



Half-year results 2022

26 July 2022



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1

Half-year 2022 highlights



Half-year 2022 highlights

Operations

- ⊙ Sharp growth in revenues (+23% yoy) - excluding fuel price and FX effects, stable revenues
- ⊙ Very good performance by thermal power plants in French Overseas
- ⊙ Historically high fuel prices resulting in lower call-in rates on Reunion Island
- ⊙ Solid contribution from geothermal plants

Development

- ⊙ Significant progress in the conversion of thermal plants:
 - EDF contract riders signed on 29 April 2022 for the conversion and extension of Albioma Le Gol - project debt financing up to 2044 secured
 - Works underway for the conversion of Albioma Bois-Rouge
- ⊙ A second geothermal power plant in Turkey successfully acquired

Stock exchange

- ⊙ KKR's public tender offer opened on 23 June 2022 up to 27 July



2

Strategic positioning



Albioma

An independent renewable power producer



Thermal biomass

A unique partnership for 25 years with the sugar industry to produce renewable energy from bagasse, the fibrous residue left after crushing sugar cane



Geothermal

Our new renewable baseload energy



Photovoltaic

The leading producer of photovoltaic power in the French overseas territories



> 1 GW in installed capacity across the world

889 MW thermal biomass, 114 MWp solar and 31 MW geothermal

Strong market share
(2021)

