Half-year financial report

First half 2019

24 July 2019

ALBIOMA
A FRENCH LIMITED COMPANY WITH SHARE CAPITAL OF €1,205,840.52
TOUR OPUS 12
77 ESPLANADE DU GÉNÉRAL DE GAULLE
92081 PARIS LA DÉFENSE, FRANCE
NANTERRE TRADE AND COMPANIES REGISTER NO. 775 667 538

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1. Activities and results for the first half of 2019

1.1. Key figures

1.1.1. Financial data

In millions of euros	First half 2019	First half 2018	Change
Revenue	241.0	202.3	19%
EBITDA[1]	84.5	72.0	17%
Net income, Group share[2]	18.2	20.6	(12%)

Notes

1. In the first half of 2019, EBITDA included €1.5 million relating to the restatement required under IFRS 16.
2. In the first half of 2018, net income, Group share, included non-recurring items totalling €3.5 million.

1.1.2. Installed capacity and production

	Gross operating capacity (in MW)			Production (in GWh)		
	First half 2019	First half 2018	Change	First half 2019	First half 2018	Change
Albioma Bois Rouge	108	108	-	282	281	2
Albioma Le Gol	122	122	-	359	331	28
Albioma Le Moule (including Albioma Caraïbes)	102	102	-	203	254	(51)
Albioma Galion (including Galion 2)[1]	80	40	40	120	45	75
Albioma Saint-Pierre	41	-	41	11	-	11
France – Thermal Biomass	**453**	**372**	**81**	**975**	**910**	**65**
Terragen	70	70	-	223	216	8
OTEO Saint-Aubin	35	35	-	124	120	4
OTEO La Baraque	90	90	-	261	170	91
Mauritius	**195**	**195**	**-**	**608**	**506**	**103**
Albioma Rio Pardo Termoelétrica	60	60	-	20	30	(10)
Albioma Codora Energia[2]	68	48	20	65	58	7
Albioma Esplanada Energia[3]	65	-	65	45	-	45
Brazil	**193**	**108**	**85**	**130**	**88**	**42**
Thermal Biomass	**841**	**675**	**166**	**1,714**	**1,504**	**210**
French overseas departments and regions	64	61	3	39	36	3
Outside France	4	4	-	3	3	-
Metropolitan France[4]	27	8	19	19	5	14
Solar and Hydroelectric Power[4]	**96**	**74**	**22**	**61**	**44**	**17**
Group Total[5]	**937**	**749**	**188**	**1,774**	**1,548**	**227**

Notes

1. Galion 2 power plant, commissioned on 26 September 2018.
2. Commissioning of a third turbine at the Albioma Codora Energia plant in the second half of 2018.
3. Albioma Esplanada Energia consolidated as from 21 December 2018, and commissioning of a new turbine in the first half of 2019.
4. Eneco France (now renamed Albioma Solaire France) consolidated as from 11 December 2018 (including a 0.5 MW hydroelectric plant).
5. Excluding Anaerobic Digestion business sold on 10 December 2018.

1.1.3. Availability rate

	First half 2019	First half 2018
Albioma Bois-Rouge	76.4%	78.0%
Albioma Le Gol	90.8%	85.4%
Albioma Le Moule (including Albioma Caraïbes)	84.6%	95.0%
Albioma Galion	87.0%	94.2%
Albioma Saint-Pierre	89.0%	-
French overseas departments and regions	**85.0%**	**86.9%**
Terragen	86.5%	88.2%
OTEO Saint-Aubin	97.4%	95.1%
OTEO La Baraque	85.2%	59.0%
Mauritius Total	**87.9%**	**76.4%**
Group Total	**85.9%**	**83.5%**

1.2. Highlights of the first half of 2019

1.2.1. France - Thermal Biomass business

1.2.1.1. Commissioning of a new combustion turbine on Reunion Island and continuation of programme to bring plants into compliance with current standards

At 30 June 2019, installed capacity in Overseas France totalled 453 MW, higher than at 31 December 2018 as a result of the commissioning, on 25 February 2019 on Reunion Island, of the peak-load combustion turbine operating on sugar-cane based bioethanol.

Dedicated to the production of renewable energy, the combustion turbine (CT) operates with two types of fuel: bioethanol, derived from the distillation of sugar cane molasses, produced locally at the Rivière du Mât distillery, and diesel fuel, which is needed to start the turbine. Once fully operational, the turbine will operate on 80% bioethanol and 20% diesel fuel. The 41 MW CT is a flexible and highly-responsive means of production. Designed to start up in less than seven minutes, it supports consumption peaks, especially at the end of the day, and helps secure the Reunion Island grid. It facilitates the integration and management by the network of other sources of renewable energy, such as solar power. The commissioning of the CT highlights Albioma's engineering know-how and confirms its status as a key player in renewable energies, controlling the production of baseload or peak energy. Albioma has continued to innovate, ensuring the stability of power grids, primarily in isolated areas where the grid is weak, and helping to accelerate the energy transition.

The programme of works to make their fume treatment systems compliant with the European Industrial Emissions Directive (IED) was continued on the Bois Rouge and Le Moule power plants during the annual maintenance outages that took place under good conditions.

During the first half of 2019, the availability rate was 85.0% compared with 86.9% in the first half of 2018. Availability was impacted by shutdowns for compliance work on the final tranche of the Bois-Rouge power plant and the first tranche of the Le Moule power plant.

In Martinique, the EDF duty rate of the Galion combustion turbine was 11.4%, lower than that achieved in the first half of 2018 (27.4%), as a result of the commissioning of the Galion 2 plant in September 2018.

At 975 GWh, power generation was significantly higher than in the first half of 2018 (910 GWh), due mainly to the commissioning of new means of production and the duty rate on Reunion Island starting to rise again. These two factors largely compensated for the impacts of the long-term shutdowns carried out as part of the upgrading of facilities and the fall in the duty rates in Guadeloupe.

1.2.1.2. Changes in the economic and regulatory environment

Coal prices fell during the first half of 2019. Prices averaged €92 per tonne in the first half of 2019 compared with €98 per tonne in the first half of 2018. By contrast, average fuel-oil prices were higher than in the first half of 2018. These price movements had a negative impact (-€0.3 million) on the Group's revenue but did not significantly affect profit margins, as electricity sale prices are contractually indexed to fuel costs.

Concerning carbon emissions, the contracts between all of the Group's thermal power plants in the French overseas departments and regions and EDF now provide for the cost of purchasing quotas on the market to be passed on to EDF via monthly invoices, excluding any transaction fees and after transferring any free quotas allocated in respect of their cogeneration activity. In accordance with the ministerial order issued on 24 January 2014, the Bois-Rouge, Le Gol and Le Moule power plants received 131,168 tonnes of free quotas in respect of 2019 in recognition of their cogeneration activity.

The Group continued to execute its compliance works investment programme, enabling its thermal power plants to conform to the Industrial Emissions Directive (IED).

Albioma Le Moule took out a new long-term loan (19 years, without recourse to shareholders) for its Albioma Caraïbes power plant (34 MW - commissioned in 2011) of €68 million, in addition to its existing debt. This loan will be used to finance the provision of new infrastructure and changes to the plant's facilities, to enable the plant to operate exclusively on biomass, as a complete alternative to coal, by the end of 2020. It will also be used to finance the works required to bring the plant into compliance with the Industrial Emissions Directive (IED) which comes into force on 1 January 2020. The finance was obtained from the Company's long-term banking partners: BNP Paribas and CIC, as co-arrangers, and Bpifrance, under very attractive market conditions.

1.2.2. France and Southern Europe – Solar Power business

The Solar Power business, based mainly in Overseas France, benefits from very long sunshine hours and purchase prices that are higher than in Metropolitan France.

1.2.2.1. Commissioning of new facilities

Albioma now operates photovoltaic power plants with a total capacity of 96 MWp. This is higher than in the first half of 2018, due to the acquisition of the portfolio of Eneco's French subsidiary in December 2018 and the commissioning of new projects during the first half of 2019, including, in particular, that of the Port Ouest plant, situated in the commune of Le Port on Reunion Island, with installed capacity of 1.3 MWp and storage capacity of 1.3 MWh.

Port Ouest is the first plant in service on Reunion Island. It was built following a 2016 request for proposals issued by the French energy regulator (*Commission de Régulation de l'Énergie - CRE*), covering the construction and operation of photovoltaic solar power plants with integrated energy storage located in areas not connected to mains electricity. In order to win the call for tenders, the designs presented to the CRE in 2015 had to be innovative, especially regarding the planned production, storage and command control components. The purchase contract signed with EDF will last for 25 years. The power plant is located in two industrial units used for port activities, with no conflict of use. With a total power of 1.34 MWp, it is equipped with Li-ion energy storage batteries with a capacity of 1.33 MWh. As well as the power guaranteed by the batteries, this power plant will provide energy every day at peak times in the evening (between 7.00 pm and 9.00 pm); the technology used for this power plant enables the problem of intermittent production of standard solar power plants to be resolved, thereby stabilising and guaranteeing production during the day (mitigating the effect of cloudy weather and changes in the meteorological conditions), as well as improving forecasts. Furthermore, the power plant is equipped with an energy management system that informs the network operator of the power delivered in real time. Port Ouest will produce 1.9 GWh of electricity per year, which is the annual consumption of 630 households on Reunion Island.

Excluding consolidation scope effects related to the acquisition of Eneco France, photovoltaic power generation was up 7% on the 2018 figure, due to the favourable sunshine conditions on Reunion

Island, in Metropolitan France and in Spain during the first few months of the year and to the commissioning of new plants on Reunion Island and Mayotte in particular.

1.2.2.2. Changes in the economic and regulatory environment

Albioma Solaire France - the subsidiary that owns and operates the photovoltaic power plants acquired from Eneco in December 2018 - has contracted a long-term €61 million loan. This non-recourse project loan refinances the existing assets and includes an amount for funding the construction of a portfolio of small- and medium-power photovoltaic power plants. This funding secures the growth of the Group's solar power business in metropolitan France on very attractive terms. The lenders are Natixis Energeco and Unifergie.

1.2.2.3. Project development

Under the terms of its strategic partnership with the SHLMR (low-income housing rental company on Reunion Island), Albioma began the construction of new photovoltaic power plants on the rooftops of residences, across all municipalities of Reunion Island.

