



ALBIOMA

Press Release

Paris La Défense, 26 July 2022

Results for the first half of 2022

Sharp rise in revenue in the first half year (+23%); excluding the fuel price effect, revenue stable (+1%)

Excellent availability of the thermal power plants in Overseas France

Confirmation of 2022 guidance, excluding transaction costs in the event of a successful friendly takeover offer by KKR, which is underway

The Board of Directors of Albioma, meeting on 26 July 2022 under the chairmanship of Frédéric Moyne, approved the Group's interim consolidated financial statements for the six months ended 30 June 2022.

Key figures for the six months ended 30 June 2022

<i>In millions of euros</i>	H1 2022	H1 2021	Change
Revenue	328.3	267.7	+23%
EBITDA	99.0	99.4	-0%
Net income attributable to owners of the parent	21.4	23.5	-9%

Group revenue for the first half of 2022 was up sharply (+23% compared with the first half of 2021).

This increase was due to:

- The surge in fuel prices in a context of post-COVID economic recovery combined with a decline in supply since the onset of the conflict in Ukraine; excluding the fuel price effect, revenue is stable (+1%);
- The very good availability of the thermal facilities in French Overseas Territories;
- The scope effect linked to the integration of Albioma's second geothermal power plant in Turkey, as well as the good performance of the Gümüşköy plant during the half year.

Highlights of the first half of 2022

- Signing the conversion amendment for the Le Gol power plant on Reunion Island
- Continued work on converting the Bois-Rouge plant to 100% biomass
- Acquisition of the 2nd geothermal power plant in Kuyucak, Turkey (18 MW)
- Opening of KKR's friendly takeover offer on Albioma shares



France

Thermal biomass

Very good availability of the plants

Revenue from the Thermal Biomass business in France was up sharply, by 23% compared with the first half of 2021, to €328.3 million, which also reflects the contractual indexation of electricity sale prices to the price of fuel. Fuel prices surged, in a context of post-COVID economic recovery combined with a decline in supply since the onset of the conflict in Ukraine. Excluding the impact of fuel prices, revenue is stable (+1 %). The half-year was characterised by the good availability of the facilities and the maintenance shutdowns were carried out under very good conditions.

The availability rate was 90.1% in the first half of 2022, compared with 87.5% in the first half of 2021; power generation from thermal facilities reached 740 GWh, compared with 952 GWh in the first half of 2021, reflecting the sharp decline in call rates by EDF on Reunion Island in particular, in connection with the high prices of coal and CO₂.

EBITDA for the period came to €81.7 million, slightly up on the €80.3 million of the first half of 2021.

Construction and development of projects

Work continues on converting Albioma's Bois-Rouge power station to 100% biomass

The conversion of the Bois-Rouge power plant to 100% biomass moved ahead smoothly in the half year. Tranche 3 is scheduled to be restarted at the end of the year, operating with 100% biomass.

Green light for the conversion of the Albioma Le Gol plant to 100% biomass

New riders were signed with EDF after a favourable opinion from the French energy regulator (*Commission de Régulation de l'Énergie*) on 24 February 2022, validating the rider to the power purchase agreement and establishing the cost of the complete project to convert Albioma's Le Gol power plant on Reunion Island to biomass as well as the extension of its operation to 2044. At the same time, additional financing was secured on 18 May 2022, allowing preparatory work to be launched during the first half of the year.

The Group continues to develop its projects, focusing particularly give up coal in the overseas territories over the course of the next few years.

Solar power

Stable production and commissioning of new facilities

Despite highly adverse sunshine conditions, particularly in French Guiana, performances of the photovoltaic plants were stable in the first half of 2022. Production of photovoltaic electricity in the period reached 60 GWh.

EBITDA for the first half of 2022 came to €15.3 million, slightly down on the first half of 2021 (€16.4 million). This performance integrates the downward revision of tariffs for solar power purchase agreements concluded between 2006 and 2010. Discussions are underway with the Energy Regulation Commission (CRE) in the context of the safeguard clause for two plants.

New facilities were commissioned, mainly in France and Mayotte.



Brazil

Thermal biomass

Production down in the first half year

Production was down, at 156 GWh, for the period, compared with 228 GWh in the first half of 2021. This decrease is the result of a technical incident that led to a shutdown of the Esplanada power plant in May and a shortened 2021 inter-campaign for the Vale Do Parana power plant, which operated exceptionally in January and February 2021 in order to use the stock of bagasse accumulated before its commissioning.

The macro-economic situation was marked by the appreciation of the real/euro exchange rate during the first half of the year and the increase in financing costs. Electricity prices on the spot market are at a low level due to the high rainfall observed during the half-year.

EBITDA totalled €1.2 million for the period, as against €3.3 million in the first half of 2021.

