, 2022*).

Where applicable, this amount would also include the nominal amount of the capital increase necessary to protect, in accordance with legal and regulatory provisions and, where applicable, contractual provisions providing for other means of preservation, the rights of holders of transferable securities or of other rights giving access to the share capital.

Conforming changes to Article 9 of the bylaws with respect to the identification of bearer shares (18th resolution)

In the 18th resolution, you are asked to make changes to the third and fourth paragraphs of Article 9 of the bylaws to conform them to the recently amended provisions of Articles L. 228-2 and L. 228-3 of the French Commercial Code with respect to procedures for identifying the holders of bearer shares, and the related penalties.

Establishment of double voting rights and corresponding change to Article 11 of the bylaws (19th resolution)

In the 19th resolution, you are asked to establish double voting rights for fully paid-up shares that have been held in registered form for at least two years in the name of the same shareholder, it being specified that any period during which shares were held in registered form prior to May 10, 2023, will be disregarded for purposes of calculating the two-year period.

You are asked, as a result, to make the corresponding change to paragraph 2 of Article 11 of the bylaws, with the remainder of that Article to remain unchanged.

The establishment of these double voting rights is intended to encourage shareholder loyalty and promote a stable shareholder base, consistent with the practice of the majority of CAC 40 and SBF 120 companies.

8.3 STATUTORY AUDITORS' REPORTS ON SECURITIES TRADING

8.3.1 STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND/OR VARIOUS MARKETABLE SECURITIES WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

Combined Shareholders' Meeting of May 10, 2023 - 13th, 14th, and 17th resolutions

To the Shareholders' Meeting of NEOEN SA,

In our capacity as Statutory Auditors of your Company and pursuant to the procedures set forth in Articles L. 228-92, L. 225-135 *et seq.* of the French Commercial Code (*code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to decide the issue of ordinary shares of the Company and/or marketable securities granting immediate or future access to the Company's share capital (including equity securities granting entitlement to the grant of debt securities), with cancellation of preferential subscription rights, reserved for employees, retirees or early retirees and corporate officers of non-French companies of the Neoen group and/or mutual funds or other employee shareholding entities invested in Company securities, where the unitholders or shareholders are non-French employees and/or any bank or entity controlled by a bank within

the meaning of Article L. 233-3 of the French Commercial Code acting at the request of the Company for the implementation of a structured offer for non-French employees, a transaction on which you are asked to vote.

The maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at 1% of the share capital on the date of the Board of Directors' decision, it being specified that this amount shall be deducted from the overall limit set in the 17th resolution of this Shareholders' Meeting, as well as the limit set in the 15th resolution of this Shareholders' Meeting or, where applicable, the limits that may be set in resolutions of the same type that might supersede these resolutions during the validity of this delegation.

These limits take into account the additional number of securities to be created on the implementation of the delegations set forth in the 13th and 15th resolutions of this Shareholders' Meeting and/or those set forth in the 17th and 18th resolutions of the Shareholders' Meeting of May 25, 2022 under the conditions stipulated in Article L. 225-135-1 of the French Commercial Code, should you adopt the 14th resolution.

Based on its report, your Board of Directors proposes that you delegate to it, with the option to subdelegate, for a period of 18 months, the authority to decide on the issue, and cancel your preferential subscription rights to the marketable securities to be issued. If applicable, the Board of Directors will set the final terms and conditions of this transaction.

It is the responsibility of the Board of Directors to prepare 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 fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information pertaining to the issue, contained in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods used to determine the issue price of equity securities to be issued.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments on the methods used to determine the issue price of the future equity securities, as 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.

Pursuant to 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 Defense and Paris, April 7, 2023

The Statutory Auditors

RSM Paris

Etienne de BRYAS

Deloitte & Associés

Benoit PIMONT

8.3.2 STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND/OR VARIOUS MARKETABLE SECURITIES OF THE COMPANY RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN

Combined General Shareholders' Meeting of May 10, 2023 - 14th, 15th and 17th resolutions

To the Shareholders of NEOEN SA,

In our capacity as Statutory Auditors of your Company and pursuant to the provisions of Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to decide the issue of ordinary shares of the Company and/or marketable securities granting immediate or future access to the Company's share capital, with cancellation of preferential subscription rights, reserved for members of one or more employee savings plans (or any other plan for which Articles L. 3332-1 *et seq.* of the French Labor Code (*code du travail*) or any equivalent law or regulation allow a share capital increase to be reserved under equivalent conditions) implemented within a company or group of companies, French or non-French, within the scope of consolidation or combination of the Company pursuant to Article L. 3344-1 of the French Labor Code, a transaction on which you are asked to vote.

The maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at 2% of the share capital on the date of the Board of Directors' decision, it being specified that this amount shall be deducted from the overall limit set in the 17th resolution

of this Shareholders' Meeting or, where applicable, the overall limit that may be set in a resolution of the same type that might supersede this resolution during the validity of this delegation.

These limits take into account the additional number of securities to be created on the implementation of the delegations set forth in the 13th and 15th resolutions of this Shareholders' Meeting and/or those set forth in the 17th and 18th resolutions of the Shareholders' Meeting of May 25, 2022 under the conditions stipulated in Article L. 225- 135-1 of the French Commercial Code, should you adopt the 14th resolution.

This issue is presented for your approval pursuant to the provisions of Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code.

Based on its report, your Board of Directors proposes that you delegate to it, with the option to subdelegate, for a period of 26 months, the authority to decide on the issue, and cancel your preferential subscription rights to the marketable securities to be issued. If applicable, the Board of Directors will set the final terms and conditions of this transaction.

It is the responsibility of the Board of Directors to prepare 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 fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information pertaining to the issue, contained in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on this transaction and the methods used to determine the issue price of equity securities to be issued.

Subject to reviewing at a future date the terms and conditions of any issues that may be decided, we have no comments on the methods used to determine the issue price of the future equity securities, as 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.

Pursuant to 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 Defense and Paris, April 7, 2023

The Statutory Auditors

RSM Paris

Etienne de BRYAS

Deloitte & Associés

Benoit PIMONT

8.3.3 STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT FREE SHARES, EXISTING OR TO BE ISSUED

Combined General Shareholders' Meeting of May 10, 2023 - 16th and 17th resolutions

To the Shareholders of NEOEN SA,

In our capacity as Statutory Auditors of your Company and pursuant to the provisions of Article L. 225-197-1 of the French Commercial Code (*code de commerce*), we hereby report to you 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 groupings within the meaning of Article L. 225-197-2 of the French Commercial Code, 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 on the date of the Board of Directors' decision. It is specified that the total 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 the 17th resolution of this Shareholders' Meeting, 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. 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.

In addition, the total number of shares, existing or to be issued, granted pursuant to this authorization to executive 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, your Board of Directors proposes that you delegate to it, with the option to subdelegate, for a period of 26 months, the authority to decide on the grant of free shares, existing or to be issued.

It is the responsibility of the Board of Directors to prepare a report on the transaction that it wishes to carry out. Our responsibility is to express our comments, if any, on the information that is given to you on the planned transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying that the planned terms and conditions as described in the Board of Directors' report comply with legal provisions.

We have no comments on the information presented in the Board of Directors' report on the proposed authorization to grant free shares.

Paris-La Defense and Paris, April 7, 2023

The Statutory Auditors

RSM Paris

Etienne de BRYAS

Deloitte & Associés

Benoit PIMONT

8.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2022

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 other such 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 Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized and entered into during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Previously approved agreements that remained in force during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreement, already approved in previous years by Shareholders' Meetings, has remained in force during the year.

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.

Variable compensation of €254,981.25 was awarded to Romain Desrousseaux in respect of the year ended December 31, 2022.

Paris and Paris-La Défense, March 1, 2023

The Statutory Auditors

RSM Paris

Etienne de Bryas

Deloitte & Associés

Benoit Pimont



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9.1 PERSONS RESPONSIBLE

9.1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Xavier Barbaro, Chairman and Chief Executive Officer of Neoen S.A.

9.1.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I certify 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 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 7th, 2023

Xavier Barbaro

Chairman and Chief Executive Officer of Neoen S.A.

9.1.3 PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Xavier Barbaro

Chairman and Chief Executive Officer of Neoen S.A.