Albioma won an aggregate power of 5.2 MWp during the seventh session of the invitation to tender for solar rooftop installations (CRE 4 tender process: "Power plants on buildings, greenhouses and agricultural facilities and parking shadehouses of between 100 kWp and 8 MWp") held last March. The four winning projects are located in mainland France, in a broad south-east corner as well as in the south-west, and will be commissioned at the end of 2020.

1.2.3. Mauritius

The Group’s plants in Mauritius had a combined thermal capacity of 195 MW at 30 June 2019, unchanged from 2018. The Mauritian plants are booked using the equity method.

All the Group’s plants achieved excellent performances over the period. At 87.9%, availability was up significantly compared with 76.4% for the first half of 2018, during which the OTEO La Baraque power plant suffered a breakdown affecting one of the alternator rotors following its annual maintenance shutdown. Production also increased significantly, to 608 GWh compared with 506 GWh in the first half of 2018.

1.2.4. Brazil

1.2.4.1. Existing plants achieve good performances and a new unit is consolidated

Production increased significantly in Brazil, due mainly to the consolidation scope effect following the acquisition in December of a new cogeneration plant. In the case of this unit, whose annual crushing capacity is expected to reach 2.8 million tonnes of sugar cane, renovation work to the existing boilers and the installation of a new 25 MW turbine brought the site’s total capacity to 65 MW. By improving cogeneration yields and reducing the refinery's steam consumption, it should be possible to export 145 GWh of energy to the distribution network annually with effect from the 2019 harvest, almost doubling the current output. More than 80% of energy sales have now been secured in the regulated market: the request for proposals issued on 18 December 2017 (*leilão de energia nova A-4*) resulted in long-term cogeneration contracts, under the terms of which 75 GWh per year, starting in 2021, is sold at an inflation-linked BRL 258/MWh.

Against a relatively stable macro-economic backdrop, the Brazilian thermal power plants Albioma Rio Pardo Termoelétrica and Albioma Codora Energia have delivered good operational performances. Despite a late start to the sugar harvest due to heavy rainfall, the volume of milled cane was stable compared to the previous year and energy production remained strong over the period at 85 GWh compared to 88 GWh in the first half of 2018. Compared to the same period last year, sales prices remained relatively stable at BRL 249/MWh. In order to limit its exposure to volatile spot prices, the

Group has secured just over 80% of its sales for the 2019-2020 period by means of long-term purchase contracts under the terms of calls for tender organised by the regulator or short-term contracts negotiated with industrial customers.

1.2.5. Holding company

1.2.5.1. Changes in governance and in the Board of Directors

At the end of the Annual General Meeting of Albioma's shareholders on 27 May 2019, the Board of Directors confirmed its decision, announced in March 2018, to merge the roles of Chairman of the Board of Directors and of Chief Executive Officer, thereby marking the end of the transition period that began on 1 June 2016 with the appointment of Frédéric Moyne as Chief Executive Officer. Frédéric Moyne thereby succeeded Jacques Pétry as Chairman of the Board of Directors, the latter having resigned as Chairman of the Board of Directors and as Director.

The Board of Directors welcomed two new members. Florence Lambert, whose nomination was approved by the General Meeting, took up the role of independent Director to succeed Valérie Landon, who did not seek reappointment. Frank Lacroix was co-opted as an independent Director to succeed Jacques Pétry. Pierre Bouchut, an independent Director since 2018, was appointed Lead Independent Director, custodian of the balance of power on the Board of Directors following the merger of the roles of Chairman of the Board of Directors and of Chief Executive Officer. Florence Lambert, 46 years of age, has been Head of the Innovation Laboratory for New Energy Technology and Nanomaterials (LITEN) at the French Atomic Energy and Alternative Energy Commission (CEA) since 2013, and is Director of Syndicat des énergies renouvelables (SER) where she chairs the Industry, Employment and Innovation Committee. Frank Lacroix, 55 years of age, has the benefit of a long career in the energy sector, during which time he has been Chairman and Chief Executive Officer of Dalkia (2011-2014), member of the Executive Committee of Veolia, and European Director in EDF's International Division (2014-2016).

1.2.5.2. New short-term finance

On 7 June 2019, Albioma signed a €60 million bank facility with French and international banks, under very favourable market conditions. This revolving financing follows a previous line of €40 million, which was coming to an end. With a maturity of five years, which may be extended to seven years, this additional €20 million facility reflects the Group's growth momentum. It will provide the Group with increased financial flexibility, particularly for the purposes of corporate acquisitions or specific cash requirements.

1.2.5.3. 2018 dividend

The General Meeting of Shareholders on 27 May 2019 approved the payment of a dividend of €0.65 per share with an option for the payment of 50% of the dividend in the form of new shares. The option, which could be exercised between 13 June and 4 July 2019 inclusive, enabled shareholders to have 50% of the dividend for the 2018 financial year (set at €0.65) paid in new shares, issued at a price of €17.91 per share. This price was calculated as 90% of the average of the first share price on Euronext Paris during the twenty trading days prior to the decision to distribute, less the net dividend amount, the amount resulting from this formula being rounded up to the next cent. Under the terms of the option, shareholders subscribed for 389,889 new shares, giving a reinvestment rate of 69.80%.

1.3. Comments on the consolidated financial statements

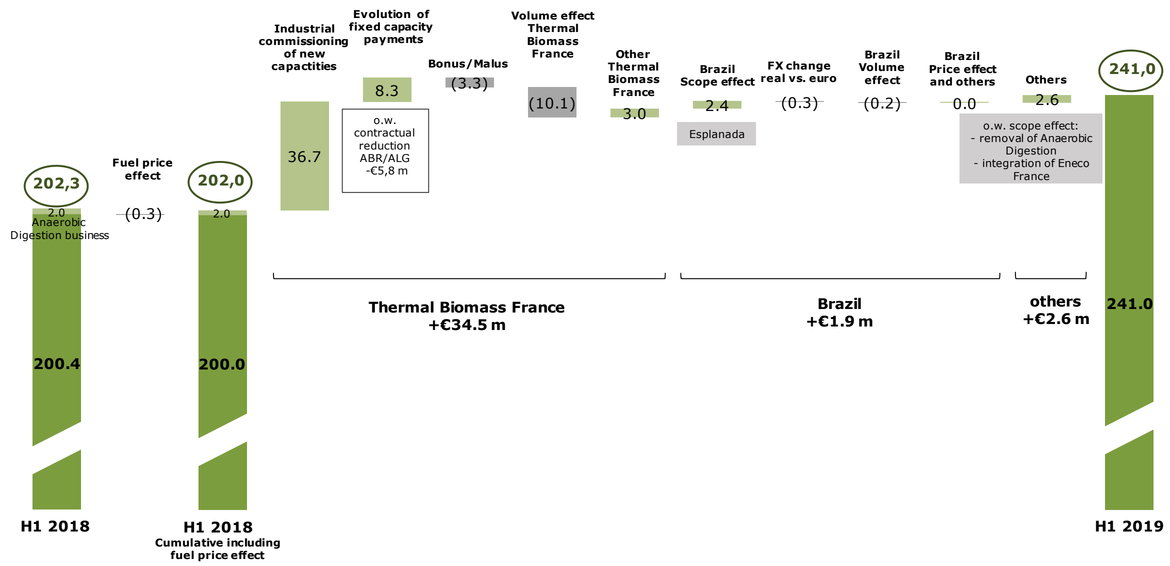
1.3.1. Income statement

1.3.1.1. Revenue

In millions of euros	First half 2019	First half 2018 - Published	Change
France – Thermal Biomass	204.7	170.5	20%
France and Southern Europe – Solar Power	24.8	19.5	27%
Brazil	8.9	7.1	27%
Holding company, Anaerobic Digestion and Other	2.6	5.2	(50%)
Revenue	**241.0**	**202.3**	**19%**

Revenue for the first half of 2019 was up 19% compared with the first half of 2018.

The change can be analysed as follows:



Stripping out the impact of changes in fuel prices of -€0.3 million linked to changes in the average prices of coal and fuel oil between the first half of 2018 and the first half of 2019 (although this had no direct effect on the profit margin due to electricity sales prices being contractually indexed to fuel costs), revenue increased by 19%. This increase was due to the combined effects of:

- revenue generated by the newly-commissioned thermal production facilities (Galion 2 plant in Martinique and Saint-Pierre combustion turbine on Reunion Island);
- the increase in the fixed premiums and the variable remuneration as a result of the indexation provided for by the power purchase agreements of the thermal power plants in the French overseas departments and regions and the additional fixed premiums received in respect of the investments to bring the plants into compliance with the new standards. These factors offset the contractual reduction in the historical fixed premiums in respect of the Bois-Rouge and Le Gol power plants as from 1 January 2019;
- technical shutdowns carried out at the Bois-Rouge and Le Moule power plants;
- a negative volume effect of €10.1 million, production at the thermal power plants in the French overseas departments, excluding the new facilities, having decreased from 910 GWh in the first

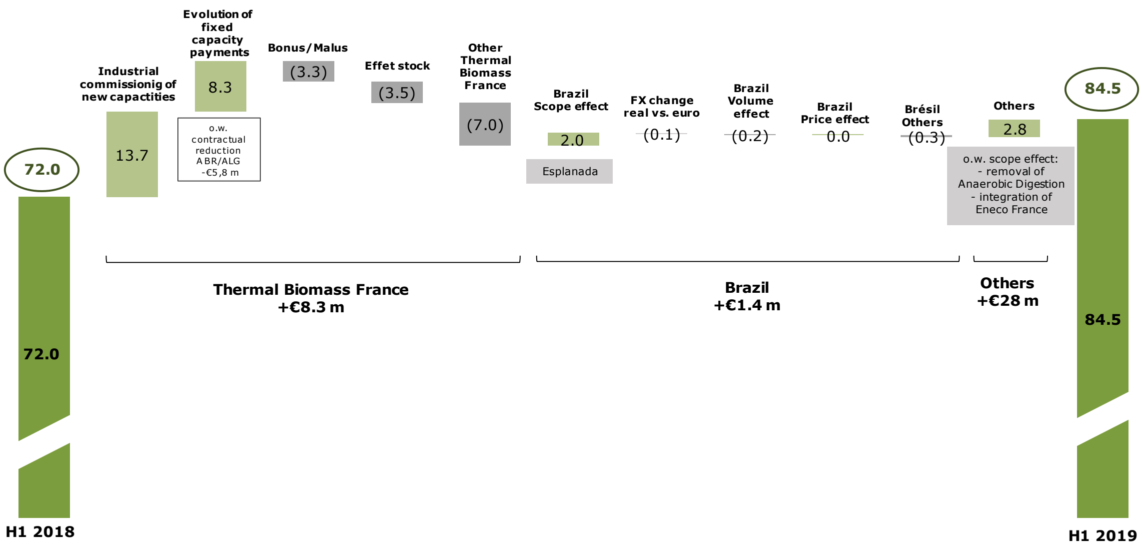
half of 2018 to 861 GWh in the first half of 2019 due mainly to the scheduled shutdowns carried out as part of the upgrading of facilities and the fall in production of the Galion combustion turbine following commissioning of the Galion 2 plant;

