

## 2019 Results

March 12, 2020

### Project of a simplified alternative tender offer for Blue Solutions, followed by mandatory de-listing

The Board of Directors of Blue Solutions, which met on March 12, 2020, approved the 2019 financial statements.

Blue Solutions' 2019 revenue fell by €12 million (-31% compared to 2018), due to the loss of a €12.5 million royalty revenue from Bolloré in respect of a research agreement which came to an end. The drop in revenue is in line with forecasts pending the start of new productions. As anticipated, the transformation of production plants in Canada and Brittany is ramping up to manufacture the new generation of batteries as of 2020, offering higher performances and lower production costs.

**Adjusted operating income (EBITA)** decreased by €11 million, due primarily to lower revenue and the discontinuation of the Supercapacitors business.

**Consolidated net income** was a loss of €43 million (vs. a loss of €33 million in 2018).

**Net debt** amounted to €91 million, including a €34 million return to better fortune clause in favor of Bolloré.

#### **Simplified alternative tender offer for Blue Solutions, followed by mandatory de-listing:**

- Blue Solutions, which had an initial public offering (IPO) in 2013 at €14.50 was the subject of a simplified tender offer in 2017, because of longer development times, at €17. Bolloré had committed to making a new tender in 2020 at the same price if the Blue Solution share price were to remain under 17€;
- Blue Solutions share capital today is split between Bolloré (77.9%), Bolloré Participations (17.6%)—which had subscribed to the initial equity at the request of EDF and for the same amount—and the public (4.5%);
- As part of Blue Solutions' strategic repositioning in buses and stationary, and for reasons of economies and simplification (cost of a listed company, tax consolidation, etc.), today Bolloré has announced that would like in this tender offer to withdraw Blue Solutions from trading and offer those shareholders who would like to remain associated with the Group an alternative in Bolloré shares in exchange for the tender offer price of €17.00. The proposed parity would be 4.5 Bolloré shares for one share of Blue Solutions;
- Based on Blue Solutions' business plan, the recent contracts signed with Daimler and RTE, in particular, are expected to bring revenue up from €26 million in 2019 to €70 million in 2020 and to over €150 million starting in 2021, with an EBITDA that should turn positive in 2021;
- The first work done by the banks appointed by Bolloré based on this plan give a valuation of Blue Solutions of €14 per share. The tender offer at €17 means a premium of over 20%. The planned parity of 4.5 Bolloré shares for one share of Blue Solutions represents the average share price of Bolloré over the last six months as of March 2, 2020. In view of the recent stock markets evolution, this parity may evolve;

- The Blue Solutions Board of Directors has appointed an independent expert to examine the financial terms of the offer, on the basis of Article 261-1, I. 1. and II. of the AMF General Regulation (Autorité des Marchés Financiers), the firm BM&A, represented by Mr Pierre Béal ([p.beal@bma-groupe.com](mailto:p.beal@bma-groupe.com) / +33 1 40 08 99 50). The Bolloré Board of Directors has also appointed an ad hoc expert charged with examining the financial terms of the contribution of Bolloré Participations to the exchange option of the offer;
- In total, this deal would represent a maximum amount of €110 million if all the shareholders chose to be paid in cash and 29 million Bolloré shares (or less than 1% of the Bolloré share capital) if all opted for payment in shares. Bolloré Participations wishes to remain associated and has indicated that it will consider tendering for shares;
- Detailed information on the values and outlook of Blue Solutions will appear in the documentation of the tender offer.

**The provisional timetable is as follows:**

- **By May 2020:** filing of the tender offer by Bolloré
- **Sometime in May 2020:** the conclusion reached by the Blue Solutions Board of Directors about the offer based on report of the firm BM&A, the independent expert
- **End of May 2020:** compliance ruling by the AMF
- **May 27, 2020:** Bolloré General Shareholders' Meeting authorizing the share capital increase as remuneration for the exchange option in the offer
- **June 2020:** Execution of the offer and mandatory de-listing of Blue Solutions

On the basis of the valuation work carried out by Thierry Bergeras, an expert appointed by the Paris Commercial Court, the Board of Directors meeting on March 12, 2020, on the recommendation of the Chief Executive Officer, decided [unanimously] not to exercise any of the seven call options regarding the assets of the Bolloré Group, of which Blue Solutions was the beneficiary.

This decision follows most notably the termination of the Autolib' service, which raised a strategic thought process on the production activities of electric cars (Bluecar) and car-sharing operations (Bluecarsharing). As a result of these considerations, the Group has ceased the production of electric cars (the management lease contract for the Bairo plant concluded with Pininfarina having expired December 31, 2019) and has also announced the cessation of certain car-sharing activities, with various new directions now being considered for the remaining car-sharing activities.

Blue Solutions will focus on the commercial development and production of batteries dedicated to electric bus markets and energy storage solutions.

## A new industrial strategy to ensure its business development in markets with high growth potential:

- **Blue Solutions is becoming an industrial pure player specialized in the design and production of “completely solid” cells and batteries.**

This new strategy has already made it possible to roll out partnerships with major international groups which have chosen to integrate the only technology able to ensure that batteries meet safety (no thermal runaway), robustness (insensitivity to temperature) and environmental footprint (phosphate without nickel or cobalt) requirements.

