NEOEN | MEDIA RELEASE

Paris, July 27, 2023

INTERIM 2023 RESULTS

Neoen reports another strong increase in its results and reaches 7 GW in capacity in operation or under construction

- First-half revenue rose 24% to €277 million
- Adjusted EBITDA[1] moved up 44% to €252 million
- Adjusted net income[2] came to €63 million, up from €1 million in the first half of 2022
- Neoen's secured portfolio[3] grew by 0.6 GW to 8 GW at June 30, 2023, including 7 GW in operation or under construction
- Group's cash position stood at close to €1.1 billion at June 30, 2023, following the €750 million rights issue in March
- Neoen is reiterating its 2023 adjusted EBITDA[1] target of between €460 million and €490 million, with an adjusted EBITDA margin[1] now expected to exceed 80%
- Lastly, the Group is restating its adjusted EBITDA[1] target of over €700 million by 2025 and its target of reaching over 10 GW in capacity in operation or under construction by year-end 2025

Neoen (ISIN: FR0011675362, Ticker: NEOEN), one of the world's leading independent producers of exclusively renewable energy, is presenting its consolidated results for the six-month period ended on June 30, 2023. These financial statements, which have undergone a limited review by the Statutory Auditors, were approved by the Board of Directors on July 27, 2023.

Xavier Barbaro, Neoen's Chairman and Chief Executive Officer, commented: "During the first half of 2023, Neoen's operational and financial performance made substantial headway, as reflected by the 44% increase in our adjusted EBITDA. I'm very proud of our achievements, and I'd like to congratulate all our employees on the talent and determination they demonstrated in developing and operating high-quality assets. We recently inaugurated the largest wind farm in Finland, commissioned Australia's largest solar farm and announced the construction of our first long duration battery. The growth of our project portfolio further accelerated: it now represents tens of GW, of which 7 GW already in operation or under construction. In an increasingly positive environment for renewable energies, in which our storage and energy management expertise will be decisive, we are highly confident in our ability to generate adjusted EBITDA in excess of €700 million and have more than 10 GW in capacity installed by year-end 2025."

[1] 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 depreciation, amortization and provisions, the expense resulting from the application of IFRS 2 "Share-based payments", and the change in the fair value of energy derivative financial instruments.

[2] Adjusted net income reflects net income restated for the change in the fair value of energy derivative financial instruments and related tax effects.

[3] Assets in operation, under construction and projects awarded.

Operational highlights

	June 30, 2023	December 31, 2022	% chg.
Assets in operation (MW) (1)	4,772	4,051	+721

(1) Gross capacity including projects in which Neoen is a minority shareholder: Cestas (300.0 MWp, 36% owned by Neoen), Seixal (8.8 MWp, 50%-owned by Neoen), as well as Les Beaux Monts (24.2 MW that entered operation in the first half of 2023) and Saint-Sauvant (20.6 MW), two wind farms in which Neoen has sold 95% of its shareholding.

Neoen's capacity in operation stood at 4,772 MW at June 30, 2023, up 721 MW from its December 31, 2022 level. During the first half of 2023, the Group commissioned two major projects in Australia : the 460 MW Western Downs solar farm and the 157 MW Kaban wind farm. In France, six solar farms with capacity totaling 76 MWp and two wind farms with a combined capacity of 41 MW were also commissioned. Besides, the Group sold the 13 MWp Cabrela solar power plant in Portugal during the first half of 2023.

	H1 2023	H1 2022	% chg.
Electricity generation (GWh)	3,724	2,814	+32%

Electricity generation came to 3.7 TWh in the first six months of 2023, up 32% compared to the same period of 2022.

The average availability rate of the wind assets was 92.5% in the first half of 2023, versus 96.3% in the first half of 2022. The availability of the southern part of the Mutkalampi power plant was temporarily disrupted by a cable failure during the first quarter. Restated for this one-time phenomenon, the average availability rate of the wind energy assets was 97.4%.

The average load factor of the wind assets was 27.6% in the first half of 2023, compared to 30.0% in the corresponding period of 2022. This reflected the lower availability rate and the unfavorable wind conditions in Australia and Ireland throughout the period, partially offset by favorable wind conditions in France.

The average availability rate of the solar assets was 95.3% in the first half of 2023, versus 92.4% in the first half of 2022. This figure was again affected by technical issues at the El Llano power plant in Mexico, albeit to a lesser extent than in the first half 2022. Replacement of the plant's transformer is now scheduled for winter 2023/24. Adjusted for the El Llano's plant's impact, the average availability rate of the solar assets was 99.3% in the first half.