- the increase in revenue in Brazil due to the consolidation as from 1 January 2019 of the revenue from the new cogeneration plant, Albioma Esplanada Energia, acquired in December 2018;
- the increase in revenue from the Solar Power Business thanks to the favourable sunshine conditions during the first half of the year, the commissioning of new facilities and the consolidation as from 1 January 2019 of the revenue from the facilities of Eneco's French subsidiary acquired in December 2018;
- the effect of the deconsolidation of the revenue of the Anaerobic Digestion business sold in December 2018.

1.3.1.2. EBITDA

In millions of euros	**First half 2019**	**First half 2018 - Published**	**Change**
France – Thermal Biomass	64.5	56.2	15%
France and Southern Europe – Solar Power	18.0	13.8	31%
Mauritius	0.8	1.1	(32%)
Brazil	3.0	1.6	90%
Holding company, Anaerobic Digestion and Other	(1.7)	(0.7)	(134%)
EBITDA	**84.5**	**72.0**	**17%**

EBITDA came to €84.5 million, a 17% increase compared with the first half of 2018.



EBITDA for the Thermal Biomass France business was up 15% compared with the first half of 2018. This improvement was due mainly to the commissioning of new facilities and rate revisions to compensate it for the cost of the work to make the facilities for processing liquid and gaseous waste compliant with current standards, which largely offset the new contractual reductions in the historical premiums recognised since 1 January in respect of Albioma Bois-Rouge and Albioma Le Gol, as well as the increase in operating expenses.

EBITDA for the Brazil business was up by €1.4 million compared with the first half of 2018, due to the consolidation of the results of the Albioma Esplanada Energia plant acquired in December 2018.

EBITDA for the Solar Power Business increased significantly due to the consolidation of the results of Eneco's French subsidiary acquired in December 2018, the favourable weather during the half year and the commissioning of new facilities.

Following the application, as from 1 January 2019, of IFRS 16, expenses related to leases that were previously classified as operating leases and presented in operating expenses are restated and replaced by, on the one hand, a depreciation charge in respect of the right-of-use asset and, on the other hand, financial expenses. This restatement had a positive effect of €1.5 million on EBITDA in the financial statements for the first half of 2019.

1.3.1.3. Charges for depreciation, amortisation and provisions and other non-cash items

The increase in charges for depreciation, amortisation and provisions to €32.9 million compared with €24.5 million in the first half of 2018 was due notably to the commissioning of new plants, a consolidation scope effect related to the corporate acquisitions in late 2018 and the additional commissioning of equipment for processing liquid and gaseous waste from existing plants. This item also includes a €1.1 million depreciation charge in respect of the right-of-use asset recognised in the statement of financial position in respect of operating leases in accordance with IFRS 16, which has been applied since 1 January 2019.

Charges for amortisation of electricity and steam supply agreements also increased to €3.4 million due to the allocation of the acquisition prices of recent corporate acquisitions, which resulted in part of the value being allocated to the electricity sales contracts, amortised over the term of said contracts.

1.3.1.4. Net financial income (expense)

Cost of financial debt increased: from €11.4 million to €14.2 million in the first half of 2019. This change was due mainly to the financial expenses related to the commissioning of the new facilities and to the recent corporate acquisitions. Cost of financial debt also included €0.7 million of interest charges related to the lease liabilities recognised under IFRS 16.

The main components of other financial income were income from cash investments and income from deposits.

In the first half of 2018, the Group recognised non-recurring financial income in accordance with IFRS 9 as a result of the improved refinancing terms for the photovoltaic plants in the Indian Ocean region.

1.3.1.5. Tax charge

The tax charge came to €11.3 million, compared with a charge of €13.5 million in the first half of 2018. It comprised the tax charge payable in respect of the period and the deferred tax. In the first half of 2018, it included the impacts of the withdrawal of the 3% tax on dividend payments and of the reduction in the tax rate provided for by the 2018 Finance Act on the deferred tax for the period.

The restated effective tax rate[1] for the period ended 30 June 2019 came to 31.8% compared with 35.4% in the first half of 2018.

1.3.1.6. Net income, Group share

In the first half of 2019, net income, Group share, came to €18.2 million, down from €20.6 million in the first half of 2018. Excluding non-recurring items, it was up 6%: in the first half of 2018, it included non-recurring items totalling €3.5 million, due mainly to the recognition of non-recurring

[1] Restated tax rate: tax rate excluding Brazil and excluding the income of equity-accounted companies.

financial income in accordance with IFRS 9 as a result of the improved refinancing terms for the photovoltaic plants in the Indian Ocean region.

1.3.2. Statement of cash flows

In millions of euros	**First half 2019**	**First half 2018 - Published**
Cash flow from operations	86.4	73.9
Change in the working capital requirement	(32.0)	(30.0)
Tax paid	(25.0)	(13.5)
Cash flow from operating activities	**29.4**	**30.4**
Operating capex	(10.4)	(5.6)
Free cash-flow from operating activities	**19.0**	**24.8**
Development capex	(60.8)	(59.1)
Other/acquisitions/disposals	(0.4)	(0.2)
Net cash flow from/(used by) investing activities	**(61.3)**	**(59.3)**
Dividends paid to Albioma shareholders	-	-
Borrowings (drawn down)	94.3	73.5
Borrowings (repaid)	(80.5)	(22.9)
Cost of financial debt	(14.2)	(11.4)
Other	(2.5)	(0.1)
Net cash flow from/(used by) financing activities	**(2.9)**	**39.1**
Currency effect on cash and cash equivalents and other changes	(0.5)	(1.0)
Net change in cash and cash equivalents	**(45.7)**	**3.6**
Opening net cash and cash equivalents	95.3	92.1
Closing net cash and cash equivalents	**49.6**	**95.7**

1.3.2.1. Cash flow from operating activities

Financing activities generated positive cash flow of €29.4 million compared with positive cash flow of €30.4 million in the first half of 2018. Despite the increase in cash flow from operations from €73.9 million to €86.4 million, this cash flow was adversely affected by a €32.0 million deterioration of the working capital requirement resulting in part from the delay in the payment of trade receivables due from EDF from June to July, and payments made to sugar refineries during the first half of 2019 in respect of the 2018 sugar harvest.

1.3.2.2. Cash flow from/(used by) investing activities

This item breaks down as follows:

- operating investment expenses: these comprised investment expenses for power plants in operation, primarily in connection with the servicing, maintenance, repair, optimisation and modernisation work and investment programmes for the thermal power plants. These expenses totalled €10.4 million, compared with €5.6 million in the first half of 2018;
- development investment expenses: these totalled €61.3 million, compared with €59.3 million in the first half of 2018. The main components of these expenses were expenses related to the completion of the work on the newly-commissioned facilities, as well as those related to the continuation of the programme to bring the thermal power plants in the French overseas departments and regions into compliance with the Industrial Emissions Directive (IED), which is expected to be completed in early 2020, and the launch of the biomass conversion programme in Guadeloupe.

1.3.2.3. Cash flow from/(used by) financing activities

Financing activities generated negative cash flow of €2.9 million compared with positive cash flow of €39.1 million in the first half of 2018.

€94.3 million of new debt was drawn down: new non-recourse project debt was put in place to finance the solar power assets acquired following the purchase of Eneco's French subsidiary. This drawdown enabled the Group to repay the short-term credit lines which had been used to finance that company's acquisition in December 2018. Additional debt was also drawn down in respect of Albioma Le Gol to finance completion of the work to bring the facilities into compliance with the Industrial Emissions Directive (IED). Albioma Le Moule also drew down an initial amount to finance the launch of conversion work on the third tranche of the power plant and the necessary logistical infrastructure.

The increase in the cost of financial debt to €14.2 million was due mainly to the interest charges of the newly-commissioned facilities and the new debt in respect of the corporate acquisitions.

1.3.3. Financial structure

At 30 June 2019, the Group's equity totalled €387.5 million. Equity attributable to non-controlling interests was €91 million.

Gross borrowings excluding IFRS 16 lease liabilities stood at €858 million at 30 June 2019, up compared with €846 million at 31 December 2018, following drawdowns of debt to finance the completion of work to bring the final tranches into compliance with the Industrial Emissions Directive (IED) and the refinancing of the photovoltaic assets acquired from Eneco France. They consisted of project debt of €764 million and corporate debt of €94 million. Most of the project debt is without recourse to shareholders with the exception of the Brazilian debt and the debt in respect of projects in the construction phase for which Albioma has granted parent company guarantees.

Consolidated net borrowings excluding IFRS 16 lease liabilities came to €805 million after taking into account net cash and cash equivalents of €50 million and security deposits (€3 million of deposits at 30 June 2019). They were also higher than at 31 December 2018, when they totalled €747 million.

At 30 June 2019, Albioma had consolidated cash and cash equivalents of €53 million (including €3 million of security deposits), and still had sufficient resources to pursue its development. The signing of a €60 million bank facility in June, €20 million higher than the previous facility, reflects the Group's growth momentum and will provide it with increased financial flexibility, for the purposes, in particular, of corporate acquisitions or specific cash requirements.

