



ALBIOMA

Press release

Paris La Défense, 4 March 2021

2020 annual results

Net income, Group share up sharply: +25%; Significant growth in EBITDA: +13%

Securing future growth: 100% biomass conversion and extension of Albioma Bois-Rouge confirmed, 40 MWp won in photovoltaics and first steps in geothermal energy

Structural commitments in favour of the energy transition: an energy mix of over 90% in renewables by 2025 and almost 100% by 2030

Albioma's Board of Directors, chaired by Frédéric Moyne, met on 4 March 2021 and approved the Group's consolidated financial statements for the 2020 financial year.

"In 2020 we generated very strong results, with EBITDA up 13% and net income, Group share posting a sharp rise of 25%. These results are thanks to the hard work of Albioma's teams who I would like to thank and congratulate for their commitment throughout the health crisis.

During the year, and despite the difficult context, we also finalised the biomass conversion project of our ALM3 plant in Guadeloupe and commissioned our fourth bagasse plant in Brazil according to schedule.

Lastly, we signed various projects in line with our strategy which will contribute significantly to growth over the coming years: conversion and extension of the contract for the Bois-Rouge power plant (completely discontinuing coal) in Reunion Island, winning 40 MWp in solar power and first steps in geothermal energy.

All of these measures make us confident in our ability to meet the new objectives that the Group has set for 2025 and 2030: respectively over 90% and nearly 100% renewable energy in our energy mix," commented Frédéric Moyne, Chairman and Chief Executive Officer of Albioma.

Consolidated key figures for 2020

<i>In millions of euros (audited figures)</i>	2020	2019 (reported)	Change %
Revenue	506.7	505.7	+0%
EBITDA	206.4	182.9	+13%
Net income	64.4	54.2	+19%
Net income (Group share)	55.3	44.1	+25%



Revenue amounted to €506.7 million, stable compared with the previous year. Stripping out the impact of changes in fuel prices (-€13 million) and the currency effect related to the decline of the Brazilian real (-€7.1 million), it was up by 4%.

EBITDA for the year rose by 13% to €206.4 million thanks to:

- the good operational performance of the power plants in all regions despite the COVID-19 pandemic,
- the full-year effect of the latest riders in relation to the investments to bring the thermal power plants into compliance with the IED Directive,
- the biomass conversion of unit 3 of Albioma Le Moule (ALM 3), since last November,
- the increase in the average sales price in Brazil due to new contracts coming into force.

Net income, Group share was up 25% to €55.3 million.

Highlights

Operations:

- COVID-19: good management of the health crisis; normal functioning of the thermal and solar plants thanks to the mobilisation of the teams

Development:

- Conversion of French Overseas plants to 100% biomass:
 - Restart of unit 3 of Albioma Le Moule (ALM3) in Guadeloupe, after conversion works
 - Signing of a contract for Albioma Bois-Rouge (ABR) on Reunion Island for the conversion and the extension of the electricity sales agreement until 2043: complete discontinuation of coal in the plant
- Obtaining 40 MWp of solar power projects during the last calls for tenders from the French Energy Regulator (*Commission de Régulation de l'Énergie* - CRE)
- In Brazil, commissioning of the Group's fourth power plant, Vale Do Paraná (48 MW)
- First steps in geothermal energy: acquisition of a plant in Turkey, Gümüşköy (13 MW)

Financing & stock market:

- Issue of the first "Sustainability-Linked Euro PP"
- Listing: inclusion in the SBF 120 and CAC Mid 60 indices



France

Thermal biomass

Very good availability of the thermal power plants

Despite the COVID-19 context, and excluding the shutdown of ALM3 due to conversion work, the availability of the thermal power plants in France reached 91.7% in 2020 (compared with 88.2% in 2019).

Total electricity production from the thermal plants in Overseas France was down slightly to 1,940 GWh compared with 2,061 GWh in 2019: excluding ALM3, production was stable compared with 2019.

EBITDA for the business totalled €162.3 million, up 18% compared with 2019 (€137.4 million), thanks to the full-year effect of the latest riders in relation to investments to bring the thermal plants in Overseas France up to IED standards and the good availability of the plants.

