

*This document is an unofficial English-language translation of the Offer Document (note d'information) which was filed with the French Autorité des marchés financiers on June 21, 2022. In the event of any differences between this unofficial English-language translation and the official French offer document, the official French offer document shall prevail.*

## TENDER OFFER

### FOR THE SHARES AND WARRANTS OF THE COMPANY



INITIATED BY

KYOTO BIDCO SAS

PRESENTED BY



FINANCIAL ADVISOR

### OFFER DOCUMENT PREPARED BY KYOTO BIDCO SAS

#### PRICE OF THE OFFER:

€50 per Albioma share (2021 dividend coupon detached)

€29,10 per Albioma redeemable share subscription and/or acquisition warrants

#### DURATION OF THE OFFER:

25 trading days

The timetable of the tender offer will be set out by the *Autorité des marchés financiers* (the “**AMF**”) in accordance with provisions of its General Regulation.



Pursuant to Article L. 621-8 of the French Monetary and Financial Code and Article 231-23 of the AMF's General Regulation, the AMF has, in accordance with the clearance decision of the public tender offer dated June 21, 2022, affixed visa no. 22-230 on this offer document (the “**Offer Document**”). This Offer Document has been prepared by Kyoto BidCo and is the responsibility of its signatories. The visa, in accordance with the provisions of article L. 621-8-1, I of the French Monetary and Financial Code, has been granted after the AMF has verified “*whether the document is complete and comprehensible, and whether the information it contains is consistent*”. It does not imply either approval of the appropriateness of the transaction or authentication of the accounting and financial information presented.

## **IMPORTANT NOTICE**

In accordance with Articles L. 433-4 II of the French Monetary and Financial Code and 237-1 and seq. of the AMF's General Regulation, Kyoto BidCo intends to file a request with the AMF to carry out, within ten (10) trading days from the publication of the notice of result of the Offer, or, as the case may be, in the event of a reopening of the Offer, within three (3) months from the closing of the Reopened Offer (as defined below), a squeeze-out procedure for Albioma Shares for a unitary indemnity equal to the price of the Offer, if the number of Albioma Shares not tendered in the Offer by the minority shareholders of Albioma (other than the treasury Shares and the Unavailable Performance Shares that would be subject to the liquidity mechanism) does not represent, at the end of the Offer, more than 10% of the capital and voting rights of Albioma.

Kyoto BidCo also intends to file a request with the AMF to carry out, within ten (10) trading days from the publication of the notice of result of the Offer, or, as the case may be, in the event of a reopening of the Offer, within three (3) months from the closing of the reopened Offer, a squeeze-out procedure for the Albioma Warrants for a unitary indemnity equal to the price of the Offer, if the number of the Albioma Shares likely to be created through exercise of the Albioma Warrants not presented to the Offer, once added to the existing Shares of Albioma not tendered in the Offer by the minority shareholders of Albioma (other than the treasury Shares and the Unavailable Performance Shares that would be subject to the liquidity mechanism) does not represent more than 10% of the sum of the capital Securities existing and likely to be created of Albioma.

The Offer is not being and will not be launched in any jurisdiction where it would not be permitted under applicable law. The acceptance of the Offer by persons residing in countries other than France and the United States of America may be subject to specific obligations or restrictions imposed by legal or regulatory provisions. Recipients of the Offer are solely responsible for complying with such laws and, therefore, before accepting the Offer, they are responsible for determining whether such laws exist and are applicable, by relying on their own consultants.

In the U.S., to the extent applicable, the Offer will be made in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), laws and regulations promulgated thereunder, including Regulation 14(e) after applying the exemptions provided by Rule 14d-1(d) under the Exchange Act (“Tier II” exemption in respect of Securities of foreign private issuers). For further information see the “Offer restrictions abroad” below.

The Offer Document is available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and Albioma ([www.albioma.com/](http://www.albioma.com/)) and may be obtained free of charge from:

**KYOTO BIDCO SAS**

27 avenue de l'Opéra  
75001 Paris

**Société Générale**

GLBA/IBD/ECM/SEG  
75886 Paris Cedex 18

Pursuant to Article 231-28 of the AMF's General Regulation, a description of the legal, financial and accounting characteristics of Kyoto BidCo will be made available to the public no later than the day before the opening of the Offer. A press release will be published to inform the public of the manner in which this information will be made available.

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## 1. OVERVIEW OF THE OFFER

In accordance with Title III of Book II and more specifically Articles 232-1 and seq. of the General Regulation of the AMF (“**AMF’s General Regulation**”), Kyoto BidCo, a simplified joint stock company (*société par actions simplifiée*) having its registered office at 27 avenue de l’Opéra, 75001 Paris, registered with the Paris Trade and Companies Register under number 911 295 533 (hereafter, “**Kyoto BidCo**” or the “**Offeror**”), makes an irrevocable offer to the shareholders and holders of redeemable share subscription and/or acquisition warrants (*bons de souscription et/ou d’acquisition d’actions remboursables*) (the “**Warrants**”) of Albioma, a French public limited company (*société anonyme*) with a board of directors, having its registered office at 77 Esplanade du Général de Gaulle – Tour Opus 12 - 92081 Paris la Défense, registered with the Nanterre Trade and Companies Register under number 775 667 538 (the “**Company**” or “**Albioma**” and together with its direct or indirect subsidiaries, the “**Group**”), and whose shares are listed on compartment A of the Euronext Paris regulated market under ISIN code FR0000060402, mnemonic “ABIO” (the “**Shares**”, together with the Warrants, the “**Securities**”) and whose Warrants are listed Euronext Growth Paris under ISIN code FR0013368438, mnemonic “ABIBS”, to acquire, in cash (i) all of their Shares (subject to the exceptions below) at a price of €50 per Share (dividend coupon detached<sup>1</sup>) (the “**Share Offer Price**”), and (ii) all of their Warrants at a price of €29,10 per Warrant (the “**Warrant Offer Price**” together with the Share Offer Price, the “**Offer Price**”) through a public tender offer, the terms of which are described below (the “**Offer**”).

As of the date of this Offer Document, Kyoto BidCo does not hold any Shares or Warrants.

The Offer targets:

- all the Shares, which are:
  - i. already issued, other than the Excluded Shares (as defined below), i.e. as of June 10, 2022, and to the knowledge of the Offeror, a number of 30,905,873 Shares<sup>2</sup>;
  - ii. may be issued before the closing of the Offer or the Reopened Offer as a result of the exercise of the Warrants, i.e., as of June 10, 2022, and to the knowledge of the Offeror, a maximum of 551,478 new Shares;
- all of the Warrants issued by the Company, i.e. as at the date of June 10, 2022 and to the knowledge of the Offeror, a maximum total number of 551,478 Warrants.

It is specified that the Offer does not target:

- the Shares that Bpifrance has undertaken to contribute to the Offeror in the context of the Investment Agreement and subject to the BPI Lock-up Undertaking as described in section 1.3 of the Offer Document, i.e., 1,164,791 Shares,
- the Shares held in treasury by the Company, i.e., to the knowledge of the Offeror and as of June 10, 2022, 144,853 Shares,
- the Unavailable Performance Shares (as defined below), i.e. to the knowledge of the Offeror and as of the date hereof, a maximum of 948,145 Performance Shares (of which 204,709 have already been issued, i.e.

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<sup>1</sup> The Company’s Annual General Meeting held on May 25, 2022 approved the allocation of a dividend of 0.84 euro per share for fiscal year 2021 (0.924 euro for shares eligible for the bonus dividend), paid entirely in cash. The dividend was detached from the shares on June 9, 2022 and paid on June 13, 2022.

<sup>2</sup> On the basis of a capital composed of 32,420,226 shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

204,473 Performance Shares subject to a Retention Period and 236 Performance Shares subject to an Additional Retention Obligation, these Shares are legally and technically unavailable and will not be able to be tendered in the Offer). The situation of the beneficiaries of Performance Shares in the context of the Offer is described in section 2.4 of the Offer Document

(together the “**Excluded Shares**”).

As of the date of the Offer Document, to the knowledge of the Offeror, there are no other equity Securities or other financial instruments issued by the Company or rights granted by the Company that may give access, immediately or in the future, to the Company’s share capital or voting rights.

The Offer will be carried out in accordance with the normal procedure, in accordance with the provisions of Articles 232-1 *et seq.* of the AMF’s General Regulation and will be open for a period of 25 trading days.

The Offer is subject to the Acceptance Threshold and the Waiver Threshold described in sections 2.6.1 and 2.6.2 of the Offer Document as well as, in accordance with Article 231-11 of the AMF’s General Regulation the obtaining of the merger control approval from the European Commission identified in section 2.6.3 of the Offer Document.

The Offer will be, if the required conditions are met, followed by a squeeze-out procedure pursuant to Articles L. 433-4, II of the French Monetary and Financial Code and 237-1 and *seq.* of the AMF’s General Regulation.

The Offer is presented by Société Générale (the “**Presenting Bank**” or “**Société Générale**”) who guarantees the content and the irrevocable nature of the commitments made by the Offeror in connection with the Offer, in accordance with the provisions of Article 231-13 of the AMF’s General Regulation.

## **1.1. Background of the Offer**

### **1.1.1. Background and reasons for the Offer**

Albioma is an independent renewable energy producer and a significant contributor to the energy transition in its main markets, thanks to its investments in biomass, photovoltaics and geothermal. With 14 power plants in French overseas departments, Mauritius and Brazil, the Group has developed a unique partnership with the sugar industry to produce renewable power from bagasse, a fibrous residue from sugar cane. Consistent with its geographical and technological diversification strategy, the Group has recently entered the geothermal energy business with the acquisition of two power plants in Turkey, further increasing the proportion on renewable energy in its production.

The Offeror, which is indirectly controlled by investment funds and separately managed accounts advised and/or managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates (together, “**KKR**”), approached the Company at the end of December 2021 and, after a period of discussion, due diligence and negotiations, made an offer to the Company pursuant to which the Offeror has undertaken to file a public tender offer for the Shares and Warrants at the Offer Price.

KKR fully supports the Group’s ambition to invest heavily in the energy transition in the French overseas departments by 2025 with a program that seeks to maximize its positive local impact.

In addition, the Offeror will make available its operational expertise and financial resources to accelerate the Group’s international expansion. The Offeror will work closely with the existing teams to support the Company with the implementation and acceleration of its strategy, while preserving the Group’s integrity and maintaining the same levels of service and performance.

The Board of Directors of the Company, which met on April 27, 2022, welcomed unanimously the proposed transaction and authorized the conclusion of a tender offer agreement between the Company and the Offeror (the “**Tender Offer Agreement**”).

The Board of Directors of the Company has set up an *ad hoc* committee, composed of a majority of independent directors, in charge of supervising the work of the independent expert and issuing recommendations to the Board of Directors of the Company regarding the Offer. Besides, upon recommendation of the *ad hoc* committee, the Board of Directors of the Company has appointed the firm Ledouble as independent expert with the task of preparing a report on the financial terms of the Offer in accordance with the provisions of Article 261-1, I 2°, 4° and 5° of the AMF’s General Regulation.

On May 30, 2022, the Board of Directors of the Company considered, after having taken into account the recommendations of the *ad hoc* committee, the conclusions of the independent expert, the report of the Group Committee’s accountant and the opinion of the Group Committee (*Comité de Groupe*) of the Company that the Offer is consistent with maintaining the integrity of the Albioma Group, its sustainability, its managerial continuity and the preservation of the interests its employees, and has decided, unanimously, to issue a favorable opinion on the Offer and to recommend to the shareholders of the Company to tender their Securities to the Offer.

Bpifrance, a Company shareholder since 2016, which holds 5.01% of the Company’s share capital as at the date of this Offer Document<sup>3</sup>, intends to continue to support the Company by investing alongside Kyoto LuxCo 1, a company indirectly controlled by investment funds and separately managed accounts advised and/or managed by Kohlberg Kravis Roberts & Co. L.P. and its affiliates (“**Kyoto LuxCo 1**”), which indirectly owns the entire share capital of the Offeror, subject to the completion of the Offer. The investment by Bpifrance is to be made via the contribution of part of its Shares to the Offeror (or to any French entity, indirectly controlling the Offeror) at the Offer Price. The main terms of the Investment Agreement (as defined below) entered into with Bpifrance are described in section 1.3.2 of the Offer Document.

The Chief Executive Officer and the Deputy Chief Executive Officer of the Company have also undertaken to contribute in kind at the Offer Price a number of Securities, corresponding to an investment amount of 2.5 million to the Holding (as defined below), indirectly holding the entire share capital of the Offeror, in exchange for securities of the Holding under the Managers’ investment plan (as defined below) described in section 1.3.3 of the Offer Document.

On April 27, 2022, the Company and the Offeror entered into the Tender Offer Agreement under which the Offeror undertook to file the Offer submitted to the Company, and the Company undertook to cooperate with the Offeror in the context of the Offer. The main terms of the Tender Offer Agreement are described in section 1.3.1 of the Offer Document.

The table below summarizes the number of Shares contributed to the Offer or to the Offeror or any other entity controlling the Offeror by Bpifrance<sup>4</sup>:

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<sup>3</sup> On the basis of a capital composed of 32,420,226 shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

<sup>4</sup> On the basis of a capital composed of 32,420,226 shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF’s General Regulation.

Shareholders	Number of Shares and theoretical voting rights contributed to the Offer	Percentage of share capital and theoretical voting rights contributed to the Offer	Number of Shares and theoretical voting rights contributed to the Offeror	Percentage of share capital and theoretical voting rights contributed to the Offeror	Total	Total in %
Bpifrance	460,000	1.42%	1,164,791	3.59%	1,624,791	5.01%

On May 30, 2022, the Offeror also entered into an undertaking to tender to the Offer with Compagnie Financière Européenne de Prises de Participation (COFEPP) for approximately 6.04% of the Company's share capital and voting rights<sup>5</sup>. The main terms of this undertaking to tender are described in section 1.3.4 of the Offer Document.

In the event of success of the Offer, the Offeror will take control of the Company. In addition, in the event of success of the Offer and upon completion of the contributions and the related transactions described in section 1.3 of this Offer Document, the Offeror would remain indirectly controlled by investment funds and separately managed accounts advised and/or managed by KKR. Bpifrance and the Managers (as defined below) will become indirect minority shareholders of the Offeror.

#### 1.1.2 Structure and breakdown of the Company's capital and voting rights as at June 10, 2022

To the knowledge of the Offeror, as at June 10, 2022, the share capital of the Company amounted to €1,248,178.70, divided into 32,420,226 ordinary Shares, all of the same class and with a par value of €0.0385. To the knowledge of the Offeror, the Shares are divided as follows<sup>6</sup> :

Shareholders	Number of Shares and theoretical voting rights	Percentage of share capital and voting rights
Brown Capital Management	2,232,815	6.89%
Compagnie Financière Européenne de Prises de Participation (COFEPP)	1,956,831	6.04%
Impala	1,941,154	5.99%
Bpifrance	1,624,791	5.01%
Caisse des dépôts et des consignations (and affiliates)	1,435,685	4.43%
Norges Bank Investment Management	1,299,531	4.01%
Société Générale	979,031	3.02%

<sup>5</sup> On the basis of a capital composed of 32,420,226 shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

<sup>6</sup> Only shareholders holding more than 3% of the share capital are indicated in this table.



Employees	946,269	2.92%
Treasury shares	144,853	0.45%
Directors (except Bpifrance's representative) and executives	122,004	0.38%
Public	19,737,262	60.88%
<b>Total</b>	<b>32,420,226</b>	<b>100.00%</b>

As of the date of this Offer Document, the Offeror does not hold any Shares.

### **1.1.3. Securities giving access to the share capital of Albioma**

As of June 10, 2022, and to the knowledge of the Offeror, 551,478 Warrants have been issued by the Company and are exercisable, it being specified that one Warrant gives the right to subscribe to one Share of the Company, for a price of €20.90.

The Offeror does not hold any Warrants.

### **1.1.4. Acquisition of Shares by the Offeror during the last 12 months**

The Offeror did not purchase any Albioma Shares or Warrants during the twelve (12) months preceding the filing of the draft Offer.

## **1.2. Intentions of the Offeror for the next twelve months**

### **1.2.1. Industrial, commercial and financial strategy**

The Offeror intends to maintain the Group's integrity, and, with the support of the current management team, to continue the main strategic orientations implemented by the Company and does not intend to modify, in case of success of the Offer, the operational model of the Company, outside the normal evolution of the business.

In particular, the Offeror intends to support the improvement of the environmental, social and governance profile of the Company, the current conversion of assets into biomass and the maximization of the local sources of biomass in the Company's power generation mix in order to stimulate local economy and reduce CO2 footprint.

The Offeror is also willing to maintain all investments planned by the Company to convert existing plants to biomass with the objective to achieve the Company's transition towards a 100% renewable energy by 2030 and support the plan of the Company to invest c.€1bn between 2022 and 2026 in particular to support overseas territories.

### **1.2.2. Intentions regarding employment**

The Offeror fully supports the Company's strategy and current operations and intends to maintain and keep the Company's workforce to implement this strategy. For the sake of clarity, no costs or employment synergies are contemplated by the Offeror.

The Offer is in line with the Company's business continuity and its success would not have any particular impact on the Company's employees and human resources management policy, nor on the working conditions of employees or their collective or individual status.

The Offeror in particular intends to rely, preserve and develop the talent and know-how of the Company's local workforce in French overseas territories in order to continue the development and growth of the Company.

The Offeror intends to propose to the Group Companies' employees to make investments, consistent with the Company's past practices to acquire shares of the Company or Offeror or an entity controlling the Offeror through dedicated investment vehicles (*FCPE*).