1.4. Significant changes in the financial or commercial position

None

1.5. Key events since 1 July 2019 and outlook

1.5.1. Events after the reporting period

None

1.5.2. Outlook

1.5.2.1. Long-term outlook

The Group confirms its objective of sustained expansion. Over the 2013-2023 period, its investment programme, the budget for which totals around €1.5 billion, will focus mainly on new renewable energy production projects in France, Mauritius and Brazil. Opportunities for development in new countries and new businesses are also being examined.

1.5.2.2. 2019 objectives

The Group confirms its earnings targets for the 2019 financial year.

In millions of euros	**2019**
EBITDA	168-178
Net income, Group share	38-44

2. *Consolidated financial statements (condensed) for the half year ended 30 June 2019*

2.1. Consolidated income statement (condensed)

In thousands of euros	Note	First half 2019	First half 2018
Revenue	**5**	**241,042**	**202,324**
Purchases (including change in stocks)	6	(82,470)	(69,249)
Logistics costs	8	(5,546)	(5,558)
Staff costs	7	(28,108)	(22,108)
Other operating expenses	8	(41,350)	(34,421)
Amortisation of electricity and steam supply agreements		(3,396)	(2,995)
Charges to depreciation, amortisation and provisions	9	(32,949)	(24,515)
Share of net income of equity-accounted companies	18	744	1,146
Current operating income		**47,966**	**44,624**
Other operating income and expenses	10	236	848
Operating income		**48,202**	**45,472**
Cost of financial debt	11	(14,173)	(11,364)
Other financial income	12	452	3,749
Other financial expenses	12	(474)	(279)
Profit before tax		**34,006**	**37,578**
Tax charge	13	(11,316)	(13,485)
Net income		**22,690**	**24,092**
Net income attributable to:			
shareholders of Albioma	23	18,215	20,645
non-controlling interests	23	4,475	3,447
Basic and diluted earnings per share (in euros)	**23**	**0.601**	**0.682**

The notes form an integral part of the condensed financial statements.

2.2. Statement of comprehensive income

The statement of comprehensive income presents the net income for the period as well as income and expenses for the period recognised directly in equity, in accordance with IFRS.

In thousands of euros	First half 2019	First half 2018
Net income	**22,690**	**24,092**
Actuarial gains and losses on employee benefits	(2,790)	-
Deferred tax on actuarial gains and losses	699	-
Items not available for recycling through profit or loss	**(2,092)**	**-**
Translation adjustments	735	(7,046)
Cash flow hedges (interest rate swaps)	(18,774)	(928)
Deferred tax relating to cash flow hedges	4,813	221
Items available for recycling through profit or loss	**(13,226)**	**(7,753)**
Comprehensive income	**7,373**	**16,339**
Attributable to:		
shareholders of Albioma	4,333	14,533
non-controlling interests	3,039	1,806

Besides the change in net income in the first half of 2019, the change in comprehensive income stems mainly from:

- the impact of the decrease in interest rates on the measurement at fair value of cash flow hedging instruments (interest rate swaps);

- the impact of the decrease in interest rates on the measurement of employee benefits (actuarial gains and losses related to the decrease in the discount rate);
- the effect of the change in the exchange rate between the Brazilian real and the euro.

2.3. Consolidated statement of financial position (condensed)

Assets

In thousands of euros	**Notes**	**30/06/2019**	**31/12/2018**
Non-current assets			
Goodwill	14	16,952	24,226
Intangible assets	15	113,836	101,182
Right-of-use assets (IFRS 16)	16	26,987	-
Property, plant and equipment	17	1,194,096	1,161,887
Non-current financial assets	19	5,005	4,901
Investments in associates	18	22,423	23,950
Deferred tax assets		2,915	713
Total non-current assets		**1,382,215**	**1,316,859**
Current assets			
Stocks and assets in progress	21	57,295	62,237
Trade receivables	20	91,678	74,488
Other current operating assets	22	61,640	51,733
Cash and cash equivalents	19	49,638	95,297
Total current assets		**260,252**	**283,755**
Total assets		**1,642,467**	**1,600,614**

The notes form an integral part of the condensed financial statements.

Equity and liabilities

Total equity		**478,518**	**492,782**
Non-current liabilities			
Employee benefits	26	38,335	34,267
Provisions for liabilities	26	6,753	7,274
Deferred tax liabilities		25,854	32,893
Non-current financial debt	24	752,442	722,240
Lease liabilities related to right-of-use assets (IFRS 16)	25	34,780	-
Non-current derivatives	27	55,059	36,392
Total non-current liabilities		**913,223**	**833,066**
Current liabilities			
Trade payables	28	58,362	66,378
Tax and social security liabilities	30	28,285	35,896
Current financial debt	24	105,596	123,458
Lease liabilities related to right-of-use assets (IFRS 16)	25	1,824	-
Other current operating liabilities	29	56,659	49,034
Total current liabilities		**250,726**	**274,765**
Total equity and liabilities		**1,642,467**	**1,600,614**

The notes form an integral part of the condensed financial statements.

2.4. Statement of changes in shareholders' equity

In thousands of euros	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2018	**1,191**	**48,659**	**404,664**	**(23,747)**	**(22,310)**	**408,457**	**84,325**	**492,782**
Impact of transition to IFRS 16			(6,541)			(6,541)	(560)	(7,101)
Dividends paid[1]			(20,026)			(20,026)	(7,292)	(27,318)
Stock options/performance shares			1,299			1,299		1,299
Transaction between shareholders								
Treasury shares			(11)			(11)		(11)
Capital increase							7,361	7,361
Changes in the consolidation scope			(2)			(2)	4,136	4,134
Total transactions with shareholders			**(18,740)**			**(18,740)**	**4,205**	**(14,535)**
Change in translation adjustment					464	464	271	735
Change in actuarial gains and losses				(1,911)		(1,911)	(181)	(2,092)
Change in fair value of hedging derivatives				(12,435)		(12,435)	(1,526)	(13,961)
Sub-total of items recognised in equity				**(14,346)**	**464**	**(13,882)**	**(1,436)**	**(15,318)**
Net income for the period			18,215			18,215	4,475	22,690
Total comprehensive income for the period			**18,215**	**(14,346)**	**464**	**4,333**	**3,039**	**7,372**
Shareholders' equity at 30/06/2019	**1,191**	**48,659**	**397,598**	**(38,093)**	**(21,846)**	**387,509**	**91,009**	**478,518**

Notes

1. On 27 May 2019, the Ordinary and Extraordinary General Meeting of Albioma's shareholders decided to set the dividend at €0.65 per share and to offer each shareholder the option of receiving payment of half of the dividend either in cash or in new shares. This option could be exercised in the same conditions for the shares eligible for the fidelity premium dividend (€0.71 per share with an option exercisable in respect of €0.355).

In thousands of euros	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2017	**1,179**	**42,199**	**384,464**	**(22,493)**	**(16,562)**	**388,787**	**78,493**	**467,280**
Dividends paid[1]			(18,150)			(18,150)	(6,091)	(24,241)
Stock options/performance shares			418			418		418
Transaction between shareholders								
Treasury shares			(76)			(76)		(76)
Capital increase							721	721
Changes in the consolidation scope			(2)			(2)	61	59
Total transactions with shareholders			**(17,810)**			**(17,810)**	**(5,309)**	**(23,119)**
Change in translation adjustment					(5,845)	(5,845)	(1,201)	(7,046)
Change in actuarial gains and losses								
Change in fair value of hedging derivatives				(267)		(267)	(440)	(707)
Sub-total of items recognised in equity				**(267)**	**(5,845)**	**(6,112)**	**(1,641)**	**(7,753)**
Net income for the period			20,645			20,645	3,447	24,092
Total comprehensive income for the period			**20,645**	**(267)**	**(5,845)**	**14,533**	**1,806**	**16,339**
Shareholders' equity at 30/06/2018	**1,179**	**42,199**	**387,299**	**(22,760)**	**(22,407)**	**385,510**	**74,990**	**460,500**

Notes

1. On 30 May 2018, the Ordinary and Extraordinary General Meeting of Albioma's shareholders decided to set the dividend at €0.60 per share and to offer each shareholder the option of receiving payment of half of the dividend either in cash or in new shares. This option could be exercised in the same conditions for the shares eligible for the fidelity premium dividend (€0.66 per share with an option exercisable in respect of €0.33).

2.5. Statement of consolidated cash flows

In thousands of euros	**First half 2019**	**First half 2018**
Operating activities		
Net income for the year attributable to shareholders of Albioma	**18,215**	**20,645**
Non-controlling interests	4,475	3,447
Adjustments	-	-
Charges to depreciation, amortisation and provisions	36,465	27,215
Change in deferred tax	(3,774)	(2,412)
Share of net income of associates net of dividends received	581	794
Other non-cash items	(130)	(3,511)
Share-based payments	1,299	418
Cost of financial debt	14,168	11,364
Current tax charge for the year	15,090	15,897
Cash flow from operations	**86,389**	**73,857**
Impact of the change in the working capital requirement	(32,048)	(30,040)
Tax paid	(24,973)	(13,466)
Net cash from operating activities	**29,368**	**30,351**
Investing activities		
Acquisitions of non-current assets	(71,250)	(64,633)
Increase in right-of-use assets (IFRS 16)	(357)	-
Increase in financial assets	(200)	(191)
Other cash flows from investing activities	131	-
Net cash from/(used by) investing activities	**(71,676)**	**(64,824)**
Financing activities		
Capital increases subscribed by non-Group shareholders	-	721
Change in intra-Group cross shareholdings	-	100
Borrowings and financial debt issued or subscribed	94,286	73,500
Cost of financial debt	(14,168)	(11,364)
Borrowings and financial debt repaid	(80,508)	(22,939)
Change in lease liabilities related to right-of-use assets (IFRS 16)	(553)	-
Other items	(1,941)	(957)
Net cash from/(used by) financing activities	**(2,884)**	**39,061**
Impact of currency movements on cash and cash equivalents and other changes	(467)	(960)
Net change in cash and cash equivalents	**(45,659)**	**3,628**
Opening cash and cash equivalents	95,297	92,053
Closing cash and cash equivalents	49,638	95,682
Change in cash and cash equivalents	**(45,659)**	**3,629**
Cash	28,726	72,980
Cash equivalents	20,913	22,702
Total cash and cash equivalents	**49,638**	**95,682**
Bank overdrafts	-	-
Net cash and cash equivalents	**49,638**	**95,682**

2.6. Notes to the financial statements

Albioma is an independent renewable energy producer, committed to the energy transition thanks to biomass and photovoltaics. The Group operates in the French overseas departments, Mauritius and Brazil.

