PRESS RELEASE

FY 2018 results

March 18, 2019

Record 2018 results and future growth secured

- **Record set of results** leading to **Group net profit multiplied by 15** at €8.5 million, validating two strategic pillars:
    - synergies and profitability generated by Services, which achieve positive EBITDA
    - focus on non-subsidized markets brings additional value creation again in 2018
- **1 GW target by 2020 secured:** over €4 billion of future revenues secured by those long-term power sale contracts
- **Post-2020 growth** prospects supported by a hefty (6.2 GW) and fast-growing (+81% vs. 2017), pipeline of future projects, with further acceleration in solar and in new geographies

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

"In 2018, we enjoyed a record financial performance, validating two of our key strategic differentiating factors. First, our relaunch efforts in Services enable profitability gains, proving they are synergetic with our power production activity. Second, being mostly active in non-subsidized markets, we were able again to seize value-enhancing opportunities, translating into materially higher selling prices in Brazil. Another major achievement in 2018 was to secure our 1 GW objective and we have already 387 MW currently under construction. Finally, our investment in project development is paying off: our pipeline of future projects reaches 6.2 GW (+81% in 2018) and is a reservoir for growth of both our Energy Sales and Services activities", declares Sébastien Clerc, Chief Executive Officer of Voltalia.

Record financial performance in 2018

			Change	
In € million	FY 2018	FY 2017	*at actual rates*	*at constant FX rates*
Revenues	180.7	181.2[1]	*-0%*	*+13%*
EBITDA	76.2	71.6	*+6%*	*+29%*
EBITDA margin	*42%*	*40%*	*+2.7pts*	*+5.5pts*
Net profit (Group share)	8.5	0.6	*x15*	*x23*

In 2018, revenues are in line with 2017's performance, as solid growth in operational business activity fully offsets the 16% drop in the Brazilian real against the euro. 2018 EBITDA is up by 29% at constant exchange rates, thanks to a good contribution of Services, high Energy Sales pricing and good cost control overall. Increased EBITDA and EBITDA margin (+ 5.5 points) contributed to a sharp rebound in Group net profit, reaching an all-time high of €8.5 million.

[1] 2017 revenues rebased for comparability reasons

Business review

Energy sales: improved EBITDA margin

In € million before eliminations of services provided internally	FY 2018	FY 2017	*Change* *at actual rates*	*Change* *at constant FX rates*
Revenues	131.7	145.6	*-10%*	*+5%*
EBITDA	87.9	94.2	-7%	+8%
EBITDA margin	*67%*	*65%*	*+2.0pts*	*+2.1pts*
Production (in GWh)	2 081	2 123	*-2%*	*-2%*
Installed capacity at the end of the period (in MW)	524	508	*+3%*	*+3%*

2018 revenues increase by 5% at constant exchange rates and EBITDA grows by 8% compared with 2017, as high pricing over the year and good cost control more than offset a 2% decline in production:

- In Brazil, the renewal of the contract suspension strategy initiated in 2017 results in another year of excellent pricing, more than offsetting lower production (- 3%) due to lower wind and despite higher availability rates.
- Growth in other countries is mainly attributable to higher production (+15%) driven by France and the commissioning of new solar plants.

Good cost control and lower fees associated with contract suspensions have a positive impact on the EBITDA margin, increasing by 2.1 points at constant exchange rates.

Services: doubling of revenues and achieving for the first time positive EBITDA (6% margin)

In € million before eliminations of services provided internally	FY 2018	FY 2017	*Change* *at actual rates*	*Change* *at constant FX rates*
Revenues	117.2	59.2	*x2.0*	*x2.1*
EBITDA	6.7	(9.8)	n/a	n/a
EBITDA margin	*6%*	*(17)%*	n/a	n/a

Services revenues are multiplied by 2 compared with 2017, driving a sharp rebound in profitability.

- Development, Construction & Procurement revenues and EBITDA record a major improvement, driven by i) the sale of ready-to-build projects to Actis, more than compensating higher prospection spending linked to increased development effort and ii) a return to profitability of the Construction & Procurement business, in line with intense activity for Voltalia's own plants.
- Operation & Maintenance revenues decrease, reflecting the end of contracts, partly mitigated at EBITDA level by extra services provided to existing third-party clients.

Sustained efforts in the relaunch of the commercial activity in Services are beginning to pay off, with a positive EBITDA margin of 6%.

Two differentiating factors creating value

<u>A power producer *and* a service provider</u>

Since 2016 and its accelerated development in Services, Voltalia operates a differentiating business model combining Power production and Services provision.

