ALBIOMA

Press release

Paris La Défense, 2 March 2022

2021 annual results

Results at the top of the guidance range: EBITDA at €214.8 million, Net income, Group share at €59 million

Complete discontinuation of coal on Reunion Island in 2024: work underway at Albioma Bois-Rouge and favourable decision on the biomass conversion for Albioma Le Gol

Successful entry into geothermal energy and acquisition of a second plant in Turkey

Albioma's Board of Directors, chaired by Frédéric Moyne, met on 2 March 2022 and approved the Group's consolidated financial statements for the 2021 financial year.

"*Thanks to the mobilisation and commitment of our teams, whom I would like to thank, and to the strength of our model, Albioma recorded a good performance in 2021. The Group confirms its role as a key player in the energy transition.*

We have pursued our efforts to implement our long-term strategy, making great strides towards the complete discontinuation of coal on Reunion Island in favour of biomass in our two thermal power plants. To this end, we are delighted with the decision for the conversion of the Le Gol plant and the extension of its electricity sales contract until 2044, announced by the French Energy Regulation Board (CRE) on 24 February.

The year was also marked by the development of our project portfolio, in solar and geothermal energy, where we have just made a new acquisition, backed by a very promising experience at the end of the first year of operation of the Gümüşköy plant in Turkey.

More generally, we are proud of our social and environmental performance, which reflects our ambition for growth that respects the environment." said Frédéric Moyne, Chairman and Chief Executive Officer of Albioma.

Consolidated key figures for 2021

In millions of euros (audited figures)	**2021**	**2020 (reported)**	**Change %**
Revenue	573.3	506.7	+13%
EBITDA	214.8	206.4	+4%
Net income	71.3	64.4	+11%
Net income, Group share	59.0	55.3	+7%

Revenue amounted to €573.3 million, a strong rise compared with the previous year. Stripping out the impact of changes in fuel prices (+€33.1 million) and the currency effect related to the decline of the Brazilian real (-€2.0 million), it was up by 7%.

EBITDA for the year rose by 4% to €214.8 million. It includes, in particular:

- the full-year effect of the biomass conversion rider for tranche 3 of Albioma Le Moule (ALM 3),
- the excellent performance by the Brazilian power plants,
- the contribution of the new geothermal power plant Gümüşköy in Turkey,
- pricing compensation for additional construction costs (Albioma Galion and Albioma Saint-Pierre) and to settle a dispute with a supplier.

Net income, Group share is up 7% to €59.0 million.

Highlights

Operations:

- 1st full year of operation of ALM 3 on biomass after conversion with record availability,
- Excellent performance of plants in Brazil,
- Strong contribution of the first geothermal power plant in Turkey.

Development:

- Significant progress on the conversion of French Overseas plants to 100% biomass:
  - Reunion Island, Bois-Rouge: work underway on Bois-Rouge and extension of the electricity sales agreement until 2043,
  - Reunion Island, Le Gol: decision issued on 24 February for the conversion and the extension of the electricity sales agreement until 2044,
  - Acquisition of a wood pellet production plant in Quebec.
- 29 MWp of Solar projects secured,
- Acquisition of a second geothermal power plant in Turkey.

France

Thermal biomass

Good availability of the thermal power plants

The availability of thermal power plants in France was 90.5% in 2021 (compared with 91.7% in 2020, excluding ALM3 conversion work). It was impacted by technical incidents at the Bois-Rouge and Le Moule power plants during the first half of the year. Tranche 3 of Le Moule, which has operated 100% on biomass since November 2020, posted an excellent performance in 2021, with a record availability rate of 97.7%.

Total electricity production from thermal facilities in Overseas France was down to 1,892 GWh compared with 1,940 GWh in 2020, mainly due to the sharp drop in call rates by EDF on Reunion Island in an unprecedented context of soaring coal and CO_2 prices in 2021.