Albioma is registered in the Nanterre Trade and Companies Register under number 775 667 538. Its registered office is located at Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense, France.

Albioma's consolidated half-year financial statements (condensed) are presented in thousands of euros and were approved by the Board of Directors at its meeting of 24 July 2019.

Note 1. Highlights of the first half of 2019

The highlights of the period were as follows:

- A new combustion turbine was commissioned on Reunion Island on 25 February 2019;

- Galion 2 and Albioma Saint-Pierre, the recently-commissioned power plants, posted good performances during the half year;
- the Group continued its programme to bring its power plants into compliance with the Industrial Emissions Directive (IED). This included work on the final tranche of the Bois-Rouge plant and on the first tranche of the Le Moule plant;
- new photovoltaic power plants were commissioned, including the Port Ouest plant with storage (1.3 MWp) on Reunion Island;
- Solar power projects (5.2 MWp) were awarded in mainland France during the March 2019 "CRE 4" tender process;
- Albioma Le Moule took out a new long-term loan (19 years, without recourse to shareholders) for its Albioma Caraïbes power plant (34 MW - commissioned in 2011), for €68 million, in addition to its existing debt;
- Albioma Solaire France - the subsidiary that owns and operates most of the photovoltaic power plants acquired from Eneco in December 2018 - has contracted a long-term €61 million loan. This non-recourse project loan refinances the existing assets and includes an amount for funding the construction of a portfolio of small- and medium-power photovoltaic power plants;
- On 7 June 2019, Albioma signed a €60 million bank facility with French and international banks, under very favourable market conditions. This revolving financing follows a previous line of €40 million, which was coming to an end.

Note 2. Basis of preparation of the financial statements and accounting policies

2.1. Basis of preparation and accounting policies

The consolidated half-year financial statements have been prepared in accordance with the framework of International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union on 30 June 2019, which are available on the following website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm

The consolidated financial statements (condensed) for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The main accounting rules and methods applied in the half-year financial statements are similar to those used by the Group in the consolidated financial statements for the year ended 31 December 2018, with the exception of the standards and interpretations adopted by the European Union, applicable as from 1 January 2019 and described below:

- IFRS 16 "Leases";
- IFRS 9 amendment "Prepayment Features with Negative Compensation";
- IAS 28 amendments "Long-term Interests in Associates and Joint Ventures";
- IAS 19 amendments "Plan Amendment, Curtailment or Settlement";
- Annual Improvements to IFRS Standards, 2015-2017 Cycle;
- IFRIC 23 "Uncertainty over Income Tax Treatments".

The impact of IFRS 16 is described below.

The other amendments to standards and interpretations did not have a material impact on the Group's consolidated financial statements for the half year ended 30 June 2019.

For the 2019 financial year, the Group decided not to apply in advance any standards, interpretations or amendments. The following standards, interpretations and amendments, which have been published and whose application is mandatory as from 1 January 2019, could have an impact on the Group's financial statements:

- IFRS 3 amendment "Definition of a business";
- IAS 1 and IAS 8 amendments "Definition of Material";
- Amendments to References to the Conceptual Framework in IFRS Standards.

Impacts of the implementation of IFRS 16 "Leases".

General impacts on presentation

IFRS 16 applies for the first time to financial statements covering accounting periods beginning on or after 1 January 2019. It replaces IAS 17 and its interpretations and results in the recognition in lessees' balance sheets of most leases in accordance with a single model, in the form of a right-of-use asset and a lease liability (the standard removes for lessees the distinction between finance leases and operating leases).

The Group has elected to present, in the statement of financial position, right-of-use assets separately from other assets and lease liabilities separately from other liabilities.

Expenses related to leases that were previously classified as operating leases and presented in operating expenses are restated, in accordance with IFRS 16, and replaced by a depreciation charge in respect of the right-of-use asset and financial expenses. In the case of the photovoltaic business, a portion of the lease payments may be based on the revenue from the facilities. These lease payments, which are variable, continue to be recognised as operating expenses.

Whereas operating lease payments were presented in cash flow from operating activities, these lease payments are now divided into cash outflows relating to the interest expense on the lease liability and those relating to the repayment of said lease liability. The Group presents the repayment of the principal portion of the lease liabilities and the interest paid in cash flows from/(used by) financing activities.

Nature of the leased assets concerned

The Group, in its capacity as lessee, is mainly involved in leases of property, notably its head office, and in leases of the rooftops and land on which its photovoltaic power plants operate. These leases have terms of between 15 and 45 years, in line with the terms of the plants' energy sales contracts.

Application method

The Group has elected to apply IFRS 16 in accordance with the simplified retrospective method, with retrospective calculation of the right-of-use asset (calculation of the asset's value at the inception of the lease and of depreciation up to the transition date). This method involves recognising the cumulative effect of the initial application as an adjustment of the opening equity at 1 January 2019.

Pursuant to these provisions, the comparative information relating to the 2018 financial year, which is presented by way of comparison with the 2019 information, is not restated.

In the case of contracts in force on the date of first-time application, the Group has elected to apply the practical expedient which enables entities not to apply IFRS 16 to agreements which had not previously been identified as leases pursuant to IAS 17 and IFRIC 4.

Lease payments under leases of low-value assets have been written off as expenses.

In addition, the following practical expedients offered by IFRS 16 have been applied to the transition:

- Leases with a residual term of less than 12 months as from 1 January 2019 do not give rise to the recognition of a right-of-use asset and a lease liability;
- The discount rates applied on the transition date are based on the Group's incremental borrowing rate to which is added a spread to reflect specific economic environments;
- Initial direct costs are excluded from the measurement of the right-of-use asset in the case of operating leases in force on the transition date;

- Instead of carrying out an impairment review of the right-of-use assets on the transition date, the Group has made use of its assessment of the onerous leases in accordance with the principles of IAS 37;
- The Group has used hindsight to determine the terms of leases containing options to extend or terminate the lease.

In the case of leases previously classified as finance leases, the right-of-use asset and the lease liability are measured on the transition date at the same amounts as would have applied under IAS 17 on the date of initial application.

Application of IFRS 16 has required the exercise of judgement, notably as regards:

- the definition of a lease;
- determining the lease term, which takes into account the exercise of options to cancel or extend the lease when the Group is reasonably certain to exercise them;
- determining the incremental borrowing rate, which has been calculated taking into account the leases' residual term on the date of initial application.

The Group's accounting principles in respect of leases, updated to reflect the application of IFRS 16, are detailed below.

The incremental interest rate used to measure the liability related to the right-of-use asset varies from 0.86% to 4.56% depending on the maturity of the lease.

Set out below is a reconciliation of the total operating lease commitments at 31 December 2018 and the lease liabilities recognised at 1 January 2019:

In thousands of euros	
Off-balance sheet commitments at 31/12/2018	**18,278**
Different assessment of off-balance sheet commitments	13,685
Different assessment of terms used in connection with the options to extend the lease	3,484
Impact of changes in consolidation scope that took place in late 2018	2,757
Other differences	1,542
Lease liability before discounting	**39,746**
Discounting effect	**(2,629)**
Lease liability in respect of operating leases - IFRS 16	**37,117**

The amount of the finance lease liabilities previously restated under IAS 17 totalled €83,103,000 at 1 January 2019.

Impact of IFRS 16 on the opening statement of financial position

The impacts of the implementation of this new standard on the statement of financial position at 1 January 2019 were as follows:

In thousands of euros	
Right-of-use assets recognised in property, plant and equipment	27,733
Lease liabilities related to right-of-use assets	(37,117)
Deferred tax	2,283
Impact on shareholders' equity at 1/1/2019	**(7,101)**
Of which, Group share	(6,541)
Of which, attributable to non-controlling interests	(560)

As specified in the 2018 consolidated financial statements, the impact on the opening statement of financial position referred to in the financial statements for the year ended 31 December 2018 related exclusively to the photovoltaic scope, excluding the interests in Eneco France acquired in December 2018. The difference between this estimate and the amount presented below corresponds to the leases belonging to the Thermal Biomass sector, Eneco France and the holding company.

Impact of IFRS 16 on net income for the period ended 30 June 2018

The impacts of the implementation of this new standard on the net income of the period were as follows:

In thousands of euros	**First half 2018**
Operating income	485
Financial expenses	(664)
Net income	(124)
Net income	**(124)**
Of which, Group share	(99)
Of which, attributable to non-controlling interests	(25)

Accounting principles - lease recognition under IFRS 16

Leases which convey to the lessee control of the use of an identified asset for a period of time in exchange for consideration come within the scope of IFRS 16. The Group's tenant companies recognise on the statement of financial position, in respect of all leases regardless of their nature (i.e. operating leases and finance leases), a right-of-use asset and a corresponding lease liability.

The lease liability is initially determined on the basis of the present value of the lease payments that have not been not paid on that date, discounted using the interest rate implicit in the lease if that rate can be readily determined, or at the incremental borrowing rate specific to the country, in accordance with the contract terms and currency. Lease payments include fixed payments, variable payments that depend on an index or a rate and payments resulting from options the lessee is reasonably certain to exercise. Variable lease payments based on revenue are recognised as operating expenses.

Subsequent to its initial measurement, the lease liability is reduced by the lease payments made and increased by the interest charge on the lease liability. It is remeasured to reflect any change in the future lease payments in the event of further negotiations with the lessor, a change in an index or rate, or in the event an option is reassessed. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or in net income if the carrying amount of the right-of-use asset has already been reduced to zero.

The measurement of the right-of-use asset at the commencement date comprises the initial lease liability, the initial direct costs and any obligations to refurbish the asset, less any incentives granted by the lessor.

Right-of-use assets are depreciated over the lease term. In the income statement, depreciation charges are recognised in operating income and interest charges are recognised in financial income (expense). The tax impact of these consolidation adjustments is recognised by means of the recognition of deferred tax.