### **1.2.3. Intentions regarding a potential merger or legal reorganization**

The Offeror does not intend to merge with the Company.

### **1.2.4. Composition of the Company's corporate bodies and management**

The Offeror's objective is to take control of the Company. Thus, if the Offer is successful, the Offeror will have reached the Acceptance Threshold and the Waiver Threshold described in sections 2.6.1 and 2.6.2 of the Offer Document and will therefore hold at least a number of Shares representing at least 50,01% of the capital and voting rights of the Company.

Consequently, subject to the success of the Offer, the Offeror will modify the composition of the corporate bodies of the Company to reflect its new shareholding structure, so that at least the majority of the members of the Board of Directors of the Company shall be appointed upon the proposal of the Offeror.

The Company's governance will remain consistent with the governance rules of the AFEP-MEDEF governance code as long as the Company remains listed on Euronext. In particular, upon closing of the Offer, the Board of Directors of the Company will be composed of at least one third of independent directors (with a minimum of two independent members) appointed amongst the independent directors in office prior to the Offer, in accordance with recommendations of the AFEP-MEDEF governance code.

### **1.2.5. Synergies – Economic gains**

The Offeror is a holding company incorporated on March 11, 2022, whose corporate purpose is to acquire and hold stakes in the share capital and voting rights of French and foreign companies.

Consequently, the Offeror, which does not have any stake in other companies, does not anticipate the realization of cost or revenue synergies with the Company following the completion of the Offer.

### **1.2.6. Interest of the Offer for the Offeror, the Company and the Securities holders**

The Offeror is offering the Company's Shares and Warrants holders who tender their Shares and Warrants in the Offer the opportunity to obtain immediate liquidity at:

- a price per Share representing a premium of 51.6% over the closing price of the Share on 7 March 2022 (last trading day before market rumors on a potential public tender offer), of 43.4% over the volume-weighted average price over the last month preceding this date, 46.6% over the volume-weighted average price over the last 3 months preceding this date and 47.9% over the volume-weighted average price over the last 6 months preceding this date;
- a price per Warrant representing a premium of 142.5% over the closing price of the Warrant on 7 March 2022 (last trading day before market rumors on a potential public tender offer), of 123.3% over the volume-weighted average price over the last month preceding this date, 127.1% over the volume-weighted average

price over the last 3 months preceding this date and 133.7% over the volume-weighted average price over the 6 months preceding this date.

The elements of assessment of the Offer Price including the levels of premiums offered are presented in section 3 of the Offer Document.

#### **1.2.7. Intentions regarding the squeeze-out**

In accordance with Articles L. 433-4 II of the French Monetary and Financial Code, 237-1 and seq. of the AMF's General Regulation, the Offeror intends to file a request with the AMF to carry out, within ten (10) trading days from the publication of the notice of result of the Offer, or, as the case may be, in the event of a reopening of the Offer, within three (3) months from the closing of the Reopened Offer, a squeeze-out procedure for the Shares for a unitary indemnity equal to the price of the Offer, if the number of Shares not tendered in the Offer by the minority shareholders of the Company (other than the treasury Shares and the Unavailable Performance Shares subject to the liquidity mechanism described in section 1.3.5 of the Offer Document and which are assimilated pursuant to Article L. 233-9 I, 4° of the French Commercial Code to the Shares held by the Offeror) does not represent, at the end of the Offer, more than 10% of the share capital and voting rights of the Company.

The Offeror also intends to file a request with the AMF to carry out, within ten (10) trading days from the publication of the notice of result of the Offer, or, as the case may be, in the event of a reopening of the Offer, within three (3) months from the closing of the Reopened Offer, a squeeze-out procedure for the Warrants for a unitary indemnity equal to the price of the Offer, if the number of the Shares likely to be created through exercise of the Warrants not presented to the Offer, once added to the existing Shares of the Company not tendered in the Offer by the minority shareholders of the Company (other than the treasury Shares and the Unavailable Performance Shares subject to the liquidity mechanism described in section 1.3.5 of the Offer Document and which are assimilated pursuant to Article L. 233-9 I, 4° of the French Commercial Code to the Shares held by the Offeror) does not represent more than 10% of the sum of the capital Securities existing and likely to be created of the Company.

The Offeror also reserves the right, in the event that it would later hold at least 90% of the Company's share capital and voting rights, and where a squeeze-out has not been implemented as described above, to file with the AMF a draft public repurchase offer followed by a squeeze-out of the Securities it does not hold. In such a case, the public repurchase offer would be subject to review by the AMF, which will decide on the conformity of the Offer considering, in particular, the valuation report produced by the presenting bank in accordance with the provisions of article 237-2 of the AMF's General Regulation and the report of the independent expert appointed by the Company's Board of Directors in accordance with the provisions of article 261-1 I and II of the AMF's General Regulation.

In the event that the Offer is followed by a squeeze-out, it will result in the delisting of the Securities from the Euronext Paris regulated market.

#### **1.2.8. Company's dividend distribution policy**

The Offeror reserves the right to change the Company's dividend policy following the Offer.

Following the Offer, the Company's dividend policy and any change thereto will continue to be determined by its corporate bodies in accordance with the law and the Company's articles of association, and based on the Company's distributive capacity, financial situation and financial needs.

### **1.3. Agreements that may have a material impact on the assessment or outcome of the Offer**

### 1.3.1. Tender Offer Agreement with the Company

On April 27, 2022, the Company and the Offeror entered into the TOA, in English. The purpose of the Tender Offer Agreement is to regulate the cooperation between the Company and the Offeror in the context of the Offer.

In particular, the Tender Offer Agreement provides for:

- (i) an undertaking by the Offeror to promptly file the Offer at a price of 50 euros per Share (dividend coupon detached) and 29.1 euros per Warrant, and to proceed with the necessary filings with competent authorities in order to obtain merger control approval and foreign investment authorizations in France and Spain;
- (ii) a no-shop undertaking of the Company, which prohibits it from seeking a competing offer, but which does not prohibit the board of directors of the Company, pursuant to its fiduciary duties, to hold discussions, for a short period of time, with a third party who has submitted a superior proposal;
- (iii) a commitment of the Offeror to provide the Company with a shareholder's loan of up to 143 million euros in case of early redemption of certain of its financing due to the Offer being successful, including in particular to pay the sums due by the Company to bondholders under the Sustainability-Linked Euro PP (issued by the Company on December 7, 2020 for a total of 100 million Euros), which the Company has undertaken to redeem early in the event of success of the Offer. This shareholder's loan will have terms equivalent to the Euro PP. The Offeror will compensate the Company for the exceptional costs incurred in connection with such early repayment. In addition, the Offeror has undertaken to provide the Company as the case may be with access to a revolving credit facility of a minimum amount of 60 million euros to refinance its own revolving loan;
- (iv) an undertaking by the Offeror not to push down the acquisition debt on the Company for a period of 5 years, except in the context of a possible significant external growth transaction carried out by the Company or companies of the Albioma Group;
- (v) reciprocal undertakings of the Offeror and the Company to pay an amount of 10 million Euros to the other party in certain limited situations (by the Company to the benefit of the Offeror in the event of a successful competing bid; by the Offeror to the benefit of the Company if the Offeror does not file the Offer or if it does not obtain the required regulatory approvals);
- (vi) a commitment to conduct the Company's business in the ordinary course; and
- (vii) more generally, reciprocal cooperation commitments customary in the context of the Offer.

### 1.3.2. Investment Agreement with Bpifrance

Kyoto LuxCo 1 and ETI 2020, managed by Bpifrance Investissement (“**Bpifrance**”) have entered into an investment agreement on May 13, 2022, (the “**Investment Agreement**”), in English, setting out the terms and conditions of the investment of Bpifrance in the Offeror alongside Kyoto LuxCo 1.

Under such Investment Agreement, Kyoto LuxCo 1 and Bpifrance have notably agreed:

- that the Offer would be filed by Kyoto BidCo.  
that Bpifrance would (i) tender 460,000 Shares in the Offer and (ii) invest in the share capital of Kyoto TopCo, an entity controlling the Offeror (the “ **Holding**”), *pari passu* with Kyoto LuxCo 1 through the contribution in kind at the Offer Price, of 1,164,791 Shares to the Offeror in exchange of securities of the

Offeror (the “**Bpifrance Contribution**”), such securities would then be contributed again to Kyoto MidCo, a French entity controlling the Offeror, in exchange for Kyoto MidCo securities, which would finally be contributed to the Holding by Bpifrance in exchange for the Holding securities, it being specified that this structure may be adjusted by the parties in order to provide for a contribution of Bpifrance Shares to the Holding (as defined below);

- that the Bpifrance Contribution will be subject to the condition precedent of the publication of the results of the Offer by the AMF if, on the basis of the results of the Offer and taking into account the Shares subject to the Bpifrance Contribution, as being contributed to the Offeror, the Acceptance Threshold provided for in Article 231-9 I of the AMF’s General Regulation and the Waiver Threshold (if not waived by the Offeror) are reached.

The Bpifrance Shares subject to the Bpifrance Contribution will be assimilated to the Shares held by the Offeror as of the closing date of the Offer for the purposes of assessing whether the Waiver Threshold described in section 2.6.1 of the Offer Document has been reached.

- that Bpifrance would invest *pari passu* with Kyoto LuxCo 1 in the Holding, directly or indirectly, and benefit from the same economic rights as a result of such investment;
- that Bpifrance should cooperate in good faith with Kyoto LuxCo 1 and use its best efforts not to take any action inconsistent with the Offer, in particular not to support a competing offer in any way whatsoever or tender its Shares to a competing offer, unless the Offer has lapsed or in the event of a superior offer recommended by the Board of Directors of the Company for which the Offeror would not have outbid, in which case Bpifrance shall have the right to tender its Shares to such competing Offer; and
- that Bpifrance is not acting in concert with Kyoto BidCo and/or as an actor of the Offer.

Bpifrance has undertaken not to contribute to the Offer the 1,164,791 Shares subject to the Bpifrance Contribution and has given irrevocable instructions to its broker to block the said Shares and to register them in a sub-account “unavailable securities” until the day following the end of the initial Offer period, such commitment being terminated under the same conditions as those provided for in the Investment Agreement (the “**BPI Lock-up Undertaking**”).

Under the Investment Agreement, Kyoto LuxCo 1 and Bpifrance have agreed to enter into a shareholders’ agreement to which the management and employee shareholders will also be party (the “**Shareholders’ Agreement**”), in accordance with the main terms and conditions attached to the Investment Agreement, which are summarized below.

It is specified that the Shareholders’ Agreement would only come into force subject to the success of the Offer, for an initial term of fifteen (15) years.

#### Governance of the Holding

The Holding shall be a French *société par actions simplifiée* managed by a president (the “**President**”), under the supervision of a supervisory committee (the “**Supervisory Committee**”).

The Supervisory Committee of the Holding will be composed of members appointed by collective decision of the shareholders of the Holding, as follows:

- a majority of members appointed amongst candidates suggested by Kyoto LuxCo 1;
- one member appointed amongst candidates suggested by Bpifrance (“**BPI Representative**”); and
- independent members appointed amongst candidates suggested by Kyoto LuxCo 1.

Any decision of the Supervisory Committee shall be validly adopted on a simple majority of the voting rights held by the members (present or represented), providing that BPI Representative will benefit from specific veto rights relating to French sovereignty<sup>7</sup> and fundamental rights of a minority investor.

#### Transfers of the Holding Securities

The following provisions shall be applicable to transfers of the Holding securities by Bpifrance:

- *Right of preemption of Kyoto LuxCo 1:* Kyoto LuxCo 1 shall benefit from a right of preemption in the event of a transfer by Bpifrance of its Holding securities other than a customary free transfer.
- *Drag along right of Kyoto LuxCo 1:* in the event Kyoto LuxCo 1 receives an offer from a third party for the acquisition of a number of Holding securities resulting in a change of control of the Holding, Kyoto LuxCo 1 will have the right to cause Bpifrance to sell 100% of their Holding securities under the same terms and conditions as those provided for the transfer of the securities held by Kyoto LuxCo 1
- *Tag along right:* in the event of any transfer by Kyoto LuxCo 1, to a third party of all or part of its Holding securities other than a customary free transfer resulting in the third party acquiring the control of the Holding, Bpifrance may require to sell all of its securities of the Holding to such third party under the same terms and conditions. In case of any other transfer by Kyoto LuxCo 1 of its shares other than a customary free transfer, Bpifrance shall benefit from a proportional tag along right.
- *Other restrictions:* Bpifrance shall not transfer, directly or indirectly, any of its Holding securities to any third party that (i) is subject to national or international sanctions, or resident of a state subject to such sanctions (ii) is conducting competitive activities or (iii) is controlled by governmental authorities (other than pension funds).

#### Liquidity rights of Bpifrance:

- Bpifrance shall have a put option on its Holding securities against Kyoto LuxCo 1 (the “**BPI Put Option**”). The BPI Put Option may be exercised annually during a three-month period following the third anniversary of the settlement-delivery of the initial Offer and each subsequent anniversary of the settlement-delivery of the initial Offer. The exercise price of the BPI Put Option will be equal to the fair market value of the Holding securities to be determined on the basis of the same EBITDA multiple as the one resulting from the Share Offer Price.

In the event of an Exit (as such term is defined in section 1.3.3 of the Offer Document) or exercise of the BPI Put option, Bpifrance would not benefit from any mechanism allowing it to obtain a guaranteed sale price. It is specified

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<sup>7</sup> In particular, regarding decisions relating to (i) transactions between any Party or any of their affiliates and entities being part of the Group companies which are not entered into at arm’s length; (ii) the public offering of securities of any of the Group companies outside of France; (iii) reorganization, creation or dissolution of subsidiaries, amendment to the bylaws of the Offeror or any material French Group Companies, the consequences of which would be to divert such subsidiaries from the perimeter of the Offeror, or to negatively affect the rights of Bpifrance; (iv) material change to the nature of the business activities of the Group; (v) change of nationality or tax residence of the Offeror or any material French Group company; (vi) opening or acquisition of business in a sanctioned country by the Group companies and (vii) transfer outside of France of the registered office or of the place of the executive management center of the Company or of the majority of the current French business activities of the Group companies.

that no contractual mechanism is likely to (i) be analyzed as a price supplement, (ii) call into question the relevance of the Offer Price per Share or the equal treatment of minority shareholders, or (iii) highlight a guaranteed minimal sale price clause in favor of Bpifrance.

### 1.3.3. Investment of the Managers in the Holding

Kyoto LuxCo 1 and Frédéric Moyne, the CEO of the Company and Julien Gauthier, the Deputy Chief Executive Officer of the Company have entered into a term sheet on May 12, 2022, (the “**Plan Term Sheet**”), in order to set out the main provision of the investment plan that should be put in place at the level of the Holding, in the event of a successful Offer (the “**Plan**”) for the benefit certain executives and corporate officers of the Company (the “**Managers**”). The Plan would include:

- (i) an investment by the Managers in ordinary shares and fixe yield preferred shares of the Holding, *pari passu* with the other shareholders of the Holding financed by the contribution of all or part of the proceeds of the sale of the Shares or Warrants tendered to the Offer or the contribution in kind of their Shares or Warrants at the Offer Price to the Holding or a cash contribution; and
- (ii) the granting to certain Managers of free preference shares of the Holding, under the legal regime provided for in Articles L. 225-197-1 et seq. of the French Commercial Code, conferring to their holders a part of the capital gain realized by the shareholders of the Holding in the event of an Exit (as this term is defined below).

The ordinary shares and fixe yield shares of the Holding will be subscribed for at market value, as the case may be, determined by an expert.

Under the terms of a contribution agreement dated May 19, 2022, the Chief Executive Officer and the Deputy Chief Executive Officer of the Company have undertaken to (i) contribute in kind at the Offer Price a number of Securities, corresponding to an investment amount of 2.5 million euros, to the Holding in exchange for shares of the Holding and (ii) contribute the remaining of their Securities to the Offer, with the exception of the Unavailable Performance Shares.

#### Transfers of the Holding securities

The following provisions shall be applicable to transfers of the Holding securities:

- *Right of approval*: except for any customary free transfer, any transfer by a Manager during the first 10 years after the closing of the Offer shall be subject to a right of approval of the Supervisory Committee of the Holding.
- *Right of preemption of the Managers and Kyoto LuxCo 1*: Managers and Kyoto LuxCo 1 shall respectively benefit from a first rank right of preemption and a second rank right of preemption in the event of a transfer by a Manager of his/her securities of the Holding other than a customary free transfer, after the expiration of the right of approval of the Supervisory Committee of the Holding.
- *Drag along right of Kyoto LuxCo 1*: in the event Kyoto LuxCo 1 receives an offer from a third party for the acquisition of all the securities held by Kyoto LuxCo 1 (without prejudice to its right to make a minority reinvestment) other than in connection with a customary free transfer, it will have the right to cause the Managers to sell 100% of their Holding securities under the same terms and conditions than the sale by Kyoto LuxCo 1 and conjointly with it.

- *Tag along right:* in the event of any transfer by Kyoto LuxCo 1, to a third party of all or part of its Holding securities other than a customary free transfer, resulting in the third party acquiring the control of the Holding, the Managers may require to sell all of their securities of the Holding to such third party under the same terms and conditions. In case of any other transfer by Kyoto LuxCo 1 of its Holding shares other than a customary free transfer, the Managers shall benefit from a proportional tag along right.