Construction and development of projects

100% biomass for unit 3 of Albioma Le Moule (ALM3) in Guadeloupe

Unit 3 of the Le Moule plant in Guadeloupe restarted on 23 November after work was carried out to convert the plant to 100% biomass. The project took longer than initially planned due to the health crisis. This conversion will allow emissions to be reduced by more than 265,000 tonnes of CO₂ equivalent (a net reduction of around 87% compared with coal), and will thereby increase the renewable portion of Guadeloupe's energy mix from 20% to 35%. Since its commissioning, 13 GWh was produced at the end of the year, exclusively from biomass.

Green light for the 100% biomass conversion of the Albioma Bois-Rouge power plant

On 3 December 2020, the CRE approved the compensation from the signing of a rider to the power purchase agreement signed by EDF for the biomass conversion of the Bois-Rouge plant on Reunion Island. Conversion work will begin in 2021 so that the plant can operate exclusively on biomass before the second half of 2023. Priority will be given to locally-available biomass resources (bagasse, forest wood, logging waste, etc.) alongside imported traceable (in accordance with the EU timber regulation) and sustainable (FSC and PEFC certification required from our suppliers) biomass, in the form of wood pellets. Eventually, the conversion will increase the renewable portion of Reunion Island's energy mix from 35% to 51% and will reduce greenhouse gas emissions by some 640,000 of CO₂ equivalent per year, that is an 84% decrease of direct emissions compared with the current operation of the plant.

The CRE's assessment also provides for an investment budget necessary to extend by 15 years the operation of the Group's two oldest units (ABR1); the power purchase agreement was therefore extended from 2027 to 2043 for ABR1.



Solar power

Slight increase in production and commissioning of new plants

Electricity production from the solar business amounted to 125 GWh, compared with 121 GWh in 2019, up 3%. This mainly stems from the commissioning of new plants (in Reunion Island and Mayotte) which offset the lower level of sunshine, particularly in French Guiana and southern Europe.

EBITDA for the business totalled €34.8 million in 2020 compared with €36.3 million in 2019.

Project development

40 MWp of Solar power projects secured in 2020

The Group continued to develop its solar power business, winning 40 MWp of projects across all regions. In particular, it won an aggregate capacity of 24.6 MWp in the governmental call for tenders in areas not connected to mains electricity. This capacity is distributed across 44 projects (25 with storage and 19 without storage) located in Reunion Island, Mayotte, French Guiana, Martinique and Guadeloupe. Construction of these projects is scheduled to start in 2021. In mainland France, the Group also won aggregate capacity of 12.2 MWp during recent calls for tenders, distributed across 25 projects (in the Auvergne-Rhône-Alpes, Provence-Alpes-Côte-d'Azur and Occitanie regions). Construction of these projects began in 2020 with commissioning scheduled for 2021 and 2022.

2021 Finance Act: changes in the regulatory environment

Article 54 *sexies* of the 2021 Finance Act voted on 16 December 2020 provides for the possibility of revising tariffs downwards for solar power purchase agreements signed between 2006 and 2010. The implementing regulations specifying the level of the reduction and the terms are not available to date. For the Group, the facilities concerned represent 57 MWp and approximately 6% of revenues. As an indication, a 10% reduction in tariffs would lead to a loss in EBITDA of some €2 to €3 million in a full year. Impairment of the assets concerned could also prove necessary.

Brazil

Thermal biomass

Good operational performances from the plants

Production in Brazil was down to 373 GWh after reaching 391 GWh in 2019.

EBITDA reached €12 million in 2020 compared with €10.7 million in 2019, thanks to a positive price effect and non-recurring financial income of €2.4 million due to the approval of the judicial recovery plan of our sugar partner adjacent to our Rio Pardo plant, and despite a sharp decline in the real.

Project development

Commissioning of the Group's fourth 100% bagasse power plant

On 25 December 2020, the 100% bagasse Vale do Paraná plant was commissioned. The biomass-fuelled cogeneration unit, located in the town of Suzanápolis in São Paulo state, is the Group's fourth plant located in Brazil. The new plant is covered by a long-term, inflation-indexed sales agreement that secures electricity sales of 120 GWh until 2046. This is the first Brazilian project for which the Group handled the construction and network



connection works as well as the subsequent operation joint venture between Albioma and the Vale do Paraná sugar mill. With an installed capacity of 48 MW, the new plant will be able to export up to 30 MW of renewable electricity to the grid.