The lease term used corresponds to the non-cancellable period, to periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, as well as periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Group applies the exemptions permitted by IFRS 16 relating to leases with a term of less than 12 months or for which the underlying asset is of low value (less than €5,000).

2.2. Specific valuation principles applicable to interim financial statements

The specific valuation principles applied to the interim financial statements are as follows:

- tax on earnings: the tax charge is calculated on the basis of income before tax broken down by tax jurisdiction, to which is applied the estimated tax rates for the full financial year;
- employee benefits: the net cost in relation to these benefits is recognised pro rata to the projected full-year charge derived from actuarial valuations compiled at the end of the previous financial year. The valuation of net commitments is adjusted in the event of a material change

in market conditions compared with the end of the previous financial year, including reductions, liquidations and other non-recurring material events.

2.3. Management estimates

Estimates made by management in relation to the preparation of the half-year consolidated financial statements (condensed) are identical to those described in the consolidated financial statements for the year ended 31 December 2018. In the Group's opinion, there are no material changes in the description of the fair value levels as presented in Note 32 of the consolidated financial statements for the 2018 financial year.

2.4. Conversion rates

The movement in the BRL/EUR exchange rate over the reported periods was as follows:

Period	Closing rate	Average rate
30/06/2018	4.49	4.14
31/12/2018	4.44	4.31
30/06/2019	4.35	4.34

Note 3. Changes in the consolidation scope

There were no significant changes in the consolidation scope during the period.

Note 4. Operating segments

Segment information is presented based on the internal organisation and reporting structures used by Group management, which reflect the various levels of risks and profitability to which the Group is exposed. The information presented in respect of the first half of 2019 includes the impact of IFRS 16 "Leases", as described in Note 2.1 to these financial statements.

Inter-segment transactions are realised on an arm's length basis.

During the first quarter of 2018 and of 2019, the Group's three Brazilian facilities (Albioma Rio Pardo Termoelétrica, Albioma Codora Energia and Albioma Esplanada Energia) carried out their annual maintenance during the period between sugar harvests. As a result, during these two periods, they did not make a significant contribution to the Group's revenue but did make a contribution to its expenses.

Information on the period ended 30 June 2019

In thousands of euros	France – Thermal Biomass	France – Solar Power[1]	Brazil	Mauritius	Holding company and others	Eliminations	IFRS financial statements
Income statement							
Income from ordinary activities	204,708	24,810	8,941	-	2,583		241,042
Inter-segment					11,637	(11,637)	-
Income from ordinary activities	**204,708**	**24,810**	**8,941**	**-**	**14,220**	**(11,637)**	**241,042**
EBITDA[2]	**64,468**	**17,957**	**2,989**	**778**	**(1,653)**		**84,539**
Operating income	41,796	7,928	(166)	778	(2,134)		48,202
Financial expenses and income	(7,166)	(3,422)	(1,592)	-	(2,016)		(14,195)
Tax charge	(10,899)	(815)	(337)	-	735		(11,316)
Net income for the period	**23,731**	**3,691**	**(2,095)**	**1,556**	**(3,415)**		**22,690**
Other information							
Investments in property, plant and equipment and intangible assets	53,428	9,147	6,105	-	24		68,704
Charges to depreciation and amortisation	(22,040)	(10,124)	(3,101)	-	(456)		(35,721)

Notes

1. Including Spain and Italy.
2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and including the impact of IFRS 16 "Leases".

Information on the period ended 30 June 2018

In thousands of euros	France – Thermal Biomass	France – Solar Power[1]	Brazil	Mauritius	Holding Company, Anaerobic Digestion and other	Eliminations	IFRS financial statements
Income statement							
Income from ordinary activities	170,525	19,530	7,052	-	5,217		202,324
Inter-segment					9,386	(9,386)	-
Income from ordinary activities	**170,525**	**19,530**	**7,052**		**14,603**	**(9,386)**	**202,324**
EBITDA[2]	**56,205**	**13,750**	**1,570**	**1,146**	**(707)**		**71,964**
Operating income	38,866	6,907	(932)	1,146	(515)		45,472
Financial expenses and income	(5,123)	(7,103)	(1,275)	-	5,607		(7,894)
Tax charge	(11,623)	(1,615)	(203)	-	(44)		(13,485)
Net income for the period	**22,120**	**(1,811)**	**(2,411)**	**2,292**	**5,049**		**24,092**
Other information							
Investments in property, plant and equipment and intangible assets	58,413	2,535	3,184	-	(1,382)		62,750
Charges to depreciation and amortisation	(15,851)	(7,712)	(2,502)	-	(219)		(26,284)

Notes

1. Including Spain and Italy.
2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals.

Reconciliation of operating income and EBITDA

In thousands of euros	**First half 2019**	**First half 2018**
Operating income	48,202	45,472
Amortisation of contracts	3,396	2,995
Depreciation of non-current assets	32,574	23,158
Charges to/reversals of provisions (including employee benefits)	375	315
Other items	(8)	24
EBITDA including the effect of IFRS 16	**84,539**	**71,964**
Impact of the restatement of IFRS 16 on EBITDA (adjustment for lease payments)	(1,541)	-
EBITDA excluding the effect of IFRS 16	**82,998**	**71,964**

Note 5. Income from ordinary activities

Income from ordinary activities can be broken down as follows:

In thousands of euros	**First half 2019**	**First half 2018**
Sales of electricity and steam	238,459	199,072
Services	2,583	3,252
Income from ordinary activities	**241,042**	**202,324**

The change in revenue was due mainly to:

- the impact of the commissioning of power plants described in the section on highlights of the period as well as the commissioning of plants in late 2018;
- the increase in the fixed premiums and the variable remuneration as a result of the indexation provided for by the power purchase agreements of the thermal power plants in the French overseas departments and regions and the additional fixed premiums received in respect of the investments to bring the plants into compliance with the new standards;
- the contractual reduction in the historical fixed premiums in respect of the Bois-Rouge and Le Gol power plants as from 1 January 2019;
- the impacts of the annual technical shutdowns during the first half of 2019.

Note 6. Purchases (including changes in stocks)

Purchases include the cost of raw materials consumed in the production of electricity, notably coal, fuel oil and biomass. The change for the period included the impact of the commissioning of new plants as described above.

Note 7. Staff costs

In thousands of euros	**First half 2019**	**First half 2018**
Wages and salaries	(16,199)	(12,764)
Social security charges	(8,143)	(6,576)
Profit-sharing and incentive schemes	(2,467)	(2,350)
Share-based payments	(1,299)	(418)
Total staff costs	(28,108)	(22,108)
Employee benefits (cost of services rendered net of benefits paid)	(1,019)	(1,373)
Total staff costs including employee benefits	**(29,127)**	**(23,481)**

The increase in staff costs was due mainly to the commissioning of new plants, the effects of changes in the consolidation scope, the recruitment of new employees in line with the setting up of the new facilities for processing liquid and gaseous waste (IED) and the strengthening of the development and construction teams.

Note 8. Other operating expenses

8.1. Logistics costs

The logistics costs incurred during the half year were stable compared to those incurred in the first half of 2018.

8.2. Other operating expenses

Other operating expenses comprise all expenses other than purchases, logistics costs and staff costs. They also include the expenses and income associated with the CO_2 allowances.

The change in other operating expenses related mainly to the maintenance and annual shutdowns carried out in the first half of 2019, notably at Albioma Le Moule, as well as the maintenance costs of the newly-commissioned plants including Galion 2 and the Saint-Pierre combustion turbine.

Note 9. Charges to depreciation, amortisation and provisions

In thousands of euros	**First half 2019**	**First half 2018**
Charges to depreciation and amortisation	(31,477)	(23,350)
Charges to depreciation of right-of-use assets (IFRS 16)	(1,097)	-
Charges to provisions net of reversals	(375)	(1,165)
Charges to depreciation, amortisation and provisions	**(32,949)**	**(24,515)**

The increase in charges to depreciation and amortisation was due to the commissioning of plants during the period and during the second half of 2018 (new plants and IED investments).

Charges to provisions net of reversals for the first half of 2019 included the charges in respect of staff costs totalling €1.0 million as well as reversals of provisions for liabilities and disputes.

Note 10. Other operating income and expenses

The net other income consisted mainly of provision reversals as a result of the liabilities or disputes concerned ceasing to exist.

Note 11. Cost of financial debt

Cost of financial debt comprises the following items:

In thousands of euros	**First half 2019**	**First half 2018**
Financial expenses on financial debt	(11,283)	(9,138)
Financial expenses on leases	(2,226)	(2,226)
Cost of financial debt (excluding IFRS 16)	**(13,509)**	**(11,364)**
Interest expenses related to right-of-use assets (IFRS 16)	(664)	-
Cost of financial debt	**(14,173)**	**(11,364)**

The change in the cost of financial debt includes the effect of the commissioning of plants during the period and during the second half of 2018 and the newly-acquired companies consolidated for the first time in late 2018.

Note 12. Other financial income and expenses

For the period ended 30 June 2019, the main component of other financial income and expenses was investment income.

For the period ended 30 June 2018, the components of other financial income were the impact of the refinancing of the Indian Ocean Solar Power sector's debt, which totalled €3.5 million, as well as income from cash investments and income from deposits.

Other financial expenses comprised the charge relating to the effect of discounting employee benefits in the amount of €0.2 million.