#### Liquidity of the Managers

Kyoto LuxCo 1 will benefit from a call option on the Holding's preferred Performance Shares of each Manager in case of departure of the Group of a Manager. Kyoto LuxCo 1 will benefit from a put option on all of the Holding securities owned by each Manager in case of death, incapacity or disability of such Manager. The exercise price of the call option and of the put option will be equal to the market value of the Holding securities to be determined on the basis of the same EBITDA multiple as the one resulting from the Share Offer Price with the application of an illiquidity discount, variable depending on the exercise date, as the case may be, it being specified that in the event of a transfer triggering a change of control of the Holding or an initial public offer of the Holding securities (an "IPO" and together an "Exit") during the 12 months following the exercise of the call option, the price of the call option shall be increased to be equal to the price of the securities of the Holding resulting from the Exit, as the case may be. In any case, the Managers would not benefit from any mechanism allowing them to obtain a guaranteed sale price.

The Managers would benefit from a partial liquidity on the 4<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> anniversary of the date of their investment on the Holding Securities they hold in the form of put options granted by the Kyoto LuxCo 1. They will also benefit from a put option exercisable on the 8<sup>th</sup> anniversary of the date of their investment, allowing them to sell all of their remaining Holding securities. The exercise price of the put options will be the market value of the Holding's shares as determined by the Managers' representative and the Holding or, failing any such agreement, the fair market value of the Holding securities to be determined on the basis of the same EBITDA multiple as the one resulting from the Share Offer Price with the application of an illiquidity discount, variable depending on the exercise date, as the case may be.

In the event of an Exit or exercise of the various call and put options, the Managers would not benefit from any mechanism allowing them to obtain a guaranteed sale price. It is specified that no contractual mechanism is likely to (i) be analyzed as a price supplement, (ii) call into question the relevance of the Offer Price per share or the equal treatment of minority shareholders, or (iii) highlight a guaranteed sale price clause in favor of the Managers.

#### **1.3.4. Undertaking to tender to the Offer entered into with COFEPP**

On May 30, 2022, the Offeror entered into an undertaking to tender with Compagnie Financière Européenne de Prises de Participation ("COFEPP") under the terms of which COFEPP undertook to contribute to the Offer the 1,956,831 Shares it holds, representing approximately 6.04% of the share capital and voting rights of the Company<sup>8</sup>.

Under the terms of this undertaking to tender, COFEPP has also undertaken not to directly or indirectly transfer or grant security rights in any way whatsoever over the Shares which are the subject of the undertaking to tender to a third party, with the exception of its affiliates. COFEPP has also undertaken not to take any action that would

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<sup>8</sup> On the basis of a capital composed of 32,420,226 shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.



prevent, postpone or affect the success of the Offer and in particular not to solicit, facilitate or encourage, directly or indirectly, a competing offer.

The undertaking to tender will automatically terminate, with no further action required, on the earliest of the following dates:

- (i) the date on which the Offer is declared non-compliant by the AMF, unsuccessful or null and void pursuant to Articles 231-9 and 231-11 of the AMF's General Regulation or in the case that the Offeror withdraw the Offer pursuant to Article 232-11 of the AMF's General Regulation; and
- (ii) May 30, 2023.

This undertaking to tender will be null and void in the event that a third-party files a competing offer at a higher price than the Offer and declared compliant by the AMF and in the absence of an improved counteroffer filed by the Offeror. It will automatically apply to any improved offer filed by the Offeror and declared compliant by the AMF.

It is specified that as this is an undertaking to tender, the Shares tendered by COFEPP will be acquired at the Offer Price and this undertaking to tender does not therefore include any additional price to be paid by the Offeror.

### 1.3.5. Liquidity Agreement

The Offeror will propose to the beneficiaries of the Unavailable Performance Shares to enter into put and call options for their Unavailable Performance Shares in order to enable them to benefit from cash liquidity for the Unavailable Performance Shares that could not be tendered in the Offer (the "**Liquidity Agreement**").

Pursuant to the Liquidity Agreement, if an event of Insufficient Liquidity (as defined below) has occurred, the Offeror will have against each beneficiary of Unavailable Performance Shares a call option (the "**Call Option**"), whereby the beneficiary irrevocably undertakes to sell to the Offeror, its Unavailable Performance Shares at the Offeror's request at any time during a two months period starting on the first Business Day following the latest of (i) the Date of Availability and (ii) the date of the notice of the exercise price of the year of Date of Availability, or for the Unavailable Performance Shares for which the Availability Date will take place during the 12 months following the announcement of the Offer, the date of notification of the exercise price which will be delivered at the latest 5 business days following the Availability Date of the relevant Performance Shares (the "**Call Liquidity Period**"), and a put option (the "**Put Option**", together with the Call Option the "**Options**"), whereby, absent any exercise of the Call Option during the Call Liquidity Period, the Offeror irrevocably undertakes to acquire from the Beneficiary, the Unavailable Performance Shares, upon request by the Beneficiary during a period of two months starting on the first business day following the expiry of the Call Liquidity Period (the "**Put Option Period**").

"**Insufficient Liquidity**" shall mean:

- a squeeze-out implemented by the Offeror with respect to the Shares and/or the Warrants pursuant to Articles 237-1 *et seq* of the AMF's General Regulation; or
- the Shares and the Warrants have been delisted from Euronext Paris and Euronext Growth; or
- the average volume of Shares traded each trading day over the past twenty (20) trading days preceding the date on which the liquidity assessment takes place is less than (or equal to) 0.10% of the Company's share capital on that date (on the basis of the information published by Euronext Paris).

The "**Date of Availability**" shall mean the day following the end of the period during which the beneficiary of the Options may not dispose of the Unavailable Performance Shares without triggering unfavorable tax or social security

charge consequences corresponding to the applicable lock-up period pursuant to the relevant performance shares plans.

In case of exercise of an Option, the exercise price per Unavailable Share will be determined each year by an expert, in accordance with the Offer Price, by the application of a formula taking into account the EBITDA multiple induced by the Offer Price as well as the net financial debt calculated consistently with the Offer Price.

By way of exception, the exercise price per Unavailable Share for Unavailable Performance Shares for which the Date of Availability expires during the 12 months following the announcement of the Offer, as the case may be, will be equal to the last Offer Price.

In the event of the implementation, as the case may be, of the squeeze-out, the Unavailable Performance Shares for which a Liquidity Agreement will have been entered into, within the framework of the liquidity mechanism described above, will be assimilated to the Shares held by the Offeror in accordance with article L. 233-9 I, 4° of the French Commercial Code, and will not be covered by the said squeeze-out.

In the event of exercise of the Call Option or the Put Option, the holders of Unavailable Performance Shares would not benefit from any mechanism allowing them to obtain a guaranteed sale price. It is specified that no contractual mechanism is likely to (i) be analyzed as a price supplement, (ii) call into question the relevance of the Offer Price per share or the equal treatment of minority shareholders, or (iii) highlight a guaranteed sale price clause in favor of the holders of Unavailable Performance Shares.

### **1.3.6. Other agreements of which the Offeror is aware**

With the exception of the agreements described in sections 1.3.1 to 1.3.5 of the Offer Document, there are, to the knowledge of the Offeror, no other agreements likely to have an impact on the assessment or outcome of the Offer.

## **2. CHARACTERISTICS OF THE OFFER**

### **2.1. Terms of the Offer**

In accordance with Article 231-13 of the AMF's General Regulation, Société Générale, acting on behalf of the Offeror, filed the draft Offer with the AMF on May 13, 2022, in the form of a public tender offer for all Shares and Warrants.

Under the Offer, which will take place according to the normal procedure governed by Articles 232-1 and seq. of the AMF's General Regulation, the Offeror irrevocably undertakes to acquire from the Company's shareholders, (i) at a price of price of €50 per Share (dividend coupon detached<sup>9</sup>) and (ii) at a price of €29,10 per Warrant, subject to the adjustments described in section 2.2 of the Offer Document, all the Shares and Warrants that will be tendered in the Offer during the Offer period.

Société Générale, guarantees the content and irrevocable nature of the undertakings made by the Offeror as part of the Offer, in accordance with the provisions of Article 231-13 of the AMF's General Regulation.

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<sup>9</sup> The Company's Annual General Meeting held on May 25, 2022 approved the allocation of a dividend of 0.84 euro per share for fiscal year 2021 (0.924 euro for shares eligible for the bonus dividend), paid entirely in cash. The dividend was detached from the shares on June 9, 2022 and paid on June 13, 2022.

## 2.2. Adjustment of the terms of the Offer

In the event that between the date of the Offer Document and the date of settlement-delivery of the Offer or of the Reopened Offer (included), the Company proceeds in any form whatsoever with (i) a distribution of dividends, interim dividends, reserves, premiums or any other distribution (in cash or in kind) other than the Company's proposed dividend for 2021 of 0.84 euro (and payable in 2022), or (ii) a redemption or reduction of its share capital and in both cases, in which the detachment date or the reference date on which it is necessary to be a shareholder in order to be entitled thereto is set before the date of the settlement-delivery of the Offer or of the Reopened Offer, the Offer Price per Share and per Warrant of the Company will be reduced accordingly, on a euro per euro basis, to take into account this transaction, it being specified that in the event that the transaction takes place between the date of settlement-delivery of the Offer (excluded) and the date of settlement-delivery of the Reopened Offer (included), only the price of the Reopened Offer will be adjusted.

Likewise, in the event that the terms and conditions of the Warrants are modified between the date of this Offer Document and the date of settlement-delivery of the Offer or the Reopened Offer (inclusive), the price per Warrant will be adjusted.

Any adjustment of the Offer Price will be subject to the prior approval of the AMF and will be the subject to the publication of a Press Release.

## 2.3. Number and nature of the Securities targeted by the Offer

As of the date of this Offer Document, Kyoto BidCo does not hold any Shares or Warrants.

The Offer targets:

- all the Shares, which are:
  - i. already issued, other than the Excluded Shares, i.e. as of June 10, 2022, and to the knowledge of the Offeror, a number of 30,905,873 Shares<sup>10</sup>;
  - ii. may be issued before the closing of the Offer or the Reopened Offer as a result of the exercise of the Warrants, i.e., as of June 10, 2022, and to the knowledge of the Offeror, a maximum of 551,478 new Shares;
- all of the Warrants issued by the Company, i.e. as at the date of June 10, 2022, and to the knowledge of the Offeror, a maximum total number of 551,478 Warrants.

It is specified that the Offer does not target the Excluded Shares, i.e.:

- the Shares that Bpifrance has undertaken to contribute to the Offeror in the context of the Investment Agreement and subject to the BPI Lock-up Undertaking as described in section 1.3 of the Offer Document, i.e., 1,164,791 Shares,
- the Shares held in treasury by the Company, i.e., to the knowledge of the Offeror and as of June 10, 2022, 144,853 Shares,
- the Unavailable Performance Shares, i.e. to the knowledge of the Offeror and as of the date hereof, a maximum of 948,145 Performance Shares (of which 204,709 have already been issued, i.e. 204,473 Performance Shares subject to a Retention Period and 236 Performance Shares subject to an Additional

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<sup>10</sup> On the basis of a capital composed of 32,420,226 shares representing as many theoretical voting rights as of June 10, 2022, in accordance with the provisions of Article 223-11 of the AMF's General Regulation.

Retention Obligation, these Shares are legally and technically unavailable and will not be able to be tendered in the Offer). The situation of the beneficiaries of Performance Shares in the context of the Offer is described in section 2.4 of the Offer Document.

As of the date of the Offer Document, to the knowledge of the Offeror, there are no other equity securities or other financial instruments issued by the Company or rights granted by the Company that may give access, immediately or in the future, to the Company's share capital or voting rights.

#### 2.4. Situation of the beneficiaries of Performance Shares

To the knowledge of the Offeror, as of June 10, 2022, the Company has set up several plans for the allocation of Performance Shares for certain employees and/or corporate officers of the Company and its group (the "Performance Shares").

The table below summarizes the main characteristics of the Performance Shares' allocation plans as of June 10, 2022, to the knowledge of the Offeror.

Plans	Plan 2018	Plan 2019	Plan 2020	Plan 2021	Plan 2022
Date of the general assembly	30 May 2018	30 May 2018	30 May 2018	29 May 2020	29 May 2020
Date of the Board meeting / Date of grant	30 May 2018	7 March 2019	2 March 2020	3 March 2021	1 March 2022
Total number of Performance Shares allocated	309,600	305,420	303,971	224,977	254,265
Including shares attributed to corporate officers	30,620	30,620	29,076	22,500	24,320
Date of final acquisition	30 May 2021	7 March 2022	2 March 2023	3 March 2024	1 March 2025
Performance conditions	✓				
Attendance conditions	✓				
Number of shares acquired as of June 10, 2022	0	211,973 <sup>11</sup>	2,581 <sup>12</sup>	0	0

<sup>11</sup> Including 7 500 Performance Shares attributed on September 15, 2021, due to the death of a beneficiary and 204 473 Performance Shares on March 7, 2022 as the result of the definitive acquisition of the Performance Shares.

<sup>12</sup> Attributed on September 15, 2021, due to the death of a beneficiary.

<b>Number of rights cancelled as of June 10, 2022</b>	93,498	66,027	21,636	14,780	780
<b>End of the Retention period</b>	30 May 2022	7 March 2023	2 March 2024	3 March 2025	1 March 2026
<b>Number of shares in retention period as of June 10, 2022</b>	0	204,473	0	N/A	N/A
<b>Commitment to retain shares by corporate officers<sup>13</sup></b>	1% of the Performance Shares of the shares attributed to Frédéric Moyne, i.e. 236 Performance Shares	1% of the Performance Shares of the shares attributed to Frédéric Moyne, i.e. 232 Performance Shares	1% of the Performance Shares Attributed to Frédéric Moyne	1% of the Performance Shares Attributed to Frédéric Moyne	1% of the Performance Shares Attributed to Frédéric Moyne
<b>Number of shares that may be acquired as of June 10, 2022</b>	0	0	279,754	210,197	253,485

Among these Performance Shares, as of the date of the Offer Document and to the knowledge of the Offeror, a maximum of 948,145 Shares acquired or likely to be acquired under the Performance Share Plans which have not yet been issued or are unavailable and will remain so until the estimated closing date of the Offer (or Reopened Offer, as the case may be) (the “**Unavailable Performance Shares**”), which will be, subject to the cases of lifting of unavailability provided for by the applicable legal or regulatory provisions (such as the death or disability of the beneficiary):

- i. for a maximum number of 743,436 of them, Performance Shares issued under the 2020, 2021 and 2022 plans, whose vesting period will not have expired before the estimated closing date of the Offer (or of the Reopened Offer, as the case may be) and which are therefore not targeted by the Offer (the “**Performance Shares in Vesting Period**”);
- ii. for a maximum number of 204,473 of them, Performance Shares issued under the 2019 plan whose holding period will not have expired before the estimated closing date of the Offer (or of the Reopened Offer, as the case may be) and which are therefore not targeted by the Offer (the “**Performance Shares in Holding Period**”) these Shares are legally and technically unavailable and therefore cannot be tendered to the Offer; and
- iii. for a maximum number of 236 of them, Performance Shares issued under the 2018, that are unavailable due to the provisions of Article L. 225-197-1, II of the French Commercial Code, pursuant to which the Board of Directors of the Company has imposed on the corporate officers of the Company an obligation

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<sup>13</sup> As modified by the Company’s Board of Directors on April 27, 2022.

to retain their Shares until the termination of their functions (the “**Additional Retention Obligations**”), these Shares are legally and technically unavailable and therefore cannot be tendered to the Offer.

Thus, to the knowledge of the Offeror as of the date of the Offer Document, and subject to the early vesting and transferability events provided for by the law, the Performance Shares in Vesting Period or in Holding Period and those subject to an Additional Retention Obligation will not be tendered in the Offer, unless the relevant vesting or holding periods of the Performance Shares or the Additional Retention Obligations, as the case may be, will not have expired prior to the estimated closing date of the Offer (or of the Reopened Offer, as the case may be), which will notably be the case for the Performance Shares resulting from the 2018 plan.

The Unavailable Performance Shares will be covered by the liquidity mechanism described in section 1.3.5 of the Offer Document, subject to the signature of a Liquidity Agreement by the holders of the Unavailable Performance Shares.

## **2.5. Modalities of the Offer**

In accordance with Article 231-13 of the AMF’s General Regulation, the Presenting Bank, acting on behalf of the Offeror, filed the draft Offer and the draft offer document with the AMF on May 13, 2022. The AMF published a notice of filing relating to the Offer on its website ([www.amf-france.org](http://www.amf-france.org)).

In accordance with Article 231-16 of the AMF’s General Regulation, the draft offer document, as filed with the AMF, was made available to the public free of charge at the registered office of the Offeror and from the Presenting Bank, as well as online on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the Company ([www.albioma.com](http://www.albioma.com)).

In addition, this Press Release containing the main elements of the draft Offer and setting out the terms and conditions of its availability was published by the Offeror on May 13, 2022.

The AMF published on its website, on June 21, 2022, a reasoned clearance decision with respect to the Offer after verifying that the Offer complies with applicable laws and regulations. In accordance with Article 231-23 of the AMF’s General Regulation, the clearance decision will constitute approval of the Offeror’s Offer Document.

The Offer Document approved by the AMF as well as the other information relating in particular to the legal, financial and accounting characteristics of the Offeror, will be available to the public free of charge, in accordance with Article 231-28 of the AMF’s General Regulation, at the Offeror’s registered office and from the Presenting Bank, no later than the day preceding the opening of the Offer. Such documents will also be available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the Company ([www.albioma.com/](http://www.albioma.com/)).

In accordance with Articles 231-27 and 231-28 of the AMF’s General Regulation, a press release precisising how such documents are made available by the Offeror will be published no later than the day preceding the opening of the Offer including on the Company’s website.