40%

of power generated
on Reunion Island

29%

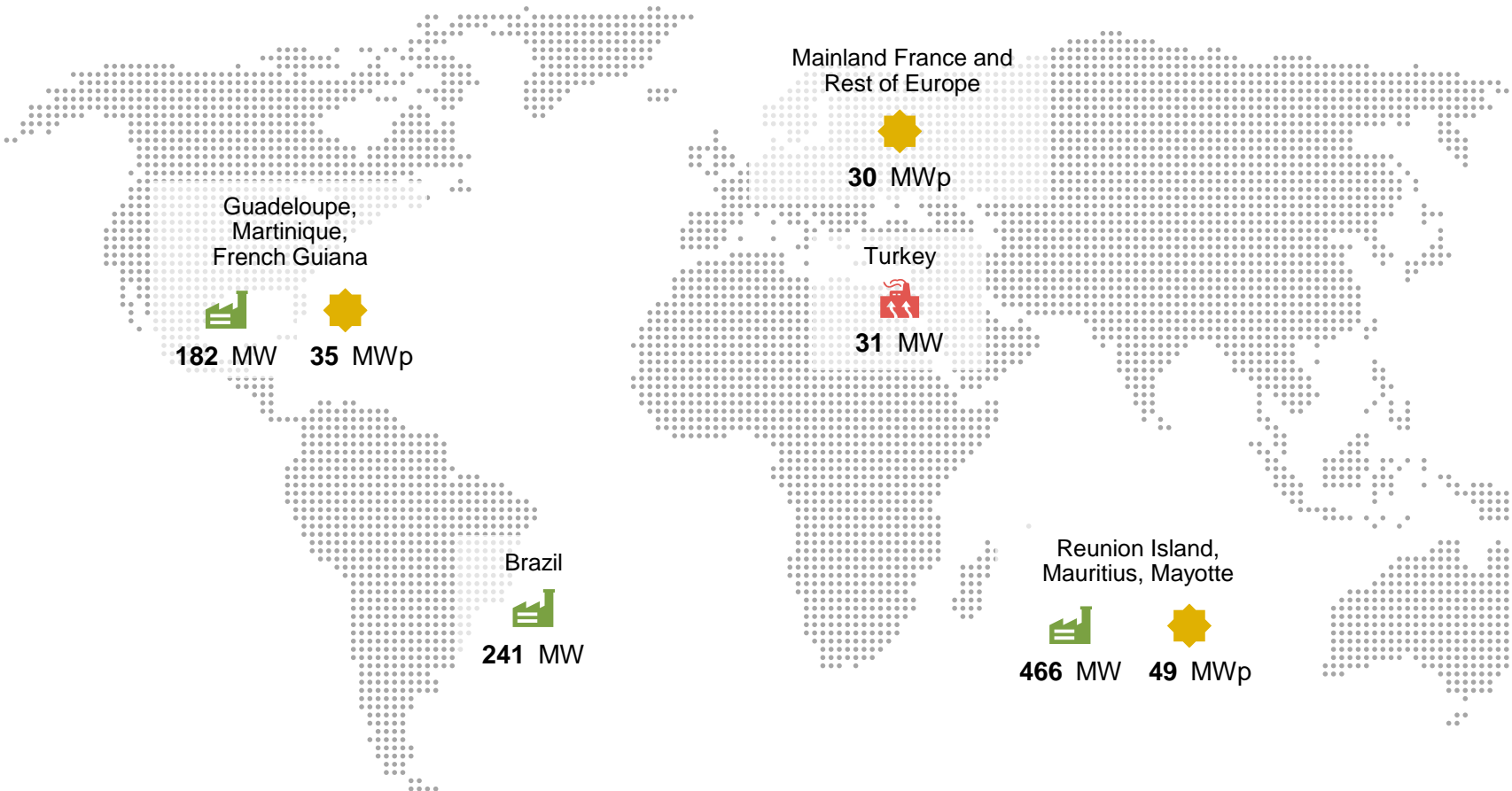
in Guadeloupe

18%


in Martinique

45%

in Mauritius



 Thermal biomass

 Solar PV

 Geothermal

Capacity installed as of 30 June 2022

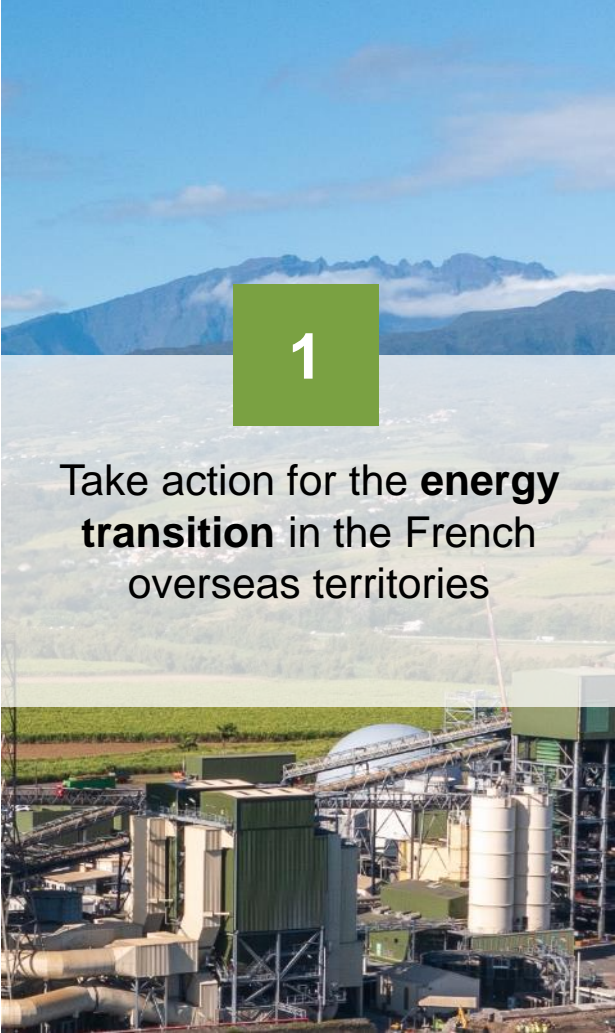
Strategic positioning

Half-year results 2022

Three-pronged strategy



1



Take action for the **energy transition** in the French overseas territories



2



Speed up development in Solar PV



3



Deploy **Albioma's expertise world-wide**

1. Take action for the energy transition in the French overseas territories



1. Take action for the energy transition in the French overseas territories

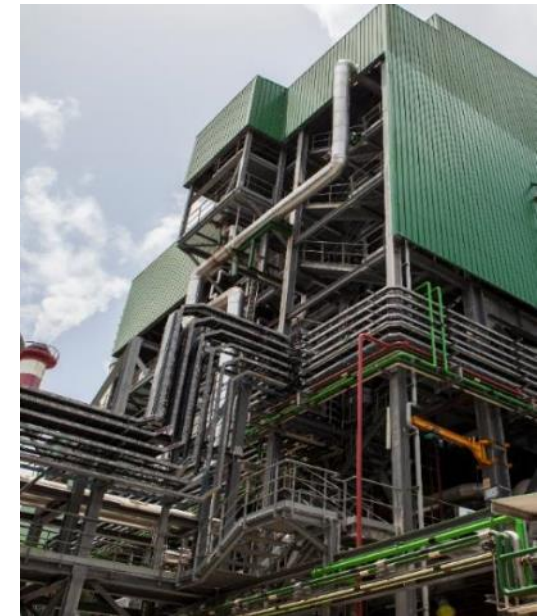
100% biomass target set for our plants

- ⦿ Replace coal with biomass in the plants recovering bagasse
- ⦿ Give priority to local biomass, while avoiding conflicting uses (cane straw, forest residues, etc.) and contributing to a circular economy (green waste, etc.)
- ⦿ Use traceable and renewable imported biomass for top-up

Increase renewable energy production

- ⦿ Produce reliable energy, guaranteeing grid security and stability from 100% renewable sources
- ⦿ Commission new biomass projects, solar energy storage projects and 100% storage projects in non-interconnected areas to counteract the intermittent nature of production

Make use of solid recovered fuels (SRF)



Albioma Le Moule, Guadeloupe

Three main sources of sustainable biomass



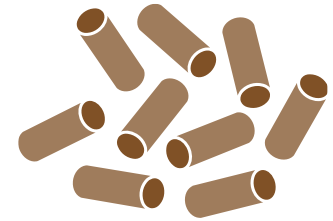
Bagasse

- ⦿ Historical partnership with sugar mills
- ⦿ Locally available, in large quantities
- ⦿ 6 to 10 months per year



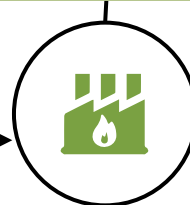
Other local sources of biomass

- ⦿ Shredded wood packaging, green waste, wood chips, etc.
- ⦿ Sustainable and a bearer of social and economic added value



Sustainable imported biomass

- ⦿ Pellets from wood processing residues
- ⦿ FSC/PEFC/SBP certification : guaranteed sustainability in accordance with international standards and existing regulatory framework



Supply chain for sustainable imported biomass



The imported biomass used by Albioma is made of wood residues from the wood industry, unfit for other uses

2. Speed up development in Solar



2. Speed up and strengthen solar power development

Take position on targeted and profitable segments

Consolidate our **leading position in French overseas markets** and strengthen it in mainland France

Reference **target segments**: small and medium rooftops, storage, land free of use conflicts

Innovative solutions

Solar + storage plants in non-interconnected areas

Participation in calls for tenders dedicated to innovative projects organised by **the French regulator (CRE)**

Positioning on 100% storage project/network services

A very promising market

Increase in the size of projects eligible for energy purchase obligation rates from **100 kWp to 300 kWp**

Visibility on tender volumes: approx. **1 GWp/year** on our targeted segments

Consolidation of our portfolio through selective acquisitions

3. Deploy Albioma's expertise world-wide



Vale do Paraná, Brazil

3. Global roll-out of Albioma's expertise

Geographical and technological diversification



Today

A solid positioning in Mauritius

- ⊙ 45% of the electricity produced on the island today
- ⊙ 3 plants currently in operation

Continued development in Brazil

- ⊙ Capitalise on our experiences
- ⊙ 4 plants currently in operation

Development in the geothermal business

- ⊙ First step in Turkey with 2 plants

In the medium-term

Continued expansion

⊙ Geographical approach

Biomass - supporting existing sugar-refining partners or operating / developing new projects in Latin America, South-East Asia, etc.

⊙ Technological diversification

Continue to develop other sources of renewable energies and particularly geothermal energy

Development in the geothermal business

A locally-produced, renewable and competitive energy

- ⦿ Geothermal power plants extract heat from below the earth's surface and convert it into electricity
- ⦿ High barriers to entry
- ⦿ Like biomass, geothermal is a baseload energy (available on a 24/7 basis), which enhances the stability of electrical networks

2 geothermal plants under operation

- ⦿ **Gümüşköy**: Gross capacity of 13 MW - four production wells – currently exports up to 45 GWh - operating licence valid until 2040
- ⦿ **Kuyucak**: Gross capacity of 18 MW - five production wells - currently exports up to 85 GWh - operating licence valid until 2042