22 Rue Bayard, 75008 Paris

9.2 STATUTORY AUDITORS

9.2.1 AUDITORS

	Date of first appointment	Date of appointment/ renewal	Term of office	Expiry date
Auditors				
Deloitte & Associés Statutory auditor Member of the <i>Compagnie régionale de Versailles et du Centre</i> Represented by Mr. Benoit Pimont Tour Majunga, 6 place de la Pyramide 92908 Paris-La Défense	15.04.2014	26.05.2020	6 financial years	General shareholders' meeting called to approve the financial statements for the financial year ended 31.12.2025
RSM Paris Statutory auditor Member of the <i>Compagnie régionale de Paris</i> Represented by Mr. Etienne de Bryas 26 rue Cambacérès 75008 Paris	12.09.2018	12.09.2018	6 financial years	General shareholders' meeting called to approve the financial statements for the financial year ended 31.12.2023

9.2.2 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.

9.2.3 FEES PAID TO STATUTORY AUDITORS

The table of fees of the statutory auditors of the Company is shown in Note 25 to the consolidated financial statements for the financial year ended December 31, 2022 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 2022 universal registration document includes by reference:

- the consolidated financial statements for the financial year ended December 31, 2021 established in accordance with IFRS reference as adopted by the European Union, and the statutory auditors' report presented in sections 4.1 and 4.2 respectively to the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers on March 31, 2022 under number D. 22-0224, as well as the information extracted from the 2021 management report in chapters 1, 2, 3, 5 and 7 of the 2021 Universal Registration Document;
- the consolidated financial statements for the financial year ended December 31, 2020 established in accordance with IFRS reference as adopted by the European Union, and the statutory auditors' report presented in sections 4.1 and 4.2 respectively to the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers on April 12, 2021 under number D. 21-0291, as well as the information extracted from the 2020 management report in chapters 1, 2, 3, 5 and 7 of the 2020 Universal Registration Document;
- parts of these documents not included are either irrelevant to the investor or covered elsewhere in the universal registration document.

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 22 rue Bayard, 75008 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-REFERENCES 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	Section
2022 consolidated financial statements of the Group (IFRS)	4.1
2022 annual financial statements of Neoen S.A. (French GAAP)	4.3
Management report	Dedicated Table – 9.5.2
Corporate governance report	Dedicated Table – 9.5.3
Declaration by the person responsible	9.1.2
Report by the statutory auditors on the 2022 consolidated financial statements	4.2
Report by the statutory auditors on the 2022 annual financial statements of Neoen S.A.	4.4
Statutory auditors' fees	Note 25 - 4.1

9.5.2 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT OF THE COMPANY AND THE GROUP

This universal registration document includes all elements of the management report.

In order to review the elements of the management report, the cross-reference table hereafter enables to identify the main information provided for by Articles L. 225-100 et seq., L. 22-10-35 et L. 22-10-36, L. 232-1 and R. 225-102 et seq. of the French Commercial Code. The specific sections of the management report related to the corporate governance pursuant to Articles L. 225-37, al 6 et seq., L. 22-10-8 et seq. of the French Commercial Code are detailed in paragraph 9.5.3.

Information required	Section
Situation and activity	
Analysis of the change in business, profits or losses and in the financial position of the Company	2.4
Activity and results of the Group, of subsidiaries and of controlled companies by branch of activity	2.4 and 2.5.2
Key performance indicators of a financial nature and any non-financial performance indicators	2.1
Main risks and uncertainties	3
Financial risks resulting from the effects of the climate change and measures undertaken by the Company	3.1.5
Procedures of internal control and risk management relating to the preparation and handling of accounting and financial information	3.2.2
Company's objectives, hedging policy and exposure to price, credit, liquidity and cash flows risks	3.1.1, 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 quinquies of the General Tax Code)	2.8.2.6, 2.8.2.7 and 2.8.2.8
Research and development activities	1.4
Major events occurred since the close of the fiscal year	2.8.1
Company and Group foreseeable trends and outlook	2.3
Equity investment in or takeover of companies having their registered office in France	2.8.2.4 - Nothingness
Activities of the Company's subsidiaries	1.3.3
Table on the Company's financial results over the last five years	2.8.2.3
Information relating to suppliers and clients' terms of payment	2.8.2.5
Legal information and information related to shareholding	
Employee shareholdings at the year-end	7.2.10 and 7.2.11
Identity of shareholders holding more than 5%	7.3
Name of companies controlled directly or indirectly by the company and the share of the company's capital that they hold (treasury shares)	7.2.5
Information on share buybacks	7.2.9
Dividends distributed for the last three fiscal years	7.3.8.2
Summary of transactions by corporate officers on Company securities	7.2.4
Information on loans granted to other companies	N/A
Existing Company branches	N/A
Extra-financial performance	
Consolidated declaration of extra-financial performance (DEFP)	Dedicated Table – 5.10
Vigilance plan	5.9