The average load factor of the solar assets was 19.5% in the first half of 2023, compared to 20.9% in the corresponding period of 2022. This reduction was chiefly attributable to lower generation levels at the Altiplano 200 power plant in Argentina as a result of less favorable irradiation conditions and now resolved technical issues that had affected the grid during May and June. The solar load factor however benefitted from the ramp-up in generation at the Western Downs solar power plant in Australia during the first half of the year, ahead of its full commissioning in June 2023.

First-half 2023 revenue up 24%

	H1 2023	H1 2022	% chg.
Revenue (€ m)			
Wind	130.3	84.8	+54%
Solar	116.0	99.5	+17%
Storage	30.2	39.3	-23%
Other(1)	0.4	0.4	n/s
Consolidated revenue	**277.0**	**224.0**	**+24%**
o/w contracted energy revenue	*198.9*	*159.1*	*+25%*
o/w merchant energy revenue	*68.3*	*55.9*	*+22%*
o/w other revenue(2)	*9.8*	*9.1*	*+8%*

(1) Corresponds to the Development and Investments segment
(2) Other revenue chiefly derives from the capacity payments earned by certain batteries, the development business, and services to third parties

Neoen's first-half 2023 consolidated revenue totaled €277.0 million, up 24% compared to the first six months of 2022. At constant exchange rates[4], revenue moved up 26%. The key factor driving this growth was the contribution from assets that entered production gradually and were commissioned during 2022, chiefly in Finland and Australia, and to a lesser extent, in France. These assets again reaped the benefit of early generation revenue for either part or all of the first half of 2023. Conversely, the contribution from assets already in service prior to January 1, 2022 declined as a result of lower revenue from solar power plants in Mexico and in Argentina, a decline in volumes generated by the wind farms in Australia and a smaller contribution from storage installations, which enjoyed highly favorable market conditions in Australia during the first half of 2022.

Wind revenue, the largest contributor to the Group's consolidated revenue (47% versus 38% in the first half of 2022) was up 54% compared to first-half 2022. This increase was largely attributable to the contribution from assets that entered production and were commissioned in 2022. Chief among these was the Mutkalampi wind farm in Finland, which recorded substantial early generation revenue before the first of its PPAs entered force right at the beginning of the second quarter of 2023, and the Kaban plant in Australia, which began injecting electricity into the grid during the fourth quarter of 2022. This growth was also fueled by higher prices and better wind conditions in France, which made up for weaker levels of wind energy resources in Australia and Ireland.

Solar revenue was 17% higher than in the first half of 2022, contributing 42% of consolidated revenue compared to 44% in the first half of 2022. This growth was primarily driven by the contribution from assets that entered operation during 2022, chiefly the Western Downs power plant in Australia, which earned early generation revenue before its commissioning at the end of the first half of 2023. This growth more than offset the smaller contribution from the El Llano power plant in Mexico and the Altiplano 200 power plant in Argentina, which was hit during the second quarter by grid-related technical problems that have since been resolved and by less favorable irradiation conditions than in the first half of 2022.

[4] Based on the average exchange rate in the first half of 2022

Storage revenue fell 23% below its first-half 2022 level. It accounted for 11% of consolidated revenue, compared to 18% in the first six months of 2022. This revenue contraction was chiefly the product of a high basis of comparison in Australia in the second quarter of 2022 when the Victorian Big Battery and, to a lesser extent, the Hornsdale Power Reserve capitalized on highly volatile market conditions conducive to increased grid services (FCAS) and arbitrage revenue. In Finland, revenue from the Yllikkälä Power Reserve moved above the level it achieved in the first half of 2022 thanks to favorable market conditions.

In the first half of 2023, solar and wind merchant energy revenue totaled €46.1 million, or 19% of their revenue, up from 13% in the first half of 2022. This performance was underpinned by growth in unhedged early generation revenue, mostly from the Mutkalampi power plant in Finland (the first of its PPAs entered force in April 2023), the Western Downs and Kaban plants in Australia, and, lastly in France, where the assets that entered service as from September 2022 were able to sell the electricity they generated on the market for a period of 18 months prior to the entry into force of their PPAs.

Second-quarter revenue up 7%

During the second quarter of 2023, Neoen recorded revenue of €122.6 million, up 7% relative to the second quarter of 2022. The key factor behind this increase was the growth in **wind revenue**, which was 42% higher than in the second quarter of 2022, mainly as a result of the contribution from the Mutkalampi wind farm in Finland. In addition, **solar revenue** grew at a slower pace (up 5% compared to the second quarter of 2022), owing to a smaller contribution from the El Llano facility in Mexico and Altiplano 200 power plant in Argentina. Another factor was the implementation by the Western Downs plant in Australia of its long-term PPA price from the beginning of the second quarter of 2023. Lastly, **storage revenue** fell 46% below its level in the second quarter of 2022 which represented a particularly high basis of comparison as the Victorian Big Battery provided active support for the Australian grid in a highly volatile market environment.