Turkey

Geothermal energy

Improvement in yields and acquisition of a second unit

The Gümüşköy power plant performed well during the half-year. Production reached 25 GWh, up by more than 30% compared with the same period of last year, thanks to the optimisation works carried out in 2021.

On 14 February 2022, the Group completed the acquisition of a second geothermal power plant (Kuyucak) in Turkey, becoming its sole shareholder. Commissioned in late 2017, this plant, with a gross installed capacity of 18 MW, operates under a licence valid until 2042, with scope to extend for an additional 10-year period. It produces electricity from five production wells for a net exported production at the end of 2021 of 83 GWh. The plant benefits from a dollarised feed-in tariff of around USD 118/MWh until the end of 2022 and a tariff of USD 105/MWh between 2023 and 2027. Production amounted to 49 GWh in the half-year.

EBITDA reached €5.3 million for the period, as against €1.0 million in the first half of 2021.

The acquisition of this second 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.



Friendly takeover offer initiated by KKR

Following the receipt of all required regulatory approvals, the takeover offer for Albioma shares and BSAAR warrants initiated by KKR earlier this year opened on 23 June 2022.

The Offer was deemed compliant by the French Financial Markets Authority (Autorité des marchés financiers - AMF) on 21 June 2022 and all the documents relating to the operation have been made available to the public. The Offer price is €50 per Albioma share (€0.84 ex dividend). It has been established by applying a set of valuation criteria and reflects in particular:

- a premium of 51.6% over the last closing price, before market rumours, of the Albioma share on 7 March 2022;
- a 46.6% premium over the three-month volume weighted average share price

The price of the BSAAR warrants has been set at €29.10 per Albioma warrant.

The Compagnie Financière Européenne de Prises de Participation (COFEPP), the Company's reference shareholder, has undertaken to contribute to the Offer all of its Albioma shares representing approximately 6.04% of the Company's share capital and voting rights. CDC Croissance, a 4.45% shareholder of Albioma, and Norges Bank, a 4.79% shareholder of Albioma, have also declared to the AMF their intention to tender all or part of their shares to the Offer. The completion of the takeover offer will be subject, in addition to the mandatory minimum acceptance condition set forth in Article 231-9, I 1 of the AMF's General Regulations, to a minimum acceptance condition whereby KKR obtains a number of Albioma shares representing at least 50.01% of the share capital and "theoretical" voting rights. KKR intends, if it holds at least 90% of the share capital and voting rights of Albioma at the closing of the Offer, to request the implementation of a squeeze-out procedure.

The closing date for the offer is set at 27 July 2022.

Strong liquidity position

The consolidated cash position, including deposits in guarantee, remains at a high level of €134 million. The Group has resources appropriate to the continuation of its development.

Gross financial debt excluding IFRS 16 increased to €1,117 million from €971 million at 31 December 2021. At 30 June 2022 it includes €904 million of project debt, as against €828 million at 31 December 2021. At June 2022, €90 million had been drawn under the revolving credit facility (RCF).

Consolidated net financial debt stands at €983 million, up by 14% relative to 31 December 2021 (€859 million).

2022 objectives

The Group confirms its EBITDA guidance of €210 to €220 million and net income attributable to owners of the parent of €52 to €60 million for 2022 (excluding transaction costs in the event of a successful friendly takeover offer by KKR, which is underway).



Next date on the agenda: Q3 2021 revenue on 25 October 2022 (after trading).

About Albioma

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

The Group operates in Overseas France, Metropolitan France, Mauritius, Brazil and Turkey.

For 30 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 producer of photovoltaic energy in Overseas France, where it builds and operates innovative facilities with storage, and in Metropolitan France.

In 2021, Albioma acquired its first geothermal power plant, in Turkey. The activity is continuing to develop in 2022, with a second power plant in the same geographical region.

Albioma is listed on Euronext Paris (compartment B); its shares are eligible for the SRD, PEA & PEA-PME schemes and are included in the SBF 120 and CAC Mid 60 stock market indices.

The Group is also listed in the Gaïa Index of socially responsible midcap companies.

Contacts

Investors

Julien Gauthier
+33 (0)1 47 76 67 00

Media

Charlotte Neuvy
+33 (0)1 47 76 66 65
presse@albioma.com

www.albioma.com





Annexes

Consolidated income statement as at 30 June 2022

<i>In thousands of euros</i>	Six months to 30 June 2022	Six months to 30 June 2021
Revenue	328,324	267,693
Purchases (including change in inventories)	(131,411)	(86,633)
Logistics costs	(6,098)	(6,845)
Staff costs	(34,086)	(30,341)
Other operating expenses	(57,759)	(46,670)
Amortisation of energy supply and licence agreements	(4,000)	(3,384)
Charges to depreciation, amortisation and provisions	(39,006)	(39,739)
Share of net income of equity-accounted companies	(2,154)	1,400
Current operating income	53,808	55,482
Other operating income and expenses	(178)	7
Operating income	53,630	55,489
Cost of financial debt	(16,225)	(15,830)
Other financial income	1,204	2,737
Other financial expenses	(612)	(2,772)
Profit before tax	37,997	39,624
Tax charge	(11,862)	(10,741)
Net income for the year from continuing operations	26,136	28,883
Net income	26,136	28,883
Net income attributable to:		
owners of the parent	21,423	23,501
non-controlling interests	4,713	5,382
Basic earnings per share	0.665	0.751
Diluted earnings per share	0.650	0.731