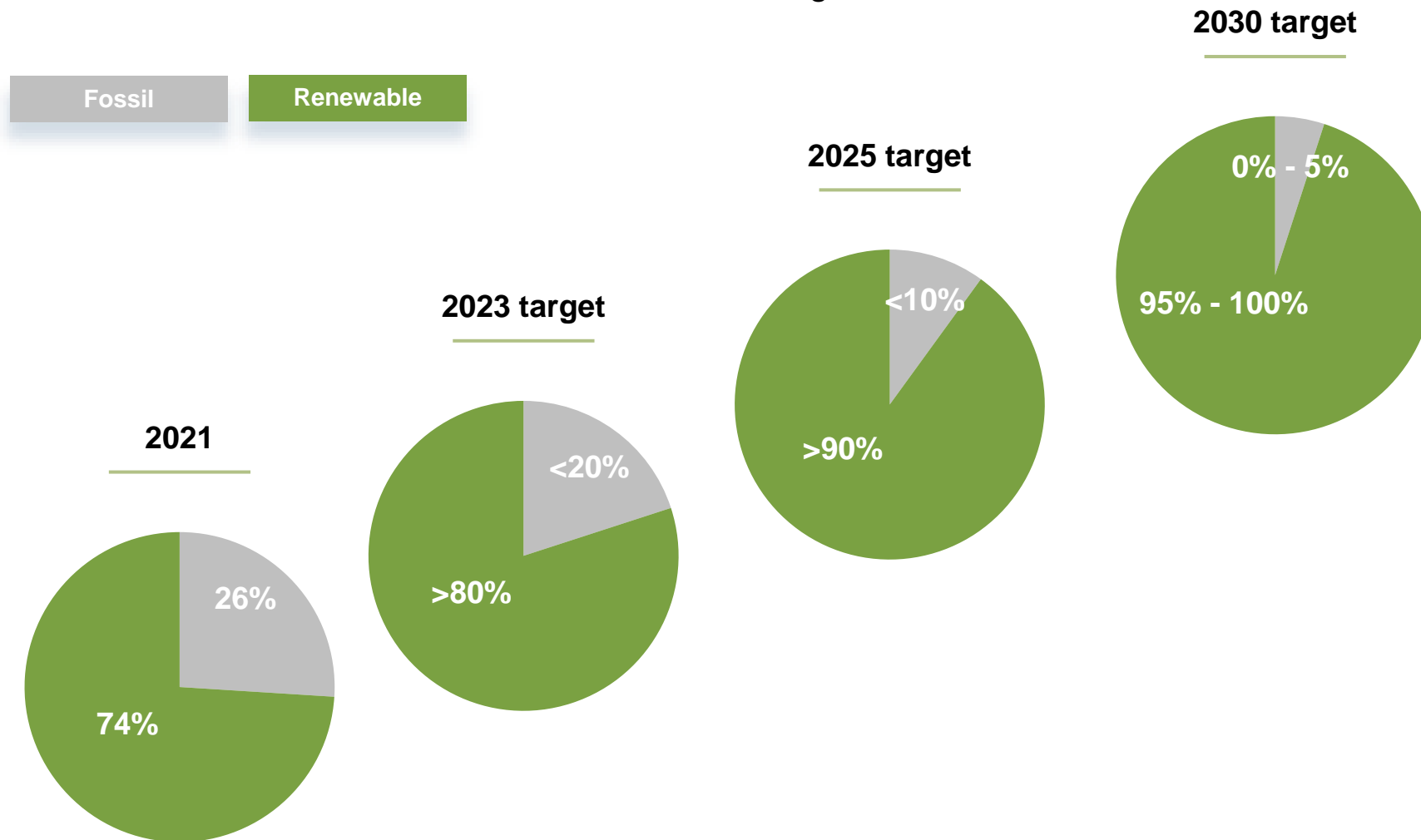
Expansion

- ⦿ **Turkey**: ranks 4th in the world in terms of installed geothermal capacity (> 1,600 MW) - potential for future developments
- ⦿ **Other countries**: strong potential in the Caribbean, Europe and Indian Ocean



>90 % renewable energy target by 2025

Full exit from coal in French overseas territories targeted for end-2025



Note: Aggregate of fully consolidated companies. Renewable energy (electrical and steam) as a share of total production.



Strong extra-financial performance



ESG score: **63/100**

Ranked in the top 3% of companies rated by V.E. Advanced ESG performance achieved.



Rewards the best performers from a panel of 390 SMEs and MidCaps (+7 pts in two years, btw 2018 and 2020).



Score C (same as the average performance for the renewable power generation sector).



Enables investors to identify investment undertakings supporting the financing of companies, such as Albioma. Complies with a set of ESG criteria.

Sustainability linked framework

Publication in Dec. 2020 of a Sustainability-Linked Financing Framework aligned with the LMA's and the ICMA's Principles as confirmed by a Second Party Opinion from V.E.

Actively contributing to the United Nations' Sustainable Development Goals (SDG) for 2030



KKR's public tender offer

- ⦿ Following preliminary bilateral discussions initiated in March 2022, a **friendly public tender offer was launched by investment fund KKR** for Albioma's shares and warrants
- ⦿ **KKR's public tender offer opened on 23 June 2022** following receipt of all required regulatory approvals:
 - The completion of the public tender offer is subject to a minimum acceptance condition in which KKR obtains a number of Albioma shares representing at least 50.01% of the share capital and "theoretical" voting rights
 - KKR intends, subject to its holding at least 90% of the share capital and voting rights of Albioma at the closing of the offer, to seek the delisting of Albioma's shares.
- ⦿ **Public tender offer to close on 27 July 2022**
- ⦿ Transaction costs would be recorded in H2 2022 in the event of successful completion of the public tender offer

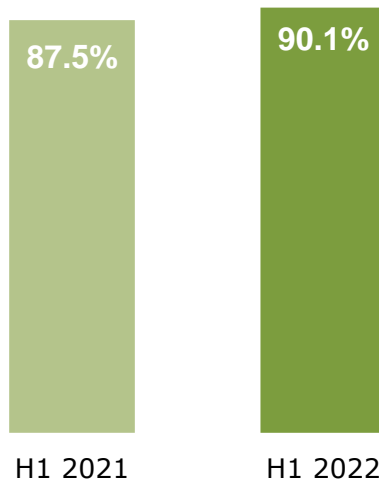
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Operational performance

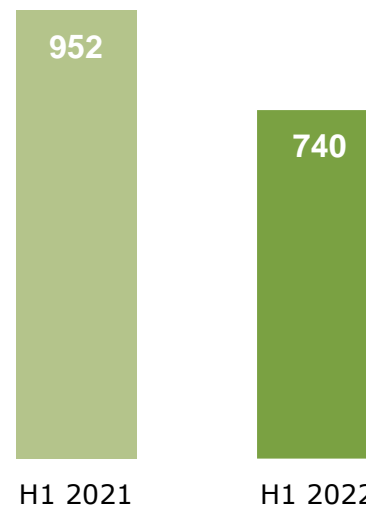


France – Thermal Biomass

Plant availability



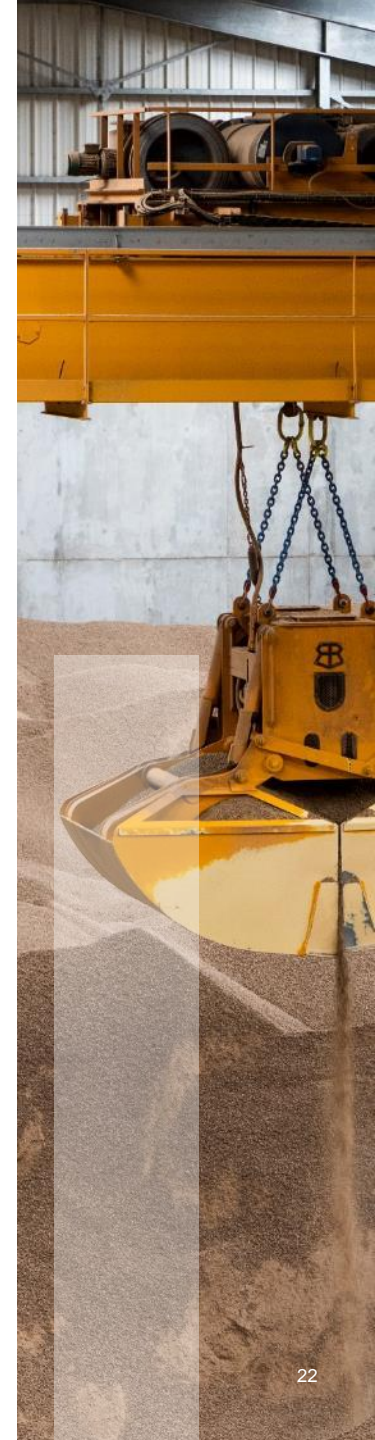
Power generation (GWh)