EBITDA for the business was €166.7 million, up 3% compared with 2020 (€162.3 million), thanks to the full-year effect of the biomass conversion rider for tranche 3 of Albioma Le

Moule and the securing of pricing compensation for Albioma Galion and Albioma Saint-Pierre.

Construction and development of projects

Continuation of the biomass conversion works of the Albioma Bois-Rouge power plant

The conversion of the Bois-Rouge power plant to 100% biomass continued under good conditions in 2021. The complete discontinuation of coal is scheduled for end-2023 and priority will be given to locally-available biomass resources (bagasse, forest wood, lagging waste, etc.) alongside imported traceable (in accordance with the EU timber regulation) and sustainable (FSC and PEFC certification required from our suppliers) biomass, in the form of wood pellets.

100% biomass conversion of the Albioma Le Gol power plant.

The Group has taken note of the publication of the decision of the French Energy Regulation Board (CRE) on 24 February 2022 validating the rider to the power purchase agreement and ruling on the cost of the entire project to convert the Albioma Le Gol power plant on Reunion Island to biomass, as well as its extension of operation until 2044. This favourable opinion follows the publication of the ministerial decree of 17 January 2022 establishing the rate of return on capital invested in the conversion work, which was set according to the proposal made by the CRE.

Diversification of the Group's sustainable biomass supply sources

On 27 December 2021, the Group finalised the acquisition of a wood pellet production plant located in Quebec, Canada. This transaction allows Albioma to diversify its sustainable biomass supply sources, supplementing the portfolio of contracts developed with leading international suppliers. Ideally placed to supply the Group's plants in the French Caribbean, the plant produces SBP-certified pellets from wood waste or low-grade wood from sustainably-certified forests. The transaction also includes a long-term contract for access to 45,000 tonnes of pellet storage capacity at the Port of Quebec, as well as guarantees of raw material supply. The plant is expected to be re-commissioned early in the second half of 2022 and its nominal production capacity of 200,000 tonnes will be reached after additional investments.

Solar Power

Stable production and commissioning of new plants

Electricity production from the Solar power business amounted to 123 GWh, compared to 125 GWh in 2020. This mainly stems from the commissioning of new plants in Reunion Island and Mayotte which partly offset the lower level of sunshine in French Guiana. In addition, on 21 April 2021 the Group sold 9 MWp of non-controlling interests in the companies OTS and Corbière, which were acquired when it bought Eneco France at the end of 2018.

EBITDA for the business totalled €34.5 million in 2021 compared with €34.8 million in 2020.

Project development

29 MWp of Solar power projects secured in 2021

The Group continued to develop its solar power business, winning 29 MWp of projects across all regions. In particular, it won an aggregate capacity of 17.4 MWp in the governmental call for tenders in areas not connected to mains electricity. In mainland France, the Group also won 11.7 MWp during the latest calls for tenders. The commissioning of these projects is scheduled for 2023.

2021 Finance Act: changes in the regulatory environment

Article 54 *sexies* of the 2021 Finance Act voted on 16 December 2020 provided for the possibility of revising tariffs downwards for solar power purchase agreements signed between 2006 and 2010. The decrees setting out the terms of application and specifying the level of the reduction were published in November 2021 and are effective from 1 December 2021. The impact on the Group's full-year EBITDA would be €3 million. Only two ground-based projects representing 9 MWp are significantly impacted, the other projects are not affected or are subject to no or inconsiderable reductions. For the two installations which are the most affected, the Group has exercised the safeguard clause with the CRE, as provided for by law, in order to negotiate a more reasonable reduction in the tariff. The activation of this clause suspends the application of the revision for 18 months following the date of application. Provisions for risk and impairment of assets were recognised at 31 December 2021 to take into account the downward revision of revenues if this is confirmed.