Interim 2023 results

Condensed consolidated income statement

(in millions of euros)	**H1 2023**	**H1 2022**	**chg.** (as a %)
Revenue	277.0	224.0	+24%
Adjusted EBITDA[5]	252.2	175.0	+44%
Adjusted EBITDA margin	*91%*	*78%*	
Adjusted EBIT[6]	163.4	103.0	+59%
Adjusted consolidated net income[6]	63.0	1.4	n/s

Adjusted EBITDA up 44%

Neoen's first-half 2023 adjusted EBITDA totaled €252.2 million, up 44% compared to the first six months of 2022. The key factor driving this growth was the contribution from assets that entered production and were commissioned in 2022 and the first half of 2023. Another factor was the larger contribution from liquidated damages offsetting lost revenue caused by the delayed commissioning of certain projects in Australia, Finland, France and Ireland. It also included a net gain of €27.3 million on the sale of the Cabrela solar

[5] The details and method of calculation of these metrics are presented in the "Alternative performance measures" section of this document.

power plant in Portugal in the first half of 2023 (there were no farm-down transactions in the first half of 2022). Adjusted EBITDA was however held back by a smaller contribution from the El Llano solar facility in Mexico and the Altiplano 200 power plant in Argentina and by a reduced contribution from the storage business owing to a particularly high basis of comparison in the first half of 2022. Given notably the increase in liquidated damages received and the net disposal gain recorded in the first half of 2023, Neoen's adjusted EBITDA margin stood at 91%, up from 78% in the first half of 2022.

Wind adjusted EBITDA came to €105.3 million, up 43% versus the first half of 2022 chiefly as a result of early generation revenue from the Mutkalampi wind farm in Finland and the Kaban facility in Australia. The first-half 2023 EBITDA margin was lower than in the same period of last year as the Group benefited in the first six months of 2022 from the partial waiver of the penalties previously recognized under a power purchase agreement in Australia. The adjusted EBITDA margin was 81% in the first half of 2023, versus 87% in the first half of 2022.

Solar adjusted EBITDA was €114.8 million, up 29% compared to the first half of 2022 owing to revenue from assets that entered production in 2022 and the first half of 2023, in particular from the Western Downs power plant in Australia. This increase more than offset the smaller contribution from the El Llano power plant in Mexico and the Altiplano 200 power plant in Argentina. It was also driven by a significant raise in liquidated damages owing to delayed commissioning of the Western Down facility in Australia and of power plants in France and Ireland. As a result, the adjusted EBITDA margin stood at 99% in the first half of 2023, versus 89% in the first half of 2022.

Storage adjusted EBITDA came to €23.6 million, 16% below its first-half 2022 level. This decrease chiefly reflected a revenue contraction from the Victorian Big Battery and, to a lesser extent, the Hornsdale Power Reserve. Both facilities had capitalized on the highly favorable market conditions prevailing in Australia in the second quarter of 2022. The adjusted EBITDA margin was 78% in the first half of 2023, versus 72% in the first half of 2022.

Group results

Adjusted EBIT totaled €163.4 million, up 59% compared to the first six months of 2022. Depreciation and amortization moved up €16.7 million, in tandem with the expansion in assets in operation.

Non-current operating income went from a net expense of €19.1 million in the first half of 2022 to a net expense of €3.2 million in the first half of 2023. In the first half of 2022, Neoen recognized an impairment loss of €13.8 million on the Metoro power plant in Mozambique after construction work on the facility was halted in June 2022 following a sudden deterioration in the local security situation.

First-half 2023 net financial expense rose to €76.3 million from €71.1 million in the first half of 2022. The cost of debt totaled €75.5 million, up from €63.1 million one year earlier. The key factors behind this increase were:

- the increase in average debt over the period linked directly to the growth in the number of assets in operation;
- the rise in short-term interest rates, which affected the unhedged portion of project finance liabilities across all the regions where the Group funds itself at floating rates;
- interest expense related to the €300 million in green convertible bonds[6] due in 2027 issued in September 2022;

[6] The effective interest rate on the debt component of these green convertible bonds due in 2027 was 7.0%, while their nominal rate was 2.875%.

- partially offset by the lower interest expense resulting from the gradual repayment of borrowings for power plants in operation and the early conversion in October 2022 of the vast majority of the convertible bonds due in 2024 (the remainder were redeemed) for around €200 million[7].