Consolidated statement of financial position at 30 June 2022

Assets

<i>In thousands of euros</i>	30/06/2022	31/12/2021
Non-current assets		
Goodwill	27,172	15,591
Other intangible assets	123,061	90,450
Right-of-use assets (IFRS 16)	34,132	29,099
Property, plant and equipment	1,448,685	1,384,260
Non-current financial assets	59,159	13,072
Investments in associates	23,921	25,667
Deferred tax assets	10,127	2,439
Total non-current assets	1,726,258	1,560,579
Current assets		
Inventories and work-in-progress	106,877	75,798
Trade receivables	80,366	95,810
Other current operating assets	60,531	36,699
Cash and cash equivalents	128,843	107,860
Total current assets	376,616	316,167
Total assets	2,102,874	1,876,746



Equity and liabilities

<i>In thousands of euros</i>	30/06/2022	31/12/2021
Own funds attributable to owners of the parent		
Share capital	1,246	1,234
Additional paid-in capital	83,205	76,557
Reserves	511,028	409,208
Translation reserves	(36,198)	(43,081)
Net income for the period	21,423	59,024
Total equity attributable to owners of the parent	580,704	502,942
Non-controlling interests	94,723	96,544
Total equity	675,427	599,486
Non-current liabilities		
Employee benefits	30,668	48,612
Provisions for liabilities	3,073	3,392
Deferred tax liabilities	53,445	22,975
Non-current financial debt	929,844	860,174
Right-of-use liabilities (IFRS 16)	45,489	39,982
Non-current derivatives	6,352	32,543
Total non-current liabilities	1,068,871	1,007,678
Current liabilities		
Trade payables	93,348	91,328
Tax and social security liabilities	44,033	43,032
Current financial debt	186,844	110,795
Right-of-use liabilities (IFRS 16)	2,340	2,010
Other current operating liabilities	32,010	22,417
Total current liabilities	358,576	269,582
Total equity and liabilities	2,102,874	1,876,746



Statement of consolidated cash flows for the six months to 30 June 2022

<i>In thousands of euros</i>	Six months to 30 June 2022	Six months to 30 June 2021
Operating activities		
Net income for the year attributable to shareholders of Albioma	21,423	23,501
Non-controlling interests	4,713	5,382
Adjustments		
. Charges to depreciation, amortisation and provisions	45,682	44,101
. Change in deferred tax	(2,320)	(1,278)
. Share of net income of associates net of dividends received	3,396	(656)
. Gains and losses on disposals		(53)
. Share-based payments	2,475	2,412
. Cost of financial debt	16,225	15,830
. Current tax charge for the period	14,181	12,020
Self-financing capacity	105,775	101,258
Impact of change in working capital requirement	(37,224)	(28,637)
Tax paid	(28,731)	(22,821)
Net cash from operating activities	39,820	49,800
Investing activities		
Acquisitions of non-current assets	(72,995)	(60,358)
Sales proceeds from non-current assets		354
Sales proceeds from and reductions in financial assets		1,299
Acquisitions and disposals of subsidiaries less any cash acquired or sold	(13,355)	(4,404)
Net cash from/(used in) investing activities	(86,350)	(63,110)
Financing activities		
Capital reduction for the benefit of non-Group shareholders	(2,331)	
Capital increases subscribed by non-Group shareholders	6,660	
Change in treasury shares	3,178	(5,000)
Dividends paid to shareholders of Albioma SA	(27,381)	
Dividends paid to non-Group interests	(1,482)	(1,989)
Borrowings and financial debt subscribed or issued	142,608	59,345
Cost of financial debt	(16,012)	(15,720)
Borrowings and financial debt repaid	(40,941)	(36,705)
Other	614	(579)
Net cash from/(used in) financing activities	64,913	(649)
Impact of currency movements on cash and cash equivalents and other changes	2,600	(117)
Net change in cash and cash equivalents	20,983	(14,076)
Opening cash and cash equivalents	107,860	125,202
Closing cash and cash equivalents	128,843	111,126
Change in cash and cash equivalents	20,983	(14,076)
Cash	104,899	84,907
Cash equivalents	23,943	26,219
<i>Total cash and cash equivalents</i>	128,843	111,126
Bank overdrafts		
Net cash and cash equivalents	128,843	111,126