⊙ **Excellent availability of all facilities** in First Half 2022

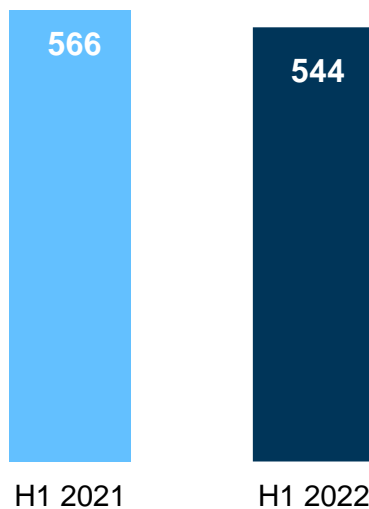
⊙ Production decrease due to lower EDF call-in rates on Reunion Island within the context of unprecedented coal and CO2 prices

⊙ **EDF contract riders signed** on 29 April 2022 for the conversion and extension of Albioma Le Gol up to 2044

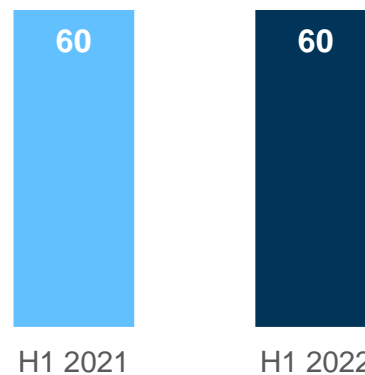


France – Solar power

Number of equivalent full power hours



Power generation (GWh)



⊙ Stable production

- Significantly lower solar irradiation conditions in French Guiana
- Commissioning of new installations in mainland France and Ocean Indian

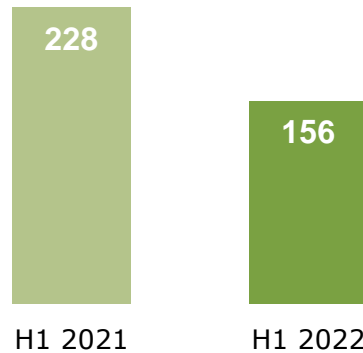
⊙ 2021 French finance law and solar assets

- Dedicated safeguard process ongoing with Energy Regulation Commission for two ground mounted projects accounting for 9 MWp in order to negotiate a more reasonable tariff decrease

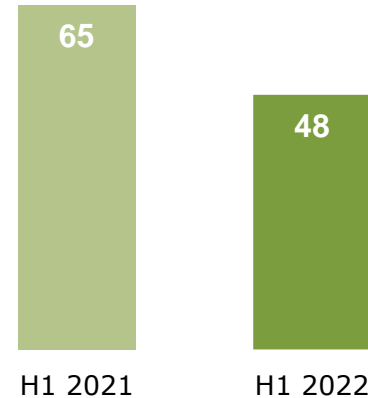


Brazil – Thermal biomass

Power generation (GWh)



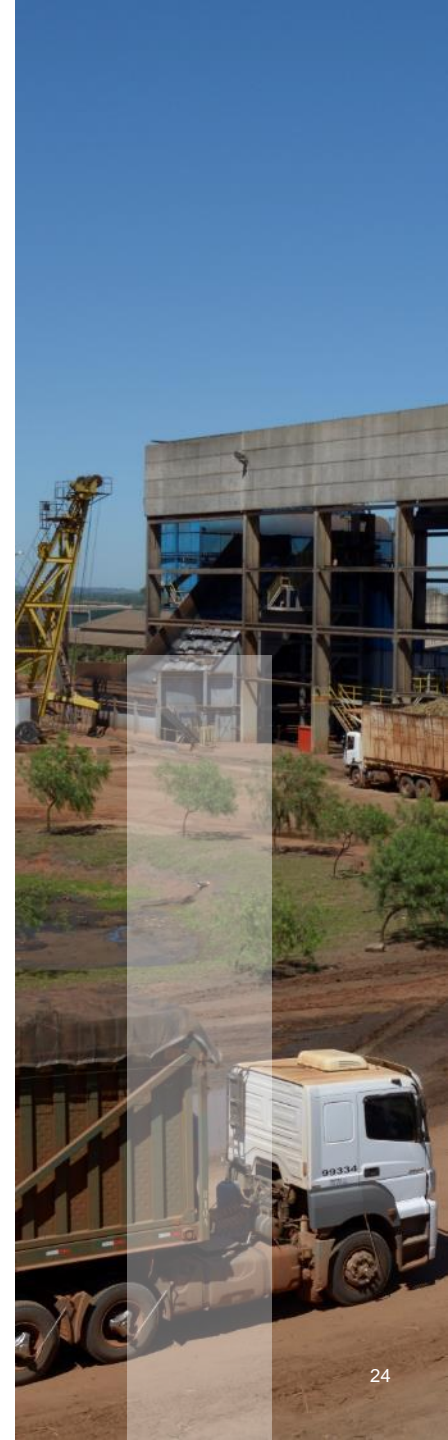
Energy efficiency (kWh/tc)



⊙ Decrease in production

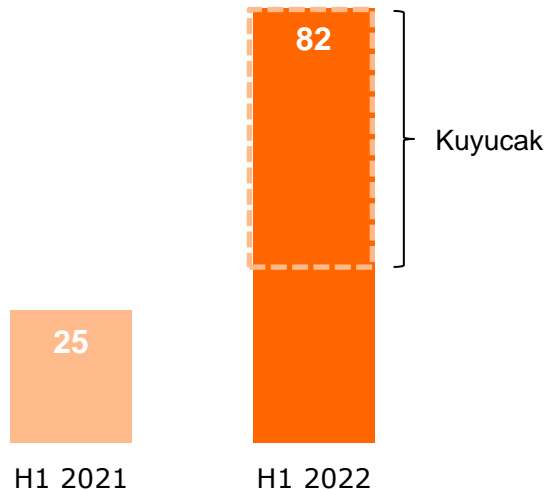
- Less bagasse stock available at Codora plant
- Technical incident at Esplanada plant in May (transformer)

⊙ **New financing signed by Codora amounting to 70 millions of reals** (7-year maturity with 18-month grace period) and capital reduction of 37 millions of reals



Turkey - Geothermal

Power generation (GWh)