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening of the Offer and Euronext Paris will publish a notice recalling the content of the Offer and specifying the terms of its completion. The closing date and the timetable of the Offer will be published by the AMF as soon as the approval of the European Commission referred to in section 2.6.3 of this Offer Document is obtained.

## **2.6. Conditions of the Offer**

### **2.6.1. Acceptance Threshold**

Pursuant to the provisions of article 231-9, I of the AMF General Regulations, the Offer will lapse if, at its closing date, the Offeror does not hold, directly or indirectly, a number of Shares representing a fraction of the Company's share capital or voting rights higher than 50% (this threshold being hereinafter referred to as the "**Acceptance Threshold**").

The determination of this threshold follows the rules set forth in Article 234-1 of the AMF's General Regulation.

It is specified that the 1,164,791 Shares that will be contributed to the Offeror by Bpifrance on the day of settlement-delivery of the Offer in the context of the Bpifrance Contribution and which are subject to the BPI Lock-up Undertaking will be assimilated to the Shares held by the Offeror on the closing date of the Offer for the purposes of the assessment of whether the Acceptance Threshold has been reached under the conditions described in this section.

The reaching the Acceptance Threshold will not be known before the publication by the AMF of the final result of the Offer, which will take place after the closing of the Offer.

If the Acceptance Threshold is not reached, the Offer will not be successful and the Shares tendered in the Offer will be returned to their owners after the publication of the notice of result informing of the lapse of the Offer, without any interest, indemnity or other payment of any kind being due to such owners.

#### **2.6.2. Waiver Threshold**

In addition to the Acceptance Threshold, pursuant to the provisions of Article 231-9, II of the AMF's General Regulation, the Offer will lapse if, at the closing date of the Offer, the Offeror does not hold, alone or in concert, directly or indirectly, a number of Shares representing a fraction of the share capital and theoretical voting rights of the Company in excess of 50.01% on a diluted basis and on a fully diluted basis (the "**Waiver Threshold**").

On a non-diluted basis, the Waiver Threshold will be calculated as follows:

- (a) in the numerator, will be included (i) all the Shares of the Company held by the Offeror alone or in concert, directly or indirectly, on the date of the closing of the Offer, as well as all the Shares assimilated to those of the Offeror in accordance with Article L. 233-9 of the French Commercial Code, (ii) the 1,164,791 Shares subject to the Bpifrance Contribution and (iii) all the Shares of the Company validly tendered in the Offer as at the date of the closing of the Offer;
- (b) in the denominator, all the existing Shares issued by the Company making up the share capital on the date of the closing of the Offer.

On a fully diluted basis, the Waiver Threshold will be calculated as follows:

- (a) in the numerator, will be included (i) all the Shares of the Company that the Offeror holds alone or in concert, directly or indirectly, on the date of the closing of the Offer, as well as all the Shares assimilated to those of the Offeror in accordance with Article L. 233-9 of the French Commercial Code, (ii) the 1.164.791 Shares subject to the Bpifrance Contribution, (iii) all the Shares of the Company validly tendered in the Offer as at the date of the closing of the Offer, and (iv) all the Warrants of the Company validly tendered in the Offer as at the date of the closing of the Offer;
- (b) in the denominator (i) all the existing Shares issued by the Company making up the capital on the date of the closing of the Offer, (ii) all the Shares of the Company likely to be issued by exercise of the Warrants of the Company on the date of the closing of the Offer and (iii) all the Shares likely to be issued by the Company on the date of the closing of the Offer.

The reaching of the Waiver Threshold will not be known before the publication by the AMF of the final result of the Offer, which will take place at the end of the Offer.

In accordance with article 231-9, II of the AMF's general regulations, if the Waiver Threshold (calculated as indicated above) is not reached, and unless the Offeror has decided to waive the Waiver Threshold in accordance with the conditions set out in the following paragraphs, the Securities of the Company tendered in the Offer will be returned to their owners without any interest, indemnity or other payment of any kind being due to the said owners.

However, the Offeror reserves the right to waive the Waiver Threshold until the date of publication by the AMF of the result of the Offer.

In addition, the Offeror also reserves the right to remove or lower the Waiver Threshold by filing an improved offer at the latest five (5) trading days before the closing of the Offer, in accordance with the provisions of articles 232-6 and 232-7 of the AMF's general regulations.

### **2.6.3. Regulatory and antitrust authorization**

#### Regulatory authorizations

The Offeror filed a request for authorization to the Ministry of the economy, finances and industrial and numerical sovereignty, on April 13, 2022, in accordance with Article L.151-3 of the French Monetary and Financial Code relating to foreign investments made in France. The Ministry of the economy, finances, and industrial and numerical sovereignty authorized the investment on June 17, 2022.

The Offeror also filed, on May 4, 2022, a request for authorization to the Spanish General Directorate on Foreign Trade and Investments, in accordance with article 7 bis of Law 19/2003 and Royal Decree-law 11/2020 (both of them, as updated), relating to foreign investments made in Spain. The Spanish General Directorate on Foreign Trade and Investments confirmed on May 20, 2022, that the acquisition of the control of the Company was not subject to foreign investment control in Spain.

#### Antitrust authorization

In accordance with the provisions of article 231-11 of the AMF's General Regulation, as of the date of the Offer Document, the Offer is subject to the condition precedent of the authorization of the transaction under merger control by the European Commission pursuant to article 6.1.b) of the EC Regulation No. 139/2004 of January 20, 2004, it being specified that the Offeror reserves the right to waive this condition. The application for authorization of the transaction was formally notified to the European Commission on June 7, 2022.

The AMF will set the closing date and the timetable of the Offer upon receipt of the authorization from the European Commission or of the confirmation of the absence of opposition to the said authorization or, as the case may be, of the exercise by the Offeror of the option to waive this condition precedent.

In accordance with the provisions of article 231-11 of the AMF's General Regulation, the Offer will automatically lapse as soon as the merger transaction is subject to the initiation of the procedure provided for in article 6.1.c) of the EC Regulation n° 139/2004 of January 20, 2004, by the European Commission, unless the Offeror has previously exercised its option to waive the aforementioned condition precedent.

### **2.7. Procedure for tendering in the Offer**

The Securities tendered in the Offer (including, as the case may be, in the Reopened Offer) must be freely negotiable and free from any lien, pledge, collateral or other security interest or restriction of any kind restricting the free



transfer of their ownership. The Offeror reserves the right to reject, in its sole discretion, any Securities tendered in the Offer that do not comply with this condition.

The Offer and all related agreements are subject to French law. Any dispute or litigation, regardless of the subject matter or basis, relating to this Offer shall be brought before the competent courts.

The Offer will be open for a minimum period of 25 trading days, which period may vary depending on the date on which the approval of the European Commission referred to in section 2.6.3 of this Offer Document is obtained.

The Securities held in registered form will have to be converted and held in administered registered form or in bearer form in order to be able to be tendered in the Offer (or, if applicable, in the Reopened Offer). Accordingly, shareholders and holders holding their Shares or Warrant in registered form in an account managed by a financial intermediary and who wish to tender them in the Offer will have to request the conversion of such Securities into administered registered form or bearer form in order to tender them in the Offer. The Offeror draws the attention of the holders of Securities to the fact that those of them who would expressly request the conversion into bearer form would lose the advantages of holding the Securities in registered form.

Holders of Securities whose Securities are held in an account managed by a financial intermediary and who wish to tender their Securities in the Offer must deliver an order to tender their Securities to their financial intermediary, in accordance with the standard forms provided by their financial intermediary, no later than the last business day of the Offer and in sufficient time for their order to be executed. Holders of Securities are invited to contact their financial intermediaries to verify whether a shorter period is applicable to them.

In accordance with Article 232-2 of the AMF's General Regulation, orders to tender the Securities in the Offer may be revoked at any time up to the closing date of the Offer (included). After this date, such orders to tender in the Reopened Offer will become irrevocable.

In this context, the Offeror will bear the brokerage fees of the shareholders and holders of BSAAR, it being specified that the conditions of this assumption are described in section 2.15 of the Offer Document.

No interest will be paid by the Offeror for the period between the date on which the Securities are tendered in the Offer and the date on which settlement of the Offer occurs. This settlement date will be indicated in the notice of result to be published by Euronext Paris. The settlement and delivery will take place after the centralization operations.

## **2.8. Orders centralization**

The centralization of the orders to tender Securities in the Offer will be carried out by Euronext Paris.

Each financial intermediary and the institution holding the registered accounts of the Company's Securities must, on the date indicated in the Euronext Paris notice, transfer to Euronext Paris the Securities for which they will have received a tender order in the Offer.

After receipt by Euronext Paris of all orders to tender in the Offer under the conditions described above, Euronext Paris will centralize all of these orders, determine the results of the Offer and communicate them to the AMF.

As the case may be, all the operations described above will be repeated in an identical sequence and under the conditions, in particular the timeframe, which will be specified in a notice published by Euronext Paris, in the context of the Reopened Offer.

## **2.9. Publication of the results and settlement of the Offer**

Pursuant to the provisions of Article 232-3 of its General Regulation, the AMF will announce the final result of the Offer at the latest nine (9) trading days after the closing of the Offer. If the AMF determines that the Offer is successful, Euronext Paris will indicate in a notice the date and terms of delivery of the Securities and payment of the funds.

On the date of settlement-delivery of the Offer (and, if applicable, of the Reopened Offer), the Offeror will credit Euronext Paris with the funds corresponding to the settlement of the Offer (and, if applicable, of the Reopened Offer). On such date, the tendered Securities of the Company and all rights attached thereto will be transferred to the Offeror. Euronext Paris will make the cash payment to the intermediaries on behalf of their clients who have tendered their Securities in the Offer (or, as the case may be, in the Reopened Offer) as of the date of settlement-delivery of the Offer (or, as the case may be, of the Reopened Offer).

As the case may be, all of the operations described above will be repeated in an identical sequence and under conditions, in particular as regards the timeframe, which will be specified in a notice published by Euronext Paris, in the context of the Reopened Offer.

It is reminded, as the case may be, that any amount due in connection with the contribution of the Securities to the Offer (or, as the case may be, the Reopened Offer) will not bear interest and will be paid on the date of settlement-delivery of the Offer (or, as the case may be, of the Reopened Offer).

## 2.10. Tentative timetable of the Offer

Prior to the opening of the Offer, the AMF will publish a notice of opening and Euronext Paris will publish a notice announcing the terms and opening of the Offer. The closing date and the timetable of the Offer will be published by the AMF as soon as the approvals of the competent competition authorities referred to in section 2.6.3 of this Offer Document are obtained.

An indicative timetable is proposed below and will be adjusted according to the date of obtention of the authorization of the European Commission under merger control:

Date	Main steps of the Offer
13 May 2022	<ul style="list-style-type: none"> <li>- Filing of the draft Offer and the draft offer document of the Offeror with the AMF.</li> <li>- Offeror's draft offer document made available to the public and posted to the websites of the AMF (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company (<a href="http://www.albioma.com">www.albioma.com</a>).</li> <li>- Publication by the Offeror of a press release announcing the filing of the Offer and availability of the draft offer document.</li> </ul>
20 May 2022	<ul style="list-style-type: none"> <li>- Confirmation by the Spanish General Directorate on Foreign Trade and Investments that the transaction is not subject to prior authorization under the foreign investment control in Spain.</li> </ul>
30 May 2022	<ul style="list-style-type: none"> <li>- Company's draft response document filed with the AMF, including the reasoned opinion of the Company's Board of Directors and the independent expert's report.</li> <li>- Company's draft response document made available to the public and posted to the websites of the AMF (<a href="http://www.amf-france.org">www.amf-france.org</a>) and the Company (<a href="http://www.albioma.com">www.albioma.com</a>).</li> <li>- Publication by the Company of a press release announcing the filing of the Offer and availability of Company's draft response document.</li> </ul>

Date	Main steps of the Offer
17 June 2022	<ul style="list-style-type: none"> <li>- Authorization from the Ministry of the economy, finances and industrial and numerical sovereignty in accordance with Article L.151-3 of the Monetary and Financial Code.</li> </ul>
21 June 2022	<ul style="list-style-type: none"> <li>- Publication of the clearance decision of the AMF relating to the Offer.</li> <li>- Availability of the Offer Document and the response document to the public and on the websites of the Company (<a href="http://www.albioma.com">www.albioma.com</a>) and the AMF (<a href="http://www.amf-france.org">www.amf-france.org</a>).</li> </ul>
21 June 2022	<ul style="list-style-type: none"> <li>- Availability to the public at the registered offices of the Offeror and Société Générale and posting on the Company's website (<a href="http://www.albioma.com">www.albioma.com</a>) and on the AMF's website (<a href="http://www.amf-france.org">www.amf-france.org</a>) of information relating to the legal, financial and accounting characteristics of the Offeror.</li> <li>- Availability of the information relating to the legal, financial and accounting characteristics of the Company to the public at the Company's registered office, on the Company's website (<a href="http://www.albioma.com">www.albioma.com</a>) and the AMF website (<a href="http://www.amf-france.org">www.amf-france.org</a>).</li> </ul>
22 June 2022	<ul style="list-style-type: none"> <li>- Publication by the Offeror of the press release making available the Offer Document and the information relating to the legal, financial and accounting characteristics of the Offeror.</li> <li>- Publication by the Company of the press release making available the note in response and the information relating to the legal, financial and accounting characteristics of the Company.</li> </ul>
23 June 2022	<ul style="list-style-type: none"> <li>- Opening of the Offer.</li> </ul>
[12 July 2022] at the latest	<ul style="list-style-type: none"> <li>- Receipt of the authorization from the European Commission.</li> <li>- Publication of the notice of closing date and timetable of the offer by the AMF.</li> </ul>
[27 July] 2022	<ul style="list-style-type: none"> <li>- Closing of the Offer.</li> </ul>
[1 August] 2022	<ul style="list-style-type: none"> <li>- Publication of the notice of result of the Offer by the AMF.</li> </ul>
[2 August] 2022	<ul style="list-style-type: none"> <li>- In case of success of the Offer, publication of the reopening notice of the Offer by Euronext, or, implementation of the squeeze-out if the conditions are met.</li> </ul>
[4 August] 2022	<ul style="list-style-type: none"> <li>- In case of success of the Offer, reopening of the Offer.</li> </ul>
[11 August] 2022	<ul style="list-style-type: none"> <li>- In case of success of the Offer, settlement-delivery of the Offer.</li> </ul>
[7 September] 2022	<ul style="list-style-type: none"> <li>- Closing of the Reopened Offer.</li> </ul>
[13 September] 2022	<ul style="list-style-type: none"> <li>- Publication by the AMF of the notice of result of the Reopened Offer.</li> </ul>
[23 September] 2022	<ul style="list-style-type: none"> <li>- Settlement-delivery of the Reopened Offer.</li> </ul>

Date	Main steps of the Offer
As of [27 September] 2022	- Implementation of the squeeze-out, if the conditions are met.

### 2.11. Possibility of withdrawing from the Offer

In accordance with the provisions of Article 232-11 of the AMF's General Regulation, the Offeror may withdraw its Offer within five (5) trading days following the publication of the timetable of a competing offer or a superior offer (*surenchère*). It shall inform the AMF of its decision, which shall be published.

The Offeror may also withdraw its Offer if it becomes purposeless, or if the Company, due to the measures it has taken, sees its substance modified during the Offer or in the event of success of the Offer or if the measures taken by the Company result in an increase in the cost of the Offer for the Offeror. The Offeror may only use this option with the prior authorization of the AMF, which shall rule in accordance with the principles set forth in Article 231-3 of the AMF's General Regulation.

The Offeror may also waive his Offer if the Waiver Threshold is not reached, as specified in section 2.6.2 "Waiver Threshold" above.

In the event of a waiver, the shares tendered in the Offer will be restituted to their owners without any interest, indemnity or other payment of any kind being due to such owners.

### 2.12. Reopening of the Offer

In accordance with the provisions of Article 232-4 of the AMF General Regulation, if the Offer is successful, the Offer will be automatically reopened at the latest within ten trading days following the publication of the final result of the Offer, on the same terms as the Offer (the "**Reopened Offer**"). In such case, the AMF will publish the timetable for the Reopened Offer, which will, in principle, last at least ten trading days.

In the event of a reopening of the Offer, the procedure for tendering the Securities in the Reopened Offer and the procedure for the Reopened Offer will be identical to that of the initial Offer, it being specified, however, that orders to tender to the Reopened Offer will be irrevocable.

However, the Offeror reserves the right, in the event that it would be in a position and would decide to implement a squeeze-out directly at the end of the Offer in accordance with the conditions provided for by articles 237-1 et seq. of the AMF's General Regulation, to request the AMF to implement such a squeeze-out within ten trading days from the publication of the notice of the result of the Offer. In such a case, the Offer would not be reopened.

### 2.13. Costs of the Offer

The overall amount of the fees, costs and external expenses incurred by the Offeror in connection with the Offer, including, in particular, fees and other expenses relating to its various legal, financial and accounting advisors and any other experts and consultants, as well as publicity costs, is estimated at approximately EUR 17,000,000 (taxes excluded).

### 2.14. Financing of the Offer

In the event that all of the Securities targeted by the Offer are tendered in the Offer, the total amount of compensation in cash to be paid by the Offeror to the holders of Securities of the Company who tendered their Securities in the Offer would amount to EUR 1,558,520,055.30 (expenses and commissions excluded).

The Offer will be financed partly by means of capital contributions from the Offeror shareholder, up to a maximum amount of 1,276,520,055.30 euros, partly by means of bank financing for a maximum principal amount of 425,000,000 euros.