Development is the cornerstone of that strategy, with material investments in prospection and development in 2017 and 2018, fuelling its pipeline of projects in development. It reaches 6.2 GW at the end of 2018: x3.4 since the launch of the new strategy in Services with the acquisition of Martifer Solar in 2016. By developing -at a low marginal cost- more projects, **Voltalia is able to be selective**, keeping projects that best fit its strategy and selling others to third-party clients together with bundled Procurement / Construction / Operation & Maintenance services. In 2018 the Group successfully sold 252 MW of ready-to-build projects to Actis within Voltalia's Serra Branca cluster, as part of a partnership for up to 500 MW in total.

Construction, Operation & Maintenance and the associated expertise in 5 technologies (wind, solar, hydro, biomass and storage facilities) are key to Voltalia's value proposition in its Power production business. **Economies of scale are unlocked by the dual source of activity**: internal projects and third-party projects. In 2018, working on larger construction volumes enabled to secure a competitive framework agreement with a leading photovoltaic panel manufacturer. Working for third-party clients is also a way to explore new countries and technologies: construction contracts were signed in various new African and European countries and a battery storage unit was built in the UK, all strengthening Voltalia's geographical and technological expertise.

<u>Green power producer generating electricity *at a competitive price*</u>

Voltalia has a unique profile with **85% of its installed based producing electricity at a competitive price**. With this differentiating strategic focus on non-subsidized markets, Voltalia can seize **many value-enhancing opportunities**.

They arise **at all stages of the lifecycle of a plant**:

- *Before* the long-term power sale agreement starts, Voltalia can anticipate construction of plants and sell electricity at attractive prices through private contracts on the free market. This anticipation is beneficial, for example, to the VSM 1 and 2 power plants, which will be commissioned before end 2020 while their long-term power sale contracts will start in 2021 (64MW+64 MW), 2023 (99MW) and 2024 (64MW).
- *During* the long-term power sale agreement, opportunities can arise in non-subsidized markets. For instance, the successful renewal in 2018 of the contract suspension strategy initiated in 2017 in Brazil enabled to sell electricity at a higher price through private short-term contracts on the free market.
- *After* the end of the long-term power sale agreement, being the cheapest source of electricity on a market will position Voltalia's plants well, while subsidized plants may suffer from a steep drop in revenues.

Today, in the renewable energy sector, almost all long-term power sale contracts are with utilities. In markets where renewables are competitive compared to fossil fuels, new opportunities arise with new clients: corporations just looking for a cheap source of electricity. In 2018, Voltalia signed its first long-term contract with a corporate: BRF, one of the world's largest agribusiness companies. Thanks to more than 10 years of experience accumulated on the free market through its activity in Brazil, Voltalia is able to offer attractive opportunities to corporate clients across Europe, Africa and Latin America.

Other items from the P&L: record-high net profit

In € million	FY 2018	FY 2017	Change at actual rates	Change at constant FX rates
EBITDA before eliminations and corporate	**94.6**	**84.5**	***+12%***	***+31%***
EBITDA impact of eliminations and corporate	(18.3)	(12.9)	*+42%*	*+43%*
EBITDA	**76.2**	**71.6**	***+6%***	***+29%***
Depreciation, amortisation and provision	(29.1)	(27.1)	*+6%*	*+21%*
Other operating income and expense	0.1	1.3	*-93%*	*-99%*
Operating profit (EBIT)	**47.2**	**45.7**	***+3%***	***+30%***
Financial result	(29.9)	(36.5)	*-18%*	*-2%*
Taxes and net income of equity affiliates	(11.3)	(5.8)	*x2.0*	*x2.3*
Minority interests	2.6	(2.9)	*n/a*	*n/a*
Net profit (Group Share)	**8.5**	**0.6**	***x15***	***x23***

In 2018, intense activity of insourced Services for the benefit of the Group's own assets translates into higher revenues eliminations, at €68.2 million. Eliminations and corporate costs represented €18.3 million of EBITDA, a 43% increase compared with 2017.

Depreciation, amortisation and provisions increase by 21% at constant exchange rates, mainly due to the full-year contribution of the SMG power plant (+€2.7 million), whose turbines were in preservation mode until June 2017, the commissioning of new power plants (+€1.4 million) and increased provisions (+€1.6 million), partly offset by a positive currency impact (€3.9 million).

EBIT reaches €47.2 million in 2018 up by 13.6 million euros at constant exchanges rates, a 30% increase compared with 2017.

The financial result, mainly financing costs from long-term project financing, improves by €6.5 million at €(29.9) million in 2018, mainly driven by the drop in the Brazilian real.

Taxes are up by €5.5 million, reflecting the increased profitability of Voltalia.

Minority interests record a €2.6 million loss. Plants with minority shareholders have a slower profitability ramp-up, and, as opposed to 2017, they did not benefit from contract suspensions in 2018.