The weighted average interest rate on project finance[8] was 4.1% as of June 30, 2023, compared to 4.0% as of December 31, 2022. The main factor contributing to this rise was the impact of the continuing rise in short-term interest rates in the first half of 2023 on the unhedged portion of project finance liabilities, which remains limited. In accordance with the Group's interest-rate management policy, the project finance arranged at a floating rate and floating-rate interest payments are usually hedged for a portion exceeding 75% of the floating-rate financing amount. The overall average interest rate for the Group's debt rose to 4.0%, compared to 3.8% at December 31, 2022, as a result of the increase in the weighted average interest rate on project finance debt.

In addition, other financial income and expenses represented a €0.8 million net expense, below the first-half 2022 net expense of €8.0 million as a result of the strong increase in other financial income linked to returns on cash balances held by Neoen SA following the March 29, 2023 rights issue and those held by project finance entities.

Adjusted tax expense totaled €20.9 million, up from €11.4 million in the first half of 2022. The adjusted effective tax rate was 25.0%, down from 89.4% in the first six months of 2022 when the effective tax rate was significantly affected by the fact that no deferred taxes were recognized on the impairment of the Metoro facility in Mozambique. The first-half 2023 tax rate benefitted from the tax exemption on the capital gain recorded on the disposal of the Cabrela plant in Portugal, in accordance with the applicable tax rules.

As a result, adjusted consolidated net income[9] surged to €63.0 million in the first half of 2023 from €1.4 million in the first half of 2022.

Solid cash position

Net cash generated by operating activities totaled €175.1 million, up €7.1 million compared to the first half of 2022. This increase was driven by the rise in EBITDA, which was offset to a very large extent by a negative change in the working capital requirement. This effect derived directly from the repayment to EDF OA of the accumulated difference between the spot price received by certain French power plants and the contractual feed-in tariff for these power plants following the establishment during the first half of practical arrangements for reimbursement of these amounts. Restated for this negative effect, for a net amount of €60.3 million, net cash generated by operating activities totaled €235.4 million in the first half of 2023.

Net cash used in investing activities totaled €493.7 million in the first half of 2023. These investments directly reflect the construction of generating capacity, including the Goyder wind farm, the Western Downs solar farm, the Capital Battery, Western Downs and Blyth battery storage facilities in Australia, the Fox Coulée solar power plant in Canada, the Rio Maior solar power plant in Portugal, the Björkliden wind farm in Finland, the Storbrännkullen wind farm in Sweden and several solar and wind facilities in France.

[7] The effective interest rate on the debt component of the convertible bonds due in 2024 was 4.3%, while their nominal rate was 1.875%.

[8] Weighted average interest rate on debt in respect of project finance on an all-in basis, i.e. the sum of the margins applied by the lending bank and interest-rate swaps and any other interest-rate derivatives for all the Group's consolidated projects in operation.

[9] Taking into account the change in the fair value of energy derivatives and related tax effects, reported consolidated net income was €90.6 million in the first half of 2023, compared to a €21.1 million net loss in the first half 2022

Net cash generated by financing activities totaled €791.1 million in the first six months of 2023, mainly as a result of the €741.9 million in proceeds from the March rights issue net of issuance costs, and to a lesser extent the net increase in project finance.

The Group's cash position increased as a result, with cash rising to €1,093.7 million at June 30, 2023 from €622.7 million at December 31, 2022. This amount includes the outstanding amounts to be repaid to EDF OA, which stood at €29.9 million at June 30, 2023, down from €90.3 million at December 31, 2022.

Decrease in net debt following the rights issue

Gross debt totaled €3,606.3 million at June 30, 2023, up from €3,509.3 million at December 31, 2022. This increase chiefly reflects the arrangement of new project finance related to growth in the asset portfolio, net of redemptions.

In addition, the leverage ratio as a percentage of capital invested on an all-in basis, including the Group's entire – corporate and project finance – debt, stood at 71% at June 30, 2023 versus 72% at December 31, 2022.

Excluding the positive impact on the Group's cash position of the outstanding amounts due to EDF OA, which totaled €29.9 million at June 30, 2023 (versus €90.3 million at December 31, 2022) and excluding the positive fair value of the interest-rate hedges arising from the current level of forward interest rates, which stood at €276.7 million at June 30, 2023 (€302.7 million at December 31, 2022), net debt was €2,415.5 million[10] at June 30, 2023, down from €2,857.6 million at December 31, 2022. The ratio of net debt to adjusted EBITDA (over a 12-month period) was 4.9x[11] at June 30, 2023 compared to 6.9x at December 31, 2022.