Note 13. Tax

The corporation tax charge breaks down as follows:

In thousands of euros	**First half 2019**	**First half 2018**
Current tax charge	(15,090)	(15,897)
Deferred tax	3,774	2,412
Total corporation tax	**(11,316)**	**(13,485)**

Tax charge analysis

The effective tax rate is calculated as follows:

In thousands of euros	**First half 2019**	**First half 2018**
Operating income	**48,202**	**45,472**
Share of net income of equity-accounted companies	(744)	(1,146)
Cost of financial debt	(14,173)	(11,364)
Other financial income and expenses	(22)	3,469
Income before tax and share in equity-accounted companies (A)	**33,262**	**36,432**
Tax charge (B)	(11,316)	(13,485)
Effective tax rate (B)/(A)	**34.02%**	**37.01%**

A reconciliation between the actual tax charge and the theoretical tax charge, excluding the additional contribution, is shown below:

	First half 2019			**First half 2018**		
	Base (in thousands of euros)	**Rate**	**Tax (in thousands of euros)**	**Base (in thousands of euros)**	**Rate**	**Tax (in thousands of euros)**
Theoretical tax charge	**33,262**	**31.00%**	**(10,311)**	**36,432**	**34.40%**	**(12,543)**
Difference between the theoretical tax rate and the tax rate applicable to the foreign companies (including LODEOM allowance)		0.50%	(174)		1.50%	(531)
Impact of the change in the tax rate on deferred tax					(1.10%)	405
Non-taxable income						
Tax on dividend payments		0.60%	(190)		0.90%	(325)
Non-deductible interest					1.30%	(490)
Unrecognised deferred tax assets		(0.20%)	71		0.20%	(58)
Additional contributions and other permanent differences		2.10%	(708)		(0.20%)	57
Tax charge recognised	**33,262**	**34.02%**	**(11,316)**	**36,432**	**37.01%**	**(13,485)**

The effects of differences in tax rates essentially relate to the gap between the common law tax rate applicable to Albioma and the tax rate applicable in Brazil.

The decrease in the 2019 effective tax rate includes the impact of the reduction in the tax rate provided for by the 2018 Finance Act on the period's deferred tax as well as the change in the rules governing the deductibility of interest charges in France.

The restated tax rate, excluding Brazil, excluding the net income of equity-accounted companies and excluding the impact of the reduction in the tax rate provided for in 2019, came to 31.8% compared with 35.4% for the first half of 2018.

Note 14. Goodwill

In thousands of euros	**Net amount**
At 31/12/2018	**24,226**
Impact of changes in the consolidation scope	(7,274)
At 30/06/2019	**16,952**

The Group did not identify any indications of impairment of goodwill at 30 June 2019 that required the recognition of an impairment provision. The "Impact of changes in the consolidation scope" item includes the impact of the allocation of the goodwill in respect of Eneco France, a company acquired in December 2018. This allocation resulted, in particular, in the recognition of an amount of €12 million in respect of electricity sale contracts.

The time limit for the allocation of the goodwill in respect of Albioma Esplanada Energia and Eneco France will expire during the third quarter of 2019. The allocation will then be considered final.

Note 15. Intangible assets

In thousands of euros	**Electricity and steam supply agreements**	**Other intangible assets**	**Total intangible assets**
At 31/12/2018	**98,834**	**2,349**	**101,183**
Acquisitions	-	194	194
Disposals	-	(16)	(16)
Charges to amortisation	(2,810)	(708)	(3,518)
Impact of changes in the consolidation scope	15,627	(1,122)	14,505
Other movements	(545)	1,545	1,000
Foreign currency translation effect	485	3	488
At 30/06/2019	**111,591**	**2,245**	**113,836**

The change in intangible assets related mainly to the allocation of the goodwill in respect of Eneco France to electricity sale contracts and to the amortisation of the electricity sale contracts.

Note 16. Right-of-use assets (IFRS 16)

In thousands of euros	**Right-of-use assets related to office leases**	**Right-of-use assets related to plants**	**Total right-of-use assets (IFRS 16)**
At 31/12/2018	**-**	**-**	**-**
Impact of transition to IFRS 16	4,544	23,189	27,733
New leases	-	357	357
Charges to depreciation	(241)	(856)	(1,097)
Foreign currency translation effect	-	(6)	(6)
At 30/06/2019	**4,303**	**22,684**	**26,987**

Note 17. Property, plant and equipment

In thousands of euros	Installations in service	Non-current assets in progress	Total
At 31/12/2018	**1,068,031**	**93,856**	**1,161,887**
Acquisitions	68,017	111	68,128
Charges to depreciation	(31,032)	-	(31,032)
Impact of changes in the consolidation scope	(255)	(4,907)	(5,162)
Reclassifications and other movements	(8,952)	8,057	(895)
Foreign currency translation effect	1,082	88	1,170
At 30/06/2019	**1,096,891**	**97,205**	**1,194,096**

The increases in property, plant and equipment during the half year related mainly to expenditure on upgrading the thermal power plants.

Interest charges capitalised during the first half of 2019 in respect of power plants under construction totalled €1,364,000.

The "Foreign currency translation effect" heading includes the impact of the change in the euro/Brazilian real exchange rate on the assets located in Brazil.

Note 18. Investments in associates and joint ventures

The change in investments in associates and joint ventures is as follows:

In thousands of euros	30/06/2019	31/12/2018
Movements during the accounting period		
Amount at the start of the period	23,949	23,379
Dividends paid	(2,529)	(1,939)
Share of net income of associates	744	3,294
Impact of changes in the consolidation scope	848	-
Translation differences on the Mauritian interests	(586)	(786)
Other changes	(2)	1
Amount at the end of the period	**22,424**	**23,949**

Note 19. Financial assets

19.1. Non-current financial assets

The term deposit generates interest that is capitalised.

In thousands of euros	Note	30/06/2019	31/12/2018
Security deposits		3,178	3,099
Non-consolidated investments		267	66
Loans due in more than one year		1,359	1,469
Financial instruments	27	200	267
Total		**5,005**	**4,901**

19.2. Cash and cash equivalents

Gross cash comprised the following:

In thousands of euros	30/06/2019	31/12/2018
Cash equivalents	20,913	18,738
Cash	28,726	76,559
Total	**49,638**	**95,297**

Cash equivalents consist of term deposits and immediately-available money market mutual funds (SICAV), for which changes in fair value are recognised in profit or loss.

Note 20. Trade receivables

At 30 June 2019, trade receivables stood at €91.7 million compared with €74.5 million at 31 December 2018. The main cause of the increase in trade receivables was the impact of the delay in the payment of trade receivables due from EDF as compared with the position in 2018: in 2019 the payments were received at the beginning of July.

Note 21. Stocks

Stocks are analysed as follows:

In thousands of euros	**30/06/2019**	**31/12/2018**
Stocks - gross amount		
Raw materials/fuels	18,293	24,709
Non-strategic spare parts	39,112	37,857
Other stocks in progress	189	189
Total stocks – gross amount	**57,594**	**62,755**
Impairment of stocks		
Raw materials/fuels	(43)	(261)
Non-strategic spare parts	(257)	(257)
Total impairment of stocks	**(300)**	**(518)**
Stocks - net amount		
Raw materials/fuels	18,250	24,448
Non-strategic spare parts	38,855	37,600
Other stocks in progress	189	189
Total stocks – net amount	**57,294**	**62,237**

The change in stocks was the result mainly of the impact of the decrease in fuel prices.

Note 22. Other current assets

Other current assets break down as follows:

In thousands of euros	**30/06/2019**	**31/12/2018**
Tax and social security receivables	29,897	25,107
Current tax receivables	18,101	16,863
Prepayments	4,637	2,032
Other debtors	9,006	7,731
Total	**61,640**	**51,733**

The change in tax and social security receivables, including input VAT, was due in particular to the tax receivables in respect of the capital expenditure incurred.

Note 23. Share capital and potential shares

23.1. Share capital

No options were exercised during the first half of 2019. Albioma holds 442,337 treasury shares in connection with the liquidity contract and share buyback programme.

23.2. Performance share plans and stock options

The expense recognised in the income statement for existing plans at 30 June 2019 was €1,299,000 compared with €418,000 for the first half of 2018.

The Ordinary and Extraordinary General Meeting of shareholders on 30 May 2018 had authorised new allotments of bonus performance shares. This authorisation was implemented by the Board of Directors at its meeting on 7 March 2019.

- Number of shares allotted: 305,420
- The vesting conditions relate to:
  - The increase in EBITDA, for a quarter of the total shares allotted,
  - The increase in earning per share (EPS), for a quarter of the total shares allotted,
  - The outperformance of the stock market price, for a quarter of the total shares allotted,
  - The increase in the proportion of total power output corresponding to renewable energies, for a quarter of the total shares allotted.

  These vesting conditions will be assessed on 31 December 2021.

This plan is also subject to a continued employment condition that applies until the end of the vesting period, followed by a lock-in period.

The main assumptions used to value this 2019 plans are as follows:

In thousands of euros	**30/06/2019**
2019 plan’s estimated fair value (excluding employers' contributions)	2,069
Expected dividend yield	Estimated using a forward-looking approach, based on the distribution policy announced by the Group

23.3. Number of shares

At 30 June 2019, the share capital consisted of 30,930,533 fully paid-up shares with a nominal value of €0.038 per share.

Calculation of the dilution

Shares whose acquisition is conditional have not been included in the calculation of diluted earnings per share for the first half of 2019 or 2018, as the vesting conditions for these shares were not fulfilled at the end of the periods under consideration.

	First half 2019	**First half 2018**
Weighted average number of shares	**30,303,864**	**30,250,167**
Dilution	-	-
Diluted weighted average number of shares	**30,303,864**	**30,250,167**
Net income (in thousands of euros)	18,215	20,645
Net income/weighted average number of shares (in euros)	**0.60**	**0.68**
Net income/diluted weighted average number of shares (in euros)	**0.60**	**0.68**

23.4. Dividends

On 27 May 2019, the Ordinary and Extraordinary General Meeting of Albioma's shareholders decided to set the dividend at €0.65 per share and to offer each shareholder the option of receiving payment of half of the dividend either in cash or in new shares. This option could be exercised between 13 June and 4 July 2019.

The option for payment of the dividend in shares resulted in the subscription of 389,889 new shares issued at the price of €17.91 per share. The new shares were delivered and admitted for trading on the regulated market of the NYSE Euronext in Paris on 10 July 2019. The dividend payment in cash took place on the same date.

Note 24. Financial debt

The following table provides a breakdown of the Group's financial debt at 30 June 2019:

	30/06/2019			
In thousands of euros	**Project debt**	**Corporate debt**	**Bank overdrafts, accrued interest and loan issue costs**	**Total**
Debts with financial institutions	764,246	94,000	(12,484)	845,762
Lease liabilities	12,276	-	-	12,276
Total	**776,522**	**94,000**	**(12,484)**	**858,038**
Non-current financial debt				752,442
Current financial debt				105,596

Project debt in France has a maturity of between 15 and 25 years according to the type of business and the length of the power purchase agreement.