Turkey

Geothermal energy

Project development

Acquisition of the Gümüşköy power plant (gross capacity of 13 MW)

The Group announced in January that it has completed the acquisition of a majority stake (75%) in the geothermal energy producer Gümüşköy (in the Izmir region); the remaining 25% has been acquired by Egesim, an industrial services provider well regarded within the industry in Turkey. The acquisition gives Albioma a bridgehead in a new business characterised by significant technical added value, offering a strong fit with the Group's well-established biomass and solar power businesses. Geothermal power plants extract heat from below the earth's surface and convert it to electricity. This locally-produced, economically competitive energy source is available on a 24/7 basis. Like biomass, geothermal energy production is controllable, which enhances the dependability of electrical networks and facilitates the development of other, intermittent energy sources such as solar power.

Commissioned in 2013, the Gümüşköy power plant uses heat from four production shafts to generate electricity under the terms of an operating licence valid until 2040 (with scope to extend for an additional 10-year period). The plant currently exports up to 45 GWh of renewable electricity to the grid annually, with a dollarised feed-in tariff of approximately USD 105/MWh, valid until the end of 2023. With the support of the existing teams which were taken over by Albioma, work will be carried out on the site to increase production.

With an installed capacity of more than 1,600 MW, Turkey ranks fourth in the world for installed geothermal capacity, with considerable potential for future development.

Joining the SBF 120 index

Following the quarterly review of the Euronext Paris indices, the scientific advisory board of the indices decided to include Albioma in the SBF 120 and CAC Mid 60 indices from 19 June 2020.

Inclusion in this benchmark index, which covers the 120 largest stocks on the Paris stock exchange in terms of market capitalisation and liquidity, represents a new milestone for Albioma, which can benefit from the positive effects of increased visibility amongst the financial community.

Issue of the first "Sustainability-Linked Euro PP" for a total of €100 million for seven and eight years

On 7 December 2020, Albioma successfully issued its first Sustainability-Linked Euro PP, for the significant sum of €100 million. This private placement comprises two tranches at 7 and 8 years respectively, subscribed by leading institutional investors. The funds raised were used to refinance the existing Euro PP and will subsequently be used for the Group's general financing needs over the medium term, to support Albioma in carrying out its investment programme. This financing, exceeding the previous Euro PP, which was set up



by the Group in 2014, by €20 million and which matured on 8 December 2020, reflects the company's growth dynamic and the strength of its fundamentals.

By setting up this funding, Albioma is strengthening its commitment to the energy transition, which is one of the key pillars of its development strategy. In its financing, Albioma is committed to meeting the following targets in terms of its energy mix (for the fully consolidated companies) thanks to the conversion of all of the Group's historic power plants in France's Overseas departments to 100% biomass (complete discontinuation of coal), in a movement that began in 2018, and the development of new renewable energy projects, particularly in solar and geothermal energy:

- more than 80% renewable energy by 2023, in line with its previous announcements;
- more than 90% renewable energy by 2025.

The Group's ambition is to achieve a 95% to 100% share of renewable energy in its mix by 2030.

Depending on whether the defined targets are met, a margin adjustment mechanism (bonus/malus) that may reach up to 25 basis points will produce a variation in the interest rate applying to the bonds.

A strong balance sheet to finance growth

Consolidated gross financial debt excluding IFRS 16 was down in line with the repayment of loans relating to commissioned projects (IED and new photovoltaic power plants). It amounted to €901 million at the end of 2020, as compared with €938 million at the end of 2019. Project debt came to €789 million (compared with €834 million at the end of 2019). The net debt / EBITDA ratio over 12 rolling months improved by 3.8 times at 31 December 2020 (compared with 4.3 times at 31 December 2019).

The Group's cash and cash equivalents, including security deposits, amounted to €129 million at 31 December 2020, compared with €165 million at 31 December 2019. Consolidated net financial debt was €772 million (compared with €773 million at the end of 2019).