Portfolio at June 30, 2023: 24.3 GW, up 5.0 GW compared to December 31, 2022

In MW	June 30, 2023	December 31, 2022	% chg.
Assets in operation	4,772	4,051	+721(1)
Assets under construction	2,254	2,523	-269
Sub-total, assets in operation or under construction	***7,026***	***6,574***	***+452***
Projects awarded	959	782	+177
Total MW – secured portfolio	**7,985**	**7,356**	**+628**
Tender-ready projects	2,873	2,006	+866
Advanced development projects	13,419	9,931	+3,487
Total MW – advanced pipeline	**16,291**	**11,938**	**+4,354**
Total MW – secured portfolio and advanced pipeline	**24,276**	**19,294**	**+4,982**
Early-stage projects	**> 10 GW**	**> 10 GW**	

(1) Net of the sale of the Cabrela solar power plant (-13 MWp reduction).

[10] Including these two temporary effects, reported net debt totaled €2,108.8 million at June 30, 2023, compared to €2,464.6 million at December 31, 2022.

[11] Including these two temporary effects, the Neoen's the ratio of reported net debt to adjusted EBITDA (over a 12-month period) was 4.3x at June 30, 2023 compared to 6.0x at December 31, 2022.

Capacity in operation or under construction stood at 7.0 GW at June 30, 2023, compared to 6.6 GW at December 31, 2022. Neoen launched construction of 385 MW in new capacity during the first six months of 2023 including the Collie Battery storage facility (219 MW/877 MWh) in Australia, the Storbötet (105 MW) and Lumivaara (56 MW) wind farms in Finland, and the Lirac solar farm (5 MW) in France.

The capacity of the secured portfolio (assets in operation, under construction and awarded projects) totaled 8.0 GW at June 30, 2023, versus 7.4 GW at December 31, 2022. During the first six months of the year, 562 MW in new projects were awarded. Aside from Collie Battery, a 219 MW project which directly entered construction, and the uncontracted portion of the Storbötet (45 MW) and Lumivaara (14 MW) wind projects, the construction of which was also launched during the first half, these projects included:

- 216 MWp awarded in Ecuador following a government call for tenders for three solar projects with the same capacity (Imbabura, Ambi and Intyana);
- 49.8 MWp awarded in France under the latest government call for tenders for solar power plants, shared between the Helys project (19.8 MWp) and Tournissan (30 MWp) project;
- 18 MW in France for the Ailes de Foulzy wind farm.

The capacity of the total secured portfolio and advanced pipeline (i.e. excluding early-stage projects) rose by 5.0 GW or 26% to 24.3 GW at June 30, 2023, versus 19.3 GW at December 31, 2022.

Half-year 2023 events

Three solar projects with 216 MWp in total capacity set to be signed off by Ecuador's government

Neoen is the top-rated bidder in the competitive tender held recently by the Ecuadorian government and is among the winners recommended by the technical commission in charge of the tender. An official announcement of the tender results will be made by the ministry of energy and mining over the coming months. The three solar farms – Ambi Solar (72 MWp), Intiyana Solar (72 MWp) and Imbabura Solar (72 MWp) – will be Neoen's first projects in Ecuador.

Sale of the Cabrela solar power plant in Portugal

On February 22, 2023, the Group formally agreed to sell to Cubico its entire interest in the 13.2 MWp Cabrela solar farm in Portugal. The transaction under the Group's farm-down policy was based on an enterprise value of €50.7 million. It generated net proceeds of €27.3 million, which were recorded under other current operating income in the Group's financial statements. This transaction was completed following a sale agreement reached on October 28, 2022.

Neoen successfully raised €750.4 million through a rights issue

On March 27, 2023, Neoen announced it had successfully raised €750.4 million through a rights issue. This issue, which received the clear backing of its core shareholders (Impala, FSP and Bpifrance) attracted strong take-up among existing shareholders and new investors, was significantly oversubscribed (subscription rate of 162%). Neoen intends to use the proceeds from the capital increase to fund its plan to lift its capacity in operation or under construction by year-end 2025 to over 10 GW and to expand its storage capacity, especially by investing in batteries with a longer duration per MW installed.

Neoen wins 50 MWp in new solar power projects in France

On April 17, 2023, Neoen won two solar projects in the latest round of government tenders in France held by the CRE. It was the biggest winner in the "canopies and buildings" category with the 19.8 MWp canopies project at Lyon airport and the second-biggest winner in the "ground-mounted" category with the 30 MWp Tournissan project in Occitanie. This latest success illustrates Neoen's ability to rank consistently among the top performers in government calls for tenders for photovoltaic projects in France.

Neoen wins a 197 MW deal and launches construction of its first long duration battery facility in Western Australia

On June 19, 2023, Neoen announced the Australian Energy Market Operator (AEMO) had awarded it a 2-year, 197 MW/4-hour capacity services contract for Western Australia's South-West Interconnected System (SWIS). Stage 1 of the Collie Battery (219 MW/877 MWh) will deliver the service using Tesla's Megapacks technology. The new battery facility is due to enter service in the fourth quarter of 2024. In addition, Neoen has authorization to build up to 1 GW/4 GWh in storage capacity at the Collie site. Collie Battery is Neoen's first long-duration battery (4 hours), its first major project in Western Australia and its sixth high-capacity battery in Australia.