A pioneer in solid state batteries, Blue Solutions is now the only player able to roll out this proven technology on a large scale thanks to its feedback dating back almost 10 years.

- **Blue Solutions continues to focus its investments on boosting its production capacities and R&D:**
  - Considerable investments in production capacities in Brittany and Quebec will support the expected growth in coming years;
  - Sustained R&D efforts give it a major competitive edge in the future generation of “completely solid” batteries. Blue Solutions favors three major focus areas for its technology roadmap: lower operating temperature, higher energy density and recycling of materials indispensable to ensure respect for the environment.
- **By developing its expertise in LMP® batteries, Blue Solutions is positioned on high-growth markets.**
  - **Developing environmental-friendly urban public transport networks** is a priority for public policies and conurbations worldwide.

Therefore, Blue Solutions, by constantly evolving its LMP® technology, has considerable resources to become a major player in this transformation. The partnerships forged in 2019 with leading international companies confirm the superiority of the “completely solid” LMP® technology such as:

- *RATP*, global urban mobility leader: the buses manufactured by Bluebus run on the first fully electric bus lanes in Paris. Blue Solutions has supported RATP's transition to carbon neutrality since 2017;
  - *EVOBUS (DAIMLER)*, The Evobus GmbH part of the DAIMLER Group expressed its interest in an exclusive right at the European level to integrate the LMP® batteries in its eCitaro buses. The first eCitaro buses equipped with LMP® batteries will be delivered in 2020, confirming the relevance of this strategic choice;
  - *GAUSSIN*, designer of innovative industrial vehicles in transportation and logistics, selected LMP® technology for its electric terminal tractors sold globally with initial success in New Zealand and Qatar;
  - *ACTIA*, integrator of solutions and applications: this longstanding partner of Blue Solutions acquired expertise in the integration of LMP® batteries in the mobility field. It will be one of the first integrators to offer LMP® technology to its international customers in 16 countries.
- **Energy storage has become essential for the management and intelligent regulation of electricity flows and the injection of renewable energy into the network.** Local and international policies promote the development of renewables.
    - *RTE*, global leader in managing electricity networks: In 2019, Blue Storage signed a framework contract with RTE for the provision of a battery-based storage system on the Ventavon site, as part of the RINGO project. With over 30 MWh installed, this 28-month project will result in one of the largest storage systems in France and in Europe.

Blue Solutions has positioned itself as a favored partner for carbon-free storage and transportation players. Ongoing sales agreements mentioned above back up this new strategic approach. Being the only player to manage the completely solid LMP® battery technology will guarantee its growth.

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## Blue Solutions consolidated results

(in millions of euros)	12/31/2019	12/31/2018	Change
Revenue	26	38	-31%
<b>EBITDA</b> <sup>(1)</sup>	<b>(24)</b>	<b>(14)</b>	NA
<b>Adjusted operating income (EBITA)</b> <sup>(1)</sup>	<b>(42)</b>	<b>(30)</b>	NA
Financial income	(1)	(2)	NA
Net income	(43)	(33)	NA
Net income, Group share	(43)	(33)	NA
	12/31/2019	12/31/2018	Change (€ m)
Shareholders' equity, Group share	44	88	(43)
net debt	91	46	44
Gearing (%) <sup>(2)</sup>	204%	53%	

<sup>(1)</sup> See Glossary.

<sup>(2)</sup> Gearing = net financial debt/equity ratio - see Glossary.

The audit of the 2019 consolidated financial statements has been completed, and the certification report will be issued after review of the management report.

## Glossary

- ❖ **Organic growth:** at constant scope and exchange rate
- ❖ **Adjusted operating income (EBITA):** corresponds to operating income before amortization of intangible assets related to business combinations (PPA, Purchase Price Allocation), goodwill impairment and other intangible assets related to business combinations.
- ❖ **EBITDA:** earnings before interest, taxes, depreciation, and amortization.
- ❖ **Net financial debt / Net cash position:** sum of borrowings at amortized cost, less cash and cash equivalents, cash management financial assets and net derivative financial instruments (assets or liabilities) with an underlying net financial indebtedness, as well as cash deposits backed by borrowings.

The non-GAAP measures defined above should be considered in addition to, and not as a substitute for other GAAP measures of operating and financial performance, and Blue Solutions considers these to be relevant indicators of the Group's operational and financial performance. Furthermore, it should be noted that other companies may define and calculate these indicators differently. It is therefore possible that the indicators used by Blue Solutions cannot be directly compared with those of other companies.

The percentages changes indicated in this document are calculated in relation to the same period of the preceding fiscal year, unless otherwise stated. Due to rounding in this presentation, the sum of some data may not correspond exactly to the calculated total and the percentage may not correspond to the calculated variation.

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The supporting documents attached to the tender offer, which will include, once it is filed, the terms and conditions governing the tender offer, will be submitted to the French Autorité des marchés financiers (AMF) for approval. Investors and shareholders are strongly encouraged to read said documents as soon as they become available, as well as any amendment or additions thereto, it being specified that these documents will include material information on Bolloré, Blue Solutions and the envisaged transaction.

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