#### **2.15. Brokerage fees and compensation of intermediaries**

In the context of the Offer, the Offeror will bear the brokerage fees and the related VAT incurred by the shareholders and the holders of BSAAR who would tender their Securities to the Offer or the Reopened Offer, as the case may be, within the limit of 0.2% (excluding taxes) of the amount of the order with a maximum of 75 euros (including taxes) per case. Shareholders and holders of BSAARs will not be reimbursed for any trading fees in the event that the Offer is not successful for any reason whatsoever.

Euronext Paris will pay directly to the brokers the amounts due for the reimbursement of the expenses mentioned below, as from the settlement date of the Offer or the Reopened Offer, as the case may be.

#### **2.16. Offer restrictions abroad**

No request to register the Offer or to obtain approval has been made to a financial market supervisory authority other than the AMF and no such request will be made.

As a result, the Offer is made to Security holders of the Company located in France and outside France, provided that the local laws to which they are subject allow them to take part in the Offer without the Offeror being required to complete any additional formalities.

The publication of the Offer Document, the Offer, the acceptance of the Offer and the delivery of the Securities may in some countries be subject to specific regulations or restrictions. As a result, the Offer is not addressed to persons subject to such restrictions, either directly or indirectly, and is not capable of being accepted in a country in which the Offer is subject to restrictions.

Neither the Offer Document nor any other document relating to the Offer constitutes an offer to buy or sell financial instruments or a solicitation of an offer in any country in which such offer or solicitation would be illegal, could not be legally made or would require the publication of a prospectus of any other formality in accordance with local financial laws. The holders of Securities located outside of France may participate in the Offer only to the extent that such participation is authorized by the local laws to which they are subject.

As a result, persons in possession of the Offer Document or any other document relating to the Offer must inform themselves of and comply with any applicable legal or regulatory restrictions. A failure to comply with these restrictions may constitute a violation of applicable stock exchange laws and regulations in some countries.

The Offeror will not be liable for the violation by any person located outside of France of foreign legal or regulatory restrictions applicable to it.

#### United States

The Offer will be made in the United States of America in accordance with Section 14(e) of the U.S. Securities Exchange Act of 1934 as amended (the “**1934 Act**”), the rules and regulations promulgated under that act, including Rule 14E after application of the exemptions provided for by Rule 14d-1(d) of the 1934 Act (“Tier II” exemptions)

and the requirements of French law. As a result, the Offer will be subject to certain procedural rules, including those relating to notification of the reopening of the Offer, settlement-delivery, purchase of Securities outside of the Offer and payment dates, which are different from the U.S. rules and procedures relating to public offerings.

The payment of the Offer Price to the Company's US shareholders could be a transaction subject to tax including US federal income tax. Each of the Company's US shareholders are strongly advised to consult immediately an independent professional advisor regarding the tax consequences of accepting the Offer.

It could be difficult for the Company's US shareholders to assert their rights under US federal stock exchange law, since the Offeror and the Company have their registered offices outside the United States of America and some or all of their managers and directors are residents of countries other than the United States of America. The Company's US shareholders may be unable to commence proceedings before a court outside the United States against a non-US company, its managers or its directors by invoking breaches of US stock exchange law. It may also be difficult to force a non-US company and its affiliates to comply with judgments handed down by a US court.

This Offer Document has not been filed or examined by any market authority (federal or state) or any other regulatory authority in the United States of America, and none of those authorities has commented on the accuracy or adequacy of the information contained in this Offer Document. Any statement to the contrary would be unlawful and could constitute a criminal offence.

The Offer Document does not constitute an offer to buy or sell or a solicitation of an order to buy or sell any securities in the United States and has not been submitted to the U.S. Securities and Exchange Commission.

For purposes of the preceding two paragraphs, the United States means the United States of America, its territories and possessions, or any of those states and the District of Columbia.

## **2.17. Tax treatment of the Offer**

Based on French law and regulations in force, the following developments present, for general information purposes, the main tax consequences that may apply to the shareholders of the Company that will participate to the Offer.

However, the attention of the latter is drawn to the fact that these developments:

- (i) are based on the French legislative and regulatory provisions in force at the date of the Offer Document and are therefore likely to be affected by (a) changes in French or international tax rules, which could be retroactive or apply to the current year or financial year, as well as by (b) any interpretation that could be made by the French tax authorities or by case law;
- (ii) are only a summary of the main French tax regimes applicable and are not intended to be an exhaustive analysis of all the situations and tax effects that may apply to them. Shareholders, individuals or legal entities, not resident in France for tax purposes must also comply with the tax legislation in force in their respective State of residence, taking into account, as the case may be, the provisions of the relevant double tax treaty entered into between France and their respective State of residence.

In this respect, taking into account the specificities of each situation, shareholders of the Company are urged to consult with their usual tax advisor in order to study their specific situation on a case-by-case basis.

### **2.17.1. Tax treatment of the Offer on the Shares of the Company**

- (a) Individual shareholders who are tax residents of France, acting in the context of the management of their private assets and not carrying out stock market transactions on a regular basis under the same conditions as a professional, and who do not hold

shares in the context of a company or group savings plan or under an employee share ownership scheme (free shares or shares resulting from stock subscription options or stock purchase options)

Individuals who (i) carry out stock market transactions under conditions similar to those which characterize an activity carried out by a person conducting such operations on a professional basis or (ii) hold or have acquired their shares through a company savings plan (*plan d'épargne d'entreprise*) or a group savings plan (*plan d'épargne de groupe*) (including through a company mutual investment fund (*fonds commun de placement d'entreprise*, "FCPE") or from the exercise of share purchase or subscription options or who received free shares (or rights to receive such shares) are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

(i) *Standard tax regime*

a. Personal income tax

In accordance with Articles 200 A, 158, 6 *bis* and 150-0 A et seq. of the French Tax Code ("FTC"), net capital gains resulting from the sale of securities, within the frame of the Offer, by individuals who are French tax residents are, in principle, subject to a 12.8% flat tax, without rebate. In this context, in accordance with the provisions of Article 150-0 D, 1 of the FTC, net gains are defined as the difference between the effective sale price of the shares, net of costs and taxes paid by the seller, and their tax basis.

However, pursuant to paragraph 2 of Article 200 A of the FTC, as an exception to the flat tax, taxpayers may elect globally, expressly and irrevocably, before the deadline for filing their income tax return for a given year, for such net capital gains to be taken into account for the purposes of determining their net global income subject to the progressive income tax rate scale. This election applies on a yearly basis to all investment income and capital gains falling within the scope of the abovementioned 12.8% flat tax and earned during the year. This election is performed each year when the tax return is filed and at the latest before the filing deadline.

If such an election is filed, the net capital gains resulting from the sale of shares acquired or subscribed before January 1, 2018 will be taken into account for the purposes of determining the net global income subject to the progressive income tax rate scale after application of a proportional rebate in accordance with Article 150-0 D, 1 *ter* of the FTC, which is equal, subject to exceptions, to:

- 50% of their amount where the shares have been held for at least two years and less than eight years, at the date of the sale; or
- 65% of their amount where the shares have been held for at least eight years, at the date of the sale.

Subject to exceptions, for the application of this rebate, this holding period is computed from the share subscription or acquisition date and ends at the property transfer date. In any case, no such rebate will apply to shares acquired or subscribed on or after January 1, 2018.

Taxpayers potentially concerned by these rules are urged to consult with their usual tax advisor to determine the consequences of this election.

In accordance with the provisions of Article 150-0 D, 11 of the FTC, capital losses on the sale of securities may be offset against capital gains of the same nature realized in the year of sale and then, in the event of a negative balance, against those of the following ten years (no offset against other categories of income is possible). If the abovementioned option is applied, the deduction for holding period applies, where applicable, to the net gain thus obtained.

Individuals with carried forward net capital losses or recognizing capital losses on the sale of shares in the context of the Offer are urged to consult with their usual tax advisor in order to review the offset conditions of such capital losses.

Where relevant, the tendering of shares in the Offer will trigger the termination of any tax deferral or rollover relief that may have been available to the relevant persons in prior transactions with respect to the shares tendered in the Offer and/or challenge specific tax reductions. The shareholders concerned are also urged to consult their usual tax advisor to determine the consequences applicable to their particular situation.

#### b. Social levies

Net capital gains resulting from the sale of shares are also subject to social levies at an overall rate of 17.2%, without any rebate where such a rebate is applicable for income tax purposes under the conditions specified above, broken down as follows:

- the general social contribution (*contribution sociale généralisée*, “CSG”), at a rate of 9.2%;
- the contribution for social debt repayment (*contribution pour le remboursement de la dette sociale*, “CRDS”), at a rate of 0.5%; and
- the solidarity levy (*prélèvement de solidarité*), at a rate of 7.5%.

If the net capital gains resulting from the sale of shares are subject to the abovementioned 12.8% flat tax, none of these social levies are deductible from the taxable income. If the taxpayer elects for taxation based on the progressive income tax rate scale, the CSG will be partially deductible, up to 6.8%, adjusted in specific situations in proportion of the income tax rebate, from the taxable income of the year during which it is paid. Other social levies will not be deductible from the taxable income.

#### c. Exceptional contribution on high income (*contribution exceptionnelle sur les hauts revenus*)

Article 223 *sexies* of the FTC provides that taxpayers subject to personal income tax are also subject to an exceptional contribution on high income applicable when their reference income for tax purposes (*revenu fiscal de référence*) exceeds certain thresholds.

Such contribution is calculated by applying a rate of:

- 3% for the portion of reference income (i) in excess of EUR 250,000 and representing less than or equal to EUR 500,000 for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (ii) in excess of EUR 500,000 and representing less than or equal to EUR 1,000,000 for taxpayers subject to joint taxation;
- 4% for the portion of reference income (x) exceeding EUR 500,000 for taxpayers who are single, widowed, separated, divorced or married but taxed separately and (y) exceeding EUR 1,000,000 for taxpayers subject to joint taxation.

For the purposes of such rules, the reference income of a tax household is defined in accordance with the provisions of Article 1417, IV, 1° of the FTC, without application of the “quotient” rules defined under Article 163-0 A of the FTC.

The abovementioned reference tax income includes net capital gains resulting from the sale of shares by the concerned taxpayers, before the application of the income tax rebate, if such a rebate is applicable in accordance



with the conditions described above, in the event that the taxpayer elects for taxation according to the progressive income tax rate scale (see paragraph (a) (Personal income tax) above).

(ii) *Tax regime applicable to shares held through a share savings plan (plan d'épargne en actions or "PEA")*

Individuals who hold shares in the Company through a share savings plan (*plan d'épargne en actions* or "PEA") may participate in the Offer.

Under certain conditions, the share savings plan entitles the holder to:

- until the closing of the share savings plan, benefit from an exemption from personal income tax and social security levies on the income and capital gains generated by investments made within the framework of the share savings plan, provided in particular that these income and capital gains remain invested in the share savings plan; and,
- at the time of the closing of the share savings plan or at the time of a partial withdrawal of the funds (when this closing or this partial withdrawal occurs more than five years after the opening date of the share savings plan), benefit from an exemption from income tax on the net gain realized since the opening of the plan.

This net gain is not taken into account for the computation of the exceptional contribution on high income described in paragraph (i)(c) but remains subject to the social security levies described in paragraph (i)(b) at the rate in force on the date of the event giving rise to the capital gain for share savings plans opened since January 1, 2018. The overall rate of social security levies as of the date of the Offer Document is 17.2%, as described above. For share savings plans opened before January 1, 2018, the applicable social security withholding rate may vary. Taxpayers concerned are urged to consult with their usual tax advisor.

Specific provisions, which are not described in the Offer Document, are applicable in the event of capital losses, closure of the plan before the expiry of the fifth year following the opening of the share savings plan, or in the event of withdrawal from the share savings plan in the form of a life annuity. The taxpayers concerned are urged to consult with their usual tax advisor.

Individuals holding their shares through a share savings plan and wishing to participate in the Offer are urged to consult with their usual tax advisor in order to determine the tax consequences of the sale of their shares held through the share savings plan in the context of the Offer.

(b) *Legal entities that are tax residents in France and subject to corporate income tax under standard conditions*

(i) *Standard tax regime*

Except for a specific tax regime, net capital gains resulting from the sale of shares in the context of the Offer will be included in the taxable income subject to corporate income tax ("CIT") at the current applicable standard tax rate for fiscal years beginning on or after January 1<sup>st</sup>, 2022 of 25%. If the seller's turnover (VAT excluded) exceeds 7.630.000 euros on an annual basis (per twelve-month period), the capital gains are also subject to the 3.3% social contribution (Article 235 *ter* ZC of the FTC), where applicable, which is assessed on the basis of the amount of CIT after application of a rebate which may not exceed an amount of EUR 763,000 per twelve-month period.

However, companies whose turnover (excluding taxes) is less than EUR 10,000,000 and whose fully paid up share capital has been held continuously for at least 75% during the relevant tax year by individuals or by companies which

themselves fulfil these conditions benefit from a reduced corporate tax rate of 15%, up to a taxable profit of EUR 38,120 for a period of twelve months.

Capital losses incurred on the sale of shares of the Company in the context of the Offer are, as a matter of principles and save application of a specific tax regime described below, deductible from the legal entity's taxable income.

Furthermore, it should be noted that (i) some of the thresholds aforementioned follow specific rules if the taxpayer is a member of a tax consolidation group and (ii) tendering shares in the Offer may result in the termination of any tax deferral or rollover relief that may have been available to the relevant companies with respect to prior transactions and/or the challenge of specific tax reductions.

Taxpayers are urged to consult with their usual tax advisor to determine the rate applicable to their situation.

(ii) *Specific regime for long-term capital gains (from the sale of participating interest)*

In accordance with the provisions of Article 219 I-a *quinquies* of the FTC, net capital gains realized on the sale of securities qualified as "participating interest" (*titres de participation*) within the meaning of said Article and which have been held for at least two years on the date of sale are exempt from CIT, subject to the recapture into the taxable income of a lump sum equal to 12% of the gross amount of the realized capital gains. This recapture is subject to CIT at the standard rate and, if applicable, to the social security contribution of 3.3%.

For the application of the provisions of Article 219 I-a *quinquies* of the FTC, the following constitute a participating interest: (i) shares having this nature for accounting purposes, (ii) shares acquired pursuant to a public purchase or exchange offer by the company which is the initiator of such offer, as well as (iii) shares entitling the holder to the parent-subsidiary regime for dividends (as defined in Articles 145 and 216 of the FTC) provided that it holds at least 5% of the voting rights of the issuing company, if these shares are recorded in the accounts as participating interest or in a special subdivision of another balance sheet account corresponding to their accounting characterization, with the exception of shares in companies holding principally real estate assets (as defined in Article 219 I-a *sexies-0 bis* of the FTC).

Taxpayers likely to be concerned are urged to consult with their usual tax advisor in order to study whether or not the shares they hold constitute a "participating interest" pursuant Article 219 I-a *quinquies* of the FTC.

The conditions for the use of long-term capital losses are subject to specific rules. Concerned taxpayers are urged to consult with their usual tax advisor.

(c) *Non-French Tax resident*

Subject to double tax treaties and any specific rules, where applicable, that may apply to taxpayers who have acquired their shares through an employee benefits plan or any incentive scheme, capital gains on the sale of their shares by taxpayers who are not French tax residents within the meaning of Article 4 B of the FTC or whose registered office is located outside of France (and which do not own their shares in connection with a fixed base or a permanent establishment subject to taxation in France on the balance sheet of which the shares are recorded as an asset) are not subject to taxation in France provided that:

- (i) the interest held, directly or indirectly, by the seller (individual, legal entity or organization), together with his or her spouse, their ascendants, descendants in the Company's profits, have not, at any time during the five years preceding the sale, exceeded 25% of the Company's profits (Articles 244 *bis* B and C of the FTC);
- (ii) the Company is not a French property rich company in the meaning of Article 244 *bis* A of the FTC; or

(iii) the seller is not domiciled, established or incorporated in a non-cooperative State or territory within the meaning of Article 238-0 A of the FTC (“**NCSTs**”), other than those mentioned in Article 238-0 A, 2 *bis*, 2°.

In the latter case, subject to the provisions of double tax treaties that may apply, regardless of the percentage of rights held in the Company’s profits, capital gains will be taxed at the flat rate of 75%, unless it is demonstrated that the principal purpose or effect of the transactions triggering such capital gains is not simply to allow their location in an NCST. A list of NCSTs is published by ministerial decree and may be updated at any time and, in principle, at least once a year in accordance with Article 238-0 A, 2 of the FTC. In this regard, it is recalled that Law No. 2018-898 of October 23, 2018, on the fight against fraud, which entered into force on December 1, 2018, expanded the list of NCSTs as defined in Article 238-0 A of the CGI to jurisdictions included in the European list of States and territories that are uncooperative for tax purposes (the so-called “**black list**”) published by the Council of the European Union and updated regularly.

The sale of shares in the context of the Offer is likely to trigger the termination of any payment deferral that may have been available to individuals subject to the “exit tax” rules set out in Article 167 *bis* of the FTC in the context of the transfer of their tax residence outside of France.

Non-French resident shareholders of the Company are urged to study their particular tax situation with their usual tax adviser in order, in particular, to take into account the tax regime applicable both in France and in their State of tax residence and, as the case may be, the applicable international double tax treaty.