Recent events

Binding offer received for the sale of the Metoro power plant

In late July 2023, the Group received a binding offer for the sale of the Metoro power plant in Mozambique. This offer, which still requires conditions precedent to be met, does not significantly affect the impairment loss recognized in 2022 by the Group, which was left unchanged in the interim financial statements.

Extension to the Western Downs plant's battery capacity in Australia

On July 25, 2023, Neoen announced a capacity extension to the Western Downs battery located at the Western Downs Green Power Hub (Queensland, Australia) alongside the Western Downs solar power plant commissioned by the Group late in the first half of 2023. Initially planned at 200 MW/400 MWh, the capacity of the battery, currently under construction, will be increased to 270 MW/540 MWh. With this extension, the Western Downs Battery will play an even more central role in the energy transition in Queensland where demand for storage and grid services is growing rapidly.

Outlook

Neoen is reiterating its 2023 adjusted EBITDA target of between €460 million and €490 million[12], with an adjusted EBITDA margin now expected to exceed 80%.

Neoen is also reiterating its target of generating double-digit annual growth in adjusted EBITDA between 2023 and 2025.

Lastly, the Group is restating its adjusted EBITDA target of over €700 million by 2025[13], following the upgrade in June on the award of the capacity agreement in Australia for the Collie Battery Stage 1 project, and its target of reaching over 10 GW in total capacity in operation or under construction[14] by year-end 2025.

All these targets include the current best estimate of the likely completion dates of its projects.

[12] With an annual contribution for 2023 from farm-down remaining below 15% of adjusted EBITDA and below 15% of growth in secured portfolio

[13] Based on the Group's policy, with an annual contribution from farm-down transactions remaining, in each year, below 20% of adjusted EBITDA and below 20% of growth in secured portfolio

[14] Consolidated capacity on a post-farm-down basis.

This presentation contains forward-looking statements regarding the prospects and growth strategies of Neoen and its subsidiaries (the "Group"). These statements include statements relating to the Group's intentions, strategies, growth prospects, and trends in its results of operations, financial situation and liquidity. Although such statements are based on data, assumptions and estimates that the Company considers reasonable, they are subject to numerous risks and uncertainties and actual results could differ from those anticipated in such statements due to a variety of factors, including those discussed in the Group's filings with the French Autorité des marchés financiers (AMF) which are available on the website of Neoen (www.neoen.com). Prospective information contained in this presentation is given only as of the date hereof. Other than as required by law, the Group expressly disclaims any obligation to update its forward looking statements in light of new information or future developments.

The interim financial report for 2023 is available for download from the Group's website https://www.neoen.com/en/investors

Webcast

Neoen will comment on its half-year 2023 results in a live webcast at 6:30pm (Paris time) on Thursday, July 27, 2023.

To join the webcast live or hear a playback, please copy and paste the following URL into your browser: https://channel.royalcast.com/landingpage/neoen/20230727_1/

Next financial reports

Nine-month 2023 revenue and operational data: November 2, 2023

About Neoen

Founded in 2008, Neoen is one of the world's leading independent producers of exclusively renewable energy. With expertise in solar power, wind power and storage, the company plays an active role in the energy transition by producing competitive, green, local energy on four continents. After a six-fold increase in the last six years, its capacity in operation and under construction now stands at 7.0 GW.

Neoen's flagship operations are France's most powerful solar farm (300 MWp) in Cestas, Finland's largest wind farm (404 MW) in Mutkalampi, one of the world's most competitive solar plants in Mexico (El Llano, 375 MWp) and two of the world's most powerful large-scale storage plants, both in Australia: Hornsdale Power Reserve (150 MW/193.5 MWh storage capacity) and the Victorian Big Battery (300 MW/450 MWh).

A high-growth company, Neoen is targeting 10 GW in operation or under construction by the end of 2025. Neoen is listed in Compartment A of Euronext's regulated market in Paris (ISIN code: FR0011675362, Ticker: NEOEN) on the SBF 120 and CAC Mid 60 indexes.