Brazil

Thermal Biomass

Excellent operational performances from the plants

Production in Brazil was up sharply to 594 GWh after reaching 373 GWh in 2020. This includes the production of the Vale Do Paraná plant, which was commissioned at the end of 2020 (172 GWh). Excluding Vale Do Paraná, the three existing power plants recorded an excellent performance, with a production of 422 GWh, a clear increase of almost 13% compared to the same period last year (373 GWh).

The drought that affected the level of the reservoirs of the hydraulic dams, at their lowest level in 91 years, resulted in a price of BRL 584 per MWh on the spot market between July and September. Part of the production was sold at prices of around BRL 1,500/MWh as part of the emergency regulated auctions set up by the government to offset the production deficit.

EBITDA increased to €14.5 million in 2021 compared with €12.0 million in 2020.

Project development

Securing of energy sales by the Albioma Codora Energia plant

On 8 July last year, Albioma Codora Energia won a competitive tender for a new 20-year PPA (power purchase agreement) beginning in 2025, amounting to 64 GWh/year at a guaranteed, inflation-indexed price of BRL 202/MWh. This agreement can be honoured thanks to the increased volume of sugar cane milled in the adjoining sugar refinery and the recovery of energy from vinasse (ethanol distillation residue). Most of the energy produced by Albioma Codora Energia is already sold on the regulated market with long-term, index-linked agreements.

Turkey

Geothermal Energy

Solid performance in line with expectations from the Group's first power plant

The Gümüşköy power plant, acquired in January 2021, performed well with an output of 49 GWh, in line with expectations and up from 46 GWh last year. The work to increase production carried out in the second half of the year with the support of the local teams has already led to improvements in recent months and should bear full fruit in 2022.

Project development

On 14 February 2022, the Group completed the acquisition of a second geothermal power plant (renamed Albioma Kuyucak), in Turkey, becoming its sole shareholder. Commissioned at the end of 2017, the plant (18 MW gross) is based on an operating licence valid until 2042, with scope to extend for an additional 10-year period. It produces electricity from five production shafts for a net exported production at end-2021 of 83 GWh. Until the end of 2022, the plant will benefit from a feed-in tariff of approximately USD 118/MWh and a tariff of USD 105/MWh between 2023 and 2027. The acquisition of this plant strengthens Albioma's entry into the geothermal business. The Group will benefit from the synergies between the neighbouring Gümüşköy and Kuyucak plants and will be able to capitalise on the teams' expertise to roll it out in new regions.

Capital increase reserved for Group savings plan subscribers

Albioma carried out a capital increase reserved for employees, executives and former employees subscribing to the Group savings plan in France and Brazil in May 2021. This new programme is part of the Group's policy of increasing the number of medium- and long-term employee shareholders and provides them with regular opportunities to indirectly invest in Albioma shares on preferential terms.

Continued progress in CSR

Albioma was included in the top third of the national Gaïa index, a benchmark for ESG (environment, social and governance) ratings, which evaluated 390 French mid-sized listed companies in 2021. A member of the index since 2014, Albioma has been awarded a score of 73/100, which has risen steadily over the past two years, with a significant increase of 7 points. Albioma is thus ranked above the average of the national benchmark, evaluated at 59/100. Already distinguished for several years by V.E. (formerly Vigeo Eiris), another SRI (Socially Responsible Investment) reference, the Gaïa ranking is the reward for Albioma's strong commitment in terms of governance, social and environmental policy and dialogue with its external stakeholders.
The Group also participated for the first year in the CDP Disclosure 2021 assessment (Carbon Disclosure Project) and obtained a score of C, which is equivalent to the average for the renewable energy generation sector. The CDP is a non-profit organisation that has been collecting data from companies worldwide to assess their environmental impact.

A strong balance sheet to finance growth

Consolidated gross financial debt excluding IFRS16 increased as a result of drawdowns to finance acquisitions and projects under construction (biomass conversion, solar power). It amounted to €971 million at the end of 2021, as compared with €901 million at the end of 2020. Project debt came to €828 million (compared with €789 million at the end of 2020).