(d) Shareholders subject to a different tax regime

Shareholders of the Company participating in the Offer subject to a tax regime other than those referred to above, in particular taxpayers who carry out transactions on securities exceeding the mere management of their private portfolio or whose shares are recorded as assets on their commercial balance sheet, non-residents or individuals who benefited from an allocation of free shares or who hold or have acquired shares through a company or group savings plan (including through a FCPE) or by the exercise of stock purchase or subscription options are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

(e) Registration fees

In principle, no registration fee is payable in France for the transfer of shares in a listed company having its registered office in France, unless the transfer is evidenced by a deed. In the latter case, the transfer of shares must be registered within one month from its completion; this registration gives rise, pursuant to Article 726, I-1° of the FTC, to the payment of a registration duty at the proportional rate of 0.1% (with the exception of shares in companies holding principally real estate assets) based on the higher of the transfer price or the fair market value of the shares, subject to certain exceptions provided by Article 726, II of the FTC, including the exception mentioned below).

(f) Financial transaction tax

Pursuant to Article 235 *ter* ZD of the FTC, the tax on financial transactions (the “**French FTT**” or *taxe sur les transactions financières*) applies to acquisitions for consideration of equity securities admitted to trading on a regulated market which are issued by a company having its registered office in France and whose market capitalization exceeds one billion euros on December 1, of the year preceding the fiscal year. A list of companies falling within the scope of the French FTT is published each year. The Company is included in the list of French companies whose market capitalization exceeds one billion euros on December 1<sup>st</sup>, 2021 (BOI-ANNX-000467-29/12/2021). As a result, the French FTT will be payable at the rate of 0.3% of the Offer Price in respect of the Shares acquired by the Offeror under the Offer.

The 0.1% transfer tax referred to in Article 726 of the FTC is not due when the French FTT applies.

## 2.17.2. Tax treatment of the Offer on the Warrants of the Company

(a) Individual shareholders who are tax residents of France, acting in the context of the management of their private assets and not carrying out stock market transactions on a regular basis under the same conditions as a professional, and who do not hold their Warrants in the context of a company or group savings plan (including through a FCPE) or under an employee share ownership scheme

The following developments do not apply to individuals who carry out stock market transactions under conditions similar to those which characterize an activity carried out by a person conducting such operations on a professional basis or hold or have acquired their Warrants through a company savings plan or a group savings plan (including through a FCPE) or under an employee share ownership scheme. Taxpayers likely to be concerned are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

(i) *Standard tax regime*

The net capital gains resulting from the sale of Warrants realized within the frame of the Offer, by individuals who are French tax residents will follow the regime described in section 2.16.1(a)(i) of this Offer Document. However, it should be noted that the Warrants do not fall within the scope of the proportional rebate provided for in article 150-0 D, 1<sup>er</sup> of the FTC.

(ii) *Warrants held through a share savings plan (plan d'épargne en actions or "PEA")*

Pursuant to the provisions of Article 13 of Amending Finance Law for 2013 No. 2013-1279 of December 29, 2013, subscription or allocation rights or warrants may no longer be included in a PEA as of January 1<sup>st</sup>, 2014. However, subscription or allocation rights or warrants that were included in the plan as of December 31<sup>st</sup>, 2013, may remain in the plan and continue to benefit from the income tax exemption regime applicable to the proceeds included in the PEA. Taxpayers who hold their Warrants in a PEA are urged to consult with their usual tax advisor, particularly with respect to the deduction of expenses.

(b) Legal entities that are tax residents in France and subject to corporate income tax under the conditions of ordinary law

The net capital gains realized on the sale of the Warrants in the context of the Offer will follow the regime described in section 2.16.1(b)(i) of this Offer Document. The holders of Warrants concerned are urged to consult with their tax advisor in order to determine the applicable corporate income tax rate.

(c) Non-French Tax resident

Subject to double tax treaties, and pursuant to Article 244 *bis* C of the FTC, capital gains resulting from the sale of their Warrants by taxpayers who are not domiciled for tax purposes in France within the meaning of Article 4 B of the FTC or whose registered office is located outside France (and which do not own their shares in connection with a fixed base or a permanent establishment subject to taxation in France on the balance sheet of which the shares are recorded as an asset) are not subject to taxation in France, unless the capital gains are realized by individuals or entities domiciled, established or incorporated outside of France in a non-cooperative State or territory as defined in section 2.16.1(c), in which case such capital gains will follow the regime described in such section. Holders of Warrants who are not tax residents of France are urged to study their particular tax situation with their usual tax advisor in order to take into account the tax regime applicable in France as well as in their State of tax residence.

(d) Shareholders subject to a different tax regime

Holders of Warrants participating in the Offer subject to a tax regime other than those referred to above, in particular taxpayers who carry out transactions on securities exceeding the mere management of their private portfolio or whose Warrants are recorded as assets on their commercial balance sheet and non-residents are urged to consult with their usual tax advisor in order to determine the tax regime applicable to their particular situation.

(e) Registration fees or financial transaction tax

No registration duty is due in France in respect of the sale of the Warrants, unless the sale of the Warrants is voluntarily submitted for registration, in which case the fixed duty for unnamed deeds of EUR 125 applies (Article 680 of the FTC).

Transactions on the Company's Warrants will be subject to the French financial transaction tax at the rate of 0.3% of the Offer Price provided for in Article 235 *ter* ZD of the FTC since the Company's market capitalization exceeds one billion euros on December 1<sup>st</sup>, 2021 (BOI-ANNX-000467-29/12/2021).

### 3. INFORMATION USED TO ASSESS THE OFFER PRICE

The Offer Price proposed by the Offeror is EUR 50.00 per Albioma Share, plus the dividend of EUR 0.84 paid in cash, and EUR 29.10 per Warrant, payable in cash.

The assessment of the Offer Price has been prepared by Société Générale, the institution presenting the Offer on behalf of the Offeror, based on a business plan by division (according to the Company's reporting: *thermal biomass France, solar France, thermal biomass Brazil, geothermal (Turkey) and Holding*) covering the period 2022 to 2026, prepared by the Company's management and validated by the Board of Directors, according to the main usual valuation methods. The sources of information are indicated in this document and have not been independently verified by Société Générale.

#### 3.1. Information used to assess the Share Offer Price

##### 3.1.1. Methodology

(a) Valuation methods retained

In the context of the multi-criteria analysis approach, the following valuation methodologies were retained to value Albioma:

*Main methodology*

- **Reference to Share prices before rumors;**
- **The trading multiples methodology applied specifically to each of the Albioma group's activities** (thermal biomass, solar, geothermal), through separate samples of comparable companies;
- **The discounted cash flows methodology applied to each of the business segments.**

*Methodologies for illustrative purpose*

- **Reference to pre-announcement Share prices;**
- **Reference to financial analysts' target price.**

Société Générale has adopted a post-IFRS 16 valuation approach in line with the methodology used in the Company's financial publications and to ensure consistency between the different valuation methodologies. Valuation methods have been applied as of June 30, 2022.

(b) Valuation methods not retained

The following methods - considered not relevant to the assessment of the proposed price - were not retained:

- **Net book value ("NBV")**

This patrimonial method consists in valuing a company based on its book equity. It is not relevant for valuing a company that is being considered as a going concern, as it reflects the accumulation of past results and does not take into account the distributive capacity or growth prospects.

This accounting method was therefore not used by Société Générale.

As an indication, Albioma's net book value on 31 December 2021 is €503 million, or €15.11 per Share based on the number of Shares retained.

- **Net assets value ("NAV")**

This approach defines the value of a company's equity as the difference between its assets and liabilities, after revaluation of the main assets - particularly intangible assets - at their market value.

The net asset value method does not appear to be relevant for the valuation of a company such as Albioma in the context of a long-term operating perspective. This method is mainly used in the case of diversified holdings. This method has therefore been rejected by Société Générale.

- **Dividend discount model**

This approach consists in assessing the value of a company's equity according to its distributive capacity, by discounting future dividend flows received by shareholders.

This approach is not applicable as the Offeror does not have of the financial aggregates necessary to project dividend flows by segment, the most relevant valuation approach being a sum-of-the-parts. Also, the Company's current dividend distribution policy is not necessarily representative of the Company's ability to generate free cash flows.

- **Trading multiples method to value Albioma on a consolidated basis**

This approach consists in valuating a company by applying to its consolidated aggregates the multiples observed over a sample of comparable listed companies in terms of activity, markets, size, profitability, and growth prospects.

This approach was discarded in the absence of direct comparable companies operating across the Company's operations and in the same geographies in comparable proportions.

- **Comparable transactions approach to value Albioma on a consolidated basis or by parts**

This approach consists in applying to the financial aggregates of the Company, or to its parts, the valuation multiples observed on a sample of transactions carried out in the same sector of activity on companies with a similar profile to Albioma, or to its parts.

This approach was ruled out given the limited number of transactions involving companies significantly comparable to Albioma, present in all its activities.

Also, the approach by parts was not adopted given the limited number of transactions involving companies significantly comparable to Albioma's thermal generation activity.

### 3.1.2. Financial data used as the basis to evaluate the Share Offer Price

#### (a) Reference aggregates

The financials used to assess the terms of the Offer are based on (i) Albioma's consolidated and audited financial statements for the years 2019 to 2021 and (ii) a business plan covering the period 2022 to 2026 established by the Company's management and validated by the Board of Directors (the "**Business Plan**"). The Business Plan has been established based on Albioma's existing activities as reported in its consolidated financial statements as of December 31, 2021, and a number of development projects included in the Business Plan. The financial aggregates of the Business Plan include the application of IFRS 16 over the 2022-2026 period.

The financial projections of the Business Plan were determined on the basis of the following assumptions:

- Revenue projections by activity:
  - o According to Albioma's portfolio of activities (*thermal biomass France, solar France, thermal biomass Brazil, geothermal (Turkey) and Holding*): the revenue compound annual growth rate between 2022 and 2026 are respectively +6%, +9%, +12%, +33% and +68%, these projections include the business model and the specific dynamics of each segment.
  - o Overall, the consolidated revenue compound annual growth (CAGR) between 2022 and 2026 is c.+7%.
- EBITDA margin projection (excluding operating leases) by activity:
  - o According to Albioma's portfolio of activities (*thermal biomass France, solar France, thermal biomass Brazil, geothermal (Turkey) and Holding*): EBITDA margin at c. 32% over the period 2022-2026 for *thermal biomass France*, from 61% in 2022 to 64% in 2026 for *solar France*, from 49% in 2022 to 68% in 2026 for *thermal biomass Brazil*, and from 73% in 2022 to 79% in 2026 for *geothermal (Turkey)*, these projections include the business model and the specific dynamics of each segment.
  - o Overall, the consolidated EBITDA margin increased from 35% in 2022 to 38% in 2026.
- Cash Flow Projections over 2022-2026:
  - o Retained tax rate of 25.8% for France (*thermal biomass France, solar France and Holding*), 34.0% for Brazil (*thermal biomass Brazil*) and 20.0% for geothermal (*Turkey*) from 2022 to 2026.
  - o Capital expenditure on tangible assets represent €1.1 billion over the Business Plan period, of which €0.9 billion for development capex, and an average of 31% of annual turnover (23% for *thermal biomass France* mainly related to the conversion to biomass of Le Gol and Bois-Rouge, and to solid

recovery fuels for Bois-Rouge, 62% for *solar France* mainly related to the further development and construction of projects, 47% for *thermal biomass Brazil* mainly related to the development of thermal activity but also new solar activities on the Brazilian territory and 212% for *geothermal (Turkey)* related to the acquisition of a power plant in Turkey in 2022 and to new projects of constructions).

- Change in working capital requirements represents on average c.1% of revenue per year over the Business Plan period (1% for *thermal biomass France*, 1% for *solar France*, 1% for *thermal biomass Brazil* and (7%) for *geothermal (Turkey)*).

(b) Bridge from enterprise value to equity value

The bridge from enterprise value to equity value is based on:

- Consolidated net financial debt as of December 31, 2021, post-IFRS 16 (including the amount of debt corresponding to operating lease contracts);
- Estimation of the consolidated net financial debt as of June 30, 2022, based on the estimated cash flow generated during H1 2022;
- Other common adjustment items calculated from the consolidated balance sheet as of December 31, 2021, information provided by the Company and the Offeror's estimates.

Bridge items	€m	Comments
Financial debt	971	Balance sheet as of 31-Dec-21
IFRS 16 debt	42	Balance sheet as of 31-Dec-21
Net derivatives	29	Balance sheet as of 31-Dec-21
Cash and cash equivalents	(108)	Balance sheet as of 31-Dec-21
H1 2022 projected cash flow	14	Offeror's estimates
<b>Net Debt as of 30-June-22</b>	<b>949</b>	
Minority interests	97	Balance sheet as of 31-Dec-21
Provisions for risks	3	Balance sheet as of 31-Dec-21
Pensions	3	Offeror's estimates
Financial assets	(5)	Balance sheet as of 31-Dec-21
<b>Total net debt adjustments</b>	<b>98</b>	
<b>Total enterprise value to equity value bridge</b>	<b>1,047</b>	

It should be noted that investments in associates are not included in the bridge items, their contribution being included in the Company's reported EBITDA.

(c) Number of Shares

The number of Shares selected is based on the 32,285,221 Shares issued as of April 30, 2022, adjusted for the following items:

- Subtraction of 144,853 treasury Shares (source: Company);
- Addition of 743,436 Performance Shares granted and not issued (source: Company);



- 686,483 Warrants outstanding in the money (source: Company), the exercise of which would potentially generate proceeds of EUR 14.3 million for Albioma. The valuation is based on a diluted number of Shares according to the "*Treasury method*", assuming a repurchase of 282,209 Shares at the Share Offer Price plus the dividend using the proceeds of the Warrants' exercise.

On this basis, the total number of Shares retained is 33,288,078.

### 3.1.3. Main methods retained

For the purposes of applying valuation methods, the Company's financial aggregates presented below (EBITDA 2022E and 2023E) are in line with the Business Plan, i.e. including the impact of IFRS 16.

#### (a) Reference to stock market prices

Albioma Shares are listed on the Euronext market in Paris (ISIN FR0000060402). The stock market price is a reference point in the assessment of the Company's value.

The analysis of the Company's Share price is based primarily on data as of March 7, 2022, the last trading day preceding market rumors on a potential Offer by the Offeror, and as of April 27, 2022, last trading day preceding the announcement of the Offer by the Offeror.

The table below shows the premiums implied by the Share Offer Price plus dividend by taking as reference the spot price and the volume-weighted average prices over several reference periods.

<i>References to the share price</i>	<i>As of 07 March 2022 (main references)</i>		<i>As of 27 April 2022 (indicative references)</i>	
	<i>Share price</i>	<i>Premium implied by the Share Offer Price + div.</i>	<i>Share price</i>	<i>Premium implied by the Share Offer Price + div.</i>
Spot price at closing	€33.54	51.6%	€43.74	16.2%
Volume weighted average price 1 month	€35.45	43.4%	€43.67	16.4%
Volume weighted average price 3 month	€34.68	46.6%	€39.32	29.3%
Volume weighted average price 6 month	€34.37	47.9%	€37.56	35.3%
Volume weighted average price 12 month	€35.92	41.6%	€36.39	39.7%
Lowest 12 months (20-Dec-21)	€31.06	63.7%	€31.06	63.7%
Highest 12 months (06-Apr-21 / 18-Mar-22)	€44.48	14.3%	€46.00	10.5%

Source: Bloomberg

### Evolution of the Share price and trading volumes over the last 12 months preceding the market rumors on a potential Offer by the Offeror



Source: Bloomberg

In the 12 months prior to the market rumors on a potential Offer by the Offeror, the Company's Share price fluctuated between €44.48 and €31.06 and decreased by -17.0% (in comparison, the SBF 120 reference index decreased by -0.7% over the same period).

The Company's Share price increased by 30.4% between March 7, 2022, the last trading day prior to market rumors on a potential Offer by the Offeror and April 27, 2022, the last trading day prior to the announcement of the Offer by the Offeror.

(b) Sum-of-the-parts approach using the methodology of multiples of comparable companies

The sum-of-the-parts approach was chosen as a valuation methodology because it considers the specific characteristics of the Company's activities. Indeed, this method consists in the application of different valuation approaches for the three business segments of Albioma as defined by the management: thermal biomass, solar and geothermal:

- **Thermal biomass:** this category includes the following activities:
  - o **Biomass thermal France** (78% of 2021 EBITDA): Albioma operates power plants located in La Réunion, Guadeloupe & Martinique, valorizing all bagasse (fibrous residue of sugarcane after extraction of juice) produced by its partner sugar mills. During the six months of the sugar campaign, the plants operate in cogeneration, producing steam and electricity for the sugar factories. Outside the sugar season, the plants produce electricity mainly from coal. The French plants represent an installed capacity of 453MW.
  - o **Thermal biomass Brazil** (7% of 2021 EBITDA): Beginning of activities in Brazil in 2015. Albioma now operates 4 power plants with a total installed capacity of 241MW. The activity in

Brazil is punctuated by sugar campaigns of 9 to 10 months that allow the plants to operate in cogeneration almost the entire year.

- **Solar France** (16% of 2021 EBITDA): Beginning of the Group's solar activity with a first photovoltaic park in 2006 and commissioning of its first energy storage facility in 2014. This activity enables the Group to stabilize and guarantee energy production. Albioma is focusing its development on French overseas territories and metropolitan France by targeting projects related to the agricultural sector. The development of the solar business was accelerated in 2018 with the acquisition of Eneco France.
- **Geothermal (Turkey)** (1% of 2021 EBITDA): Activity newly developed with the acquisition of a majority Share (75%) of Gümüşköy Jeotermal Enerji Üretim in January 2021 and the Kuyucak power plant in January 2022. Albioma has an installed capacity of 31MW with its two Turkish power plants.

Société Générale has adopted a sum-of-the-parts approach based on the methodology of multiples of comparable companies applied to Albioma's three business activities.