9.5.3 CROSS-REFERENCE TABLE FOR THE CORPORATE GOVERNANCE REPORT

Information required	Section
Missions, composition, preparation and modus operandi of the Board of Directors	6.2.1
List of all terms of office and functions held in any company by each Director and Corporate Officer during the fiscal year	6.1.1
Procedures for exercising the General Management	6.2.2.1
Description of the diversity policy, objectives and results applied to Board members (including gender diversity)	6.2.1.5
Limits provided by the Board of Directors on Chief Executive Officer's powers	6.2.2.1 (i)
Reference to of the AFEF-MEDEF Corporate Governance Code and application of the comply or explain principle	6.2.1.3
Description and implementation of the evaluation procedure of non-regulated agreements	6.4.3
Review of the independence of its members and of potential conflicts of interest	6.2.1.4
Agreements between an Executive Officer or a major shareholder of the Company and a subsidiary	6.4.2
Remuneration policy of the Directors and Corporate Officers	6.3.1, 6.3.2 and 6.3.3
Compensation and benefits of any kinds paid to Corporate Officers	6.3.2, 6.3.3, 6.3.4 and 6.3.5
Use of the "claw back" possibility to claim the return of variable remuneration	N/A
Remuneration paid or granted by a company included in the scope of consolidation pursuant to Article L. 233-16 of the French Commercial Code	N/A
Remuneration ratios between the remuneration of each Corporate Officer and the average and median remunerations of the Company employees	6.3.2.2
Annual change in the remuneration, the Company's performances, the average remuneration of the Company employees and the abovementioned ratios over the five past fiscal years	6.3.2.2
Explanation on how the total remuneration complies with the remuneration policy adopted, including the way it contributes to long term performances of the Company and the way the performance criteria has been applied	6.3.2.3 and 6.3.2.4
Manner in which the vote of the last ordinary general meeting has been taken into account	6.3.2.3 and 6.3.2.4
Deviation from the procedure for the implementation of the remuneration policy and any derogations	N/A
Application of Article L. 225-45 al. 2 of the French Commercial Code (suspension of payment of directors' remuneration in the event of failure to comply with the Board of Directors' gender diversity)	N/A
Attribution and retention of stock-options by Directors and Corporate Officers	N/A
Attribution and retention of free share grants to Corporate Officers	6.3.4.3
Special terms for the participation of the shareholders in the General Meeting	6.2.2.5
Information that may have an impact in the event of a takeover bid or exchange 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

9.5.4 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		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 and 4.1 – Note 1.1
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	1.1.1, 2.4.1, 4.1 – Note 1.3 and 4.3 – Note 2
5.4	Strategy and objectives	1.1.2
5.5	Dependence of the issuer with regards to patents, licenses, contracts and manufacturing processes	N/A
5.6	Competitive position of the issuer	1.2.4
5.7	Investments	2.5.8
5.7.1	Material investments made	2.5.8.2
5.7.2	Material investments in progress	2.5.8.3
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	2.8.2.4
5.7.4	Environmental issues that may affect the use of the tangible fixed assets	2.5.8.5
Section 6	Organisational structure	

6.1	Brief description of the Group	2.8.2.4
6.2	List of the significant subsidiaries	4.3 – note 18
Section 7	Operating and financial review	
7.1	Financial position	2.1, 2.4, 2.8, 4.1 and 4.2
7.2	Operating results	2.4, 2.8, 4.1.1 and 4.3.1
Section 8	Capital resources	
8.1	Issuer's capital resources	2.5
8.2	Sources and amounts of the cash flows	2.5
8.3	Borrowing requirements and funding structure	2.5
8.4	Restrictions on the use of capital resources	2.5
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Section 9	Regulatory environment	
9.1	Description of the regulatory environment and external factors materially influencing the operations	1.3.3
Section 10	Trend information	2.3
Section 11	Profit forecasts or estimates	2.3
Section 12	Administrative, management and supervisory bodies and senior management	
12.1	Information on the members of the administrative and management bodies	6.1
12.1	Conflicts of interests	6.2.2 and 6.3.1
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
Section 14	Board practices	
14.1	Expiration date of the current terms of office	6.1
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	5.3
15.2	Equity interests and stock options of corporate officers	6.3.4
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, 7.3.6
16.4	Arrangements that may result in a change of control	7.3.7
Section 17	Related party transactions	
17.1	Details of related party agreements	4.1 – note 24 and 4.2 – note 19