Group net profit reaches €8.5 million, its highest level so far. Voltalia enjoyed a strong catch-up in the second half of the year (+€14.1 million), coming mostly from wind and solar seasonality.

Simplified consolidated balance sheet

In € million	31/12/2018	31/12/2017
Goodwill	46.0	46.1
Other intangible assets	96.4	70.1
Tangible fixed assets	608.2	618.6
Cash and cash equivalents	108.6	71.2
Other current and non-current assets	127.4	106.3
Total assets	**986.6**	**912.2**
Equity, Group share	317.6	322.0
Minority interests	54.7	67.2
Total financial debt	506.0	417.4
Other current and non-current liabilities	108.3	105.6
Total liabilities	**986.6**	**912.2**

The balance sheet reflects the Group' strong investment strategy. In 2018, tangible and intangible fixed assets reach €750.6 million. At December 31, 2018, 89% of fixed assets are related to plants in operation. The variation since December 31, 2017 is mainly explained by the contribution of new power plants (+€71 million) fully offset by the linear depreciation of power plants in operation (-€26 million) and a negative currency impact (-€53 million). Most of intangible assets lie in assets in operation (€28 million) or projects either secured or in construction (€64 million).

The Group's financial structure is robust. 77% of the total financial debt of Voltalia at the end of 2018 is contracted for power plants, financed by long-term project finance debt in local currency.

At December 31, 2018, Voltalia has €108.6 million in cash and cash equivalent, a €37.4 million increase compared with December 31, 2017.

Business developments since January 2019

- Mid-January 2019, Voltalia announced the launch of the construction of the Savane des Pères facility, a 3.8 MW solar plant coupled with a 2.6 MW / 2.9 MWh battery storage system, enabling to cover household consumption during peak hours. It benefits from a 25-year contract with a secured tariff, starting from the commissioning of the plant, expected in the second semester of 2019.
- End January, Voltalia announced the construction start of the VSM 2 wind project, located in the Serra Branca cluster, neighbouring the VSM 1 project already in construction. It will therefore benefit from significant economies of scale for the construction process and for the connection facilities, on top of exceptional wind conditions. Long-term power sale agreements secured for VSM 2 will start in 2021 (64 MW) and 2024 (64 MW). The electricity produced between the commissioning of the plant (expected in the course of 2020) and these dates will be sold at attractive prices under free-market short-term contracts.

- Early February, Voltalia launched the construction of its second very-high-voltage transmission line in Brazil, 50 km long. With a voltage of 500 kV, able to connect new projects for a total capacity of 2 GW in the Serra Branca cluster, it is tailored to the needs of existing and future projects in the cluster.
- End of February, Voltalia announced its first Construction, Operation & Maintenance contract in Albania for a 2.5 MW solar plant.

2019 and beyond

2019: working on delivering on the 1 GW objective

For Energy sales, in the absence of contract suspensions in Brazil, prices are expected to remain within the regular long-term power sales framework of set prices indexed to inflation. The first contribution of new plants in France and Egypt is expected, mostly in the second half of the year.

In Services, ongoing contracts with third-party clients are currently limited, as most teams are mobilized on Voltalia's own plants and delivering on the 1 GW objective.

In 2019, the Group will continue to benefit from economies of scale and maintain a disciplined cost control.

Strong medium-term visibility: over 1 GW in 2020 with €4bn of revenues secured until 2044

In 2018, wins in France, Brazil and on the African continent brought Voltalia's portfolio of secured projects to 1,048 MW, securing the 1 GW target set in 2016[2]. Construction has already been launched for 387 MW and the remainder will be launched shortly.

Since 2016, Voltalia has delivered on a strategy aiming at growing in solar and in new geographies; accelerated by the acquisition of Martifer Solar.

Between the announcement (in September 2016) and the achievement of this 1 GW target, Voltalia's capacity will have more than doubled (x 2.3) and will also be more diverse: Voltalia-owned solar capacity will have been multiplied by more than 10 to represent 19% of the 1 GW capacity. Additionally, when Voltalia's installed capacity will pass the 1 GW milestone, the capacity will be 69% Brazil (compared to 84% in 2016), 19% Europe (16% in 2016) and 12% Africa (0% in 2016).

This major achievement backs the achievement of the Group's 2020 EBITDA target.

A vast pipeline (+81% in 2018), foundation to the growth beyond 2020

Beyond 2020, Voltalia can rely on a significant pipeline of projects in advanced development to sustain future growth. The projects in this pipeline have passed criteria regarding access to land, connection capacity, operating authorizations and planning permits, and financial profitability.