This method consists in determining the value of the Company's three business segments (thermal biomass, solar and geothermal) by applying to the corresponding financial aggregates the multiples observed on a sample of comparable listed companies in terms of activity, markets, size, profitability, and growth prospects.

For each company in the selected samples, the enterprise value is determined based on market capitalization and net financial debt including the portion of operating leases corresponding to the lease agreements. The aggregates selected by segments do not include the central costs and the contribution of thermal activity in Mauritius, both valued separately.

### ***Thermal biomass***

#### **Sample retained**

The sample of comparable companies consists in European and American companies exposed to similar underlying markets in the contracted thermal electricity generation sector. Indeed, Albioma's thermal biomass generation activity incorporates an operational risk similar to the one of the thermal generation players qualified as *Independent Power Producer*. To ensure comparability, we have also selected companies whose generation is contracted to capture the regulated nature of Albioma's activity (more than 85% of Albioma's capacities are under PPA vs. above 80% for the group of comparable companies).

The 4 comparable companies selected are:

- **AES:** American player present in the production and distribution of energy using mainly coal, gas, hydroelectricity, wind, solar and thermal biomass as fuels/technologies. AES has an installed capacity of 26.0GW in operation in 2021. The group generates most of its revenue in the United States and Latin America, notably Brazil and Argentina.
- **Engie Brazil Energia:** Brazilian subsidiary of Engie, which produces and exchanges electrical energy. Engie Brazil Energia generates all its revenues in Brazil, where it operates 60 plants, including 11 hydroelectric plants; 4 thermal plants; and 45 complementary sites, which include 3 biomass plants, 38 wind farms, 2 solar photovoltaic plants and 2 small hydro power plants in the 21 states of Brazil. Engie Brazil Energia has an installed capacity of 9.1GW.

- **AES Andes:** Chilean subsidiary of AES, operating power generation plants, mainly coal and hydroelectric, and battery storage systems. The subsidiary has an installed capacity of 4.7GW in operation. AES Andes generates all its revenues in Latin America (Chile, Colombia, and Argentina).
- **ContourGlobal:** British player present on various activities of electricity production. ContourGlobal's revenues are primarily generated in Europe and Brazil. The company operates in the thermal and renewable energy segments producing electricity from coal, lignite, natural gas, fuel oil, diesel, wind/solar/hydro, with a total installed capacity of 6.3GW.

## Multiples

The application of the EV/EBITDA multiples (aggregate used in the sector) to EBITDA excluding central costs provides an enterprise value for this activity.

Company	Country	Market capitalization (€m)	Enterprise value (€m)	EV / EBITDA 2022E	EV / EBITDA 2023E
AES	United States	13,349	32,796	9.0x	8.7x
Engie Brazil Energia	Brazil	6,601	9,687	7.8x	7.0x
AES Andes	Chile	1,561	4,126	5.7x	5.4x
Contourglobal	United Kingdom	1,497	5,420	7.0x	7.2x
Average				7.4x	7.1x
Maximum				9.0x	8.7x

*Source: Capital IQ as of 27-Apr-22*

*Note: forecasts based on analysts consensus*

## Solar France

### Sample retained

The sample of comparable companies is composed of European and Canadian companies exposed to market dynamics, technologies, and regulatory models similar to those of Albioma. The aggregates of these companies reflect levels of revenue growth and EBITDA margin in line with those of Albioma's solar division.

The seven comparable companies selected are:

- **ERG:** Italian power player producing electricity from renewable resources such as solar, wind and thermoelectric. The majority of ERG's turnover is generated in Italy, France, and Germany. The group has 3.2GW of installed capacity in operation.
- **Neoen:** Independent French producer of renewable energy, involved in the construction and operation of solar power plants, wind farms and energy storage. Neoen has an installed capacity in operation or under construction of more than 3.5GW and is targeting more than 10GW by 2025. Neoen generates most of its revenues in Europe, Australia, and South Africa.
- **Innnergex:** Independent Canadian producer of renewable energy, operating mainly hydroelectric plants and wind farms. It owns and operates 80 facilities with a net installed capacity of 3.9GW, including 40 hydro

power plants, 32 wind farms and 8 solar farms. Innergex generates most of its revenues in Canada and the United States.

- **Boralex:** Canadian player involved in the development, construction and operation of renewable energy generating plants. Boralex's revenue is mainly generated in Canada and France. Boralex has an installed operating capacity of 2.5GW.
- **Scatec:** Norwegian actor that develops, builds, owns, and operates solar, hydro and storage plants. The company is also involved in the engineering, procurement, construction management, operation, maintenance, and asset management of power plants. It has a total of 3.4GW in operation. The Philippines, Egypt, and Laos are the countries contributing the most to Scatec's turnover.
- **Solaria:** Spanish player producing electricity from photovoltaic sources. The company owns, manages, and operates photovoltaic power plants in Spain, Italy, Uruguay, and Greece for an installed capacity of 0.8GW. Most Solaria's revenues are generated in Spain.
- **Voltaia:** French player producing renewable energy, mainly from solar and wind. Voltaia is involved in the construction and operation of power plants, with an installed operating capacity of 1.2GW. Voltaia generates most of its revenues in Brazil and France.

## Multiples

The application of the EV/EBITDA multiples (aggregate used in the sector) to EBITDA excluding central costs provides an enterprise value for this activity.

Company	Country	Market capitalization (€m)	Enterprise value (€m)	EV / EBITDA 2022E	EV / EBITDA 2023E
ERG	Italy	4,875	6,896	16.5x	14.7x
Neoen	France	4,017	6,333	17.1x	14.3x
Boralex	Canada	2,958	5,946	14.0x	13.7x
Innergex	Canada	2,691	6,668	14.2x	13.3x
Solaria	Spain	2,653	3,204	22.0x	15.6x
Voltaia	France	1,919	2,758	14.5x	10.3x
Scatec	Norway	1,870	3,505	11.1x	8.9x
Average				15.6x	13.0x
Maximum				22.0x	15.6x

Source: Capital IQ as of 27-Apr-22

Note: forecasts based on analysts consensus

## Geothermal (Turkey)

### Sample retained

The sample of comparable companies consists of an American company exposed mainly to geothermal energy in the electricity generation sector. To our knowledge, there is only one listed company focused solely on this sector. The comparable company for geothermal activity is:

- **Ormat Technologies:** American player, mainly active in geothermal with an installed capacity of 1.1GW. Ormat Technologies makes most of its revenues in the United States.

## Multiples

The application of the EV/EBITDA multiples (aggregate used in the sector) to EBITDA excluding central costs provides an enterprise value for this activity.

Company	Country	Market capitalization (€m)	Enterprise value (€m)	EV / EBITDA 2022E	EV / EBITDA 2023E
Ormat Technologies	United States	4,203	5,946	14.0x	11.9x

*Source: Capital IQ as of 27-Apr-22*

*Note: forecasts based on analysts consensus*

## Central costs

The central costs were estimated from the implicit multiple of EBITDA of the enterprise value derived from thermal, solar, and geothermal biomass activities by the multiple grant method. The calculation used is (implied EV of thermal biomass activities + implied EV of solar activities + implied EV of geothermal activities) / (EBITDA of thermal biomass activities + EBITDA of solar activities + EBITDA of geothermal activities). Note that the contribution of thermal activity in Mauritius is included in the amount of central costs.

## Application

The multiples of the comparable companies have been calculated based on the Share price on as of 27 April, 2022 and the Capital IQ consensus on that date and applied to the selected financial aggregates (EBITDA 2022E and EBITDA 2023E).

The reference multiples used are based on the average of each sample on the one hand and the maximum value of each sample on the other hand. Indeed, this last method allows to adopt a maximalist approach by attributing to the parts of Albioma the full benefit of the maximum valuation observed in each sample of comparable companies.

In €m	EBITDA 2022E Average of multiples	EBITDA 2022E Maximum multiple	EBITDA 2023E Average of multiples	EBITDA 2023E Maximum multiple
EBITDA multiple	7.4x	9.0x	7.1x	8.7x
EBITDA	178	178	198	198
<b>Biomass value</b>	<b>1,309</b>	<b>1,591</b>	<b>1,397</b>	<b>1,728</b>
EBITDA multiple	15.6x	22.0x	13.0x	15.6x
EBITDA	34	34	41	41
<b>Solar value</b>	<b>530</b>	<b>745</b>	<b>537</b>	<b>647</b>
EBITDA multiple	14.0x	14.0x	11.9x	11.9x
EBITDA	8	8	13	13
<b>Geothermal value</b>	<b>115</b>	<b>115</b>	<b>149</b>	<b>149</b>
EBITDA multiple	8.9x	11.2x	8.3x	10.0x
EBITDA	(9)	(9)	(12)	(12)
<b>Holding value</b>	<b>(81)</b>	<b>(102)</b>	<b>(97)</b>	<b>(117)</b>
<b>Enterprise value</b>	<b>1,874</b>	<b>2,349</b>	<b>1,986</b>	<b>2,406</b>
Enterprise value adjustment	(1,047)	(1,047)	(1,047)	(1,047)
<b>Equity value</b>	<b>827</b>	<b>1,302</b>	<b>939</b>	<b>1,359</b>
<b>Implied share value</b>	<b>€24.83</b>	<b>€39.10</b>	<b>€28.21</b>	<b>€40.82</b>

The application of the average 2022 and 2023 multiples of the sample to the Company's EBITDA shows values per Share of €24.8 and €28.2 respectively. The Share Offer Price, plus the dividend of 0.84 euros paid in cash, gives premiums of +104.7% and +80.2% respectively compared to these values.

The application of the maximum 2022 and 2023 multiples of the sample to the Company's EBITDA shows values per Share of €39.1 and €40.8 respectively. The Share Offer Price, plus the dividend of 0.84 euros paid in cash, gives premiums of +30.0% and +24.5% respectively compared to these values.

(c) Sum-of-the-parts approach by discounting the future free cash flows of each of the business divisions

The discounted cash flows method consists of determining the fundamental value of a company's economic asset or enterprise value by discounting projected free cash flows. This methodology depends on the assumptions used in the Business Plan drawn up by the Company's management for each of activities *thermal biomass France, solar France, thermal biomass Brazil, geothermal (Turkey) and Holding* (including cash flows related to Mauritius) which covers the period 2022-2026.

Free cash flows are calculated as the Company's after-tax operating income plus depreciations and amortizations, minus capital expenditure including changes in working capital.

The enterprise value was obtained by discounting to June 30, 2022, the free cash flows by business segment, as defined above, at the Weighted Average Cost of Capital ("WACC") using the mid-year discounting convention.

This value breaks down into the present value of cash flows over the explicit period of the Business Plan for the period H2 2022 to 2026 (note that the Business Plan of the *French thermal biomass* business line has been extrapolated

to 2030), and a terminal value which corresponds to the discounting of these flows after 2026 (2030 for the thermal biomass France division). The theoretical “Gordon Shapiro” method for calculating the terminal value has been applied according to the principle of the sum-of-the-parts, i.e. each business segment (*thermal biomass France, thermal biomass Brazil, geothermal (Turkey) and holding*) except for *Solar France* segment, for which a business plan has been extrapolated to the end of 2051, i.e. the last year of operation of the assets included in the business plan. The total enterprise value of the group is the sum of the values of the business segments.

#### Post 2026 value

The terminal value, by business division except for *Solar France*, was determined based on a normalized cash flow and a perpetual growth rate, discounted using the WACC. It should be noted that, among the various aggregates, the capital expenditure amounts in the normative year have been drawn up using a consolidated level in line with management guidelines and allowing the existing base of thermal assets to be maintained, according to the principle of business continuity.

The business plan for the *thermal biomass France* division has been extrapolated to 2030, based on the following assumptions:

- A revenue growth rate from 2027E onwards of 1.00% in line with the consensus of Albioma’s financial analysts, increased by a premium of 0.25% in line with the indexation of contracts for thermal biomass power plants;
- An EBITDA margin of 32.0% (excluding operating leases), in line with the average EBITDA margin over the 2022-2026 period;
- Extrapolated D&A, in line with the previous period and considering 20 years of life for new assets;
- A corporate tax rate of 25.8% (tax rate for France in 2022 and subsequent years);
- A level of capital expenditure on tangible assets in line with the level of maintenance capex in previous years;
- Other cash flow items representing c.0.1% of revenues corresponding to the 2023-2026 average (2022 excluded because exceptional).

The terminal value (post 2030) for the *thermal biomass France* division is calculated based on a normative cash flow based on the following assumptions:

- A perpetual growth rate of the Company’s revenues of 1.00% in line with the consensus of Albioma’s financial analysts;
- Capital expenditure in tangible assets required to maintain the asset base post 2030 and in line with the average capital expenditure on tangible assets between 2020 and 2025 adjusted for the conversion capex / restart capex ratio and increased by maintenance capital expenditure for the *thermal biomass France* division;
- An EBIT amount consistent with a ROCE of 8.16% (last ROCE communicated by the CRE for the remuneration of the conversion of Le Gol to biomass) and applied on a 20-year depreciated asset base;
- A depreciation rate for tangible assets consistent with the capex and depreciation assumptions of the asset base;



- An EBITDA margin of 32.0% (excluding operating leases), in line with the average EBITDA margin for the 2022-2026 period;
- A corporate tax rate of 25.8% (tax rate for France in 2022 and subsequent years);
- Other cash flow items representing c.0.1% of revenues corresponding to the 2023-2026 average (2022 excluded because exceptional).

The business plan for the *solar France* division has been extrapolated to 2051, the last year of operation of the assets included in the Business Plan, which is based on the following assumptions:

- Revenue and EBITDA starting in 2027 are calculated assuming 22 years of life for the existing asset base in 2021 with a linear reduction over the last 10 years of the assets' life, a 25-year life for the new assets (growth 2021-2026) and an inflation rate of 1.00%
- Depreciation of tangible assets is calculated assuming a useful life of 22 years for existing assets and 25 years for new assets;
- A corporate tax rate of 25.8% (tax rate for France in 2022 and subsequent years);
- No capital expenditure from 2027 onwards;
- Other cash flow items representing c.0.1% of revenues corresponding to the 2023-2026 average (2022 excluded because exceptional).

The terminal value (post 2026) for the *thermal biomass Brazil* division is calculated based on a normative cash flow based on the following assumptions:

- A perpetual growth rate of the Company's revenues of 2.75% in line with the consensus of financial analysts on a significant sample of companies listed in Brazil;
- An EBITDA margin of 68.3% (excluding operating leases), in line with the EBITDA 2026 margin;
- A depreciation rate for tangible assets consistent with the capex and depreciation assumptions of the asset base;
- A corporate tax rate of 34.0% (tax rate for Brazil);
- Capital expenditure on tangible assets in line with the average weight of capital expenditure on tangible assets between 2022 and 2026 for the *thermal biomass Brazil* business compared to the whole group and an estimate of capital expenditure in tangible assets post 2026;
- Other cash flow items representing c.0.1% of revenues corresponding to the 2023-2026 average (2022 excluded because exceptional).

The terminal value (post 2026) for the *geothermal (Turkey)* division is calculated based on a normative cash flow based on the following assumptions:

- A perpetual growth rate of the Company's revenues of 2.00% in line with the consensus of analysts on a significant sample of companies listed in Turkey;

- An EBITDA margin of 79.3% (excluding operating leases), in line with the EBITDA 2026 margin;
- A depreciation amount for tangible assets based on the 2026 amount plus capital expenditure on tangible assets 2026 depreciated over 20 years;
- A corporate tax rate of 20.00% (tax rate for Turkey);
- Capital expenditure in tangible assets in line with the depreciation assumptions of the asset base;
- Other cash flow items representing c.0.3% of revenues corresponding to the 2023-2026 average (2022 excluded because exceptional).

The terminal value (post 2026) for the *holding* division is calculated based on a normative cash flow based on the following assumptions:

- A perpetual growth rate of the Company's revenues of 1.00% in line with the consensus of Albioma's analysts;
- An EBITDA level (excluding operating leases) in line with the EBITDA 2022-2026 average excluding management's prudence margin;
- A depreciation rate for tangible assets representing 6.5% of EBITDA, in line with the historical average rate over 2019-2020;
- A corporate tax rate of 25.8% (tax rate for France in 2022 and subsequent years).

#### Weighted Average Cost of Capital ("WACC")

The WACC is the weighted sum of the cost of equity and the cost of debt after tax. The cost of equity is estimated based on Capital Asset Pricing Model ("**CAPM**") formula., according to which the cost of equity is the sum of a risk-free rate corresponding to the expected return on an investment without default risk and a risk premium corresponding to the excess profitability requested by an investor with regards to the risk profile of the investment. This risk premium is calculated based on a market risk premium weighted by a measure of the Company's own volatility ("beta").

This calculation of the WACC is specific to each business segment: *thermal biomass France, solar France, thermal biomass Brazil, geothermal (Turkey) and Holding (including Mauritius)*.

The calculation of the WACC for the *thermal biomass France* division shows a discount rate of 5.2%. The elements involved in the calculation are:

- Average deleveraged adjusted beta of comparable companies: 0.49 (source: Bloomberg as of 27 April 2022, companies);
- Net financial debt to equity ratio (gearing): 87.5% (Target ratio, slightly above the Company's net debt to market capitalization ratio as of March 7, 2022 to take into account the higher leverage effect on assets in France versus assets in Turkey and Brazil);
- Risk-free rate: 0.4% (risk-free rate in France, Damodaran);

- Equity market risk premium: 9.0% (market risk premium in the respective overseas territories weighted by the geographical distribution of installed capacity, Damodaran);
- Pre-tax cost of debt: 3.0% (in line with the Company's interest rate at the *Sustainability-Linked Euro PP* issue in December 2020);
- Corporate tax rate in France: 25.83% (corporate tax rate of 25.0% plus a social security surtax of 3.3%, i.e. a combined rate of 25.83%).