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	Chapter 4
18.1.2	Change of accounting reference date	N/A
18.1.3	Accounting standards	4.1 and 4.2
18.1.4	Change of accounting framework	N/A
18.1.5	Financial statements	4.1 and 4.3
18.1.6	Consolidated financial statements	4.1
18.1.7	Date of latest financial information	4.1 and 4.3
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	4.2 and 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	N/A
18.4	Pro forma financial information	N/A
18.5	Dividend policy	7.3.8
18.6	Legal and arbitration proceedings	2.6
18.7	Significant change in the issuer's financial position	2.7
Section 19	Additional information	
19.1	Share capital	7.2
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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
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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.
Certificados de Energías Limpías ("CELs")	Green-energy certificate system issued by the CRE (<i>Comisión Reguladora de Energía</i> , 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 all its equipment is commissioned, or, in the case of a storage facility, the date at which it is connected to the grid and begins to operate.
Contract for difference ("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 contract ("Engineering, Procurement and Construction")	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).
EPC Full Wrap	Turnkey contract including design (engineering), procurement, construction, installation, commissioning (reception) of works required for energy generation of a given asset, within a specified timeframe and in compliance with the permits for the project (building permits, environmental permits, leases, rights of way, grid connection contracts, etc.) and the law. This includes labor and all consumable supplies, technical means and associated equipment (photovoltaic modules, inverters, transformers, structures, wind turbines, foundations, batteries... - non-exhaustive list).
Frequency Control Ancillary Services (FCAS)	A set of services for regulating the frequency of the electricity grid upwards or downwards. When the frequency of the grid is too high, the batteries store the excess electricity. On the contrary, they inject electricity into the grid when the frequency is too low. These services take two forms: • regulation services (FCAS Regulation), where the batteries are constantly called upon to fill minor imbalances between the production and consumption of electricity on the electricity network; • FCAS Contingency, where the batteries are paid to keep their capacity in reserve and are only used in the event of a major frequency deviation following a major event on the electricity network.
Feed-in-tariff ("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.
Financial closing	Closing of the financing operation, following which the facilities are made available to the project (subject to recurring availability conditions for each drawdown of the facilities, usual in the context of non-recourse project financing).
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 in which the discounted cost of production (levelised cost of electricity – "LCOE") of solar or wind energy 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, respectively.
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 fulfil for the connection of an electricity production installation to a given electrical grid.
Internal rate of return of a project ("IRR")	Discount rate for project cash flows ensuring a net present value of zero.
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 ("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 contract ("Operation and Maintenance")	Operation and Maintenance contract for a solar, wind or storage asset. Generally, the EPC contractor for the construction of the asset is the O&M service provider for at least the first two years of operation.
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 of a storage facility other than batteries and inverters.
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	Process for producing an electric current by exposing semiconductor materials to light.
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 less efficient than monocrystalline silicon.
Power Purchase Agreement ("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	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 finalised.
Projects in "advanced development" phase	Projects for which the following elements must be achieved: • 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	Projects where either: • 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. • 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: • the market dynamics of renewable energies in the country in question remain unchanged; and • 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	A: 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 B: the project was won through a competitive auction process or a long-term PPA was signed 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 advanced 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 remains in this category until it enters operation in accordance with the requirements specified below.
Projects in “in operation” phase	All the equipment in a solar or wind power plant or a storage facility is installed, commissioned and connected, and the facility is authorised to operate at full power. Performance tests and/or the production of the documentation provided for in the EPC contract may still be in progress up to the provisional acceptance date. Projects in “awarded” phase, 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”.
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) 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, optimise and control energy production, performance, safety and, more generally, the proper operation of a solar, wind or storage 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 Supply Agreement (“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 kinetic energy	Energy generated by moving air, depending on its mass and speed.
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.





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