At the end of 2018, this pipeline stands at 6.2 GW, a 81% increase vs. December 2017. The growth is mostly related to solar projects, whose capacity is multiplied by 2.4 to reach 3.7 GW (60% of the total pipeline), throughout all geographies.

[2] Press release of September 19, 2016

This expanding pipeline of projects creates more strategic options for Voltalia both as power producer and as service provider.

Today's speed of growth of renewables in the world has no precedent. In the second half of this year, Voltalia will unveil new ambitions beyond 2020.

Next on the agenda: Q1 2019 revenues on April 24, 2019

About Voltalia (www.voltalia.com)

- Voltalia is an international player in the renewable energy sector. The Company produces and sells electricity generated from wind, solar, hydro, biomass and storage facilities, with a total capacity of 911 MW either in operation or construction as of today.
- Voltalia is also a service provider, assisting its investor clients active in renewables at each project stages, from conception to operation and maintenance.
- With 550 employees in 18 countries over 4 continents, Voltalia is able to act worldwide on behalf of its clients.
- Voltalia has been listed on the Euronext regulated market in Paris since July 2014 (FR0011995588 – VLTSA) and is a component stock of the Enternext Tech 40 index and the CAC Mid&Small index. The Group is also included in the Gaïa-Index, an index for socially responsible midcaps.

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APPENDIX

Simplified consolidated statement of profit and loss (non-audited)

(in thousands of euros)	**As of 31 December 2018**	**As of 31 December 2017**
Revenues	**180 660**	**181 188**
Total operating expenses	**(104 452)**	(109 588)
EBITDA	**76 209**	**71 600**
% EBITDA margin	*42%*	*40%*
Other financial income and expenses	103	1 279
Depreciation, amortisation and provisions	(29 078)	(27 132)
Operating profit (EBIT)	**47 234**	**45 747**
% EBIT margin	*26%*	*25%*
Gross loan expenses	(32 020)	(34 361)
Other financial income and expenses	2 076	(2 124)
Income tax and other taxes	(11 480)	(5 970)
Income from companies at equity	151	203
Net profit (loss)	**5 960**	**3 495**
% net profit margin (loss)	*3%*	*2%*
Group Share	**8 525**	**566**
Minority interests	(2 565)	2 929

Simplified statement of financial position (non-audited)

(in thousands of euros)	As of 31 December 2018	As of 31 December 2017
Goodwill	46 033	46 080
Intangible assets	96 418	70 053
Property, plant and equipment	608 228	618 575
Other non-current assets	24 908	20 320
Non-current assets	**775 588**	**755 028**
Net cash and cash equivalents	108 608	71 247
Other current assets	102 426	85 970
Current assets	**211 034**	**157 217**
Total Assets	**986 622**	**912 245**
Group equity	317 624	321 964
Non-controlling interests	54 747	67 232
Equity	**372 371**	**389 197**
Non-current provisions	5 308	10 457
Provisions for post-employment benefits	805	664
Deferred tax liabilities	1 658	1 776
Long-term borrowings	435 342	339 177
Other non-current financial liabilities	3 665	13 164
Non-current liabilities	1 464	3 494
Non-current liabilities	**448 242**	**368 732**
Current provisions	12 876	6 142
Short-term borrowings	70 654	78 199
Trade and other payables	48 677	45 623
Other tax liabilities	11 427	8 586
Other current liabilities	22 374	15 764
Current liabilities	**166 008**	**154 316**
Total Liabilities	**986 622**	**912 245**

Report on electricity production in 2018

Total production by area and by energy in GWh	**Wind**	**Solar**	**Biomass**	**Hydro**	**Hybrid**	**2018 Total**
Brazil	1,873.1				40.2*	**1,913.4**
France	93.0	19.9				**112.9**
French Guiana		4.6	10.6	24.1		**39.3**
United Kingdom		7.8				**7.8**
Greece		6.9				**6.9**
Portugal		1.2				**1.2**
Total	**1,966.1**	**40.4**	**10.6**	**24.1**	**40.2**	**2,081.4**

*includes the production of Oiapoque solar

Breakdown of installed capacity as of December 31, 2018

Installed capacity by area and by energy In MW	**Wind**	**Solar**	**Biomass**	**Hydro**	**Hybrid**	**As of 12/31/2018**
Brazil	417.3				16.0*	**433.3**
France	42.2	23.7				**65.9**
French Guiana		4.5	1.7	5.4		**11.6**
United Kingdom		7.3				**7.3**
Greece		4.7				**4.7**
Portugal		1.0				**1.0**
Total	**459.5**	**41.2**	**1.7**	**5.4**	**16.0**	**523.8**

*4 MW of solar and 12 MW thermal