The calculation of the WACC for the *solar France* division shows a discount rate of 5.0%. The elements involved in the calculation are:

- Average deleveraged adjusted beta of comparable companies: 0.54 (source: Bloomberg as of 27 April 2022, companies);
- Net financial debt to equity ratio (gearing): 87.5% (Target ratio, slightly above the Company's net debt to market capitalization ratio as of March 7, 2022 to take into account the higher leverage effect on assets in France versus assets in Turkey and Brazil);
- Risk-free rate: 0.4% (risk-free rate in France, Damodaran);
- Equity market risk premium: 7.9% (market risk premium in the respective overseas territories and metropolitan France weighted by the geographical distribution of installed capacity, Damodaran);
- Pre-tax cost of debt: 3.0% (in line with the Company's interest rate at the *Sustainability-Linked Euro PP* issue in December 2020);
- Corporate tax rate in France: 25.83% (corporate tax rate of 25.0% plus a social security surtax of 3.3%, a combined rate of 25.83%).

The calculation of the WACC for the *thermal biomass Brazil* division shows a discount rate of 6.0%. The elements used in the calculation are:

- Average deleveraged adjusted beta of comparable companies: 0.49 (source: Bloomberg as of 27 April 2022, companies);
- Net financial debt to equity ratio (gearing): 53.6% (driven by the target ratio of 87.5% for assets in France, slightly above the Company's net debt to market capitalization ratio as of March 7, 2022 to take into account the higher leverage effect on assets in France versus assets in Turkey and Brazil);
- Risk-free rate: 2.6% (risk-free rate in Brazil, Damodaran);
- Equity market risk premium: 7.2% (market risk premium in Brazil, Damodaran);
- Pre-tax cost of debt: 5.1% (reflecting the spread on the country risk-free rate and the Company's interest rate at the time of the *Sustainability-Linked Euro PP* issue in December 2020);
- Corporate tax rate in Brazil: 34.0% (Source: KPMG).

The calculation of the WACC for the *geothermal (Turkey)* division shows a discount rate of 10.2%. The elements involved in the calculation are:

- Average deleveraged adjusted betas of comparable companies: 0.57 (source: Bloomberg as of 27 April 2022, companies);
- Net financial debt to equity ratio (gearing): 53.6% (driven by the target ratio of 87.5% for assets in France, slightly above the Company's net debt to market capitalization ratio as of March 7, 2022 to take into account the higher leverage effect on assets in France relative to Turkey and Brazil);
- Risk-free rate: 4.7% (risk-free rate in Turkey, Damodaran);
- Equity market risk premium: 9.7% (market risk premium in Turkey, Damodaran);
- Pre-tax cost of debt: 7.3% (reflecting the spread on the country risk-free rate and the Company's interest rate at the time of the *Sustainability-Linked Euro PP* issue in December 2020);
- Corporate tax rate in Turkey: 20.0% (Source: KPMG).

The calculation of the WACC for the *holding* (including Mauritius) division shows a discount rate of 5.4%. The elements involved in the calculation are:

- EBITDA 2021 weighted average of deleveraged adjusted betas of comparable companies by business line: 0.54 (source: Bloomberg as of 27 April 2022, companies);
- Net financial debt to equity ratio (gearing): 84.6% (net debt to market capitalization ratio as of March 7, 2022 of the Company);
- Risk-free rate: 0.4% (risk-free rate in France, Damodaran);
- Equity market risk premium: 8.9% (weighted average of the market risk premium by the 2022 EBITDA of the *thermal biomass France* and *solar France* activities);
- Pre-tax cost of debt: 3.0% (in line with the Company's interest rate at the *Sustainability-Linked Euro PP* issue in December 2020);
- Corporate tax rate in France: 25.83% (corporate tax of 25.0% plus a social security surtax of 3.3%, a combined rate of 25.83%).

### Conclusion

The value of the Company's equity per Share is the enterprise value minus its adjusted net financial position.

Based on the assumptions described above, the discounted cash flow method results in a central enterprise value of Albioma of €2,345 million or a value per Share of €39.0. The Share Offer Price plus the dividend of €0.84 euro paid in cash, shows a premium of 30.4% compared to this central value.

The table below presents a sensitivity of the value per Share based on the WACC and the perpetual growth rate ("PGR"):

Value per Share (€)		PGR				
		(0.50%)	(0.25%)	-	+0.25%	+0.50%
WACC	(0.50%)	41.6	44.4	47.7	51.5	56.0
	(0.25%)	37.8	40.3	43.1	46.3	50.1
	-	34.3	36.5	<b>39.0</b>	41.8	44.9
	+0.25%	31.2	33.2	35.3	37.7	40.4
	+0.50%	28.4	30.1	32.0	34.1	36.5

Based on a WACC varying between +/- 0.50% compared to the central case and a perpetual growth rate varying between +/- 0.50% compared to the central case, the discounted cash flow method results in a value per Share of Albioma between €36.5 and €41.6. The Share Offer Price, plus the dividend of €0.84 paid in cash, shows a premium of +22.3% and +39.3% respectively compared to these values.

### 3.1.4. Methods cited for indication

#### Financial Analyst Target Price

The Company is followed by seven financial analysts. These analysts periodically publish recommendations and indicative valuations. Only two analysts, Gilbert Dupont and Portzamparc BNP, updated their target price between the publication of the annual results on March 2, 2022, and the market rumors of March 7, 2022, on a potential Offer of the Offeror. The analysts' target prices reflect the expected relative performance over a twelve-month horizon.

For the purposes of this analysis, only research reports published before March 7, 2022, the day before market rumors on a potential Offer of the Offeror, have been considered.

The methodology of the financial analyst target price has a limited relevance for the following reasons:

- Weakness of the sample of target prices due to the limited number of analysts covering the Company;
- Non regular updates of target prices by the analysts covering the Company;

As the company only communicates an aggregate amount of capital expenditure, without annual detail, we have noted that some analysts are projecting capex below management's forecasts for the first few years of their business plan, without being able to validate a possible catch-up in subsequent years. This has an impact on the valuations of analysts using the DCF method.;

- Methodological divergence for those who use trading multiples valuation for the determination of target price because of the sample of companies selected – Albioma, in consolidated, not being comparable to renewable energy developers specializing in solar and wind in terms of revenue growth levels and EBITDA margin.

Last publication	Latest target price update	Analysts	Recommendations	Target price	Premium implied by the Share Offer Price + div.
3-Mar-22	3-Mar-22	Gilbert Dupont	Buy	€50.40	0.9%
3-Mar-22	3-Mar-22	Portzamparc BNP	Buy	€40.40	25.8%
3-Mar-22	13-Jan-21	CIC Market Solutions	Buy	€59.00	(13.8%)
2-Mar-22	4-Aug-21	Oddo BHF	Buy	€57.00	(10.8%)
2-Mar-22	29-Jul-21	TP ICAP	Buy	€54.00	(5.9%)
2-Mar-22	29-Oct-20	Kepler Cheuvreux	Buy	€45.00	13.0%
30-Nov-21	16-Aug-21	Société Générale	Buy	€50.00	1.7%
Average				<b>€50.83</b>	0.0%
Median				<b>€50.40</b>	0.9%

Source: Bloomberg

The Share Offer Price, plus the dividend of €0.84 paid in cash, represents a premium of +0.9% compared to the median and +0.0% compared to the average of the analysts' target prices before market rumors on a potential Offer of the Offeror on March 7, 2022.

As an indication, after the market rumors of March 7, 2022, on a potential Offer of the Offeror, analysts Kepler Cheuvreux, Oddo BHF and Gilbert Dupont updated their price target to €50.00, €55.00, and €51.00 respectively.

Following the announcement of the Offer by the Offeror on April 28, 2022, and as of May 12, 2022, the analysts from TP ICAP and Gilbert Dupont have aligned their target price with the Share Offer Price of €50.00. The analyst of Portzamparc BNP increased its target price to €50.80. Kepler Cheuvreux and CIC Market Solutions reiterated their target price at €50.00 and €59.00 respectively.

### 3.1.5. Summary of the information used to assess the Share Offer Price

The table below presents the summary of the valuations derived from the valuation methods used and the premiums implied by the Share Offer Price plus the dividend of €0.84 paid in cash:

Methodology	References	Implied share price	Premium implied by the Share Offer Price + div.	Premium implied by the Share Offer Price
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#### Main valuation methods

<b>Market value (price as of 07-Mar-22, pre-rumors)</b>	Spot price at closing	€33.54	51.6%	49.1%
	Volume weighted average price 1 month	€35.45	43.4%	41.0%
	Volume weighted average price 3 month	€34.68	46.6%	44.2%
	Volume weighted average price 6 month	€34.37	47.9%	45.5%
	Volume weighted average price 12 month	€35.92	41.6%	39.2%
	Lowest 12 months (20-Dec-21)	€31.06	63.7%	61.0%
	Highest 12 months (06-Apr-21)	€44.48	14.3%	12.4%
<b>Sum of the parts</b>	Average trading multiple EV / EBITDA 2022E	€24.83	104.7%	101.4%
	Max trading multiple EV / EBITDA 2022E	€39.10	30.0%	27.9%
	Average trading multiple EV / EBITDA 2023E	€28.21	80.2%	77.3%
	Max trading multiple EV / EBITDA 2023E	€40.82	24.5%	22.5%
<b>Discounted cash flow</b>	DCF - central case	€38.98	30.4%	28.3%
	Sensitivity - low range	€36.50	39.3%	37.0%
	Sensitivity - high range	€41.58	22.3%	20.3%

#### Indicative valuation methods

<b>Market value (price as of 27-Apr-22, pre-announcement)</b>	Spot price at closing	€43.74	16.2%	14.3%
	Volume weighted average price 1 month	€43.67	16.4%	14.5%
	Volume weighted average price 3 month	€39.32	29.3%	27.2%
	Volume weighted average price 6 month	€37.56	35.3%	33.1%
	Volume weighted average price 12 month	€36.39	39.7%	37.4%
	Lowest 12 months (20-Dec-21)	€31.06	63.7%	61.0%
	Highest 12 months (18-Mar-21)	€46.00	10.5%	8.7%
<b>Target price</b>	Average (pre-rumors)	€50.83	0.0%	(1.6%)
	Median (pre-rumors)	€50.40	0.9%	(0.8%)

As a comparison, the average premiums observed over the last 5 years during the previous takeover bids paid in cash in France are of the order of 38% and 36% respectively on the spot price before announcement of the transaction and the average price weighted by the volumes 12 months before announcement of the transaction.

### 3.2. Information used to assess the Warrant Offer Price

The Warrant Offer Price offered by the Offeror under the Offer is 29.1 euro.

#### 3.2.1. Description

Albioma issued 1.1 million Warrants in December 2018, and these Warrants became exercisable as of 6 December 2021. The Company's Warrants are admitted to trading on the Euronext market in Paris (ISIN FR0013368438). As of April 30, 2022, there were 686,483 exercisable Warrants.

The main characteristics of the Warrants are as follows:

- Exercise parity: 1 Warrant for a new Albioma Share

- Exercise price: EUR 20.90
- Maturity: December 4, 2024
- Exercise period: December 6, 2021 to December 4, 2024

### 3.2.2. Valuation

#### (a) Reference to stock prices

The reference to the market value has not been retained as it is not very relevant in the light of the small volumes traded on these instruments. For information purposes, the tables below show the prices and volumes traded on the Warrants since their listing on December 6, 2021, until the last trading day preceding market rumors on a potential Offer by the Offeror (and until the last trading day preceding the announcement of the offer, as an indication). The Warrant Offer Price represents a premium of +123% over the 1-month volume weighted average price of the Warrants since the last trading day prior to the market rumors on a potential Offer of the Offeror.

Date	Price	Volume (units)	Date	Price	Volume (units)
05-Apr-22	23.9€	96	27-Jan-22	12.6€	1,100
04-Apr-22	22.8€	50	26-Jan-22	11.8€	1,200
01-Apr-22	23.1€	215	24-Jan-22	13.0€	650
31-Mar-22	23.6€	50	21-Jan-22	13.7€	6,600
30-Mar-22	23.2€	15	20-Jan-22	12.6€	6,177
23-Mar-22	23.4€	265	18-Jan-22	11.6€	1,038
22-Mar-22	23.1€	315	10-Jan-22	12.4€	30
21-Mar-22	23.8€	1,638	06-Jan-22	12.6€	500
08-Mar-22	14.8€	22,625	05-Jan-22	12.6€	25
07-Mar-22	12.0€	19	04-Jan-22	11.1€	45
04-Mar-22	12.8€	17,054	03-Jan-22	12.6€	8,200
02-Mar-22	17.8€	27	29-Dec-21	12.6€	1,000
01-Mar-22	18.3€	91	28-Dec-21	12.6€	400
28-Feb-22	19.6€	400	27-Dec-21	12.6€	2,000
25-Feb-22	16.6€	200	21-Dec-21	10.6€	220
03-Feb-22	14.3€	200	13-Dec-21	10.4€	208
01-Feb-22	13.5€	70	10-Dec-21	12.6€	6
31-Jan-22	13.0€	120	09-Dec-21	12.6€	9,463
28-Jan-22	12.1€	320	07-Dec-21	10.3€	9,228
			06-Dec-21	10.9€	573

Source: Bloomberg

#### (b) Intrinsic value

The intrinsic value of a Warrant is defined as the difference between the price of the underlying asset and the exercise price of the option, which amount is divided by the Warrant parity. It corresponds to the value of an option whose time value would be zero.

This approach is relevant in this case considering the near-zero time value of the Warrants as the Albioma Share price on March 7, 2022, and the Warrant Offer Price are well above the strike price.



The intrinsic value of the Albioma Warrant is 29.1 euros at the Share Offer Price of 50.0 euros.

In order to validate this approach, this result has been compared with the results obtained by the implementation of a common model for valuing options, the Black & Scholes model.

(c) Black & Scholes model

The Black & Scholes method was used to calculate a theoretical Warrant value using the following parameters:

- Maturity date of 4 December 2024 with the possibility of exercising at any time before the maturity date (US nature of the option taken into account);
- Dividend yield of the underlying Share in line with Bloomberg forecasts as of March 7, 2022;
- Risk-free rate (based on maturity in line with that of the Warrants): 0.2% – Source: Bloomberg as of March 7, 2022;
- Lending/borrowing margin of 0.4-0.8%, given its current level and its potential appreciation in a context of rising demand – Source: Markit;
- Volatility of the stock expected in the long term by financial investors of 30.7-36.2%, taking into account the level of volatility 250d of the Albioma Share over two historical years respectively from (i) February 23, 2022, the day before the Ukrainian crisis and (ii) March 7, 2022, the day before market rumors on a potential Offer by the Offeror.

The valuation approach using the Black & Scholes method, in the middle of the range, leads to a theoretical valuation of 29.1 euros per Warrant, at the Share Offer Price of 50.0 euros per Albioma Share.

(d) Summary of the information used to assess the Warrant Offer Price

Methodology	References	Implied Warrants price	Implied premium to Warrant Offer Price
<b>Main valuation methods</b>			
<b>Market value (price as of 07-Mar-22, pre-rumors)</b>	Warrants price as of 07-Mar-22	€12.00	142.5%
	Volume weighted average price 1 month	€13.03	123.3%
	Volume weighted average price 3 month	€12.82	127.1%
	Volume weighted average price 6 month	€12.45	133.7%
	Volume weighted average price 12 month	n.a.	n.a.
	Lowest 12 months (07-Dec-21)	€10.30	182.5%
	Highest 12 months (28-Feb-22)	€19.60	48.5%
<b>Intrinsic value</b>	At the price as of 07-Mar-22	€12.64	130.2%
	At the price of 50.0€ per share	€29.10	0.0%
<b>Black &amp; Scholes model</b>	At the price as of 07-Mar-22	€12.95	124.7%
	At the price of 50.0€ per share	€29.10	0.0%
<b>Indicative valuation methods</b>			
<b>Market value (price as of 27-Apr-22, pre-announcement)</b>	Warrants price as of 05-Apr-22	€23.90	21.8%
	Volume weighted average price 1 month	€23.33	24.7%
	Volume weighted average price 3 month	€14.57	99.8%
	Volume weighted average price 6 month	€13.34	118.2%
	Volume weighted average price 12 month	n.a.	n.a.
	Lowest 12 months (07-Dec-21)	€10.30	182.5%
	Highest 12 months (05-Apr-22)	€23.90	21.8%

Source: Bloomberg

Note: Start of Warrants trading on 06-Dec-21

#### 4. METHODS FOR MAKING AVAILABLE INFORMATION RELATING TO THE OFFEROR

In accordance with Article 231-28 of the AMF General Regulation, information relating in particular to the legal, financial and accounting characteristics of the Offeror will be the subject of a specific document filed with the AMF and made available to the public in a manner intended to ensure full and effective disclosure, no later than the day prior to the opening of the Offer.

#### 5. PERSONS RESPONSIBLE FOR THE OFFER DOCUMENT

##### 5.1. For the Offeror

*“In accordance with Article 231-18 of the AMF’s General Regulation, to our knowledge, the information contained in this Offer Document is accurate to reality and contains no omission likely to affect its scope.”*

Ryan Miller, acting as President of Kyoto BidCo

##### 5.2. For the Presenting Bank

*“In accordance with Article 231-18 of the AMF General Regulation, Société Générale, as Presenting Bank of the Offer, certifies that, to its knowledge, the presentation of the Offer, which it examined on the basis of information provided by the Offeror, and the information used to assess the proposed price are accurate to reality and contains no omission likely to affect their scope.”*

Société Générale