Project debt is non-recourse debt in respect of Albioma, except in the case of Brazil, where Albioma has granted a parent company guarantee, and debt relating to projects in the construction phase.

At 30 June 2019, the portion of debt denominated in BRL stood at €34 million. The other debt was all denominated in euros.

The change in financial debt during the period is broken down below:

In thousands of euros	**Lease liabilities**	**Bank and other borrowings**	**Total**
At 31/12/2018	**83,103**	**762,595**	**845,698**
Debt issues	-	94,286	94,286
Repayments	(487)	(80,021)	(80,508)
Reclassifications	(70,340)	70,339	(1)
Translation differences	-	567	567
Changes in the consolidation scope	-	(2,004)	(2,004)
At 30/06/2019	**12,276**	**845,762**	**858,038**

The main debt issues during the period were as follows:

- Albioma entered into a €60 million bank facility. This revolving financing follows a previous line of €40 million, which was coming to an end. This facility has a maturity of five years, which may be extended to seven years. It had not been drawn down at 30 June 2019;
- Albioma Solaire France contracted a €61 million loan, of which €46 million had been drawn down at 30 June 2019, to finance Eneco France's assets and accelerate development. This non-recourse project loan refinances the existing assets and includes an amount for funding the construction of a portfolio of small- and medium-power photovoltaic power plants. This debt matures in 13 years in the case of existing plants and 20 years in the case of projects in the development phase;
- Albioma Le Moule contracted a €68 million loan, in addition to its existing debt, of which €12 million had been drawn down at 30 June 2019. This loan will be used to finance the provision of new infrastructure and changes to the plant's facilities, to enable the plant to operate exclusively on biomass by the end of 2020. This debt has a maturity of 19 years.

As regards the period ended 30 June 2018, the change in financial debt was due to the following:

In thousands of euros	**Lease liabilities**	**Bank and other borrowings**	**Total**
At 31/12/2017	**88,468**	**618,809**	**707,277**
Debt issues	-	73,500	73,500
Repayments	(2,596)	(20,342)	(22,938)
Remeasurement of liabilities in accordance with IFRS 9	-	(3,511)	(3,511)
Translation differences	-	(2,902)	(2,902)
At 30/06/2018	**85,872**	**665,554**	**751,426**

On 15 May 2018, the Group entered into a €110 million agreement to finance its Solar Power business in the Indian Ocean. This refinancing enabled the Group to optimise the structure of the funding of its existing projects and extend the maturity of its current debt while securing the future financing of projects won or under a purchasing obligation. At 30 June 2018, the amount drawn down was €74 million.

Since this constituted, in part, the refinancing of existing borrowings (€56 million, including the financing of expenses), this transaction was analysed, in accordance with IFRS 9, as a modification of the existing debt rather than as the extinguishment of the existing debt and the subsequent issue of new debt. This treatment generated a €3.5 million profit, which was recognised in the income statement for the first half of 2018. The profit is presented on the "Other financial income" line in the income statement.

Other debt issues for the period ended 30 June 2018 related to:

- the additional drawdown of the Albioma Saint-Pierre debt amounting to €4.4 million;
- the additional drawdown of the Albioma Bois-Rouge debt amounting to €48 million to finance the IED compliance work.

In addition, at 30 June 2018, Albioma had undrawn credit lines amounting to €55 million.

Note 25. Lease liabilities related to right-of-use assets (IFRS 16)

In thousands of euros	**Lease liabilities related to right-of-use assets**
At 31/12/2018	**-**
Impact of transition to IFRS 16	37,117
Debt issues	180
Repayments	(733)
Reclassifications	40
At 30/06/2019	**36,604**
Of which non-current portion	34,780
Of which current portion	1,824

Note 26. Provisions and employee benefits

The change in provisions for liabilities included the reversal of a provision for disputes and industrial risks.

The change in employee benefits break down as follows:

In thousands of euros	**First half 2019**	**First half 2018**
Opening obligation	34,267	33,025
Cost of services rendered	1,019	1,373
Financial cost	257	222
Actuarial gains and losses recognised in reserves	2,790	-
Other changes	2	312
Closing obligation	**38,335**	**34,932**

As a result of the decrease in interest rates, employee benefits were discounted on the basis of a rate of 0.8% at 30 June 2019, compared to a rate of 1.5% at 31 December 2018. This remeasurement generated actuarial gains and losses of €2.8 million, recognised in other comprehensive income (consolidated reserves).

Note 27. Financial derivatives

	Fair values in the statement of financial position							**Recognition of changes in 2019**	
	Maturity	**Notional amount in millions of euros**	**31/12/2018**		**30/06/2019**		**Profit or loss**	**Transitory account in shareholders' equity**
In thousands of euros			**Assets**	**Liabilities**	**Assets**	**Liabilities**		
Hedging of variable-rate debt by interest-rate swaps	2019 to 2040	567	267	(36,392)	161	(55,059)	-	(18,774)
Total cash flow hedging derivatives		**567**	**267**	**(36,392)**	**161**	**(55,059)**	**-**	**(18,774)**

The change in the fair value of financial derivative instruments was due mainly to the fall in interest rates.

Note 28. Trade payables

In thousands of euros	**30/06/2019**	**31/12/2018**
Trade payables	48,113	57,625
Amounts due to suppliers of non-current assets	10,248	8,753
Total	**58,362**	**66,378**

The change in trade payables was due mainly to the settlement of liabilities due to the sugar refineries during the first half of 2019 in connection with the end of the sugar harvest in the Indian Ocean region and the decrease in amounts due to coal suppliers.

Note 29. Other current liabilities

Other current liabilities break down as follows:

In thousands of euros	**30/06/2019**	**31/12/2018**
Deferred income	6,376	7,802
Other creditors	50,283	41,232
Total	**56,659**	**49,034**

The change in "Other creditors" was due mainly to the recognition, at 30 June 2019, of liabilities in respect of dividends paid by Albioma to its shareholders and by consolidated companies to non-Group shareholders.

Note 30. Tax and social security liabilities

These liabilities break down as follows:

In thousands of euros	**30/06/2019**	**31/12/2018**
Current tax liabilities	2,239	10,145
Other tax and social security liabilities	26,046	25,751
Total	**28,285**	**35,896**

Current tax liabilities at 31 December 2018 included the impact of the difference in the Group's net income for the 2018 financial year as compared with that for the 2017 financial year. These tax liabilities were paid during the first half of 2019.

Note 31. Off-balance sheet commitments

31.1. Commitments given

At 30 June 2019, off-balance sheet commitments given amounted to €19 million compared with €38.6 million at 31 December 2018.

This €19.6 million decrease was due mainly to:

- the exclusion of leases due to their recognition under IFRS 16 (decrease of €18.3 million);
- the settlement of order commitments for Bouygues under the terms of an EPC contract (decrease of €1.4 million);
- the issue of various guarantees for €0.1 million, notably in connection with development projects.

31.2. Commitments received

At 30 June 2019, off-balance sheet commitments received amounted to €221.7 million compared with €120.6 million at 31 December 2018.

This €101 million increase was due mainly to the commitment received in respect of the project loan taken out in March 2019 for the energy transition of the Albioma Le Moule plant (increase of €56 million), the establishment of a corporate credit line in June 2019 for Albioma to replace the former credit line (increase of €60 million) and the draw down in respect of the Albioma Le Gol power plant (decrease of €15 million).

Note 32. Risk and capital management

The risks to which the Group is exposed are presented in the notes to the financial statements for the year ended 31 December 2018.

The Group has not identified any other material changes in the risks described in the Registration Document for the year ended 31 December 2018 or in the risk management policies implemented.

Note 33. Related parties

There were no material changes in transactions with related parties in the first half of 2019.

Note 34. Information on equity investments with significant non-Group shareholders

The table below shows the contribution to net income of the entities with significant non-controlling interests. This table includes Albioma Codora Energia and Albioma Le Gol for the periods ended 30 June 2018 and 30 June 2019.

The figures in the table below are the full amounts for each item, before elimination of intra-Group transactions.

In thousands of euros	**First half 2019**	**First half 2018**
Income statement		
Revenue	63,424	62,155
Net income	7,897	9,185
Net income, Group share	5,133	5,970
Net income, attributable to non-controlling interests	2,764	3,215
Total comprehensive income	**6,278**	**5,068**
Group share	7,313	3,294
Attributable to non-controlling interests	2,197	1,774
Dividends paid to non-controlling interests	**(6,733)**	**(5,761)**
Statement of financial position		
Non-current assets	292,002	204,237
Current assets	74,963	4,899
Total assets	**366,966**	**209,136**
Equity, Group share	75,885	68,240
Equity, attributable to non-controlling interests	62,278	51,804
Non-current liabilities	125,261	72,142
Current liabilities	103,542	67,889
Total equity and liabilities	**366,966**	**260,075**
Statement of cash flows		
Cash from operating activities	67	7,773
Cash used by investing activities	(6,283)	(13,689)
Cash used by financing activities	(6,625)	(6,680)

Note 35. Events after the reporting period

No significant events occurred after the end of the reporting period.

3. Statutory Auditors' review report on the half-year financial information

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine
France

Mazars
Tour Exaltis - 61, rue Henri Regnault
92400 Courbevoie

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier)*, we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of Albioma, for the period from 1 January 2019 to 30 June 2019;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information primarily involves discussions with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less extensive than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than that obtained from a full audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw your attention to Note 2.1 to the financial statements "Basis of preparation and accounting policies", which describes the impacts of the first-time application of IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments".

II – Specific verification

We have also verified the information provided in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 24 July 2019.

The Statutory Auditors,

PricewaterhouseCoopers Audit Jérôme Mouazan	**Mazars** Daniel Escudeiro

4. Statement of the person responsible for the half-year financial report

I declare that, to the best of my knowledge, the consolidated financial statements (condensed) for the half year under review have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all its subsidiaries included in the consolidation scope, and that the half-year management report on page 3 presents an accurate view of the major events that occurred in the first six months of the financial year, of their influence on the financial statements, of the major transactions between related parties together with a description of the main risks and uncertainties for the remaining six months of the year.

Paris La Défense, 24 July 2019

Frédéric Moyne,
Chairman and Chief Executive Officer

Notes