The net debt / EBITDA ratio over 12 rolling months improved by 4.1 times at 31 December 2021 (compared with 3.8 times at 31 December 2020).

The Group's cash and cash equivalents, including security deposits, amounted to €112 million at 31 December 2021, compared with €129 million at 31 December 2020. Consolidated net financial debt was €859 million (compared with €772 million at the end of 2020).

The Group still had sufficient resources to pursue its development.

Dividends

The Board of Directors will submit to the Shareholders' Meeting a proposal to distribute a dividend of €0.84 per share, with an option for 50% to be paid in new shares. This proposal is part of a dividend growth policy with a target payout of around 50% of net income, Group share excluding exceptional items.

2022 objectives

For 2021, the Group announces EBITDA objectives of €210 to €220 million and net income, Group share of €52 to €60 million (including a €3 million loss in EBITDA due to the revision of S06-S10 solar contracts under the 2021 Finance Act).

Outlook

The Group aims to commit between €600-€800 million in investments over the period 2021-2025 whilst retaining a sound financial structure.

Next on the agenda: revenue for the first quarter of 2022 on 21 April 2022 (before trading).

About Albioma

Albioma is an independent renewable energy producer, supporting the energy transition with renewable energies (biomass, solar power and geothermal).

The Group operates in the French overseas departments, mainland France, Mauritius, Brazil and Turkey.

For 25 years it has been developing a unique partnership with the sugar industry, producing renewable energy from bagasse, a fibrous residue of sugar cane.

Albioma is also the leading generator of photovoltaic power overseas, where it constructs and operates innovative projects with integrated storage capabilities, and in mainland France.

In 2021, the Group acquired its first geothermal power plant in Turkey. The business is growing in 2022 with a second power plant in the same geographical area.

Albioma is listed on the Euronext Paris exchange (compartment B) - Eligible for SRD, PEA, PEAPME and forms part of SBF 120 and CAC Mid 60.

The Group is also included in the Gaïa-Index, an index for socially responsible midcaps.

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Appendices

Consolidated income statement

In thousands of euros	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Revenue	**573,284**	**506,728**
Purchases (including change in stocks)	(183,219)	(139,648)
Logistics costs	(14,953)	(13,068)
Staff costs	(60,371)	(56,337)
Other operating expenses	(116,577)	(96,536)
Amortisation of electricity and steam supply agreements	(6,840)	(6,881)
Charges to depreciation, amortisation and provisions	(80,023)	(76,161)
Share of net income of equity-accounted companies	3,306	1,636
Current operating income	**114,608**	**119,733**
Other operating income and expenses	13,664	2,749
Operating income	**128,272**	**122,482**
Cost of financial debt	(32,028)	(31,767)
Other financial income	710	534
Other financial expenses	(1,436)	(822)
Profit before tax	**95,517**	**90,428**
Tax charge	(24,182)	(26,059)
Net income for the year from continuing operations	**71,335**	**64,368**
Net income from activities held for sale		**-**
Net income	**71,335**	**64,368**
Net income attributable to:		
shareholders of Albioma	**59,024**	**55,314**
non-controlling interests	**12,311**	**9,054**
Basic earnings per share	1.878	1.781
Diluted earnings per share	1.831	1.720

1. The standard tax rate is 27.6% (effective tax rate restated, if applicable, for the effects of non-deductible impairment losses, excluding Brazil). At 31 December 2020, the rate was 28.3%.