- ⦿ **Gümüşköy plant production increased to 33 GWh (+30%)** following optimisation works carried out in H2 2021 (ESP "Electrical Submersible Pump" installation and drilling of a new reinjection well)
- ⦿ **A second geothermal power plant (Kuyucak) acquired on 14 February 2022 in Turkey** – installed capacity of 18 MW and 2021 production of 83 GWh



4

Financial results



Income statement by region/business

(In € million)	2022 Half year	2021 Half year Reported	Change 22/21
France - Thermal Biomass	286.8	233.1	+23%
France - Solar Power ⁽¹⁾	23.5	23.9	-2%
Brazil	9.6	8.4	+15%
Turkey - Geothermal	7.8	1.7	+351%
Holding & Other	0.6	0.6	+4%
Revenues	328.3	267.7	+23%
France - Thermal Biomass	81.7	80.3	+2%
France - Solar Power ⁽¹⁾	15.3	16.4	-7%
Brazil	1.2	3.3	-64%
Turkey - Geothermal	5.3	1.0	+448%
Holding & Other ⁽²⁾	(4.4)	(1.5)	-192%
EBITDA	99.0	99.4	-0%
Net Income, Group share	21.4	23.5	-9%

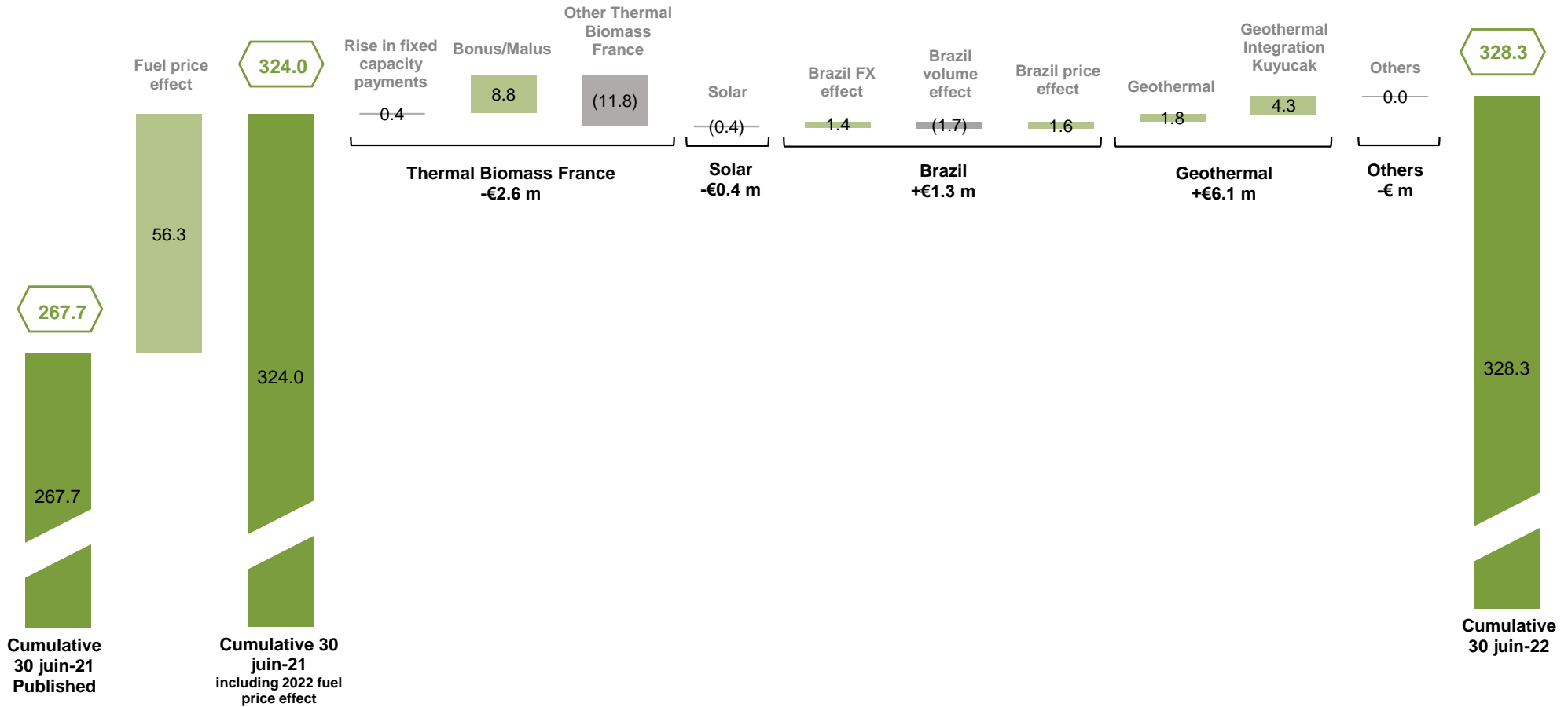
⁽¹⁾ Including Spain and Italy

⁽²⁾ Including pellet production unit in Canada

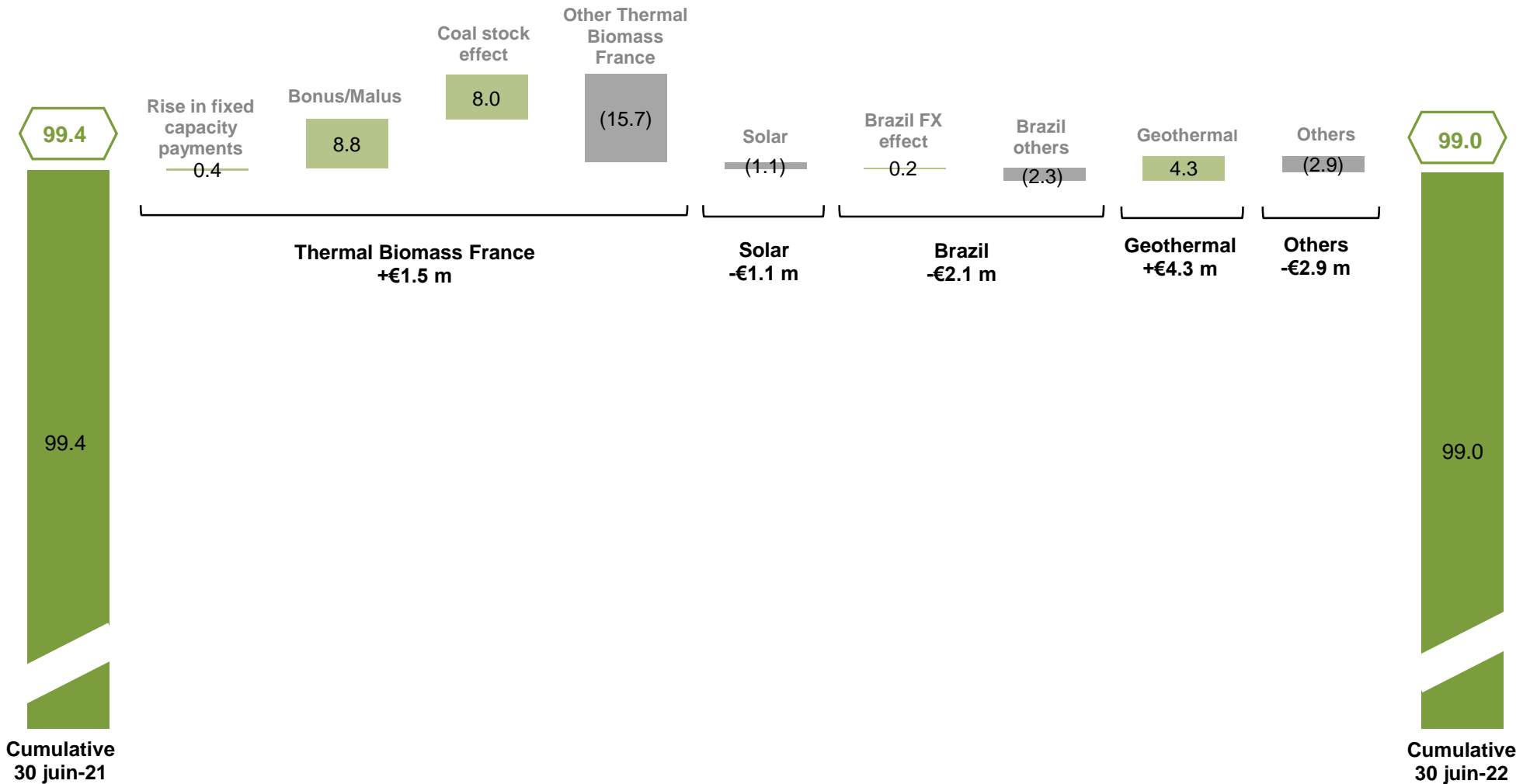
- ⊙ Excellent availability of thermal power plants
- ⊙ Production decrease due to lower EDF call-in rates on Reunion Island within the context of unprecedented coal and CO2 prices
- ⊙ Brazil: Improvement in real-euro exchange rate and decrease in production
- ⊙ Turkey: increase in Gümüşköy output and additional contribution from the Kuyucak plant, acquired on 14 February 2022
- ⊙ Tariff decrease enforced (2021 French Finance law) and lower solar irradiation conditions in French Guiana