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Appendix

Quarterly revenue

	Q1 2023	Q1 2022	% chg.
Revenue (€ m)			
Wind	74.1	45.2	+64%
Solar	63.6	49.6	+28%
Storage	16.4	14.0	+18%
Other(1)	0.3	0.2	n/s
Consolidated revenue	**154.4**	**109.1**	**+42%**
o/w contracted energy revenue	*112.9*	*82.7*	*+37%*
o/w merchant energy revenue	*34.6*	*19.1*	*+81%*
o/w other revenue(2)	*6.9*	*7.3*	*-6%*

	Q2 2023	Q2 2022	% chg.
Revenue (€ m)			
Wind	56.2	39.6	+42%
Solar	52.5	49.8	+5%
Storage	13.7	25.4	-46%
Other(1)	0.2	0.2	n/s
Consolidated revenue	**122.6**	**115.0**	**+7%**
o/w contracted energy revenue	*86.0*	*76.4*	*+13%*
o/w merchant energy revenue	*33.7*	*36.8*	*-8%*
o/w other revenue(2)	*2.9*	*1.8*	*+62%*

(1) Corresponds to the Development and Investments segment
(2) Other revenue chiefly derives from the capacity payments earned by certain batteries, the development business, and services to third parties

Segment results

(in millions of euros)	Revenue			Adjusted EBITDA[1]		
	H1 2023	H1 2022	chg. (as a %)	H1 2023	H1 2022	chg. (as a %)
Australia						
Wind	42.4	37.9	+12%	32.2	38.5	-16%
Solar	40.9	22.5	+82%	48.9	27.9	+75%
Storage	24.4	34.6	-30%	20.1	25.1	-20%
Total	**107.6**	**95.0**	**+13%**	**101.2**	**91.5**	**+11%**
Europe – Africa						
Wind	88.0	46.9	+87%	73.1	35.0	+109%
Solar	36.5	31.7	+15%	37.5	24.7	+52%
Storage	5.8	4.7	+22%	3.5	3.0	+14%
Farm-down	-	-	n/a	27.3		n/a
Total	**130.2**	**83.4**	**+56%**	**141.4**	**62.7**	**+125%**
Americas						
Solar	38.7	45.3	-15%	28.4	36.1	-21%
Total	**38.7**	**45.3**	**-15%**	**28.4**	**36.1**	**-21%**
Development – Invest. and Eliminations						
Development and Investments[2]	27.3	51.2	-47%	(32.4)	6.9	n/a
Eliminations[3]	(26.9)	(50.8)	+47%	13.7	(22.2)	n/a
Total	**0.4**	**0.4**	**+23%**	**(18.7)**	**(15.3)**	**-22%**
TOTAL	**277.0**	**224.0**	**+24%**	**252.2**	**175.0**	**+44%**
o/w wind	**130.3**	**84.8**	+54%	**105.3**	**73.5**	+43%
o/w solar	**116.0**	**99.5**	+17%	**114.8**	**88.7**	+29%
o/w storage	**30.2**	**39.3**	-23%	**23.6**	**28.2**	-16%
o/w farm-down	**-**	**-**	n/a	**27.3**	**-**	n/a

(1) 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 depreciation, amortization and provisions,
- the expense resulting from the application of IFRS 2 "Share-based payments", and
- the change in fair value of energy derivative financial instruments.

(2) 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) and also sales of services to third parties.

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

Key performance measures

Adjusted EBITDA

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

(in millions of euros)	H1 2023	H1 2022
Current operating income	**197.2**	**73.3**
Current operating amortisation	86.5	69.8
IFRS 2 expense	2.3	2.2
Change in fair value of energy derivative financial instruments	(33.8)	29.7
Adjusted EBITDA[(a)]	**252.2**	**175.0**

(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 depreciation, amortization and provisions;*
- *the expense resulting from the application of IFRS 2 "Share-based Payments", and*
- *the change in fair value of energy derivative financial instruments.*

Adjusted EBIT

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

(in millions of euros)	H1 2023	H1 2022
Current operating income	**197.2**	**73.3**
Change in fair value of energy derivative financial instruments	(33.8)	29.7
Adjusted EBIT[(a)]	**163.4**	**103.0**

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

Adjusted consolidated net income

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

(in millions of euros)	H1 2023	H1 2022
Consolidated net income	**90.6**	**(21.1)**
Change in fair value of energy derivative financial instruments	(33.8)	29.7
Tax effect related to the change in fair value of energy derivative financial instruments	6.2	(7.3)
Adjusted consolidated net income[(a)]	**63.0**	**1.4**