Despite the economic downturn, the Group did not need to apply for any state aid implemented to support companies in difficulty, nor did it draw on its short-term credit lines. The Group still has sufficient resources to pursue its development.

Dividends

The Board of Directors will submit to the Shareholders' Meeting a proposal to distribute a dividend of €0.80 per share, up 14% compared with 2019, with an option for 50% to be paid in new shares. This proposal is part of a dividend growth policy with a target payout of around 50% of net income, Group share excluding exceptional items.

2021 objectives

For 2021, the Group announces targets for EBITDA of €206 to €216 million and net income, Group share of €53 to €59 million (including the acquisition of the Gümüşköy geothermal power plant in Turkey and excluding any possible effects related to the 2021 Finance Act).

Outlook

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



Next on the agenda: revenue for the first quarter of 2021 on 21 April 2021 (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 25 years it has been developing a unique partnership with the sugar industry, producing renewable energy from bagasse, a fibrous residue of sugar cane.

Albioma is also the leading producer of photovoltaic energy in Overseas France, where the Group builds and operates innovative facilities with integrated storage, and in Metropolitan France.

The Group recently announced the acquisition of a geothermal power plant in Turkey.

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

The Group is listed in the Gaia Index of responsible midcap companies.

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Appendices

Simplified consolidated income statement

<i>In millions of euros</i>	2019		Change %
	2020	Reported	
Revenue	506.7	505.7	+0%
EBITDA	206.4	182.9	+13%
Depreciation, amortisation, provisions and other	(84.0)	(74.9)	-12%
Operating income	122.5	108.0	+13%
Net financial income	(32.1)	(30.2)	-6%
Tax	(26.1)	(23.7)	-10%
<i>Effective tax rate¹</i>	29.3%	31.4%	
Consolidated net income	64.4	54.2	+19%
Net income, Group share	55.3	44.1	+25%
Consolidated earnings per share (in euros)	1.78	1.44	

1. The standard tax rate is 28.3% (effective tax rate restated for the impact of non-deductible impairment losses and excluding Brazil). At 31 December 2019, the rate was 31.6%



Simplified consolidated balance sheet

<i>In millions of euros</i>	31 December 2020	31 December 2019
Assets		
Goodwill	17	17
Intangible assets and property, plant and equipment ¹	1,405	1,380
Other non-current assets ²	30	37
Total non-current assets	1,453	1,434
Current assets	172	164
Cash and cash equivalents	126	161
Total assets	1,751	1,759
Equity and liabilities		
Shareholders' equity, Group share	443	425
Non-controlling interests	90	95
Total equity	532	521
Current and non-current financial liabilities	902	938
Lease liabilities related to right-of-use assets (IFRS 16)	38	36
Other non-current liabilities	133	121
Current liabilities	145	143
Total equity and liabilities	1,751	1,759

1. Including €28.5 million in right-of-use assets (IFRS 16)

2. Including deferred tax related to right-of-use assets (IFRS 16)



Simplified statement of consolidated cash flows

<i>In millions of euros</i>	2020	2019
Cash flow from operations	209.1	186.5
Change in the working capital requirement	(11.9)	23.2
Tax paid	(23.5)	(36.9)
Net cash flow from operating activities	173.6	172.8
Operating capex	(20.8)	(17.4)
Free cash-flow from operating activities	152.8	155.5
Development capex	(107.7)	(131.7)
Other/Acquisitions/Disposals	(1.1)	0.2
Cash flow from investing activities	(108.8)	(131.5)
Dividends paid to Albioma shareholders	(14.0)	(13.0)
Borrowings (increases)	149.3	226.3
Borrowings (repayments)	(171.3)	(130.1)
Cost of financial debt	(31.8)	(30.7)
Other	(8.5)	(9.2)
Net cash flow from financing activities	(76.3)	43.3
Currency effect on cash	(3.7)	(1.4)
Net change in cash and cash equivalents	(35.9)	65.8
Opening cash and cash equivalents	161.1	95.3
Closing cash and cash equivalents	125.2	161.1