Revenue €328 million

Excluding fuel price and FX effects, revenue is stable vs. N-1



Stable EBITDA at €99 million



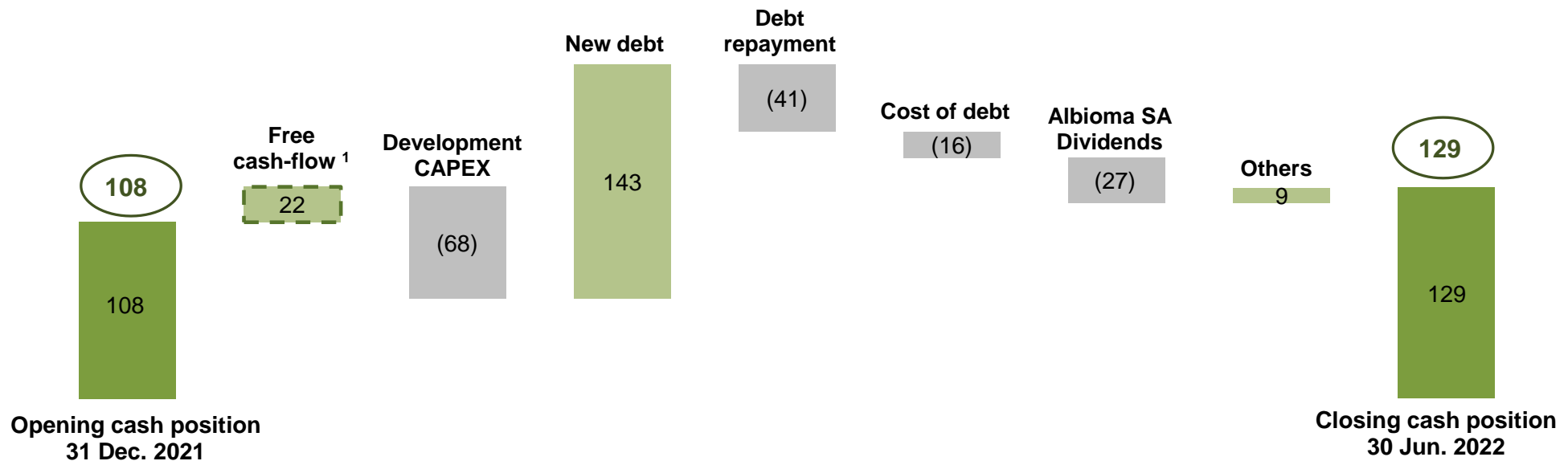
H1 2022 income statement

(In € million)	2022 Half year	2021 Half year Reported	Change 22/21
Revenues	328.3	267.7	+23%
EBITDA	99.0	99.4	-0%
Depreciation, amortization, provisions & others	(45.4)	(43.9)	-3%
Operating income	53.6	55.5	-3%
Net financial income	(15.6)	(15.9)	+1%
Tax	(11.9)	(10.7)	-10%
<i>Effective tax rate ¹</i>	29.5%	28.1%	
Consolidated net income	26.1	28.9	-10%
Net income (Group share)	21.4	23.5	-9%

¹ The normative tax rate amounts to 26,4% at the end of June 2022 vs % 28,1% at the end of June 2021 (effective tax rate less the effects of non-deductible depreciation, excluding Brazil).

A cash position of €129m as of 30 June 2022

Substantial free cash-flow fostering self-financed development



¹ Free cash flow = Cash flow from operating activities - Investments related to operations and maintenance

Inflation and interest rate risk management

Inflation

⊙ Revenue contractually indexed on inflation

- In France: indexation based on two main indices published by Insee:
 - ICHTrev-TS (hourly cost of labour)
 - FMOA (industrial production price)
- In Brazil: all PPA prices indexed on IPCA (national consumer price index) or IGP-M (market price index)
- In Turkey: debt issued in dollar and PPA prices indexed to this currency

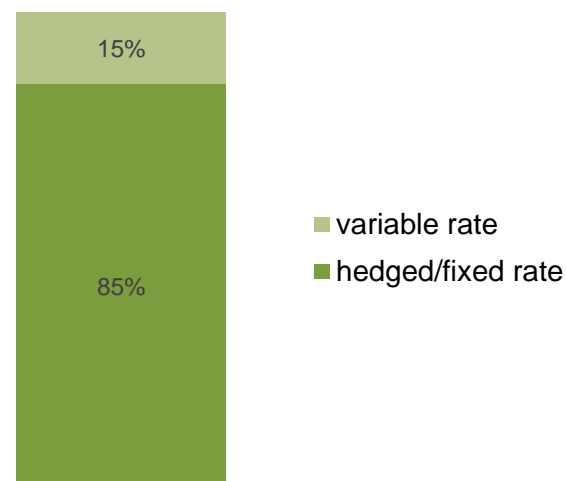


Interest rate variation

⊙ Albioma's policy on interest rate risk management is to hedge between 70% and 100% of its debt in euro thanks to:

- interest rate SWAPs aligned with the underlying debt schedule
- fixed rates when applicable (Euro PP)

Exposure of the Group's debt to interest rate variation – June, 2022



A solid balance sheet

Gross debt increased as the result of the drawdown of new project debts (*Albioma Bois Rouge, Solar and geothermal development*)

- ⊙ 11-year residual life
- ⊙ Group average interest rate at 2.9% (of which France 2.7%)
- ⊙ 85% of debt covered or at fixed rates in June 2022 (excl. short term lines of credit)
- ⊙ Non-recourse project debts except for projects under construction

(In € million)	30 Jun. 2022	31 Dec. 2021	Change
Project debt	904	828	9%
Corporate debt	213	143	49%
Total gross debt (excl. IFRS 16)	1 117	971	15%
Cash	(129)	(108)	19%
Guarantee deposits and equivalents	(5)	(5)	9%
Total net debt	983	859	14%
Net debt / EBITDA ⁽¹⁾	4,7x	4,1x	
Net debt excluding construction projects / EBITDA	4,0x		
Gearing ^{(1) (2)}	146%	143%	

⁽¹⁾ Excluding IFRS 16 restatements

⁽²⁾ Net debt / Shareholders'equity

2022 objectives

	2022 ¹
EBITDA (in € million)	210-220
Net income, Group share (in € million)	52-60

¹ Excluding transaction costs in the event of successful completion of the current public tender offer

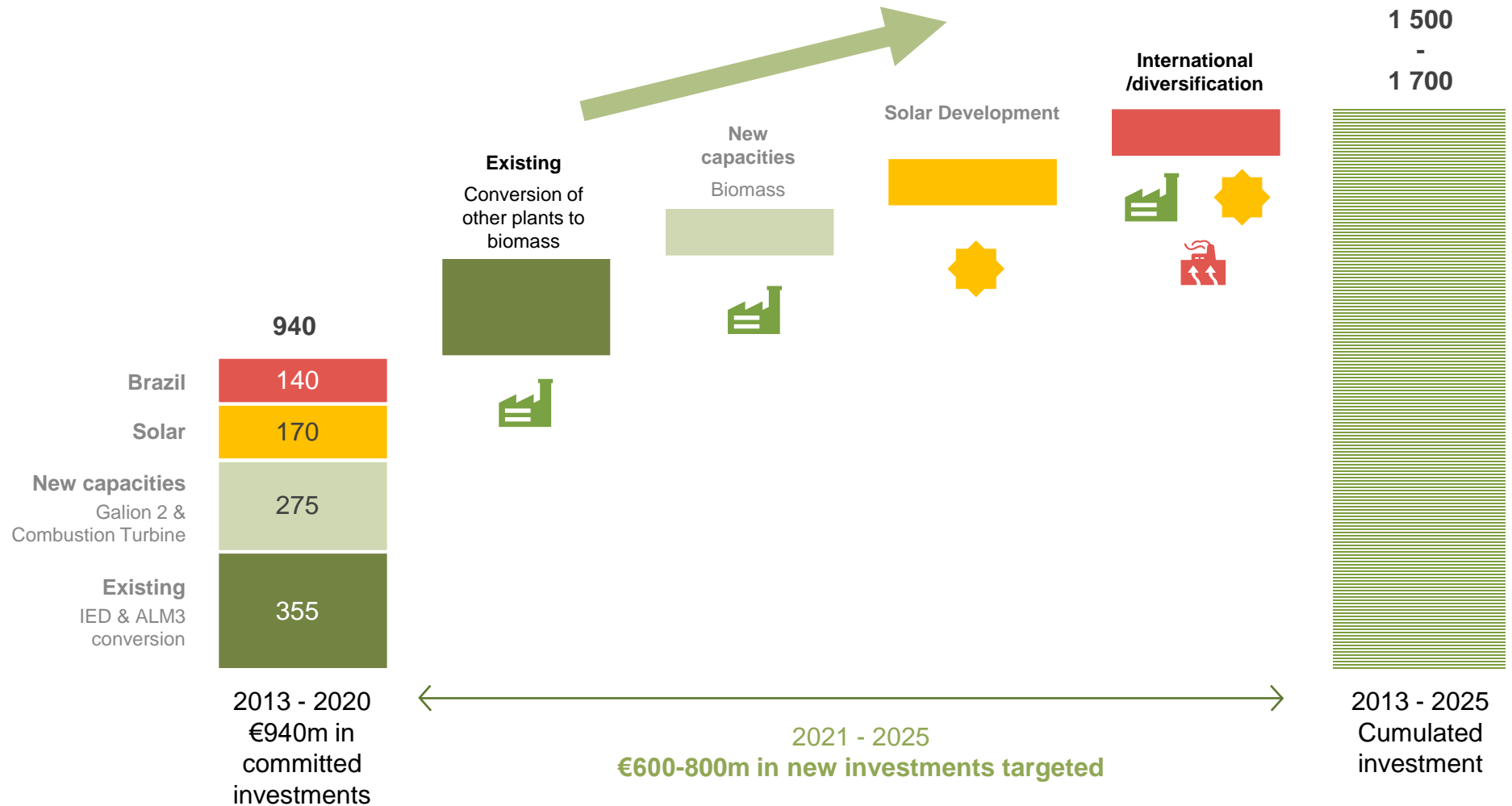
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Outlook