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

Consolidated income statement

(In millions of euros except for earnings per share data)	H1 2023	H1 2022
Energy sales under contract	198.9	159.1
Energy sales in the market	68.3	55.9
Other revenuee	9.8	9.1
Total Revenue	**277.0**	**224.0**
Purchases net of changes in inventories	(6.8)	(5.2)
External expenses and payroll costs	(71.7)	(61.3)
Duties, taxes and similar payments	(10.4)	(8.3)
Share of net income of associates and joint ventures	0.3	0.4
Other current operating income and expenses	95.4	(6.6)
Current operating depreciation and amortisation	(86.5)	(69.8)
Current operating income	**197.2**	**73.3**
Other non-current operating income and expense	(3.7)	(1.8)
Impairment of non-current assets	0.5	(17.3)
Operating income	**194.1**	**54.2**
Cost of debt	(75.5)	(63.1)
Other financial income and expenses	(0.8)	(8.0)
Net financial result	**(76.3)**	**(71.1)**
Profit before tax	**117.8**	**(16.9)**
Income tax	(27.1)	(4.1)
Net income from continuing operations	**90.6**	**(21.1)**
Consolidated net income	**90.6**	**(21.1)**
Group share of net income	92.2	(21.0)
Net income attributable to non-controlling interests	(1.6)	(0.1)
Basic earnings per share (in euros)	0.65	(0.18)
Diluted earnings per share (in euros)	0.60	(0.16)

Consolidated balance sheet

(€ million)	**June 30, 2023**	**Dec. 31, 2022**
Goodwill	0.7	0.7
Intangible assets	317.4	290.5
Property, plant and equipment	4831.1	4566.9
Investments in associates and joint ventures	24.6	24.4
Non-current derivative financial instruments	292.7	312.9
Non-current financial assets	125.5	99.9
Other non-current assets	9.8	10.7
Deferred tax assets	45.0	56.8
Total non-current assets	**5,646.8**	**5,362.9**
Inventories	5.2	10.6
Trade receivables	91.3	106.6
Other current assets	108.2	108.0
Current derivative financial instruments	41.4	35.9
Cash and cash equivalents	1,093.7	622.8
Total current assets	**1,339.8**	**883.9**
Assets held for sale	-	26.8
Total assets	**6,986.7**	**6,273.5**

(€ million)	**June 30, 2023**	**Dec. 31, 2022**
Share capital	304.1	229.3
Share premium	1,933.0	1,247.4
Reserves	344.1	375.1
Treasury shares	(3.2)	(3.2)
Group share of net income	92.2	45.2
Group share of equity	**2,670.2**	**1,893.7**
Non-controlling interests	16.0	20.5
Total equity	**2,686.2**	**1,914.3**
Non-current provisions	118.4	115.3
Non-current project finance	2,671.3	2,702.3
Non-current corporate finance	415.2	407.9
Non-current derivative financial instruments	9.9	32.2
Other non-current liabilities	3.2	17.9
Deferred tax liabilities	193.9	194.0
Total non-current liabilities	**3,411.9**	**3,469.8**
Current provisions	0.9	1.0
Current project finance	517.9	397.3
Current corporate finance	1.7	1.8
Current derivative financial instruments	14.6	12.6
Trade payables	212.6	242.4
Other current liabilities	140.7	206.2
Total current liabilities	**888.5**	**861.2**
Liabilities held for sale	-	28.2
Total equity and liabilities	**6,986.7**	**6,273.5**

Consolidated statement of cash flows

(€ million)	H1 2023	H1 2022
Consolidated net income	**90.6**	**(21.1)**
Eliminations:		
of the share of net income of associates	(0.3)	(0.4)
of depreciation and provisions	84.8	87.2
of change fair value of energy derivative financial instruments	(35.3)	29.7
of gains and losses on sale	(24.1)	1.8
of calculated income and expense related to share-based payments	2.2	2.2
of other income and expense without cash impact	3.7	1.6
of the tax charge	27.1	4.1
of the cost of net borronwings	75.5	63.1
Impact of changes in working capital	(46.0)	3.1
Taxes paid (received)	(3.1)	(3.4)
Net cash flows from operating activities	**175.1**	**168.0**
Acquisitions of subsidiaries net of treasury acquired	(19.4)	(16.6)
Sales of subsidiaries net of cash transferred	26.4	11.3
Acquisition of intangible and tangible fixed assets	(469.0)	(627.8)
Sales of intangible and tangible fixed assets	2.2	0.0
Change in financial assets	(33.9)	(6.2)
Net cash flows from investing activities	**(493.7)**	**(639.3)**
Share capital increase by the parent company	742.5	0.5
Contribution of non-controlling interests to share capital increases (reductions)	(1.2)	(0.5)
Transactions with non-controlling interests	-	
Net sale (acquisition) of treasury shares	(1.7)	(1.3)
Issue of loans	211.3	581.9
Dividends paid	(3.1)	(2.1)
Repayments of loans	(98.4)	(110.0)
Interests paid	(58.2)	(46.2)
Net cash flows from financing activities	**791.1**	**422.2**
Impact of foreign exchange rate fluctuation	(1.5)	15.6
Change in cash and cash equivalents	**471.0**	**(33.5)**
Opening cash and cash equivalents	622.7	592.5
Closing cash and cash equivalents	1,093.7	559.0
Change in net cash and cash equivalents	**471.0**	**(33.5)**