Consolidated statement of financial position

Assets

In thousands of euros	**31/12/2021**	**31/12/2020**
Non-current assets		
Goodwill	15,591	16,884
Intangible assets	90,450	93,501
Right-of-use assets (IFRS 16)	29,099	28,515
Property, plant and equipment	1,384,259	1,283,434
Non-current financial assets	13,072	5,058
Investments in associates	25,667	22,753
Deferred tax assets	2,439	2,472
Other non-current assets	0	99
Total non-current assets	**1,560,579**	**1,452,715**
Current assets		
Stocks and assets in progress	75,798	60,327
Clients	95,810	67,462
Other current operating assets	36,699	44,433
Cash and cash equivalents	107,860	125,792
Total current assets	**316,167**	**298,014**
Total assets	**1,876,746**	**1,750,730**

Equity and liabilities

In thousands of euros	**31/12/2021**	**31/12/2020**
Shareholders' equity - Group share		
Share capital	1,234	1,218
Additional paid-in capital	76,557	64,807
Reserves	409,209	362,784
Translation reserves	(43,082)	(41,549)
Net income for the year	59,024	55,314
Total shareholders' equity, Group share	**502,942**	**442,574**
Non-controlling interests	96,544	89,762
Total equity	**599,486**	**532,337**
Non-current liabilities		
Employee benefits	48,612	52,605
Provisions for liabilities	3,392	6,633
Deferred tax liabilities	22,975	18,617
Non-current financial debt	860,174	822,830
Lease liabilities related to right-of-use assets (IFRS 16)	39,982	36,682
Non-current derivatives	32,543	55,023
Total non-current liabilities	**1,007,678**	**992,391**
Current liabilities		
Trade payables	91,328	71,106
Tax and social security liabilities	43,032	42,911
Current financial debt	110,795	79,172
Lease liabilities related to right-of-use assets (IFRS 16)	2,010	1,777
Other current operating liabilities	22,417	31,035
Total current liabilities	**269,582**	**226,002**
Total equity and liabilities	**1,876,746**	**1,750,730**

Statement of consolidated cash flows

In thousands of euros	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Operating activities		
Net income for the year attributable to shareholders of Albioma	**59,024**	**55,314**
Non-controlling interests	12,311	9,054
Adjustments		
. Charges to depreciation, amortisation and provisions	86,734	84,272
. Change in deferred tax	(3,513)	964
. Share of net income of associates net of dividends received	(2,358)	840
. Gains and losses on disposals	220	(64)
. Share-based payments	5,056	1,833
. Cost of financial debt	32,028	31,767
. Current tax charge for the year	27,647	25,095
Cash flow from operations	***217,148***	***209,075***
Impact of the change in the working capital requirement	(14,445)	(11,897)
Tax paid	(28,656)	(23,547)
Net cash from operating activities	**174,047**	**173,631**
Investing activities		
Acquisitions of non-current assets	(162,928)	(128,520)
Increase in financial assets	(715)	
Sales proceeds from non-current assets	747	201
Acquisitions and disposals of subsidiaries less any cash acquired or sold	(24,069)	(1,259)
Net cash from/(used by) investing activities	**(186,965)**	**(129,578)**
Financing activities		
Capital increases subscribed by non-Group shareholders	5,594	1,377
Change in intra-group cross shareholdings	(10,000)	191
Dividends paid to shareholders of Albioma SA	(18,418)	(14,008)
Dividends paid to non-controlling interests	(8,958)	(7,308)
Borrowings and financial debt issued or subscribed	186,848	149,295
Cost of financial debt	(31,970)	(31,767)
Borrowings and financial debt repaid	(126,483)	(171,324)
Other items	(18)	(2,763)
Net cash from/(used by) financing activities	**(3,405)**	**(76,307)**
Currency effect on cash and cash equivalents and other changes	(1,019)	(3,679)
Net change in cash and cash equivalents	**(17,342)**	**(35,933)**
Opening cash and cash equivalents	125,202	161,135
Closing cash and cash equivalents	107,860	125,202
Change in cash and cash equivalents	**(17,342)**	**(35,933)**
Cash	93,164	89,039
Cash equivalents	14,695	36,753
Total cash and cash equivalents	107,860	125,792
Bank overdrafts		(590)
Net cash and cash equivalents	107,860	125,202