Investment program until 2025

In € million



Dynamic investment policy and self-financed growth

678
experts

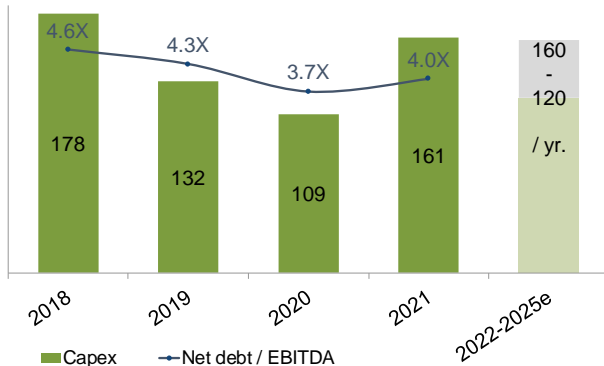
>1 GW
installed
capacity

16
thermal power
stations

109MWp
installed capacity
in solar plants

Capex and long term project debt

In € million



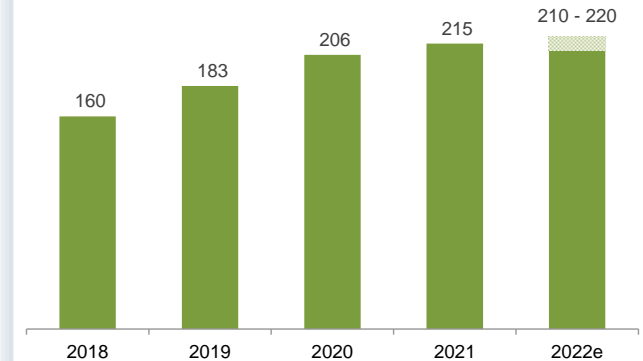
Strong asset
base

Solid cash flow
generation

Dynamic investment
plan

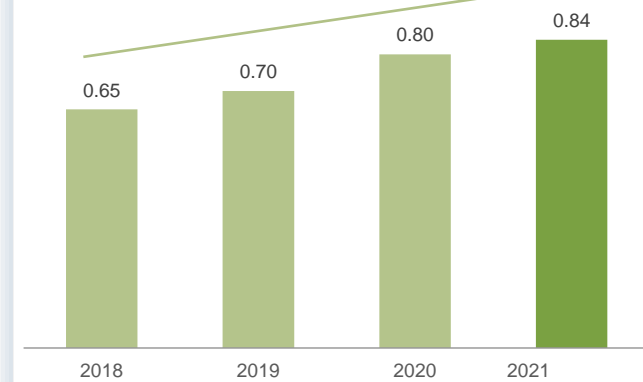
Ebitda

In € million



Annual dividend per share

In €



Thank you
for your attention!

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6

Appendix



Balance sheet as of 30 June 2022

ASSETS (In € million)	30 Jun. 2022	31 Dec. 2021
Goodwill	27	16
Intangible assets & Property, plant and equipment	1,606	1,504
Other non-current assets	93	41
Total non-current assets	1,726	1,561
Current assets	248	208
Cash and cash equivalents	129	108
Total ASSETS	2,103	1,877
EQUITY & LIABILITIES (In € million)	30 Jun. 2022	31 Dec. 2021
Shareholders' equity, Group share	581	503
Non-controlling interests	95	97
Total equity	675	599
Current and non-current financial liabilities	1,117	971
Debts related to the right of use assets (IFRS16)	48	42
Other non-current liabilities	94	108
Current liabilities	169	157
Total LIABILITIES	2,103	1,877

Cash flow statement H1 2022

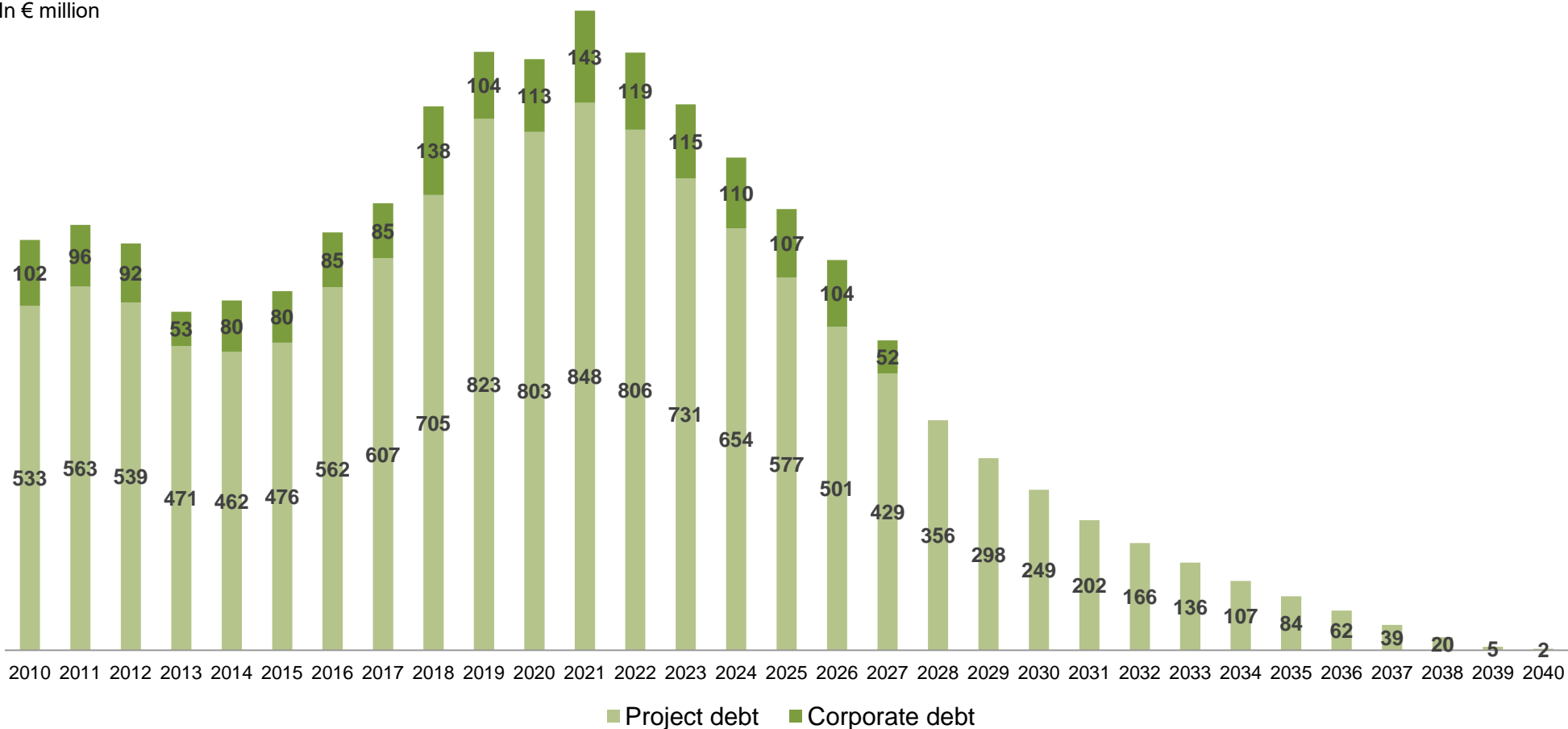
(In € million)	2022 Half year	2021 Half year Reported
Cash flow from operations	105.8	101.3
Change in net working capital	(37.2)	(28.6)
Tax paid	(28.7)	(22.8)
Net cash from operating activities	39.8	49.8
Operating CAPEX	(18.3)	(12.9)
Free cash flow from operations	21.6	36.9
Development CAPEX	(54.7)	(47.4)
Others / Acquisitions / Disposals	(13.4)	(2.8)
Cash flow from investing activities	(68.1)	(50.2)
Dividends paid to Albioma SA shareholders	(27.4)	-
Borrowings (increase)	142.6	59.3
Borrowings (repayment)	(40.9)	(36.7)
Cost of financial debt	(16.0)	(15.7)
Others	6.6	(7.6)
Net cash flow from financing activities	64.9	(0.6)
Currency effect on cash	2.6	(0.1)
Net change in cash and cash equivalents	21.0	(14.1)
Opening cash and cash equivalent position	107.9	125.2
Closing cash and cash equivalent position	128.8	111.1

Long-term debt matched to business profile

Existing debt repayment profile¹

11-year residual life

In € million



¹ Financial liabilities, excluding bank overdrafts, accrued interest, borrowing costs and new project debts

Albioma's historical business model

Leading player in the bagasse high-efficiency cogeneration industry

